



HM TREASURY

# Public Expenditure

## Statistical Analyses 2012

---





# Public Expenditure

## Statistical Analyses 2012

---

Presented to Parliament by  
the Chief Secretary to HM Treasury  
by Command of Her Majesty

July 2012

© Crown copyright 2012

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or e-mail: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Any queries regarding this publication should be sent to us at: [public.enquiries@hm-treasury.gov.uk](mailto:public.enquiries@hm-treasury.gov.uk).

This publication is also available on <http://www.official-documents.gov.uk/>

ISBN 9780101837620

PU1291

Printed in the UK by the Stationery Office Limited on behalf of the Controller of Her Majesty's Stationery Office

Printed on paper containing 75% recycled fibre content minimum

ID P002497634 07/12

# Contents

---

		Page
i	How to use PESA	3
ii	List of tables	9
Chapter 1	Departmental budgets	15
Chapter 2	Economic analyses of budgets	37
Chapter 3	Changes in departmental budgets	47
Chapter 4	Trends in public sector expenditure	63
Chapter 5	Public sector expenditure by function, sub-function and economic category	69
Chapter 6	Central government own expenditure	81
Chapter 7	Local government financing and expenditure	91
Chapter 8	Public corporations	103
Chapter 9	Public expenditure by country, region and function	113
Chapter 10	Public expenditure by country and sub-function	151
Annex A	Sources, data quality and conventions	169
Annex B	Departmental groups	175
Annex C	Public expenditure budgeting and control aggregates	177
Annex D	Accounting adjustments in budgeting presentation of TME	187
Annex E	Expenditure on services framework	201
Annex F	Population numbers and GDP deflators	205
Annex G	Glossary of terms	207



# How to use PESA

This document is designed to help users understand the information contained within the Public Expenditure Statistical Analyses (PESA) National Statistics release.

## What is PESA?

PESA provides a range of information about public spending, using two Treasury-defined frameworks. I.e. PESA largely contains different presentations of two data sets. The key elements of these frameworks are shown in **Table i.1**, with detailed explanations provided in **Annex C** and **Annex E** respectively.

**Table i.1 Spending frameworks used in PESA**

Budgeting	Expenditure on services
This framework provides information on central government departmental budgets, which are the aggregates used by the Government to plan and control expenditure. It covers departmental own spending as well as support to local government and public corporations.	This framework is used in PESA for statistical analysis. It is based on National Accounts definitions and covers spending by the whole of the public sector. It therefore has wider coverage than the budgeting framework and is also more stable over time.

**Table i.2** shows against which framework each chapter/table is presented. A short summary of each section is then provided below – the chapter text contains further details.

**Table i.2 Frameworks against which chapters/tables are presented**

Section	Chapter	Budgeting framework	Expenditure on services framework
Budgets	1. Departmental budgets	All tables	-
	2. Economic analyses of budgets	All tables	-
	3. Changes in departmental budgets	All tables	-
Public sector spending	4. Trends in public sector expenditure	-	All tables
	5. Public sector expenditure by function, sub-function and economic category	-	All tables
Sectoral analyses	6. Central government own expenditure	Tables 6.1-6.3	Tables 6.4-6.6
	7. Local government financing and expenditure	Tables 7.1-7.3 (financing)	Tables 7.4-7.8 (expenditure)
	8. Public corporations	Tables 8.1-8.2 (CG support)	Tables 8.3-8.5 (expenditure)
Country and regional analysis	9. Public sector expenditure by country, region and function	-	All tables
	10. Public sector expenditure by country, function and sub-function	-	All tables

## Budgets

There are two main presentations within this section:

- **departmental budgets** – the key central government departmental budgets that the Government uses to control spending. Departments have separate resource and capital budgets. Each of these is divided into Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME). Resource DEL is further divided into administration and programme; and
- **budgets by economic category** – this shows spending in budgets against categories such as pay, procurement and grants.

## Public sector

This section uses the expenditure on services framework to show spending by the whole of the public sector. There are two main presentations of public sector spending in this section (but also see the country and regional analysis section below):

- **by function/sub-function** – public spending is shown against ten functions (education, health, defence etc) that are then further divided into more detailed sub-functions (education is split into primary, secondary etc). These classifications are based on the UN's Classification Of the Functions Of Government (COFOG), which is explained further in the FAQ section below and in **Annex A**; and
- **by economic category** – as in the budgets section, spending by the public sector is divided into pay, procurement etc. The main difference between this and the budgeting breakdown is that the latter shows the grants paid to local authorities whereas this analysis shows how local authorities subsequently spend this funding.

## Sectoral analysis

The sectoral analysis splits by sector (central government, local government and public corporation) the data shown in both of the above sections. Specifically:

- budgeting data is presented as central government own spending, plus support to the local government and public corporation sectors; and
- for the public sector data, the sectoral breakdown shows the spending of each sector.

## Country and regional analysis

The country and regional analysis takes total public sector spending (on the same basis as in the public sector section, but using data from an earlier point in the year) and asks departments to identify the country and/or region who benefit from their spending.

- **Chapter 9** shows spending by function, country and English region; and
- tables in **Chapter 10** show more detailed sub-functional analyses (explained in paragraph 1.5 above) at country level only.

## Period covered by PESA tables

All data series in PESA are annual and for financial years. Tables in PESA 2012 normally cover the years 2007-08 to 2014-15, although some show only the latest year (2011-12) and some are presented over a longer historical period.

## Public expenditure National Statistics updates

Key series are updated three times a year. These are:

- Total Managed Expenditure, by budgetary category (PESA 2012, **Table 1.1**);
- resource and capital elements of Departmental Expenditure Limits and Annually Managed Expenditure by departmental group (PESA 2012, **Tables 1.3 and 1.6**);
- public sector expenditure on services by function (PESA 2012, **Table 4.2**); and
- public sector expenditure on services by economic category (PESA 2012, **Table 5.3**).

Further updates will take place in October, February and April. Most series in PESA are only published annually.

## Future development of PESA

We would be interested in readers' views on how PESA might be developed to further increase its value to users. Please write to:

The Editor, PESA  
Government Estimates, Accounts and Reporting  
Floor 3 Orange  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

e-mail: pesa@hmtreasury.gsi.gov.uk

## Frequently asked questions

### How much did the government spend on x?

The answer varies depending on which levels of government you are interested in, and what sort of spending.

The list of tables below takes transport as an example. The chapter text gives a more precise definition of the contents of each table:

- **Table 4.2** shows the total UK public sector spending on transport for a long run of years. This includes spending by devolved administrations, local government and public corporations, as well as by the Transport departmental group (details of the departments included in this group are given in **Annex B**). **Tables 4.3 and 4.4** show spending in real terms and as a percentage of GDP;
- **Table 5.2** shows the total UK public sector spending on more detailed categories of transport, such as national and local roads;
- **Table 5.4** shows the UK public sector current and capital spending on transport, and **Tables 6.6, 7.4 and 8.4** provide a breakdown according to whether it is central government, local government or public corporations responsible for the spending;
- **Table 1.12** shows the total DEL spending of the Transport departmental group. **Tables 1.3 and 1.6** show the resource and capital spending respectively of the Transport group; and
- **Table 9.8e** presents spending on transport by country and region. **Chapter 10** tables present country spending on the more detailed categories such as national and local roads.

The second list of tables takes pay as an example:

- **Table 5.3** shows the total UK public sector spending on pay;
- **Tables 6.5** shows pay for central government and **Table 7.8** shows local government pay by country. All public corporation current spending (except debt interest) is included as part of the gross operating surplus calculation, which scores on the revenue side of the National Accounts and is not therefore included as spending within the expenditure on services framework; and

- **Table 2.1** shows central government pay (as in **Table 6.5**) split between departments' DEL and AME budgets.

## How can I compare spending on x to previous years?

**Chapter 4** contains long run series (from 1988-89) for public sector expenditure on services by function. Historic long run series of the budgeting aggregates are not available, due to the restructuring of government departments and the movement of spending programmes between departments. These changes do not impact on the expenditure on services framework.

Users are strongly advised against simply splicing data together from different editions of PESA, as data is unlikely to be directly consistent due to changes in coverage and classification. Departments and the devolved administrations maintain five years of live outturn data. Data for earlier years exist only on archived databases and are not therefore adjusted for machinery of government and classification changes. The PESA team maintain a summarised version of this historical data on a consistent basis for the production of the long-run series.

## What are departmental groups?

Departmental groups are listed in **Annex B**. The departments are grouped broadly in line with ministerial responsibility.

## How are the functions defined?

The functions are based on the United Nations' Classification Of the Functions Of Government (UN COFOG). Tables that show spending by function are consistent with UN COFOG level 1, but additionally show some HM Treasury-defined functions as 'of which' lines (see below). Tables that show spending by sub-function are broadly consistent with UN COFOG level 2. Definitions of the UN COFOG classifications are available on the United Nations Statistics Division website.<sup>1</sup> The mapping between the HM Treasury functions and UN COFOG level 2 is as follows:

HM Treasury functions	UN COFOG level 2
1. General public services, <b>of which: public and common services</b>	1.1 Executive and legislative organs, financial and fiscal affairs, external affairs (excluding external affairs) 1.3 General services 1.4 Basic research 1.5 R&D general public services 1.6 General public services n.e.c.
1. General public services, <b>of which: international services</b>	1.1 Executive and legislative organs, financial and fiscal affairs, external affairs (external affairs part only) 1.2 Foreign economic aid
1. General public services, <b>of which: public sector debt interest</b>	1.7 Public sector debt interest
4. Economic affairs, <b>of which: enterprise and economic development</b>	4.1 General economic, commercial and labour affairs (excluding labour affairs) 4.3 Fuel and energy 4.4 Mining, manufacturing and construction 4.6 Communication 4.7 Other industries 4.9 Economic affairs n.e.c.
4. Economic affairs, <b>of which: science and technology</b>	4.8 R&D economic affairs
4. Economic affairs, <b>of which: employment policies</b>	4.1 General economic, commercial and labour affairs (labour affairs part only)
4. Economic affairs, <b>of which: agriculture, fisheries and forestry</b>	4.2 Agriculture, forestry, fishing and hunting
4. Economic affairs, <b>of which: transport</b>	4.5 Transport

<sup>1</sup> unstats.un.org

## How do I get real terms numbers/proportion of GDP?

A number of the tables in this publication give figures in real terms. Real terms figures are the actual (known as nominal) spend adjusted to exclude the effect of general inflation, as measured by the GDP deflator at market prices. The real terms figures in this publication are given in 2011-12 prices. The GDP deflators and GDP actuals used in this publication are those given in **Annex F**. The most up-to-date deflators and GDP numbers are available on the HM Treasury website.<sup>2</sup>

## Why are chapters 9 and 10 not consistent with the other expenditure on services tables?

The information in **Chapters 9 and 10** was gathered in a separate data collection exercise during the summer of 2011. Therefore, the figures in these chapters are not entirely consistent with the figures in other PESA chapters. **Chapter 9** contains more detail on the analysis process.

---

<sup>2</sup> [www.hm-treasury.gov.uk/data\\_gdp\\_index.htm](http://www.hm-treasury.gov.uk/data_gdp_index.htm)





# List of tables

---

## Chapter 1 Departmental budgets

Table 1.1	Total Managed Expenditure, 2007-08 to 2014-15	18
Table 1.2	Total Managed Expenditure in real terms, 2007-08 to 2014-15	19
Table 1.3	Resource budgets, 2007-08 to 2014-15	20
Table 1.3a	Resource DEL less depreciation, 2007-08 to 2014-15	21
Table 1.4	Resource budgets in real terms, 2007-08 to 2014-15	22
Table 1.5	Administration budgets, 2007-08 to 2014-15	24
Table 1.6	Capital budgets, 2007-08 to 2014-15	25
Table 1.7	Capital budgets in real terms, 2007-08 to 2014-15	26
Table 1.8	Total Departmental Expenditure Limits, 2007-08 to 2014-15	27
Table 1.9	Total Departmental Expenditure Limits in real terms, 2007-08 to 2014-15	28
Table 1.10	Accounting adjustments 2007-08 to 2014-15	29
Table 1.11	Total Managed Expenditure by spending sector, 2007-08 to 2014-15	32
Table 1.12	Spending Review 2010 presentation of Departmental Expenditure Limits, 2007-08 to 2014-15	33
Table 1.13	Spending Review 2010 presentation of Total DEL, 2007-08 to 2014-15	35
Table 1.14	Spending Review 2010 presentation of Total DEL in real terms, 2007-08 to 2014-15	36

## Chapter 2 Economic analyses of budgets

Table 2.1	Budgets by economic category of spending, 2007-08 to 2014-15	41
Table 2.2	Gross current procurement in budgets, 2007-08 to 2014-15	44
Table 2.3	Gross capital procurement in budgets, 2007-08 to 2014-15	45

## Chapter 3 Changes in departmental budgets

Table 3.1	Resource DEL 2010-11; changes since PESA 2011	50
Table 3.2	Capital DEL 2010-11; changes since PESA 2011	51
Table 3.3	Total Managed Expenditure 2010-11; changes since PESA 2011	52
Table 3.4	Resource DEL 2011-12; changes since PESA 2011	53
Table 3.5	Capital DEL 2011-12; changes since PESA 2011	54
Table 3.6	Total Managed Expenditure 2011-12; changes since PESA 2011	55

Table 3.7	Resource DEL 2012-13 and 2013-14; changes since PESA 2011	56
Table 3.8	Resource DEL excluding depreciation 2012-13 and 2013-14; changes since PESA 2011	57
Table 3.9	Capital DEL 2012-13 and 2013-14; changes since PESA 2011	58
Table 3.10	Resource DEL 2014-15; changes since PESA 2011	59
Table 3.11	Resource DEL excluding depreciation 2014-15; changes since PESA 2011	60
Table 3.12	Capital DEL 2014-15; changes since PESA 2011	61
<b>Chapter 4</b>	<b>Trends in public sector expenditure</b>	
Table 4.1	Public expenditure aggregates, 1971-72 to 2014-15	65
Table 4.2	Public sector expenditure on services by function, 1988-89 to 2011-12	66
Table 4.3	Public sector expenditure on services by function in real terms, 1988-89 to 2011-12	67
Table 4.4	Public sector expenditure by function as a percent of GDP, 1988-89 to 2011-12	68
<b>Chapter 5</b>	<b>Public sector expenditure by function, sub-function and economic category</b>	
Table 5.1	Public sector expenditure on services by departmental group and function, 2011-12	73
Table 5.2	Public sector expenditure on services by sub-function, 2007-08 to 2011-12	74
Table 5.3	Public sector expenditure on services by economic category, 2007-08 to 2011-12	77
Table 5.4	Public sector current and capital expenditure on services by function, 2007-08 to 2011-12	78
Table 5.5	Public sector gross current procurement expenditure on services by function, 2007-08 to 2011-12	79
Table 5.6	Public sector capital procurement expenditure on services by function, 2007-08 to 2011-12	80
<b>Chapter 6</b>	<b>Central government own expenditure</b>	
Table 6.1	Central government own expenditure in budgets by departmental group, 2007-08 to 2014-15	83
Table 6.2	Central government own resource expenditure in budgets by departmental group, 2007-08 to 2014-15	84
Table 6.3	Central government own capital expenditure in budgets by departmental group, 2007-08 to 2014-15	85
Table 6.4	Central government own expenditure on services by sub-function, 2007-08 to 2014-15	86
Table 6.5	Central government own expenditure on services by economic category, 2007-08 to 2014-15	89
Table 6.6	Central government own current and capital expenditure on services by function, 2007-08 to 2014-15	90

<b>Chapter 7</b>	<b>Local government financing and expenditure</b>	
Table 7.1	Financing of local government in the United Kingdom by country, 2007-08 to 2014-15	94
Table 7.2	Central government current grants for local government in the United Kingdom by departmental group, 2007-08 to 2014-15	95
Table 7.3	Central government capital support for local government in the United Kingdom by country and departmental group, 2007-08 to 2014-15	97
Table 7.4	Local government current and capital expenditure on services in the United Kingdom by function, 2007-08 to 2011-12	98
Table 7.5	Local government current expenditure on services in the United Kingdom by country and function, 2007-08 to 2011-12	99
Table 7.6	Local government gross capital expenditure on services in the United Kingdom by country and function, 2007-08 to 2011-12	100
Table 7.7	Local government capital receipts within expenditure on services in the United Kingdom by country and function, 2007-08 to 2011-12	101
Table 7.8	Local government expenditure on services in the United Kingdom by country and economic category, 2007-08 to 2011-12	102
<b>Chapter 8</b>	<b>Public corporations</b>	
Table 8.1	Public corporations' contribution to budgets and Total Managed Expenditure, 2007-08 to 2014-15	107
Table 8.2	Public corporations' contribution to budgets by departmental group, 2007-08 to 2014-15	108
Table 8.3	Public corporations' capital expenditure, 2007-08 to 2014-15	109
Table 8.4	Public corporations' current and capital expenditure on services by function, 2007-08 to 2014-15	111
Table 8.5	Public corporations' current and capital expenditure on services by economic category, 2007-08 to 2014-15	112
<b>Chapter 9</b>	<b>Public expenditure by country, region and function</b>	
Table 9.1	Total identifiable expenditure on services by country and region, 2006-07 to 2010-11	118
Table 9.2	Total identifiable expenditure on services by country and region per head, 2006-07 to 2010-11	119
Table 9.3	Total identifiable expenditure on services by country and region in real terms, 2006-07 to 2010-11	120
Table 9.4	Total identifiable expenditure on services by country and region per head in real terms, 2006-07 to 2010-11	121
Table 9.5	Identifiable expenditure on general public services by country and region, 2006-07 to 2010-11	122
Table 9.5a	Identifiable expenditure on general public services (of which: public and common services) by country and region, 2006-07 to 2010-11	123

Table 9.5b	Identifiable expenditure on general public services (of which: international services) by country and region, 2006-07 to 2010-11	124
Table 9.5c	Identifiable expenditure on general public services (of which: public sector debt interest) by country and region, 2006-07 to 2010-11	125
Table 9.6	Identifiable expenditure on defence by country and region, 2006-07 to 2010-11	126
Table 9.7	Identifiable expenditure on public order and safety by country and region, 2006-07 to 2010-11	127
Table 9.8	Identifiable expenditure on economic affairs by country and region, 2006-07 to 2010-11	128
Table 9.8a	Identifiable expenditure on economic affairs (of which: enterprise and economic development) by country and region, 2006-07 to 2010-11	129
Table 9.8b	Identifiable expenditure on economic affairs (of which: science and technology) by country and region, 2006-07 to 2010-11	130
Table 9.8c	Identifiable expenditure on economic affairs (of which: employment policies) by country and region, 2006-07 to 2010-11	131
Table 9.8d	Identifiable expenditure on economic affairs (of which: agriculture, fisheries and forestry) by country and region, 2006-07 to 2010-11	132
Table 9.8e	Identifiable expenditure on economic affairs (of which: transport) by country and region, 2006-07 to 2010-11	133
Table 9.9	Identifiable expenditure on environment protection by country and region, 2006-07 to 2010-11	134
Table 9.10	Identifiable expenditure on housing and community amenities by country and region, 2006-07 to 2010-11	135
Table 9.11	Identifiable expenditure on health by country and region, 2006-07 to 2010-11	136
Table 9.12	Identifiable expenditure on recreation, culture and religion by country and region, 2006-07 to 2010-11	137
Table 9.13	Identifiable expenditure on education by country and region, 2006-07 to 2010-11	138
Table 9.14	Identifiable expenditure on social protection by country and region, 2006-07 to 2010-11	139
Table 9.15	Identifiable expenditure on services by function, country and region per head, 2006-07 to 2010-11	140
Table 9.16	Identifiable expenditure on services by function, country and region per head indexed, 2006-07 to 2010-11	143
Table 9.17	Local government identifiable expenditure on services by country and region, 2006-07 to 2010-11	146
Table 9.18	Local government identifiable expenditure on services by country and region, per head, 2006-07 to 2010-11	147
Table 9.19	Central government and public corporations' identifiable expenditure on services by country and region, 2006-07 to 2010-11	148

Table 9.20	Central government and public corporations' identifiable expenditure on services by country and region per head, 2006-07 to 2010-11	149
Table 9.21	Identifiable expenditure on services for Scotland, Wales and Northern Ireland, 2010-11	150
<b>Chapter 10</b>	<b>Public expenditure by country and sub-function</b>	
Table 10.1	Identifiable expenditure on services in England by sub-function, 2006-07 to 2010-11	152
Table 10.2	Identifiable expenditure on services in Scotland by sub-function, 2006-07 to 2010-11	154
Table 10.3	Identifiable expenditure on services in Wales by sub-function, 2006-07 to 2010-11	156
Table 10.4	Identifiable expenditure on services in Northern Ireland by sub-function, 2006-07 to 2010-11	158
Table 10.5	Identifiable expenditure on services in England by sub-function, per head, 2006-07 to 2010-11	160
Table 10.6	Identifiable expenditure on services in Scotland by sub-function, per head, 2006-07 to 2010-11	162
Table 10.7	Identifiable expenditure on services in Wales by sub-function, per head, 2006-07 to 2010-11	164
Table 10.8	Identifiable expenditure on services in Northern Ireland by sub-function, per head, 2006-07 to 2010-11	166
<b>Annex C</b>	<b>Public expenditure budgeting and control aggregates</b>	
Table C.1	Transactions with the institutions of the European Union, 2007-08 to 2014-15	184
<b>Annex D</b>	<b>The accounting adjustments in the budgeting presentation of TME</b>	
Table D.1	Pay as you go public service pension schemes in AME and TME, 2007-08 to 2014-15	191
<b>Annex E</b>	<b>Expenditure on services framework</b>	
Table E.1	Derivation of public sector expenditure on services from departmental groups' budgets, 2011-12	203
<b>Annex F</b>	<b>Population numbers and GDP deflators</b>	
Table F.1	Population by country and region	205
Table F.2	GDP deflators and money GDP	206



# 1

## Departmental budgets

---

**1.1** This chapter brings together information on public expenditure within the current budgeting and control framework. This comprises departmental budgets, including all control totals, as well as reconciling from the budgetary framework to the fiscal aggregates in the National Accounts.

### What's new

**1.2** There have been no significant changes to the presentation of data within this chapter since PESA 2011.

### The budgeting and reporting framework

**1.3** **Table 1.1** summarises public expenditure both in terms of the Treasury's budgeting and control framework, and in terms of the National Accounts aggregate Total Managed Expenditure (TME) and its components. **Table 1.2** presents the same information in real terms.

**1.4** There is a fuller description of the budgeting and control framework in **Annex C**. This chapter gives a brief overview.

**1.5** A clear distinction is made for budgeting between current and capital spending, with departments having separate resource and capital budgets largely based on International Financial Reporting Standards (IFRS) components. For part of their resource and capital budgets, departments are given firm three year spending limits called Departmental Expenditure Limits (DELs) within which they prioritise resources and plan ahead.

**1.6** Spending that cannot reasonably be subject to firm multi-year limits, or that relates to certain non-cash transactions, is included in Annually Managed Expenditure (AME). **Table 1.1** sets out the main elements of AME. Departmental AME (which is contained in departments' budgets) includes social security spending, and various other items of departmental expenditure set out in **Table 1.1**. Outside departments' budgets, other AME consists of net expenditure transfers to the EU, locally financed expenditure, debt interest, public corporations' own-financed capital expenditure, and accounting adjustments.

### Reconciliation of budgeting and National Accounts aggregates

**1.7** DEL and AME together make up TME, an aggregate that is drawn from the National Accounts, and is defined in National Accounts terms as public sector current expenditure plus public sector gross investment (measured net of sales but gross of depreciation). Note that total public sector depreciation is modelled by the ONS for the National Accounts, while the depreciation referred to in the footnote to **Table 1.1** is depreciation in resource DEL, measured on an IFRS basis.

**1.8** **Table 1.1** shows the reconciliation from the resource and capital budgets to the National Accounts measures of public sector current expenditure and public sector gross investment, respectively. With the deduction of depreciation, the latter reconciles to public sector net investment.

**1.9** A breakdown of the accounting adjustments used for this reconciliation is shown in **Table 1.10**. Annex D provides further details.

## Resource and capital budgets

**1.10** Tables in this chapter, unless otherwise stated, show spending and budgets by departmental groups. Full details of departmental groups are set out in Annex B. In addition to departmental allocations, these tables (as with other tables showing DEL) show unallocated amounts remaining in the central funds and in the reserves

**1.11 Table 1.3** shows the resource budget for each departmental group, with **Table 1.4** presenting the same information in real terms. Resource DEL is a control total, which means that departments must manage spending to keep within this total.

**1.12 Table 1.3a** shows resource DEL excluding depreciation as first presented in the Spending Review 2010. The depreciation ringfence is a control total that departments must manage.

**1.13 Table 1.6** shows the capital budget for each departmental group, with **Table 1.7** presenting the same information in real terms. Capital DEL is a control total.

### Box 1.A: Scotland, Wales and Northern Ireland Offices

In PESA 2011 the Scotland Office and Wales Office were included in a departmental group alongside the relevant devolved administration to align to the Northern Ireland Office treatment. The tables in this publication continue with that presentation. See Annex B for the departmental group structure.

## Administration budgets

**1.14 Table 1.5** sets out details of administration expenditure in resource DEL for those central government departments that are subject to administration budgets. Administration budgets are set for most civil service departments and are generally designed to contain most back-office functions. These budgets therefore help to drive economy and efficiency in the running of government. Around 60 per cent of administration costs are accounted for by civil service pay, a further 35 per cent is accounted for by procurement of goods and services (e.g. accommodation, equipment, travel). An analysis of administration budgets by economic category is shown in **Table 2.1**.

**1.15** As part of the Spending Review 2010 some elements of HM Revenue and Customs and Work and Pensions directly involved in service delivery were reclassified as programme rather than administration spending from 2011-12, to better reflect central government administration costs. The departmental administration budget within resource DEL is a control total.

## Total DEL

**1.16 Table 1.8** shows total DEL by departmental group. Total DEL is made up of resource DEL less depreciation plus capital DEL. **Table 1.8** is consistent with **Table 1.3a** plus **Table 1.6**. Total DEL is not a control total. **Table 1.9** presents the same information as **Table 1.8** in real terms.

## Public expenditure by spending sector

**1.17 Table 1.11** shows a breakdown of TME, and within it DEL and AME, between the National Accounts public spending sectors (central government, local government and public corporations).

**1.18** This breakdown by sector is used in many of the analyses in this publication. In this table current and capital expenditure are added together (net of depreciation).

**1.19** TME is a consolidated measure of public expenditure, i.e. payments from one sector that are used to finance the expenditure of another sector are excluded from TME, as are the corresponding receipts of the counterparty sector. The split by sector of TME presented in PESA records only the 'own' expenditure components that relate to an individual sector.

## Central government own expenditure

**1.20** Central government own expenditure excludes central government spending in support of local government. Loans and capital grants in support of public corporations are also excluded.

**1.21** However, subsidies to public corporations are included here, as exceptionally these intra-public sector flows are not consolidated out in the calculation of TME. Central government expenditure includes:

- departments' own spending;
- spending of agencies and NDPBs classified to central government; and
- spending of the devolved administrations in Scotland, Wales and Northern Ireland.

**1.22** Central government own expenditure is shown split into DEL, departmental AME, and other AME, including locally financed central government expenditure. This latter category is in respect of spending of the devolved administrations that is financed locally rather than from Westminster; at present it only includes expenditure of the Northern Ireland departments financed from regional rates. Further analyses of central government own expenditure are presented in **Chapter 6**.

## Local government expenditure

**1.23** Local government expenditure is split according to how it is financed:

- central government support (which can be in either DEL or AME);
- locally financed support in Scotland (the proceeds of non-domestic rates in Scotland that are collected and distributed to local authorities by the Scottish Government); and
- self-financed expenditure. Further analyses of local government expenditure are presented in **Chapter 7**.

## Public corporations' expenditure

**1.24** The impact of public corporations on the parent department can be either in DEL or departmental AME. For most public corporations, DEL includes:

- subsidies and capital grants paid;
- interest and dividends received; and
- loans and public dividend capital invested.

**1.25** For self-financing public corporations, grants and subsidies score in DEL and the other items are contained in departmental AME.

**1.26** Subsidies to public corporations are included in central government own expenditure as they impact on central government current expenditure in TME. The total public corporations' expenditure line in this table shows their contribution to TME, which is capital expenditure plus interest and dividends paid to the private sector. Further analyses for public corporations, including information on subsidies, are presented in **Chapter 8**.

**Table 1.1 Total Managed Expenditure, 2007-08 to 2014-15**

	£ million								
	National Statistics								
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	
<b>CURRENT EXPENDITURE</b>									
<b>Resource DEL</b>									
Resource DEL excluding depreciation <sup>(1)</sup>	288,321	300,885	319,329	325,246	321,859	327,200	330,200	327,000	
Depreciation in resource DEL <sup>(1)</sup>	11,784	12,389	13,843	20,598	18,852	18,100	18,100	19,200	
<b>Total resource DEL</b>	<b>300,105</b>	<b>313,275</b>	<b>333,172</b>	<b>345,844</b>	<b>340,711</b>	<b>345,300</b>	<b>348,300</b>	<b>346,300</b>	
<b>Resource departmental AME</b>									
Social security benefits	140,109	150,817	164,048	169,960	176,029	183,192	183,259	186,305	
Tax credits <sup>(2)</sup>	20,114	24,154	27,651	28,924	29,967	26,141	26,229	26,656	
Net public service pensions <sup>(3)</sup>	5,325	5,416	1,532	-78,069	6,054	4,998	865	1,049	
National lottery	882	1,011	1,001	995	1,399	1,141	932	932	
BBC domestic services	3,430	3,316	3,464	3,303	3,690	3,868	3,828	3,826	
Student loans	-820	-942	-233	-287	-624	-686	-1,042	-1,657	
Non-cash items	47,751	43,085	44,609	55,509	50,917	51,021	41,686	43,428	
Financial sector interventions	-	41,551	-27,588	-14,579	-16,575	-	-	-	
Other departmental expenditure	1,359	1,765	2,739	1,111	200	4,848	6,176	6,663	
<b>Total resource departmental AME</b>	<b>218,151</b>	<b>270,173</b>	<b>217,223</b>	<b>166,869</b>	<b>251,056</b>	<b>274,523</b>	<b>261,933</b>	<b>267,202</b>	
<b>Resource other AME</b>									
Net expenditure transfers to the EU	5,392	3,060	6,419	8,414	7,702	7,477	8,670	9,562	
Locally financed expenditure	24,340	26,966	25,794	22,906	26,740	27,330	28,742	30,051	
Central government gross debt interest	29,954	30,300	30,185	44,399	46,976	44,788	46,123	53,224	
Accounting adjustments <sup>(4)</sup>	-41,776	-79,045	-10,489	42,932	-27,497	-34,760	-20,305	-20,005	
<b>Total resource other AME</b>	<b>17,910</b>	<b>-18,719</b>	<b>51,909</b>	<b>118,651</b>	<b>53,921</b>	<b>44,834</b>	<b>63,229</b>	<b>72,831</b>	
<b>Total resource AME</b>	<b>236,060</b>	<b>251,453</b>	<b>269,132</b>	<b>285,520</b>	<b>304,977</b>	<b>319,357</b>	<b>325,162</b>	<b>340,033</b>	
<b>Public sector current expenditure</b>	<b>536,165</b>	<b>564,728</b>	<b>602,304</b>	<b>631,364</b>	<b>645,688</b>	<b>664,600</b>	<b>673,600</b>	<b>686,400</b>	
<b>CAPITAL EXPENDITURE</b>									
<b>Capital DEL</b>									
<b>Total capital DEL</b>	<b>44,821</b>	<b>48,511</b>	<b>56,959</b>	<b>49,815</b>	<b>42,156</b>	<b>43,800</b>	<b>40,900</b>	<b>41,300</b>	
<b>Capital departmental AME</b>									
National lottery	713	536	752	597	404	712	497	568	
BBC domestic services	85	81	123	114	191	54	177	145	
Student loans	4,346	4,330	4,408	4,778	5,646	6,603	8,592	10,440	
Financial sector interventions	-	85,525	38,330	-2,984	-3,721	-	-	-	
Other departmental expenditure	861	393	4,082	1,297	967	2,829	2,834	2,735	
<b>Total capital departmental AME</b>	<b>6,005</b>	<b>90,866</b>	<b>47,694</b>	<b>3,802</b>	<b>3,488</b>	<b>10,198</b>	<b>12,100</b>	<b>13,888</b>	
<b>Capital other AME</b>									
Locally financed expenditure	2,120	7,321	5,241	5,448	13,641	5,268	4,921	4,815	
Public corporations' own-financed capital expenditure	5,439	7,294	7,983	8,137	6,115	6,244	5,734	5,339	
Accounting adjustments <sup>(4)</sup>	-11,613	-88,975	-50,032	-8,932	-16,201	-46,780	-17,187	-18,411	
<b>Total capital other AME</b>	<b>-4,055</b>	<b>-74,359</b>	<b>-36,808</b>	<b>4,653</b>	<b>3,556</b>	<b>-35,269</b>	<b>-6,532</b>	<b>-8,256</b>	
<b>Total capital AME</b>	<b>1,951</b>	<b>16,506</b>	<b>10,887</b>	<b>8,455</b>	<b>7,044</b>	<b>-25,071</b>	<b>5,568</b>	<b>5,632</b>	
<b>Public sector gross investment <sup>(5)</sup></b>	<b>46,772</b>	<b>65,017</b>	<b>67,846</b>	<b>58,270</b>	<b>49,200</b>	<b>18,600</b>	<b>46,400</b>	<b>47,000</b>	
less public sector depreciation <sup>(5)</sup>	17,669	18,636	19,335	20,300	21,121	22,200	23,056	23,896	
<b>Public sector net investment <sup>(5)</sup></b>	<b>29,103</b>	<b>46,381</b>	<b>48,511</b>	<b>37,970</b>	<b>28,079</b>	<b>-3,600</b>	<b>23,400</b>	<b>23,100</b>	
<b>TOTAL MANAGED EXPENDITURE <sup>(5)</sup></b>	<b>582,937</b>	<b>629,745</b>	<b>670,150</b>	<b>689,634</b>	<b>694,888</b>	<b>683,400</b>	<b>720,000</b>	<b>733,500</b>	
<i>of which:</i>									
Total DEL <sup>(6)</sup>	333,142	349,396	376,288	375,061	364,015	371,000	371,100	368,300	
Departmental AME	224,156	361,039	264,918	170,671	254,544	284,721	274,032	281,090	
Other AME	25,639	-80,690	28,944	143,902	76,329	27,665	74,797	83,775	

<sup>(1)</sup> As part of the Spending Review 2010, DEL was presented less depreciation. This is continued in this table to allow comparison.

<sup>(2)</sup> Tax credits include Working Tax Credits, stakeholder pension credits and Child Tax Credits. Child allowances paid as part of Income Support and Jobseekers' Allowance are shown within social security benefits. Tax credits include elements that are treated as negative tax in National Accounts, see Box 1.A.

<sup>(3)</sup> The main pension schemes are reported under FRS17 accounting requirements; the reconciliation to National Accounts is explained in Annex D. In the 2010 Budget Statement it was announced that the Government would use the CPI rather than the RPI for the indexation of public service pensions. This change has been recognised as a negative past service cost in 2010-11 in accordance with IAS19.

<sup>(4)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

<sup>(5)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 2.A in Chapter 2.

<sup>(6)</sup> Total DEL is given by resource DEL excluding depreciation plus capital DEL.

**Table 1.2 Total Managed Expenditure in real terms,<sup>(1)</sup> 2007-08 to 2014-15**

	National Statistics					£ million		
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans
<b>CURRENT EXPENDITURE</b>								
<b>Resource DEL</b>								
Resource DEL excluding depreciation <sup>(2)</sup>	316,551	321,569	336,223	332,997	321,859	318,600	313,800	303,200
Depreciation in resource DEL <sup>(2)</sup>	12,938	13,241	14,575	21,089	18,852	17,600	17,200	17,800
<b>Total resource DEL</b>	<b>329,489</b>	<b>334,811</b>	<b>350,798</b>	<b>354,085</b>	<b>340,711</b>	<b>336,300</b>	<b>331,000</b>	<b>321,100</b>
<b>Resource departmental AME</b>								
Social security benefits	153,827	161,185	172,727	174,010	176,029	178,398	174,167	172,761
Tax credits <sup>(3)</sup>	22,083	25,814	29,114	29,613	29,967	25,457	24,928	24,718
Net public service pensions <sup>(4)</sup>	5,846	5,788	1,613	-79,929	6,054	4,867	822	973
National lottery	968	1,081	1,054	1,019	1,399	1,111	886	864
BBC domestic services	3,766	3,544	3,647	3,382	3,690	3,767	3,638	3,548
Student loans	-900	-1,007	-245	-294	-624	-668	-990	-1,537
Non-cash items	52,426	46,047	46,969	56,832	50,917	49,686	39,618	40,271
Financial sector interventions	-	44,407	-29,047	-14,926	-16,575	-	-	-
Other departmental expenditure	1,492	1,886	2,884	1,137	200	4,721	5,870	6,179
<b>Total resource departmental AME</b>	<b>239,511</b>	<b>288,746</b>	<b>228,715</b>	<b>170,845</b>	<b>251,056</b>	<b>267,339</b>	<b>248,938</b>	<b>247,777</b>
<b>Resource other AME</b>								
Net expenditure transfers to the EU	5,920	3,270	6,759	8,615	7,702	7,281	8,240	8,867
Locally financed expenditure	26,723	28,820	27,159	23,452	26,740	26,615	27,316	27,866
Central government gross debt interest	32,887	32,383	31,782	45,457	46,976	43,616	43,835	49,355
Accounting adjustments <sup>(5)</sup>	-45,866	-84,479	-11,044	43,955	-27,497	-33,850	-19,298	-18,551
<b>Total resource other AME</b>	<b>19,664</b>	<b>-20,006</b>	<b>54,655</b>	<b>121,478</b>	<b>53,921</b>	<b>43,661</b>	<b>60,092</b>	<b>67,536</b>
<b>Total resource AME</b>	<b>259,173</b>	<b>268,739</b>	<b>283,370</b>	<b>292,324</b>	<b>304,977</b>	<b>311,000</b>	<b>309,030</b>	<b>315,314</b>
<b>Public sector current expenditure</b>	<b>588,662</b>	<b>603,550</b>	<b>634,168</b>	<b>646,409</b>	<b>645,688</b>	<b>647,200</b>	<b>640,200</b>	<b>636,500</b>
<b>CAPITAL EXPENDITURE</b>								
<b>Capital DEL</b>								
<b>Total capital DEL</b>	<b>49,210</b>	<b>51,846</b>	<b>59,972</b>	<b>51,002</b>	<b>42,156</b>	<b>42,700</b>	<b>38,900</b>	<b>38,300</b>
<b>Capital departmental AME</b>								
National lottery	783	573	792	611	404	693	472	527
BBC domestic services	93	87	130	117	191	53	168	134
Student loans	4,772	4,628	4,641	4,892	5,646	6,430	8,166	9,681
Financial sector interventions	-	91,404	40,358	-3,055	-3,721	-	-	-
Other departmental expenditure	945	420	4,298	1,328	967	2,755	2,693	2,536
<b>Total capital departmental AME</b>	<b>6,593</b>	<b>97,113</b>	<b>50,217</b>	<b>3,893</b>	<b>3,488</b>	<b>9,931</b>	<b>11,500</b>	<b>12,878</b>
<b>Capital other AME</b>								
Locally financed expenditure	2,328	7,824	5,518	5,578	13,641	5,130	4,677	4,465
Public corporations' own-financed capital expenditure	5,972	7,795	8,405	8,331	6,115	6,081	5,450	4,951
Accounting adjustments <sup>(5)</sup>	-12,750	-95,092	-52,679	-9,145	-16,201	-45,556	-16,334	-17,073
<b>Total capital other AME</b>	<b>-4,452</b>	<b>-79,471</b>	<b>-38,755</b>	<b>4,764</b>	<b>3,556</b>	<b>-34,346</b>	<b>-6,208</b>	<b>-7,656</b>
<b>Total capital AME</b>	<b>2,142</b>	<b>17,641</b>	<b>11,463</b>	<b>8,656</b>	<b>7,044</b>	<b>-24,415</b>	<b>5,292</b>	<b>5,223</b>
<b>Public sector gross investment <sup>(6)</sup></b>	<b>51,352</b>	<b>69,487</b>	<b>71,435</b>	<b>59,659</b>	<b>49,200</b>	<b>18,100</b>	<b>44,100</b>	<b>43,600</b>
less public sector depreciation <sup>(6)</sup>	19,399	19,917	20,358	20,784	21,121	21,619	21,912	22,159
<b>Public sector net investment <sup>(6)</sup></b>	<b>31,953</b>	<b>49,569</b>	<b>51,077</b>	<b>38,875</b>	<b>28,079</b>	<b>-3,500</b>	<b>22,200</b>	<b>21,400</b>
<b>TOTAL MANAGED EXPENDITURE <sup>(6)</sup></b>	<b>640,014</b>	<b>673,037</b>	<b>705,603</b>	<b>706,068</b>	<b>694,888</b>	<b>665,500</b>	<b>684,300</b>	<b>680,200</b>
of which:								
Total DEL <sup>(7)</sup>	365,761	373,415	396,195	383,999	364,015	361,300	352,700	341,500
Departmental AME	246,104	385,859	278,933	174,738	254,544	277,270	260,437	260,656
Other AME	28,149	-86,237	30,475	147,331	76,329	26,941	71,086	77,685

<sup>(1)</sup> Real terms figures are the cash figures adjusted to 2011-12 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 28 June 2012. The forecasts are consistent with the Financial Statement and Budget Report 2012.

<sup>(2)</sup> As part of the Spending Review 2010, DEL was presented less depreciation. This is continued in this table to allow comparison.

<sup>(3)</sup> Tax credits include Working Tax Credits, stakeholder pension credits and Child Tax Credits. Child allowances paid as part of Income Support and Jobseekers' Allowance are shown within social security benefits. Tax credits include elements that are treated as negative tax in National Accounts, see Box 1.A.

<sup>(4)</sup> The main pension schemes are reported under FRS17 accounting requirements; the reconciliation to National Accounts is explained in Annex D. In the 2010 Budget Statement it was announced that the Government would use the CPI rather than the RPI for the indexation of public service pensions. This change has been recognised as a negative past service cost in 2010-11 in accordance with IAS19.

<sup>(5)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

<sup>(6)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 2.A in Chapter 2.

<sup>(7)</sup> Total DEL is given by resource DEL excluding depreciation plus capital DEL.

**Table 1.3 Resource budgets, 2007-08 to 2014-15**

	£ million							
	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>Resource DEL by departmental group</b>								
Education	44,923	46,856	49,612	51,438	51,369	52,645	53,279	54,378
NHS (Health) <sup>(1)</sup>	82,559	88,986	95,798	98,955	101,638	105,584	108,258	111,154
Personal Social Services (Health) <sup>(2)</sup>	1,782	1,295	1,395	1,522	-	-	-	-
Transport	6,492	5,833	6,548	5,806	5,576	6,091	5,798	5,457
CLG Communities	3,977	4,130	4,334	3,710	1,821	1,798	1,986	1,372
CLG Local Government	22,750	24,651	25,517	25,958	26,642	24,019	23,939	22,333
Business, Innovation and Skills	16,740	17,270	18,534	21,458	20,240	18,406	17,929	17,486
Home Office	8,923	9,263	9,541	9,325	8,834	8,896	8,285	7,961
Justice	8,898	9,104	9,028	9,014	9,131	8,318	7,994	7,660
Law Officers' Departments	714	722	709	669	621	638	602	557
Defence	31,797	32,714	34,917	39,035	37,683	36,759	33,734	33,922
Foreign and Commonwealth Office	1,808	2,027	2,127	2,194	2,202	2,136	1,574	1,284
International Development	4,461	4,758	5,250	5,930	6,184	6,618	9,151	8,910
Energy and Climate Change	680	293	1,228	1,154	1,145	1,445	1,390	1,040
Environment, Food and Rural Affairs	2,567	2,412	2,462	2,376	2,214	2,234	2,062	1,959
Culture, Media and Sport	1,503	1,461	1,503	1,516	1,567	2,638	1,499	1,284
Work and Pensions	8,022	7,910	8,770	8,848	7,488	8,047	7,797	7,907
Scotland	23,410	24,140	25,142	25,793	25,459	25,901	26,074	26,233
Wales	12,258	12,821	13,542	13,794	13,665	13,851	13,993	14,048
Northern Ireland	8,895	9,248	9,682	9,997	9,885	9,945	9,992	10,050
Chancellor's Departments	4,432	4,523	4,436	4,150	4,036	4,075	3,958	3,776
Cabinet Office	1,796	2,061	2,290	2,382	2,424	2,580	2,471	2,702
Independent Bodies	717	796	808	819	884	810	798	799
Reserve	-	-	-	-	-	1,900	2,300	2,400
Special Reserve	-	-	-	-	-	600	2,500	1,800
Green Investment Bank	-	-	-	-	-	-	1,000	-
Adjustment for Budget Exchange <sup>(3)</sup>	-	-	-	-	-	-640	-	-
<b>Total resource DEL</b>	<b>300,105</b>	<b>313,275</b>	<b>333,172</b>	<b>345,844</b>	<b>340,711</b>	<b>345,300</b>	<b>348,300</b>	<b>346,300</b>
<b>Resource departmental AME by departmental group</b>								
Education <sup>(4)</sup>	10,709	10,651	10,429	-10,461	11,699	10,979	11,346	11,729
NHS (Health) <sup>(4)</sup>	13,863	14,984	16,226	-11,404	19,564	17,967	17,071	18,030
Transport	675	572	1,143	501	877	1,382	1,516	1,490
CLG Communities	323	613	255	-112	-350	-405	-726	-890
CLG Local Government	842	661	284	1,107	732	300	300	300
Business, Innovation and Skills	-111	97	1,068	-1,030	-1,412	349	159	-175
Home Office	373	714	682	918	1,061	1,134	1,218	1,299
Justice	-62	450	605	297	-33	207	239	238
Law Officers' Departments	7	11	17	-13	4	11	8	7
Defence <sup>(4)</sup>	5,865	6,102	7,895	-878	7,854	8,361	8,693	9,020
Foreign and Commonwealth Office	24	-10	86	34	59	80	80	75
International Development	-11	213	331	303	104	148	124	158
Energy and Climate Change	7,274	2,404	734	5,219	3,709	434	223	438
Environment, Food and Rural Affairs	-17	-56	-73	-437	-51	19	13	-59
Culture, Media and Sport	3,843	3,893	4,058	4,090	4,530	6,858	4,327	4,325
Work and Pensions	127,334	135,344	146,514	151,337	159,303	165,599	167,015	169,593
Scotland	2,163	2,486	2,323	3,055	3,069	2,876	3,021	3,171
Wales	-62	138	293	53	72	138	-9	122
Northern Ireland	6,143	6,466	7,230	3,187	7,570	7,741	8,286	8,126
Chancellor's Departments	31,320	77,257	9,581	28,600	23,939	42,132	41,964	43,032
Cabinet Office <sup>(4)</sup>	7,626	7,172	7,481	-7,467	8,738	8,204	-2,948	-2,837
Independent Bodies	28	9	60	-32	20	10	12	13
<b>Total resource departmental AME</b>	<b>218,151</b>	<b>270,173</b>	<b>217,223</b>	<b>166,869</b>	<b>251,056</b>	<b>274,523</b>	<b>261,933</b>	<b>267,202</b>
<b>Total resource budget</b>	<b>518,255</b>	<b>583,447</b>	<b>550,395</b>	<b>512,713</b>	<b>591,767</b>	<b>619,800</b>	<b>610,300</b>	<b>613,600</b>

<sup>(1)</sup> NHS (Health) includes Food Standards Agency, see Annex B.

<sup>(2)</sup> Personal Social Services (Health) are grants previously paid by the Department of Health that are now included in CLG Local Government's budget.

<sup>(3)</sup> Departmental budgets in 2012-13 include £0.6 billion RDEL carried forward from 2011-12 through the system of Budget Exchange, which was voted at Main Estimates. These increases will be offset at Supplementary Estimates and so are excluded from spending totals.

<sup>(4)</sup> The main pension schemes are reported under FRS17 accounting requirements, the reconciliation to National Accounts is explained in Annex D. In the 2010 Budget Statement it was announced that the Government would use the CPI rather than the RPI for the indexation of public service pensions. This change has been recognised as a negative past service cost in 2010-11 in accordance with IAS19.

**Table 1.3a Resource DEL less depreciation<sup>(1)</sup>, 2007-08 to 2014-15**

	£ million							
	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>Resource DEL less depreciation by departmental group</b>								
Education	44,903	46,834	49,582	51,401	51,336	52,612	53,247	54,346
NHS (Health) <sup>(2)</sup>	81,838	88,033	94,611	97,723	100,515	104,401	107,033	109,885
Personal Social Services (Health) <sup>(3)</sup>	1,767	1,275	1,393	1,522	-	-	-	-
Transport	6,098	5,435	5,652	5,175	4,677	5,058	4,859	4,520
CLG Communities	3,948	4,084	4,299	3,649	1,745	1,759	1,949	1,336
CLG Local Government	22,750	24,650	25,515	25,956	26,640	24,018	23,938	22,333
Business, Innovation and Skills	15,865	16,501	17,497	17,192	16,415	16,133	15,068	14,015
Home Office	8,781	9,077	9,336	8,838	8,618	8,643	8,053	7,712
Justice	8,517	8,693	8,589	8,584	8,678	7,769	7,421	7,058
Law Officers' Departments	705	712	697	658	610	624	591	549
Defence	24,616	25,410	27,587	28,090	28,209	27,562	24,750	24,470
Foreign and Commonwealth Office	1,735	1,946	2,022	2,091	2,078	1,999	1,430	1,160
International Development	4,448	4,742	5,234	5,909	6,167	6,597	9,130	8,889
Energy and Climate Change	672	288	1,215	1,145	1,137	1,436	1,381	1,032
Environment, Food and Rural Affairs	2,356	2,219	2,261	2,175	1,997	2,042	1,871	1,768
Culture, Media and Sport	1,396	1,434	1,390	1,408	1,471	2,002	1,204	1,108
Work and Pensions	7,867	7,757	8,549	8,685	7,286	7,806	7,652	7,770
Scotland	22,912	23,560	24,505	25,229	24,835	25,204	25,363	25,476
Wales	11,955	12,420	13,078	13,386	13,239	13,378	13,510	13,542
Northern Ireland	8,635	8,951	9,336	9,625	9,463	9,487	9,532	9,575
Chancellor's Departments	4,246	4,312	4,226	3,927	3,810	3,837	3,710	3,516
Cabinet Office	1,647	1,802	1,992	2,052	2,068	2,148	2,008	2,193
Independent Bodies	665	751	765	827	863	766	756	758
Reserve	-	-	-	-	-	1,900	2,300	2,400
Special Reserve	-	-	-	-	-	600	2,500	1,800
Green Investment Bank	-	-	-	-	-	-	1,000	-
Adjustment for Budget Exchange <sup>(4)</sup>	-	-	-	-	-	-640	-	-
<b>Total resource DEL less depreciation</b>	<b>288,321</b>	<b>300,885</b>	<b>319,329</b>	<b>325,246</b>	<b>321,859</b>	<b>327,200</b>	<b>330,200</b>	<b>327,000</b>

<sup>(1)</sup> As part of the Spending Review 2010, DEL was presented less depreciation. This is continued in this table to allow comparison.

<sup>(2)</sup> NHS (Health) includes Food Standards Agency, see Annex B.

<sup>(3)</sup> Personal Social Services (Health) are grants previously paid by the Department of Health that are now included in CLG Local Government's budget.

<sup>(4)</sup> Departmental budgets in 2012-13 include £0.6 billion resource DEL excluding depreciation carried forward from 2011-12 through the system of Budget Exchange, which was voted at Main Estimates. These increases will be offset at Supplementary Estimates and so are excluded from spending totals.

**Table 1.4 Resource budgets in real terms<sup>(1)</sup>, 2007-08 to 2014-15**

	National Statistics					£ million		
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans
<b>Resource DEL by departmental group</b>								
Education	49,322	50,077	52,237	52,664	51,369	51,267	50,636	50,425
NHS (Health) <sup>(2)</sup>	90,643	95,103	100,866	101,313	101,638	102,821	102,887	103,073
Personal Social Services (Health) <sup>(3)</sup>	1,956	1,384	1,469	1,558	-	-	-	-
Transport	7,128	6,234	6,894	5,944	5,576	5,932	5,510	5,060
CLG Communities	4,366	4,414	4,563	3,798	1,821	1,751	1,887	1,272
CLG Local Government	24,978	26,346	26,867	26,577	26,642	23,390	22,751	20,709
Business, Innovation and Skills	18,379	18,457	19,515	21,969	20,240	17,924	17,040	16,215
Home Office	9,797	9,900	10,046	9,547	8,834	8,663	7,874	7,382
Justice	9,769	9,730	9,506	9,229	9,131	8,100	7,597	7,103
Law Officers' Departments	784	772	747	685	621	621	572	517
Defence	34,910	34,963	36,764	39,965	37,683	35,797	32,060	31,456
Foreign and Commonwealth Office	1,985	2,166	2,240	2,246	2,202	2,080	1,496	1,191
International Development	4,898	5,085	5,528	6,071	6,184	6,445	8,697	8,262
Energy and Climate Change	747	313	1,293	1,181	1,145	1,407	1,321	964
Environment, Food and Rural Affairs	2,818	2,578	2,592	2,433	2,214	2,176	1,960	1,817
Culture, Media and Sport	1,650	1,561	1,583	1,552	1,567	2,569	1,425	1,191
Work and Pensions	8,807	8,454	9,234	9,059	7,488	7,836	7,410	7,332
Scotland	25,702	25,800	26,472	26,408	25,459	25,223	24,780	24,326
Wales	13,458	13,702	14,258	14,123	13,665	13,489	13,299	13,027
Northern Ireland	9,766	9,884	10,194	10,235	9,885	9,685	9,496	9,319
Chancellor's Departments	4,866	4,834	4,671	4,249	4,036	3,968	3,762	3,501
Cabinet Office	1,972	2,203	2,411	2,439	2,424	2,512	2,348	2,506
Independent Bodies	787	851	851	839	884	789	758	741
Reserve	-	-	-	-	-	1,900	2,200	2,200
Special Reserve	-	-	-	-	-	600	2,400	1,700
Green Investment Bank	-	-	-	-	-	-	950	-
Adjustment for Budget Exchange <sup>(4)</sup>	-	-	-	-	-	-623	-	-
<b>Total resource DEL</b>	<b>329,489</b>	<b>334,811</b>	<b>350,798</b>	<b>354,085</b>	<b>340,711</b>	<b>336,300</b>	<b>331,000</b>	<b>321,100</b>

**Table 1.4 Resource budgets in real terms(1), 2007-08 to 2014-15 (Continued)**

	£ million							
	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>Resource departmental AME by departmental group</b>								
Education <sup>(5)</sup>	11,758	11,383	10,981	-10,710	11,699	10,692	10,783	10,876
NHS (Health) <sup>(5)</sup>	15,220	16,014	17,084	-11,676	19,564	17,497	16,224	16,719
Transport	741	611	1,203	513	877	1,346	1,441	1,382
CLG Communities	355	655	268	-115	-350	-394	-690	-825
CLG Local Government	924	706	299	1,133	732	292	285	278
Business, Innovation and Skills	-122	104	1,125	-1,055	-1,412	340	151	-162
Home Office	410	763	718	940	1,061	1,104	1,158	1,205
Justice	-68	481	637	304	-33	202	227	221
Law Officers' Departments	8	12	18	-13	4	11	8	6
Defence <sup>(5)</sup>	6,439	6,521	8,313	-899	7,854	8,142	8,262	8,364
Foreign and Commonwealth Office	26	-11	91	35	59	78	76	70
International Development	-12	228	349	310	104	144	118	147
Energy and Climate Change	7,986	2,569	773	5,343	3,709	423	212	406
Environment, Food and Rural Affairs	-19	-60	-77	-447	-51	19	12	-55
Culture, Media and Sport	4,219	4,161	4,273	4,187	4,530	6,679	4,112	4,011
Work and Pensions	139,802	144,648	154,265	154,943	159,303	161,266	158,729	157,264
Scotland	2,375	2,657	2,446	3,128	3,069	2,801	2,871	2,940
Wales	-68	147	309	54	72	134	-9	113
Northern Ireland	6,744	6,911	7,612	3,263	7,570	7,538	7,875	7,535
Chancellor's Departments	34,387	82,568	10,088	29,282	23,939	41,029	39,882	39,904
Cabinet Office <sup>(5)</sup>	8,373	7,665	7,877	-7,645	8,738	7,989	-2,802	-2,631
Independent Bodies	31	10	63	-33	20	10	11	12
<b>Total resource departmental AME</b>	<b>239,511</b>	<b>288,746</b>	<b>228,715</b>	<b>170,845</b>	<b>251,056</b>	<b>267,339</b>	<b>248,938</b>	<b>247,777</b>
<b>Total resource budget</b>	<b>568,999</b>	<b>623,556</b>	<b>579,513</b>	<b>524,931</b>	<b>591,767</b>	<b>603,600</b>	<b>580,000</b>	<b>569,000</b>

<sup>(1)</sup> Real terms figures are the cash figures adjusted to 2011-12 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 28 June 2012. The forecasts are consistent with the Financial Statement and Budget Report 2012.

<sup>(2)</sup> NHS (Health) includes Food standards Agency, see Annex B.

<sup>(3)</sup> Personal Social Services (Health) are grants previously paid by the Department of Health that are now included in CLG Local Government's budget.

<sup>(4)</sup> Departmental budgets in 2012-13 include £0.6 billion resource DEL carried forward from 2011-12 through the system of Budget Exchange, which was voted at Main Estimates. These increases will be offset at Supplementary Estimates and so are excluded from spending totals.

<sup>(5)</sup> The main pension schemes are reported under FRS17 accounting requirements; the reconciliation to National Accounts is explained in Annex D. In the 2010 Budget Statement it was announced that the Government would use the CPI rather than the RPI for the indexation of public service pensions. This change has been recognised as a negative past service cost in 2010-11 in accordance with IAS19.

**Table 1.5 Administration budgets<sup>(1)</sup>, 2007-08 to 2014-15**

	£ million							
	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
Education	382	425	423	430	406	445	417	369
NHS (Health)	4,520	4,800	5,080	5,471	3,551	4,464	4,153	4,166
Transport	302	295	298	276	216	264	244	227
CLG Communities	449	500	484	426	339	393	334	297
Business, Innovation and Skills	789	854	901	509	848	806	734	709
Home Office	693	668	765	679	533	632	588	555
Justice	453	454	431	430	651	666	619	572
Law Officers' Departments	98	66	66	48	41	69	62	55
Defence <sup>(2)</sup>	2,709	2,684	2,666	2,026	2,471	2,185	2,015	1,957
Foreign and Commonwealth Office	242	269	318	352	195	230	213	198
International Development	156	166	158	148	123	133	124	115
Energy and Climate Change	182	199	202	199	158	204	187	174
Environment, Food and Rural Affairs	790	757	740	741	596	643	603	572
Culture, Media and Sport	51	53	54	50	195	179	142	129
Work and Pensions <sup>(3)</sup>	5,723	5,667	6,063	5,610	1,333	1,593	1,287	1,219
Scotland	7	7	8	8	7	7	7	6
Wales	5	5	6	5	5	6	6	5
Northern Ireland	19	18	15	16	15	16	16	15
Chancellor's Departments <sup>(3)</sup>	3,963	3,948	3,868	3,575	1,263	1,280	1,157	1,081
Cabinet Office	269	325	304	305	287	299	271	250
<i>of which: Security and Intelligence Agencies <sup>(2)</sup></i>	74	81	80	74	73	74	62	60
Adjustment for Budget Exchange <sup>(4)</sup>	-	-	-	-	-	-169	-	-
<b>Total administration budgets</b>	<b>21,802</b>	<b>22,161</b>	<b>22,851</b>	<b>21,303</b>	<b>13,232</b>	<b>14,346</b>	<b>13,178</b>	<b>12,672</b>
<i>of which: administration costs paybill</i>	14,049	14,114	14,658	13,537	8,460	8,193	6,621	6,304
<b>Administration budgets as a percentage of Total Managed Expenditure <sup>(5)</sup></b>	<b>3.7</b>	<b>3.5</b>	<b>3.4</b>	<b>3.1</b>	<b>1.9</b>	<b>2.1</b>	<b>1.8</b>	<b>1.7</b>

<sup>(1)</sup> Administration budgets now include Non-Departmental Public Bodies.

<sup>(2)</sup> The historical data for Defence and Security and Intelligence Agencies are estimates. The former joined the administration budgets regime in the 2007 Comprehensive Spending Review, the latter have estimated the historical impact of reclassifications at the 2007 Comprehensive Spending Review.

<sup>(3)</sup> As part of spending Review 2010, the elements of HM Revenue and Customs and Work and Pensions directly involved in service delivery have been reclassified as programme rather than administration spending from 2011-12, to better reflect central government administration costs.

<sup>(4)</sup> Departmental budgets in 2012-13 include £0.2 billion administration carried forward from 2011-12 through the system of Budget Exchange, which was voted at Main Estimates. These increases will be offset at Supplementary Estimates and so are excluded from spending totals.

<sup>(5)</sup> TME excludes the temporary effects of banks being classified to the public sector. See Box 2.A for details.

**Table 1.6 Capital budgets, 2007-08 to 2014-15**

	National Statistics					£ million		
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans
<b>Capital DEL by departmental group</b>								
Education	5,226	5,525	7,443	7,127	5,055	4,564	3,681	3,813
NHS (Health)	3,969	4,370	5,183	4,202	3,818	4,496	4,437	4,648
Transport	6,740	7,252	8,254	7,299	7,687	8,032	7,912	8,219
CLG Communities	6,291	7,167	8,992	6,459	3,821	2,995	2,213	2,261
CLG Local Government	32	122	260	-67	-8	-	-	-
Business, Innovation and Skills	2,112	2,136	3,035	2,106	1,014	2,101	1,026	1,245
Home Office	751	837	999	740	494	501	366	466
Justice	755	904	853	538	349	315	280	303
Law Officers' Departments	11	9	12	8	0	6	6	7
Defence	8,547	8,918	9,148	9,265	9,008	9,917	9,279	8,751
Foreign and Commonwealth Office	228	227	201	156	117	102	102	98
International Development	738	875	1,353	1,559	1,646	1,635	1,924	2,044
Energy and Climate Change	1,486	1,667	1,807	2,015	1,454	1,952	2,377	2,712
Environment, Food and Rural Affairs	557	610	693	569	383	381	379	413
Culture, Media and Sport	537	823	519	580	1,212	538	405	149
Work and Pensions	79	86	272	323	280	329	385	242
Scotland	3,563	3,333	3,927	3,284	2,732	2,553	2,362	2,461
Wales	1,462	1,627	1,932	1,751	1,386	1,233	1,149	1,202
Northern Ireland	1,118	1,308	1,277	1,200	1,002	888	838	889
Chancellor's Departments	240	282	290	213	258	176	137	134
Cabinet Office	320	397	455	433	405	405	387	356
Independent Bodies	60	37	55	56	42	65	63	73
Reserve	-	-	-	-	-	900	700	600
Special Reserve	-	-	-	-	-	-	500	300
Adjustment for Budget Exchange <sup>(1)</sup>	-	-	-	-	-	-228	-	-
<b>Total capital DEL</b>	<b>44,821</b>	<b>48,511</b>	<b>56,959</b>	<b>49,815</b>	<b>42,156</b>	<b>43,800</b>	<b>40,900</b>	<b>41,300</b>
<b>Capital departmental AME by departmental group</b>								
NHS (Health)	37	14	6	8	-	-	-	-
CLG Communities	1,213	516	171	843	153	946	658	658
Business, Innovation and Skills	3,469	3,254	4,144	4,059	5,415	6,820	8,784	10,819
Defence	-	76	5	-	-	-	-	-
Energy and Climate Change	-419	-279	-337	-78	-58	-78	-78	-78
Environment, Food and Rural Affairs	0	1	1	1	0	1	1	1
Culture, Media and Sport	808	572	875	711	596	766	674	713
Work and Pensions	140	136	171	177	35	85	87	88
Scotland	149	180	160	151	167	241	408	468
Wales	165	168	202	209	244	267	289	313
Northern Ireland	230	407	430	396	588	475	472	555
Chancellor's Departments <sup>(2)</sup>	212	85,822	41,868	-2,674	-3,653	674	804	351
<b>Total capital departmental AME</b>	<b>6,005</b>	<b>90,866</b>	<b>47,694</b>	<b>3,802</b>	<b>3,488</b>	<b>10,198</b>	<b>12,100</b>	<b>13,888</b>
<b>Total capital budget</b>	<b>50,827</b>	<b>139,376</b>	<b>104,654</b>	<b>53,617</b>	<b>45,644</b>	<b>54,000</b>	<b>53,000</b>	<b>55,200</b>

<sup>(1)</sup> Departmental budgets in 2012-13 include £0.2 billion capital DEL carried forward from 2011-12 through the system of Budget Exchange, which was voted at Main Estimates. These increases will be offset at Supplementary Estimates and so are excluded from spending totals.

<sup>(2)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

**Table 1.7 Capital budgets in real terms<sup>(1)</sup>, 2007-08 to 2014-15**

	£ million							
	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>Capital DEL by departmental group</b>								
Education	5,737	5,904	7,837	7,297	5,055	4,444	3,498	3,536
NHS (Health)	4,357	4,670	5,457	4,302	3,818	4,378	4,217	4,310
Transport	7,400	7,751	8,690	7,473	7,687	7,822	7,519	7,621
CLG Communities	6,907	7,660	9,468	6,613	3,821	2,916	2,103	2,097
CLG Local Government	35	130	274	-68	-8	-	-	-
Business, Innovation and Skills	2,319	2,282	3,196	2,156	1,014	2,046	975	1,154
Home Office	825	895	1,052	757	494	488	348	432
Justice	829	966	898	551	349	306	266	281
Law Officers' Departments	12	9	12	8	0	6	5	6
Defence	9,384	9,531	9,632	9,486	9,008	9,657	8,819	8,114
Foreign and Commonwealth Office	250	242	211	159	117	99	97	91
International Development	810	936	1,424	1,596	1,646	1,592	1,829	1,895
Energy and Climate Change	1,631	1,782	1,902	2,063	1,454	1,901	2,259	2,515
Environment, Food and Rural Affairs	612	652	730	582	383	371	360	383
Culture, Media and Sport	589	879	546	593	1,212	524	385	138
Work and Pensions	86	92	287	331	280	320	366	224
Scotland	3,912	3,562	4,134	3,362	2,732	2,486	2,245	2,282
Wales	1,605	1,738	2,034	1,793	1,386	1,200	1,092	1,114
Northern Ireland	1,228	1,398	1,345	1,229	1,002	865	797	825
Chancellor's Departments	263	302	306	218	258	171	130	125
Cabinet Office	351	424	479	443	405	395	368	331
Independent Bodies	66	39	58	57	42	64	60	67
Reserve	-	-	-	-	-	900	700	600
Special Reserve	-	-	-	-	-	-	500	300
Adjustment for Budget Exchange <sup>(2)</sup>	-	-	-	-	-	-222	-	-
<b>Total capital DEL</b>	<b>49,210</b>	<b>51,845</b>	<b>59,973</b>	<b>51,002</b>	<b>42,156</b>	<b>42,700</b>	<b>38,900</b>	<b>38,300</b>
<b>Capital departmental AME by departmental group</b>								
NHS (Health)	41	15	7	8	-	-	-	-
CLG Communities	1,332	552	180	863	153	921	625	610
Business, Innovation and Skills	3,809	3,477	4,364	4,155	5,415	6,641	8,348	10,032
Defence	-	81	5	-	-	-	-	-
Energy and Climate Change	-460	-298	-355	-80	-58	-76	-74	-72
Environment, Food and Rural Affairs	0	1	1	1	0	1	1	1
Culture, Media and Sport	888	611	921	728	596	746	641	661
Work and Pensions	154	145	180	181	35	83	83	82
Scotland	164	192	169	155	167	235	388	434
Wales	181	180	212	214	244	260	275	290
Northern Ireland	253	435	452	405	588	463	449	514
Chancellor's Departments <sup>(3)</sup>	233	91,722	44,083	-2,738	-3,653	657	764	326
<b>Total capital departmental AME</b>	<b>6,593</b>	<b>97,112</b>	<b>50,218</b>	<b>3,893</b>	<b>3,488</b>	<b>9,931</b>	<b>11,500</b>	<b>12,878</b>
<b>Total capital budget</b>	<b>55,803</b>	<b>148,958</b>	<b>110,190</b>	<b>54,895</b>	<b>45,644</b>	<b>52,600</b>	<b>50,400</b>	<b>51,200</b>

<sup>(1)</sup> Real terms figures are the cash figures adjusted to 2011-12 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 28 June 2012. The forecasts are consistent with the Financial Statement and Budget Report 2012.

<sup>(2)</sup> Departmental budgets in 2012-13 include £0.2 billion capital DEL carried forward from 2011-12 through the system of Budget Exchange, which was voted at Main Estimates. These increases will be offset at Supplementary Estimates and so are excluded from spending totals.

<sup>(3)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

**Table 1.8 Total Departmental Expenditure Limits <sup>(1)</sup>, 2007-08 to 2014-15**

	£ million							
	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>Total DEL by departmental group<sup>(1)</sup></b>								
Education	50,128	52,359	57,025	58,528	56,391	57,176	56,928	58,159
NHS (Health) <sup>(2)</sup>	85,807	92,403	99,794	101,924	104,333	108,897	111,470	114,534
Personal Social Services (Health) <sup>(3)</sup>	1,767	1,275	1,393	1,522	-	-	-	-
Transport	12,838	12,687	13,905	12,474	12,364	13,090	12,770	12,739
CLG Communities	10,239	11,251	13,291	10,108	5,566	4,754	4,162	3,598
CLG Local Government	22,782	24,772	25,776	25,889	26,633	24,018	23,938	22,333
Business, Innovation and Skills	17,977	18,636	20,532	19,298	17,430	18,235	16,094	15,260
Home Office	9,533	9,914	10,335	9,578	9,113	9,144	8,419	8,178
Justice	9,272	9,596	9,441	9,121	9,026	8,084	7,701	7,361
Law Officers' Departments	716	720	709	666	610	630	597	556
Defence	33,163	34,328	36,734	37,355	37,217	37,479	34,030	33,220
Foreign and Commonwealth Office	1,963	2,173	2,223	2,246	2,195	2,101	1,532	1,258
International Development	5,186	5,617	6,587	7,467	7,813	8,232	11,054	10,933
Energy and Climate Change	2,158	1,955	3,022	3,161	2,591	3,388	3,759	3,744
Environment, Food and Rural Affairs	2,913	2,829	2,954	2,743	2,380	2,424	2,250	2,181
Culture, Media and Sport	1,933	2,257	1,909	1,988	2,683	2,540	1,609	1,257
Work and Pensions	7,945	7,844	8,821	9,009	7,567	8,135	8,037	8,012
Scotland	26,475	26,893	28,431	28,512	27,567	27,757	27,725	27,937
Wales	13,417	14,047	15,010	15,138	14,625	14,611	14,659	14,744
Northern Ireland	9,753	10,259	10,614	10,825	10,465	10,376	10,370	10,464
Chancellor's Departments	4,486	4,594	4,516	4,140	4,068	4,012	3,847	3,650
Cabinet Office	1,967	2,198	2,447	2,485	2,473	2,554	2,394	2,549
Independent Bodies	725	788	820	882	905	832	819	830
Reserve	-	-	-	-	-	2,800	3,000	3,000
Special Reserve	-	-	-	-	-	600	3,000	2,000
Green Investment Bank	-	-	-	-	-	-	1,000	-
Adjustment for Budget Exchange <sup>(4)</sup>	-	-	-	-	-	-868	-	-
<b>Total DEL</b>	<b>333,142</b>	<b>349,396</b>	<b>376,288</b>	<b>375,061</b>	<b>364,015</b>	<b>371,000</b>	<b>371,200</b>	<b>368,500</b>

<sup>(1)</sup> Total DEL is given by resource DEL excluding depreciation (Table 1.3a) plus capital DEL (Table 1.6).

<sup>(2)</sup> NHS (Health) includes Food standards Agency, see Annex B.

<sup>(3)</sup> Personal Social Services (Health) are grants previously paid by the Department of Health that are now included in CLG Local Government's budget.

<sup>(4)</sup> Departmental budgets in 2012-13 include £0.6 billion resource DEL excluding depreciation and £0.2 billion capital DEL carried forward from 2011-12 through the system of Budget Exchange, which was voted at Main Estimates. These increases will be offset at Supplementary Estimates and so are excluded from spending totals.

**Table 1.9 Total Departmental Expenditure Limits<sup>(1)</sup> in real terms,<sup>(2)</sup> 2007-08 to 2014-15**

	£ million							
	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>Total DEL by departmental group<sup>(1)</sup></b>								
Education	55,037	55,958	60,042	59,923	56,391	55,680	54,104	53,931
NHS (Health) <sup>(3)</sup>	94,208	98,756	105,073	104,353	104,333	106,047	105,940	106,207
Personal Social Services (Health) <sup>(4)</sup>	1,940	1,363	1,467	1,558	-	-	-	-
Transport	14,095	13,559	14,641	12,771	12,364	12,748	12,137	11,813
CLG Communities	11,242	12,024	13,995	10,349	5,566	4,630	3,955	3,336
CLG Local Government	25,012	26,475	27,139	26,506	26,633	23,390	22,750	20,709
Business, Innovation and Skills	19,737	19,918	21,618	19,758	17,430	17,757	15,296	14,150
Home Office	10,466	10,595	10,882	9,806	9,113	8,905	8,001	7,583
Justice	10,180	10,256	9,941	9,339	9,026	7,872	7,319	6,826
Law Officers' Departments	786	770	746	682	610	614	567	515
Defence	36,410	36,688	38,678	38,245	37,217	36,498	32,341	30,805
Foreign and Commonwealth Office	2,155	2,322	2,340	2,300	2,195	2,046	1,456	1,167
International Development	5,694	6,003	6,936	7,645	7,813	8,017	10,506	10,138
Energy and Climate Change	2,369	2,089	3,182	3,236	2,591	3,299	3,572	3,472
Environment, Food and Rural Affairs	3,198	3,023	3,110	2,809	2,380	2,360	2,139	2,023
Culture, Media and Sport	2,122	2,412	2,010	2,035	2,683	2,474	1,529	1,166
Work and Pensions	8,723	8,383	9,288	9,224	7,567	7,922	7,639	7,430
Scotland	29,067	28,742	29,936	29,192	27,567	27,030	26,350	25,906
Wales	14,730	15,012	15,804	15,498	14,625	14,228	13,932	13,672
Northern Ireland	10,708	10,965	11,175	11,083	10,465	10,104	9,856	9,703
Chancellor's Departments	4,925	4,910	4,755	4,238	4,068	3,907	3,656	3,385
Cabinet Office	2,160	2,350	2,576	2,544	2,473	2,487	2,276	2,364
Independent Bodies	796	842	864	903	905	810	778	770
Reserve	-	-	-	-	-	2,700	2,900	2,800
Special Reserve	-	-	-	-	-	600	2,900	1,900
Green Investment Bank	-	-	-	-	-	-	950	-
Adjustment for Budget Exchange <sup>(5)</sup>	-	-	-	-	-	-845	-	-
<b>Total DEL</b>	<b>365,761</b>	<b>373,415</b>	<b>396,195</b>	<b>383,999</b>	<b>364,015</b>	<b>361,300</b>	<b>352,800</b>	<b>341,700</b>

<sup>(1)</sup> Total DEL is given by resource DEL excluding depreciation (Table 1.3a) plus capital DEL (Table 1.6).

<sup>(2)</sup> Real terms figures are the cash figures adjusted to 2011-12 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 28 June 2012. The forecasts are consistent with the Financial Statement and Budget Report 2012.

<sup>(3)</sup> NHS (Health) includes Food standards Agency, see Annex B.

<sup>(4)</sup> Personal Social Services (Health) are grants previously paid by the Department of Health that are now included in CLG Local Government's budget.

<sup>(5)</sup> Departmental budgets in 2012-13 include £0.6 billion resource DEL excluding depreciation and £0.2 billion capital DEL carried forward from 2011-12 through the system of Budget Exchange, which was voted at Main Estimates. These increases will be offset at Supplementary Estimates and so are excluded from spending totals.

**Table 1.10 Accounting adjustments,<sup>(1)</sup> 2007-08 to 2014-15**

	£ billions							
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 plans	2013-14 plans	2014-15 plans
<b>Remove data in budgets which form part of public sector current expenditure but where a different source is used for National Accounts</b>								
<b>Resource DEL</b>								
Capital consumption (excluding NHS)	-10.0	-10.6	-13.4	-7.6	-13.4	-14.7	-14.0	-14.4
NHS capital consumption	-1.7	-1.8	-1.8	-1.8	-1.7	-1.9	-1.9	-2.0
Interest	0.1	0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Other	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
<b>Total resource DEL</b>	<b>-11.6</b>	<b>-12.2</b>	<b>-15.3</b>	<b>-9.6</b>	<b>-15.2</b>	<b>-16.7</b>	<b>-15.9</b>	<b>-16.4</b>
<b>Resource departmental AME</b>								
Capital consumption	-1.1	-1.7	-2.5	-1.7	-1.5	-1.8	-1.6	-1.7
Interest	1.3	2.4	2.2	1.3	1.4	1.8	1.1	1.7
Subsidy element of renewable obligation certificates	0.0	0.0	0.0	0.0	0.0	-2.2	-2.6	-3.2
Subsidy element of other environmental levies	0.0	0.0	0.0	0.0	0.0	-0.6	-0.8	-1.1
NNDR outturn adjustment	-0.5	-0.6	-0.3	-1.1	-0.7	-0.3	-0.3	-0.3
Other	0.0	0.1	0.1	0.1	2.4	0.2	0.1	0.1
<b>Total resource departmental AME</b>	<b>-0.2</b>	<b>0.2</b>	<b>-0.5</b>	<b>-1.4</b>	<b>1.5</b>	<b>-2.9</b>	<b>-4.2</b>	<b>-4.4</b>
Adjustment for different data used by OBR in PSCE forecast	0.0	0.0	0.0	0.0	-0.8	-1.3	1.3	1.4
<i>of which DEL</i>	0.0	0.0	0.0	0.0	0.3	-0.8	-0.1	0.0
<i>of which AME</i>	0.0	0.0	0.0	0.0	-1.1	-0.5	1.4	1.4
<b>Total resource budget data replaced by different source data</b>	<b>-11.8</b>	<b>-12.0</b>	<b>-15.8</b>	<b>-11.0</b>	<b>-14.6</b>	<b>-20.9</b>	<b>-18.8</b>	<b>-19.4</b>
<b>Remove data in budgets which do not form part of public sector current expenditure</b>								
<b>Resource DEL</b>								
Impairments	-1.0	-1.0	0.5	-8.7	-3.2	-1.2	-1.3	-1.4
Receipts treated as negative DEL but revenue in National Accounts	0.5	0.6	0.6	0.7	0.5	0.6	0.3	0.3
Fees, levies and charges	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Grant equivalent element of student lending	-0.8	-0.7	-0.9	-4.2	-2.3	-2.2	-2.8	-3.5
Stock write-offs	-0.6	0.5	-1.0	0.0	0.0	0.0	0.0	0.0
Change in pension scheme liabilities	-0.1	-0.2	-0.2	-0.1	0.0	0.0	0.0	0.0
Miscellaneous current transfers	0.7	0.6	1.0	1.6	1.7	2.2	2.1	2.6
Northern Ireland Executive transfers between DEL and AME <sup>(2)</sup>	0.5	0.6	0.5	0.6	0.6	0.6	0.6	0.7
Profit or loss - sale of company securities	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0
Profit or loss - sale of other assets (capital in National Accounts)	0.8	0.3	0.1	0.0	0.2	0.0	0.0	0.0
Green Investment Bank	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0
Other	0.1	0.0	0.2	0.0	-0.5	0.2	-0.1	-0.1
<b>Total resource DEL</b>	<b>0.2</b>	<b>0.8</b>	<b>1.3</b>	<b>-10.2</b>	<b>-2.9</b>	<b>0.3</b>	<b>-2.1</b>	<b>-1.4</b>
<b>Resource departmental AME</b>								
Impairments	-1.6	-19.4	-3.5	3.3	12.3	-5.7	-3.2	-3.4
Bad debts	-0.4	-0.5	-0.5	-0.6	-0.5	-0.3	-0.3	-0.3
Grant equivalent element of student lending	-0.6	-0.1	-0.5	0.0	1.6	1.4	1.1	0.9
Provisions	-11.5	-28.9	23.5	-7.2	-5.3	-4.7	-2.7	-2.8
Change in pension scheme liabilities	-24.5	-24.8	-22.1	56.8	-27.1	-27.0	-23.0	-23.3
Unwinding of discount rate on pension scheme liabilities	-32.8	-36.5	-39.2	-37.6	-43.4	-40.4	-35.3	-36.4
Release of provisions covering payments of pension benefits	21.3	22.5	24.3	25.9	27.7	32.0	33.7	35.1
Fees, levies and charges	0.2	0.5	0.2	0.2	0.6	0.8	0.2	0.2
Profit or loss - sale of other assets (capital in National Accounts)	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fee income treated as capital in National Accounts	0.0	0.0	3.2	0.0	0.0	0.0	0.0	0.0
Imputed tax element of renewable obligation certificates	0.0	0.0	0.0	0.0	0.0	2.2	2.6	3.2
Imputed tax element of other environmental levies	0.0	0.0	0.0	0.0	0.0	0.4	0.6	0.7
Tax credits	-4.7	-5.6	-5.6	-5.6	-4.6	-4.3	-4.2	-4.2
Other	-0.1	0.0	-0.5	1.1	-0.8	0.0	-0.1	-0.1
<b>Total resource departmental AME</b>	<b>-53.9</b>	<b>-92.8</b>	<b>-20.8</b>	<b>36.4</b>	<b>-39.4</b>	<b>-45.6</b>	<b>-30.6</b>	<b>-30.5</b>
<b>Total resource budget data not in public sector current expenditure</b>	<b>-53.6</b>	<b>-92.0</b>	<b>-19.5</b>	<b>26.2</b>	<b>-42.3</b>	<b>-45.3</b>	<b>-32.7</b>	<b>-31.9</b>

**Table 1.10 Accounting adjustments, 2007-08 to 2014-15 (continued)**

	£ billions							
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 plans	2013-14 plans	2014-15 plans
<b>Central government adjustments in National Accounts</b>								
Expenditure on goods and services	12.8	15.5	13.5	16.7	21.9	15.7	16.1	15.8
of which: VAT refunds	3.7	3.9	3.8	4.8	4.9	5.2	5.3	5.2
of which: Single Use Military Equipment	5.1	5.7	5.3	5.4	5.5	5.8	5.7	5.2
of which: payment from EU for tax collection costs	-0.6	-0.7	-0.7	-0.7	-0.7	-0.8	-0.8	-0.9
of which: capital consumption	6.1	6.5	6.7	7.2	7.6	8.0	8.4	8.8
of which: other	-1.5	0.2	-1.7	0.1	4.5	-2.5	-2.4	-2.5
Net social benefits <sup>(2)</sup>	2.0	1.8	1.6	0.2	1.1	6.3	5.4	5.1
of which: switch between benefits and other current grants	6.4	6.9	6.9	0.4	0.4	6.6	6.7	6.8
of which: public service pensions contributions uprate	0.0	0.0	0.0	0.0	0.0	-1.1	-2.1	-2.6
of which: other	-4.5	-5.1	-5.3	-0.2	0.7	0.7	0.8	0.8
Net current grants abroad	2.2	3.1	4.0	4.0	4.4	3.9	4.1	4.2
of which: attributed aid	-0.7	-0.8	-0.9	-0.9	-1.0	-0.9	-0.9	-0.9
of which: DfID funding for capital projects scored in resource DEL	-0.5	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
of which: EU receipts	3.9	3.9	5.0	4.8	4.8	4.1	4.1	4.1
of which: other	-0.5	0.5	0.0	0.1	0.6	0.7	0.9	0.9
Other current grants <sup>(2)</sup>	-2.6	-3.8	-3.4	-3.2	-8.4	-6.6	-6.7	-6.8
of which: switch between other current grants and benefits	-6.4	-6.9	-6.9	-0.4	-0.4	-6.6	-6.7	-6.8
of which: other	3.9	3.1	3.4	-2.8	-8.0	0.0	0.0	0.0
Subsidies	-0.1	-1.1	-0.6	-0.7	-0.7	0.4	0.9	1.4
of which: Renewable Obligation Certificates	0.5	0.5	0.5	0.5	0.6	0.8	1.0	1.2
of which: other environmental levies	0.0	0.0	0.0	0.0	0.2	0.6	0.8	1.0
of which: company tax credits outside departmental AME	0.8	0.9	1.1	1.0	0.9	0.9	1.0	1.0
of which: other	-1.4	-2.4	-2.2	-2.3	-2.3	-1.9	-1.8	-1.8
<b>Total central government resource adjustments</b>	<b>14.3</b>	<b>15.5</b>	<b>15.0</b>	<b>17.1</b>	<b>18.2</b>	<b>19.8</b>	<b>19.7</b>	<b>19.6</b>
<b>Local government adjustments in National Accounts</b>								
Remove data which do not form part of public sector current expenditure	-4.2	-4.7	-4.4	-5.2	-4.2	-4.7	-4.6	-4.6
of which: Northern Ireland regional rates	-0.5	-0.6	-0.5	-0.5	-0.6	-0.6	-0.6	-0.7
of which: retirement benefits	-0.5	-0.6	-0.5	-0.4	0.0	0.0	0.0	0.0
of which: debt interest payments to central government	-3.1	-3.2	-2.9	-3.0	-3.0	-3.4	-3.3	-3.2
of which: other	-0.1	-0.2	-0.4	-1.3	-0.7	-0.7	-0.7	-0.7
Adjustments to reconcile use of different data sources	-0.4	-0.2	0.2	0.4	-0.3	-0.2	-0.2	-0.2
of which: central government support	-0.7	-0.2	0.6	1.0	0.0	0.0	0.0	0.0
of which: debt interest	0.3	0.0	-0.4	-0.7	-0.4	-0.2	-0.2	-0.2
of which: other	-0.1	0.0	-0.1	0.1	0.0	0.0	0.0	0.0
Expenditure on goods and services	12.2	12.7	12.9	14.3	15.7	16.3	16.6	16.7
of which: VAT refunds	6.0	6.1	5.6	6.4	7.1	7.4	7.4	7.3
of which: capital consumption	6.8	7.2	7.6	8.0	8.5	8.9	9.3	9.6
of which: rates	-1.1	-1.2	-1.2	-1.2	-1.3	-1.4	-1.5	-1.5
of which: other	0.6	0.6	0.9	1.1	1.4	1.4	1.4	1.4
Subsidies	1.6	1.7	1.4	1.2	0.3	0.1	0.1	0.1
of which: equity injection into Housing Revenue Account	1.5	1.5	1.2	1.0	0.2	0.0	0.0	0.0
of which: other	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.1
Net social benefits	-0.4	-0.4	-0.5	-0.5	-0.9	-0.9	-0.9	-0.9
of which: housing benefits and rent rebates	0.4	0.4	0.4	0.4	0.0	0.0	0.0	0.0
of which: other	-0.8	-0.8	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9
Other current grants and current grants abroad	-0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0
<b>Total local government resource adjustments</b>	<b>8.6</b>	<b>9.0</b>	<b>9.5</b>	<b>10.1</b>	<b>10.5</b>	<b>10.6</b>	<b>10.9</b>	<b>11.2</b>
<b>Other resource adjustments</b>								
Public corporations	0.7	0.6	0.4	0.4	0.4	0.5	0.5	0.5
Other	0.0	0.0	-0.1	0.1	0.3	0.5	0.0	0.0
<b>Total other resource adjustments</b>	<b>0.7</b>	<b>0.5</b>	<b>0.3</b>	<b>0.5</b>	<b>0.6</b>	<b>1.0</b>	<b>0.5</b>	<b>0.5</b>
<b>Total resource adjustments</b>	<b>-41.8</b>	<b>-79.0</b>	<b>-10.5</b>	<b>42.9</b>	<b>-27.5</b>	<b>-34.8</b>	<b>-20.3</b>	<b>-20.0</b>
of which:								
Timing adjustments <sup>(3)</sup>								
Central government	-0.4	1.6	-0.5	0.2	1.0	0.8	0.7	0.7
Local government	-0.1	0.2	0.3	0.4	0.0	0.0	0.0	0.0

**Table 1.10 Accounting adjustments, 2007-08 to 2014-15 (continued)**

	£ billions							
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 plans	2013-14 plans	2014-15 plans
<b>Remove data in budgets which form part of public sector gross investment but where a different source is used for National Accounts</b>								
<b>Capital DEL</b>								
Change in inventories	-0.3	-0.4	0.0	0.1	0.0	-0.1	0.0	-0.1
Acquisitions less disposals of valuables	-0.1	-0.2	0.0	0.0	-0.1	0.0	0.0	0.0
<b>Total capital DEL</b>	<b>-0.4</b>	<b>-0.6</b>	<b>-0.1</b>	<b>0.0</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>-0.1</b>
Adjustment for different data used by OBR in PSGI forecast	0.0	0.0	0.0	0.0	0.9	-3.8	0.2	0.1
<i>of which DEL</i>	0.0	0.0	0.0	0.0	-0.2	26.4	0.1	0.1
<i>of which AME</i>	0.0	0.0	0.0	0.0	1.1	-30.2	0.1	0.0
<b>Total capital budget data replaced by different source data</b>	<b>-0.4</b>	<b>-0.6</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.7</b>	<b>-3.9</b>	<b>0.2</b>	<b>0.0</b>
<b>Remove data in budgets which do not form part of public sector gross investment</b>								
<b>Capital DEL</b>								
Single Use Military Equipment	-5.1	-5.7	-5.3	-5.4	-5.5	-6.3	-5.7	-5.2
Net lending to private sector	-0.4	-0.6	-1.4	-1.1	-1.6	-17.6	-1.6	-1.2
Capital support for public corporations	-0.7	-0.1	-0.1	0.2	0.1	-10.0	-0.1	-0.1
Local government supported capital expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Northern Ireland Executive transfers between DEL and AME	0.1	0.3	0.2	0.2	0.4	0.2	0.2	0.2
Other	0.1	0.0	0.1	0.0	-0.2	-0.7	0.0	0.0
<b>Total Capital DEL</b>	<b>-5.9</b>	<b>-6.1</b>	<b>-6.5</b>	<b>-6.0</b>	<b>-6.8</b>	<b>-34.5</b>	<b>-7.1</b>	<b>-6.3</b>
<b>Capital departmental AME</b>								
Net lending to private sector	-4.4	-49.8	-13.2	-2.1	-2.1	-7.5	-9.8	-11.5
Capital support for public corporations	0.6	0.7	-0.1	0.4	-0.2	-0.7	-0.8	-0.8
Purchase of company securities	0.0	-30.8	-32.1	0.0	0.0	0.0	0.0	0.0
Sale of company securities	0.1	0.1	7.1	0.0	0.0	0.0	0.0	0.0
Northern Ireland Executive transfers between DEL and AME	-0.1	-0.3	-0.2	-0.2	-0.4	-0.2	-0.2	-0.2
Other	-0.1	-0.1	-0.2	-0.2	0.0	-0.2	0.1	-0.1
<b>Total capital departmental AME</b>	<b>-3.8</b>	<b>-80.1</b>	<b>-38.8</b>	<b>-2.1</b>	<b>-2.6</b>	<b>-8.6</b>	<b>-10.7</b>	<b>-12.5</b>
<b>Total capital budget data not in public sector gross investment</b>	<b>-9.8</b>	<b>-86.2</b>	<b>-45.3</b>	<b>-8.2</b>	<b>-9.4</b>	<b>-43.0</b>	<b>-17.8</b>	<b>-18.8</b>
<b>Central government adjustments in National Accounts</b>								
Gross fixed capital formation	-1.6	-0.6	0.0	-0.1	-0.5	-0.4	-0.3	-0.3
<i>of which: profit or loss - sale of other assets (from resource budgets)</i>	-1.5	-0.3	-0.1	0.0	-0.2	0.0	0.0	0.0
<i>of which: other</i>	-0.1	-0.3	0.1	-0.1	-0.3	-0.3	-0.3	-0.3
Capital grants to and from the private sector	0.5	0.6	-2.6	0.4	0.6	0.4	0.4	0.4
<i>of which: VAT refunds</i>	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<i>of which: Nigerian debt write-off</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which: fee income (from resource budgets)</i>	0.0	0.0	-3.2	0.0	0.0	0.0	0.0	0.0
<i>of which: DfID funding for capital projects scored in resource DEL</i>	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which: other</i>	-0.1	0.0	0.5	0.3	0.5	0.3	0.3	0.3
<b>Total central government capital adjustments</b>	<b>-1.1</b>	<b>0.0</b>	<b>-2.6</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>Local government adjustments in National Accounts</b>								
Adjustments to reconcile use of different data sources	-3.2	-4.0	-5.1	-3.4	-2.0	-2.8	-2.5	-2.5
<i>of which: overhanging debt</i>	-1.2	-0.5	-0.2	-0.8	-0.2	-0.9	-0.7	-0.7
<i>of which: central government support</i>	-0.1	-1.3	-2.5	-0.3	0.0	0.0	0.0	0.0
<i>of which: financial transactions</i>	-1.1	-1.3	-1.6	-1.4	-1.1	-1.1	-1.1	-1.1
<i>of which: capital grants from private sector</i>	-0.8	-0.8	-0.9	-0.8	-0.8	-0.7	-0.7	-0.7
Gross fixed capital formation	2.6	3.1	2.4	2.5	2.2	2.1	1.9	1.9
<i>of which: VAT refunds</i>	1.9	1.8	1.7	2.0	2.2	2.1	1.9	1.9
<i>of which: roads de-trunking</i>	0.8	1.0	0.0	0.1	0.0	0.0	0.0	0.0
<i>of which: other</i>	-0.1	0.2	0.7	0.4	0.0	0.0	0.0	0.0
Capital grants	0.0	-0.5	0.4	0.5	0.2	0.1	0.1	0.0
<i>of which: grants to public corporations</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which: other</i>	0.0	-0.5	0.4	0.5	0.2	0.1	0.1	0.0
<b>Total local government capital adjustments</b>	<b>-0.6</b>	<b>-1.4</b>	<b>-2.3</b>	<b>-0.4</b>	<b>0.4</b>	<b>-0.6</b>	<b>-0.5</b>	<b>-0.6</b>
<b>Other capital adjustments</b>								
Public corporations	0.4	0.0	0.2	-0.5	0.1	0.7	0.8	0.9
Housing Revenue Account reform receipts	0.0	0.0	0.0	0.0	-8.1	0.0	0.0	0.0
Other	0.0	-0.9	0.0	-0.1	0.0	0.0	0.0	0.0
<b>Total other capital adjustments</b>	<b>0.4</b>	<b>-0.9</b>	<b>0.2</b>	<b>-0.6</b>	<b>-8.0</b>	<b>0.7</b>	<b>0.8</b>	<b>0.9</b>
<b>Total capital adjustments</b>	<b>-11.6</b>	<b>-89.0</b>	<b>-50.0</b>	<b>-8.9</b>	<b>-16.2</b>	<b>-46.8</b>	<b>-17.2</b>	<b>-18.4</b>
<i>of which:</i>								
Timing adjustments <sup>(1)</sup>								
Central government	0.2	0.6	0.3	0.1	0.0	0.0	0.0	0.0
Local government	-0.1	0.3	-0.2	0.5	0.0	0.0	0.0	0.0

<sup>(1)</sup> The accounting adjustments are described in Annex D.

<sup>(2)</sup> Offsets with Northern Ireland domestic rates (part of other AME and not in budgets) in local government adjustments in National Accounts below.

<sup>(3)</sup> Reflects timing difference between the latest COINS and other source data and the data underlying the Public Sector Finances statistical bulletin. These mainly result from revisions policy and issues with late corrections to COINS data in the early years.

**Table 1.11 Total Managed Expenditure by spending sector, 2007-08 to 2014-15**

	National Statistics					£ million		
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 plans	2013-14 plans	2014-15 plans
<b>Central government own expenditure</b>								
DEL <sup>(1)</sup>	233,484	246,801	266,941	265,953	262,163	263,272	271,773	271,960
Departmental AME <sup>(1)(2)</sup>	203,096	339,402	239,089	142,019	224,813	253,399	243,931	250,838
Locally financed support in Northern Ireland	520	607	547	538	595	612	639	669
Net expenditure transfers to the EU	5,392	3,060	6,419	8,414	7,702	7,477	8,670	9,562
Central government debt interest	29,954	30,300	30,185	44,399	46,976	44,788	46,123	53,224
Accounting and other adjustments <sup>(2)</sup>	-51,639	-165,548	-55,136	44,904	-28,464	-67,100	-30,100	-31,500
<b>Total central government own expenditure</b>	<b>420,807</b>	<b>454,623</b>	<b>488,045</b>	<b>506,226</b>	<b>513,784</b>	<b>502,400</b>	<b>541,100</b>	<b>554,700</b>
<b>Local government expenditure</b>								
Central government support in DEL <sup>(1)</sup>	98,676	102,191	108,689	109,104	101,783	95,063	92,300	91,331
Central government support in departmental AME <sup>(1)</sup>	22,093	23,107	25,928	29,119	29,668	30,652	29,391	29,542
Locally financed support in Scotland	1,860	1,963	2,165	2,068	2,182	2,263	2,435	2,664
Local authority self-financed expenditure	24,081	31,717	28,322	25,748	37,604	29,722	30,589	31,533
Accounting and other adjustments <sup>(2)</sup>	8,453	7,802	7,662	9,064	2,935	15,800	17,300	17,200
<b>Total local government expenditure</b>	<b>155,163</b>	<b>166,780</b>	<b>172,767</b>	<b>175,104</b>	<b>174,173</b>	<b>173,500</b>	<b>172,000</b>	<b>172,300</b>
<b>Public corporations' expenditure</b>								
DEL <sup>(1)</sup>	982	404	659	4	69	10,132	93	204
Departmental AME <sup>(1)</sup>	-1,033	-1,471	-100	-467	64	670	711	710
Public corporations' own-financed capital expenditure	5,439	7,294	7,983	8,137	6,115	6,244	5,734	5,339
Accounting and other adjustments	1,580	2,115	796	630	683	-9,600	400	200
<b>Total public corporations' expenditure</b>	<b>6,967</b>	<b>8,342</b>	<b>9,338</b>	<b>8,304</b>	<b>6,931</b>	<b>7,500</b>	<b>6,900</b>	<b>6,500</b>
<b>Total Managed Expenditure</b>	<b>582,937</b>	<b>629,745</b>	<b>670,150</b>	<b>689,634</b>	<b>694,888</b>	<b>683,400</b>	<b>720,000</b>	<b>733,500</b>

<sup>(1)</sup> Full resource budgeting basis, i.e. Resource plus capital less depreciation. See Table 2.1

<sup>(2)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions. See Box 2.A in Chapter 2.

**Table 1.12 Spending Review 2010 presentation<sup>(1)</sup> of Departmental Expenditure Limits, 2007-08 to 2014-15**

	£ million							
	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>Resource DEL excluding depreciation <sup>(2)</sup></b>								
Education	44,689	46,637	49,385	51,225	51,165	52,442	53,088	54,204
NHS (Health)	81,707	87,910	94,495	97,638	100,424	104,293	106,931	109,788
Personal Social Services (Health)	1,767	1,275	1,393	1,522	-	-	-	-
Transport	6,099	5,436	5,652	5,176	4,678	5,059	4,859	4,521
CLG Communities	3,948	4,084	4,299	3,649	1,745	1,759	1,949	1,336
CLG Local Government	22,750	24,650	25,515	25,956	26,640	24,018	23,938	22,333
Business, Innovation and Skills	15,677	16,329	17,321	17,029	16,259	15,980	14,925	13,879
Home Office	8,781	9,077	9,336	8,838	8,618	8,643	8,053	7,712
Justice	8,465	8,638	8,534	8,531	8,458	7,719	7,376	7,007
Law Officers' Departments	705	712	697	658	610	624	591	549
Defence	24,616	25,410	27,587	28,090	28,209	27,562	24,750	24,470
Foreign and Commonwealth Office	1,735	1,946	2,022	2,091	2,078	1,999	1,430	1,160
International Development	4,448	4,742	5,234	5,909	6,167	6,597	9,130	8,889
Energy and Climate Change	672	288	1,216	1,146	1,137	1,437	1,381	1,032
Environment, Food and Rural Affairs	2,356	2,219	2,261	2,175	2,002	2,042	1,872	1,768
Culture, Media and Sport	1,396	1,434	1,390	1,408	1,471	2,002	1,204	1,108
Work and Pensions	7,787	7,689	8,549	8,685	7,286	7,806	7,652	7,770
Scotland	22,912	23,560	24,505	25,229	24,835	25,204	25,363	25,476
Wales	11,950	12,415	13,072	13,382	13,234	13,372	13,504	13,537
Northern Ireland	8,584	8,891	9,291	9,594	9,438	9,463	9,509	9,554
Chancellor's Departments	4,095	4,132	4,048	3,758	3,642	3,669	3,557	3,363
Cabinet Office	1,616	1,772	1,962	2,024	2,043	2,123	1,985	2,172
Small and Independent Bodies	1,565	1,640	1,566	1,533	1,718	1,470	1,408	1,383
Reserve	-	-	-	-	-	1,900	2,300	2,400
Special reserve	-	-	-	-	-	600	2,500	1,800
Green Investment Bank	-	-	-	-	-	-	1,000	-
Adjustment for Budget Exchange <sup>(3)</sup>	-	-	-	-	-	-640	-	-
<b>Total resource DEL excluding depreciation <sup>(2)</sup></b>	<b>288,321</b>	<b>300,885</b>	<b>319,329</b>	<b>325,246</b>	<b>321,859</b>	<b>327,200</b>	<b>330,200</b>	<b>327,000</b>

**Table 1.12 Spending Review 2010 presentation<sup>(1)</sup> of Departmental Expenditure Limits, 2007-08 to 2014-15 (continued)**

	£ million							
	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>Capital DEL</b>								
Education	5,226	5,524	7,442	7,127	5,055	4,563	3,681	3,813
NHS (Health)	3,966	4,369	5,182	4,202	3,817	4,495	4,437	4,648
Transport	6,739	7,252	8,253	7,299	7,686	8,031	7,911	8,218
CLG Communities	6,291	7,167	8,992	6,459	3,821	2,995	2,213	2,261
CLG Local Government	32	122	260	-67	-8	-	-	-
Business, Innovation and Skills	2,109	2,134	3,027	2,104	1,011	2,098	1,022	1,242
Home Office	751	837	999	740	494	501	366	466
Justice	749	899	848	530	344	311	279	301
Law Officers' Departments	11	9	12	8	0	6	6	7
Defence	8,547	8,918	9,148	9,265	9,008	9,917	9,279	8,751
Foreign and Commonwealth Office	228	227	201	156	117	102	102	98
International Development	738	875	1,353	1,559	1,646	1,635	1,924	2,044
Energy and Climate Change	1,485	1,666	1,806	2,014	1,453	1,951	2,377	2,712
Environment, Food and Rural Affairs	557	610	693	568	383	381	378	413
Culture, Media and Sport	537	823	519	580	1,212	538	405	149
Work and Pensions	72	85	272	323	280	329	385	242
Scotland	3,563	3,333	3,927	3,284	2,732	2,553	2,362	2,461
Wales	1,461	1,627	1,932	1,751	1,385	1,232	1,149	1,202
Northern Ireland	1,117	1,307	1,277	1,192	1,002	888	838	889
Chancellor's Departments	240	281	285	211	257	176	136	134
Cabinet Office	319	396	454	432	405	405	387	356
Small and Independent Bodies	82	51	78	78	55	78	71	79
Reserve	-	-	-	-	-	900	700	600
Special reserve	-	-	-	-	-	-	500	291
Adjustment for Budget Exchange <sup>(3)</sup>	-	-	-	-	-	-228	-	-
<b>Total capital DEL</b>	<b>44,821</b>	<b>48,511</b>	<b>56,959</b>	<b>49,815</b>	<b>42,156</b>	<b>43,800</b>	<b>40,900</b>	<b>41,300</b>
<b>Total DEL <sup>(3)(4)</sup></b>	<b>333,142</b>	<b>349,396</b>	<b>376,288</b>	<b>375,061</b>	<b>364,015</b>	<b>371,000</b>	<b>371,200</b>	<b>368,500</b>

<sup>(1)</sup> The departmental breakdown in this table is consistent with the Budget 2012 presentation, not the PESA departmental groups in Annex B.

<sup>(2)</sup> As part of the Spending Review 2010, DEL was presented less depreciation. This is continued in this table to allow comparison.

<sup>(3)</sup> Departmental budgets in 2012-13 include £0.6 billion resource DEL excluding depreciation and £0.2 billion capital DEL carried forward from 2011-12 through the system of Budget Exchange, which was voted at Main Estimates. These increases will be offset at Supplementary Estimates and so are excluded from spending totals.

<sup>(4)</sup> Total DEL is given by resource DEL excluding depreciation plus capital DEL.

**Table 1.13 Spending Review 2010 presentation<sup>(1)</sup> of Total DEL<sup>(2)</sup>, 2007-08 to 2014-15**

	£ million							
	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>Total DEL</b>								
Education	49,915	52,160	56,827	58,352	56,220	57,005	56,769	58,017
NHS (Health)	85,673	92,279	99,677	101,840	104,241	108,789	111,368	114,436
Personal Social Services (Health)	1,767	1,275	1,393	1,522	-	-	-	-
Transport	12,839	12,687	13,905	12,474	12,364	13,090	12,770	12,739
CLG Communities	10,239	11,251	13,291	10,108	5,566	4,754	4,162	3,598
CLG Local Government	22,782	24,772	25,776	25,889	26,633	24,018	23,938	22,333
Business, Innovation and Skills	17,786	18,462	20,349	19,133	17,270	18,077	15,947	15,121
Home Office	9,533	9,914	10,335	9,578	9,113	9,144	8,419	8,178
Justice	9,214	9,537	9,382	9,062	8,802	8,030	7,655	7,309
Law Officers' Departments	716	720	709	666	610	630	597	556
Defence	33,163	34,328	36,734	37,355	37,217	37,479	34,030	33,220
Foreign and Commonwealth Office	1,963	2,173	2,223	2,246	2,195	2,101	1,532	1,258
International Development	5,186	5,617	6,587	7,467	7,813	8,232	11,054	10,933
Energy and Climate Change	2,157	1,954	3,021	3,160	2,590	3,387	3,759	3,744
Environment, Food and Rural Affairs	2,913	2,828	2,954	2,743	2,385	2,423	2,250	2,181
Culture, Media and Sport	1,933	2,257	1,909	1,988	2,683	2,540	1,609	1,257
Work and Pensions	7,859	7,775	8,821	9,009	7,567	8,135	8,037	8,012
Scotland	26,475	26,893	28,431	28,512	27,567	27,757	27,725	27,937
Wales	13,411	14,042	15,004	15,133	14,619	14,604	14,653	14,739
Northern Ireland	9,701	10,198	10,568	10,786	10,441	10,351	10,347	10,443
Chancellor's Departments	4,335	4,413	4,332	3,970	3,898	3,845	3,694	3,497
Cabinet Office	1,935	2,168	2,416	2,456	2,447	2,528	2,372	2,528
Small and Independent Bodies	1,647	1,691	1,644	1,611	1,772	1,548	1,479	1,462
Reserve	-	-	-	-	-	2,800	3,000	3,000
Special reserve	-	-	-	-	-	600	3,000	2,000
Green Investment Bank	-	-	-	-	-	-	1,000	-
Adjustment for Budget Exchange <sup>(3)</sup>	-	-	-	-	-	-868	-	-
<b>Total DEL<sup>(2)</sup></b>	<b>333,142</b>	<b>349,396</b>	<b>376,288</b>	<b>375,061</b>	<b>364,015</b>	<b>371,000</b>	<b>371,200</b>	<b>368,500</b>

<sup>(1)</sup> The departmental breakdown in this table is consistent with the Budget 2012 presentation, not the PESA departmental groups in Annex B.

<sup>(2)</sup> Total DEL is given by resource DEL excluding depreciation plus capital DEL.

<sup>(3)</sup> Departmental budgets in 2012-13 include £0.6 billion resource DEL excluding depreciation and £0.2 billion capital DEL carried forward from 2011-12 through the system of Budget Exchange, which was voted at Main Estimates. These increases will be offset at Supplementary Estimates and so are excluded from spending totals.

**Table 1.14 Spending Review 2010 presentation<sup>(1)</sup> of Total DEL<sup>(2)</sup> in real terms,<sup>(3)</sup> 2007-08 to 2014-15**

	£ million							
	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>Total DEL</b>								
Education	54,802	55,746	59,833	59,742	56,220	55,513	53,953	53,800
NHS (Health)	94,062	98,623	104,950	104,267	104,241	105,942	105,843	106,117
Personal Social Services (Health)	1,940	1,363	1,467	1,558	-	-	-	-
Transport	14,096	13,560	14,641	12,771	12,364	12,748	12,137	11,813
CLG Communities	11,242	12,024	13,995	10,349	5,566	4,630	3,955	3,336
CLG Local Government	25,012	26,475	27,139	26,506	26,633	23,390	22,750	20,709
Business, Innovation and Skills	19,528	19,731	21,425	19,589	17,270	17,604	15,156	14,022
Home Office	10,466	10,595	10,882	9,806	9,113	8,905	8,001	7,583
Justice	10,116	10,193	9,879	9,278	8,802	7,820	7,275	6,777
Law Officers' Departments	786	770	746	682	610	614	567	515
Defence	36,410	36,688	38,678	38,245	37,217	36,498	32,341	30,805
Foreign and Commonwealth Office	2,155	2,322	2,340	2,300	2,195	2,046	1,456	1,167
International Development	5,694	6,003	6,936	7,645	7,813	8,017	10,506	10,138
Energy and Climate Change	2,368	2,089	3,181	3,236	2,590	3,299	3,572	3,472
Environment, Food and Rural Affairs	3,198	3,023	3,110	2,809	2,385	2,360	2,138	2,022
Culture, Media and Sport	2,122	2,412	2,010	2,035	2,683	2,474	1,529	1,166
Work and Pensions	8,628	8,309	9,288	9,224	7,567	7,922	7,639	7,430
Scotland	29,067	28,742	29,936	29,192	27,567	27,030	26,350	25,906
Wales	14,725	15,007	15,798	15,493	14,619	14,222	13,926	13,667
Northern Ireland	10,651	10,899	11,127	11,043	10,441	10,081	9,834	9,684
Chancellor's Departments	4,759	4,717	4,562	4,064	3,898	3,744	3,510	3,243
Cabinet Office	2,124	2,317	2,543	2,515	2,447	2,461	2,254	2,344
Small and Independent Bodies	1,808	1,807	1,731	1,649	1,772	1,508	1,406	1,356
Reserve	-	-	-	-	-	2,700	2,900	2,800
Special reserve	-	-	-	-	-	600	2,900	1,900
Green Investment Bank	-	-	-	-	-	-	950	-
Adjustment for Budget Exchange <sup>(4)</sup>	-	-	-	-	-	-845	-	-
<b>Total DEL<sup>(2)</sup></b>	<b>365,761</b>	<b>373,415</b>	<b>396,195</b>	<b>383,999</b>	<b>364,015</b>	<b>361,300</b>	<b>352,800</b>	<b>341,700</b>

<sup>(1)</sup> The departmental breakdown in this table is consistent with the Budget 2012 presentation, not the PESA departmental groups in Annex B.

<sup>(2)</sup> Total DEL is given by resource DEL excluding depreciation plus capital DEL.

<sup>(3)</sup> Real terms figures are the cash figures adjusted to 2011-12 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 28 June 2012. See Annex F.

<sup>(4)</sup> Departmental budgets in 2012-13 include £0.6 billion resource DEL excluding depreciation and £0.2 billion capital DEL carried forward from 2011-12 through the system of Budget Exchange, which was voted at Main Estimates. These increases will be offset at Supplementary Estimates and so are excluded from spending totals.

# 2

## Economic analyses of budgets

---

**2.1** This chapter provides an economic category analysis of the budgeting aggregates presented in **Chapter 1**. All outturn data in this chapter (to 2011-12) fall within the scope of National Statistics.

### What's new

**2.2** There have been no significant changes to the presentation of data within this chapter since PESA 2011.

### Analyses of budgets by economic category of spending

**2.3** **Table 2.1** shows analyses of budgets by economic category of spending, consistent with the budgeting aggregates reported in **Chapter 1**. The breakdowns of resource DEL and resource departmental AME are consistent with **Table 1.3**; administration budgets in resource DEL with **Table 1.5**; and capital budgets with **Table 1.6**.

**2.4** Brief descriptions of the largest economic categories are given below, including the main differences from the corresponding economic categories presented against the expenditure on services framework in **Tables 5.3 and 6.5**.

**2.5 Pay** includes wages and salaries, employers' social contributions, payments of accruing superannuation liability charges for UK staff and locally engaged staff overseas, and amounts that finance employee contributions to pension schemes. It also includes income from the recovery of secondee costs, but does not include payments for contract and agency staff that are treated as procurement expenditure.

**2.6 Gross current procurement** shows expenditure on goods and services, including hire and rentals under PFI and non-PFI operating leases, payments for contract and agency staff, and payments for consultancy and audit services. It also includes the purchase of services from GPs. Spending on Single Use Military Equipment (SUME), shown as current procurement in the National Accounts presentations in **Chapters 5 and 6**, is treated as capital procurement in budgets.

**2.7 Current grants** include all transfer payments other than subsidies (see 2.8 below) that are not used to fund capital formation. In **Table 2.1** these grants are analysed by recipient: local government; persons and non-profit bodies; and overseas recipients. **Current grants to local government** are intra-public sector payments that consolidate out of Total Managed Expenditure (TME), which is a measure of total public spending drawn from the National Accounts. Further information on local government finance is given in **Chapter 7**. **Current grants to persons and non-profit** bodies largely comprise social security benefits included in resource departmental AME, as well as funding (usually in DEL) to further and higher education institutions and other non-profit private sector bodies. The 'negative tax' element of tax credits, which are included within departmental budgets, do not form part of the National Accounts presentation in Chapters 5 and 6. Current grants abroad are mainly foreign aid, such as programmes to reduce poverty.

### Box 2.A: Treatment of financial sector interventions in budgets

In the pre-Budget report of December 2009 the use in fiscal policy of new aggregates excluding the temporary effects of financial interventions was introduced. In these aggregates, banks that are classified to the public sector in the National Accounts (Northern Rock, Bradford & Bingley, Dunfermline, Lloyds Banking Group and Royal Bank of Scotland) are treated as if they are outside the public sector, reflecting the Government's intention to return these banks or their assets to the private sector.

The financial sector interventions are treated as follows in **Table 2.1**:

#### Resource budget

- Income from sales of goods and services: £1.0 billion in 2008-09, £0.4 billion in 2009-10, £1.5 billion in 2010-11 and £1.3 billion in 2011-12. This is mainly underwriting commission and guarantee fee income;
- Depreciation: £18.3 billion in 2008-09, which is mainly the mark to market impairment cost of RBS and LBG shares at the end of March 2009, and -£12.0 billion in 2010-11 for the change in fair value of the Asset Protection Scheme (APS) and Bank of England Asset Purchase Facility Fund (BEAPFF). In 2011-12 there was an impairment cost for RBS and LBG shares of £14.1 billion, which was offset by a -£28.4bn gain for the BEAPFF.
- Take up of provisions: £25.4 billion of provisions in 2008-09 and -£25.4 billion in 2009-10, for potential APS losses which were subsequently not realised; and
- Other: income of £1.1 billion in 2008-09, £1.9 billion in 2009-10, £1.1 billion in 2010-11 and £0.9 billion in 2011-12, comprised mainly of interest paid to government.

#### Capital budget

- Net lending to the private sector: £48.6 billion in 2008-09, £8.5 billion in 2009-10, -£3.0 billion in 2010-11 and -£5.0 billion in 2011-12. This is mainly lending to banks and the Financial Services Compensation Scheme and subsequent repayments together with income from the sale of Northern Rock in 2011-12; and
- Other: £36.9 billion of share purchases in 2008-09 and a further £29.8 billion in 2009-10. In 2011-12 loans to Ireland totalled £1.2 billion, with a further £1.6bn planned in 2012-13 and £0.4 billion in 2013-14.

These transactions score within the HM Treasury AME budget and so are presented as part of the Chancellor's Departments group in **Chapter 1**.

**2.8 Subsidies** are current transfer payments to trading businesses (both private sector companies and public corporations) to provide support for current costs, including payments to farmers under the EU's Common Agricultural Policy as well as subsidies to rail and bus operators. They are given with the objective of influencing their levels of production, their prices, or other factors. Unlike other intra-public sector transactions, subsidies to public corporations are included within TME as the receipt of this funding, and subsequent spending, is included within the calculation of the PC's gross operating surplus (which scores on the revenue side of the National Accounts).

**2.9 Depreciation**, also termed capital consumption, represents the amount of capital used up in respect of fixed assets measured on the basis of Generally Accepted Accounting Practice (GAAP). The depreciation lines in **Table 2.1** also include releases from the donated assets and government grant reserves, as well as impairments and downward revaluations of fixed assets. As mentioned above, depreciation now also includes the grant equivalent element of student lending. This is the subsidy implied in student loans being issued at the inflation rate rather than the market interest rate.

**2.10 Take-up of provisions** are costs in resource budgets recognising that liabilities have been incurred that will more likely than not lead to a future payment, but where the amount and timing of these future payments are uncertain. Upon settling the liability the payment scores to the resource or capital budget according to the economic category of the transaction, whilst an equal and opposite (negative) release of provisions scores as a benefit to the resource budget. These lines do not include pension scheme provisions (see below).

**2.11 Net public service pensions** shows the costs of pensions on a National Accounts basis; that is, payments to pensioners less receipts of contributions by employers and employees. It also includes cash payments and receipts associated with bulk and individual transfers into and out of the scheme. **Change in pension scheme liabilities** shows increases to the liability as measured on a UK GAAP basis. This includes changes to current service costs, the non-cash impact of bulk or individual transfers in or out, and purchases of added years. **Release of provisions covering payments of pension benefits** records a reduction equal and opposite to the pension benefits paid, where these are charged to the provision. The **unwinding of the discount rate** on pension scheme liabilities shows the increase in the liability as future payments move one year closer to being paid (so the effects of discounting reduce). More information on pensions is included in **Annex D**, and a reconciliation from GAAP pensions in departmental AME to the National Accounts measure is given in **Table D1**.

**2.12 Capital grants** are transfer payments that are usually made on the condition that the recipient uses the funds for capital projects. Capital grants in **Table 2.1** are analysed by the nature of the recipient: persons and non-profit bodies; private sector companies; and overseas recipients. Capital grants to local government and public corporations are included as part of the respective capital support rows (see paragraphs 2.13 and 2.14).

**2.13 Capital support for local government** shows central government support for local government capital expenditure, comprising capital grants and Supported Capital Expenditure (Revenue). More information is given in **Chapter 7**.

**2.14 Capital support for public corporations** comprises capital grants, net lending (see paragraph 2.17) and public corporations' market and overseas borrowing where this scores in the parent department's budget.

**2.15 Gross capital procurement** comprises the acquisition of fixed assets (such as land, buildings and machinery) as well as any net increases in stock (where included in budgets). It is measured gross of depreciation. It includes the pay of civil servants engaged in in-house capital formation that is recorded as capital expenditure, rather than as pay. It also includes expenditure on Single Use Military Equipment (SUME) that is classified as current procurement in the National Accounts. The expenditure on services presentations in **Chapters 5 and 6** follow the National Accounts treatment of SUME.

**2.16 Income from sales of capital assets** records the sale value (book value plus profit/loss) of any assets, such as land, buildings and machinery, disposed of.

**2.17 Net lending to private sector** means lending by government net of any repayments of previous lending. It includes transactions in shares of private companies – so for example privatisation receipts count as negative net lending.

**2.18 Other** includes items that are too small or too uncommon to warrant an individual line. These include certain receipts that are usually treated as part of revenue in the National Accounts, write-offs of stock, loans written-off, and certain financial transactions.

**2.19 Table 2.2** shows central government gross current procurement expenditure in budgets by departmental group.

**2.20 Table 2.3** shows central government own capital procurement, gross of depreciation and before deduction of sales, broken down by departmental group. It also includes asset sales by sector (central government, local government and public corporations).

**Table 2.1 Budgets by economic category of spending, 2007-08 to 2014-15**

	£ million							
	National Statistics							
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans
<b>Resource DEL</b>								
Pay <sup>(1)</sup>	80,518	84,719	87,153	89,637	88,886	95,218	93,200	92,888
Gross current procurement	105,041	112,146	118,920	114,746	115,046	121,905	120,015	121,871
Income from sales of goods and services	-20,337	-22,470	-21,632	-16,538	-16,109	-15,486	-12,078	-12,644
Current grants to local government <sup>(1)</sup>	86,447	89,982	93,570	96,509	90,964	85,190	83,720	82,515
Current grants to persons and non-profit bodies	29,130	29,961	33,153	33,203	35,176	29,282	27,436	26,226
Current grants abroad	1,733	1,242	1,205	1,888	1,908	1,796	2,838	2,926
Subsidies to private sector companies	4,837	5,073	5,887	5,647	5,995	5,669	6,295	6,682
Subsidies to public corporations	1,401	1,254	1,058	1,244	1,108	1,209	1,147	1,097
Net public service pensions <sup>(2)</sup>	11	16	-47	33	23	-2	4	4
Depreciation <sup>(3)</sup>	11,784	12,389	13,843	20,598	18,852	18,100	18,100	19,200
Take up of provisions	1	2	3	25	-8	0	0	0
Release up of provisions	-1	-1	-6	-8	5	-8	-1	0
Change in pension scheme liabilities	130	186	153	74	42	20	20	20
Unwinding of the discount rate on pension scheme liabilities	16	19	21	-20	54	29	22	26
Release of provisions covering payments of pensions benefits <sup>(4)</sup>	0	0	-2	0	0	0	0	0
Other <sup>(5)</sup>	-607	-1,244	-107	-1,194	-1,230	462	1,838	1,399
Plus unallocated funds	-	-	-	-	-	1,900	5,800	4,100
<b>Total resource DEL</b>	<b>300,105</b>	<b>313,275</b>	<b>333,172</b>	<b>345,844</b>	<b>340,711</b>	<b>345,300</b>	<b>348,300</b>	<b>346,300</b>
<b>Of which: administration budgets in resource DEL</b>								
Pay	14,049	14,114	14,658	13,537	8,460	8,193	6,621	6,304
Gross current procurement	8,303	8,632	8,772	8,127	5,192	6,540	6,580	6,321
Income from sales of goods and services	-1,260	-1,311	-1,441	-1,343	-1,229	-1,209	-1,063	-1,015
Depreciation	844	824	951	1,056	830	1,015	943	966
Other <sup>(5)</sup>	-135	-97	-89	-74	-19	-192	97	95
<b>Total administration budgets in resource DEL</b>	<b>21,802</b>	<b>22,161</b>	<b>22,851</b>	<b>21,303</b>	<b>13,232</b>	<b>14,346</b>	<b>13,178</b>	<b>12,672</b>
<b>Resource departmental AME</b>								
Pay	1,179	1,060	1,369	1,264	1,365	1,282	1,186	1,228
Gross current procurement	2,663	2,718	2,585	2,451	2,859	3,897	3,492	3,334
Income from sales of goods and services <sup>(6)</sup>	-383	-1,247	-574	-1,751	-1,593	-230	-337	-335
Current grants to local government	20,587	22,314	25,526	28,126	29,366	29,442	28,491	28,642
Current grants to persons and non-profit bodies	142,619	155,716	169,050	174,145	180,083	182,812	184,063	187,526
Subsidies to private sector companies	268	288	273	332	445	3,061	3,744	4,994
Subsidies to public corporations	-36	-312	-177	-658	-702	-1,099	-1,254	-1,402
Net public service pensions <sup>(2)</sup>	2,190	3,116	3,681	4,610	6,654	9,970	11,505	12,861
Depreciation <sup>(6)</sup>	3,302	21,129	6,552	-1,620	-12,417	6,051	3,687	4,181
Take up of provisions <sup>(6)</sup>	18,174	35,522	-17,270	13,187	12,717	11,499	8,857	8,781
Release of provisions	-6,558	-6,514	-6,192	-6,000	-7,438	-7,028	-6,169	-5,971
Change in pension scheme liabilities <sup>(7)</sup>	24,462	24,779	22,124	-56,752	27,114	27,035	23,016	23,312
Unwinding of the discount rate on pension scheme liabilities	32,805	36,510	39,154	37,615	43,414	40,379	35,277	36,404
Release of provisions covering payments of pensions benefits <sup>(4)</sup>	-21,327	-22,479	-24,272	-25,928	-27,715	-32,007	-33,657	-35,124
Other <sup>(5) (6)</sup>	-1,795	-2,425	-4,603	-2,152	-3,097	-541	30	-1,231
<b>Total resource departmental AME</b>	<b>218,151</b>	<b>270,173</b>	<b>217,223</b>	<b>166,869</b>	<b>251,056</b>	<b>274,523</b>	<b>261,933</b>	<b>267,202</b>

**Table 2.1 Budgets by economic category of spending, 2007-08 to 2014-15 (continued)**

	£ million							
	National Statistics							
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans
<b>Resource budgets</b>								
Pay <sup>(1)</sup>	81,697	85,779	88,523	90,901	90,251	96,500	94,386	94,116
Gross current procurement <sup>(1)</sup>	107,704	114,864	121,505	117,197	117,905	125,802	123,508	125,205
Income from sales of goods and services <sup>(6)</sup>	-20,720	-23,717	-22,206	-18,289	-17,702	-15,717	-12,415	-12,978
Current grants to local government <sup>(1)</sup>	107,034	112,295	119,096	124,635	120,330	114,632	112,211	111,157
Current grants to persons and non-profit bodies	171,749	185,677	202,203	207,347	215,259	212,093	211,499	213,753
Current grants abroad	1,733	1,242	1,205	1,888	1,908	1,796	2,838	2,926
Subsidies to private sector companies	5,106	5,361	6,160	5,979	6,440	8,729	10,038	11,676
Subsidies to public corporations	1,366	942	880	585	406	111	-107	-304
Net public service pensions	2,201	3,132	3,634	4,644	6,677	9,968	11,510	12,866
Depreciation <sup>(6)</sup>	15,086	33,518	20,394	18,978	6,435	24,200	21,800	23,400
Take up of provisions <sup>(6)</sup>	18,175	35,524	-17,267	13,212	12,709	11,500	8,857	8,782
Release of provisions	-6,558	-6,515	-6,198	-6,008	-7,433	-7,036	-6,169	-5,971
Change in pension scheme liabilities <sup>(7)</sup>	24,592	24,965	22,277	-56,678	27,156	27,055	23,037	23,332
Unwinding of the discount rate on pension scheme liabilities	32,820	36,528	39,175	37,594	43,468	40,408	35,300	36,431
Release of provisions covering payments of pensions benefits <sup>(4)</sup>	-21,327	-22,479	-24,274	-25,928	-27,715	-32,007	-33,657	-35,125
Other	-2,402	-3,669	-4,711	-3,346	-4,327	-78	1,868	168
Plus unallocated funds	-	-	-	-	-	1,900	5,800	4,100
<b>Total resource budgets</b>	<b>518,255</b>	<b>583,447</b>	<b>550,395</b>	<b>512,713</b>	<b>591,767</b>	<b>619,800</b>	<b>610,300</b>	<b>613,600</b>
<b>Capital DEL</b>								
Capital support for local government	12,229	12,209	15,119	12,596	10,819	9,873	8,581	8,817
Capital grants to persons and non-profit bodies	4,354	4,579	6,612	5,039	3,150	3,027	2,976	3,215
Capital grants to private sector companies <sup>(8)</sup>	7,215	8,335	8,839	7,683	6,380	-22,422	4,833	4,965
Capital grants abroad	-160	8	-18	583	226	525	818	728
Capital support for public corporations <sup>(8)</sup>	1,126	590	817	190	265	10,273	241	356
Gross capital procurement	20,995	23,236	25,183	23,744	21,098	23,711	20,958	21,647
Income from sales of assets	-1,124	-759	-701	-963	-1,290	-610	-733	-696
Net lending to the private sector and abroad <sup>(8)</sup>	372	607	1,440	1,083	1,570	17,648	1,554	1,242
Other <sup>(5)</sup>	-186	-295	-332	-139	-61	1,159	480	211
Plus unallocated funds in capital DEL	-	-	-	-	-	700	1,200	900
<b>Total capital DEL</b>	<b>44,821</b>	<b>48,511</b>	<b>56,959</b>	<b>49,815</b>	<b>42,156</b>	<b>43,800</b>	<b>40,900</b>	<b>41,300</b>
<b>Capital departmental AME</b>								
Capital support for local government	1,506	793	402	993	302	1,210	900	900
Capital grants to persons and non-profit bodies	565	554	664	549	351	324	326	326
Capital support for public corporations	-566	-735	97	-361	187	718	750	750
Gross capital procurement	99	88	124	132	211	70	190	160
Income from sales of assets	-	-45	0	0	-	-	-	-
Net lending to the private sector and abroad <sup>(6)</sup>	4,379	53,085	13,170	2,105	2,122	7,502	9,840	11,540
Other <sup>(5) (6)</sup>	22	37,126	33,236	383	315	375	93	212
<b>Total capital departmental AME</b>	<b>6,005</b>	<b>90,866</b>	<b>47,694</b>	<b>3,802</b>	<b>3,488</b>	<b>10,198</b>	<b>12,100</b>	<b>13,888</b>

**Table 2.1 Budgets by economic category of spending, 2007-08 to 2014-15 (continued)**

	National Statistics					£ million		
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans
<b>Capital budgets</b>								
Capital support for local government	13,736	13,003	15,521	13,589	11,121	11,083	9,480	9,717
Capital grants to persons and non-profit bodies	4,920	5,133	7,276	5,588	3,500	3,351	3,302	3,541
Capital grants to private sector companies <sup>(8)</sup>	7,215	8,335	8,839	7,683	6,380	-22,422	4,833	4,965
Capital grants abroad	-160	8	-18	583	226	525	818	728
Capital support for public corporations <sup>(8)</sup>	559	-144	914	-171	452	10,991	991	1,106
Gross capital procurement	21,094	23,324	25,307	23,876	21,309	23,781	21,148	21,807
Income from sales of assets	-1,124	-805	-701	-963	-1,290	-610	-733	-696
Net lending to the private sector and abroad <sup>(6) (8)</sup>	4,751	53,692	14,610	3,188	3,692	25,150	11,395	12,781
Other <sup>(5) (6)</sup>	-165	36,831	32,904	244	255	1,534	573	423
Plus unallocated funds in capital DEL	-	-	-	-	-	700	1,200	900
<b>Total capital budgets</b>	<b>50,827</b>	<b>139,376</b>	<b>104,654</b>	<b>53,617</b>	<b>45,644</b>	<b>54,000</b>	<b>53,000</b>	<b>55,200</b>

<sup>(1)</sup> As academies are now treated as part of central government, their expenditure falls within the category of pay and procurement and is no longer recorded within the line for grants to local government.

<sup>(2)</sup> Figures here are based on payments and receipts that score in TME, and incorporate the net effect of bulk and individual transfers. The Resource Accounts based measure of net public service pensions is used in Table 1.1

<sup>(3)</sup> Excludes NHS Trusts' depreciation as exceptionally this is not removed in the calculation of TDEL.

<sup>(4)</sup> Payments that release provision include bulk and individual transfers, including transfer of liabilities within government.

<sup>(5)</sup> Other includes items too small or too uncommon to warrant an individual line.

<sup>(6)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions. See Box 2.A for details.

<sup>(7)</sup> In the June 2010 Budget Statement it was announced that the Government would use the CPI rather than the RPI for the indexation of public service pensions. This change has been recognised as a negative past service cost in 2010-11 in accordance with IAS19.

<sup>(8)</sup> Transactions in 2012-13 have been affected by the transfer of assets from the Royal Mail Pension Plan to the public sector in April 2012.

**Table 2.2 Gross current procurement in budgets,<sup>(1)</sup> 2007-08 to 2014-15**

	£ million							
	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>Gross current procurement in budgets</b>								
Education <sup>(2)</sup>	795	922	1,399	986	667	3,317	3,687	3,677
Health	51,859	55,585	61,008	57,142	58,205	61,365	62,989	65,310
Transport	2,135	2,454	2,144	1,908	2,001	2,551	1,894	1,938
CLG Communities	449	495	509	350	222	467	458	434
CLG Local Government	266	261	262	241	256	271	254	248
Business, Innovation and Skills	1,543	1,862	1,776	1,527	1,735	1,723	1,739	1,718
Home Office	2,506	2,710	2,533	2,414	2,570	2,378	2,385	2,411
Justice	5,703	5,652	5,758	5,579	6,202	5,835	5,110	4,807
Law Officers' Departments	426	412	412	382	336	376	369	351
Defence	13,938	15,579	15,702	16,515	16,441	16,516	13,820	13,800
Foreign and Commonwealth Office	621	1,078	953	975	970	937	866	590
International Development	641	689	595	621	751	1,062	1,308	1,314
Energy and Climate Change	1,963	2,095	2,195	1,991	1,950	1,987	1,947	1,747
Environment, Food and Rural Affairs	1,392	1,262	1,221	1,099	1,110	1,325	1,334	1,219
Culture, Media and Sport	3,152	3,238	3,046	2,918	3,663	4,187	3,370	3,266
Work and Pensions	3,494	3,606	3,945	4,102	3,115	3,134	3,218	3,108
Scotland	6,607	6,669	6,899	7,023	6,467	6,446	6,791	7,125
Wales	3,239	3,118	3,608	3,932	3,923	4,252	4,325	4,353
Northern Ireland	3,717	3,588	3,782	4,010	3,810	3,791	3,919	3,981
Chancellor's Departments	1,887	2,062	2,087	1,762	1,787	2,146	1,977	1,865
Cabinet Office	1,006	1,069	1,221	1,263	1,308	1,398	1,405	1,602
Independent Bodies	364	457	451	455	414	338	345	343
<b>Total gross current procurement in budgets</b>	<b>107,704</b>	<b>114,864</b>	<b>121,505</b>	<b>117,197</b>	<b>117,905</b>	<b>125,802</b>	<b>123,508</b>	<b>125,205</b>

<sup>(1)</sup> Budgeting definition of current procurement, so excludes defence spending on Single Use Military Equipment (SUME). Chapter 5 presents spending according to National Accounts definitions, where SUME is classified as current procurement.

<sup>(2)</sup> As academies are now treated as part of central government, their expenditure falls within the category of pay and procurement and is no longer recorded within the line for grants to local government.

**Table 2.3 Gross capital procurement in budgets,<sup>(1)</sup> 2007-08 to 2014-15**

	£ million							
	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>Gross capital procurement in budgets</b>								
Education	24	45	75	27	16	325	15	15
Health	4,025	4,304	4,862	4,133	3,463	4,110	4,390	4,681
Transport	1,175	1,203	2,003	1,654	1,362	1,244	1,338	1,747
CLG Communities	379	263	266	217	76	94	28	4
CLG Local Government	0	0	2	1	0	-	-	-
Business, Innovation and Skills <sup>(2)</sup>	444	473	491	472	324	2,342	333	290
Home Office	385	490	587	338	270	231	154	190
Justice	796	924	880	599	425	382	365	303
Law Officers' Departments	11	9	12	8	0	6	6	7
Defence	8,619	9,154	9,019	9,369	9,139	9,989	9,477	9,091
Foreign and Commonwealth Office	192	235	162	128	104	85	87	79
International Development	66	19	15	11	17	20	17	16
Energy and Climate Change	1,077	1,141	1,198	1,326	1,444	1,587	1,808	2,458
Environment, Food and Rural Affairs	200	216	212	196	132	148	133	154
Culture, Media and Sport	669	1,417	1,578	1,708	1,371	299	253	208
Work and Pensions	85	95	254	233	229	66	123	132
Scotland	857	942	1,144	1,107	910	984	853	700
Wales	495	516	658	624	471	373	369	369
Northern Ireland	965	1,177	1,177	1,070	850	817	845	827
Chancellor's Departments	254	294	248	189	242	176	137	135
Cabinet Office	317	368	411	413	421	438	354	329
Independent Bodies	60	37	55	53	42	66	63	73
<b>Total gross capital procurement in budgets</b>	<b>21,094</b>	<b>23,324</b>	<b>25,307</b>	<b>23,876</b>	<b>21,309</b>	<b>23,781</b>	<b>21,148</b>	<b>21,807</b>

<sup>(1)</sup> Budgeting definition of capital procurement, so includes Defence spending on Single Use Military Equipment (SUME). Chapter 5 presents spending according to National Accounts definitions, where SUME is classified as current procurement.

<sup>(2)</sup> Transactions in 2012-13 have been affected by the transfer of assets from the Royal Mail Pension Plan to the public sector in April 2012.



# 3

## Changes in departmental budgets

---

**3.1** This chapter compares the latest budgeting aggregates in **Chapter 1** with those previously published, and sets out the main reasons for the changes. Specifically:

- for 2010-11, estimated outturn published in PESA 2011 (Cm 8104) is compared with the final outturn in **Chapter 1**;
- for 2011-12, the plans published in PESA 2011 are reconciled to final plans and compared to the estimated outturn in **Chapter 1**; and
- for 2012-13 to 2014-15 latest plans are compared with the published figures in PESA 2011 (Cm 8104).

**3.2** The tables in this chapter are consequently split into three sections – **Tables 3.1, 3.2 and 3.3** show changes for 2010-11, **Tables 3.4, 3.5 and 3.6** show changes for 2011-12. Within the first two sections the three tables show, respectively, resource DEL by departmental group, capital DEL by departmental group, and Total Managed Expenditure (TME) by budgeting category. Tables from 3.7 to 3.12 show changes to plans years.

**3.3** For **Tables 3.7** onwards this chapter compares the main Spending Review 2010 aggregates of Resource DEL excluding depreciation and Capital DEL and also comparable figures for Resource DEL.

### Types of changes

**3.4** The comparisons distinguish between the following types of change:

- Machinery of Government changes, which are implemented in the starting position of all tables so that other changes are not obscured by departmental restructuring;
- changes that result from spending being reclassified or where financing responsibility transfers between departments, i.e. changes in the way public expenditure is measured; and
- changes that reflect policy decisions or are due to the availability of updated outturn or forecasts. This also takes account of any departmental underspend carried forward from 2011-12 to 2012-13 under the new Budget Exchange system.

### Policy changes

**3.5** This section sets out the key spending policy decisions taken since PESA 2011. This mainly includes:

- measures announced in the Autumn Statement 2011 and at Budget 2012;
- claims on the Reserve; and
- carry forward of estimated resource and capital DEL underspends (with the agreement of the Treasury) from 2011-12 to 2012-13 under the new Budget

Exchange system. This replaced the End Year Flexibility (EYF) system whereby departments were allowed to carry forward unspent DEL provision from previous years. No underspends were drawn down into 2011-12 under the EYF scheme from previous years.

## Policy changes in 2011-12

**3.6** The impact of policy decisions on resource DEL and capital DEL budgets in 2011-12 are set out in **Tables 3.4 and 3.5**, respectively. The main policy decisions are set out below.

**3.7** The main claims on the resource DEL Reserve in 2011-12 were:

- BIS received £2.9bn of funding in support of Student Loans which does not affect the fiscal aggregates ;
- MOD received £2.0bn in respect of impairments and £0.5bn to support military operations (this is in addition to the £2.4bn resource DEL and £1.2bn capital DEL draw down from the defence special reserve in the 2011-12 Main Estimates); and
- DCLG received £0.7bn in respect of Council Tax freeze grant;

**3.8** The main claims on the capital DEL Reserve in 2011-12 were:

- DCLG received £0.2bn of funding in support of the Growing Places Fund ;
- MOD received £0.1bn to support military operations; and
- BIS received £0.1bn funding in respect of high performance computing.

**3.9** Under the new Budget Exchange system departments as a whole carried forward £0.6bn resource DEL and £0.2bn capital DEL from 2011-12 to 2012-13.

## Policy changes in 2012-13 to 2014-15

**3.10** The impact of policy decisions on resource DEL and capital DEL budgets in 2012-13 to 2014-15 are set out in **Tables 3.7 to 3.12**. The main policy decisions are set out below.

**3.11** The main claims on the DEL Reserve in 2012-13 were:

- £2.9bn resource DEL (of which £2.4bn resource DEL excluding depreciation) and £0.8bn capital DEL for MOD in respect of the net additional cost of military operations; and
- £0.4bn resource DEL received by FCO in respect of peacekeeping operations.

**3.12** The main policy decisions affecting 2012-13 to 2014-15 DEL budgets were:

- Public sector pay restraint, announced in the Autumn Statement 2011, which reduced resource DEL by £0.7bn and £1.3bn in 2013-14 and 2014-15 respectively;
- The reduction in the Special Reserve by £0.8bn in total in 2013-14 and by £1.5bn in 2014-15 to reflect the reduction in the net additional costs of military operations in Afghanistan, as announced at Budget 2012;
- DFID resource DEL adjusted by £0.4bn, £0.3bn and £0.5bn in 2012-13, 2013-14 and 2014-15 to meet the 0.7 per cent GNI target;
- DWP resource DEL increased by £0.3bn, £0.2bn and £0.2bn in respect of the

Youth Contract;

- Education increased resource DEL by £0.1bn, £0.2bn and £0.3bn in 2012-13, 2013-14 and 2014-15 to fund the extension of Early Years Childcare, and capital DEL increased by £0.3bn, £0.5bn and £0.4bn in 2012-13, 2013-14 and 2014-15 to fund additional school places and Free Schools;
- Transport capital DEL increased by £0.1bn, £0.4bn and £0.7bn in 2012-13, 2013-14 and 2014-15 to fund rail, road and local transport investment;
- CLG Communities capital DEL increased by £0.3bn, £0.4bn and £0.3bn in 2012-13, 2013-14 and 2014-15 in respect of Get Britain Building and the Regional Growth Fund;
- BIS capital DEL increased by £0.3bn, £0.2bn and £0.3bn in 2012-13, 2013-14 and 2014-15 in respect of the Regional Growth Fund and science funding; and
- £0.8bn capital DEL in 2012-13 in respect of the Green Investment Bank now scored within BIS' capital budget, previously recorded as a separate line of spending.

**Table 3.1 Resource DEL 2010-11; changes since PESA 2011**

				<b>£ million</b>	
	<b>Final provision adjusted for MOG</b>	<b>Outturn in PESA 2011 adjusted for MOG</b>	<b>Transfers and classification changes since PESA 2011</b>	<b>Other changes since PESA 2011</b>	<b>Outturn</b>
<b>Resource DEL</b>					
Education	51,603	51,461	-	-23	51,438
Health	101,498	100,540	-	-63	100,477
Transport	6,386	5,800	0	7	5,806
CLG Communities	3,787	3,721	-	-11	3,710
CLG Local Government	25,976	25,957	-	1	25,958
Business, Innovation and Skills	21,963	21,460	-	-1	21,458
Home Office	9,429	9,347	-	-22	9,325
Justice	9,095	9,028	-	-13	9,014
Law Officers' Departments	695	667	-	2	669
Defence	39,402	39,130	-	-95	39,035
Foreign and Commonwealth Office	2,235	2,200	-7	0	2,194
International Development	6,000	5,936	-	-6	5,930
Energy and Climate Change	1,292	1,159	0	-5	1,154
Environment, Food and Rural Affairs	2,433	2,370	-7	13	2,376
Culture, Media and Sport	1,615	1,527	-	-11	1,516
Work and Pensions	9,078	8,849	-	-1	8,848
Scotland	25,841	25,780	17	-4	25,793
Wales	13,885	13,794	-	0	13,794
Northern Ireland	10,162	10,025	0	-28	9,997
Chancellor's Departments	4,157	4,150	-	0	4,150
Cabinet Office	2,438	2,366	-	16	2,382
Independent Bodies	971	748	-	72	819
<b>Total resource DEL</b>	<b>349,942</b>	<b>346,014</b>	<b>2</b>	<b>-172</b>	<b>345,844</b>

**Table 3.2 Capital DEL 2010-11; changes since PESA 2011**

				<b>£ million</b>	
	<b>Final provision adjusted for MOG</b>	<b>Outturn in PESA 2011 adjusted for MOG</b>	<b>Transfers and classification changes since PESA 2011</b>	<b>Other changes since PESA 2011</b>	<b>Outturn</b>
<b>Capital DEL</b>					
Education	7,262	7,127	-	0	7,127
Health	4,897	4,200	-	2	4,202
Transport	7,179	7,386	-	-87	7,299
CLG Communities	6,527	6,458	-	1	6,459
CLG Local Government	15	-67	-	0	-67
Business, Innovation and Skills	2,158	2,096	-	10	2,106
Home Office	778	740	-	0	740
Justice	601	546	-	-8	538
Law Officers' Departments	12	8	-	0	8
Defence	9,557	9,375	-	-110	9,265
Foreign and Commonwealth Office	168	156	-	0	156
International Development	1,562	1,558	-	1	1,559
Energy and Climate Change	1,989	2,014	-	1	2,015
Environment, Food and Rural Affairs	578	570	-	-1	569
Culture, Media and Sport	599	578	-	2	580
Work and Pensions	327	322	-	1	323
Scotland	3,289	3,287	-	-3	3,284
Wales	1,755	1,751	-	0	1,751
Northern Ireland	1,218	1,194	-1	7	1,200
Chancellor's Departments	227	213	-	0	213
Cabinet Office	440	435	-	-2	433
Independent Bodies	74	57	-	-1	56
<b>Total capital DEL</b>	<b>51,211</b>	<b>50,004</b>	<b>-1</b>	<b>-188</b>	<b>49,815</b>

**Table 3.3 Total Managed Expenditure 2010-11; changes since PESA 2011**

	Outturn in PESA 2011	Transfers and classification changes since PESA 2011	Other changes since PESA 2011	Outturn
<b>£ million</b>				
<b>CURRENT EXPENDITURE</b>				
<i>Resource DEL</i>				
<b>Total resource DEL</b>	<b>346,014</b>	<b>2</b>	<b>-172</b>	<b>345,844</b>
<i>Resource departmental AME</i>				
Social security benefits	170,403		-443	169,960
Tax credits	28,925	-1		28,924
Net public service pensions	-74,880		-3,189	-78,069
National lottery	1,090		-95	995
BBC domestic services	3,303		-	3,303
Student loans	-301		14	-287
Non-cash items	56,343		-834	55,509
Financial sector interventions	-14,581		2	-14,579
Other departmental expenditure	844		267	1,111
<b>Total resource departmental AME</b>	<b>171,146</b>	<b>-1</b>	<b>-4,277</b>	<b>166,869</b>
<i>Resource other AME</i>				
Net expenditure transfers to the EU	8,414		0	8,414
Locally financed expenditure	24,841		-1,935	22,906
Central government gross debt interest	43,682		717	44,399
Accounting adjustments	37,583		5,349	42,932
<b>Total resource other AME</b>	<b>114,520</b>	<b>-</b>	<b>4,131</b>	<b>118,651</b>
<b>Total resource AME</b>	<b>285,666</b>	<b>-1</b>	<b>-146</b>	<b>285,520</b>
<b>Public sector current expenditure</b>	<b>631,680</b>	<b>2</b>	<b>-318</b>	<b>631,364</b>
<b>CAPITAL EXPENDITURE</b>				
<i>Capital DEL</i>				
<b>Total capital DEL</b>	<b>50,004</b>	<b>-1</b>	<b>-188</b>	<b>49,815</b>
<i>Capital departmental AME</i>				
National lottery	721		-124	597
BBC domestic services	114		-	114
Student loans	4,959		-181	4,778
Financial sector interventions	-3,015		31	-2,984
Other departmental expenditure	1,147		150	1,297
<b>Total capital departmental AME</b>	<b>3,926</b>	<b>-</b>	<b>-124</b>	<b>3,802</b>
<i>Capital other AME</i>				
Locally financed expenditure	6,692		-1,244	5,448
Public corporations' own-financed capital expenditure	8,541		-404	8,137
Accounting adjustments	-9,174		242	-8,932
<b>Total capital other AME</b>	<b>6,059</b>	<b>-</b>	<b>-1,406</b>	<b>4,653</b>
<b>Total capital AME</b>	<b>9,985</b>	<b>-</b>	<b>-1,530</b>	<b>8,455</b>
<b>Public sector gross investment</b>	<b>59,989</b>	<b>-1</b>	<b>-1,718</b>	<b>58,270</b>
less public sector depreciation	20,273		27	20,300
<b>Public sector net investment</b>	<b>39,716</b>	<b>-1</b>	<b>-1,745</b>	<b>37,970</b>
<b>Total Managed Expenditure</b>	<b>691,669</b>	<b>1</b>	<b>-2,036</b>	<b>689,634</b>

**Table 3.4 Resource DEL 2011-12; changes since PESA 2011**

						£ million
	Plans in PESA 2011 adjusted for MOG	Transfers and classification changes since PESA 2011	Budget Exchange	Other changes since PESA 2011	Final provision	Outturn
<b>Resource DEL</b>						
Education	51,478	61	-4	0	51,536	51,369
Health	102,767	15	-251	-1	102,530	101,638
Transport	6,231	0	-	-248	5,983	5,576
CLG Communities	2,015	-45	-20	0	1,950	1,821
CLG Local Government	26,001	20	-45	676	26,652	26,642
Business, Innovation and Skills	18,756	-28	-42	2,846	21,533	20,240
Home Office	9,239	-4	-92	-40	9,103	8,834
Justice	8,814	6	0	284	9,104	9,131
Law Officers' Departments	659	0	-3	0	656	621
Defence	35,646	-9	-	3,825	39,462	37,683
Foreign and Commonwealth Office	2,141	14	-	55	2,210	2,202
International Development	6,486	-30	-	-247	6,209	6,184
Energy and Climate Change	1,511	6	-7	-115	1,394	1,145
Environment, Food and Rural Affairs	2,343	1	-16	-30	2,298	2,214
Culture, Media and Sport	1,596	6	-5	27	1,624	1,567
Work and Pensions	7,802	-4	-78	-84	7,636	7,488
Scotland	25,456	18	-	122	25,596	25,459
Wales	13,786	-3	0	-23	13,760	13,665
Northern Ireland	9,872	0	-1	147	10,019	9,885
Chancellor's Departments	4,191	-12	-46	-10	4,124	4,036
Cabinet Office	2,514	7	-25	-26	2,471	2,424
Independent Bodies	922	-	-7	11	926	884
DEL Reserve	2,100	-	-	-2,100	-	-
<b>Total resource DEL</b>	<b>342,327</b>	<b>20</b>	<b>-640</b>	<b>5,070</b>	<b>346,777</b>	<b>340,711</b>

**Table 3.5 Capital DEL 2011-12; changes since PESA 2011**

	£ million					
	Plans in PESA 2011 adjusted for MOG	Transfers and classification changes since PESA 2011	Budget Exchange	Other changes since PESA 2011	Final provision	Outturn
<b>Capital DEL</b>						
Education	5,059	6	-	0	5,065	5,055
Health	4,429	-10	-66	1	4,354	3,818
Transport	7,732	-273	-	248	7,707	7,687
CLG Communities	3,521	224	-69	179	3,855	3,821
CLG Local Government	0	-	-	0	0	-8
Business, Innovation and Skills	1,123	-117	0	209	1,215	1,014
Home Office	503	4	-	0	508	494
Justice	434	-1	-	-50	383	349
Law Officers' Departments	6	-	-	-	6	0
Defence	10,032	169	-	-696	9,505	9,008
Foreign and Commonwealth Office	107	-	-	12	119	117
International Development	1,394	17	-	247	1,658	1,646
Energy and Climate Change	1,507	7	-6	-21	1,486	1,454
Environment, Food and Rural Affairs	373	-10	-5	31	389	383
Culture, Media and Sport	1,375	-8	-64	-27	1,276	1,212
Work and Pensions	245	-	-5	71	311	280
Scotland	2,540	-	-	222	2,762	2,732
Wales	1,288	-	-	109	1,397	1,386
Northern Ireland	915	-11	-	117	1,021	1,002
Chancellor's Departments	339	1	-6	-11	323	258
Cabinet Office	401	-7	-7	29	416	405
Independent Bodies	50	-	0	14	64	42
DEL Reserve	1,101	-	-	-1,101	-	-
<b>Total capital DEL</b>	<b>44,474</b>	<b>-10</b>	<b>-228</b>	<b>-417</b>	<b>43,819</b>	<b>42,156</b>

**Table 3.6 Total Managed Expenditure 2011-12; changes since PESA 2011**

	Plans in PESA 2011	Transfers and classification changes since PESA 2011	Other changes since PESA 2011	Outturn
<b>£ million</b>				
<b>CURRENT EXPENDITURE</b>				
<i>Resource DEL</i>				
<b>Total resource DEL</b>	<b>342,327</b>	<b>20</b>	<b>-1,637</b>	<b>340,711</b>
<i>Resource departmental AME</i>				
Social security benefits	175,424		605	176,029
Tax credits	30,100	-132		29,967
Net public service pensions	5,234	820		6,054
National lottery	861		538	1,399
BBC domestic services	3,513		177	3,690
Student loans	-1,768		1,144	-624
Non-cash items	52,419		-1,502	50,917
Financial sector interventions	-2,040		-14,535	-16,575
Other departmental expenditure	1,764		-1,565	200
<b>Total resource departmental AME</b>	<b>265,507</b>	<b>687</b>	<b>-15,138</b>	<b>251,056</b>
<i>Resource other AME</i>				
Net expenditure transfers to the EU	8,990		-1,288	7,702
Locally financed government expenditure	27,221		-481	26,740
Central government gross debt interest	48,635		-1,659	46,976
Accounting adjustments	-36,035		8,538	-27,497
<b>Total resource other AME</b>	<b>48,811</b>	<b>-</b>	<b>5,110</b>	<b>53,921</b>
<b>Total resource AME</b>	<b>314,318</b>	<b>687</b>	<b>-10,028</b>	<b>304,977</b>
<b>Public sector current expenditure</b>	<b>656,645</b>	<b>708</b>	<b>-11,665</b>	<b>645,688</b>
<b>CAPITAL EXPENDITURE</b>				
<i>Capital DEL</i>				
<b>Total capital DEL</b>	<b>44,474</b>	<b>-10</b>	<b>-2,309</b>	<b>42,156</b>
<i>Capital departmental AME</i>				
National lottery	539		-135	404
BBC domestic services	168		23	191
Student loans	6,366		-720	5,646
Financial sector interventions	1,110		-4,831	-3,721
Other departmental expenditure	1,611		-644	967
<b>Total capital departmental AME</b>	<b>9,794</b>	<b>-</b>	<b>-6,306</b>	<b>3,488</b>
<i>Capital other AME</i>				
Locally financed expenditure	13,201		440	13,641
Public corporations' own-financed capital expenditure	8,266		-2,151	6,115
Accounting adjustments	-22,019		5,818	-16,201
<b>Total capital other AME</b>	<b>-552</b>	<b>-</b>	<b>4,108</b>	<b>3,556</b>
<b>Total capital AME</b>	<b>9,242</b>	<b>-</b>	<b>-2,198</b>	<b>7,044</b>
<b>Public sector gross investment</b>	<b>53,716</b>	<b>-10</b>	<b>-4,506</b>	<b>49,200</b>
less public sector depreciation	21,871		-750	21,121
<b>Public sector net investment</b>	<b>31,845</b>	<b>-10</b>	<b>-3,756</b>	<b>28,079</b>
<b>Total Managed Expenditure</b>	<b>710,361</b>	<b>698</b>	<b>-16,171</b>	<b>694,888</b>

**Table 3.7 Resource DEL 2012-13 and 2013-14; changes since PESA 2011**

	£ million								
	2012-13					2013-14			
	Plans in PESA 2011 adjusted for MOG	Transfers and classification changes since PESA 2011	Budget Exchange	Other changes since PESA 2011	New Plans	Plans in PESA 2011 adjusted for MOG	Transfers and classification changes since PESA 2011	Other changes since PESA 2011	New Plans
<b>Resource DEL</b>									
Education	52,555	-41	4	128	52,645	53,085	-37	232	53,279
Health	105,275	59	251	0	105,584	108,257	1	0	108,258
Transport	6,010	-1	-	81	6,091	5,903	-181	76	5,798
CLG Communities	1,750	-17	20	45	1,798	1,619	255	112	1,986
CLG Local Government	23,974	0	45	0	24,019	24,199	-	-260	23,939
Business, Innovation and Skills	18,241	57	42	67	18,406	17,837	-8	99	17,929
Home Office	8,829	-11	92	-14	8,896	8,365	-12	-68	8,285
Justice	8,354	-39	0	2	8,318	8,011	26	-43	7,994
Law Officers' Departments	635	-	3	0	638	606	-	-4	602
Defence	33,863	4	-	2,892	36,759	33,859	-27	-98	33,734
Foreign and Commonwealth Office	1,573	188	-	374	2,136	1,547	30	-3	1,574
International Development	7,216	-221	-	-377	6,618	9,415	-	-264	9,151
Energy and Climate Change	1,406	-4	7	37	1,445	1,350	-1	42	1,390
Environment, Food and Rural Affairs	2,252	-23	16	-10	2,234	2,103	-19	-22	2,062
Culture, Media and Sport	2,637	-3	5	-1	2,638	1,521	-14	-8	1,499
Work and Pensions	7,612	14	78	343	8,047	7,562	4	232	7,797
Scotland	25,839	18	-	44	25,901	26,045	18	11	26,074
Wales	13,840	-1	0	12	13,851	13,992	-1	2	13,993
Northern Ireland	9,893	27	1	25	9,945	9,955	28	9	9,992
Chancellor's Departments	4,057	-27	46	-1	4,075	4,013	-30	-25	3,958
Cabinet Office	2,489	69	25	-2	2,580	2,444	24	2	2,471
Independent Bodies	808	-	7	-5	810	791	-	7	798
Reserve	2,500	-	-	-600	1,900	2,600	-	-300	2,300
Special Reserve	3,100	-	-	-2,500	600	3,000	-	-500	2,500
Green Investment Bank	-	-	-	-	-	1,000	-	-	1,000
Adjustment for Budget Exchange <sup>(1)</sup>	-	-	-640	-	-	-	-	-	-
<b>Total resource DEL</b>	<b>344,700</b>	<b>46</b>	<b>0</b>	<b>540</b>	<b>345,300</b>	<b>349,100</b>	<b>54</b>	<b>-770</b>	<b>348,300</b>

<sup>(1)</sup> Departmental budgets in 2012-13 include £0.6 billion resource DEL carried forward from 2011-12 through the system of Budget Exchange, which was voted at Main Estimates. These increases will be offset at Supplementary Estimates and so are excluded from spending totals.

**Table 3.8 Resource DEL excluding depreciation 2012-13 and 2013-14; changes since PESA 2011**

	£ million								
	2012-13					2013-14			
	Plans in PESA 2011 adjusted for MOG	Transfers and classification changes since PESA 2011	Budget Exchange	Other changes since PESA 2011	New Plans	Plans in PESA 2011 adjusted for MOG	Transfers and classification changes since PESA 2011	Other changes since PESA 2011	New Plans
<b>Resource DEL excluding depreciation</b>									
Education	52,523	-41	4	127	52,612	53,052	-37	233	53,247
Health	104,092	59	251	0	104,401	107,032	1	0	107,033
Transport	5,025	-1	-	34	5,058	4,963	-181	76	4,859
CLG Communities	1,711	-17	20	45	1,759	1,581	255	112	1,949
CLG Local Government	23,974	0	45	0	24,018	24,198	-	-260	23,938
Business, Innovation and Skills	15,967	57	42	68	16,133	14,977	-8	99	15,068
Home Office	8,576	-11	92	-15	8,643	8,133	-12	-68	8,053
Justice	7,806	-39	0	2	7,769	7,438	26	-43	7,421
Law Officers' Departments	621	-	3	0	624	596	-	-4	591
Defence	25,185	4	-	2,372	27,562	24,875	-27	-98	24,750
Foreign and Commonwealth Office	1,463	162	-	374	1,999	1,429	3	-3	1,430
International Development	7,195	-221	-	-377	6,597	9,394	-	-264	9,130
Energy and Climate Change	1,398	-4	7	35	1,436	1,341	-1	42	1,381
Environment, Food and Rural Affairs	2,059	-23	16	-10	2,042	1,913	-19	-22	1,871
Culture, Media and Sport	2,002	-3	5	-2	2,002	1,226	-14	-8	1,204
Work and Pensions	7,371	14	78	343	7,806	7,417	4	232	7,652
Scotland	25,152	8	-	44	25,204	25,344	8	11	25,363
Wales	13,367	-1	0	12	13,378	13,510	-1	1	13,510
Northern Ireland	9,452	10	1	25	9,487	9,511	11	10	9,532
Chancellor's Departments	3,820	-27	46	-2	3,837	3,765	-30	-25	3,710
Cabinet Office	2,057	69	25	-2	2,148	1,981	24	2	2,008
Independent Bodies	756	-	7	3	766	739	-	17	756
Reserve	2,500	-	-	-600	1,900	2,600	-	-300	2,300
Special Reserve	3,100	-	-	-2,500	600	3,000	-	-500	2,500
Green Investment Bank	-	-	-	-	-	1,000	-	-	1,000
Adjustment for Budget Exchange <sup>(1)</sup>	-	-	-640	-	-	-	-	-	-
<b>Total resource DEL excluding depreciation</b>	<b>327,200</b>	<b>-7</b>	<b>0</b>	<b>-23</b>	<b>327,200</b>	<b>331,000</b>	<b>1</b>	<b>-759</b>	<b>330,200</b>

<sup>(1)</sup> Departmental budgets in 2012-13 include £0.6 billion resource DEL carried forward from 2011-12 through the system of Budget Exchange, which was voted at Main Estimates. These increases will be offset at Supplementary Estimates and so are excluded from spending totals.

**Table 3.9 Capital DEL 2012-13 and 2013-14; changes since PESA 2011**

	£ million									
	2012-13					2013-14				
	Plans in PESA 2011 adjusted for MOG	Transfers and classification changes since PESA 2011	Budget Exchange	Other changes since PESA 2011	New Plans	Plans in PESA 2011 adjusted for MOG	Transfers and classification changes since PESA 2011	Other changes since PESA 2011	New Plans	
<b>Capital DEL</b>										
Education	4,213	60	-	291	4,564	3,266	-60	475	3,681	
Health	4,429	-	66	0	4,496	4,437	-	0	4,437	
Transport	8,083	-125	-	74	8,032	7,481	-	431	7,912	
CLG Communities	2,279	170	69	477	2,995	1,803	-14	424	2,213	
Business, Innovation and Skills	995	71	0	1,036	2,101	773	16	237	1,026	
Home Office	501	-	-	-	501	366	-	-	366	
Justice	312	-	-	3	315	280	-	0	280	
Law Officers' Departments	6	-	-	0	6	6	-	-1	6	
Defence	9,131	-30	-	816	9,917	9,179	-	100	9,279	
Foreign and Commonwealth Office	102	-	-	-	102	102	-	-	102	
International Development	1,635	-	-	-	1,635	1,924	-	-	1,924	
Energy and Climate Change	2,013	2	6	-69	1,952	2,208	-1	170	2,377	
Environment, Food and Rural Affairs	382	-5	5	-1	381	380	-1	-1	379	
Culture, Media and Sport	565	-161	64	71	538	175	60	170	405	
Work and Pensions	324	-	5	0	329	385	-	-	385	
Scotland	2,475	-	-	78	2,553	2,237	-	125	2,362	
Wales	1,189	-	-	44	1,233	1,065	-	84	1,149	
Northern Ireland	859	2	-	27	888	781	3	54	838	
Chancellor's Departments	170	-	6	0	176	137	-	0	137	
Cabinet Office	379	19	7	0	405	387	-	0	387	
Independent Bodies	68	-	0	-3	65	69	-	-6	63	
Reserve	1,000	-	-	-100	900	1,000	-	-300	700	
Special Reserve	800	-	-	-800	-	800	-	-300	500	
Green Investment Bank	775	-	-	-775	-	-	-	-	-	
Adjustment for Budget Exchange <sup>(1)</sup>	-	-	-228	-	-	-	-	-	-	
<b>Total capital DEL</b>	<b>42,700</b>	<b>2</b>	<b>0</b>	<b>1,169</b>	<b>43,800</b>	<b>39,200</b>	<b>3</b>	<b>1,664</b>	<b>40,900</b>	

<sup>1</sup> Departmental budgets in 2012-13 include £0.2 billion capital DEL carried forward from 2011-12 through the system of Budget Exchange, which was voted at Main Estimates. These increases will be offset at Supplementary Estimates and so are excluded from spending totals.

**Table 3.10 Resource DEL 2014-15; changes since PESA 2011**

	2014-15			£ million
	Plans in PESA 2011 adjusted for MOG	Transfers and classification changes since PESA 2011	Other changes since PESA 2011	New Plans
<b>Resource DEL</b>				
Education	54,016	-30	392	54,378
Health	111,153	1	0	111,154
Transport	5,365	-8	99	5,457
CLG Communities	1,225	54	93	1,372
CLG Local Government	22,850	-	-517	22,333
Business, Innovation and Skills	17,425	-28	89	17,486
Home Office	8,109	-13	-135	7,961
Justice	7,722	23	-85	7,660
Law Officers' Departments	566	-	-9	557
Defence	34,114	-1	-192	33,922
Foreign and Commonwealth Office	1,291	-	-7	1,284
International Development	9,433	-	-523	8,910
Energy and Climate Change	1,044	-1	-3	1,040
Environment, Food and Rural Affairs	1,983	-2	-22	1,959
Culture, Media and Sport	1,306	-14	-8	1,284
Work and Pensions	7,738	5	164	7,907
Scotland	26,198	19	16	26,233
Wales	14,052	-1	-3	14,048
Northern Ireland	10,011	30	9	10,050
Chancellor's Departments	3,849	-25	-48	3,776
Cabinet Office	2,681	19	2	2,702
Independent Bodies	774	-	25	799
Reserve	2,500	-	-100	2,400
Special Reserve	2,800	-	-1,000	1,800
<b>Total resource DEL</b>	<b>348,200</b>	<b>28</b>	<b>-1,759</b>	<b>346,300</b>

**Table 3.11 Resource DEL excluding depreciation 2014-15; changes since PESA 2011**

	2014-15			£ million
	Plans in PESA 2011 adjusted for MOG	Transfers and classification changes since PESA 2011	Other changes since PESA 2011	New Plans
<b>Resource DEL excluding depreciation</b>				
Education	53,983	-30	393	54,346
Health	109,884	1	0	109,885
Transport	4,429	-8	98	4,520
CLG Communities	1,189	54	93	1,336
CLG Local Government	22,850	-	-517	22,333
Business, Innovation and Skills	13,954	-28	89	14,015
Home Office	7,860	-13	-135	7,712
Justice	7,120	23	-85	7,058
Law Officers' Departments	558	-	-9	549
Defence	24,662	-1	-192	24,470
Foreign and Commonwealth Office	1,167	-	-7	1,160
International Development	9,412	-	-523	8,889
Energy and Climate Change	1,036	-1	-3	1,032
Environment, Food and Rural Affairs	1,792	-2	-22	1,768
Culture, Media and Sport	1,131	-14	-8	1,108
Work and Pensions	7,601	5	164	7,770
Scotland	25,451	8	17	25,476
Wales	13,545	-1	-2	13,542
Northern Ireland	9,552	13	10	9,575
Chancellor's Departments	3,589	-25	-48	3,516
Cabinet Office	2,172	19	1	2,193
Independent Bodies	723	-	35	758
Reserve	2,500	-	-100	2,400
Special Reserve	2,800	-	-1,000	1,800
<b>Total resource DEL excluding depreciation</b>	<b>329,000</b>	<b>0</b>	<b>-1,750</b>	<b>327,000</b>

**Table 3.12 Capital DEL 2014-15; changes since PESA 2011**

	2014-15			£ million
	Plans in PESA 2011 adjusted for MOG	Transfers and classification changes since PESA 2011	Other changes since PESA 2011	New Plans
<b>Capital DEL</b>				
Education	3,378	-	435	3,813
Health	4,648	-	0	4,648
Transport	7,518	-	701	8,219
CLG Communities	1,964	-11	308	2,261
Business, Innovation and Skills	967	8	269	1,245
Home Office	466	-	-1	466
Justice	303	-	0	303
Law Officers' Departments	7	-	0	7
Defence	8,751	-	-	8,751
Foreign and Commonwealth Office	98	-	-	98
International Development	2,044	-	-	2,044
Energy and Climate Change	2,711	1	0	2,712
Environment, Food and Rural Affairs	412	2	0	413
Culture, Media and Sport	69	-	80	149
Work and Pensions	242	-	-	242
Scotland	2,318	-	143	2,461
Wales	1,106	-	96	1,202
Northern Ireland	804	28	57	889
Chancellor's Departments	134	-	0	134
Cabinet Office	356	-	0	356
Independent Bodies	76	-	-3	73
Reserve	1,100	-	-500	600
Special Reserve	800	-	-500	300
<b>Total capital DEL</b>	<b>40,300</b>	<b>28</b>	<b>1,085</b>	<b>41,300</b>



# 4

## Trends in public sector expenditure

---

**4.1** The analyses in this chapter show trends in government spending over a longer time span than presented elsewhere in PESA, adjusted as far as possible so that figures for historical outturn years are based on current definitions.

**4.2** Data in this chapter are a combination of cash and accruals. Data for public sector expenditure on services are on a cash basis up until 1997-98, and on an accruals basis thereafter. All data in this chapter are National Statistics.

### What's new

**4.3** There have been no significant changes to the presentation of the data within this chapter since PESA 2011.

### Public spending aggregates

**4.4** **Table 4.1** shows trends in public spending since 1971-72 in terms of three spending aggregates: public sector current expenditure; public sector net investment; and Total Managed Expenditure (TME). All aggregates are presented in nominal and in real terms and as a per cent of Gross Domestic Product (GDP). Data for a fourth aggregate, public sector depreciation, are shown in nominal terms only.

**4.5** Data for all these aggregates are taken from the public sector accounts compiled by the Office for National Statistics (ONS). The public sector accounts are a part of the National Accounts which are updated monthly.

### Public sector expenditure on services by function

**4.6** The public spending by function series uses the Total Expenditure on Services spending aggregate (TES). Expenditure on services covers most expenditure by the public sector that is included in TME.

**4.7** Public sector expenditure on services includes central government spending, but excludes the part that is finance to local government and capital finance to public corporations. This central government own expenditure is then combined with actual spending by local government and public corporations to give total public sector expenditure. Expenditure on services excludes non-cash items such as depreciation and provisions. Full details of the definition of expenditure on services and the relationship to departments' budgets are available in **Annex E**.

**4.8** **Table 4.2** shows public sector expenditure on services by United Nations Classification Of the Functions Of Government (COFOG) level 1 from 1988-89. **Tables 4.3 and 4.4** present this in real terms and as a per cent of GDP respectively. These tables cover outturn years up to 2011-12. They also show, in italics, additional Treasury-defined functional divisions that were used prior to the introduction of UN COFOG, but which don't correspond to COFOG level 1. The mapping between HM Treasury's functions and the UN COFOG level 2 classification is available on the Treasury website.<sup>1</sup>

---

<sup>1</sup> [http://hm-treasury.gov.uk/pespub\\_economic\\_functional\\_analysis.htm](http://hm-treasury.gov.uk/pespub_economic_functional_analysis.htm)

## Methods and data quality for long run TES series

**4.9** Our aim is for the functional breakdown of spending to be broadly consistent across all tables.

**4.10** Data in **Tables 4.2, 4.3 and 4.4** for years before 2007-08 are not taken directly from the 'live' COINS public expenditure database that is maintained by government departments (see **Annex A**). Data that precede the most recent five outturn years cease to be 'live' and are archived in a summarised form.

**4.11** Historical outturn data are not usually subject to adjustment. However, sometimes reclassifications affect the long run functional series. These include ONS decisions for the National Accounts and decisions taken by the Treasury in conjunction with departments to improve the allocation of spending to functions.

**4.12** Only substantial classification changes are reflected in the historical years, based on the change in spending relative to the size of the function or functions concerned. Reclassifications that are reflected in the historical series are based on archived data. The decision as to the procedure used to implement reclassifications for historical years is taken by Treasury officials after discussions with the relevant government departments, and can sometimes entail a simple percentage split based on the best information available.

**4.13** It should be noted that the attribution of spending to functions for historical years is less accurate than for live years. In some cases, the presentation of functional numbers as accurate to within £100 million overstates the accuracy of the figures due to rounding. Minor differences in figures or rates of change should be disregarded.

**Table 4.1 Public expenditure aggregates, 1971-72 to 2014-15**

	Public sector current expenditure			Depreciation		Public sector net investment			Total Managed Expenditure <sup>(2)</sup>		
	Nominal £ billion	Real terms <sup>(1)</sup> £ billion	Per cent of GDP	Nominal £ billion		Nominal £ billion	Real terms <sup>(1)</sup> £ billion	Per cent of GDP	Nominal £ billion	Real terms <sup>(1)</sup> £ billion	Per cent of GDP
1971-72	19.8	200.6	33.4	2.3		3.1	31.7	5.3	25.2	255.4	42.6
1972-73	22.4	209.2	33.2	2.6		3.3	30.6	4.9	28.3	263.9	41.9
1973-74	26.4	230.4	35.0	3.1		3.9	34.5	5.2	33.4	291.9	44.4
1974-75	34.8	254.5	38.7	3.9		5.1	37.0	5.6	43.7	319.9	48.7
1975-76	44.6	260.1	39.8	4.9		6.2	36.3	5.6	55.7	325.0	49.7
1976-77	52.0	267.0	39.7	5.8		5.8	29.8	4.4	63.6	326.4	48.6
1977-78	58.3	263.3	38.3	6.6		4.5	20.4	3.0	69.5	313.6	45.6
1978-79	66.7	271.5	38.3	7.5		4.4	17.8	2.5	78.6	319.8	45.1
1979-80	79.9	278.7	38.1	8.9		4.8	16.6	2.3	93.6	326.4	44.6
1980-81	97.2	286.9	40.7	10.7		4.5	13.3	1.9	112.5	331.8	47.0
1981-82	111.3	299.6	42.3	11.7		2.6	7.1	1.0	125.6	338.1	47.7
1982-83	121.7	306.9	42.3	12.1		4.5	11.3	1.6	138.3	348.7	48.1
1983-84	131.4	317.2	41.9	12.6		5.7	13.8	1.8	149.7	361.5	47.8
1984-85	142.0	326.5	42.2	12.7		5.3	12.1	1.6	160.0	367.8	47.5
1985-86	150.0	327.5	40.6	12.3		4.3	9.4	1.2	166.6	363.7	45.0
1986-87	157.3	333.7	39.7	12.7		2.7	5.8	0.7	172.8	366.5	43.6
1987-88	168.0	338.3	38.0	12.7		2.6	5.2	0.6	183.3	369.1	41.5
1988-89	175.4	331.7	35.6	13.6		1.7	3.1	0.3	190.7	360.5	38.7
1989-90	189.3	335.2	35.1	14.3		6.6	11.7	1.2	210.2	372.3	38.9
1990-91	205.6	339.8	35.4	14.1		7.8	12.9	1.3	227.5	376.1	39.2
1991-92	230.8	358.3	37.7	12.6		10.8	16.7	1.8	254.2	394.5	41.5
1992-93	249.9	379.6	39.5	12.7		11.6	17.6	1.8	274.2	416.5	43.3
1993-94	263.9	392.4	39.3	13.0		9.4	14.0	1.4	286.3	425.7	42.6
1994-95	276.3	404.9	38.9	13.1		9.8	14.4	1.4	299.2	438.5	42.1
1995-96	288.1	411.0	38.3	13.1		10.1	14.4	1.3	311.4	444.2	41.4
1996-97	298.0	412.5	37.2	12.4		5.4	7.5	0.7	315.8	437.2	39.5
1997-98	305.0	413.8	35.9	12.2		4.8	6.6	0.6	322.0	437.0	38.0
1998-99	312.8	415.9	35.0	12.1		6.0	7.9	0.7	330.9	439.9	37.0
1999-00	325.1	424.7	34.4	12.4		5.4	7.1	0.6	342.9	447.9	36.3
2000-01	346.3	449.8	35.1	12.6		-17.4	-22.5	-1.8	341.5	443.7	34.6
2001-02	364.2	464.3	35.4	13.1		11.9	15.2	1.2	389.2	496.1	37.8
2002-03	393.4	489.2	36.2	14.0		13.8	17.2	1.3	421.2	523.8	38.8
2003-04	425.3	517.5	36.8	14.6		15.6	19.0	1.4	455.5	554.2	39.5
2004-05	456.6	539.7	37.6	15.2		20.6	24.3	1.7	492.4	582.0	40.5
2005-06	484.5	559.8	37.7	16.1		23.5	27.1	1.8	524.0	605.5	40.8
2006-07	507.2	570.8	37.6	17.0		25.8	29.1	1.9	550.0	619.0	40.7
2007-08	536.2	588.7	37.4	17.7		29.1	31.9	2.0	582.9	640.0	40.7
2008-09	564.7	603.5	39.7	18.6		46.4	49.6	3.3	629.7	673.0	44.3
2009-10	602.3	634.2	42.5	19.3		48.5	51.1	3.4	670.2	705.6	47.3
2010-11	631.4	646.4	42.7	20.3		38.0	38.9	2.6	689.6	706.1	46.6
2011-12	645.7	645.7	42.3	21.1		28.1	28.1	1.8	694.9	694.9	45.5
2012-13 <sup>(3)</sup>	664.6	647.1	42.2	22.2		-3.4	-3.3	-0.2	683.4	665.4	43.4
2013-14 <sup>(3)</sup>	673.6	639.9	40.8	23.1		23.4	22.2	1.4	720.0	684.0	43.6
2014-15 <sup>(3)</sup>	686.4	636.1	39.4	23.9		23.1	21.4	1.3	733.5	679.8	42.2

<sup>(1)</sup> Real terms figures are the nominal figures adjusted to 2011-12 price levels using outturn GDP deflators from the Office for National Statistics (released 28 June 2012).

<sup>(2)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

<sup>(3)</sup> Denotes plan years.

**Table 4.2 Public sector expenditure on services by function, 1988-89 to 2011-12**

	National Statistics																				accruals, £billion						
	cash, £billion																										
	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2010-11	2011-12	
1. General public services	26.0	28.0	28.1	26.9	28.0	29.8	32.8	36.3	37.5	38.9	39.8	37.1	38.7	36.1	36.0	39.1	42.5	45.7	47.7	50.5	52.4	52.4	52.4	66.6	69.4		
of which: public and common services	3.8	4.7	5.1	5.7	5.8	5.8	5.9	6.1	6.2	6.2	7.2	8.0	7.9	9.2	9.8	10.9	12.1	12.8	12.7	12.5	13.9	13.6	13.6	12.7	12.7		
of which: international services	2.1	2.3	2.5	2.9	3.1	3.2	3.3	3.4	3.1	3.1	3.2	3.7	4.2	4.3	4.5	5.1	5.5	6.2	6.3	6.7	7.2	7.9	7.9	8.9	9.1		
of which: public sector debt interest	20.2	20.9	20.5	18.3	19.0	20.8	23.5	26.8	28.1	29.7	29.4	25.4	26.6	22.7	21.7	23.0	24.9	26.7	28.7	31.4	31.3	30.8	45.0	47.6			
2. Defence	19.4	21.0	22.0	23.2	23.8	23.5	23.3	22.5	22.1	21.7	24.5	25.1	25.7	25.4	27.0	28.8	29.8	31.0	32.2	33.7	36.8	37.7	39.2	39.1			
3. Public order and safety	9.0	10.3	11.7	13.2	14.4	15.0	15.6	16.0	16.4	17.1	18.0	18.4	20.4	23.1	24.4	26.4	28.5	29.3	30.4	31.7	33.7	34.2	32.9	32.3			
4. Economic affairs	18.7	19.6	21.6	21.4	23.3	23.8	23.9	23.4	23.3	21.5	19.6	21.5	23.8	27.8	30.8	33.1	33.7	35.4	37.5	37.1	47.2	45.7	37.6	34.5			
of which: enterprise and economic development <sup>(1)</sup>	6.7	7.0	6.9	5.4	5.4	5.5	4.7	4.5	4.3	4.3	3.1	4.4	4.9	5.1	5.9	6.0	6.5	6.4	6.3	6.8	15.4	11.6	4.8	3.5			
of which: science and technology	1.1	1.1	1.2	1.3	1.4	1.5	1.1	1.2	1.4	1.4	1.4	1.4	1.4	1.7	2.1	2.3	2.5	3.0	2.9	3.3	3.2	3.5	3.3	3.6			
of which: employment policies	2.7	2.3	2.4	2.7	2.9	3.1	3.2	3.1	2.8	2.5	2.9	3.5	3.8	3.3	3.0	3.2	3.2	3.3	3.3	2.1	1.9	2.4	3.1	1.8			
of which: agriculture, fisheries and forestry	2.0	1.9	2.7	2.8	2.9	3.8	3.4	3.9	5.4	4.7	4.4	4.3	4.7	6.3	4.9	5.3	5.4	5.6	5.1	4.3	5.8	5.5	5.2	5.6			
of which: transport	6.3	7.3	8.3	9.2	10.8	10.0	11.5	10.9	9.5	8.7	7.8	7.9	9.0	11.3	14.8	16.3	16.0	17.0	19.9	20.5	20.9	22.7	21.2	20.0			
5. Environment protection	2.6	2.9	3.2	3.4	3.6	3.4	3.8	4.1	3.7	4.0	4.3	4.9	5.1	5.4	6.0	6.2	7.0	8.5	9.4	9.6	9.7	11.0	11.4	11.2			
6. Housing and community amenities	3.6	5.3	6.0	6.8	7.1	6.2	6.2	6.0	5.7	4.9	5.5	4.7	5.5	6.2	5.4	6.7	8.0	10.7	11.5	13.0	15.1	16.2	12.7	10.2			
7. Health	22.4	24.2	27.1	30.9	34.2	36.6	39.4	41.4	42.8	44.5	46.9	49.4	54.2	59.8	66.2	74.9	82.9	89.8	94.7	102.3	110.0	118.2	121.3	121.3			
8. Recreation, culture and religion	3.8	4.3	4.8	5.0	5.1	5.1	5.2	5.5	5.7	6.4	7.2	7.7	7.8	8.6	9.3	9.7	10.0	10.8	11.4	12.2	13.1	14.0	13.5	13.6			
9. Education	23.1	25.9	28.1	31.3	33.2	34.7	36.2	37.0	37.8	38.6	40.0	42.2	45.9	51.2	54.7	61.0	65.1	69.8	73.0	78.7	83.0	88.4	91.8	91.6			
10. Social protection	56.8	61.3	68.2	80.2	91.1	98.3	102.0	107.6	112.8	114.5	115.2	123.0	128.5	137.4	145.3	155.6	164.1	171.0	177.0	188.6	205.0	224.6	232.1	242.3			
EU transactions	-2.5	-1.5	-2.3	-4.1	-3.4	-4.7	-4.3	-4.1	-5.2	-3.7	-2.6	-2.7	-2.6	-4.8	-1.9	-2.1	-0.9	-0.6	-1.8	-1.5	-2.9	0.1	2.8	1.2			
<b>Public sector expenditure on services</b>	<b>183.0</b>	<b>201.1</b>	<b>218.4</b>	<b>238.2</b>	<b>260.5</b>	<b>271.6</b>	<b>284.1</b>	<b>295.8</b>	<b>302.5</b>	<b>308.5</b>	<b>318.5</b>	<b>331.2</b>	<b>353.1</b>	<b>376.2</b>	<b>403.4</b>	<b>439.5</b>	<b>470.8</b>	<b>501.3</b>	<b>523.1</b>	<b>555.8</b>	<b>603.1</b>	<b>642.5</b>	<b>661.9</b>	<b>666.8</b>			
Accounting adjustments	7.7	9.1	9.1	16.0	13.7	14.7	15.1	15.6	13.3	13.5	12.4	11.7	-11.6	13.0	17.8	16.0	21.6	22.7	26.9	27.2	26.7	27.7	27.8	28.1			
<b>Total Managed Expenditure<sup>(2)</sup></b>	<b>190.7</b>	<b>210.2</b>	<b>227.5</b>	<b>254.2</b>	<b>274.2</b>	<b>286.3</b>	<b>299.2</b>	<b>311.4</b>	<b>315.8</b>	<b>322.0</b>	<b>330.9</b>	<b>342.9</b>	<b>341.5</b>	<b>389.2</b>	<b>421.2</b>	<b>455.5</b>	<b>492.4</b>	<b>524.0</b>	<b>550.0</b>	<b>582.9</b>	<b>629.7</b>	<b>670.2</b>	<b>689.6</b>	<b>694.9</b>			

<sup>(1)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions. See Box 5.A for details.

<sup>(2)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.



**Table 4.4 Public sector expenditure on services by function as a per cent of GDP,<sup>(1)</sup> 1988-89 to 2011-12**

	National Statistics																				accruals, per cent						
	cash, per cent																										
	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	outturn	outturn	
1. General public services	5.3	5.2	4.8	4.4	4.4	4.4	4.6	4.8	4.7	4.6	4.5	3.9	3.9	3.5	3.3	3.4	3.5	3.6	3.5	3.5	3.7	3.7	3.7	4.5	4.5	outturn	outturn
of which: public and common services	0.8	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0	0.9	0.9	1.0	1.0	1.0	0.9	0.8	outturn	outturn
of which: international services	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	outturn	outturn
of which: public sector debt interest	4.1	3.9	3.5	3.0	3.0	3.1	3.3	3.6	3.5	3.5	3.3	2.7	2.7	2.2	2.0	2.0	2.1	2.1	2.1	2.2	2.2	2.2	2.2	3.0	3.1	outturn	outturn
2. Defence	3.9	3.9	3.8	3.8	3.8	3.5	3.3	3.0	2.8	2.6	2.7	2.7	2.6	2.5	2.5	2.5	2.4	2.4	2.4	2.3	2.6	2.7	2.7	2.6	2.6	outturn	outturn
3. Public order and safety	1.8	1.9	2.0	2.2	2.3	2.2	2.2	2.1	2.0	2.0	2.0	1.9	2.1	2.2	2.2	2.3	2.3	2.3	2.3	2.2	2.4	2.4	2.4	2.2	2.1	outturn	outturn
4. Economic affairs	3.8	3.6	3.7	3.5	3.7	3.5	3.4	3.1	2.9	2.5	2.2	2.3	2.4	2.7	2.8	2.9	2.8	2.8	2.8	2.6	3.4	3.3	3.3	2.6	2.3	outturn	outturn
of which: enterprise and economic development <sup>(2)</sup>	1.4	1.3	1.2	0.9	0.9	0.8	0.7	0.6	0.5	0.5	0.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1.1	0.8	0.3	0.2	outturn	outturn	
of which: science and technology	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	outturn	outturn
of which: employment policies	0.5	0.4	0.4	0.4	0.5	0.5	0.5	0.4	0.3	0.3	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.1	0.1	0.2	0.1	0.1	outturn	outturn
of which: agriculture, fisheries and forestry	0.4	0.4	0.5	0.5	0.5	0.6	0.5	0.5	0.7	0.6	0.5	0.5	0.5	0.6	0.5	0.5	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4	outturn	outturn
of which: transport	1.3	1.4	1.4	1.5	1.7	1.5	1.6	1.4	1.2	1.0	0.9	0.8	0.9	1.1	1.4	1.4	1.3	1.3	1.5	1.4	1.5	1.6	1.5	1.3	1.3	outturn	outturn
5. Environment protection	0.5	0.5	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.5	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.7	0.7	outturn	outturn
6. Housing and community amenities	0.7	1.0	1.0	1.1	1.1	0.9	0.9	0.8	0.7	0.6	0.6	0.5	0.6	0.6	0.5	0.6	0.7	0.8	0.9	0.9	1.1	1.2	0.9	0.7	0.7	outturn	outturn
7. Health	4.6	4.5	4.7	5.0	5.4	5.4	5.5	5.5	5.3	5.2	5.3	5.2	5.5	5.8	6.1	6.5	6.8	7.0	7.0	7.1	7.7	8.4	8.2	7.9	7.9	outturn	outturn
8. Recreation, culture and religion	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9	outturn	outturn
9. Education	4.7	4.8	4.8	5.1	5.2	5.2	5.1	4.9	4.7	4.5	4.5	4.5	4.7	5.0	5.0	5.3	5.4	5.4	5.4	5.5	5.8	6.2	6.2	6.0	6.0	outturn	outturn
10. Social protection	11.5	11.4	11.7	13.1	14.4	14.6	14.3	14.3	14.1	13.5	12.9	13.0	13.0	13.3	13.4	13.5	13.5	13.3	13.1	13.2	14.4	15.9	15.7	15.9	15.9	outturn	outturn
EU transactions	-0.5	-0.3	-0.4	-0.7	-0.5	-0.7	-0.6	-0.5	-0.6	-0.4	-0.3	-0.3	-0.3	-0.5	-0.2	-0.2	-0.1	0.0	-0.1	-0.1	-0.2	0.0	0.2	0.1	0.1	outturn	outturn
<b>Public sector expenditure on services</b>	<b>37.2</b>	<b>37.2</b>	<b>37.6</b>	<b>38.9</b>	<b>41.1</b>	<b>40.4</b>	<b>40.0</b>	<b>39.3</b>	<b>37.8</b>	<b>36.4</b>	<b>35.7</b>	<b>35.1</b>	<b>35.8</b>	<b>36.5</b>	<b>37.1</b>	<b>38.1</b>	<b>38.8</b>	<b>39.0</b>	<b>38.7</b>	<b>38.8</b>	<b>42.4</b>	<b>45.4</b>	<b>44.8</b>	<b>43.6</b>	outturn	outturn	
Accounting adjustments	1.6	1.7	1.6	2.6	2.2	2.2	2.1	2.1	1.7	1.6	1.4	1.2	-1.2	1.3	1.6	1.4	1.8	1.8	2.0	1.9	1.9	2.0	1.9	1.8	1.8	outturn	outturn
<b>Total Managed Expenditure<sup>(3)</sup></b>	<b>38.7</b>	<b>38.9</b>	<b>39.2</b>	<b>41.5</b>	<b>43.3</b>	<b>42.6</b>	<b>42.1</b>	<b>41.4</b>	<b>39.5</b>	<b>38.0</b>	<b>37.0</b>	<b>36.3</b>	<b>34.6</b>	<b>37.8</b>	<b>38.8</b>	<b>39.5</b>	<b>40.5</b>	<b>40.8</b>	<b>40.7</b>	<b>40.7</b>	<b>44.3</b>	<b>47.3</b>	<b>46.6</b>	<b>45.5</b>	outturn	outturn	

<sup>(1)</sup> GDP until 2011-12 is consistent with the latest figures from the Office for National Statistics (published 28 June 2012).

<sup>(2)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions. See Box 5.A for details.

<sup>(3)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

# 5

## Public sector expenditure by function, sub-function and economic category

---

**5.1** The analyses in this chapter present public sector expenditure for the years 2007-08 onwards, adjusted so that figures for all years are based on current definitions. All data are National Statistics and are based on the expenditure on services framework (explained further in **Annex E**).

### What's new

**5.2** There have been no significant changes to the presentation of data within this chapter since PESA 2011.

**5.3 Interactive tables** containing the data in this release will be published on the Treasury website. This will allow users to generate alternative presentations of these statistics and access more of the underlying detail.

### Classification changes

**5.4** A number of departments have carried out a restructuring of the way they organise their data in preparation for the switchover from the COINS database to its replacement, OSCAR. This has resulted in a large number of minor revisions to the functional and sub-functional breakdown of data in **Chapters 5 and 6**. This is in addition to ongoing work to improve the classification of items of spending against level 2 of the UN Classification of the Functions Of Government (COFOG) framework.

**5.5** Significant revisions to the functional and sub-functional breakdown of expenditure data since PESA 2011 include:

- Changes in the way that the Department for Work and Pensions records spending on Job Centre Plus has resulted in the movement of some spending from **4.1 General economic, commercial and labour affairs** to **10.5 Unemployment of which: personal social services**. This affects tables in **Chapters 4, 5 and 6**.
- The re-organisation of NHS spending on COINS has resulted in the movement of a large amount of spending on the NHS litigation authority from **Medical Services** to **Central and other health services**. This affects tables in **Chapters 5 and 6**.
- The functional classification of spending on the Olympics by the Department for Culture, Media and Sports has been reviewed in order to ensure greater consistency in the application of COFOG level 2 definitions. This has resulted in the movement of spending from **8.1 Recreational and sporting services** to **4.3 Fuel and energy, 4.5 Transport, 4.7 Other industries, 5.3 Pollution abatement** and **6.1 Housing development**. This has affected tables in **Chapters 4, 5 and 6**.
- Revisions to the sub-functional breakdown of Local Authority spending have resulted in the movement of spending from **5.6 Environment protection n.e.c** to **5.1 Waste management**. This affects tables in **Chapters 5 and 7**.

- Revisions by Northern Ireland Executive to its data has resulted in the movement of spending from **8.6 Recreation, culture and religion n.e.c** to **8.4 Religious and other community services**. This affects tables in **Chapter 5 and 6**.

## Relationship between functional series and departments

**5.6 Table 5.1** shows public sector expenditure on services by function split across the different government departmental groups for 2011-12. Departmental spending can be spread across a variety of functions, particularly in the case of the devolved administrations. This presentation allocates local government expenditure to the departmental group most closely associated with a particular function. For example, spending on schools by local government in Scotland is allocated to Scotland, while equivalent spending in England is allocated to the Department for Education.

**5.7** The new Chapter 5 interactive tables on the HM Treasury website can be used to generate a version of this table that excludes Local Authority spending.

## Public sector expenditure on services by sub-function

**5.8 Table 5.2** provides the most detailed functional analysis of public sector expenditure on services. The tables are presented in a format generally consistent with the level 2 breakdown of the United Nations' Classification Of the Functions of Government (UN COFOG). The table also shows, in italics, additional Treasury-defined sub-functional divisions that were used in PESA 2006, prior to the introduction of UN COFOG, but which do not map directly to COFOG level 2. Further information on UN COFOG is available from the Treasury website<sup>1</sup>.

**5.9** The sub-function analysis of health is presented against HM Treasury's own sub-functional classification. This is because the NHS is neither financed nor organised along the lines of COFOG level 2, so capturing the required additional information is not currently possible.

## Public sector expenditure on services by economic category

**5.10** The economic significance of public spending, such as its impact on GDP, depends on its nature; firstly whether it is current or capital, but also whether it is, for example, a transfer payment or expenditure on goods and services. **Table 5.3** breaks down expenditure on services into its component economic categories.

**5.11** The presentation of economic categories in **Table 5.3** is broadly consistent with the economic categories used by the Office for National Statistics for the National Accounts. Brief descriptions of each category within expenditure on services are given below. Except where specifically stated, these categories are consistent with the definitions of the corresponding economic categories presented against the budgeting framework in **Table 2.1**:

- **pay** includes wages and salaries, employers' social contributions, payments of accruing superannuation liability charges for UK staff and locally engaged staff overseas, and amounts that finance employee contributions to pension schemes. It also includes income from the recovery of secondee costs, but does not include payments for contract and agency staff that are treated as procurement;
- **gross current procurement** includes expenditure on goods and services, including hire and rentals under Private Finance Initiative (PFI) and non-PFI operating leases, payments for contract and agency staff, and payments for consultancy and audit services. It also includes spending on Single Use Military Equipment (SUME) following the treatment in the National Accounts. SUME is

---

<sup>1</sup> [http://www.hm-treasury.gov.uk/pes\\_function.htm](http://www.hm-treasury.gov.uk/pes_function.htm)

part of capital procurement in the budgeting presentation. **Income from the sales of goods and services** is now shown separately;

- **current grants to persons and non-profit bodies** are payments to these recipients that do not fund capital formation. They are mainly social security payments but also comprise grants to further and higher education institutions and other non-profit private sector bodies. The expenditure on services presentation excludes the 'negative tax' element of tax credits which form part of departmental budgets within **Table 2.1**.
- **current grants abroad** are mainly foreign aid, such as programmes to reduce poverty. They also include the EU transactions set out in **Table 5.2**, which are not included within departmental budgets in **Table C.1**.
- **subsidies** are payments by government to trading businesses (both private sector and public corporations) to provide support for current costs, including payments to farmers under the EU's Common Agricultural Policy as well as subsidies to rail and bus operators. They are given with the objective of influencing their levels of production, their prices, or other factors;
- **net public service pensions** are the costs of pensions on a National Accounts basis; that is, payments to pensioners less receipts of contributions by employers and employees. More information on pensions is included in **Annex D**;
- **grant equivalent element of student lending** is the subsidy implied in student loans being issued at the inflation rate rather than the market interest rate;
- **public sector debt interest** reflects the debt interest payments to the private sector, so it excludes intra-public sector payments. These payments do not form part of departmental budgets so are not included within **Table 2.1**;
- **capital grants** are transfer payments to the private sector that are usually made on the condition that the recipient uses the funds for capital projects;
- **gross capital procurement** comprises the acquisition of fixed assets (such as land, buildings and machinery) as well as any increases in stock. It is measured gross of depreciation. In **Table 5.3** SUME forms part of gross current procurement (see above) but in **Table 2.1** it is included in capital procurement; and
- **income from sales of capital assets** is the sale value of any assets, such as land, buildings and machinery, disposed of.

### Box 5.A: Treatment of financial sector interventions in expenditure on services

In the pre-Budget report of December 2009, the use in fiscal policy of new aggregates excluding the temporary effects of financial interventions was introduced. In these aggregates, banks that are classified to the public sector in the National Accounts (Northern Rock, Bradford & Bingley, Dunfermline, Lloyds Banking Group and Royal Bank of Scotland) are treated as if they are outside the public sector, reflecting the Government's intention to return these banks or their assets to the private sector.

The financial sector interventions are treated as follows in **Table 5.3**:

Current expenditure on services

- income from sales of goods and services: £1 billion in 2008-09, £0.4 billion in 2009-10, £1.5 billion in 2010-11 and £1.3 billion in 2011-12. This is mainly underwriting commission and guarantee fee income.

Capital expenditure on services

- net capital grants: £9.4 billion in 2008-09 and £4.5 billion in 2009-10, comprising £7.7 billion of share purchases and £3.2 billion of capital income. This is support for depositors and purchases of equity in banks that the ONS have classified as capital grants in the National Accounts.

The other transactions shown in **Box 2.A** do not have an impact on the expenditure on services framework because they either take the form of financial transactions which do not constitute spending (as one asset is exchanged for another), or they are offset by imputed recoveries in the National Accounts (such as the liabilities borne by the Financial Services Compensation Scheme).

## Public sector expenditure on services split by current and capital spending

**5.12 Table 5.4** gives a functional (COFOG level 1) breakdown of the current and capital expenditure of the public sector for the years from 2007-08 onwards. A functional split by sector is available in **Chapter 6** (central government), **Chapter 7** (local government) and **Chapter 8** (public corporations). The split between capital and current follows the National Accounts definition.

## Public sector gross procurement by function

**5.13 Table 5.5** shows public sector gross current procurement by COFOG level 1 function. This is a breakdown of the figure shown in **Table 5.3** and is defined on a National Accounts basis, as described above. Procurement of goods and services by one public sector body from another are included in this table.

**5.14 Table 5.6** shows public sector gross capital procurement by COFOG level 1 function, and receipts from sales of fixed assets. These are defined on a National Accounts basis, as described above. Figures for asset sales are shown separately for central government, local government and public corporations, as well as for general government, which comprises central government and local government. Receipts, which are at sales value (i.e. book value plus profit or loss), are split between land and building and other asset classes, excluding receipts from sales of financial assets, which are not included within expenditure on services. Sales of assets between public sector bodies are included in this table.

**Table 5.1 Public sector expenditure on services by departmental group<sup>(1)</sup> and function, 2011-12**

Departmental Grouping	Function	National Statistics										Public sector expenditure on services for each department									
		1. General public services	of which: public and community services	of which: international services	of which: public sector debt interest	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies		of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	EU transactions
Education		-	-	-	-	130	-	-	-	-	-	-	-	-	-	-	-	63,568	8,758	-	72,455
Health		-	-	-	-	-	204	112	-	-	-	-	-	-	-	99,858	-	-	15,799	-	115,861
Transport		6	6	-	-	276	15,937	-	50	-	-	-	15,887	26	580	-	0	-	1,181	-	18,017
Communities and Local Government		4,258	4,145	113	-	2,588	1,001	1,001	-	-	-	-	118	5,993	0	0	0	-	2,113	-	16,077
Business, Innovation and Skills		176	175	1	-	-	4,415	1,182	3,166	64	436	0	436	0	629	128	13,230	639	-	-	19,654
Home Office		-	-	-	-	16,221	159	-	-	45	-	114	-	270	-	-	-21	-	-	-	16,628
Justice		435	435	-	-	8,673	-	-	-	-	-	-	-	-	-	-	-	-	20	-	9,128
Law Officers' Departments		-	-	-	-	623	-	-	-	-	-	-	-	-	-	-	-	-	-	-	623
Defence		46	-	46	-	37,076	34	34	-	-	-	-	-	-	-	-	-	-	-	-	39,941
Foreign and Commonwealth Office		2,210	-	2,210	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,210
International Development		6,647	-	6,647	-	-	-	-	-	-	-	-	-	-	-	-	-	-	103	-	6,750
Energy and Climate Change		45	-	45	-	1	535	484	51	0	-	2,130	-	-	-	-	-	-	-1	-	2,710
Environment, Food and Rural Affairs		-	-	-	-	-	3,579	39	-	-	3,541	-	6,561	5	948	0	0	-	0	-	11,094
Culture, Media and Sport		42	42	-	-	-	532	313	-	-	219	168	44	10,153	46	-128	-	-	-	-	10,963
Work and Pensions		474	474	-	-	-	1,567	-	28	1,539	-	-	-	-	-	-	-	-	159,752	-	161,793
Scotland		1,022	1,022	-	-	11	2,315	4,227	5	0	979	2,592	1,006	1,719	10,920	1,191	7,676	3,675	-	33,763	
Wales		645	644	1	-	18	1,850	513	9	5	457	867	507	652	6,003	449	4,419	1,726	-	16,269	
Northern Ireland		359	359	-	-	1,422	1,564	266	54	155	505	584	241	968	3,832	360	2,710	6,246	-	17,700	
Chancellor's Departments		51,714	4,137	-	47,577	-	-701	-922	221	-	-	-	8	-	-	-	-	-	37,656	1,194	89,871
Cabinet Office		435	435	-	-	51	-	-	-	-	-	-	-	-	-	-	-	-	1,951	-	4,453
Independent Bodies		849	849	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	852
<b>Public sector expenditure on services for each function</b>		<b>69,363</b>	<b>12,722</b>	<b>9,063</b>	<b>47,577</b>	<b>39,119</b>	<b>34,543</b>	<b>3,531</b>	<b>3,584</b>	<b>1,808</b>	<b>5,576</b>	<b>20,044</b>	<b>11,201</b>	<b>10,215</b>	<b>121,287</b>	<b>13,646</b>	<b>91,649</b>	<b>242,277</b>	<b>1,194</b>	<b>666,812</b>	

<sup>(1)</sup> Includes local government spending, which is allocated to the most relevant departmental group. To calculate a version of these figures excluding local government spending, see the Chapter 5 interactive tables on the HM Treasury website at: [http://www.hm-treasury.gov.uk/pespub\\_pesa12.htm](http://www.hm-treasury.gov.uk/pespub_pesa12.htm)

**Table 5.2 Public sector expenditure on services by sub-function, 2007-08 to 2011-12**

	National Statistics					£ million
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	11,130	12,069	11,823	11,493	10,874	
1.2 Foreign economic aid	4,638	4,951	5,662	6,494	6,746	
1.3 General services	1,152	1,289	1,472	1,386	1,363	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	21	21	21	17	11	
1.6 General public services n.e.c.	2,226	2,813	2,614	2,165	2,791	
1.7 Public debt transactions <sup>(1)</sup>	31,363	31,304	30,763	45,037	47,577	
<i>of which: central government debt interest</i>	29,954	30,300	30,185	44,399	46,976	
<i>of which: local government debt interest</i>	700	451	179	218	244	
<i>of which: public corporation debt interest</i>	709	553	399	420	357	
<b>Total general public services</b>	<b>50,529</b>	<b>52,448</b>	<b>52,355</b>	<b>66,591</b>	<b>69,363</b>	
<b>2. Defence</b>						
2.1 Military defence	29,812	31,441	32,286	32,925	33,616	
2.2 Civil defence	91	82	82	81	87	
2.3 Foreign military aid	2,748	3,697	3,781	3,572	3,172	
2.4 R&D defence	943	1,320	1,333	2,428	2,052	
2.5 Defence n.e.c.	69	246	201	193	192	
<b>Total defence</b>	<b>33,663</b>	<b>36,786</b>	<b>37,682</b>	<b>39,199</b>	<b>39,119</b>	
<b>3. Public order and safety</b>						
3.1 Police services	17,513	18,733	19,311	18,508	18,181	
<i>of which: immigration and citizenship</i>	2,068	2,089	2,197	1,769	1,687	
<i>of which: other police services</i>	15,445	16,644	17,114	16,739	16,493	
3.2 Fire-protection services	2,887	3,053	3,108	3,029	2,991	
3.3 Law courts	6,630	6,835	6,678	6,105	6,569	
3.4 Prisons	4,313	4,697	4,741	4,969	4,136	
3.5 R&D public order and safety	22	20	25	10	17	
3.6 Public order and safety n.e.c.	326	326	343	298	425	
<b>Total public order and safety</b>	<b>31,692</b>	<b>33,663</b>	<b>34,206</b>	<b>32,919</b>	<b>32,318</b>	
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs <sup>(2)</sup>	5,897	14,290	10,807	5,288	3,477	
4.2 Agriculture, forestry, fishing and hunting	4,296	5,829	5,541	5,216	5,576	
<i>of which: market support under CAP</i>	2,567	4,039	3,841	3,524	3,712	
<i>of which: other agriculture, food and fisheries policy</i>	1,553	1,627	1,554	1,505	1,683	
<i>of which: forestry</i>	176	162	146	187	181	
4.3 Fuel and energy	1,283	943	489	389	358	
4.4 Mining, manufacturing and construction	-97	354	737	346	247	
4.5 Transport	20,530	21,123	22,939	21,468	20,263	
<i>of which: national roads</i>	3,231	3,510	4,159	3,580	3,106	
<i>of which: local roads</i>	5,115	5,714	5,924	5,864	4,934	
<i>of which: local public transport</i>	3,150	3,514	3,894	3,603	3,557	
<i>of which: railway</i>	7,909	7,194	7,712	7,348	7,648	
<i>of which: other transport</i>	1,125	1,190	1,251	1,072	1,017	
4.6 Communication	858	890	687	514	420	
4.7 Other industries	457	615	604	538	491	
4.8 R&D economic affairs	3,260	3,162	3,486	3,270	3,584	
4.9 Economic affairs n.e.c.	844	626	924	1,005	490	
<b>Total economic affairs</b>	<b>37,328</b>	<b>47,831</b>	<b>46,214</b>	<b>38,033</b>	<b>34,904</b>	
<b>5. Environment protection</b>						
5.1 Waste management	6,091	5,972	6,931	7,225	7,743	
5.2 Waste water management	30	46	55	44	61	
5.3 Pollution abatement	259	295	348	418	159	
5.4 Protection of biodiversity and landscape	496	530	493	513	441	
5.5 R&D environment protection	346	369	401	425	367	
5.6 Environment protection n.e.c.	2,362	2,534	2,769	2,791	2,431	
<b>Total environment protection</b>	<b>9,584</b>	<b>9,746</b>	<b>10,997</b>	<b>11,415</b>	<b>11,201</b>	

**Table 5.2 Public sector expenditure on services by sub-function, 2007-08 to 2011-12 (continued)**

	National Statistics					£ million
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	
<b>6. Housing and community amenities</b>						
6.1 Housing development	7,720	9,362	10,830	8,151	5,958	
<i>of which: local authority housing</i>	4,859	5,916	6,152	4,781	3,719	
<i>of which: other social housing</i>	2,861	3,446	4,678	3,370	2,239	
6.2 Community development	3,444	3,710	3,630	3,175	2,694	
6.3 Water supply	996	1,243	1,044	734	785	
6.4 Street lighting	573	647	631	645	654	
6.5 R&D housing and community amenities	8	5	4	4	3	
6.6 Housing and community amenities n.e.c.	240	201	209	89	199	
<b>Total housing and community amenities</b>	<b>12,982</b>	<b>15,169</b>	<b>16,348</b>	<b>12,798</b>	<b>10,293</b>	
<b>7. Health<sup>(3)</sup></b>						
Medical services	99,631	106,127	114,101	117,641	117,980	
Medical research	510	642	692	838	742	
Central and other health services	2,197	3,200	3,449	2,829	2,565	
<b>Total health</b>	<b>102,337</b>	<b>109,970</b>	<b>118,242</b>	<b>121,307</b>	<b>121,287</b>	
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	3,744	4,184	4,817	4,714	4,541	
8.2 Cultural services	4,162	4,242	4,410	4,229	4,160	
8.3 Broadcasting and publishing services	3,669	3,589	3,762	3,683	4,198	
8.4 Religious and other community services	151	148	154	136	100	
8.5 R&D recreation, culture and religion	125	130	133	141	131	
8.6 Recreation, culture and religion n.e.c.	85	82	84	80	77	
<b>Total recreation, culture and religion</b>	<b>11,936</b>	<b>12,376</b>	<b>13,360</b>	<b>12,984</b>	<b>13,208</b>	
<b>9. Education</b>						
9.1 Pre-primary and primary education	25,912	27,370	28,515	29,099	30,241	
<i>of which: under fives</i>	4,450	4,636	4,837	4,857	5,167	
<i>of which: primary education</i>	21,462	22,734	23,678	24,241	25,073	
9.2 Secondary education	33,164	34,980	37,538	38,429	42,173	
9.3 Post-secondary non-tertiary education	318	513	501	426	558	
9.4 Tertiary education	11,791	11,538	12,956	15,671	11,391	
9.5 Education not definable by level	664	611	734	972	719	
9.6 Subsidiary services to education	3,518	4,558	4,242	4,183	4,072	
9.7 R&D education	34	16	18	1	11	
9.8 Education n.e.c.	3,253	3,401	3,877	3,011	2,484	
<b>Total education</b>	<b>78,654</b>	<b>82,986</b>	<b>88,380</b>	<b>91,791</b>	<b>91,649</b>	
<b>10. Social protection</b>						
<i>of which: personal social services</i>	29,890	31,513	32,548	32,481	32,723	
10.1 Sickness and disability	33,866	35,460	38,210	39,195	42,262	
<i>of which: personal social services</i>	7,371	7,856	8,332	8,363	9,957	
<i>of which: incapacity, disability and injury benefits</i>	26,495	27,604	29,877	30,832	32,305	
10.2 Old age	80,487	88,118	94,001	97,457	103,080	
<i>of which: personal social services</i>	9,793	10,367	10,746	10,430	10,192	
<i>of which: pensions</i>	70,693	77,751	83,255	87,027	92,888	
10.3 Survivors	1,132	1,096	1,059	1,100	1,073	
10.4 Family and children	28,721	30,266	31,352	31,668	29,374	
<i>of which: personal social services</i>	7,198	7,678	8,251	8,395	7,038	
<i>of which: family benefits, income support and tax credits</i>	21,523	22,588	23,101	23,272	22,336	
10.5 Unemployment	6,204	7,210	8,797	8,358	8,901	
<i>of which: personal social services</i>	3,715	3,688	3,264	3,128	3,267	
<i>of which: other unemployment benefits</i>	2,490	3,521	5,533	5,231	5,634	
10.6 Housing	18,293	19,663	22,768	24,397	25,712	
10.7 Social exclusion n.e.c.	17,434	20,796	24,415	26,094	27,872	
<i>of which: personal social services</i>	1,813	1,923	1,954	2,165	2,268	
<i>of which: family benefits, income support and tax credits<sup>(4)</sup></i>	15,622	18,874	22,461	23,929	25,604	
10.8 R&D social protection	0	1	-	-	-	
10.9 Social protection n.e.c.	2,470	2,426	4,025	3,786	4,003	
<b>Total social protection</b>	<b>188,607</b>	<b>205,037</b>	<b>224,627</b>	<b>232,053</b>	<b>242,277</b>	

**Table 5.2 Public sector expenditure on services by sub-function, 2007-08 to 2011-12 (continued)**

	National Statistics					£ million
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	
<b>EU transactions<sup>(5)</sup></b>						
GNI-based contribution (net of abatement and collection costs)	4,785	2,378	5,760	7,669	6,967	
<i>derived as:</i>						
<i>EU gross contribution pre-abatement and after deduction of collection costs</i>	13,746	13,155	13,733	15,593	15,700	
<i>Traditional Own Resources (without deduction of collection costs) and VAT contributions</i>	-5,001	-5,183	-3,754	-5,246	-5,216	
<i>UK abatement</i>	-3,960	-5,595	-4,218	-2,678	-3,516	
EU receipts	-5,601	-4,558	-4,791	-3,996	-4,755	
Attributed aid and Common Foreign and Security Policy	-715	-751	-899	-899	-1,019	
<b>Total EU transactions</b>	<b>-1,531</b>	<b>-2,931</b>	<b>71</b>	<b>2,773</b>	<b>1,194</b>	
<b>Public sector expenditure on services</b>	<b>555,783</b>	<b>603,080</b>	<b>642,482</b>	<b>661,865</b>	<b>666,812</b>	
Accounting adjustments	27,154	26,665	27,668	27,769	28,076	
<b>Total Managed Expenditure<sup>(6)</sup></b>	<b>582,937</b>	<b>629,745</b>	<b>670,150</b>	<b>689,634</b>	<b>694,888</b>	

<sup>(1)</sup> Debt interest figures show gross payments to the private sector and overseas.

<sup>(2)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions. See Box 5.A for details.

<sup>(3)</sup> The level of detail required for COFOG level 2 is not available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

<sup>(4)</sup> Social exclusion n.e.c. includes Child and Working Tax Credits

<sup>(5)</sup> An explanation of why the EU transactions are defined in TES in this way is given in Annex E. Complete transactions with the institutions of the EU are shown in Table C.1.

<sup>(6)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 5.3 Public sector expenditure on services by economic category, 2007-08 to 2011-12**

	National Statistics					£ million
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	
<b>Public sector current expenditure on services</b>						
Pay	152,560	160,136	165,030	168,027	171,217	
Gross current procurement	174,003	186,989	195,075	189,748	193,586	
Income from sales of goods and services	-47,565	-52,892	-51,858	-48,004	-52,877	
Current grants to persons and non-profit bodies	184,186	198,664	218,135	224,867	235,169	
Current grants abroad	3,253	2,391	5,963	9,423	7,931	
Subsidies to private sector companies	7,356	7,211	8,287	7,942	8,310	
Subsidies to public corporations	1,480	1,058	1,016	703	531	
Net public service pensions	2,201	3,132	3,634	4,644	6,677	
Grant equivalent element of student lending	1,430	814	1,468	4,243	640	
Public sector debt interest	31,363	31,304	30,763	45,037	47,577	
Other	122	13	-185	91	205	
<b>Total public sector current expenditure on services</b>	<b>510,389</b>	<b>538,819</b>	<b>577,328</b>	<b>606,721</b>	<b>618,967</b>	
Accounting adjustments	25,776	25,909	24,976	24,643	26,721	
<b>Total public sector current expenditure</b>	<b>536,165</b>	<b>564,728</b>	<b>602,304</b>	<b>631,364</b>	<b>645,688</b>	
<b>Public sector capital expenditure on services</b>						
Capital grants <sup>(1)</sup>	14,410	25,096	23,207	15,967	11,669	
Gross capital procurement	39,200	42,301	44,873	42,453	39,690	
Income from sales of capital assets	-8,171	-3,118	-2,962	-3,311	-3,591	
Other	-45	-19	36	35	76	
<b>Total public sector capital expenditure on services</b>	<b>45,394</b>	<b>64,261</b>	<b>65,154</b>	<b>55,144</b>	<b>47,845</b>	
Accounting adjustments	1,378	756	2,692	3,126	1,355	
<b>Total public sector capital expenditure</b>	<b>46,772</b>	<b>65,017</b>	<b>67,846</b>	<b>58,270</b>	<b>49,200</b>	
<b>Total public sector expenditure on services</b>	<b>555,783</b>	<b>603,080</b>	<b>642,482</b>	<b>661,865</b>	<b>666,812</b>	
Accounting adjustments	27,154	26,665	27,668	27,769	28,076	
<b>Total Managed Expenditure <sup>(2)</sup></b>	<b>582,937</b>	<b>629,745</b>	<b>670,150</b>	<b>689,634</b>	<b>694,888</b>	

<sup>(1)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions. See Box 5.A for details.

<sup>(2)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A

**Table 5.4 Public sector current and capital expenditure on services by function,<sup>(1)</sup> 2007-08 to 2011-12**

	National Statistics					£ million
	2007-08	2008-09	2009-10	2010-11	2011-12	
	outturn	outturn	outturn	outturn	outturn	
<b>Public sector current expenditure on services</b>						
1. General public services	49,005	49,994	50,033	64,389	67,055	
<i>of which: public and common services</i>	11,371	11,920	11,920	11,208	11,068	
<i>of which: international services</i>	6,272	6,769	7,350	8,144	8,410	
<i>of which: public sector debt interest</i>	31,363	31,304	30,763	45,037	47,577	
2. Defence	31,124	33,317	33,657	34,929	35,349	
3. Public order and safety	29,670	30,918	31,508	30,916	30,629	
4. Economic affairs	23,936	23,025	25,409	22,950	20,848	
<i>of which: enterprise and economic development<sup>(2)</sup></i>	5,522	4,129	5,278	3,395	2,465	
<i>of which: science and technology</i>	2,480	2,537	2,753	2,767	2,983	
<i>of which: employment policies</i>	2,064	1,848	2,332	3,097	1,764	
<i>of which: agriculture, fisheries and forestry</i>	4,004	5,451	5,254	4,883	5,261	
<i>of which: transport</i>	9,867	9,061	9,792	8,808	8,374	
5. Environment protection	7,250	7,090	8,204	8,188	8,551	
6. Housing and community amenities	3,887	3,800	4,057	3,117	2,721	
7. Health	97,613	104,623	112,063	115,913	117,012	
8. Recreation, culture and religion	9,892	10,033	10,386	10,120	10,538	
9. Education	71,730	74,688	78,470	82,547	83,687	
10. Social protection	187,813	204,263	223,470	230,877	241,383	
EU transactions	-1,531	-2,931	71	2,773	1,194	
<b>Total public sector current expenditure on services</b>	<b>510,389</b>	<b>538,819</b>	<b>577,328</b>	<b>606,721</b>	<b>618,967</b>	
Accounting adjustments	25,776	25,909	24,976	24,643	26,721	
<b>Public sector current expenditure</b>	<b>536,165</b>	<b>564,728</b>	<b>602,304</b>	<b>631,364</b>	<b>645,688</b>	
<b>Public sector capital expenditure on services</b>						
1. General public services						
<i>of which: public and common services</i>	1,524	2,454	2,323	2,202	2,308	
<i>of which: international services</i>	1,102	2,014	1,726	1,459	1,654	
<i>of which: public sector debt interest</i>	422	441	596	743	654	
2. Defence	2,539	3,468	4,026	4,270	3,770	
3. Public order and safety	2,022	2,746	2,698	2,003	1,689	
4. Economic affairs	13,392	24,806	20,806	15,083	14,056	
<i>of which: enterprise and economic development<sup>(2)</sup></i>	1,593	11,662	6,573	1,573	1,209	
<i>of which: science and technology</i>	780	625	732	503	600	
<i>of which: employment policies</i>	63	79	65	15	44	
<i>of which: agriculture, fisheries and forestry</i>	292	378	288	333	315	
<i>of which: transport</i>	10,663	12,062	13,147	12,659	11,889	
5. Environment protection	2,334	2,656	2,792	3,227	2,650	
6. Housing and community amenities	9,095	11,369	12,290	9,681	7,572	
7. Health	4,725	5,347	6,179	5,395	4,274	
8. Recreation, culture and religion	2,044	2,343	2,974	2,864	2,669	
9. Education	6,924	8,298	9,910	9,244	7,963	
10. Social protection	794	774	1,158	1,176	894	
<b>Total public sector capital expenditure on services</b>	<b>45,394</b>	<b>64,261</b>	<b>65,154</b>	<b>55,144</b>	<b>47,845</b>	
Accounting adjustments	1,378	756	2,692	3,126	1,355	
<b>Public sector capital expenditure</b>	<b>46,772</b>	<b>65,017</b>	<b>67,846</b>	<b>58,270</b>	<b>49,200</b>	
<b>Total public sector expenditure on services</b>	<b>555,783</b>	<b>603,080</b>	<b>642,482</b>	<b>661,865</b>	<b>666,812</b>	
Accounting adjustments	27,154	26,665	27,668	27,769	28,076	
<b>Total Managed Expenditure<sup>(3)</sup></b>	<b>582,937</b>	<b>629,745</b>	<b>670,150</b>	<b>689,634</b>	<b>694,888</b>	

<sup>(1)</sup> Expenditure on services by function and sector is available in the appropriate sectoral chapter: for central government see Table 6.6; for local government see Table 7.4; for public corporations see Table 8.4.

<sup>(2)</sup> The decrease in current spending and the increase in capital spending from 2008-09 onwards relate to financial sector interventions. See Box 5.A for details.

<sup>(3)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 5.5 Public sector gross current procurement<sup>(1)</sup> expenditure on services by function, 2007-08 to 2011-12**

	£ million				
	National Statistics				
	2007-08	2008-09	2009-10	2010-11	2011-12
	outturn	outturn	outturn	outturn	outturn
<b>Public sector gross current procurement expenditure on services</b>					
1. General public services	13,098	14,884	14,380	13,580	16,590
<i>of which: public and common services</i>	11,831	13,113	12,820	11,930	14,834
<i>of which: international services</i>	1,266	1,771	1,560	1,651	1,756
2. Defence	19,870	22,160	21,979	22,943	23,051
3. Public order and safety	12,609	13,318	13,176	12,723	13,244
4. Economic affairs	12,070	12,879	13,147	12,513	10,671
<i>of which: enterprise and economic development</i>	2,858	3,130	3,131	2,828	1,956
<i>of which: science and technology</i>	617	406	534	371	431
<i>of which: employment policies</i>	932	1,066	1,411	1,945	1,025
<i>of which: agriculture, fisheries and forestry</i>	1,037	999	1,070	958	862
<i>of which: transport</i>	6,626	7,278	7,001	6,410	6,397
5. Environment protection	7,507	8,071	8,119	7,902	8,163
6. Housing and community amenities	3,043	3,310	3,501	2,984	2,689
7. Health	60,922	64,695	70,752	67,662	67,414
8. Recreation, culture and religion	6,909	7,281	7,285	6,982	7,629
9. Education	11,375	12,327	12,825	12,449	13,000
10. Social protection	26,600	28,064	29,913	30,011	31,135
<b>Total public sector gross current procurement expenditure on services</b>	<b>174,003</b>	<b>186,989</b>	<b>195,075</b>	<b>189,748</b>	<b>193,586</b>

<sup>(1)</sup> National Accounts definition of current procurement, so includes Defence spending on Single Use Military Equipment (SUME). Chapter 2 presents spending according to departmental budgeting definitions, where SUME is classified as capital procurement.

**Table 5.6 Public sector capital procurement<sup>(1)</sup> expenditure on services by function, 2007-08 to 2011-12**

	National Statistics				
	2007-08	2008-09	2009-10	2010-11	2011-12
	outturn	outturn	outturn	outturn	outturn
<b>£ million</b>					
<b>Public sector gross capital procurement expenditure on services</b>					
1. General public services	2,969	2,850	2,686	2,255	2,254
<i>of which: public and common services</i>	2,655	2,477	2,404	2,099	2,121
<i>of which: international services</i>	314	373	282	156	134
2. Defence	3,939	3,846	4,150	4,373	4,082
3. Public order and safety	2,258	2,830	2,748	2,197	1,823
4. Economic affairs	8,974	9,907	10,864	10,203	9,212
<i>of which: enterprise and economic development</i>	1,458	1,830	1,415	1,284	888
<i>of which: science and technology</i>	215	160	198	85	153
<i>of which: employment policies</i>	18	25	25	14	44
<i>of which: agriculture, fisheries and forestry</i>	305	305	261	236	225
<i>of which: transport</i>	6,978	7,587	8,965	8,583	7,902
5. Environment protection	1,736	1,907	1,945	2,091	2,369
6. Housing and community amenities	6,912	7,000	6,659	5,835	5,257
7. Health	5,026	5,404	6,084	5,464	4,562
8. Recreation, culture and religion	1,774	2,166	2,547	2,614	2,522
9. Education	5,115	5,979	6,664	6,889	6,966
10. Social protection	496	412	526	531	642
<b>Total public sector gross capital procurement expenditure on services</b>	<b>39,200</b>	<b>42,301</b>	<b>44,873</b>	<b>42,453</b>	<b>39,690</b>
<b>Plus public sector receipts from sales of assets</b>					
<b>Central government</b>					
Receipts from sale of land and existing buildings	-2,170	-717	-493	-574	-1,099
Other	-500	-340	-259	-348	-357
<b>Total central government receipts</b>	<b>-2,670</b>	<b>-1,057</b>	<b>-753</b>	<b>-922</b>	<b>-1,456</b>
<b>Local government</b>					
Receipts from sale of land and existing buildings	-2,404	-970	-1,095	-1,076	-1,461
Other	-15	-36	-43	-41	-44
<b>Total local government receipts</b>	<b>-2,419</b>	<b>-1,006</b>	<b>-1,138</b>	<b>-1,116</b>	<b>-1,505</b>
<b>Total general government receipts</b>	<b>-5,089</b>	<b>-2,063</b>	<b>-1,891</b>	<b>-2,038</b>	<b>-2,962</b>
<b>Public corporations</b>					
Receipts from sale of land and existing buildings	-3,048	-958	-1,043	-1,171	-611
Other	-34	-97	-29	-102	-19
<b>Total public corporations receipts</b>	<b>-3,082</b>	<b>-1,055</b>	<b>-1,071</b>	<b>-1,272</b>	<b>-630</b>
<b>Total public sector income from sales of capital assets</b>	<b>-8,171</b>	<b>-3,118</b>	<b>-2,962</b>	<b>-3,311</b>	<b>-3,591</b>

<sup>(1)</sup> National Accounts definition of capital procurement so excludes Defence spending on Single Use Military Equipment (SUME). Chapter 2 presents spending according to departmental budgeting definitions, where SUME is classified as capital procurement.

# 6

## Central government own expenditure

---

**6.1** This section provides summary analyses of central government own expenditure, which comprises the expenditure of government departments and other central government bodies on their own activities. Central government, as defined by the Office for National Statistics (ONS) for the National Accounts, includes the devolved administrations, executive agencies and Non-Departmental Public Bodies (NDPBs), and health trusts.

**6.2** In addition to staff pay and procurement, central government own expenditure includes grants and subsidies paid to individuals and enterprises in the private sector and subsidies to public corporations. It excludes central government support for local government and support for the capital expenditure of public corporations. These data are shown in **Chapters 7 and 8** respectively.

**6.3** Central government own expenditure accounts for about 70 per cent of Departmental Expenditure Limits (DEL) and about 90 per cent of departmental Annually Managed Expenditure (AME).

**6.4** **Tables 6.1 to 6.3** are presented against the budgeting framework, **Tables 6.4 to 6.6** are presented against the expenditure on services framework. All outturn data (to 2011-12) in this chapter are National Statistics.

### What's new

**6.5** There have been no significant changes to the presentation of data within this chapter since PESA 2011.

### Central government own expenditure by department

**6.6** **Table 6.1** gives a departmental breakdown of central government own expenditure. Expenditure in DEL is shown separately from expenditure in departmental AME. DEL expenditure in this table is shown on a full resource budgeting basis, which is given by resource DEL less depreciation plus capital DEL. In a number of areas, for example education, transport, and law and order, a relatively large proportion of expenditure is by local government, with only a relatively small proportion spent directly by central government – some of which will be recorded by Scotland, Wales or Northern Ireland. Other AME includes locally financed expenditure in Northern Ireland that by convention is classified as central government spending.

### Central government own resource and capital expenditure by department

**6.7** **Tables 6.2 and 6.3** show the resource and capital elements of **Table 6.1**, respectively. Expenditure for each departmental group is therefore shown on a budgeting basis, while the final line in each table shows total central government own expenditure on a National Accounts basis. The lower section of each table shows the adjustments required to move from the budgeting framework to the National Accounts framework.

**6.8** The higher capital spending in 2008-09 and 2009-10 relates to the support given to financial institutions. See **Box 5.A** in **Chapter 5** for further details.

## Central government own expenditure on services by sub-function

**6.9 Table 6.4** shows central government own expenditure by sub-function, within the expenditure on services framework. Expenditure on services is an overall measure of public spending that is close to TME, and so broadly represents total current and capital expenditure as in the National Accounts. Full details are available in **Annex E**.

## Central government own expenditure on services by economic category

**6.10 Table 6.5** shows central government own expenditure by economic category, set within the framework of expenditure on services. An explanation of the different economic categories is available in **Chapter 5**.

## Central government own current and capital expenditure on services by function

**6.11 Table 6.6** shows central government own current and capital expenditure on services by function. This shows the capital and current split on a National Accounts basis, so spending on Single Use Military Equipment (SUME) is classified as current and non-cash items such as depreciation and provisions are excluded.

**Table 6.1 Central government own expenditure in budgets by departmental group,<sup>(1)</sup> 2007-08 to 2014-15**

£ million

	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>Within DEL</b>								
Education	11,715	11,534	12,729	10,981	13,870	17,563	17,323	17,604
Health	85,580	92,281	99,672	101,834	102,757	107,383	111,470	114,534
Transport	7,283	7,464	8,213	6,783	6,144	6,588	6,561	6,804
CLG Communities	3,619	5,915	7,281	5,441	3,018	2,513	2,294	1,600
CLG Local Government	296	289	300	273	288	283	263	257
Business, Innovation and Skills <sup>(2)</sup>	14,961	15,735	17,514	18,731	17,076	8,242	16,100	15,277
Home Office	3,147	3,333	3,603	2,851	2,810	3,019	2,664	2,568
Justice	9,145	9,594	9,441	9,124	9,029	8,086	7,703	7,363
Law Officers' Departments	716	720	709	666	610	630	597	556
Defence	33,266	34,472	36,813	37,460	37,258	37,484	34,041	33,219
Foreign and Commonwealth Office	1,927	2,135	2,186	2,214	2,172	2,095	1,527	1,253
International Development	5,185	5,617	6,587	7,467	7,813	8,232	11,054	10,933
Energy and Climate Change	2,158	1,955	3,022	3,161	2,591	3,388	3,759	3,744
Environment, Food and Rural Affairs	2,825	2,612	2,754	2,671	2,245	2,341	2,158	2,094
Culture, Media and Sport	1,948	2,255	1,957	2,101	2,628	2,540	1,609	1,257
Work and Pensions	7,188	7,184	8,073	8,321	7,010	7,723	7,565	7,578
Scotland	17,561	17,516	18,622	18,595	18,147	18,561	18,702	18,827
Wales	8,326	8,636	9,343	9,218	9,073	9,008	9,064	9,148
Northern Ireland	9,462	9,984	10,339	10,555	10,178	10,196	10,259	10,316
Chancellor's Departments	4,490	4,594	4,516	4,140	4,068	4,012	3,847	3,650
Cabinet Office	1,963	2,187	2,446	2,486	2,475	2,556	2,396	2,551
Independent Bodies	725	788	820	880	903	829	817	828
<b>Total CG own expenditure within DEL</b>	<b>233,484</b>	<b>246,801</b>	<b>266,941</b>	<b>265,953</b>	<b>262,163</b>	<b>263,272</b>	<b>271,773</b>	<b>271,960</b>
<b>Within departmental AME</b>								
Education	10,709	10,651	10,429	-10,461	11,699	10,979	11,346	11,729
Health	13,900	14,998	16,233	-11,396	19,564	17,967	17,071	18,030
Transport	799	634	1,205	501	874	1,382	1,516	1,490
CLG Communities	172	403	-5	-496	-666	-751	-1,108	-1,287
CLG Local Government	0	1	0	-4	-12	0	-	-
Business, Innovation and Skills	4,304	4,203	5,190	3,404	3,873	6,465	8,198	9,899
Home Office	14	171	-82	190	-3	8	8	10
Justice	-62	450	605	297	-33	207	239	238
Law Officers' Departments	7	11	17	-13	4	11	8	7
Defence	5,865	6,178	7,900	-878	7,854	8,361	8,693	9,020
Foreign and Commonwealth Office	24	-10	86	34	59	80	80	75
International Development	-11	213	331	303	104	148	124	158
Energy and Climate Change	6,855	2,156	419	5,163	3,678	356	146	360
Environment, Food and Rural Affairs	-16	-55	-72	-437	-51	20	14	-58
Culture, Media and Sport	4,314	4,085	4,621	4,578	4,912	7,272	4,670	4,707
Work and Pensions	108,172	114,622	122,487	125,687	132,103	138,101	140,592	143,113
Scotland	2,312	2,666	2,483	3,206	3,237	3,117	3,429	3,639
Wales	92	306	495	262	376	406	280	434
Northern Ireland	6,373	6,873	7,660	3,583	8,158	8,216	8,758	8,681
Chancellor's Departments <sup>(3)</sup>	31,617	163,665	51,545	25,993	20,326	42,840	42,802	43,417
Cabinet Office	7,626	7,172	7,481	-7,467	8,738	8,204	-2,948	-2,837
Independent Bodies	28	9	60	-32	20	10	12	13
<b>Total CG own expenditure within dept AME</b>	<b>203,096</b>	<b>339,402</b>	<b>239,089</b>	<b>142,019</b>	<b>224,813</b>	<b>253,399</b>	<b>243,931</b>	<b>250,838</b>
Locally financed expenditure in Northern Ireland	520	607	547	538	595	612	639	669
Net expenditure transfers to the EU	5,392	3,060	6,419	8,414	7,702	7,477	8,670	9,562
Central government debt interest	29,954	30,300	30,185	44,399	46,976	44,788	46,123	53,224
Accounting and other adjustments	-51,639	-165,548	-55,136	44,904	-28,464	-67,100	-30,100	-31,500
<b>Total CG own expenditure<sup>(4)</sup></b>	<b>420,807</b>	<b>454,623</b>	<b>488,045</b>	<b>506,226</b>	<b>513,784</b>	<b>502,400</b>	<b>541,100</b>	<b>554,700</b>

<sup>(1)</sup> Shown on a full resource budgeting basis, i.e. resource DEL less depreciation plus capital DEL.

<sup>(2)</sup> Transactions in 2012-13 have been affected by the transfer of assets from the Royal Mail Pension Plan to the public sector in April 2012.

<sup>(3)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions. See Box 2.A for details.

<sup>(4)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 6.2 Central government own resource expenditure in budgets by departmental group, 2007-08 to 2014-15**

	£ million							
	National Statistics							
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 plans	2013-14 plans	2014-15 plans
<b>Within resource DEL</b>								
Education	11,197	10,854	11,957	10,165	13,517	16,964	16,989	16,974
Health	81,810	88,094	94,747	97,750	99,073	103,019	107,033	109,885
Transport	3,005	2,167	2,322	1,265	1,186	1,591	1,511	1,494
CLG Communities	119	1,378	1,407	1,217	705	937	1,278	660
CLG Local Government	296	288	298	272	288	283	263	257
Business, Innovation and Skills	13,493	14,113	15,048	16,949	16,200	16,145	15,085	14,031
Home Office	2,722	2,835	2,921	2,426	2,490	2,687	2,417	2,222
Justice	8,390	8,693	8,589	8,586	8,680	7,772	7,424	7,061
Law Officers' Departments	705	712	697	658	610	624	591	549
Defence	24,648	25,453	27,610	28,123	28,244	27,562	24,750	24,470
Foreign and Commonwealth Office	1,735	1,946	2,022	2,091	2,078	1,999	1,430	1,160
International Development	4,448	4,742	5,234	5,909	6,167	6,597	9,130	8,889
Energy and Climate Change	672	288	1,215	1,145	1,137	1,436	1,381	1,032
Environment, Food and Rural Affairs	2,351	2,201	2,255	2,165	1,929	2,006	1,829	1,732
Culture, Media and Sport	1,355	1,343	1,351	1,351	1,476	2,002	1,204	1,108
Work and Pensions	7,113	7,097	7,808	8,000	6,730	7,394	7,180	7,336
Scotland	15,229	15,359	15,987	16,306	16,237	16,682	17,007	17,335
Wales	7,586	7,764	8,185	8,169	8,192	8,350	8,414	8,446
Northern Ireland	8,584	8,899	9,283	9,573	9,409	9,432	9,497	9,542
Chancellor's Departments	4,247	4,312	4,226	3,927	3,810	3,837	3,710	3,516
Cabinet Office	1,648	1,801	1,991	2,053	2,070	2,150	2,010	2,195
Independent Bodies	665	751	765	824	861	764	753	756
<b>Total within resource DEL</b>	<b>202,018</b>	<b>211,090</b>	<b>225,917</b>	<b>228,923</b>	<b>231,090</b>	<b>240,234</b>	<b>240,886</b>	<b>240,649</b>
<b>Within resource departmental AME</b>								
Education	10,709	10,651	10,429	-10,461	11,699	10,979	11,346	11,729
Health	13,863	14,984	16,226	-11,404	19,564	17,967	17,071	18,030
Transport	799	634	1,205	501	874	1,382	1,516	1,490
CLG Communities	172	403	-5	-496	-666	-751	-1,108	-1,287
CLG Local Government	0	1	0	-4	-12	0	-	-
Business, Innovation and Skills	269	214	1,144	-1,015	-1,355	363	164	-169
Home Office	14	171	-82	190	-3	8	8	10
Justice	-62	450	605	297	-33	207	239	238
Law Officers' Departments	7	11	17	-13	4	11	8	7
Defence	5,865	6,102	7,895	-878	7,854	8,361	8,693	9,020
Foreign and Commonwealth Office	24	-10	86	34	59	80	80	75
International Development	-11	213	331	303	104	148	124	158
Energy and Climate Change	7,274	2,435	756	5,241	3,735	434	223	438
Environment, Food and Rural Affairs	-17	-56	-73	-437	-51	19	13	-59
Culture, Media and Sport	3,799	3,791	3,978	4,017	4,466	6,769	4,238	4,236
Work and Pensions	108,032	114,486	122,316	125,510	132,068	138,016	140,506	143,025
Scotland	2,163	2,486	2,323	3,055	3,069	2,876	3,021	3,171
Wales	-73	138	293	53	131	138	-9	122
Northern Ireland	6,143	6,466	7,230	3,187	7,570	7,741	8,286	8,126
Chancellor's Departments <sup>(1)</sup>	31,405	77,843	9,677	28,667	23,979	42,166	41,998	43,066
Cabinet Office	7,626	7,172	7,481	-7,467	8,738	8,204	-2,948	-2,837
Independent Bodies	28	9	60	-32	20	10	12	13
<b>Total within resource departmental AME</b>	<b>198,031</b>	<b>248,595</b>	<b>191,895</b>	<b>138,849</b>	<b>221,814</b>	<b>245,129</b>	<b>233,481</b>	<b>238,600</b>
<b>Within resource other AME</b>								
Locally financed expenditure in Northern Ireland	520	607	547	538	595	612	639	669
Net expenditure transfers to the EU	5,392	3,060	6,419	8,414	7,702	7,477	8,670	9,562
Central government debt interest	29,954	30,300	30,185	44,399	46,976	44,788	46,123	53,224
Remove items classified as capital in National Accounts	1,549	302	3,254	-9	-2	-24	-	-
Add items classified as current in National Accounts	5,095	5,666	5,317	5,418	5,523	6,312	5,719	5,156
Accounting and other adjustments	-46,904	-83,222	-15,856	48,075	-24,675	-38,200	-20,900	-20,800
<b>Total CG own current expenditure</b>	<b>395,654</b>	<b>416,399</b>	<b>447,678</b>	<b>474,606</b>	<b>489,024</b>	<b>506,400</b>	<b>514,700</b>	<b>527,100</b>

<sup>(1)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions. See Box 2.A for details.

**Table 6.3 Central government own capital expenditure by departmental group, 2007-08 to 2014-15**

	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>Within capital DEL</b>								
Education	518	679	772	817	353	599	334	630
Health	3,769	4,188	4,926	4,084	3,684	4,364	4,437	4,648
Transport	4,278	5,297	5,892	5,517	4,958	4,997	5,051	5,309
CLG Communities	3,500	4,537	5,874	4,224	2,313	1,576	1,016	941
CLG Local Government	0	0	2	1	0	-	-	-
Business, Innovation and Skills <sup>(1)</sup>	1,468	1,622	2,466	1,782	876	-7,903	1,015	1,246
Home Office	425	498	682	425	320	332	247	347
Justice	755	901	853	538	349	315	280	303
Law Officers' Departments	11	9	12	8	0	6	6	7
Defence	8,618	9,019	9,203	9,337	9,014	9,922	9,291	8,749
Foreign and Commonwealth Office	192	190	164	123	94	96	97	93
International Development	737	875	1,353	1,559	1,646	1,635	1,924	2,044
Energy and Climate Change	1,486	1,667	1,807	2,015	1,454	1,952	2,377	2,712
Environment, Food and Rural Affairs	474	411	499	506	317	335	329	362
Culture, Media and Sport	593	912	606	751	1,152	538	405	149
Work and Pensions	75	86	265	321	279	329	385	242
Scotland	2,332	2,157	2,635	2,289	1,910	1,879	1,695	1,492
Wales	741	872	1,157	1,049	881	658	649	702
Northern Ireland	878	1,085	1,056	982	768	764	762	774
Chancellor's Departments	242	282	290	213	258	176	137	134
Cabinet Office	315	386	455	433	405	405	387	356
Independent Bodies	60	37	55	56	42	65	63	73
<b>Total within capital DEL</b>	<b>31,466</b>	<b>35,711</b>	<b>41,024</b>	<b>37,030</b>	<b>31,072</b>	<b>23,038</b>	<b>30,887</b>	<b>31,312</b>
<b>Within capital departmental AME</b>								
Health	37	14	7	8	-	-	-	-
Business, Innovation and Skills	4,035	3,988	4,046	4,419	5,228	6,102	8,034	10,069
Defence	-	76	5	-	-	-	-	-
Energy and Climate Change	-419	-279	-337	-78	-58	-78	-78	-78
Environment, Food and Rural Affairs	0	1	1	1	0	1	1	1
Culture, Media and Sport	515	295	643	562	446	503	432	471
Work and Pensions	140	136	171	177	35	85	87	88
Scotland	149	180	160	151	167	241	408	468
Wales	165	168	202	209	244	267	289	313
Northern Ireland	230	407	430	396	588	475	472	555
Chancellor's Departments <sup>(2)</sup>	212	85,822	41,868	-2,674	-3,653	674	804	351
<b>Total within capital departmental AME</b>	<b>5,065</b>	<b>90,807</b>	<b>47,195</b>	<b>3,170</b>	<b>2,999</b>	<b>8,271</b>	<b>10,450</b>	<b>12,238</b>
<b>Within capital other AME</b>								
Add items classified as capital in National Accounts	-1,549	-302	-3,254	9	2	24	-	-
Remove items classified as current in National Accounts	-5,095	-5,666	-5,317	-5,418	-5,523	-6,312	-5,719	-5,156
Accounting and other adjustments	-4,735	-82,326	-39,280	-3,171	-3,789	-29,000	-9,200	-10,800
<b>Total CG own capital expenditure<sup>(3)</sup></b>	<b>25,153</b>	<b>38,224</b>	<b>40,367</b>	<b>31,620</b>	<b>24,760</b>	<b>-4,000</b>	<b>26,400</b>	<b>27,600</b>

<sup>(1)</sup> Transactions in 2012-13 have been affected by the transfer of assets from the Royal Mail Pension Plan to the public sector in April 2012.

<sup>(2)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions. See Box 5.A for details.

<sup>(3)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 6.4 Central government own expenditure on services by sub-function, 2007-08 to 2014-15**

	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>1. General public services</b>								
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	9,056	9,383	9,384	8,859	8,323	8,518	7,537	7,193
1.2 Foreign economic aid	4,596	4,865	5,583	6,494	6,746	6,940	8,549	8,779
1.3 General services	597	718	781	910	1,003	840	764	754
1.4 Basic research	-	-	-	-	-	0	0	0
1.5 R&D general public services	21	21	21	17	11	21	21	20
1.6 General public services n.e.c.	252	297	281	307	397	194	170	237
1.7 Public sector debt interest <sup>(1)</sup>	29,954	30,300	30,185	44,399	46,976	44,788	46,123	53,224
<i>of which: central government debt interest</i>	29,954	30,300	30,185	44,399	46,976	44,788	46,123	53,224
<b>Total general public services</b>	<b>44,476</b>	<b>45,583</b>	<b>46,235</b>	<b>60,986</b>	<b>63,456</b>	<b>61,301</b>	<b>63,164</b>	<b>70,207</b>
<b>2. Defence</b>								
2.1 Military defence	29,802	31,431	32,276	32,915	33,606	33,435	33,309	32,462
2.2 Civil defence	26	19	18	19	22	38	63	32
2.3 Foreign military aid	2,748	3,697	3,781	3,572	3,172	3,124	5	5
2.4 R&D defence	854	1,279	1,292	2,386	2,011	2,647	2,635	2,651
2.5 Defence n.e.c.	69	246	201	193	192	86	-	-
<b>Total defence</b>	<b>33,499</b>	<b>36,672</b>	<b>37,567</b>	<b>39,085</b>	<b>39,002</b>	<b>39,329</b>	<b>36,013</b>	<b>35,150</b>
<b>3. Public order and safety</b>								
3.1 Police services	4,359	4,771	5,009	4,289	4,169	4,409	3,627	3,553
<i>of which: immigration and citizenship</i>	2,068	2,089	2,197	1,769	1,687	1,769	1,672	1,626
<i>of which: other police services</i>	2,291	2,682	2,812	2,520	2,482	2,640	1,955	1,927
3.2 Fire-protection services	219	292	304	197	130	184	157	158
3.3 Law courts	6,550	6,750	6,596	6,025	6,487	5,788	5,127	4,746
3.4 Prisons	4,313	4,697	4,741	4,969	4,136	4,152	4,352	4,355
3.5 R&D public order and safety	22	20	25	10	17	33	27	28
3.6 Public order and safety n.e.c.	326	326	343	298	425	440	374	280
<b>Total public order and safety</b>	<b>15,790</b>	<b>16,856</b>	<b>17,018</b>	<b>15,788</b>	<b>15,363</b>	<b>15,006</b>	<b>13,665</b>	<b>13,121</b>
<b>4. Economic affairs <sup>(2)</sup></b>								
4.1 General economic, commercial and labour affairs <sup>(2)</sup>	4,505	12,609	9,250	3,754	2,768	4,457	4,091	3,703
4.2 Agriculture, forestry, fishing and hunting	4,210	5,695	5,404	5,075	5,420	5,029	4,812	4,759
<i>of which: market support under CAP</i>	2,567	4,039	3,841	3,524	3,712	3,542	3,436	3,375
<i>of which: other agriculture, food and fisheries policy</i>	1,473	1,496	1,423	1,370	1,532	1,317	1,211	1,225
<i>of which: forestry</i>	170	160	141	180	176	170	165	160
4.3 Fuel and energy	1,057	699	489	389	358	3,111	3,244	3,928
4.4 Mining, manufacturing and construction	27	28	419	17	3	35	24	11
4.5 Transport	10,197	10,502	11,639	10,643	9,859	10,041	10,672	11,353
<i>of which: national roads</i>	3,205	3,492	4,149	3,580	3,106	2,879	3,046	3,442
<i>of which: local roads</i>	290	485	543	628	462	351	380	383
<i>of which: local public transport</i>	815	750	793	741	742	690	690	705
<i>of which: railway</i>	5,166	5,088	5,384	5,006	4,927	5,418	5,865	6,161
<i>of which: other transport</i>	721	687	770	687	621	702	690	663
4.6 Communication	605	446	340	313	233	-25,507	502	416
4.7 Other industries	276	427	402	356	316	161	133	134
4.8 R&D economic affairs	3,260	3,162	3,486	3,270	3,584	4,169	4,066	4,926
4.9 Economic affairs n.e.c.	844	626	924	1,005	490	666	632	602
<b>Total economic affairs</b>	<b>24,982</b>	<b>34,194</b>	<b>32,353</b>	<b>24,821</b>	<b>23,030</b>	<b>2,163</b>	<b>28,175</b>	<b>29,832</b>
<b>5. Environment protection</b>								
5.1 Waste management	1,480	951	1,775	1,930	2,022	2,501	2,441	2,317
5.2 Waste water management	-1	14	19	8	21	24	33	32
5.3 Pollution abatement	259	296	348	418	159	181	492	800
5.4 Protection of biodiversity and landscape	476	511	473	498	419	393	373	356
5.5 R&D environment protection	346	369	401	425	367	329	326	309
5.6 Environment protection n.e.c.	1,462	1,584	1,774	1,880	1,497	1,819	1,878	1,702
<b>Total environment protection</b>	<b>4,022</b>	<b>3,723</b>	<b>4,789</b>	<b>5,159</b>	<b>4,485</b>	<b>5,247</b>	<b>5,543</b>	<b>5,516</b>

**Table 6.4 Central government own expenditure on services by sub-function, 2007-08 to 2014-15  
(continued)**

	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>£ million</b>								
<b>6. Housing and community amenities</b>								
6.1 Housing development	3,222	3,473	5,172	3,273	1,819	84	-117	-153
<i>of which: local authority housing</i>	364	26	494	-97	-420	-793	-1,009	-1,181
<i>of which: other social housing</i>	2,858	3,447	4,678	3,371	2,239	876	891	1,028
6.2 Community development	593	720	838	668	485	622	415	478
6.3 Water supply	380	544	396	291	294	289	291	319
6.4 Street lighting	19	23	22	21	25	16	16	22
6.5 R&D housing and community amenities	8	5	4	4	3	4	4	4
6.6 Housing and community amenities n.e.c.	138	112	118	136	93	112	100	87
<b>Total housing and community amenities</b>	<b>4,361</b>	<b>4,878</b>	<b>6,552</b>	<b>4,394</b>	<b>2,718</b>	<b>1,127</b>	<b>709</b>	<b>757</b>
<b>7. Health</b>								
Medical services	99,403	105,931	114,014	117,423	117,782	122,081	127,009	130,250
Medical research	510	642	692	838	742	692	709	724
Central and other health services	2,108	3,119	3,371	2,777	2,514	3,146	2,192	2,211
<b>Total health</b>	<b>102,021</b>	<b>109,692</b>	<b>118,077</b>	<b>121,037</b>	<b>121,038</b>	<b>125,919</b>	<b>129,910</b>	<b>133,185</b>
<b>8. Recreation, culture and religion</b>								
8.1 Recreational and sporting services	742	961	1,392	1,531	1,426	1,635	494	568
8.2 Cultural services	2,025	1,969	2,054	1,947	1,931	1,995	2,100	1,865
8.3 Broadcasting and publishing services	3,663	3,580	3,766	3,683	4,198	4,394	4,209	4,143
8.4 Religious and other community services	50	53	51	60	41	113	49	50
8.5 R&D recreation, culture and religion	125	130	133	141	131	142	127	127
8.6 Recreation, culture and religion n.e.c.	83	80	84	80	77	73	54	52
<b>Total recreation, culture and religion</b>	<b>6,687</b>	<b>6,773</b>	<b>7,479</b>	<b>7,442</b>	<b>7,804</b>	<b>8,351</b>	<b>7,033</b>	<b>6,805</b>
<b>9. Education</b>								
9.1 Pre-primary and primary education	835	793	900	843	779	880	820	857
<i>of which: under fives</i>	169	139	180	153	168	133	82	83
<i>of which: primary education</i>	666	655	720	690	611	747	738	774
9.2 Secondary education	11,836	12,355	13,866	14,629	17,623	21,611	21,241	21,525
9.3 Post-secondary non-tertiary education	-	112	3	-	-	-	-	-
9.4 Tertiary education	11,787	11,535	12,954	15,669	11,389	10,518	10,673	10,878
9.5 Education not definable by level	570	506	639	846	566	547	554	581
9.6 Subsidiary services to education	665	1,035	1,047	958	667	701	721	703
9.7 R&D education	34	16	18	1	11	23	19	19
9.8 Education n.e.c.	3,195	3,345	3,820	2,963	2,437	2,102	1,673	1,608
<b>Total education</b>	<b>28,923</b>	<b>29,697</b>	<b>33,247</b>	<b>35,909</b>	<b>33,472</b>	<b>36,382</b>	<b>35,701</b>	<b>36,171</b>
<b>10. Social protection</b>								
<i>of which: personal social services</i>	6,975	7,050	6,753	6,325	7,194	5,237	5,608	5,565
10.1 Sickness and disability	27,009	28,110	30,334	31,235	33,347	35,561	36,858	37,145
<i>of which: personal social services</i>	514	506	457	403	1,042	908	1,348	1,297
<i>of which: incapacity, disability and injury benefits</i>	26,495	27,604	29,877	30,832	32,305	34,653	35,510	35,848
10.2 Old age	70,683	77,600	83,197	87,042	92,761	101,483	106,602	111,279
<i>of which: personal social services</i>	428	441	459	318	351	465	462	469
<i>of which: pensions</i>	70,255	77,159	82,738	86,724	92,410	101,018	106,140	110,810
10.3 Survivors	1,132	1,096	1,059	1,100	1,073	1,105	1,110	1,115
10.4 Family and children	22,509	23,619	24,105	24,096	23,039	21,604	18,284	17,781
<i>of which: personal social services</i>	987	1,031	1,003	824	703	873	919	882
<i>of which: family benefits, income support and tax credits</i>	21,523	22,588	23,101	23,272	22,336	20,730	17,365	16,899
10.5 Unemployment	6,142	7,151	8,797	8,358	8,901	9,771	9,172	8,642
<i>of which: personal social services</i>	3,652	3,629	3,264	3,128	3,267	3,553	3,011	2,772
<i>of which: other unemployment benefits</i>	2,490	3,521	5,533	5,231	5,634	6,217	6,161	5,870
10.6 Housing	450	537	618	787	729	762	775	707
10.7 Social exclusion n.e.c.	17,016	20,317	24,032	25,581	27,424	28,279	28,482	28,997
<i>of which: personal social services</i>	1,394	1,443	1,571	1,652	1,819	1,906	2,026	2,120
<i>of which: family benefits, income support and tax credits</i>	15,622	18,874	22,461	23,929	25,604	26,372	26,456	26,877
10.8 R&D Social protection	0	1	-	-	-	-	-	-
10.9 Social protection n.e.c.	1,702	1,679	2,733	2,578	2,012	1,280	1,406	1,381
<b>Total social protection</b>	<b>146,644</b>	<b>160,110</b>	<b>174,875</b>	<b>180,778</b>	<b>189,297</b>	<b>199,843</b>	<b>202,689</b>	<b>207,048</b>

**Table 6.4 Central government own expenditure on services by sub-function, 2007-08 to 2014-15 (continued)**

	National Statistics					£ million		
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 plans	2013-14 plans	2014-15 plans
<b>EU transactions <sup>(3)</sup></b>								
GNI-based contribution (net of abatement and collection costs) <i>derived as</i>	4,785	2,378	5,760	7,669	6,967	6,697	7,834	8,688
<i>EU gross contribution pre-abatement and after deduction of collection costs</i>	13,746	13,155	13,733	15,593	15,700	15,358	17,122	18,713
<i>Traditional Own Resources (without deduction of collection costs) and VAT contributions</i>	-5,001	-5,183	-3,754	-5,246	-5,216	-5,328	-5,689	-6,023
<i>UK abatement</i>	-3,960	-5,595	-4,218	-2,678	-3,516	-3,334	-3,598	-4,002
EU receipts	-5,601	-4,558	-4,791	-3,996	-4,755	-5,065	-5,181	-5,345
Attributed aid and CFSP	-715	-751	-899	-899	-1,019	-938	-936	-856
<b>Total EU transactions</b>	<b>-1,531</b>	<b>-2,931</b>	<b>71</b>	<b>2,773</b>	<b>1,194</b>	<b>693</b>	<b>1,717</b>	<b>2,487</b>
<b>Total central government own expenditure on services</b>	<b>409,873</b>	<b>445,245</b>	<b>478,264</b>	<b>498,172</b>	<b>500,860</b>	<b>495,362</b>	<b>524,319</b>	<b>540,278</b>
Accounting adjustments	10,934	9,378	9,781	8,054	12,924	7,100	16,800	14,400
<b>Total central government own expenditure <sup>(4)</sup></b>	<b>420,807</b>	<b>454,623</b>	<b>488,045</b>	<b>506,226</b>	<b>513,784</b>	<b>502,400</b>	<b>541,100</b>	<b>554,700</b>

<sup>(1)</sup> Debt interest figures show gross payments to the private sector and overseas.

<sup>(2)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions. See Box 5.A for details.

<sup>(3)</sup> An explanation of why the EU transactions are defined in TES in this way is given in Annex E. Complete transactions with the institutions of the EU are shown in Table C.1.

<sup>(4)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 6.5 Central government own expenditure on services by economic category, 2007-08 to 2014-15**

	£ million							
	National Statistics							
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 plans	2013-14 plans	2014-15 plans
<b>Central government current expenditure on services</b>								
Pay	81,697	85,779	88,523	90,901	90,251	96,500	94,386	94,116
Gross current procurement	112,801	120,579	126,825	122,647	123,428	131,771	128,802	129,902
Income from sales of goods and services	-20,722	-23,767	-22,209	-18,321	-17,702	-15,717	-12,415	-12,978
Current grants to persons and non-profit bodies <sup>(1)</sup>	167,092	180,091	196,602	201,807	210,647	212,093	211,499	213,753
Current grants abroad	3,253	2,391	5,963	9,423	7,931	7,161	9,075	9,939
Subsidies to private sector companies	5,106	5,361	6,160	5,979	6,440	8,729	10,038	11,676
Subsidies to public corporations	1,366	942	880	585	406	111	-107	-304
Net public service pensions	2,201	3,132	3,634	4,644	6,677	9,968	11,510	12,866
Grant equivalent element of student lending	1,430	814	1,468	4,243	640	761	1,683	2,572
Central government debt interest	29,954	30,300	30,185	44,399	46,976	44,788	46,123	53,224
Other	122	13	-185	91	205	359	-14	-18
<b>Total central government own current expenditure on services</b>	<b>384,299</b>	<b>405,635</b>	<b>437,845</b>	<b>466,398</b>	<b>475,899</b>	<b>496,524</b>	<b>500,580</b>	<b>514,746</b>
Accounting adjustments	11,355	10,764	9,833	8,208	13,125	9,800	14,100	12,300
<b>Total central government own current expenditure</b>	<b>395,654</b>	<b>416,399</b>	<b>447,678</b>	<b>474,606</b>	<b>489,024</b>	<b>506,400</b>	<b>514,700</b>	<b>527,100</b>
<b>Central government capital expenditure on services</b>								
Capital grants to persons and non-profit bodies	4,920	5,133	7,276	5,588	3,500	3,351	3,302	3,541
Capital grants to private sector companies <sup>(2) (3)</sup>	7,215	17,696	13,363	7,683	6,379	-22,422	4,833	4,965
Capital grants abroad	158	249	508	964	680	854	983	900
Gross capital procurement	15,997	17,608	19,987	18,426	15,782	17,547	15,423	16,857
Income from sales of capital assets	-2,670	-1,057	-753	-922	-1,456	-627	-733	-696
Other	-45	-19	36	35	76	135	-70	-36
<b>Total central government own capital expenditure on services</b>	<b>25,575</b>	<b>39,610</b>	<b>40,418</b>	<b>31,774</b>	<b>24,962</b>	<b>-1,162</b>	<b>23,738</b>	<b>25,532</b>
Accounting adjustments	-422	-1,386	-51	-154	-202	-2,800	2,700	2,100
<b>Total central government own capital expenditure</b>	<b>25,153</b>	<b>38,224</b>	<b>40,367</b>	<b>31,620</b>	<b>24,760</b>	<b>-4,000</b>	<b>26,400</b>	<b>27,600</b>
<b>Total central government own expenditure on services</b>	<b>409,873</b>	<b>445,245</b>	<b>478,264</b>	<b>498,172</b>	<b>500,860</b>	<b>495,362</b>	<b>524,319</b>	<b>540,278</b>
Accounting adjustments	10,934	9,378	9,781	8,054	12,924	7,100	16,800	14,400
<b>Total central government own expenditure <sup>(4)</sup></b>	<b>420,807</b>	<b>454,623</b>	<b>488,045</b>	<b>506,226</b>	<b>513,784</b>	<b>502,400</b>	<b>541,100</b>	<b>554,700</b>

<sup>(1)</sup> Expenditure on services does not include tax credits previously treated as negative tax. They are included in the budget presentation in chapter 2.

<sup>(2)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions. See Box 5.A for details.

<sup>(3)</sup> Transactions in 2012-13 have been affected by the transfer of assets from the Royal Mail Pension Plan to the public sector in April 2012.

<sup>(4)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 6.6 Central government own current and capital expenditure on services by function, 2007-08 to 2014-15**

	£ million							
	National Statistics							
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 plans	2013-14 plans	2014-15 plans
<b>Central government own current expenditure on services</b>								
1. General public services	43,637	44,752	45,171	59,836	62,433	60,263	62,263	69,193
<i>of which: public and common services</i>	7,411	7,683	7,636	7,293	7,047	6,793	6,543	6,545
<i>of which: international services</i>	6,272	6,769	7,350	8,144	8,410	8,683	9,597	9,425
<i>of which: public sector debt interest</i>	29,954	30,300	30,185	44,399	46,976	44,788	46,123	53,224
2. Defence	31,059	33,255	33,593	34,867	35,284	35,335	32,072	31,210
3. Public order and safety	14,448	15,130	15,252	14,619	14,491	14,246	13,075	12,450
4. Economic affairs	17,379	16,174	18,325	16,412	15,417	20,396	20,923	21,955
<i>of which: enterprise and economic development <sup>(1)</sup></i>	3,984	2,298	3,576	1,729	1,661	6,050	6,234	6,388
<i>of which: science and technology</i>	2,480	2,537	2,753	2,767	2,983	3,398	3,441	4,096
<i>of which: employment policies</i>	2,064	1,848	2,332	3,097	1,764	2,044	1,889	1,870
<i>of which: agriculture, fisheries and forestry</i>	3,991	5,434	5,234	4,873	5,250	4,838	4,651	4,560
<i>of which: transport</i>	4,861	4,057	4,430	3,947	3,760	4,065	4,708	5,041
5. Environment protection	2,118	1,589	2,542	2,512	2,600	2,985	2,842	2,451
6. Housing and community amenities	1,108	695	809	335	145	-74	-265	-436
7. Health	97,385	104,428	111,982	115,681	116,788	120,692	124,633	127,862
8. Recreation, culture and religion	5,876	5,828	6,047	5,932	6,623	7,374	6,192	6,179
9. Education	26,626	27,105	29,959	33,531	32,152	34,993	34,673	34,511
10. Social protection	146,193	159,610	174,096	179,900	188,772	199,621	202,455	206,885
EU transactions	-1,531	-2,931	71	2,773	1,194	693	1,717	2,487
<b>Total central government own current expenditure on services</b>	<b>384,299</b>	<b>405,635</b>	<b>437,845</b>	<b>466,398</b>	<b>475,899</b>	<b>496,524</b>	<b>500,580</b>	<b>514,746</b>
Accounting adjustments	11,355	10,764	9,833	8,208	13,125	9,800	14,100	12,300
<b>Total central government own current expenditure</b>	<b>395,654</b>	<b>416,399</b>	<b>447,678</b>	<b>474,606</b>	<b>489,024</b>	<b>506,400</b>	<b>514,700</b>	<b>527,100</b>
<b>Central government own capital expenditure on services</b>								
1. General public services	839	831	1,064	1,149	1,023	1,037	901	1,014
<i>of which: public and common services</i>	473	486	554	422	382	279	290	314
<i>of which: international services</i>	366	345	510	727	642	758	611	700
2. Defence	2,440	3,417	3,975	4,218	3,718	3,995	3,941	3,940
3. Public order and safety	1,342	1,726	1,766	1,170	873	760	590	671
4. Economic affairs	7,603	18,020	14,029	8,409	7,613	-18,234	7,252	7,877
<i>of which: enterprise and economic development <sup>(1)</sup></i>	1,190	10,602	5,864	1,001	738	-25,175	498	531
<i>of which: science and technology</i>	780	625	732	503	600	771	626	830
<i>of which: employment policies</i>	77	86	51	8	6	4	5	4
<i>of which: agriculture, fisheries and forestry</i>	220	261	171	202	170	191	161	200
<i>of which: transport</i>	5,336	6,445	7,209	6,696	6,099	5,976	5,963	6,312
5. Environment protection	1,904	2,134	2,247	2,646	1,885	2,262	2,700	3,066
6. Housing and community amenities	3,253	4,182	5,743	4,059	2,574	1,201	974	1,192
7. Health	4,636	5,264	6,096	5,357	4,249	5,227	5,278	5,323
8. Recreation, culture and religion	811	946	1,432	1,511	1,181	978	841	626
9. Education	2,297	2,592	3,289	2,378	1,320	1,390	1,028	1,660
10. Social protection	451	499	779	878	526	222	234	163
<b>Total central government own capital expenditure on services</b>	<b>25,575</b>	<b>39,610</b>	<b>40,418</b>	<b>31,774</b>	<b>24,962</b>	<b>-1,162</b>	<b>23,738</b>	<b>25,532</b>
Accounting adjustments	-422	-1,386	-51	-154	-202	-2,800	2,700	2,100
<b>Total central government own capital expenditure <sup>(2)</sup></b>	<b>25,153</b>	<b>38,224</b>	<b>40,367</b>	<b>31,620</b>	<b>24,760</b>	<b>-4,000</b>	<b>26,400</b>	<b>27,600</b>

<sup>(1)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions. See Box 5.A for details.

<sup>(2)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

# 7

## Local government financing and expenditure

---

**7.1** This chapter describes central government support for local government within budgets (**Tables 7.1 to 7.3**) and local government expenditure on services (**Tables 7.4 to 7.8**). 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 this chapter.

**7.2** Data for outturn years (to 2011-12) are covered by National Statistics protocols.

**7.3** Central government support data for all years up to 2011-12 are final outturn figures and data from 2012-13 onwards are latest plans.

**7.4** Local government spending data for all years up to 2010-11 are final outturn. Data for 2011-12 are based on budget plans.

### What's new

**7.5** There have been no significant changes to the presentation of data within this chapter since PESA 2011.

### The financing of local government expenditure

**7.6** Central government support for local government expenditure is provided in three forms: capital and current grants; non-domestic rate payments; and Supported Capital Expenditure (Revenue), equivalent to supported borrowing in Scotland. Support may be non-specific, e.g. Revenue Support Grant, or related to specific services, e.g. schools grant.

**7.7** Local authorities also raise finance locally, largely through council tax, receipts from sales of assets, contributions from developers and unsupported borrowing. By convention, Scottish Non-Domestic Rates Income (NDRI) is shown in PESA as locally financed central government support in other AME, as it is raised in Scotland rather than funded by Whitehall.

**7.8** Funding provided to local government by the EU is channelled through departmental budgets but is not treated as central government support in PESA. This is because the receipts from the EU offset in budgets against the subsequent payment to local government, so this funding forms part of the accounting and other adjustments that are required to reconcile the departmental budgeting data to an aggregate drawn from the National Accounts.

**7.9** **Table 7.1** shows current and capital support provided to local government within each country in the UK, according to whether support is in DEL or AME. As noted above, further adjustments are made to these budgeting aggregates to reconcile with total local government expenditure in the National Accounts.

### Support for local government current spending

**7.10** Central government support for current expenditure on local services is largely provided through:

- Revenue Support Grant (RSG) – a non ring-fenced grant paid to local government in England, Scotland and Wales;

- non-domestic (business) rate payments – the proceeds of National Non-Domestic Rates (NDR) are pooled separately in England and Wales, and then redistributed. As noted above, equivalent payments in Scotland are considered to be locally financed rather than central government support; and
- other specific and special grants such as the schools grant and police grant, which fund part of the current expenditure on a specific service or activity.

**7.11 Table 7.2** shows the above support by country, department and grant.

## Support for local government capital programmes

**7.12** Central government support for local government capital expenditure comprises capital grants and Supported Capital Expenditure (Revenue), equivalent to supported borrowing in Scotland. The latter enables 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 7.3** shows the components of central government capital support within the United Kingdom by country and department.

## Data sources and data quality

**7.13** The central government support for local government shown in **Tables 7.1 to 7.3** is taken from finance data loaded onto the Treasury spending database by departments, consistent with their resource accounts.

## Local government expenditure

**7.14** Total local government expenditure is defined as the contribution of local government to Total Managed Expenditure (TME). TME is a consolidated measure in the sense that most transactions between parts of the public sector are excluded. For example, total local government expenditure defined here excludes capital grants paid to public corporations and interest paid to central government. Local government expenditure accounts for around one quarter of TME.

**7.15** Local government 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.

## Local government expenditure on services

**7.16** The measure of local government spending that is analysed by function and economic category in PESA is local government expenditure on services. It is largely equivalent to the National Accounts measure of local government expenditure, which is also shown in the tables. **Annex E** gives more information on expenditure on services.

**7.17** The functional categories in **Tables 7.4 to 7.7** are based on the UN Classification Of the Functions Of Government (COFOG) and are consistent with the functional categories used in other PESA chapters:

- **Table 7.4** presents total local government expenditure by function;
- **Table 7.5** shows local government current expenditure by country and function;
- **Table 7.6** shows gross capital expenditure, split by country and function. Gross indicates that it is before sales of capital assets and depreciation; and

- **Table 7.7** shows local government capital receipts within the United Kingdom, again by country and function.

**7.18 Table 7.8** shows local government expenditure by country and economic category. The economic categories are broadly consistent with those used by the ONS for the National Accounts. These are described in **Chapter 5**.

## Data sources and data quality

**7.19** The local government expenditure shown in **Tables 7.4 to 7.8** is based on revenue (current) and capital data collections completed by local authorities and sent to the Department for Communities and Local Government (CLG) and devolved administrations. These departments carry out quality assurance on the data received, produce aggregate results for publication, and supply this information to the Treasury.

**7.20** 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.

**7.21** Spending information received from local government is described in terms of local authority services (education, roads etc). The Treasury assign spending to the COFOG functional categories used in PESA. In general the read-across from service categories to COFOG categories is relatively clear, but in some cases it is less straightforward and assumptions are applied.

**7.22** 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. 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.

**7.23** The Treasury are working with CLG and the ONS to improve the quality and timeliness of local government spending data.

**7.24** More information on local government finance and spending is available from the following sources:

- England – CLG publication Local Government Financial Statistics [www.communities.gov.uk/localgovernment/localgovernmentfinance/localgovernmentfinance/statistics](http://www.communities.gov.uk/localgovernment/localgovernmentfinance/localgovernmentfinance/statistics)
- Scotland – Scottish Government publication [www.Scotland.gov.uk/topics/statistics](http://www.Scotland.gov.uk/topics/statistics)
- Wales – Welsh Government publication [www.wales.gov.uk/statistics](http://www.wales.gov.uk/statistics)

**Table 7.1 Financing of local government in the United Kingdom by country, 2007-08 to 2014-15**

£ million

	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>Current finance in DEL</b>								
England	73,877	76,620	79,656	81,869	76,843	71,245	69,872	68,884
Scotland	7,825	8,337	8,658	9,064	8,743	8,609	8,447	8,236
Wales	4,693	4,971	5,202	5,523	5,324	5,281	5,346	5,341
Northern Ireland	52	53	54	52	54	56	55	54
<b>Total current finance in DEL</b>	<b>86,447</b>	<b>89,982</b>	<b>93,570</b>	<b>96,509</b>	<b>90,964</b>	<b>85,190</b>	<b>83,720</b>	<b>82,515</b>
<b>Capital support in DEL</b>								
England	10,515	10,487	13,378	11,012	9,538	8,732	7,560	7,554
Scotland	976	951	1,057	864	757	563	517	760
Wales	735	769	684	704	520	575	500	500
Northern Ireland	4	2	0	16	3	3	3	3
<b>Total capital support in DEL</b>	<b>12,229</b>	<b>12,209</b>	<b>15,119</b>	<b>12,596</b>	<b>10,819</b>	<b>9,873</b>	<b>8,581</b>	<b>8,817</b>
<b>Total central government support in DEL <sup>(1)</sup></b>	<b>98,676</b>	<b>102,191</b>	<b>108,689</b>	<b>109,104</b>	<b>101,783</b>	<b>95,063</b>	<b>92,300</b>	<b>91,331</b>
<b>Current finance in departmental AME</b>								
England	18,116	19,703	22,608	25,007	26,171	26,121	25,326	25,473
Scotland	1,622	1,710	1,882	1,997	2,062	2,122	2,017	2,014
Wales	848	900	1,034	1,120	1,131	1,199	1,147	1,155
Northern Ireland	1	1	2	1	3	1	1	1
<b>Total current finance in departmental AME</b>	<b>20,587</b>	<b>22,314</b>	<b>25,526</b>	<b>28,126</b>	<b>29,366</b>	<b>29,442</b>	<b>28,491</b>	<b>28,642</b>
<b>Capital support in departmental AME</b>								
England	1,495	783	399	984	294	1,199	890	890
Scotland	7	6	3	7	5	8	7	7
Wales	3	3	1	1	2	2	2	2
Northern Ireland	1	1	0	2	1	0	0	0
<b>Total capital support in departmental AME</b>	<b>1,506</b>	<b>793</b>	<b>402</b>	<b>993</b>	<b>302</b>	<b>1,210</b>	<b>900</b>	<b>900</b>
<b>Total central government support in departmental AME <sup>(2)</sup></b>	<b>22,093</b>	<b>23,107</b>	<b>25,928</b>	<b>29,119</b>	<b>29,668</b>	<b>30,652</b>	<b>29,391</b>	<b>29,542</b>
<b>Locally financed expenditure</b>								
Local authority self-financed expenditure	24,081	31,717	28,322	25,748	37,604	29,722	30,589	31,533
Locally financed support in Scotland <sup>(3)</sup>	1,860	1,963	2,165	2,068	2,182	2,263	2,435	2,664
<b>Total locally financed expenditure</b>	<b>25,940</b>	<b>33,680</b>	<b>30,488</b>	<b>27,816</b>	<b>39,786</b>	<b>31,985</b>	<b>33,024</b>	<b>34,197</b>
<b>Total financing of local government expenditure</b>	<b>146,710</b>	<b>158,978</b>	<b>165,105</b>	<b>166,040</b>	<b>171,238</b>	<b>157,700</b>	<b>154,715</b>	<b>155,071</b>
Accounting and other adjustments	8,453	7,802	7,662	9,064	2,935	15,800	17,300	17,200
<b>Total local government expenditure</b>	<b>155,163</b>	<b>166,780</b>	<b>172,767</b>	<b>175,104</b>	<b>174,173</b>	<b>173,500</b>	<b>172,000</b>	<b>172,300</b>

<sup>(1)</sup> Receipts from the EU offset in budgets against the subsequent payment to local government.

<sup>(2)</sup> Includes lottery grants.

<sup>(3)</sup> By convention, Non-Domestic Rates Income (NDRI) in Scotland (equivalent to non-domestic rate payments in England and Wales) is shown in PESA as locally raised central government support. i.e. it is finance raised in Scotland rather than funding from Whitehall.

**Table 7.2 Central government current grants for local government in the United Kingdom by departmental group, 2007-08 to 2014-15**

	National Statistics					£ million		
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 plans	2013-14 plans	2014-15 plans
<b>England</b>								
<b>Education<sup>(1)</sup></b>								
Schools Grant	30,824	33,065	34,274	35,318	32,807	28,913	28,774	29,193
Schools standard grant	1,530	1,545	1,556	1,571	-	-	-	-
Sure Start	927	1,242	1,433	1,603	-8	-	-	-
Early Intervention grant	-	-	-	-	2,227	2,371	2,410	2,543
Pupil Premium	-	-	-	-	556	1,250	1,875	2,500
Maintained sixth forms grant	-	-	-	2,184	1,585	2,371	2,307	2,208
Private finance initiative grant	-	-	-	-	600	703	809	840
Other	426	128	362	562	52	40	83	88
<b>Total Education</b>	<b>33,706</b>	<b>35,980</b>	<b>37,625</b>	<b>41,237</b>	<b>37,819</b>	<b>35,648</b>	<b>36,258</b>	<b>37,372</b>
<b>Health</b>								
Health	186	141	30	180	-	-	-	-
Social Care	1,609	131	260	-	-	-	-	-
Area Based Grants	-	943	968	988	-	-	-	-
Other	-	-	-	329	1,442	1,382	-	-
<b>Total Health</b>	<b>1,795</b>	<b>1,215</b>	<b>1,258</b>	<b>1,496</b>	<b>1,442</b>	<b>1,382</b>	-	-
<b>Transport</b>								
GLA transport	2,521	2,467	2,555	2,772	2,804	2,829	2,744	2,469
Strategic rail authority	219	206	204	205	214	157	-	-
Area Based Grants	-	181	184	169	-	-	-	-
Other	237	359	333	772	481	494	611	563
<b>Total Transport</b>	<b>2,976</b>	<b>3,213</b>	<b>3,276</b>	<b>3,918</b>	<b>3,499</b>	<b>3,480</b>	<b>3,355</b>	<b>3,032</b>
<b>CLG Communities</b>								
Supporting people	1,735	1,686	1,666	-	0	-	-	-
New deal for communities	131	102	72	32	-2	-	-	-
Local area agreements	1,707	-	-	-	-	-	-	-
Area Based Grants	-	645	676	2,166	0	-	-	-
Other	409	488	740	620	1,363	1,169	1,053	1,073
<b>Total CLG Communities</b>	<b>3,981</b>	<b>2,921</b>	<b>3,154</b>	<b>2,818</b>	<b>1,362</b>	<b>1,169</b>	<b>1,053</b>	<b>1,073</b>
<b>CLG Local Government</b>								
Non-domestic rate payments	18,953	21,058	19,784	22,611	19,744	23,896	23,243	21,647
Revenue Support Grant	3,163	2,909	4,547	3,167	5,905			
Neighbourhood renewal fund	-	-	-	-	-	-	-	-
PFI special grant	594	677	773	908	-	-	-	-
LA business growth incentive scheme	389	102	49	-	-	-	-	-
Other	197	275	347	109	1,447	139	732	729
<b>Total CLG Local Government</b>	<b>23,296</b>	<b>25,023</b>	<b>25,501</b>	<b>26,795</b>	<b>27,096</b>	<b>24,035</b>	<b>23,976</b>	<b>22,376</b>
<b>Business, Innovation and Skills</b>								
LSC grants	2,039	2,113	2,201	-	-	-	-	-
RDA development fund	346	294	263	254	242	5	-	-
Other	7	8	3	4	3	-	-	-
<b>Total Business, Innovation and Skills</b>	<b>2,392</b>	<b>2,415</b>	<b>2,467</b>	<b>258</b>	<b>245</b>	<b>5</b>	-	-
<b>Home Office</b>								
Police	5,991	6,240	6,637	6,622	6,766	6,515	6,448	6,381
Area Based Grants	-	61	81	71	67	-1	-	-
Other	147	200	181	168	107	315	147	154
<b>Total Home Office</b>	<b>6,138</b>	<b>6,502</b>	<b>6,898</b>	<b>6,862</b>	<b>6,941</b>	<b>6,829</b>	<b>6,595</b>	<b>6,534</b>
<b>Environment, Food and Rural Affairs</b>								
Environment Agency	-	-	-	-	-	-	-	-
Area Based Grants	-	3	3	-	-	-	-	-
Other	24	46	31	50	93	55	55	48
<b>Total Environment, Food and Rural Affairs</b>	<b>24</b>	<b>49</b>	<b>34</b>	<b>50</b>	<b>93</b>	<b>55</b>	<b>55</b>	<b>48</b>
<b>Work and Pensions</b>								
Rent rebates	4,439	4,373	4,475	4,401	4,578	4,775	4,651	4,659
Rent allowances	9,021	10,278	12,799	14,109	15,181	15,285	14,838	14,916
Council tax benefits	3,370	3,583	3,994	4,184	4,207	4,148	3,697	3,694
Area Based Grants	-	33	51	44	0	-	-	-
Other	649	549	621	579	499	472	637	569
<b>Total Work and Pensions</b>	<b>17,480</b>	<b>18,817</b>	<b>21,940</b>	<b>23,317</b>	<b>24,465</b>	<b>24,680</b>	<b>23,824</b>	<b>23,838</b>
<b>Other government departments</b>								
	205	188	112	127	53	82	82	82
<b>Total England</b>	<b>91,993</b>	<b>96,323</b>	<b>102,264</b>	<b>106,876</b>	<b>103,014</b>	<b>97,366</b>	<b>95,199</b>	<b>94,357</b>

**Table 7.2 Central government current grants for local government in the United Kingdom by departmental group, 2007-08 to 2014-15 (continued)**

	National Statistics					£ million		
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans
<b>Scotland</b>								
<b>Work and Pensions</b>								
Rent allowance	707	786	905	978	1,034	1,055	1,026	1,038
Rent rebates	556	572	609	643	652	691	665	660
Council tax benefits	356	350	365	376	375	373	324	313
Other	80	63	59	54	52	-	-	-
<b>Total Work and Pensions</b>	<b>1,699</b>	<b>1,770</b>	<b>1,939</b>	<b>2,050</b>	<b>2,113</b>	<b>2,119</b>	<b>2,014</b>	<b>2,011</b>
<b>Scottish Government</b>								
Revenue Support Grant	6,170	7,433	7,750	8,395	8,110	8,030	7,867	7,656
Non-domestic rate income	1,860	1,963	2,165	2,068	2,182	2,263	2,435	2,664
Police	550	552	570	496	480	480	480	480
Other	1,026	289	279	119	101	99	99	99
<b>Total Scottish Government</b>	<b>9,605</b>	<b>10,237</b>	<b>10,764</b>	<b>11,078</b>	<b>10,873</b>	<b>10,872</b>	<b>10,882</b>	<b>10,900</b>
<b>Other government departments</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Total Scotland</b>	<b>11,308</b>	<b>12,010</b>	<b>12,705</b>	<b>13,129</b>	<b>12,987</b>	<b>12,994</b>	<b>12,898</b>	<b>12,913</b>
<b>Wales</b>								
<b>Home Office</b>								
Police	268	270	280	278	250	253	250	246
Other	12	12	-	0	1	-	-	-
<b>Total Home Office</b>	<b>280</b>	<b>282</b>	<b>280</b>	<b>278</b>	<b>251</b>	<b>253</b>	<b>250</b>	<b>246</b>
<b>Work and Pensions</b>								
Rent allowance	356	442	574	649	726	726	706	714
Rent rebates	294	260	241	235	218	230	223	223
Council tax benefits	184	195	216	233	243	239	214	215
Other	43	34	29	28	26	-	-	-
<b>Total Work and Pensions</b>	<b>876</b>	<b>931</b>	<b>1,060</b>	<b>1,145</b>	<b>1,213</b>	<b>1,195</b>	<b>1,144</b>	<b>1,152</b>
<b>Welsh Assembly Government</b>								
Revenue Support Grant	3,011	3,055	3,148	3,218	3,242	3,301	3,354	3,354
Non-domestic rate payments <sup>(2)</sup>	902	976	1,005	1,044	907	912	911	911
Other	468	624	740	956	839	815	831	831
<b>Total Welsh Assembly Government</b>	<b>4,380</b>	<b>4,656</b>	<b>4,893</b>	<b>5,218</b>	<b>4,987</b>	<b>5,028</b>	<b>5,096</b>	<b>5,096</b>
Other government departments	3	3	2	3	3	3	3	3
<b>Total Wales</b>	<b>5,540</b>	<b>5,871</b>	<b>6,235</b>	<b>6,644</b>	<b>6,455</b>	<b>6,479</b>	<b>6,493</b>	<b>6,497</b>
<b>Northern Ireland</b>								
<b>Culture, Media and Sport</b>								
	1	1	2	1	3	1	1	1
<b>Northern Ireland Executive</b>								
	52	53	54	52	54	56	55	54
<b>Total Northern Ireland</b>	<b>53</b>	<b>54</b>	<b>57</b>	<b>54</b>	<b>57</b>	<b>57</b>	<b>56</b>	<b>54</b>
<b>Total current finance</b>	<b>108,893</b>	<b>114,258</b>	<b>121,261</b>	<b>126,703</b>	<b>122,512</b>	<b>116,895</b>	<b>114,646</b>	<b>113,821</b>

<sup>(1)</sup> As academies are now treated as part of central government, their expenditure falls within the category of pay and procurement and is no longer recorded within grants for local government.

<sup>(2)</sup> By convention, Non-Domestic Rates Income (NDRI) in Scotland (equivalent to non-domestic rate payments in England and Wales) is shown in PESA as locally raised central government support, i.e. it is finance raised in Scotland rather than funding from Whitehall.

**Table 7.3 Central government capital support for local government in the United Kingdom by country and departmental group, 2007-08 to 2014-15**

	National Statistics					£ million		
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 plans	2013-14 plans	2014-15 plans
<b>England</b>								
<b>Supported Capital Expenditure (Revenue)<sup>(1)</sup></b>								
Education	1,050	1,045	942	539	-	-	-	-
Health	50	-	-	-	-	-	-	-
Transport	854	856	902	972	-	-	-	-
CLG Communities	1,295	1,230	1,265	946	-	-	-	-
Home Office	67	67	73	73	-	-	-	-
<b>Total Supported Capital Expenditure (Revenue)</b>	<b>3,317</b>	<b>3,198</b>	<b>3,182</b>	<b>2,530</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital grants</b>								
Education	3,658	3,800	5,729	5,772	4,702	3,965	3,347	3,183
Health	108	164	257	118	144	127	-	-
Transport	1,077	1,014	1,278	1,051	2,766	3,018	2,845	2,894
CLG Communities	2,706	1,916	2,022	2,129	1,663	2,367	1,874	1,983
CLG Local Government	32	122	258	-68	-8	-	-	-
Business, Innovation and Skills	567	447	503	243	148	-	-	-
Home Office	246	249	236	206	170	169	119	119
Justice	0	3	-	-	-	-	-	-
Environment, Food and Rural Affairs	68	170	169	44	49	32	32	32
Culture, Media and Sport	226	177	141	-30	200	253	232	232
Work and Pensions	0	-	-	0	-	-	-	-
Cabinet Office	5	11	-	-	-	-	-	-
<b>Total capital grants</b>	<b>8,693</b>	<b>8,073</b>	<b>10,595</b>	<b>9,466</b>	<b>9,832</b>	<b>9,931</b>	<b>8,450</b>	<b>8,444</b>
<b>Total England</b>	<b>12,010</b>	<b>11,271</b>	<b>13,777</b>	<b>11,996</b>	<b>9,832</b>	<b>9,931</b>	<b>8,450</b>	<b>8,444</b>
<b>Scotland</b>								
<b>Supported borrowing</b>								
Scottish Government	358	330	328	330	20	16	15	22
<b>Total supported borrowing</b>	<b>358</b>	<b>330</b>	<b>328</b>	<b>330</b>	<b>20</b>	<b>16</b>	<b>15</b>	<b>22</b>
<b>Capital grants</b>								
Culture, Media and Sport	7	6	3	7	5	8	7	7
Scottish Government	617	621	729	535	737	547	502	738
<b>Total capital grants</b>	<b>624</b>	<b>628</b>	<b>732</b>	<b>542</b>	<b>742</b>	<b>555</b>	<b>510</b>	<b>745</b>
<b>Total Scotland</b>	<b>982</b>	<b>957</b>	<b>1,060</b>	<b>871</b>	<b>762</b>	<b>571</b>	<b>525</b>	<b>767</b>
<b>Wales</b>								
<b>Supported Capital Expenditure (Revenue)<sup>(1)</sup></b>								
Home Office	7	7	-	-	-	-	-	-
Welsh Assembly Government	163	163	162	163	120	110	96	96
<b>Total Supported Capital Expenditure (Revenue)</b>	<b>170</b>	<b>170</b>	<b>162</b>	<b>163</b>	<b>120</b>	<b>110</b>	<b>96</b>	<b>96</b>
<b>Capital grants</b>								
Home Office	7	7	8	7	5	-	-	-
Culture, Media and Sport	3	3	1	1	2	2	2	2
Welsh Assembly Government	558	592	513	533	395	465	404	404
<b>Total capital grants</b>	<b>568</b>	<b>602</b>	<b>522</b>	<b>541</b>	<b>402</b>	<b>467</b>	<b>406</b>	<b>406</b>
<b>Total Wales</b>	<b>738</b>	<b>772</b>	<b>684</b>	<b>704</b>	<b>523</b>	<b>577</b>	<b>502</b>	<b>502</b>
<b>Northern Ireland capital grants</b>								
Culture, Media and Sport	1	1	0	2	1	0	0	0
Northern Ireland Executive	4	2	0	16	3	3	3	3
<b>Total Northern Ireland</b>	<b>5</b>	<b>3</b>	<b>1</b>	<b>17</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>Total United Kingdom</b>	<b>13,736</b>	<b>13,003</b>	<b>15,521</b>	<b>13,589</b>	<b>11,121</b>	<b>11,083</b>	<b>9,480</b>	<b>9,717</b>

<sup>(1)</sup> A full definition of Supported Capital Expenditure (SCR) is given in Appendix G. This is equivalent to supported borrowing in Scotland.

**Table 7.4 Local government current and capital expenditure on services in the United Kingdom by function, 2007-08 to 2011-12**

	£ million				
	National Statistics				
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 plans
<b>Current</b>					
1. General public services	4,659	4,688	4,463	4,133	4,265
<i>of which: public and common services</i>	3,959	4,237	4,284	3,915	4,021
<i>of which: public sector debt interest <sup>(1)</sup></i>	700	451	179	218	244
2. Defence	65	63	64	62	65
3. Public order and safety	15,222	15,788	16,256	16,298	16,139
4. Economic affairs	6,557	6,851	7,084	6,538	5,430
<i>of which: enterprise and economic development</i>	1,539	1,830	1,702	1,666	804
<i>of which: agriculture, fisheries and forestry</i>	13	17	20	11	12
<i>of which: transport</i>	5,005	5,004	5,362	4,861	4,614
5. Environment protection	5,132	5,501	5,663	5,676	5,951
6. Housing and community amenities	2,779	3,105	3,249	2,782	2,576
7. Health	228	195	82	232	224
8. Recreation, culture and religion	4,016	4,206	4,339	4,189	3,916
9. Education	45,104	47,583	48,512	49,016	51,535
10. Social protection	41,620	44,652	49,374	50,977	52,612
<b>Total local government current expenditure on services</b>	<b>125,382</b>	<b>132,631</b>	<b>139,084</b>	<b>139,903</b>	<b>142,712</b>
Accounting adjustments	14,420	15,145	15,143	16,435	13,595
<b>Total local government current expenditure</b>	<b>139,802</b>	<b>147,776</b>	<b>154,227</b>	<b>156,338</b>	<b>156,307</b>
<b>Capital</b>					
1. General public services	858	1,297	1,067	946	1,230
<i>of which: public and common services</i>	858	1,297	1,067	946	1,230
3. Public order and safety	677	1,013	928	828	814
4. Economic affairs	3,490	4,368	4,774	4,826	4,215
<i>of which: enterprise and economic development</i>	-114	335	326	337	250
<i>of which: employment policies</i>	1	3	4	5	37
<i>of which: agriculture, fisheries and forestry</i>	66	115	112	124	140
<i>of which: transport</i>	3,537	3,916	4,332	4,359	3,788
5. Environment protection	450	572	563	580	765
6. Housing and community amenities	2,519	2,509	1,814	1,459	1,331
7. Health	52	57	58	38	25
8. Recreation, culture and religion	1,208	1,370	1,530	1,353	1,488
9. Education	4,627	5,706	6,621	6,866	6,643
10. Social protection	342	274	376	298	368
<b>Total local government capital expenditure on services</b>	<b>14,222</b>	<b>17,168</b>	<b>17,731</b>	<b>17,193</b>	<b>16,878</b>
Accounting adjustments	1,139	1,836	809	1,573	988
<b>Total local government capital expenditure</b>	<b>15,361</b>	<b>19,004</b>	<b>18,540</b>	<b>18,766</b>	<b>17,866</b>
<b>Total local government expenditure</b>	<b>155,163</b>	<b>166,780</b>	<b>172,767</b>	<b>175,104</b>	<b>174,173</b>

<sup>(1)</sup> This excludes all intra-public sector payments of debt interest.

**Table 7.5 Local government current expenditure on services in the United Kingdom by country and function, 2007-08 to 2011-12**

	£ million				
	National Statistics				
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 plans
<b>England</b>					
1. General public services	3,297	3,566	3,451	3,195	3,317
<i>of which: public and common services</i>	3,297	3,566	3,451	3,195	3,317
2. Defence	57	54	56	54	54
3. Public order and safety	13,342	13,873	14,280	14,187	14,140
4. Economic affairs	5,622	5,792	6,003	5,407	4,377
<i>of which: enterprise and economic development</i>	1,285	1,497	1,349	1,293	438
<i>of which: agriculture, fisheries and forestry</i>	10	13	16	8	9
<i>of which: transport</i>	4,327	4,282	4,638	4,107	3,929
5. Environment protection	4,153	4,422	4,530	4,521	4,763
6. Housing and community amenities	2,398	2,589	2,748	2,461	2,150
7. Health	186	141	30	180	180
8. Recreation, culture and religion	3,017	3,133	3,254	3,096	2,885
9. Education	38,249	40,456	41,323	41,756	44,336
10. Social protection	35,444	38,051	42,268	43,700	45,181
<b>Total England</b>	<b>105,765</b>	<b>112,077</b>	<b>117,942</b>	<b>118,557</b>	<b>121,384</b>
<b>Scotland</b>					
1. General public services	439	444	613	552	422
<i>of which: public and common services</i>	439	444	613	552	422
2. Defence	4	5	5	5	4
3. Public order and safety	1,148	1,141	1,175	1,318	1,216
4. Economic affairs	618	679	721	763	722
<i>of which: enterprise and economic development</i>	150	190	222	237	253
<i>of which: agriculture, fisheries and forestry</i>	1	1	1	1	1
<i>of which: transport</i>	466	487	498	524	469
5. Environment protection	532	590	620	629	659
6. Housing and community amenities	131	186	179	161	148
8. Recreation, culture and religion	562	573	604	591	600
9. Education	4,514	4,673	4,636	4,674	4,623
10. Social protection	4,049	4,353	4,693	4,765	4,869
<b>Total Scotland</b>	<b>11,997</b>	<b>12,645</b>	<b>13,246</b>	<b>13,457</b>	<b>13,263</b>
<b>Wales</b>					
1. General public services	224	228	220	168	282
<i>of which: public and common services</i>	224	228	220	168	282
2. Defence	3	3	3	4	7
3. Public order and safety	732	774	800	792	783
4. Economic affairs	302	359	339	348	313
<i>of which: enterprise and economic development</i>	88	122	110	116	95
<i>of which: agriculture, fisheries and forestry</i>	2	3	3	2	1
<i>of which: transport</i>	212	234	226	230	217
5. Environment protection	296	330	343	353	359
6. Housing and community amenities	148	232	221	174	159
8. Recreation, culture and religion	274	293	294	285	261
9. Education	2,341	2,454	2,553	2,586	2,576
10. Social protection	2,126	2,248	2,414	2,513	2,561
<b>Total Wales</b>	<b>6,447</b>	<b>6,919</b>	<b>7,187</b>	<b>7,222</b>	<b>7,301</b>
<b>Total Great Britain</b>	<b>124,209</b>	<b>131,641</b>	<b>138,376</b>	<b>139,235</b>	<b>141,948</b>
<b>Northern Ireland</b>					
4. Economic affairs	16	21	21	20	19
<i>of which: enterprise and economic development</i>	16	21	21	20	19
5. Environment protection	150	159	170	173	169
6. Housing and community amenities	101	98	100	-13	118
7. Health	42	54	52	52	44
8. Recreation, culture and religion	163	207	187	218	170
<b>Total Northern Ireland</b>	<b>473</b>	<b>539</b>	<b>529</b>	<b>449</b>	<b>520</b>
Debt interest <sup>(1)</sup>	700	451	179	218	244
<b>Total local government current expenditure on services</b>	<b>125,382</b>	<b>132,631</b>	<b>139,084</b>	<b>139,903</b>	<b>142,712</b>
Accounting adjustments	14,420	15,145	15,143	16,435	13,595
<b>Total local government current expenditure</b>	<b>139,802</b>	<b>147,776</b>	<b>154,227</b>	<b>156,338</b>	<b>156,307</b>

<sup>(1)</sup> Debt interest is not allocated to individual countries so is only included in the total UK figures. These figures exclude all intra-public sector debt interest payments.

**Table 7.6 Local government gross<sup>(1)</sup> capital expenditure on services in the United Kingdom by country and function, 2007-08 to 2011-12**

	National Statistics					£ million
	2007-08 outturn	2008-09 outturn	2009-01 outturn	2010-11 outturn	2011-12 plans	
<b>England</b>						
1. General public services	1,286	1,261	1,222	1,009	1,473	
<i>of which: public and common services</i>	1,286	1,261	1,222	1,009	1,473	
3. Public order and safety	717	960	893	797	774	
4. Economic affairs	3,302	3,716	4,119	4,179	3,425	
<i>of which: enterprise and economic development</i>	276	349	292	301	189	
<i>of which: employment policies</i>	1	3	4	5	37	
<i>of which: agriculture, fisheries and forestry</i>	85	80	69	70	66	
<i>of which: transport</i>	2,940	3,284	3,754	3,803	3,132	
5. Environment protection	346	447	469	504	658	
6. Housing and community amenities	2,447	2,352	1,725	1,532	1,312	
7. Health	42	55	57	38	18	
8. Recreation, culture and religion	963	1,051	1,265	1,139	1,157	
9. Education	4,319	5,159	6,164	6,370	5,931	
10. Social protection	363	240	335	274	339	
<b>Total England</b>	<b>13,785</b>	<b>15,241</b>	<b>16,249</b>	<b>15,842</b>	<b>15,085</b>	
<b>Scotland</b>						
1. General public services	180	268	166	169	219	
<i>of which: public and common services</i>	180	268	166	169	219	
3. Public order and safety	69	79	63	56	85	
4. Economic affairs	636	600	681	535	739	
<i>of which: enterprise and economic development</i>	87	95	133	92	145	
<i>of which: agriculture, fisheries and forestry</i>	42	61	64	51	73	
<i>of which: transport</i>	507	444	484	393	521	
5. Environment protection	75	69	66	57	85	
6. Housing and community amenities	72	63	68	56	29	
8. Recreation, culture and religion	167	210	223	201	309	
9. Education	465	479	416	410	700	
10. Social protection	65	63	59	50	86	
<b>Total Scotland</b>	<b>1,729</b>	<b>1,831</b>	<b>1,742</b>	<b>1,534</b>	<b>2,251</b>	
<b>Wales</b>						
1. General public services	73	67	51	55	34	
<i>of which: public and common services</i>	73	67	51	55	34	
3. Public order and safety	43	62	45	53	64	
4. Economic affairs	258	259	228	255	264	
<i>of which: enterprise and economic development</i>	13	17	15	23	14	
<i>of which: agriculture, fisheries and forestry</i>	11	14	14	27	29	
<i>of which: transport</i>	234	227	199	206	221	
5. Environment protection	30	54	31	31	19	
6. Housing and community amenities	213	200	153	164	176	
8. Recreation, culture and religion	151	117	55	50	57	
9. Education	190	203	214	232	277	
10. Social protection	19	22	22	22	23	
<b>Total Wales</b>	<b>975</b>	<b>984</b>	<b>799</b>	<b>863</b>	<b>914</b>	
<b>Total Great Britain</b>	<b>16,489</b>	<b>18,057</b>	<b>18,789</b>	<b>18,239</b>	<b>18,250</b>	
<b>Northern Ireland</b>						
4. Economic affairs	8	4	0	1	3	
<i>of which: enterprise and economic development</i>	8	4	0	1	3	
5. Environment protection	24	15	8	10	15	
6. Housing and community amenities	35	32	30	15	22	
7. Health	10	2	1	1	7	
8. Recreation, culture and religion	75	64	40	44	85	
<b>Total Northern Ireland</b>	<b>151</b>	<b>116</b>	<b>79</b>	<b>71</b>	<b>133</b>	
<b>Total United Kingdom</b>	<b>16,641</b>	<b>18,173</b>	<b>18,869</b>	<b>18,310</b>	<b>18,383</b>	
<b>Memorandum</b>						
United Kingdom gross capital expenditure, from above	16,641	18,173	18,869	18,310	18,383	
United Kingdom capital receipts (see table 7.7)	-2,419	-1,006	-1,138	-1,116	-1,505	
<b>Total local government net capital expenditure on services</b>	<b>14,222</b>	<b>17,168</b>	<b>17,731</b>	<b>17,193</b>	<b>16,878</b>	
Accounting adjustments	1,139	1,836	809	1,573	988	
<b>Total local government net capital expenditure</b>	<b>15,361</b>	<b>19,004</b>	<b>18,540</b>	<b>18,766</b>	<b>17,866</b>	

<sup>(1)</sup> 'Gross' - before sales of capital assets and depreciation.

**Table 7.7 Local government capital receipts within expenditure on services in the United Kingdom by country and function, 2007-08 to 2011-12**

	£ million				
	National Statistics				
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 plans
<b>England</b>					
1. General public services	462	244	227	251	435
<i>of which: public and common services</i>	462	244	227	251	435
3. Public order and safety	144	80	67	72	99
4. Economic affairs	673	194	229	120	177
<i>of which: enterprise and economic development</i>	467	118	101	60	94
<i>of which: employment policies</i>	0	-	-	-	-
<i>of which: agriculture, fisheries and forestry</i>	69	39	23	20	22
<i>of which: transport</i>	137	37	104	40	61
5. Environment protection	14	9	6	17	9
6. Housing and community amenities	211	109	129	282	187
8. Recreation, culture and religion	120	44	22	51	67
9. Education	271	102	166	112	238
10. Social protection	100	45	37	44	75
<b>Total England</b>	<b>1,995</b>	<b>828</b>	<b>883</b>	<b>949</b>	<b>1,289</b>
<b>Scotland</b>					
1. General public services	168	44	142	19	32
<i>of which: public and common services</i>	168	44	142	19	32
3. Public order and safety	4	5	4	4	6
4. Economic affairs	29	8	10	20	30
<i>of which: enterprise and economic development</i>	23	6	9	18	4
<i>of which: agriculture, fisheries and forestry</i>	0	0	0	0	0
<i>of which: transport</i>	6	2	1	2	26
5. Environment protection	4	1	1	1	3
6. Housing and community amenities	1	4	1	0	1
8. Recreation, culture and religion	13	3	2	12	12
9. Education	63	30	4	19	19
10. Social protection	3	1	0	2	2
<b>Total Scotland</b>	<b>285</b>	<b>94</b>	<b>164</b>	<b>76</b>	<b>106</b>
<b>Wales</b>					
1. General public services	50	11	4	17	28
<i>of which: public and common services</i>	50	11	4	17	28
3. Public order and safety	4	3	1	3	3
4. Economic affairs	10	5	16	5	9
<i>of which: enterprise and economic development</i>	7	2	4	1	2
<i>of which: agriculture, fisheries and forestry</i>	3	3	12	3	7
<i>of which: transport</i>	0	0	1	0	0
5. Environment protection	3	0	0	0	0
6. Housing and community amenities	34	14	20	8	16
8. Recreation, culture and religion	8	5	1	1	1
9. Education	12	4	3	15	7
10. Social protection	2	5	2	2	3
<b>Total Wales</b>	<b>123</b>	<b>47</b>	<b>48</b>	<b>50</b>	<b>67</b>
<b>Total Great Britain</b>	<b>2,404</b>	<b>970</b>	<b>1,095</b>	<b>1,076</b>	<b>1,461</b>
<b>Northern Ireland</b>					
4. Economic affairs	1	3	0	1	1
<i>of which: enterprise and economic development</i>	1	3	0	1	1
5. Environment protection	4	2	4	4	0
6. Housing and community amenities	2	11	11	18	4
7. Health	0	0	0	2	0
8. Recreation, culture and religion	9	19	27	17	39
<b>Total Northern Ireland</b>	<b>15</b>	<b>36</b>	<b>43</b>	<b>41</b>	<b>44</b>
<b>Total United Kingdom capital receipts</b>	<b>2,419</b>	<b>1,006</b>	<b>1,138</b>	<b>1,116</b>	<b>1,505</b>

**Table 7.8 Local government expenditure on services in the United Kingdom by country and economic category, 2007-08 to 2011-12**

	National Statistics					£ million
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 plans	
<b>England</b>						
Pay	60,208	63,053	64,836	65,214	69,234	
Gross current procurement	51,208	55,260	57,483	56,491	59,516	
Income from sales of goods and services	-23,062	-24,576	-25,680	-25,635	-31,088	
Subsidies to private sector companies	2,251	1,850	2,127	1,963	1,871	
Subsidies to public corporations	18	20	33	15	15	
Current grants to persons and non-profit bodies	15,143	16,469	19,144	20,508	21,836	
Gross capital procurement	12,035	13,526	14,531	14,440	14,257	
Income from sales of capital assets	-1,995	-828	-883	-949	-1,289	
Capital grants	1,750	1,715	1,718	1,403	828	
<b>Total England</b>	<b>117,554</b>	<b>126,490</b>	<b>133,309</b>	<b>133,450</b>	<b>135,181</b>	
<b>Scotland</b>						
Pay	6,820	7,091	7,472	7,543	7,198	
Gross current procurement	6,305	6,781	6,639	6,597	6,505	
Income from sales of goods and services	-2,520	-2,714	-2,525	-2,445	-2,283	
Subsidies to public corporations	96	96	103	102	109	
Current grants to persons and non-profit bodies	1,296	1,392	1,556	1,660	1,734	
Gross capital procurement	1,686	1,790	1,693	1,493	2,237	
Income from sales of capital assets	-285	-94	-164	-76	-106	
Capital grants	43	42	48	41	13	
<b>Total Scotland</b>	<b>13,442</b>	<b>14,382</b>	<b>14,824</b>	<b>14,914</b>	<b>15,408</b>	
<b>Wales</b>						
Pay	3,578	3,931	3,905	4,084	4,230	
Gross current procurement	3,357	3,961	3,738	3,602	3,761	
Income from sales of goods and services	-1,144	-1,684	-1,290	-1,355	-1,643	
Current grants to persons and non-profit bodies	656	712	834	892	952	
Gross capital procurement	861	891	708	764	809	
Income from sales of capital assets	-123	-47	-48	-50	-67	
Capital grants	114	93	91	98	106	
<b>Total Wales</b>	<b>7,299</b>	<b>7,856</b>	<b>7,938</b>	<b>8,034</b>	<b>8,148</b>	
<b>Great Britain</b>						
Pay	70,606	74,074	76,213	76,840	80,662	
Gross current procurement	60,869	66,002	67,861	66,690	69,783	
Income from sales of goods and services	-26,726	-28,974	-29,495	-29,435	-35,014	
Subsidies to private sector companies	2,251	1,850	2,127	1,964	1,871	
Subsidies to public corporations	114	116	136	117	124	
Current grants to persons and non-profit bodies	17,095	18,573	21,533	23,059	24,522	
Gross capital procurement	14,582	16,207	16,932	16,697	17,304	
Income from sales of capital assets	-2,404	-970	-1,095	-1,076	-1,461	
Capital grants	1,907	1,850	1,857	1,542	947	
<b>Total Great Britain</b>	<b>138,295</b>	<b>148,728</b>	<b>156,070</b>	<b>156,398</b>	<b>158,737</b>	
<b>Northern Ireland</b>						
Pay	256	283	294	286	305	
Gross current procurement	333	407	389	411	375	
Income from sales of goods and services	-117	-151	-154	-248	-161	
Gross capital procurement	151	116	79	71	133	
Income from sales of capital assets	-15	-36	-43	-41	-44	
<b>Total Northern Ireland</b>	<b>609</b>	<b>620</b>	<b>565</b>	<b>480</b>	<b>609</b>	
<b>United Kingdom</b>						
Pay	70,863	74,357	76,507	77,126	80,967	
Gross current procurement	61,202	66,410	68,250	67,102	70,158	
Income from sales of goods and services	-26,843	-29,125	-29,649	-29,683	-35,174	
Subsidies to private sector companies	2,251	1,850	2,127	1,964	1,871	
Subsidies to public corporations	114	116	136	117	124	
Current grants to persons and non-profit bodies	17,095	18,573	21,533	23,059	24,522	
Local government debt interest <sup>(1)</sup>	700	451	179	218	244	
Gross capital procurement	14,734	16,324	17,012	16,768	17,436	
Income from sales of capital assets	-2,419	-1,006	-1,138	-1,116	-1,505	
Capital grants	1,907	1,850	1,857	1,542	947	
<b>Total local government expenditure on services</b>	<b>139,604</b>	<b>149,799</b>	<b>156,814</b>	<b>157,096</b>	<b>159,589</b>	
Accounting adjustments	15,559	16,981	15,953	18,008	14,584	
<b>Total local government expenditure</b>	<b>155,163</b>	<b>166,780</b>	<b>172,767</b>	<b>175,104</b>	<b>174,173</b>	

<sup>(1)</sup> Debt interest is not allocated to individual countries so is only included in the total UK figures. These figures exclude all intra-public sector debt interest payments.

# 8

## Public corporations

---

**8.1** This chapter sets out what public corporations are, recent developments affecting them, how they are controlled, and how they are scored in public expenditure.

**8.2** Outturn data in this chapter up to 2011-12 are National Statistics.

### What's new

**8.3** There have been no significant changes to the presentation of data within this chapter since PESA 2011.

### Definition of public corporations

**8.4** Public corporation is a term from National Accounts, which are based on the European System of Accounts (ESA95). The Office for National Statistics (ONS) therefore determines which bodies are public corporations. A body will be classified as a public corporation where:

- it is classified as a market body – a body that derives more than 50% of its production cost from the sale of goods or services at economically significant prices. Some charge for regulatory activities, where these provide a significant benefit to the person paying the fee, for example through quality testing;
- it is controlled by central government, local government or other public corporations; and
- it has substantial day to day operating independence so that it should be seen as an institutional unit separate from its parent departments.

### Self financing public corporations (SFPCs)

**8.5** The Treasury has designated some public corporations SFPCs. To be classified as an SFPC, the public corporation must normally trade mainly with non-government customers and not perform regulatory functions. In other words, its income must be from selling goods and services into a competitive market rather than from regulatory fees. It must trade profitably and not require subsidies or other financial support from its parent department.

**8.6** SFPCs normally score in departmental AME rather than in DEL – though any subsidies and grants exceptionally paid to them would score in DEL. They also have greater and more individually tailored financial flexibilities. Some SFPCs are also trading funds.

### Trading funds

**8.7** Where activities of a government department generate income from the supply of goods and services, those parts of the department may be designated trading funds by Parliament on the application of the Government. Trading funds may keep unspent funds from one year to the next without having to surrender surpluses to the Exchequer at the end of each year.

**8.8** Most trading funds are classified by ONS as public corporations in the National Accounts. DVLA is the only trading fund that is treated as a central government body in the National Accounts, and therefore in PESA.

**8.9** Trading funds are not directly subject to central government administration costs controls. The budgeting treatment of trading funds that are public corporations is normally the same as that of other public corporations.

## The budgeting control framework

**8.10** The following transactions with and in respect of public corporations accountable to Ministers are normally included in departmental budgets:

- subsidies paid to the public corporation by the department (in resource DEL);
- capital grants paid to the public corporation by the department (in capital DEL);
- interest and dividends received from the public corporation (resource DEL, or resource AME if a self financing public corporation (SFPC));
- equity purchase in and withdrawals from public corporations (capital DEL, or capital AME if an SFPC) – included with net lending in **Table 8.1**;
- loans and public dividend capital (PDC) invested in the public corporation (capital DEL, or capital AME if an SFPC) – also included with net lending in **Table 8.1**; and
- public corporations' market and overseas borrowing (PCMOB) where, exceptionally, it is permitted (capital DEL, or capital AME if an SFPC).

**8.11** The **Crown Estate** is an SFPC. Uniquely the routine subsidy that is paid to it to cover administration costs is in AME rather than DEL, and the dividends that the Treasury receives from it are recorded outside budgets.

**8.12** When PCs are government departments in their own right, as is the case for some trading funds, they will normally be assigned a parent department for budgeting purposes, and the budgetary scoring described above will apply.

**8.13 Public corporations controlled by local government** include the businesses reporting to Transport for London and local authority airports such as Manchester. DEL and departmental AME include central government support to local government (in **Chapter 7**), some of which may be used by them to support public corporations. However, this is not identified in PESA as relating to public corporations. Therefore the whole of their capital expenditure is included in the public corporations' own-financed capital expenditure line in other AME. They are also included in the bottom line of **Tables 8.1, 8.3, 8.4 and 8.5**, which show the total contribution of all public corporations' own expenditure to Total Managed Expenditure (TME).

**8.14 Table 8.1** shows the impact on departmental budgets (DEL and departmental AME) of public corporations accountable to Ministers. It also shows a reconciliation to the impact of all public corporations, including those accountable to local government, on TME. In this presentation PC gross investment in TME is shown to be the sum of:

- government capital support in budgets (investment grants and net lending to PCs);
- PCMOB in budgets; and
- public corporations' own-financed capital expenditure (PCOFCE).

**8.15** Grants and subsidies in budgets also include those paid to public corporations under schemes that are generally available to the private sector. Any loans between departments and their PCs that are written off by mutual consent will also be shown here.

**8.16** **Table 8.2** shows the budgetary information in **Table 8.1** split by department group.

## The National Accounts

**8.17** TME measures the current and capital expenditure of the public sector as a whole. It is taken from National Accounts compiled by the ONS. In relation to public corporations, TME includes:

- subsidies paid to public corporations;
- the capital expenditure of public corporations, net of sales of assets;
- changes in public corporations' stocks; and
- interest and dividends paid by public corporations to the private sector and abroad.

**8.18** TME is a consolidated measure of public expenditure and so most transfers between different sectors are excluded. This applies to capital grants and net lending paid by central government to public corporations, and interest and dividend flows between general government and public corporations. However, payments of subsidies to, and purchases of goods and services from, public corporations form part of TME as the use of this funding feeds into the calculation of public corporations' gross trading surplus, which scores as an income (or revenue) item in the public sector accounts.

**8.19** Grants and subsidies given by public corporations to the private sector and overseas, including debt write-offs by mutual consent, are imputed to general government expenditure in National Accounts, as grant-giving is not held to be a normal function of a commercial body.

**8.20** Note that the impact of public corporations on departmental budgets differs from their impact on TME. Accounting adjustments are used to move from DEL *plus* departmental AME *plus* own-financed capital expenditure (other AME) to TME (see **Annex D** for a full explanation of the accounting adjustments).

**8.21** **Table 8.3** shows the capital expenditure of each major public corporation sponsored by a central government department, and of the biggest public corporations accountable to local government. It also identifies those that are self-financing public corporations or trading funds. The table does not identify separately small public corporations controlled by central government departments nor most public corporations under local authority control – their capital expenditure is included in the accounting adjustments. The figures include the purchase of assets, less sales, plus any capital grants paid by a public corporation net of any received from the private sector or abroad.

**8.22** **Tables 8.4 and 8.5** show the capital expenditure from **Table 8.3** broken down by function and economic category respectively. They also include the debt interest payments to the private sector, which is the only public corporation current spending that forms part of TME.

## Sources of data and data quality

**8.23** Information in **Tables 8.1 and 8.2** forms part of departments' budgets and so should be of good quality. **Annex A** has more information.

**8.24** Information on public corporations' capital expenditure is largely sourced from public corporations by departments who in turn supply the data to the Treasury. Our aim is to publish capital spending data for all public corporations accountable to Ministers. However, information is provided by departments primarily for PESA and does not form part of a control total. The only appearance in a departmental publication will normally be within the regional expenditure tables in departmental reports. Information in **Tables 8.3 to 8.5** may therefore not be as up to date or accurate as the information in the other tables in this chapter.

## Further Information

**8.25** More information is available in the departmental reports of government departments and in the annual reports and accounts of individual public corporations. A fuller list of public corporations is available on the ONS website<sup>1</sup> in *Sector classification for the National Accounts*.

---

<sup>1</sup> <http://www.ons.gov.uk/ons/rel/na-classification/national-accounts-sector-classification/index.html>

**Table 8.1 Public corporations' contribution to budgets<sup>(1)</sup> and Total Managed Expenditure, 2007-08 to 2014-15**

	National Statistics					£ million		
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 plans	2013-14 plans	2014-15 plans
<b>Resource DEL</b>								
CG dividends from PCs (-)	-71	-108	-64	-89	-94	-40	-51	-50
CG interest from PCs (-)	-74	-85	-94	-101	-102	-101	-98	-102
Subsidies to PCs	1,401	1,254	1,058	1,244	1,108	1,209	1,147	1,097
Loans written off - mutual consent	-	7	-	5	-	-	-	-
<b>Total resource DEL</b>	<b>1,257</b>	<b>1,067</b>	<b>900</b>	<b>1,058</b>	<b>912</b>	<b>1,069</b>	<b>998</b>	<b>945</b>
<b>Resource departmental AME</b>								
CG dividends from PCs (-)	-85	-452	-119	-88	-66	-34	-34	-34
CG interest from PCs (-)	-382	-284	-79	-18	-61	-14	-5	-6
Subsidies to PCs	-36	-312	-177	-658	-702	-1,099	-1,254	-1,402
Loans written off - mutual consent	-	-	-	-	3	-	-	-
<b>Total resource departmental AME</b>	<b>-503</b>	<b>-1,048</b>	<b>-374</b>	<b>-764</b>	<b>-825</b>	<b>-1,147</b>	<b>-1,293</b>	<b>-1,442</b>
<b>Total public corporations' contribution to resource budget<sup>(1)</sup></b>	<b>754</b>	<b>19</b>	<b>525</b>	<b>294</b>	<b>87</b>	<b>-78</b>	<b>-294</b>	<b>-497</b>
<b>Capital DEL</b>								
CG investment grants to PCs	454	479	724	394	377	272	189	224
Net lending to PCs <sup>(2)</sup>	187	112	180	-200	-94	10,005	57	137
Market and overseas borrowing	485	-1	-86	-5	-18	-4	-4	-4
<b>Total capital DEL</b>	<b>1,126</b>	<b>590</b>	<b>817</b>	<b>190</b>	<b>265</b>	<b>10,273</b>	<b>241</b>	<b>356</b>
<b>Capital departmental AME</b>								
Net lending to PCs	-566	-735	97	-361	187	718	750	750
<b>Total capital departmental AME</b>	<b>-566</b>	<b>-735</b>	<b>97</b>	<b>-361</b>	<b>187</b>	<b>718</b>	<b>750</b>	<b>750</b>
<b>Total public corporations' contribution to capital budget</b>	<b>559</b>	<b>-144</b>	<b>914</b>	<b>-171</b>	<b>452</b>	<b>10,991</b>	<b>991</b>	<b>1,106</b>
<b>Other AME</b>								
PC own-financed capital expenditure <sup>(3)</sup>	5,439	7,294	7,983	8,137	6,115	6,244	5,734	5,339
Accounting adjustments <sup>(2)</sup>	215	1,173	-85	45	277	-9,700	500	500
<b>Public corporations' expenditure in TME<sup>(4)</sup></b>	<b>6,967</b>	<b>8,342</b>	<b>9,338</b>	<b>8,304</b>	<b>6,931</b>	<b>7,500</b>	<b>6,900</b>	<b>6,500</b>
of which:								
PC current expenditure in TME	709	553	399	420	357	500	500	500
PC gross investment in TME	6,258	7,789	8,939	7,884	6,574	7,000	6,400	6,000

<sup>(1)</sup> Data in this table differ from those shown for public corporations in Table 1.11. Central government subsidies to public corporations are classified as central government own spending in National Accounts, and are shown as such in Table 1.11. In Table 8.1 subsidies are shown as part of public corporations' contribution to the resource budget. Subsidies are removed in the accounting adjustments and do not form part of public corporations' expenditure in TME.

<sup>(2)</sup> Transactions in 2012-13 have been affected by the transfer of assets from the Royal Mail Pension Plan to the public sector in April 2012.

<sup>(3)</sup> Includes capital expenditure by local authority public corporations.

<sup>(4)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 8.2 Public corporations' contribution to budgets by departmental group,<sup>(1)</sup> 2007-08 to 2014-15**

	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>£ million</b>								
<b>Resource DEL</b>								
Health	41	51	-1	-2	10	62	-	-
Transport	28	12	72	50	-1	15	17	17
Communities and Local Government	18	15	38	20	14	-2	-	-
Business, Innovation and Skills	440	278	141	235	153	346	354	335
Defence	-30	-43	-23	-33	-35	-	-	-
Foreign and Commonwealth Office	186	195	193	185	179	165	157	149
Environment, Food and Rural Affairs	57	53	49	37	35	36	29	27
Culture, Media and Sport	-	-	-	83	59	73	64	64
Work and Pensions	192	174	117	174	206	94	123	126
Scotland	24	28	4	12	18	11	10	10
Wales	0	-	3	-	-	1	1	1
Northern Ireland	303	306	306	299	275	272	245	218
Chancellor's Departments	-1	-	-	-	-	-	-	-
Cabinet Office	-1	-	-	-2	-2	-2	-2	-2
<b>Total resource DEL</b>	<b>1,257</b>	<b>1,067</b>	<b>900</b>	<b>1,058</b>	<b>912</b>	<b>1,069</b>	<b>998</b>	<b>945</b>
<b>Resource departmental AME</b>								
Transport	-	-	-	-	3	-	-	-
Communities and Local Government	66	-221	-86	-581	-704	-1,033	-1,200	-1,348
Business, Innovation and Skills	-382	-119	-79	-18	-61	-14	-5	-6
Energy and Climate Change	-	-31	-22	-22	-26	-	-	-
Wales	-104	-93	-93	-79	0	-68	-56	-56
Chancellor's Departments	-83	-583	-94	-64	-38	-32	-32	-32
<b>Total resource departmental AME</b>	<b>-503</b>	<b>-1,048</b>	<b>-374</b>	<b>-764</b>	<b>-825</b>	<b>-1,147</b>	<b>-1,293</b>	<b>-1,442</b>
<b>Total public corporations' contribution to resource budget</b>	<b>754</b>	<b>19</b>	<b>525</b>	<b>294</b>	<b>87</b>	<b>-78</b>	<b>-294</b>	<b>-497</b>
<b>Capital DEL</b>								
Health	41	19	-	0	-10	6	-	-
Transport	531	85	182	-242	-37	17	16	15
Communities and Local Government	3	0	2	3	-3	-2	-19	-5
Business, Innovation and Skills <sup>(2)</sup>	76	66	66	81	-9	10,005	11	-1
Home Office	-	10	-	29	-	-	-	-
Defence	-71	-101	-55	-72	-5	-5	-12	2
Foreign and Commonwealth Office	36	37	36	33	23	6	5	5
International Development	1	-	-	-	-	-	-	-
Environment, Food and Rural Affairs	16	28	25	18	18	15	17	19
Culture, Media and Sport	0	-	-	-	2	-	-	-
Work and Pensions	4	-	7	2	1	-	-	-
Scotland	255	225	234	130	65	111	150	209
Wales	-	-	99	5	-11	-	-	-
Northern Ireland	237	221	221	203	231	121	73	112
Chancellor's Departments	-3	-	-	-	-	-	-	-
<b>Total capital DEL</b>	<b>1,126</b>	<b>590</b>	<b>817</b>	<b>190</b>	<b>265</b>	<b>10,273</b>	<b>241</b>	<b>356</b>
<b>Capital departmental AME</b>								
Health	-	-	-1	-	-	-	-	-
Business, Innovation and Skills	-566	-735	98	-361	187	718	750	750
<b>Total capital departmental AME</b>	<b>-566</b>	<b>-735</b>	<b>97</b>	<b>-361</b>	<b>187</b>	<b>718</b>	<b>750</b>	<b>750</b>
<b>Total public corporations' contribution to capital budget</b>	<b>559</b>	<b>-144</b>	<b>914</b>	<b>-171</b>	<b>452</b>	<b>10,991</b>	<b>991</b>	<b>1,106</b>
<b>Total public corporations' contribution to budgets</b>	<b>1,314</b>	<b>-125</b>	<b>1,440</b>	<b>123</b>	<b>539</b>	<b>10,913</b>	<b>697</b>	<b>610</b>

<sup>(1)</sup> Data in this table differ from those shown for public corporations in Table 1.11. Central government subsidies to public corporations are classified as central government own spending in National Accounts, and are shown as such in Table 1.11. In table 8.2 subsidies are shown as part of public corporations' contribution to the resource budget.

<sup>(2)</sup> Transactions in 2012-13 have been affected by the transfer of assets from the Royal Mail Pension Plan to the public sector in April 2012.

**Table 8.3 Public corporations' capital expenditure on services, 2007-08 to 2014-15**

	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>Health</b>								
Medicines and Healthcare Products Regulatory Agency <sup>(1)</sup>	2	6	8	#	#	#	#	#
NHS Estates <sup>(1)</sup>	1	0	0	#	#	#	#	#
NHS Blood and Transplant	34	19	17	#	#	#	#	#
<b>Total Health</b>	<b>37</b>	<b>25</b>	<b>25</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
<b>Transport</b>								
Civil Aviation Authority	4	4	4	#	#	#	#	#
Driving Standards Agency <sup>(1)</sup>	2	3	-	#	#	#	#	#
Vehicle and Operator Services Agency <sup>(1)</sup>	24	15	10	#	#	#	#	#
London and Continental Railways	312	-70	-	#	#	#	#	#
GNER(1)	-25	-	-	#	#	#	#	#
<b>Total Transport</b>	<b>318</b>	<b>-48</b>	<b>14</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
<b>Communities and Local Government</b>								
Fire Service College <sup>(1)</sup>	0	1	0	1	2	2	2	2
Housing Action Trusts <sup>(2)</sup>	3	-	-	-	-	-	-	-
Housing Revenue Account	2,122	3,226	3,276	2,894	2,239	2,882	2,595	2,440
QEII Conference Centre <sup>(1)</sup>	1	1	1	0	0	1	1	1
<b>Total Department for Communities and Local Government</b>	<b>2,127</b>	<b>3,227</b>	<b>3,276</b>	<b>2,895</b>	<b>2,240</b>	<b>2,885</b>	<b>2,598</b>	<b>2,443</b>
<b>Business, Innovation and Skills</b>								
UK Intellectual Property Office	0	1	4	2	1	1	1	1
British Nuclear Fuels Limited <sup>(5)</sup>	2	-	-	-	-	-	-	-
Companies House <sup>(1)</sup>	4	3	-2	-2	-2	-2	-2	-2
Royal Mail Holdings <sup>(5)</sup>	253	444	347	201	187	*	*	*
Ordnance Survey <sup>(1)</sup>	10	22	117	27	13	15	20	20
Meteorological Office <sup>(1)</sup>	26	26	26	26	27	27	27	27
<b>Total Business, Innovation and Skills</b>	<b>295</b>	<b>496</b>	<b>491</b>	<b>254</b>	<b>226</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Home Office</b>								
Forensic Science Service <sup>(1)</sup>	4	6	4	4	#	#	#	#
<b>Total Home Office</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
<b>Justice</b>								
Land Registry <sup>(1)</sup>	40	27	15	-29	13	2	6	-4
<b>Total Justice</b>	<b>40</b>	<b>27</b>	<b>15</b>	<b>-29</b>	<b>13</b>	<b>2</b>	<b>6</b>	<b>-4</b>
<b>Defence</b>								
Army Base Repair Organisation <sup>(1)</sup>	4	-	-	-	-	-	-	-
Defence Aviation Repair Agency <sup>(1)</sup>	3	7	7	7	7	7	7	7
Defence Science and Technology Laboratory <sup>(1)</sup>	41	41	41	41	41	41	41	41
Hydrographic Office <sup>(1)</sup>	8	8	8	8	8	8	8	8
Navy, Army and Air Force Institute	3	3	3	3	3	3	3	3
QinetiQ(S)	48	-	-	-	-	-	-	-
<b>Total Defence</b>	<b>107</b>	<b>59</b>	<b>59</b>	<b>59</b>	<b>59</b>	<b>59</b>	<b>59</b>	<b>59</b>
<b>Foreign and Commonwealth Office</b>								
British Council	14	9	7	16	12	11	10	10
<b>Total Foreign and Commonwealth Office</b>	<b>14</b>	<b>9</b>	<b>7</b>	<b>16</b>	<b>12</b>	<b>11</b>	<b>10</b>	<b>10</b>
<b>International Development</b>								
CDC Group <sup>(5)</sup>	41	86	79	#	*	*	*	*
ActisS	1	1	1	#	*	*	*	*
<b>Total International Development</b>	<b>42</b>	<b>87</b>	<b>80</b>	<b>#</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Energy and Climate Change</b>								
British Energy <sup>(3)</sup>	224	244	-	-	-	-	-	-
<b>Total Energy and Climate Change</b>	<b>224</b>	<b>244</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

£ million

**Table 8.3 Public corporations' capital expenditure on services, 2007-08 to 2014-15 (continued)**

£ million

	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>Environment Food and Rural Affairs</b>								
British Waterways	-20	-51	-18	1	0	#	#	#
<b>Total Environment Food and Rural Affairs</b>	<b>-20</b>	<b>-51</b>	<b>-18</b>	<b>1</b>	<b>0</b>	<b>#</b>	<b>#</b>	<b>#</b>
<b>Culture Media and Sport</b>								
Channel Four Television Corporation <sup>(5)</sup>	6	9	-4	#	#	*	*	*
Historic Royal Palaces Trust	3	1	0	#	#	#	#	#
Tote <sup>(5)</sup>	17	17	16	#	#	*	*	*
<b>Total Culture Media and Sport</b>	<b>26</b>	<b>27</b>	<b>12</b>	<b>#</b>	<b>#</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Work and Pensions</b>								
Remploy	-15	-10	10	2	1	1	1	1
Pension Protection Fund	1	1	2	0	0	0	0	0
National Employment Savings Trust	0	0	0	1	17	10	14	5
<b>Total Work and Pensions</b>	<b>-14</b>	<b>-9</b>	<b>12</b>	<b>3</b>	<b>18</b>	<b>11</b>	<b>15</b>	<b>6</b>
<b>Scotland</b>								
Caledonian MacBrayne	7	8	6	6	6	-	-	-
Forest Enterprise	7	2	5	7	5	-	-	-
Housing Revenue Account	224	353	430	480	595	304	284	320
Scottish Water	616	699	648	443	491	-	-	-
<b>Total Scotland</b>	<b>854</b>	<b>1,062</b>	<b>1,089</b>	<b>935</b>	<b>1,097</b>	<b>304</b>	<b>284</b>	<b>320</b>
<b>Wales</b>								
Housing Revenue Account	105	125	120	119	141	143	101	89
<b>Total Wales</b>	<b>105</b>	<b>125</b>	<b>120</b>	<b>119</b>	<b>141</b>	<b>143</b>	<b>101</b>	<b>89</b>
<b>Northern Ireland</b>								
Northern Ireland Driver and Vehicle Testing Agency <sup>(1)</sup>	2	2	1	3	-	4	2	1
Northern Ireland Housing Executive	254	275	260	228	202	150	130	141
Northern Ireland Public Trust Port Authority	48	37	14	7	34	47	22	26
Northern Ireland Transport Holding Company	55	12	20	65	18	17	9	10
Northern Ireland Water	27	36	36	-1	92	41	11	30
<b>Total Northern Ireland</b>	<b>386</b>	<b>362</b>	<b>332</b>	<b>301</b>	<b>345</b>	<b>260</b>	<b>173</b>	<b>208</b>
<b>Chancellor's Departments</b>								
Crown Estate <sup>(5)</sup>	-280	180	-28	93	*	*	*	*
Royal Mint <sup>(5)(7)</sup>	0	-	-	-	*	*	*	*
<b>Total Chancellor's Departments</b>	<b>-280</b>	<b>180</b>	<b>-28</b>	<b>93</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Local Government</b>								
London Underground Limited <sup>(4)</sup>	1,333	1,653	1,515	1,525	1,853	*	*	*
<b>Total Local Government</b>	<b>1,333</b>	<b>1,653</b>	<b>1,515</b>	<b>1,525</b>	<b>1,853</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Total public corporations' capital expenditure on services</b>	<b>5,597</b>	<b>7,483</b>	<b>7,005</b>	<b>6,176</b>	<b>6,005</b>	<b>5,429</b>	<b>4,790</b>	<b>4,400</b>
Accounting Adjustments	661	306	1,934	1,708	569	1,600	1,600	1,600
<b>Total public corporations' capital expenditure <sup>(5)</sup></b>	<b>6,258</b>	<b>7,789</b>	<b>8,939</b>	<b>7,884</b>	<b>6,574</b>	<b>7,000</b>	<b>6,400</b>	<b>6,000</b>

# Data unavailable. Capital expenditure by public corporations in years where data are unavailable form part of the accounting adjustments.

<sup>(1)</sup> Denotes public corporation with trading fund status.

<sup>(5)</sup> Denotes self-financing public corporation (SFPC). The estimated outturn and plans for capital expenditure by SFPCs are not shown individually in this table but are represented by \*. The figures are included in the overall total.

<sup>(1)</sup> Great North Eastern Railways (GNER) is classified to the public corporation sector from December 2006 to December 2007, during which time GNER operated under an amended version of the Franchise Agreement signed in May 2005.

<sup>(2)</sup> Housing Action Trusts are central government bodies in National Accounts but treated as public corporations in PESA.

<sup>(3)</sup> The Government sold shares in British Energy in January 2009, but it is still currently classified by the ONS as a public corporation.

<sup>(4)</sup> Includes capital spending by Infracos (Metronet and Tubelines).

<sup>(5)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 8.4 Public corporations' current and capital expenditure on services by function, 2007-08 to 2014-15**

	National Statistics					£ million		
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 plans	2013-14 plans	2014-15 plans
<b>Public corporations' current expenditure on services</b>								
1. General public services	709	553	399	420	357	500	500	500
<i>of which: public sector debt interest</i>	709	553	399	420	357	500	500	500
<b>Total public corporations' current expenditure on services</b>	<b>709</b>	<b>553</b>	<b>399</b>	<b>420</b>	<b>357</b>	<b>500</b>	<b>500</b>	<b>500</b>
Accounting adjustments	-	-	-	-	-	-	-	-
<b>Total public corporations' current expenditure</b>	<b>709</b>	<b>553</b>	<b>399</b>	<b>420</b>	<b>357</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>Public corporations' capital expenditure on services</b>								
1. General public services	-173	327	192	107	55	39	51	32
<i>of which: public and common services</i>	-228	231	105	91	43	28	41	22
<i>of which: international services</i>	56	96	86	16	12	11	10	10
2. Defence	99	51	51	51	51	51	51	51
3. Public order and safety	4	7	4	5	2	2	2	2
4. Economic affairs	2,298	2,418	2,003	1,849	2,229	1,857	1,575	1,323
<i>of which: enterprise and economic development</i>	517	725	383	236	221	277	247	247
<i>of which: employment policies</i>	-15	-10	10	2	1	1	1	1
<i>of which: agriculture, fisheries and forestry</i>	6	2	5	7	5	-	-	-
<i>of which: transport</i>	1,790	1,700	1,606	1,604	2,002	1,580	1,327	1,075
5. Environment protection	-19	-51	-18	1	0	-	-	-
6. Housing and community amenities	3,324	4,678	4,734	4,164	3,668	3,479	3,110	2,991
7. Health	37	25	25	-	-	-	-	-
8. Recreation, culture and religion	26	27	12	-	-	-	-	-
10. Social protection	1	1	2	0	0	0	0	0
<b>Total public corporations' capital expenditure on services</b>	<b>5,597</b>	<b>7,483</b>	<b>7,005</b>	<b>6,176</b>	<b>6,005</b>	<b>5,429</b>	<b>4,790</b>	<b>4,400</b>
Accounting adjustments	661	306	1,934	1,708	569	1,600	1,600	1,600
<b>Total public corporations' capital expenditure"</b>	<b>6,258</b>	<b>7,789</b>	<b>8,939</b>	<b>7,884</b>	<b>6,574</b>	<b>7,000</b>	<b>6,400</b>	<b>6,000</b>

**Table 8.5 Public corporations' current and capital expenditure by economic category, 2007-08 to 2014-15**

£ million

	National Statistics					2012-13 plans	2013-14 plans	2014-15 plans
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn			
<b>Public corporations' current expenditure on services</b>								
Public corporations' debt interest	709	553	399	420	357	500	500	500
<b>Total public corporations' current expenditure on services</b>	<b>709</b>	<b>553</b>	<b>399</b>	<b>420</b>	<b>357</b>	<b>500</b>	<b>500</b>	<b>500</b>
Accounting adjustments	-	-	-	-	-	-	-	-
<b>Total public corporations' current expenditure</b>	<b>709</b>	<b>553</b>	<b>399</b>	<b>420</b>	<b>357</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>Public corporations' capital expenditure on services</b>								
Gross capital procurement	8,469	8,369	7,874	7,259	6,471	5,421	4,801	4,414
Income from sales of assets	-3,082	-1,055	-1,071	-1,272	-630	-118	-126	-136
Capital grants	210	169	202	190	163	126	115	122
<b>Total public corporations' capital expenditure on services</b>	<b>5,597</b>	<b>7,483</b>	<b>7,005</b>	<b>6,176</b>	<b>6,005</b>	<b>5,429</b>	<b>4,790</b>	<b>4,400</b>
Accounting adjustments	661	306	1,934	1,708	569	1,600	1,600	1,600
<b>Total public corporations' capital expenditure</b>	<b>6,258</b>	<b>7,789</b>	<b>8,939</b>	<b>7,884</b>	<b>6,574</b>	<b>7,000</b>	<b>6,400</b>	<b>6,000</b>
<b>Total public corporations' expenditure on services</b>	<b>6,306</b>	<b>8,036</b>	<b>7,404</b>	<b>6,596</b>	<b>6,362</b>	<b>5,906</b>	<b>5,292</b>	<b>4,926</b>
Accounting adjustments	661	306	1,934	1,708	569	1,600	1,600	1,600
<b>Total public corporations' expenditure<sup>(1)</sup></b>	<b>6,967</b>	<b>8,342</b>	<b>9,338</b>	<b>8,304</b>	<b>6,931</b>	<b>7,500</b>	<b>6,900</b>	<b>6,500</b>

<sup>(1)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

# 9

## Public expenditure by country, region and function

---

**9.1** This chapter presents analyses of public expenditure by country, region and function. Data in this Chapter for all years are National Statistics. Readers should bear in mind two points about this chapter.

**9.2** The first is that most public spending is planned to benefit categories of individuals and enterprises irrespective of location, or where locations are prioritised using national criteria. The regional analyses presented in this chapter show where the individuals and enterprises that benefited from public spending were located. It does not mean that all such spending was planned to benefit a particular region.

**9.3** The second point is that the information in **Chapters 9 and 10** was gathered in a separate data collection exercise during the summer of 2011. Therefore, the figures in these chapters are not entirely consistent with the figures in other PESA chapters. The data presented here is similar to that published in the CRA National Statistics release from October 2011.<sup>1</sup> The main differences since that publication being:

- Updated GDP deflators as used throughout PESA 2012 have been applied to the Chapter 9 'real terms' tables. TME figures used throughout PESA 2012 have also been included within the relevant Chapter 9 tables; and
- corrections have been made to Wales education data for 2010-11 in both Chapters 9 and 10.

### How public expenditure is planned and controlled

**9.4** Public expenditure is planned and controlled on a departmental basis, except where devolved responsibility lies with the Scottish Government, Welsh Government or Northern Ireland Executive, or with local government. This means that in several areas expenditure is planned on a UK-wide or GB-wide basis rather than by reference to a single country. For example the Department for Work and Pensions (DWP) is responsible for the operation of the social security benefit system throughout Great Britain.

**9.5** The Country and Regional Analysis (CRA) exercise is purely a statistical analysis. It plays no direct role in resource allocation.

### The tables

**9.6** Most of the tables in this chapter provide an analysis of spending for the period 2006-07 to 2010-11. Information on methods and data quality is provided in the sections below.

**9.7 Table 9.1** shows identifiable public sector expenditure on services by country and region. **Table 9.2** shows this spending on a per head basis. **Table 9.3** is in real terms and **Table 9.4** shows this real terms spending on a per head basis.

**9.8 Tables 9.5 to 9.14** each focus on a particular function, showing current, capital and total public sector expenditure by country and region.

---

<sup>1</sup> [http://www.hm-treasury.gov.uk/pespb\\_natstats\\_oct2011.htm](http://www.hm-treasury.gov.uk/pespb_natstats_oct2011.htm)

**9.9** **Table 9.15** shows identifiable public sector spending by function, country and region on a per head basis. **Table 9.16** shows these per head figures as a per cent of the UK totals.

**9.10** **Tables 9.17 to 9.20** provide a sectoral breakdown of **Tables 9.1 and 9.2**. **Table 9.17** shows the country and regional allocations of local government expenditure, and **Table 9.18** shows this on a per head basis. **Tables 9.19 and 9.20** show the equivalent presentations for combined central government and public corporation spending.

**9.11** For Scotland, Wales and Northern Ireland, **Table 9.21** shows the relative contributions of the devolved administrations, Whitehall departments and local government under each functional heading. This table covers 2010-11 only.

**9.12** Shortly after the publication of PESA, the Treasury will publish supplementary tables on its website. This will include the information in **Table 9.21** for earlier years, as well as interactive tables that allow users to choose how they view the data.

## Methods

### The process of apportioning expenditure by country and region

**9.13** In order to provide information on the allocation of expenditure by country and region, the Treasury asks UK government departments and devolved administrations to undertake an annual statistical exercise. The exercise is based on the subset of departmental spending and devolved administration spending that can be identified as benefiting the population of individual regions. It asks departments and devolved administrations to apportion that spending between countries and regions following guidance issued by the Treasury. The Treasury then collates departments' returns and combines these with the known spending of local government to produce the analyses of public expenditure by country and region that are published in this chapter and in Departmental Reports.

**9.14** The figures in this chapter include a wider coverage of expenditure for Scotland, Wales and Northern Ireland than that for which the devolved administrations and the Secretaries of State for Scotland, Wales and Northern Ireland are directly responsible.

### Identifiable expenditure on services

**9.15** The country and regional analyses are set within the overall framework of expenditure on services (TES), which broadly represents total current and capital spending of the public sector. See **Annex E** for further information on this framework. For the country and regional analyses, expenditure on services is divided into identifiable and non-identifiable expenditure:

- around 86 per cent of total expenditure on services is **identifiable** expenditure which has been incurred for the benefit of individuals, enterprises or communities within particular regions. Examples are most health, education, and social protection spending; and
- **non-identifiable** expenditure, around the remaining 14 per cent of total expenditure on services, is deemed to be incurred on behalf of the United Kingdom as a whole. Examples include the majority of expenditure on defence, overseas representation, and tax collection.

**9.16** Where precise accounting data on the recipients' location are not available, allocation is based on other available information, following rules set down in the Treasury's guidance for departments. For example, administration costs incurred centrally in support of regional spending are attributed to regions in the same proportions as the spending that they support. In other cases, departments approximate regional benefits where the immediate beneficiaries' head office locations mask the final recipients' location.

**9.17** Expenditure financed by EU receipts can be classified as identifiable or non-identifiable depending on the characteristics of the expenditure itself. Receipts from the EU are treated as non-identifiable within TES. Consequently, regional expenditure includes the expenditure financed by EU receipts. Payments to the EU are attributed to 'outside UK' as these are transfer payments that the EU then spends.

## How identifiable expenditure is attributed to countries and regions

**9.18** Identifiable expenditure is attributed to a specific country or region using the 'for basis' wherever possible, which records the regions that benefited from the spending, or whom the spending was for, rather than simply the location where the spending took place (the 'in' basis). Where it is not possible to allocate spending to regions on a 'for basis', the 'in' basis is used instead. For most spending the 'in' and 'for' bases would in practice offer the same result.

**9.19** A number of issues can be identified limiting the ability to offer a complete picture of 'who benefits':

- **practical difficulties:** for example, schools are not used solely by the residents of the region in which the facility is located. Definitional and border problems become increasingly significant the smaller the geographical unit considered;
- **conceptual problems:** for example, agricultural support is treated as benefiting the farmers who receive subsidies rather than the final consumers of food; and
- **data collection issues:** departments are encouraged but not required to allocate all expenditure on the basis of 'who benefits'. If spending is not significant (less than £20 million annually on capital or current) and/or relevant data for allocating this to regions are not available, departments may use some statistical proxy instead. This might include using straight population shares, or using the same regional allocation proportions as other related spending. It is not considered practical or cost effective to collect local government spending data on the basis of 'who benefits'. Instead, local government spending is assumed to benefit the area where the expenditure is incurred.

## Data on public expenditure by country and region

**9.20** The tables present the spending attributed to the English regions alongside the spending attributed to Scotland, Wales and Northern Ireland. Although the figures are comparable, care is still needed when making comparisons because of the different scope of public sector activities in different countries. For example, water supply is a public sector function in Scotland and Northern Ireland, but is in the private sector in England and Wales.

**9.21** The data cover central government, local government and public corporations.

**9.22** Subsequent inconsistencies between the CRA and earlier chapters in PESA reflect updates that have been made by departments and local authorities to spending data since the summer of 2011.

**9.23** Information on local government spending in the CRA is based on data supplied by the departments for Communities and Local Government (CLG), Education (DfE), and Work and Pensions (DWP), as well as the devolved administrations. English local government spending is attributed to regions by the Treasury using information supplied by CLG.

## Data quality

**9.24** The CRA is intended to give a broad picture of relative spending for the benefit of different regions and countries. Small differences in regional spending should not be treated as significant.

**9.25** In order not to overstate the accuracy of the numbers provided, CRA data is rounded to the nearest £1 million. The CRA will be subject to imprecision because:

- the concept of who benefits is open to interpretation;
- simplifying assumptions are made in order to reduce the reporting burden for government bodies;
- the robustness of allocation methods varies according to the availability of data. Public service pension spending can be allocated on the basis of the postcodes of recipients, giving a very accurate regional allocation. Other apportionments require a higher degree of estimation; and
- the Treasury asks the largest departments to allocate their spending by country and region, whereas spending for the remaining departments (*de minimis*) are pro-rated using the total expenditure of the larger departments.

**9.26** Some of the steps that departments and the Treasury undertake to ensure that data is of sufficient quality to be used in the CRA include:

- the issuance of clear guidance by the Treasury to departments in order to obtain consistency where possible;
- meetings between departments and the Treasury to discuss methods of allocation;
- considerable resources devoted by departments to the work, including the involvement of statisticians in preparing their returns to the Treasury. The return is signed off by a statistician, finance director, or a senior accountant in the department as being produced in accordance with the CRA guidance, and where applicable accompanied by a statement on data quality (see below); and
- for many departments, an extract from the CRA appears in their Departmental Report, providing them with a direct interest in the quality of the data that they supply.

**9.27** In their accompanying statements on data quality some departments have identified areas of their CRA return where methods have been used that are either provisional or do not fully meet the methodology set out in the CRA guidance. Specific comments made by departments on data quality are:

- **Department for Transport** – a robust methodology is not available to allocate all expenditure to regions on a ‘who benefits’ basis. This is particularly a problem for spending on motorways and trunk roads (by the Highways Agency) and on the rail network, which in total comprises the majority of DfT expenditure. This expenditure is therefore allocated on an ‘in’ basis;
- **Department for Culture, Media and Sport** – over the years attempts have been made by DCMS to improve the data quality of their return and to obtain more detailed information from Non-Departmental Public Bodies (NDPBs) about their allocation methods, DCMS’ methodology still shows a number of weaknesses. Firstly, several requested returns were never provided. Secondly, allocation methods used by NDPBs with similar underlying information have been inconsistent, particularly for capital spending. While some NDPBs allocated the spending to the region where it took place, others used visitor survey data to estimate regional allocations. Inconsistencies also occurred in the treatment of survey data for visitors from ‘outside UK’. This mostly affects the recreation, culture and religion function;

- **Department for Work and Pensions** – since PESA 2008, DWP have allocated all administrative expenditure to the region of residence of the ultimate beneficiary.

**Table 9.1 Total identifiable expenditure on services by country and region, 2006-07 to 2010-11**

	£ million					As a per cent of identifiable expenditure				
	National Statistics					National Statistics				
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn
North East	19,996	21,084	22,851	24,444	24,764	4	4	4	4	4
North West	52,323	55,551	59,333	63,925	65,102	12	12	12	11	11
Yorkshire and the Humber	36,195	37,993	41,043	44,492	45,122	8	8	8	8	8
East Midlands	28,475	30,230	32,712	35,388	36,293	6	6	6	6	6
West Midlands	38,058	40,350	43,351	46,780	47,347	8	8	8	8	8
East	34,905	36,911	40,407	44,345	45,687	8	8	8	8	8
London	63,027	66,945	71,736	78,665	79,799	14	14	14	14	14
South East	51,059	54,119	59,344	63,378	64,170	11	11	12	11	11
South West	33,462	35,709	38,978	41,732	42,694	7	7	8	7	7
<b>Total England</b>	<b>357,500</b>	<b>378,892</b>	<b>409,756</b>	<b>443,149</b>	<b>450,978</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>
Scotland	43,945	46,529	48,709	51,654	53,085	10	10	9	9	9
Wales	24,465	25,623	27,342	29,171	30,115	5	5	5	5	5
Northern Ireland	15,609	16,782	17,829	18,873	19,197	3	3	3	3	3
<b>UK identifiable expenditure</b>	<b>441,519</b>	<b>467,826</b>	<b>503,635</b>	<b>542,846</b>	<b>553,374</b>	<b>97</b>	<b>97</b>	<b>98</b>	<b>97</b>	<b>97</b>
Outside UK	12,222	13,738	12,099	16,288	19,373	3	3	2	3	3
<b>Total identifiable expenditure</b>	<b>453,741</b>	<b>481,564</b>	<b>515,734</b>	<b>559,134</b>	<b>572,747</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
	£ million					As a per cent of total managed expenditure				
	National Statistics					National Statistics				
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn
Identifiable expenditure	453,741	481,564	515,734	559,134	572,747	82	83	82	83	83
Non-identifiable expenditure <sup>(1)</sup>	69,379	73,719	87,697	84,021	92,749	13	13	14	13	13
<b>Public sector expenditure on services</b>	<b>523,120</b>	<b>555,283</b>	<b>603,431</b>	<b>643,155</b>	<b>665,495</b>	<b>95</b>	<b>95</b>	<b>96</b>	<b>96</b>	<b>96</b>
Accounting adjustments	26,925	27,654	26,314	26,995	24,139	5	5	4	4	4
<b>Total Managed Expenditure<sup>(2)</sup></b>	<b>550,045</b>	<b>582,937</b>	<b>629,745</b>	<b>670,150</b>	<b>689,634</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

<sup>(1)</sup> The increase in 2008-09 relates to financial sector interventions. See Box 5.A for details.

<sup>(2)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 9.2 Total identifiable expenditure on services by country and region, per head 2006-07 to 2010-11**

	£ per head					Index (UK identifiable expenditure = 100)				
	National Statistics					National Statistics				
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn
North East	7,833	8,235	8,889	9,459	9,501	107	107	108	108	107
North West	7,636	8,093	8,631	9,267	9,386	105	106	105	105	106
Yorkshire and the Humber	7,033	7,332	7,867	8,462	8,512	97	96	96	96	96
East Midlands	6,527	6,875	7,385	7,950	8,098	90	90	90	90	91
West Midlands	7,097	7,502	8,015	8,613	8,679	97	98	98	98	98
East	6,241	6,534	7,067	7,690	7,834	86	85	86	88	88
London	8,352	8,806	9,355	10,146	10,198	115	115	114	115	115
South East	6,208	6,524	7,091	7,513	7,529	85	85	86	86	85
South West	6,531	6,896	7,481	7,977	8,096	90	90	91	91	91
<b>England</b>	<b>7,042</b>	<b>7,414</b>	<b>7,962</b>	<b>8,553</b>	<b>8,634</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>
Scotland	8,588	9,045	9,424	9,945	10,165	118	118	115	113	114
Wales	8,260	8,609	9,144	9,726	10,017	113	112	111	111	113
Northern Ireland	8,963	9,540	10,044	10,550	10,668	123	124	122	120	120
<b>UK identifiable expenditure</b>	<b>7,288</b>	<b>7,671</b>	<b>8,203</b>	<b>8,785</b>	<b>8,888</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table 9.3 Total identifiable expenditure on services by country and region in real terms,<sup>(1)</sup>  
2006-07 to 2010-11**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
North East	22,501	23,149	24,422	25,737	25,355	
North West	58,878	60,990	63,412	67,308	66,654	
Yorkshire and the Humber	40,729	41,713	43,865	46,846	46,198	
East Midlands	32,042	33,190	34,961	37,260	37,158	
West Midlands	42,826	44,301	46,331	49,255	48,476	
East	39,278	40,525	43,185	46,691	46,776	
London	70,922	73,500	76,667	82,827	81,701	
South East	57,456	59,418	63,423	66,731	65,700	
South West	37,654	39,205	41,658	43,940	43,711	
<b>England</b>	<b>402,286</b>	<b>415,990</b>	<b>437,923</b>	<b>466,595</b>	<b>461,727</b>	
Scotland	49,450	51,085	52,057	54,387	54,350	
Wales	27,530	28,132	29,221	30,714	30,832	
Northern Ireland	17,565	18,425	19,054	19,871	19,654	
<b>UK identifiable expenditure</b>	<b>496,832</b>	<b>513,632</b>	<b>538,256</b>	<b>571,567</b>	<b>566,564</b>	
Outside UK	13,753	15,083	12,931	17,149	19,834	
<b>Total identifiable expenditure</b>	<b>510,585</b>	<b>528,715</b>	<b>551,187</b>	<b>588,717</b>	<b>586,398</b>	
Non-identifiable expenditure <sup>(2)</sup>	78,070	80,937	93,725	88,467	94,959	
<b>Total Expenditure on Services</b>	<b>588,655</b>	<b>609,652</b>	<b>644,912</b>	<b>677,184</b>	<b>681,357</b>	
Accounting adjustments	30,298	30,361	28,123	28,423	24,714	
<b>Total Managed Expenditure<sup>(3)</sup></b>	<b>618,953</b>	<b>640,013</b>	<b>673,035</b>	<b>705,607</b>	<b>706,071</b>	

<sup>(1)</sup> Real terms figures are the nominal figures adjusted to 2011-12 price levels using GDP deflators from the Office for National Statistics (released 28 June 2012).

<sup>(2)</sup> The increase in 2008-09 relates to the financial sector interventions. Details are provided in Box 5.A.

<sup>(3)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A.

**Table 9.4 Total identifiable expenditure on services by country and region per head in real terms,<sup>(1)</sup> 2006-07 to 2010-11**

	National Statistics					£ per head
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
North East	8,609	8,830	9,279	9,727	9,501	
North West	8,393	8,679	9,010	9,531	9,386	
Yorkshire and the Humber	7,730	7,863	8,212	8,702	8,512	
East Midlands	7,174	7,373	7,709	8,176	8,098	
West Midlands	7,801	8,045	8,367	8,858	8,679	
East	6,859	7,007	7,377	7,908	7,834	
London	9,179	9,443	9,765	10,434	10,198	
South East	6,824	6,996	7,402	7,726	7,529	
South West	7,178	7,395	7,809	8,204	8,096	
<b>England</b>	<b>7,740</b>	<b>7,950</b>	<b>8,311</b>	<b>8,796</b>	<b>8,634</b>	
Scotland	9,439	9,699	9,838	10,227	10,165	
Wales	9,078	9,232	9,545	10,002	10,017	
Northern Ireland	9,851	10,230	10,485	10,849	10,668	
<b>UK identifiable expenditure</b>	<b>8,010</b>	<b>8,226</b>	<b>8,563</b>	<b>9,035</b>	<b>8,888</b>	

<sup>(1)</sup> Real terms figures are the nominal figures adjusted to 2011-12 price levels using GDP deflators from the Office for National Statistics (released 28 June 2012).

**Table 9.5 Identifiable expenditure on general public services by country and region, 2006-07 to 2010-11**

	£ million																			
	General public services						of which: current						of which: capital							
	2006-07		2007-08		2008-09		2009-10		2010-11		2006-07		2007-08		2008-09		2009-10		2010-11	
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn
North East	259	260	362	313	320	234	241	319	262	264	26	19	43	50	57					
North West	783	685	815	788	805	686	608	718	662	665	97	77	98	126	141					
Yorkshire and the Humber	479	465	485	543	556	393	415	420	456	460	86	50	65	87	96					
East Midlands	450	498	485	561	584	346	380	372	440	441	104	118	113	122	143					
West Midlands	637	692	735	721	766	494	476	514	506	509	143	216	221	215	256					
East	598	611	725	650	673	484	518	602	520	523	114	93	123	131	151					
London	1,119	998	1,153	1,108	1,111	946	817	916	901	883	173	181	237	207	228					
South East	778	801	859	855	866	679	675	733	731	733	99	125	127	123	133					
South West	506	548	635	626	650	448	459	515	494	496	58	89	121	133	155					
<b>England</b>	<b>5,608</b>	<b>5,559</b>	<b>6,255</b>	<b>6,166</b>	<b>6,332</b>	<b>4,709</b>	<b>4,589</b>	<b>5,109</b>	<b>4,972</b>	<b>4,973</b>	<b>899</b>	<b>969</b>	<b>1,146</b>	<b>1,195</b>	<b>1,359</b>					
Scotland	973	956	1,155	1,168	1,140	839	915	897	1,112	910	135	41	258	56	230					
Wales	648	700	770	807	792	605	654	676	702	739	43	46	94	105	52					
Northern Ireland	408	417	444	442	477	355	357	399	380	428	53	60	45	62	48					
<b>UK identifiable expenditure</b>	<b>7,638</b>	<b>7,632</b>	<b>8,624</b>	<b>8,584</b>	<b>8,740</b>	<b>6,508</b>	<b>6,515</b>	<b>7,081</b>	<b>7,166</b>	<b>7,050</b>	<b>1,130</b>	<b>1,116</b>	<b>1,543</b>	<b>1,417</b>	<b>1,690</b>					
Outside the UK	4,810	5,172	5,641	6,309	7,266	4,591	4,969	5,399	5,879	6,654	219	203	241	429	611					
<b>Total identifiable expenditure</b>	<b>12,448</b>	<b>12,804</b>	<b>14,265</b>	<b>14,892</b>	<b>16,005</b>	<b>11,099</b>	<b>11,484</b>	<b>12,480</b>	<b>13,045</b>	<b>13,705</b>	<b>1,349</b>	<b>1,320</b>	<b>1,785</b>	<b>1,847</b>	<b>2,301</b>					
Non-identifiable spending	35,220	37,753	38,486	37,964	50,433	34,987	37,516	37,785	37,536	49,955	233	237	701	427	478					
<b>Total Expenditure on Services</b>	<b>47,669</b>	<b>50,557</b>	<b>52,751</b>	<b>52,856</b>	<b>66,439</b>	<b>46,086</b>	<b>49,000</b>	<b>50,265</b>	<b>50,582</b>	<b>63,660</b>	<b>1,582</b>	<b>1,557</b>	<b>2,486</b>	<b>2,274</b>	<b>2,779</b>					

**Table 9.5a Identifiable expenditure on general public services (of which: public and common services) by country and region, 2006-07 to 2010-11**

	Total public and common services										of which: current						of which: capital								
	National Statistics					National Statistics					2006-07			2007-08			2008-09			2009-10			2010-11		
	2006-07	2007-08	2008-09	2009-10	2010-11	2006-07	2007-08	2008-09	2009-10	2010-11	outturn	outturn	outturn	outturn	outturn	2006-07	2007-08	2008-09	2009-10	2010-11	outturn	outturn	outturn	outturn	outturn
North East	252	251	353	305	311	228	235	310	255	254	669	591	695	643	640	25	17	43	50	56	94	70	97	126	140
North West	763	661	792	769	779	381	402	403	441	441	336	369	358	427	425	103	117	113	121	143	84	45	65	87	95
Yorkshire and the Humber	465	447	468	528	537	481	462	496	491	490	471	504	583	504	502	141	213	220	215	256	113	91	122	131	150
East Midlands	439	486	470	549	567	928	798	891	880	855	660	656	702	705	700	172	180	237	207	227	98	123	123	123	132
West Midlands	623	675	717	706	745	436	446	498	479	477	436	446	498	479	477	57	88	120	133	154	57	88	120	133	154
East	583	595	706	634	651	436	446	498	479	477	436	446	498	479	477	57	88	120	133	154	57	88	120	133	154
London	1,100	978	1,128	1,086	1,081	436	446	498	479	477	436	446	498	479	477	57	88	120	133	154	57	88	120	133	154
South East	758	779	826	828	832	436	446	498	479	477	436	446	498	479	477	57	88	120	133	154	57	88	120	133	154
South West	493	535	618	611	631	436	446	498	479	477	436	446	498	479	477	57	88	120	133	154	57	88	120	133	154
<b>England</b>	<b>5,476</b>	<b>5,407</b>	<b>6,077</b>	<b>6,016</b>	<b>6,135</b>	<b>4,589</b>	<b>4,465</b>	<b>4,938</b>	<b>4,825</b>	<b>4,782</b>	<b>4,589</b>	<b>4,465</b>	<b>4,938</b>	<b>4,825</b>	<b>4,782</b>	<b>887</b>	<b>942</b>	<b>1,140</b>	<b>1,192</b>	<b>1,352</b>	<b>887</b>	<b>942</b>	<b>1,140</b>	<b>1,192</b>	<b>1,352</b>
Scotland	961	943	1,138	1,153	1,120	827	903	880	1,098	891	827	903	880	1,098	891	134	40	258	56	229	134	40	258	56	229
Wales	640	693	759	798	780	597	647	666	693	728	597	647	666	693	728	43	46	94	105	52	43	46	94	105	52
Northern Ireland	404	412	438	437	470	351	353	393	375	422	351	353	393	375	422	53	59	45	62	48	53	59	45	62	48
<b>UK identifiable expenditure</b>	<b>7,481</b>	<b>7,456</b>	<b>8,412</b>	<b>8,405</b>	<b>8,504</b>	<b>6,364</b>	<b>6,368</b>	<b>6,876</b>	<b>6,991</b>	<b>6,823</b>	<b>6,364</b>	<b>6,368</b>	<b>6,876</b>	<b>6,991</b>	<b>6,823</b>	<b>1,117</b>	<b>1,088</b>	<b>1,536</b>	<b>1,414</b>	<b>1,682</b>	<b>1,117</b>	<b>1,088</b>	<b>1,536</b>	<b>1,414</b>	<b>1,682</b>
Outside the UK	0	-	0	0	-	0	-	0	0	-	0	-	0	0	-	-	-	-	-	-	-	-	-	-	-
<b>Total identifiable expenditure</b>	<b>7,481</b>	<b>7,456</b>	<b>8,412</b>	<b>8,405</b>	<b>8,504</b>	<b>6,364</b>	<b>6,368</b>	<b>6,876</b>	<b>6,991</b>	<b>6,823</b>	<b>6,364</b>	<b>6,368</b>	<b>6,876</b>	<b>6,991</b>	<b>6,823</b>	<b>1,117</b>	<b>1,088</b>	<b>1,536</b>	<b>1,414</b>	<b>1,682</b>	<b>1,117</b>	<b>1,088</b>	<b>1,536</b>	<b>1,414</b>	<b>1,682</b>
Non-identifiable spending	5,188	5,011	5,542	5,196	4,895	5,110	4,998	5,065	4,960	4,567	5,110	4,998	5,065	4,960	4,567	78	14	478	236	327	78	14	478	236	327
<b>Total Expenditure on Services</b>	<b>12,669</b>	<b>12,468</b>	<b>13,955</b>	<b>13,601</b>	<b>13,399</b>	<b>11,474</b>	<b>11,366</b>	<b>11,941</b>	<b>11,951</b>	<b>11,390</b>	<b>11,474</b>	<b>11,366</b>	<b>11,941</b>	<b>11,951</b>	<b>11,390</b>	<b>1,194</b>	<b>1,102</b>	<b>2,014</b>	<b>1,650</b>	<b>2,009</b>	<b>1,194</b>	<b>1,102</b>	<b>2,014</b>	<b>1,650</b>	<b>2,009</b>

£ million

**Table 9.5b Identifiable expenditure on general public services (of which: international services) by country and region, 2006-07 to 2010-11**

	International services										of which: current										of which: capital										£ million
	National Statistics					National Statistics					National Statistics					National Statistics					National Statistics										
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn											
North East	7	9	9	7	10	6	6	8	7	9	1	2	0	0	0	1	3	7	1	0	0	0									
North West	19	25	23	20	26	16	18	22	19	25	3	7	1	0	1	0	0	0	0	0	0	1									
Yorkshire and the Humber	15	18	17	15	20	12	13	17	15	19	2	5	0	0	1	0	0	0	0	0	0	1									
East Midlands	11	13	15	13	17	10	11	14	12	16	1	2	0	0	1	0	0	0	0	0	0	1									
West Midlands	14	16	18	15	20	13	13	18	15	20	1	3	0	0	1	0	0	0	0	0	0	1									
East	14	16	19	16	22	13	13	19	16	21	1	3	0	0	1	0	0	0	0	0	0	1									
London	19	20	25	22	29	18	18	25	22	28	1	1	1	1	1	0	0	0	0	0	0	1									
South East	20	21	34	27	34	19	19	30	26	33	1	2	3	0	1	0	0	0	0	0	0	1									
South West	13	13	17	15	20	12	13	17	15	19	1	1	1	0	0	0	0	0	0	0	0	0	1								
<b>England</b>	<b>133</b>	<b>151</b>	<b>178</b>	<b>150</b>	<b>197</b>	<b>120</b>	<b>124</b>	<b>171</b>	<b>147</b>	<b>190</b>	<b>12</b>	<b>27</b>	<b>7</b>	<b>3</b>	<b>7</b>	<b>12</b>	<b>27</b>	<b>7</b>	<b>3</b>	<b>3</b>	<b>8</b>	<b>7</b>									
Scotland	12	13	17	15	20	12	12	17	14	19	0	1	0	0	1	0	0	0	0	0	0	1	1								
Wales	7	7	11	9	12	7	7	11	9	12	0	0	0	0	0	0	0	0	0	0	0	0	0								
Northern Ireland	4	4	6	5	7	4	4	6	5	6	0	0	0	0	0	0	0	0	0	0	0	0	0								
<b>UK identifiable expenditure</b>	<b>157</b>	<b>175</b>	<b>212</b>	<b>179</b>	<b>235</b>	<b>144</b>	<b>147</b>	<b>204</b>	<b>176</b>	<b>227</b>	<b>13</b>	<b>28</b>	<b>7</b>	<b>3</b>	<b>8</b>	<b>13</b>	<b>28</b>	<b>7</b>	<b>3</b>	<b>3</b>	<b>8</b>	<b>8</b>									
Outside the UK	4,810	5,172	5,640	6,309	7,266	4,591	4,969	5,399	5,879	6,654	219	203	241	429	611	219	203	241	429	429	611	611									
<b>Total identifiable expenditure</b>	<b>4,967</b>	<b>5,348</b>	<b>5,852</b>	<b>6,488</b>	<b>7,501</b>	<b>4,735</b>	<b>5,116</b>	<b>5,603</b>	<b>6,055</b>	<b>6,882</b>	<b>233</b>	<b>231</b>	<b>249</b>	<b>433</b>	<b>619</b>	<b>233</b>	<b>231</b>	<b>249</b>	<b>433</b>	<b>433</b>	<b>619</b>	<b>619</b>									
Non-identifiable spending	1,284	1,379	1,389	1,487	1,402	1,128	1,156	1,166	1,295	1,252	155	223	223	192	151	155	223	223	192	192	151	151									
<b>Total Expenditure on Services</b>	<b>6,251</b>	<b>6,726</b>	<b>7,241</b>	<b>7,974</b>	<b>8,903</b>	<b>5,863</b>	<b>6,272</b>	<b>6,769</b>	<b>7,350</b>	<b>8,133</b>	<b>388</b>	<b>455</b>	<b>472</b>	<b>625</b>	<b>770</b>	<b>388</b>	<b>455</b>	<b>472</b>	<b>625</b>	<b>625</b>	<b>770</b>	<b>770</b>									

**Table 9.5c Identifiable expenditure on general public services (of which: public sector debt interest) by country and region, 2006-07 to 2010-11**

	Public sector debt interest						of which: current						of which: capital						£ million
	National Statistics						National Statistics						National Statistics						
	2006-07 outurn	2007-08 outurn	2008-09 outurn	2009-10 outurn	2010-11 outurn		2006-07 outurn	2007-08 outurn	2008-09 outurn	2009-10 outurn	2010-11 outurn		2006-07 outurn	2007-08 outurn	2008-09 outurn	2009-10 outurn	2010-11 outurn		
North East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
North West	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Yorkshire and the Humber	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
East Midlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
West Midlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
London	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
South East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
South West	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>England</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Scotland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Wales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Northern Ireland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>UK identifiable expenditure</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Outside the UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total identifiable expenditure</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-identifiable spending	28,749	31,363	31,555	31,281	44,136		28,749	31,363	31,555	31,281	44,136		28,749	31,363	31,555	31,281	44,136		
<b>Total Expenditure on Services</b>	<b>28,749</b>	<b>31,363</b>	<b>31,555</b>	<b>31,281</b>	<b>44,136</b>		<b>28,749</b>	<b>31,363</b>	<b>31,555</b>	<b>31,281</b>	<b>44,136</b>		<b>28,749</b>	<b>31,363</b>	<b>31,555</b>	<b>31,281</b>	<b>44,136</b>		

**Table 9.6 Identifiable expenditure on defence by country and region, 2006-07 to 2010-11**

	Defence					of which: current					of which: capital					£ million
	National Statistics					National Statistics					National Statistics					
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
North East	5	3	3	3	3	4	3	3	3	3	1	0	0	0	0	
North West	9	9	8	8	9	8	9	8	8	8	1	0	0	0	0	
Yorkshire and the Humber	6	9	6	5	5	5	9	6	5	5	0	0	0	0	0	
East Midlands	7	7	7	6	6	6	7	7	6	6	1	0	0	0	0	
West Midlands	8	8	7	7	7	7	7	7	7	7	1	0	0	0	0	
East	10	10	10	10	10	9	10	10	10	10	0	0	0	0	0	
London	13	12	11	11	12	12	12	11	11	11	1	0	0	0	0	
South East	13	13	12	12	13	11	12	12	12	13	2	0	0	0	0	
South West	9	9	8	7	7	8	8	8	6	7	1	0	0	0	0	
<b>England</b>	<b>80</b>	<b>80</b>	<b>74</b>	<b>69</b>	<b>72</b>	<b>71</b>	<b>77</b>	<b>72</b>	<b>68</b>	<b>70</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	
Scotland	7	7	5	9	9	7	7	5	9	9	-	-	-	-	-	
Wales	3	3	3	3	4	3	3	3	3	4	-	-	-	-	-	
Northern Ireland	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-	
<b>UK identifiable expenditure</b>	<b>90</b>	<b>91</b>	<b>82</b>	<b>82</b>	<b>85</b>	<b>82</b>	<b>88</b>	<b>81</b>	<b>80</b>	<b>84</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	
Outside the UK	-	-	-	0	1	-	-	-	0	1	-	-	-	-	-	
<b>Total identifiable expenditure</b>	<b>90</b>	<b>91</b>	<b>82</b>	<b>82</b>	<b>86</b>	<b>82</b>	<b>88</b>	<b>81</b>	<b>80</b>	<b>85</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	
Non-identifiable spending	32,133	33,581	36,713	37,614	38,979	31,242	31,045	33,247	33,590	34,734	891	2,536	3,466	4,023	4,245	
<b>Total Expenditure on Services</b>	<b>32,223</b>	<b>33,672</b>	<b>36,796</b>	<b>37,696</b>	<b>39,065</b>	<b>31,324</b>	<b>31,133</b>	<b>33,328</b>	<b>33,671</b>	<b>34,819</b>	<b>899</b>	<b>2,539</b>	<b>3,468</b>	<b>4,025</b>	<b>4,246</b>	

**Table 9.7 Identifiable expenditure on public order and safety by country and region, 2006-07 to 2010-11**

	Public order and safety												of which: current												of which: capital											
	National Statistics						National Statistics						National Statistics						National Statistics																	
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2010-11 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2010-11 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2010-11 outturn																		
North East	1,241	1,325	1,410	1,360	1,354	1,178	1,260	1,316	1,252	1,260	1,260	64	66	94	109	94	94	94																		
North West	3,383	3,555	3,804	3,775	3,749	3,194	3,310	3,503	3,490	3,513	3,513	189	245	301	285	236	236	236																		
Yorkshire and the Humber	2,266	2,410	2,472	2,583	2,523	2,123	2,248	2,273	2,387	2,373	2,373	143	162	199	196	150	150	150																		
East Midlands	1,637	1,735	1,890	1,872	1,833	1,539	1,622	1,745	1,721	1,715	1,715	98	113	146	151	118	118	118																		
West Midlands	2,364	2,451	2,586	2,648	2,600	2,204	2,268	2,359	2,411	2,400	2,400	159	182	227	237	200	200	200																		
East	1,955	2,088	2,183	2,181	2,177	1,835	1,923	2,017	2,024	2,046	2,046	120	165	165	157	132	132	132																		
London	5,916	6,171	6,710	6,657	6,593	5,606	5,838	6,125	6,190	6,204	6,204	310	334	586	467	389	389	389																		
South East	3,039	3,142	3,390	3,452	3,416	2,888	2,959	3,145	3,228	3,240	3,240	151	183	245	224	176	176	176																		
South West	1,780	1,925	2,028	2,078	2,069	1,675	1,785	1,889	1,925	1,942	1,942	105	139	139	153	127	127	127																		
<b>England</b>	<b>23,581</b>	<b>24,803</b>	<b>26,472</b>	<b>26,607</b>	<b>26,315</b>	<b>22,242</b>	<b>23,214</b>	<b>24,372</b>	<b>24,629</b>	<b>24,693</b>	<b>24,693</b>	<b>1,338</b>	<b>1,589</b>	<b>2,101</b>	<b>1,977</b>	<b>1,622</b>	<b>1,622</b>	<b>1,622</b>																		
Scotland	2,203	2,287	2,438	2,507	2,566	2,017	2,125	2,222	2,274	2,316	2,316	186	162	216	233	250	250	250																		
Wales	1,328	1,380	1,479	1,507	1,494	1,228	1,263	1,352	1,391	1,369	1,369	100	117	127	116	124	124	124																		
Northern Ireland	1,360	1,308	1,387	1,515	1,575	1,276	1,291	1,304	1,443	1,501	1,501	84	16	83	73	74	74	74																		
<b>UK identifiable expenditure</b>	<b>28,472</b>	<b>29,777</b>	<b>31,776</b>	<b>32,136</b>	<b>31,950</b>	<b>26,764</b>	<b>27,894</b>	<b>29,249</b>	<b>29,737</b>	<b>29,879</b>	<b>29,879</b>	<b>1,708</b>	<b>1,884</b>	<b>2,527</b>	<b>2,399</b>	<b>2,070</b>	<b>2,070</b>	<b>2,070</b>																		
Outside the UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																		
<b>Total identifiable expenditure</b>	<b>28,472</b>	<b>29,777</b>	<b>31,776</b>	<b>32,136</b>	<b>31,950</b>	<b>26,764</b>	<b>27,894</b>	<b>29,249</b>	<b>29,737</b>	<b>29,879</b>	<b>29,879</b>	<b>1,708</b>	<b>1,884</b>	<b>2,527</b>	<b>2,399</b>	<b>2,070</b>	<b>2,070</b>	<b>2,070</b>																		
Non-identifiable spending	2,018	2,069	2,070	2,185	1,774	1,909	1,930	1,857	1,890	1,536	1,536	109	139	213	295	238	238	238																		
<b>Total Expenditure on Services</b>	<b>30,490</b>	<b>31,846</b>	<b>33,846</b>	<b>34,321</b>	<b>33,724</b>	<b>28,673</b>	<b>29,824</b>	<b>31,106</b>	<b>31,627</b>	<b>31,415</b>	<b>31,415</b>	<b>1,817</b>	<b>2,022</b>	<b>2,740</b>	<b>2,694</b>	<b>2,308</b>	<b>2,308</b>	<b>2,308</b>																		

£ million

**Table 9.8 Identifiable expenditure on economic affairs by country and region, 2006-07 to 2010-11**

	£ million																	
	Economic affairs						of which: current						of which: capital					
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics					
	2006-07	2007-08	2008-09	2009-10	2010-11	2006-07	2007-08	2008-09	2009-10	2010-11	2006-07	2007-08	2008-09	2009-10	2010-11			
	outturn	outturn	outturn															
North East	1,577	1,579	1,587	1,636	1,529	1,092	1,132	1,080	1,148	1,078	485	448	507	488	451			
North West	3,653	3,699	3,855	4,295	4,039	2,402	2,380	2,454	2,799	2,632	1,251	1,319	1,401	1,495	1,407			
Yorkshire and the Humber	2,767	2,668	2,811	3,104	2,868	1,979	1,788	1,894	2,054	1,889	788	880	918	1,050	979			
East Midlands	2,210	2,174	2,223	2,452	2,308	1,572	1,445	1,498	1,604	1,575	638	729	725	848	733			
West Midlands	2,710	2,712	2,863	2,955	2,673	1,752	1,717	1,815	1,851	1,732	957	995	1,048	1,104	941			
East	2,558	2,566	2,921	3,323	3,499	1,633	1,626	1,769	1,990	1,880	925	940	1,152	1,333	1,619			
London	6,035	6,033	5,997	7,284	7,618	3,538	3,888	3,209	3,835	3,783	2,497	2,145	2,789	3,450	3,834			
South East	3,618	3,669	4,467	3,859	3,504	1,972	2,056	2,513	2,245	2,053	1,646	1,612	1,953	1,614	1,451			
South West	2,541	2,403	2,792	2,618	2,498	1,715	1,628	1,880	1,830	1,690	826	775	912	788	807			
<b>England</b>	<b>27,668</b>	<b>27,502</b>	<b>29,515</b>	<b>31,526</b>	<b>30,535</b>	<b>17,656</b>	<b>17,659</b>	<b>18,110</b>	<b>19,358</b>	<b>18,312</b>	<b>10,013</b>	<b>9,843</b>	<b>11,405</b>	<b>12,168</b>	<b>12,222</b>			
Scotland	4,823	5,277	5,067	5,360	5,394	3,229	3,559	3,408	3,494	3,561	1,594	1,717	1,660	1,866	1,833			
Wales	2,302	2,253	2,335	2,633	2,683	1,603	1,546	1,602	1,831	1,786	699	708	733	802	897			
Northern Ireland	1,288	1,453	1,611	1,742	1,806	1,053	1,099	1,187	1,281	1,301	235	354	424	461	505			
<b>UK identifiable expenditure</b>	<b>36,081</b>	<b>36,485</b>	<b>38,528</b>	<b>41,261</b>	<b>40,418</b>	<b>23,541</b>	<b>23,863</b>	<b>24,307</b>	<b>25,964</b>	<b>24,961</b>	<b>12,541</b>	<b>12,622</b>	<b>14,222</b>	<b>15,297</b>	<b>15,458</b>			
Outside the UK	405	367	418	394	384	199	196	306	272	226	206	171	112	121	158			
<b>Total identifiable expenditure</b>	<b>36,486</b>	<b>36,851</b>	<b>38,946</b>	<b>41,654</b>	<b>40,802</b>	<b>23,740</b>	<b>24,059</b>	<b>24,613</b>	<b>26,236</b>	<b>25,186</b>	<b>12,746</b>	<b>12,792</b>	<b>14,334</b>	<b>15,418</b>	<b>15,616</b>			
Non-identifiable spending <sup>(1)(2)</sup>	1,073	1,353	9,686	5,322	-785	627	936	-278	311	-1,152	446	417	9,964	5,011	367			
<b>Total Expenditure on Services</b>	<b>37,559</b>	<b>38,204</b>	<b>48,632</b>	<b>46,976</b>	<b>40,018</b>	<b>24,367</b>	<b>24,995</b>	<b>24,334</b>	<b>26,547</b>	<b>24,034</b>	<b>13,192</b>	<b>13,210</b>	<b>24,297</b>	<b>20,430</b>	<b>15,983</b>			

<sup>(1)</sup> The increase in 2008-09 relates to the financial sector interventions. See Box 5.A for details.

<sup>(2)</sup> Since publication of PESA 2011, spending for Royal Mail Group has moved from identifiable to non-identifiable because the country and regional split previously used to allocate spending for Royal Mail group data was no longer of sufficient quality to produce an accurate regional breakdown.

**Table 9.8a Identifiable expenditure on economic affairs (of which: enterprise and economic development) by country and region, 2006-07 to 2010-11**

	£ million														
	Enterprise and economic development						of which: capital								
	National Statistics						National Statistics								
	2006-07	2007-08	2008-09	2009-10	2010-11	2006-07	2007-08	2008-09	2009-10	2010-11	2006-07	2007-08	2008-09	2009-10	2010-11
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn
North East	523	564	492	445	349	385	469	352	343	287	138	95	140	102	62
North West	715	730	794	771	639	460	524	551	601	544	256	206	242	170	95
Yorkshire and the Humber	667	704	601	625	448	542	536	439	437	346	125	169	162	188	103
East Midlands	389	407	402	396	307	314	312	312	317	256	75	94	90	79	51
West Midlands	481	523	549	563	452	348	362	373	406	350	133	161	176	157	102
East	246	267	356	361	272	206	199	285	282	217	40	68	72	79	55
London	535	402	622	666	561	521	599	535	586	457	15	-197	87	80	104
South East	277	313	458	409	331	221	253	348	321	250	57	60	110	88	82
South West	260	289	347	356	329	212	227	243	290	268	48	62	104	66	62
<b>England</b>	<b>4,094</b>	<b>4,199</b>	<b>4,621</b>	<b>4,592</b>	<b>3,690</b>	<b>3,208</b>	<b>3,480</b>	<b>3,439</b>	<b>3,584</b>	<b>2,974</b>	<b>886</b>	<b>719</b>	<b>1,183</b>	<b>1,009</b>	<b>716</b>
Scotland	896	1,002	855	886	962	704	778	623	633	671	192	224	232	253	292
Wales	672	587	503	634	660	523	435	379	480	458	149	151	124	155	202
Northern Ireland	219	223	278	383	340	201	202	248	262	257	18	20	30	121	83
<b>UK identifiable expenditure</b>	<b>5,881</b>	<b>6,010</b>	<b>6,256</b>	<b>6,495</b>	<b>5,652</b>	<b>4,636</b>	<b>4,895</b>	<b>4,688</b>	<b>4,958</b>	<b>4,359</b>	<b>1,245</b>	<b>1,115</b>	<b>1,568</b>	<b>1,537</b>	<b>1,293</b>
Outside the UK	16	12	20	31	19	14	11	19	30	19	2	1	0	0	0
<b>Total identifiable expenditure</b>	<b>5,897</b>	<b>6,022</b>	<b>6,276</b>	<b>6,526</b>	<b>5,671</b>	<b>4,651</b>	<b>4,907</b>	<b>4,707</b>	<b>4,989</b>	<b>4,379</b>	<b>1,247</b>	<b>1,115</b>	<b>1,569</b>	<b>1,537</b>	<b>1,293</b>
Non-identifiable spending <sup>(1) (2)</sup>	422	804	9,150	4,763	-1,347	135	516	-690	-149	-1,651	287	287	9,840	4,912	304
<b>Total Expenditure on Services</b>	<b>6,320</b>	<b>6,826</b>	<b>15,426</b>	<b>11,290</b>	<b>4,325</b>	<b>4,786</b>	<b>5,423</b>	<b>4,018</b>	<b>4,840</b>	<b>2,728</b>	<b>1,534</b>	<b>1,402</b>	<b>11,409</b>	<b>6,450</b>	<b>1,597</b>

<sup>(1)</sup> The increase in 2008-09 relates to the financial sector interventions. See Box 5-A for details.

<sup>(2)</sup> Since publication of PESA 2011, spending for Royal Mail Group has moved from identifiable to non-identifiable because the country and regional split previously used to allocate spending for Royal Mail group data was no longer of sufficient quality to produce an accurate regional breakdown.

**Table 9.8b Identifiable expenditure on economic affairs (of which: science and technology) by country and region, 2006-07 to 2010-11**

	Science and technology						of which: current						of which: capital					
	National Statistics						National Statistics						National Statistics					
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn		2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn		2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
North East	82	101	92	119	103		59	71	74	93	90		23	29	17	25	13	
North West	199	242	232	280	259		150	186	190	224	225		50	55	42	56	34	
Yorkshire and the Humber	166	205	191	220	195		120	157	156	173	172		45	48	35	46	24	
East Midlands	131	163	153	188	173		97	123	127	149	151		34	40	26	39	23	
West Midlands	129	168	152	182	165		92	128	126	145	145		36	39	26	37	20	
East	259	275	312	357	345		223	235	256	277	274		36	39	56	81	71	
London	353	430	435	517	458		271	331	357	414	386		82	99	78	102	72	
South East	327	402	387	432	409		241	285	310	339	358		86	117	77	93	52	
South West	144	200	219	185	184		100	156	195	152	166		44	44	24	33	18	
<b>England</b>	<b>1,791</b>	<b>2,184</b>	<b>2,173</b>	<b>2,479</b>	<b>2,293</b>		<b>1,354</b>	<b>1,674</b>	<b>1,792</b>	<b>1,966</b>	<b>1,967</b>		<b>437</b>	<b>511</b>	<b>382</b>	<b>513</b>	<b>326</b>	
Scotland	273	417	382	400	361		228	309	288	330	302		45	108	94	69	59	
Wales	65	84	79	96	108		55	74	73	77	95		10	9	6	20	13	
Northern Ireland	64	80	69	83	87		56	69	65	74	80		8	11	3	10	7	
<b>UK identifiable expenditure</b>	<b>2,194</b>	<b>2,765</b>	<b>2,703</b>	<b>3,059</b>	<b>2,849</b>		<b>1,693</b>	<b>2,125</b>	<b>2,218</b>	<b>2,447</b>	<b>2,444</b>		<b>500</b>	<b>640</b>	<b>485</b>	<b>612</b>	<b>405</b>	
Outside the UK	182	162	254	244	246		154	132	225	210	194		28	30	29	34	53	
<b>Total identifiable expenditure</b>	<b>2,376</b>	<b>2,927</b>	<b>2,958</b>	<b>3,302</b>	<b>3,095</b>		<b>1,847</b>	<b>2,257</b>	<b>2,443</b>	<b>2,657</b>	<b>2,638</b>		<b>529</b>	<b>669</b>	<b>515</b>	<b>646</b>	<b>457</b>	
Non-identifiable spending	489	376	353	374	396		343	260	243	287	338		146	116	110	87	58	
<b>Total Expenditure on Services</b>	<b>2,865</b>	<b>3,303</b>	<b>3,311</b>	<b>3,676</b>	<b>3,491</b>		<b>2,191</b>	<b>2,518</b>	<b>2,686</b>	<b>2,943</b>	<b>2,976</b>		<b>675</b>	<b>785</b>	<b>625</b>	<b>733</b>	<b>515</b>	

£ million

**Table 9.8c Identifiable expenditure on economic affairs (of which: employment policies) by country and region, 2006-07 to 2010-11**

	£ million																			
	Employment policies						of which: current						of which: capital							
	2006-07		2007-08		2008-09		2009-10		2010-11		2006-07		2007-08		2008-09		2009-10		2010-11	
North East	186	179	172	181	205	205	179	178	172	177	201	7	1	0	4	4	4	4	4	
North West	452	433	420	444	488	488	434	431	419	435	478	18	2	1	9	10	9	10	10	
Yorkshire and the Humber	297	287	285	314	359	359	286	284	283	308	352	11	2	1	6	7	6	7	7	
East Midlands	221	213	213	235	259	259	213	212	213	231	254	8	1	1	5	5	5	5	5	
West Midlands	329	321	316	348	385	385	318	319	313	340	377	12	1	2	8	8	8	8	8	
East	232	225	227	253	277	277	224	223	226	248	272	8	1	1	5	5	5	5	5	
London	478	452	422	455	503	503	461	450	419	445	495	17	3	3	10	8	10	8	8	
South East	305	291	300	338	357	357	294	289	298	331	350	11	2	2	7	7	7	7	7	
South West	212	201	205	223	238	238	204	200	204	218	233	8	1	1	5	5	5	5	5	
<b>England</b>	<b>2,712</b>	<b>2,601</b>	<b>2,560</b>	<b>2,792</b>	<b>3,069</b>	<b>3,069</b>	<b>2,611</b>	<b>2,587</b>	<b>2,547</b>	<b>2,732</b>	<b>3,012</b>	<b>101</b>	<b>14</b>	<b>13</b>	<b>60</b>	<b>58</b>	<b>60</b>	<b>58</b>	<b>58</b>	
Scotland	262	252	275	278	306	306	249	250	274	271	299	13	1	1	7	7	7	7	7	
Wales	271	256	259	237	210	210	193	193	187	193	205	78	62	71	44	5	44	5	5	
Northern Ireland	146	166	149	172	214	214	144	165	149	171	214	2	1	0	1	0	1	0	0	
<b>UK identifiable expenditure</b>	<b>3,392</b>	<b>3,274</b>	<b>3,243</b>	<b>3,479</b>	<b>3,800</b>	<b>3,800</b>	<b>3,197</b>	<b>3,195</b>	<b>3,158</b>	<b>3,367</b>	<b>3,730</b>	<b>195</b>	<b>79</b>	<b>86</b>	<b>112</b>	<b>70</b>	<b>112</b>	<b>70</b>	<b>70</b>	
Outside the UK	18	13	18	25	6	6	18	12	18	25	6	0	0	0	0	0	0	0	0	
<b>Total identifiable expenditure</b>	<b>3,410</b>	<b>3,287</b>	<b>3,261</b>	<b>3,503</b>	<b>3,806</b>	<b>3,806</b>	<b>3,215</b>	<b>3,208</b>	<b>3,175</b>	<b>3,392</b>	<b>3,736</b>	<b>195</b>	<b>79</b>	<b>86</b>	<b>112</b>	<b>71</b>	<b>112</b>	<b>71</b>	<b>71</b>	
Non-identifiable spending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure on Services</b>	<b>3,410</b>	<b>3,287</b>	<b>3,261</b>	<b>3,503</b>	<b>3,806</b>	<b>3,806</b>	<b>3,215</b>	<b>3,208</b>	<b>3,175</b>	<b>3,392</b>	<b>3,736</b>	<b>195</b>	<b>79</b>	<b>86</b>	<b>112</b>	<b>71</b>	<b>112</b>	<b>71</b>	<b>71</b>	

**Table 9.8d Identifiable expenditure on economic affairs (of which: agriculture, fisheries and forestry) by country and region, 2006-07 to 2010-11**

	Agriculture, fisheries and forestry										of which: current										of which: capital										£ million
	National Statistics					National Statistics					National Statistics					National Statistics															
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn											
North East	202	153	196	207	208	195	135	188	202	203	7	17	8	6	5	52	30	30	26	27											
North West	374	283	380	361	313	322	253	350	336	286	16	20	10	9	7	15	13	10	9	6											
Yorkshire and the Humber	414	295	398	448	404	398	275	388	439	397	13	18	6	10	10	21	11	15	11	9											
East Midlands	476	311	451	494	509	462	297	442	484	503	4	5	3	2	2	21	11	15	11	9											
West Midlands	366	268	367	381	351	354	250	361	371	341	40	21	34	34	37	40	21	34	34	37											
East	501	422	577	750	694	491	415	569	734	684	177	143	123	123	113	73	71	101	112	182											
London	75	64	82	58	37	71	59	80	56	34	20	24	36	31	41	20	24	36	31	41											
South East	432	351	764	460	371	410	341	749	449	361	51	51	118	22	26	321	289	377	287	361											
South West	675	488	727	717	626	635	466	692	683	589	-	-	-	-	-	40	21	34	34	37											
<b>England</b>	<b>3,515</b>	<b>2,635</b>	<b>3,943</b>	<b>3,876</b>	<b>3,512</b>	<b>3,338</b>	<b>2,492</b>	<b>3,820</b>	<b>3,753</b>	<b>3,399</b>	<b>177</b>	<b>143</b>	<b>123</b>	<b>123</b>	<b>113</b>	<b>177</b>	<b>143</b>	<b>123</b>	<b>123</b>	<b>113</b>											
Scotland	686	771	823	875	963	612	700	722	764	781	73	71	101	112	182	73	71	101	112	182											
Wales	406	392	466	513	503	386	369	430	482	462	20	24	36	31	41	20	24	36	31	41											
Northern Ireland	473	464	574	550	516	422	413	455	528	491	51	51	118	22	26	51	51	118	22	26											
<b>UK identifiable expenditure</b>	<b>5,080</b>	<b>4,262</b>	<b>5,805</b>	<b>5,814</b>	<b>5,495</b>	<b>4,758</b>	<b>3,973</b>	<b>5,428</b>	<b>5,527</b>	<b>5,133</b>	<b>321</b>	<b>289</b>	<b>377</b>	<b>287</b>	<b>361</b>	<b>321</b>	<b>289</b>	<b>377</b>	<b>287</b>	<b>361</b>											
Outside the UK	0	1	1	-	0	0	1	1	-	0	-	-	-	-	-	-	-	-	-	-											
<b>Total identifiable expenditure</b>	<b>5,080</b>	<b>4,263</b>	<b>5,806</b>	<b>5,814</b>	<b>5,495</b>	<b>4,758</b>	<b>3,974</b>	<b>5,429</b>	<b>5,527</b>	<b>5,133</b>	<b>321</b>	<b>289</b>	<b>377</b>	<b>287</b>	<b>361</b>	<b>321</b>	<b>289</b>	<b>377</b>	<b>287</b>	<b>361</b>											
Non-identifiable spending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
<b>Total Expenditure on Services</b>	<b>5,080</b>	<b>4,263</b>	<b>5,806</b>	<b>5,814</b>	<b>5,495</b>	<b>4,758</b>	<b>3,974</b>	<b>5,429</b>	<b>5,527</b>	<b>5,133</b>	<b>321</b>	<b>289</b>	<b>377</b>	<b>287</b>	<b>361</b>	<b>321</b>	<b>289</b>	<b>377</b>	<b>287</b>	<b>361</b>											

**Table 9.8e Identifiable expenditure on economic affairs (of which: transport) by country and region, 2006-07 to 2010-11**

	£ million														
	Transport						of which: capital								
	National Statistics			National Statistics			National Statistics			National Statistics					
	2006-07	2007-08	2008-09	2009-10	2010-11	2006-07	2007-08	2008-09	2009-10	2010-11	2006-07	2007-08	2008-09	2009-10	2010-11
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn
North East	584	583	635	684	664	274	278	294	333	297	310	305	341	351	367
North West	1,913	2,010	2,029	2,438	2,340	1,036	985	943	1,204	1,099	876	1,025	1,086	1,234	1,241
Yorkshire and the Humber	1,224	1,177	1,337	1,497	1,461	632	536	627	697	622	591	641	710	800	839
East Midlands	993	1,080	1,003	1,140	1,059	487	500	404	423	411	506	580	599	717	648
West Midlands	1,404	1,432	1,478	1,481	1,320	641	657	641	590	519	763	775	837	890	802
East	1,319	1,378	1,448	1,602	1,911	489	554	432	450	433	830	825	1,016	1,151	1,478
London	4,594	4,684	4,436	5,588	6,059	2,215	2,449	1,818	2,334	2,411	2,379	2,235	2,618	3,255	3,648
South East	2,276	2,311	2,558	2,220	2,035	805	889	808	806	734	1,470	1,422	1,750	1,414	1,301
South West	1,249	1,226	1,294	1,138	1,121	564	579	546	487	435	685	647	748	650	686
<b>England</b>	<b>15,555</b>	<b>15,882</b>	<b>16,217</b>	<b>17,787</b>	<b>17,971</b>	<b>7,144</b>	<b>7,427</b>	<b>6,513</b>	<b>7,324</b>	<b>6,960</b>	<b>8,411</b>	<b>8,456</b>	<b>9,705</b>	<b>10,463</b>	<b>11,010</b>
Scotland	2,706	2,835	2,733	2,921	2,801	1,435	1,522	1,501	1,496	1,508	1,271	1,313	1,232	1,425	1,294
Wales	888	935	1,028	1,152	1,202	446	474	532	600	566	442	461	496	553	636
Northern Ireland	386	521	541	554	648	230	250	269	246	259	156	271	272	308	389
<b>UK identifiable expenditure</b>	<b>19,535</b>	<b>20,173</b>	<b>20,520</b>	<b>22,414</b>	<b>22,623</b>	<b>9,256</b>	<b>9,673</b>	<b>8,815</b>	<b>9,665</b>	<b>9,294</b>	<b>10,279</b>	<b>10,500</b>	<b>11,705</b>	<b>12,749</b>	<b>13,329</b>
Outside the UK	188	180	125	94	112	13	39	43	7	7	175	141	82	87	105
<b>Total identifiable expenditure</b>	<b>19,723</b>	<b>20,353</b>	<b>20,645</b>	<b>22,508</b>	<b>22,735</b>	<b>9,269</b>	<b>9,712</b>	<b>8,858</b>	<b>9,672</b>	<b>9,301</b>	<b>10,454</b>	<b>10,641</b>	<b>11,787</b>	<b>12,836</b>	<b>13,434</b>
Non-identifiable spending	161	173	182	185	166	148	159	168	173	161	13	14	14	12	6
<b>Total Expenditure on Services</b>	<b>19,885</b>	<b>20,526</b>	<b>20,827</b>	<b>22,693</b>	<b>22,901</b>	<b>9,417</b>	<b>9,871</b>	<b>9,026</b>	<b>9,845</b>	<b>9,462</b>	<b>10,467</b>	<b>10,655</b>	<b>11,801</b>	<b>12,848</b>	<b>13,440</b>

**Table 9.9 Identifiable expenditure on environment protection by country and region, 2006-07 to 2010-11**

	£ million																			
	Environment protection						of which: current						of which: capital							
	2006-07		2007-08		2008-09		2009-10		2010-11		2006-07		2007-08		2008-09		2009-10		2010-11	
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn
North East	304	314	322	342	348	246	262	264	280	285	58	52	58	62	63					
North West	1,763	1,583	1,470	1,956	2,130	941	806	549	1,129	1,109	822	778	920	827	1,021					
Yorkshire and the Humber	597	630	678	735	777	473	516	542	554	571	124	114	135	182	207					
East Midlands	515	520	546	606	677	422	424	443	477	521	93	96	103	129	156					
West Midlands	607	613	632	688	746	496	515	521	536	557	110	99	112	153	189					
East	737	722	776	833	896	597	589	624	649	664	140	132	152	184	232					
London	903	995	1,027	1,103	1,191	809	905	933	976	1,011	94	90	93	127	181					
South East	1,132	1,219	1,170	1,301	1,387	880	913	872	979	1,008	252	306	297	321	378					
South West	682	865	856	949	1,045	582	612	598	702	738	100	253	258	247	307					
<b>England</b>	<b>7,240</b>	<b>7,461</b>	<b>7,476</b>	<b>8,514</b>	<b>9,197</b>	<b>5,447</b>	<b>5,542</b>	<b>5,348</b>	<b>6,281</b>	<b>6,463</b>	<b>1,792</b>	<b>1,919</b>	<b>2,128</b>	<b>2,232</b>	<b>2,734</b>					
Scotland	1,073	1,105	1,077	1,257	1,378	847	828	818	998	1,043	226	277	259	259	336					
Wales	580	460	532	571	608	445	429	440	466	499	135	31	91	105	110					
Northern Ireland	247	231	232	236	248	184	208	216	232	226	63	24	16	4	23					
<b>UK identifiable expenditure</b>	<b>9,140</b>	<b>9,257</b>	<b>9,317</b>	<b>10,579</b>	<b>11,432</b>	<b>6,924</b>	<b>7,007</b>	<b>6,823</b>	<b>7,979</b>	<b>8,230</b>	<b>2,216</b>	<b>2,250</b>	<b>2,495</b>	<b>2,600</b>	<b>3,202</b>					
Outside the UK	30	31	83	65	58	30	31	72	54	45	-	-	11	10	13					
<b>Total identifiable expenditure</b>	<b>9,169</b>	<b>9,288</b>	<b>9,400</b>	<b>10,643</b>	<b>11,489</b>	<b>6,953</b>	<b>7,038</b>	<b>6,894</b>	<b>8,033</b>	<b>8,275</b>	<b>2,216</b>	<b>2,250</b>	<b>2,505</b>	<b>2,610</b>	<b>3,215</b>					
Non-identifiable spending	208	221	298	304	509	174	186	271	255	469	34	35	27	49	40					
<b>Total Expenditure on Services</b>	<b>9,377</b>	<b>9,509</b>	<b>9,698</b>	<b>10,947</b>	<b>11,998</b>	<b>7,127</b>	<b>7,224</b>	<b>7,165</b>	<b>8,288</b>	<b>8,743</b>	<b>2,250</b>	<b>2,285</b>	<b>2,533</b>	<b>2,659</b>	<b>3,255</b>					

**Table 9.10 Identifiable expenditure on housing and community amenities by country and region, 2006-07 to 2010-11**

	Housing and community amenities												of which: capital						£ million
	National Statistics						National Statistics						National Statistics						
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn		2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn		2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn		
North East	508	546	665	818	681		183	157	170	201	162		324	389	496	617	520		
North West	1,200	1,753	1,860	1,515	1,298		407	407	444	446	353		793	1,346	1,417	1,070	946		
Yorkshire and the Humber	952	970	1,086	1,146	986		300	275	279	325	258		652	694	807	821	728		
East Midlands	529	501	648	762	645		231	220	229	252	191		298	280	419	509	454		
West Midlands	734	808	975	1,094	902		272	294	240	266	196		462	514	734	827	706		
East	613	638	775	987	760		265	291	267	315	239		348	347	508	672	521		
London	2,636	2,723	3,304	3,742	3,106		497	569	506	567	486		2,138	2,154	2,798	3,175	2,620		
South East	840	941	1,206	1,497	1,168		428	406	404	458	332		412	534	802	1,038	836		
South West	496	647	741	911	692		227	247	253	288	219		269	400	488	624	473		
<b>England</b>	<b>8,508</b>	<b>9,525</b>	<b>11,260</b>	<b>12,472</b>	<b>10,239</b>		<b>2,811</b>	<b>2,866</b>	<b>2,791</b>	<b>3,118</b>	<b>2,435</b>		<b>5,697</b>	<b>6,659</b>	<b>8,469</b>	<b>9,354</b>	<b>7,804</b>		
Scotland	1,679	1,746	1,802	1,970	1,773		182	333	281	261	332		1,497	1,413	1,521	1,709	1,440		
Wales	471	512	624	621	727		113	119	150	145	250		358	392	474	476	477		
Northern Ireland	889	1,132	1,308	1,118	973		493	559	565	529	518		395	573	743	589	455		
<b>UK identifiable expenditure</b>	<b>11,547</b>	<b>12,916</b>	<b>14,995</b>	<b>16,182</b>	<b>13,712</b>		<b>3,599</b>	<b>3,878</b>	<b>3,787</b>	<b>4,053</b>	<b>3,535</b>		<b>7,948</b>	<b>9,037</b>	<b>11,207</b>	<b>12,129</b>	<b>10,177</b>		
Outside the UK	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
<b>Total identifiable expenditure</b>	<b>11,547</b>	<b>12,916</b>	<b>14,995</b>	<b>16,182</b>	<b>13,712</b>		<b>3,599</b>	<b>3,878</b>	<b>3,787</b>	<b>4,053</b>	<b>3,535</b>		<b>7,948</b>	<b>9,037</b>	<b>11,207</b>	<b>12,129</b>	<b>10,177</b>		
Non-identifiable spending	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
<b>Total Expenditure on Services</b>	<b>11,547</b>	<b>12,916</b>	<b>14,995</b>	<b>16,182</b>	<b>13,712</b>		<b>3,599</b>	<b>3,878</b>	<b>3,787</b>	<b>4,053</b>	<b>3,535</b>		<b>7,948</b>	<b>9,037</b>	<b>11,207</b>	<b>12,129</b>	<b>10,177</b>		

**Table 9.11 Identifiable expenditure on health by country and region, 2006-07 to 2010-11**

	£ million														
	Health				of which: current				of which: capital						
	National Statistics		National Statistics		National Statistics		National Statistics		National Statistics		National Statistics				
	2006-07	2007-08	2008-09	2009-10	2010-11	2006-07	2007-08	2008-09	2009-10	2010-11	2006-07	2007-08	2008-09	2009-10	2010-11
	outrun	outrun	outrun	outrun	outrun	outrun	outrun	outrun	outrun	outrun	outrun	outrun	outrun	outrun	outrun
North East	4,295	4,606	5,025	5,310	5,451	4,121	4,440	4,784	5,068	5,244	174	166	240	242	206
North West	11,353	12,307	13,119	14,096	14,273	10,917	11,740	12,608	13,435	13,742	436	567	511	661	532
Yorkshire and the Humber	7,884	8,465	9,245	9,853	10,160	7,583	8,161	8,888	9,390	9,640	301	305	357	463	520
East Midlands	6,026	6,625	7,189	7,582	7,839	5,835	6,332	6,790	7,247	7,534	191	293	399	335	305
West Midlands	8,223	8,835	9,486	10,205	10,396	7,866	8,406	9,036	9,626	9,961	357	429	451	579	435
East	7,661	8,110	8,903	9,731	10,042	7,443	7,832	8,559	9,262	9,631	218	278	343	469	411
London	12,681	14,165	15,191	16,972	17,290	12,162	13,403	14,422	16,085	16,556	518	761	769	887	733
South East	11,542	12,302	13,304	14,428	14,552	10,856	11,676	12,559	13,513	13,960	686	626	745	915	592
South West	7,261	7,920	8,573	9,095	9,246	6,970	7,573	8,122	8,623	8,871	291	347	451	472	375
<b>England</b>	<b>76,926</b>	<b>83,335</b>	<b>90,035</b>	<b>97,272</b>	<b>99,249</b>	<b>73,753</b>	<b>79,563</b>	<b>85,768</b>	<b>92,250</b>	<b>95,139</b>	<b>3,173</b>	<b>3,772</b>	<b>4,267</b>	<b>5,022</b>	<b>4,109</b>
Scotland	9,035	9,727	10,179	10,593	10,821	8,742	9,285	9,672	10,059	10,208	293	442	507	534	613
Wales	5,000	5,273	5,562	5,917	6,065	4,823	5,004	5,250	5,520	5,679	177	268	313	397	387
Northern Ireland	2,961	3,055	3,299	3,443	3,790	2,765	2,873	3,106	3,251	3,581	196	182	193	192	210
<b>UK identifiable expenditure</b>	<b>93,922</b>	<b>101,390</b>	<b>109,075</b>	<b>117,225</b>	<b>119,925</b>	<b>90,084</b>	<b>96,725</b>	<b>103,796</b>	<b>111,080</b>	<b>114,607</b>	<b>3,838</b>	<b>4,665</b>	<b>5,279</b>	<b>6,145</b>	<b>5,318</b>
Outside the UK	545	763	660	815	949	545	763	660	815	949	0	0	-	-	0
<b>Total identifiable expenditure</b>	<b>94,467</b>	<b>102,153</b>	<b>109,736</b>	<b>118,040</b>	<b>120,874</b>	<b>90,629</b>	<b>97,488</b>	<b>104,456</b>	<b>111,896</b>	<b>115,556</b>	<b>3,839</b>	<b>4,665</b>	<b>5,279</b>	<b>6,145</b>	<b>5,318</b>
Non-identifiable spending	226	198	324	297	431	175	144	257	261	299	50	54	67	37	132
<b>Total Expenditure on Services</b>	<b>94,693</b>	<b>102,350</b>	<b>110,059</b>	<b>118,338</b>	<b>121,305</b>	<b>90,804</b>	<b>97,632</b>	<b>104,713</b>	<b>112,156</b>	<b>115,855</b>	<b>3,889</b>	<b>4,719</b>	<b>5,346</b>	<b>6,181</b>	<b>5,450</b>

**Table 9.12 Identifiable expenditure on recreation, culture and religion by country and region, 2006-07 to 2010-11**

	Recreation, culture and religion												of which: current						of which: capital						£ million			
	National Statistics						National Statistics						2006-07			2007-08			2008-09			2009-10				2010-11		
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn		2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn		2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn		2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn					
North East	355	368	369	425	422		272	284	298	326	327		82	84	71	98	94		160	155	176	190	179					
North West	751	749	811	806	789		591	594	635	617	610		149	144	148	167	165		149	144	148	167	165					
Yorkshire and the Humber	608	595	617	648	639		459	451	469	481	474		93	113	97	135	114		93	113	97	135	114					
East Midlands	435	471	460	509	483		342	358	363	374	368		102	140	129	125	131		102	140	129	125	131					
West Midlands	535	580	596	568	585		433	440	466	443	454		104	131	126	192	192		104	131	126	192	192					
East	488	544	560	611	622		385	413	434	418	430		201	180	231	344	339		201	180	231	344	339					
London	1,107	1,071	1,139	1,376	1,427		906	892	909	1,032	1,088		155	186	223	230	218		155	186	223	230	218					
South East	782	825	878	873	873		627	639	655	644	655		119	104	119	141	137		119	104	119	141	137					
South West	511	488	532	590	572		392	384	413	449	435		119	104	119	141	137		119	104	119	141	137					
<b>England</b>	<b>5,573</b>	<b>5,693</b>	<b>5,962</b>	<b>6,407</b>	<b>6,410</b>		<b>4,408</b>	<b>4,455</b>	<b>4,643</b>	<b>4,785</b>	<b>4,841</b>		<b>1,165</b>	<b>1,238</b>	<b>1,320</b>	<b>1,621</b>	<b>1,569</b>		<b>1,165</b>	<b>1,238</b>	<b>1,320</b>	<b>1,621</b>	<b>1,569</b>					
Scotland	990	1,029	1,081	1,139	1,213		800	799	816	867	892		190	230	265	272	321		190	230	265	272	321					
Wales	617	693	687	626	603		471	497	543	551	514		146	196	144	75	89		146	196	144	75	89					
Northern Ireland	310	386	415	385	400		264	280	322	308	289		46	106	93	77	111		46	106	93	77	111					
<b>UK identifiable expenditure</b>	<b>7,489</b>	<b>7,801</b>	<b>8,145</b>	<b>8,557</b>	<b>8,626</b>		<b>5,942</b>	<b>6,031</b>	<b>6,323</b>	<b>6,511</b>	<b>6,536</b>		<b>1,547</b>	<b>1,770</b>	<b>1,822</b>	<b>2,046</b>	<b>2,090</b>		<b>1,547</b>	<b>1,770</b>	<b>1,822</b>	<b>2,046</b>	<b>2,090</b>					
Outside the UK	203	267	280	240	239		166	227	227	204	209		37	40	53	36	31		37	40	53	36	31					
<b>Total identifiable expenditure</b>	<b>7,693</b>	<b>8,067</b>	<b>8,425</b>	<b>8,797</b>	<b>8,865</b>		<b>6,108</b>	<b>6,258</b>	<b>6,550</b>	<b>6,715</b>	<b>6,745</b>		<b>1,585</b>	<b>1,809</b>	<b>1,874</b>	<b>2,082</b>	<b>2,120</b>		<b>1,585</b>	<b>1,809</b>	<b>1,874</b>	<b>2,082</b>	<b>2,120</b>					
Non-identifiable spending	3,665	4,145	4,678	5,125	5,101		3,408	3,609	3,469	3,639	3,542		258	536	1,209	1,486	1,559		258	536	1,209	1,486	1,559					
<b>Total Expenditure on Services</b>	<b>11,358</b>	<b>12,213</b>	<b>13,102</b>	<b>13,922</b>	<b>13,966</b>		<b>9,516</b>	<b>9,867</b>	<b>10,019</b>	<b>10,354</b>	<b>10,287</b>		<b>1,842</b>	<b>2,346</b>	<b>3,083</b>	<b>3,567</b>	<b>3,679</b>		<b>1,842</b>	<b>2,346</b>	<b>3,083</b>	<b>3,567</b>	<b>3,679</b>					

**Table 9.13 Identifiable expenditure on education by country and region, 2006-07 to 2010-11**

	£ million														
	Education				of which: current				of which: capital						
	National Statistics		National Statistics		National Statistics		National Statistics		National Statistics		National Statistics				
	2006-07	2007-08	2008-09	2009-10	2010-11	2006-07	2007-08	2008-09	2009-10	2010-11	2006-07	2007-08	2008-09	2009-10	2010-11
	outturn	outturn	outturn	outturn	outturn	outturn	outturn								
North East	3,235	3,449	3,811	3,935	3,968	2,949	3,126	3,308	3,396	3,437	286	323	503	539	531
North West	8,155	8,861	9,387	10,114	10,432	7,542	8,192	8,545	8,952	9,227	613	669	842	1,162	1,205
Yorkshire and the Humber	6,114	6,478	6,974	7,484	7,504	5,565	5,925	6,222	6,673	6,664	548	553	752	812	840
East Midlands	4,919	5,299	5,690	6,060	6,263	4,465	4,815	5,109	5,383	5,569	454	484	581	677	694
West Midlands	6,552	7,022	7,382	7,926	8,097	5,934	6,417	6,730	7,114	7,295	618	604	652	812	802
East	5,885	6,425	6,787	7,383	7,650	5,314	5,782	6,105	6,546	6,729	571	643	682	836	922
London	10,781	11,691	12,402	13,349	13,539	9,729	10,562	11,034	11,661	11,849	1,051	1,129	1,368	1,688	1,690
South East	8,804	9,452	10,153	10,763	11,023	7,964	8,542	9,070	9,499	9,704	839	910	1,083	1,264	1,318
South West	5,420	5,783	6,264	6,740	7,056	4,907	5,309	5,576	5,877	6,152	513	475	688	862	904
<b>England</b>	<b>59,864</b>	<b>64,460</b>	<b>68,850</b>	<b>73,754</b>	<b>75,531</b>	<b>54,370</b>	<b>58,671</b>	<b>61,698</b>	<b>65,103</b>	<b>66,625</b>	<b>5,494</b>	<b>5,789</b>	<b>7,151</b>	<b>8,652</b>	<b>8,906</b>
Scotland	7,147	7,368	7,577	7,748	8,049	6,423	6,672	6,928	7,084	7,226	724	696	649	664	823
Wales	3,689	3,943	4,158	4,336	4,463	3,451	3,720	3,886	4,013	4,095	238	223	273	323	369
Northern Ireland	2,311	2,434	2,527	2,679	2,715	2,106	2,221	2,294	2,397	2,488	205	213	233	282	226
<b>UK identifiable expenditure</b>	<b>73,011</b>	<b>78,205</b>	<b>83,112</b>	<b>88,517</b>	<b>90,758</b>	<b>66,351</b>	<b>71,284</b>	<b>74,806</b>	<b>78,597</b>	<b>80,434</b>	<b>6,660</b>	<b>6,921</b>	<b>8,306</b>	<b>9,920</b>	<b>10,325</b>
Outside the UK	36	43	41	41	3	36	43	41	41	2	0	0	0	0	1
<b>Total identifiable expenditure</b>	<b>73,047</b>	<b>78,248</b>	<b>83,153</b>	<b>88,558</b>	<b>90,761</b>	<b>66,387</b>	<b>71,326</b>	<b>74,847</b>	<b>78,638</b>	<b>80,436</b>	<b>6,660</b>	<b>6,921</b>	<b>8,306</b>	<b>9,921</b>	<b>10,325</b>
Non-identifiable spending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure on Services</b>	<b>73,047</b>	<b>78,248</b>	<b>83,153</b>	<b>88,558</b>	<b>90,761</b>	<b>66,387</b>	<b>71,326</b>	<b>74,847</b>	<b>78,638</b>	<b>80,436</b>	<b>6,660</b>	<b>6,921</b>	<b>8,306</b>	<b>9,921</b>	<b>10,325</b>

**Table 9.14 Identifiable expenditure on social protection by country and region, 2006-07 to 2010-11**

	£ million																			
	Social protection						of which: current						of which: capital							
	2006-07		2007-08		2008-09		2009-10		2010-11		2006-07		2007-08		2008-09		2009-10		2010-11	
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn
North East	8,217	8,633	9,298	10,302	10,689	8,171	8,591	9,264	10,242	10,613	46	42	34	60	76					
North West	21,274	22,349	24,204	26,571	27,578	21,193	22,270	24,118	26,431	27,410	80	79	86	140	168					
Yorkshire and the Humber	14,522	15,301	16,669	18,389	19,105	14,464	15,232	16,604	18,303	18,999	58	69	66	86	106					
East Midlands	11,747	12,400	13,573	14,978	15,655	11,702	12,340	13,529	14,886	15,538	45	60	44	91	117					
West Midlands	15,689	16,630	18,090	19,968	20,575	15,593	16,537	18,019	19,880	20,474	95	93	70	88	100					
East	14,401	15,198	16,769	18,636	19,357	14,358	15,140	16,715	18,545	19,252	43	58	54	91	105					
London	21,836	23,087	24,801	27,062	27,913	21,733	22,998	24,686	26,910	27,744	103	89	115	152	170					
South East	20,511	21,755	23,905	26,339	27,369	20,414	21,669	23,819	26,203	27,212	97	87	86	136	157					
South West	14,256	15,121	16,548	18,117	18,859	14,194	15,061	16,494	18,036	18,757	62	60	54	82	101					
<b>England</b>	<b>142,453</b>	<b>150,474</b>	<b>163,856</b>	<b>180,361</b>	<b>187,100</b>	<b>141,823</b>	<b>149,836</b>	<b>163,248</b>	<b>179,436</b>	<b>185,999</b>	<b>630</b>	<b>638</b>	<b>608</b>	<b>925</b>	<b>1,101</b>					
Scotland	16,014	17,027	18,327	19,902	20,741	15,911	16,937	18,231	19,788	20,600	103	91	96	114	141					
Wales	9,827	10,405	11,191	12,148	12,675	9,779	10,368	11,151	12,116	12,618	47	36	40	32	57					
Northern Ireland	5,836	6,367	6,606	7,312	7,212	5,817	6,350	6,590	7,285	7,196	19	18	16	27	16					
<b>UK identifiable expenditure</b>	<b>174,129</b>	<b>184,273</b>	<b>199,980</b>	<b>219,724</b>	<b>227,727</b>	<b>173,330</b>	<b>183,491</b>	<b>199,220</b>	<b>218,626</b>	<b>226,412</b>	<b>799</b>	<b>782</b>	<b>761</b>	<b>1,098</b>	<b>1,315</b>					
Outside the UK	2,831	3,026	3,351	3,563	3,703	2,822	3,019	3,346	3,551	3,694	9	6	5	12	10					
<b>Total identifiable expenditure</b>	<b>176,959</b>	<b>187,299</b>	<b>203,331</b>	<b>223,287</b>	<b>231,431</b>	<b>176,152</b>	<b>186,510</b>	<b>202,565</b>	<b>222,177</b>	<b>230,106</b>	<b>807</b>	<b>789</b>	<b>766</b>	<b>1,110</b>	<b>1,325</b>					
Non-identifiable spending	-	-	-	0	0	-	-	-	0	0	-	-	-	-	-					
<b>Total Expenditure on Services</b>	<b>176,959</b>	<b>187,299</b>	<b>203,331</b>	<b>223,287</b>	<b>231,431</b>	<b>176,152</b>	<b>186,510</b>	<b>202,565</b>	<b>222,177</b>	<b>230,106</b>	<b>807</b>	<b>789</b>	<b>766</b>	<b>1,110</b>	<b>1,325</b>					

**Table 9.15 UK identifiable expenditure on services by function, country and region, per head, 2006-07 to 2010-11**

		Data in this table from 2006-07 to 2010-11 are National Statistics										£ per head							
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	Total Expenditure on Services
<b>2006-07</b>																			
North East	102	99	3	2	486	618	205	32	73	79	229	119	199	1,683	139	1,267	3,219	7,833	
North West	114	111	3	1	494	533	104	29	66	55	279	257	175	1,657	110	1,190	3,105	7,636	
Yorkshire and the Humber	93	90	3	1	440	538	130	32	58	80	238	116	185	1,532	118	1,188	2,822	7,033	
East Midlands	103	101	3	2	375	507	89	30	51	109	228	118	121	1,381	100	1,127	2,693	6,527	
West Midlands	119	116	3	2	441	505	90	24	61	68	262	113	137	1,533	100	1,222	2,926	7,097	
East	107	104	3	2	350	457	44	46	42	90	236	132	110	1,370	87	1,052	2,575	6,241	
London	148	146	2	2	784	800	71	47	63	10	609	120	349	1,680	147	1,429	2,894	8,352	
South East	95	92	2	2	370	440	34	40	37	52	277	138	102	1,403	95	1,070	2,494	6,208	
South West	99	96	2	2	347	496	51	28	41	132	244	133	97	1,417	100	1,058	2,782	6,531	
<b>England</b>	<b>110</b>	<b>108</b>	<b>3</b>	<b>2</b>	<b>465</b>	<b>545</b>	<b>81</b>	<b>35</b>	<b>53</b>	<b>69</b>	<b>306</b>	<b>143</b>	<b>168</b>	<b>1,515</b>	<b>110</b>	<b>1,179</b>	<b>2,806</b>	<b>7,042</b>	
Scotland	190	188	2	1	431	943	175	53	51	134	529	210	328	1,766	193	1,397	3,130	8,588	
Wales	219	216	2	1	448	777	227	22	91	137	300	196	159	1,688	208	1,246	3,318	8,260	
Northern Ireland	234	232	2	0	781	740	126	37	84	271	222	142	510	1,700	178	1,327	3,351	8,963	
<b>UK identifiable expenditure</b>	<b>126</b>	<b>123</b>	<b>3</b>	<b>1</b>	<b>470</b>	<b>596</b>	<b>97</b>	<b>36</b>	<b>56</b>	<b>84</b>	<b>322</b>	<b>151</b>	<b>191</b>	<b>1,550</b>	<b>124</b>	<b>1,205</b>	<b>2,874</b>	<b>7,288</b>	
<b>2007-08</b>																			
North East	102	98	4	1	518	617	220	39	70	60	228	123	213	1,799	144	1,347	3,372	8,235	
North West	100	96	4	1	518	539	106	35	63	41	293	231	255	1,793	109	1,291	3,256	8,093	
Yorkshire and the Humber	90	86	4	2	465	515	136	40	55	57	227	122	187	1,634	115	1,250	2,953	7,332	
East Midlands	113	111	3	2	395	494	92	37	48	71	246	118	114	1,507	107	1,205	2,820	6,875	
West Midlands	129	126	3	1	456	504	97	31	60	50	266	114	150	1,643	108	1,306	3,092	7,502	
East	108	105	3	2	370	454	47	49	40	75	244	128	113	1,436	96	1,137	2,691	6,534	
London	131	129	3	2	812	794	53	57	59	8	616	131	358	1,863	141	1,538	3,037	8,806	
South East	97	94	3	2	379	442	38	48	35	42	279	147	113	1,483	99	1,139	2,623	6,524	
South West	106	103	3	2	372	464	56	39	39	94	237	167	125	1,529	94	1,117	2,920	6,896	
<b>England</b>	<b>109</b>	<b>106</b>	<b>3</b>	<b>2</b>	<b>485</b>	<b>538</b>	<b>82</b>	<b>43</b>	<b>51</b>	<b>52</b>	<b>311</b>	<b>146</b>	<b>186</b>	<b>1,631</b>	<b>111</b>	<b>1,261</b>	<b>2,944</b>	<b>7,414</b>	
Scotland	186	183	2	1	445	1,026	195	81	49	150	551	215	339	1,891	200	1,432	3,310	9,045	
Wales	235	233	2	1	464	757	197	28	86	132	314	155	172	1,772	233	1,325	3,496	8,609	
Northern Ireland	237	234	2	0	743	826	127	46	94	264	296	132	643	1,736	219	1,383	3,620	9,540	
<b>UK identifiable expenditure</b>	<b>125</b>	<b>122</b>	<b>3</b>	<b>1</b>	<b>488</b>	<b>598</b>	<b>99</b>	<b>45</b>	<b>54</b>	<b>70</b>	<b>331</b>	<b>152</b>	<b>212</b>	<b>1,663</b>	<b>128</b>	<b>1,282</b>	<b>3,022</b>	<b>7,671</b>	

**Table 9.15 UK identifiable expenditure on services by function, country and region, per head, 2006-07 to 2010-11 (continued)**

		Data in this table from 2006-07 to 2010-11 are National Statistics										£ per head								
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	Total Expenditure on Services	
<b>2008-09</b>																				
North East		141	137	3	1	548	617	192	36	67	76	247	125	259	1,955	143	1,483	3,617	8,889	
North West		119	115	3	1	553	561	115	34	61	55	295	214	271	1,908	118	1,366	3,521	8,631	
Yorkshire and the Humber		93	90	3	1	474	539	115	37	55	76	256	130	208	1,772	118	1,337	3,195	7,867	
East Midlands		110	106	3	2	427	502	91	35	48	102	226	123	146	1,623	104	1,285	3,064	7,385	
West Midlands		136	133	3	1	478	529	102	28	58	68	273	117	180	1,754	110	1,365	3,345	8,015	
East		127	123	3	2	382	511	62	55	40	101	253	136	135	1,557	98	1,187	2,933	7,067	
London		150	147	3	1	875	782	81	57	55	11	579	134	431	1,981	149	1,617	3,234	9,355	
South East		103	99	4	1	405	534	55	46	36	91	306	140	144	1,590	105	1,213	2,857	7,091	
South West		122	119	3	2	389	536	67	42	39	139	248	164	142	1,645	102	1,202	3,176	7,481	
<b>England</b>		<b>122</b>	<b>118</b>	<b>3</b>	<b>1</b>	<b>514</b>	<b>574</b>	<b>90</b>	<b>42</b>	<b>50</b>	<b>77</b>	<b>315</b>	<b>145</b>	<b>219</b>	<b>1,749</b>	<b>116</b>	<b>1,338</b>	<b>3,184</b>	<b>7,962</b>	
Scotland		223	220	3	1	472	980	165	74	53	159	529	208	349	1,969	209	1,466	3,546	9,424	
Wales		258	254	4	1	495	781	168	26	86	156	344	178	209	1,860	230	1,391	3,743	9,144	
Northern Ireland		250	247	3	0	781	907	156	39	84	323	305	131	737	1,859	234	1,424	3,722	10,044	
<b>UK identifiable expenditure</b>		<b>140</b>	<b>137</b>	<b>3</b>	<b>1</b>	<b>518</b>	<b>628</b>	<b>102</b>	<b>44</b>	<b>53</b>	<b>95</b>	<b>334</b>	<b>152</b>	<b>244</b>	<b>1,777</b>	<b>133</b>	<b>1,354</b>	<b>3,257</b>	<b>8,203</b>	
<b>2009-10</b>																				
North East		121	118	3	1	526	633	172	46	70	80	265	133	317	2,055	164	1,523	3,986	9,459	
North West		114	111	3	1	547	623	112	41	64	52	354	284	220	2,043	117	1,466	3,852	9,267	
Yorkshire and the Humber		103	100	3	1	491	590	119	42	60	85	285	140	218	1,874	123	1,423	3,497	8,462	
East Midlands		126	123	3	1	421	551	89	42	53	111	256	136	171	1,703	114	1,361	3,365	7,950	
West Midlands		133	130	3	1	488	544	104	34	64	70	273	127	201	1,879	105	1,459	3,677	8,613	
East		113	110	3	2	378	576	63	62	44	130	278	144	171	1,687	106	1,280	3,232	7,690	
London		143	140	3	1	859	939	86	67	59	7	721	142	483	2,189	177	1,722	3,490	10,146	
South East		101	98	3	1	409	457	48	51	40	55	263	154	177	1,710	104	1,276	3,122	7,513	
South West		120	117	3	1	397	500	68	35	43	137	217	181	174	1,739	113	1,288	3,463	7,977	
<b>England</b>		<b>119</b>	<b>116</b>	<b>3</b>	<b>1</b>	<b>514</b>	<b>608</b>	<b>89</b>	<b>48</b>	<b>54</b>	<b>75</b>	<b>343</b>	<b>164</b>	<b>241</b>	<b>1,877</b>	<b>124</b>	<b>1,424</b>	<b>3,481</b>	<b>8,553</b>	
Scotland		225	222	3	2	483	1,032	171	77	54	169	562	242	379	2,040	219	1,492	3,832	9,945	
Wales		269	266	3	1	502	878	211	32	79	171	384	190	207	1,973	209	1,446	4,050	9,726	
Northern Ireland		247	244	3	0	847	974	214	47	96	307	310	132	625	1,924	215	1,498	4,087	10,550	
<b>UK identifiable expenditure</b>		<b>139</b>	<b>136</b>	<b>3</b>	<b>1</b>	<b>520</b>	<b>668</b>	<b>105</b>	<b>50</b>	<b>56</b>	<b>94</b>	<b>363</b>	<b>171</b>	<b>262</b>	<b>1,897</b>	<b>138</b>	<b>1,433</b>	<b>3,556</b>	<b>8,785</b>	

**Table 9.15 UK identifiable expenditure on services by function, country and region, per head, 2006-07 to 2010-11 (continued)**

		Data in this table from 2006-07 to 2010-11 are National Statistics										£ per head							
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	Total Expenditure on Services
<b>2010-11</b>																			
North East		123	119	4	1	520	587	134	39	79	80	255	133	261	2,091	162	1,522	4,101	9,501
North West		116	112	4	1	541	582	92	37	70	45	337	307	187	2,058	114	1,504	3,976	9,386
Yorkshire and the Humber		105	101	4	1	476	541	85	37	68	76	276	147	186	1,916	121	1,415	3,604	8,512
East Midlands		130	127	4	1	409	515	69	39	58	114	236	151	144	1,749	108	1,397	3,493	8,098
West Midlands		140	137	4	1	477	490	83	30	70	64	242	137	165	1,906	107	1,484	3,772	8,679
East		115	112	4	2	373	600	47	59	48	119	328	154	130	1,722	107	1,312	3,319	7,834
London		142	138	4	1	843	973	72	59	64	5	774	152	397	2,210	182	1,730	3,567	10,198
South East		102	98	4	2	401	411	39	48	42	43	239	163	137	1,707	102	1,293	3,211	7,529
South West		123	120	4	1	392	474	62	35	45	119	212	198	131	1,753	108	1,338	3,576	8,096
<b>England</b>		<b>121</b>	<b>117</b>	<b>4</b>	<b>1</b>	<b>504</b>	<b>585</b>	<b>71</b>	<b>44</b>	<b>59</b>	<b>67</b>	<b>344</b>	<b>176</b>	<b>196</b>	<b>1,900</b>	<b>123</b>	<b>1,446</b>	<b>3,582</b>	<b>8,634</b>
Scotland		218	215	4	2	491	1,033	184	69	59	184	536	264	339	2,072	232	1,541	3,972	10,165
Wales		263	259	4	1	497	893	220	36	70	167	400	202	242	2,017	201	1,485	4,216	10,017
Northern Ireland		265	261	4	0	875	1,004	189	48	119	287	360	138	541	2,106	222	1,509	4,008	10,668
<b>UK identifiable expenditure</b>		<b>140</b>	<b>137</b>	<b>4</b>	<b>1</b>	<b>513</b>	<b>649</b>	<b>91</b>	<b>46</b>	<b>61</b>	<b>88</b>	<b>363</b>	<b>184</b>	<b>220</b>	<b>1,926</b>	<b>139</b>	<b>1,458</b>	<b>3,658</b>	<b>8,888</b>

**Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2006-07 to 2010-11**

		Index (UK identifiable expenditure = 100)										Total Expenditure on Services								
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry		of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	
<b>2006-07</b>																				
North East	81	80	108	135	103	104	211	89	130	94	71	79	104	109	112	105	112	107		
North West	91	90	109	86	105	90	108	80	118	65	87	171	92	107	89	99	108	105		
Yorkshire and the Humber	74	73	109	73	94	90	133	89	103	96	74	77	97	99	96	99	98	97		
East Midlands	82	81	100	105	80	85	92	83	90	130	71	78	64	89	81	94	94	90		
West Midlands	94	94	102	103	94	85	92	66	110	82	81	75	72	99	81	101	102	97		
East	85	84	99	116	74	77	45	128	74	107	73	87	57	88	71	87	90	86		
London	118	118	95	118	167	134	73	129	113	12	189	79	183	108	119	119	101	115		
South East	75	75	96	104	79	74	35	110	66	63	86	91	54	91	77	89	87	85		
South West	78	78	96	120	74	83	52	78	74	157	76	88	51	91	81	88	97	90		
<b>England</b>	<b>88</b>	<b>87</b>	<b>101</b>	<b>105</b>	<b>99</b>	<b>92</b>	<b>83</b>	<b>97</b>	<b>95</b>	<b>83</b>	<b>95</b>	<b>95</b>	<b>88</b>	<b>98</b>	<b>89</b>	<b>98</b>	<b>98</b>	<b>97</b>		
Scotland	151	152	94	95	92	158	180	147	92	160	164	139	172	114	157	116	109	118		
Wales	173	175	96	77	95	130	234	61	163	163	93	130	83	109	168	103	115	113		
Northern Ireland	186	188	94	6	166	124	130	102	150	324	69	94	268	110	144	110	117	123		
<b>UK identifiable expenditure</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>		
<b>2007-08</b>																				
North East	81	80	122	91	106	103	224	87	130	85	69	81	101	108	112	105	112	107		
North West	80	79	126	89	106	90	108	78	118	59	89	152	121	108	85	101	108	106		
Yorkshire and the Humber	72	71	124	122	95	86	138	87	103	81	69	80	88	98	90	97	98	96		
East Midlands	91	90	99	109	81	83	94	82	90	101	74	78	54	91	84	94	93	90		
West Midlands	103	103	106	96	93	84	99	69	111	71	80	75	71	99	84	102	102	98		
East	86	86	97	119	76	76	48	107	74	107	74	84	53	86	75	89	89	85		
London	105	105	90	107	166	133	54	125	111	12	186	86	169	112	110	120	101	115		
South East	77	77	89	102	78	74	38	107	65	61	84	97	54	89	78	89	87	85		
South West	85	84	90	112	76	78	57	85	72	135	72	110	59	92	74	87	97	90		
<b>England</b>	<b>87</b>	<b>87</b>	<b>103</b>	<b>105</b>	<b>99</b>	<b>90</b>	<b>83</b>	<b>94</b>	<b>95</b>	<b>74</b>	<b>94</b>	<b>96</b>	<b>88</b>	<b>98</b>	<b>87</b>	<b>98</b>	<b>97</b>	<b>97</b>		
Scotland	149	150	85	91	91	171	198	179	91	215	167	141	160	114	156	112	110	118		
Wales	188	190	85	78	95	127	200	62	160	189	95	102	81	107	182	103	116	112		
Northern Ireland	189	192	85	6	152	138	128	100	175	377	89	87	304	104	171	108	120	124		
<b>UK identifiable expenditure</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>		

**Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2006-07 to 2010-11 (continued)**

		Index (UK identifiable expenditure = 100)										Total Expenditure on Services							
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry		of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection
<b>2008-09</b>		100	100	97	89	106	98	188	81	127	81	74	83	106	110	108	110	111	108
North East		100	100	97	89	106	98	188	81	127	81	74	83	106	110	108	110	111	108
North West		84	84	97	89	107	89	113	77	116	59	88	141	111	107	89	101	108	108
Yorkshire and the Humber		66	65	97	85	92	86	113	83	103	81	77	86	85	100	89	99	98	96
East Midlands		78	78	97	123	82	80	89	79	91	108	68	81	60	91	78	95	94	90
West Midlands		97	97	97	102	92	84	100	64	111	72	82	77	74	99	83	101	103	98
East		90	90	97	135	74	81	61	124	75	107	76	89	55	88	74	88	90	86
London		107	107	96	109	169	125	80	129	104	11	173	88	176	112	112	119	99	114
South East		73	72	117	109	78	85	54	105	68	97	91	92	59	89	79	90	88	86
South West		87	87	97	117	75	85	65	96	75	148	74	108	58	93	77	89	98	91
<b>England</b>		<b>87</b>	<b>86</b>	<b>100</b>	<b>107</b>	<b>99</b>	<b>91</b>	<b>88</b>	<b>96</b>	<b>94</b>	<b>81</b>	<b>94</b>	<b>96</b>	<b>90</b>	<b>98</b>	<b>87</b>	<b>99</b>	<b>98</b>	<b>97</b>
Scotland		159	161	97	72	91	156	162	168	101	168	158	137	143	111	158	108	109	115
Wales		183	185	104	84	96	124	165	60	164	165	103	117	85	105	173	103	115	111
Northern Ireland		178	180	97	2	151	145	153	88	159	342	91	86	302	105	176	105	114	122
<b>UK identifiable expenditure</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>2009-10</b>																			
North East		87	87	98	91	101	95	164	93	124	85	73	77	121	108	119	106	112	108
North West		82	82	98	91	105	93	106	82	114	56	97	166	84	108	84	102	108	105
Yorkshire and the Humber		74	74	98	74	94	88	113	84	106	91	79	82	83	99	89	99	98	96
East Midlands		91	91	98	97	81	82	85	85	94	118	71	80	65	90	83	95	95	90
West Midlands		96	96	98	94	94	81	99	68	114	75	75	74	77	99	76	102	103	98
East		81	81	98	130	73	86	60	125	78	138	77	84	65	89	76	89	91	88
London		103	103	98	109	165	141	82	135	104	8	199	83	184	115	128	120	98	115
South East		73	72	109	112	79	69	46	104	71	58	73	90	68	90	75	89	88	86
South West		86	86	98	95	76	75	65	71	76	146	60	106	67	92	81	90	97	91
<b>England</b>		<b>86</b>	<b>85</b>	<b>100</b>	<b>101</b>	<b>99</b>	<b>91</b>	<b>84</b>	<b>97</b>	<b>96</b>	<b>80</b>	<b>95</b>	<b>96</b>	<b>92</b>	<b>99</b>	<b>89</b>	<b>99</b>	<b>98</b>	<b>97</b>
Scotland		162	163	98	130	93	155	162	156	95	179	155	141	145	108	158	104	108	113
Wales		194	196	106	87	97	131	201	65	140	182	106	111	79	104	151	101	114	111
Northern Ireland		178	180	98	2	163	146	204	94	171	327	85	77	239	101	155	105	115	120
<b>UK identifiable expenditure</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2006-07 to 2010-11 (continued)**

		Index (UK identifiable expenditure = 100)										Total Expenditure on Services							
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry		of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection
<b>2010-11</b>																			
	North East	88	87	99	89	101	90	148	86	129	90	70	73	119	109	117	104	112	107
	North West	83	82	99	90	105	90	102	82	115	51	93	167	85	107	82	103	109	106
	Yorkshire and the Humber	75	74	99	72	93	83	93	81	111	86	76	80	84	99	87	97	99	96
	East Midlands	93	93	99	96	80	79	76	85	95	129	65	82	65	91	78	96	96	91
	West Midlands	100	100	99	94	93	75	91	66	115	73	67	74	75	99	77	102	103	98
	East	82	82	99	129	73	92	51	129	78	135	90	84	59	89	77	90	91	88
	London	101	101	99	108	164	150	79	128	105	5	213	83	180	115	132	119	98	115
	South East	72	71	105	111	78	63	43	105	69	49	66	89	62	89	74	89	88	85
	South West	88	88	99	94	76	73	69	76	74	134	58	108	60	91	78	92	98	91
	<b>England</b>	<b>86</b>	<b>86</b>	<b>100</b>	<b>100</b>	<b>98</b>	<b>90</b>	<b>78</b>	<b>96</b>	<b>96</b>	<b>76</b>	<b>95</b>	<b>96</b>	<b>89</b>	<b>99</b>	<b>89</b>	<b>99</b>	<b>98</b>	<b>97</b>
	Scotland	155	157	99	130	96	159	203	151	96	209	148	144	154	108	168	106	109	114
	Wales	188	190	106	108	97	137	242	78	114	190	110	110	110	105	145	102	115	113
	Northern Ireland	189	191	99	2	171	155	208	106	195	325	99	75	246	109	161	103	110	120
	<b>UK identifiable expenditure</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table 9.17 Total local government identifiable expenditure on services by country and region, 2006-07 to 2010-11**

	As a per cent of total spending in that region (from Table 9.1)																			
	National Statistics						National Statistics													
	2006-07		2007-08		2008-09		2009-10		2010-11		2006-07		2007-08		2008-09		2009-10		2010-11	
	outturn		outturn		outturn		outturn		outturn		outturn		outturn		outturn		outturn		outturn	
	£ million																			
North East	5,829	6,178	6,749	7,096	7,335	7,335	7,096	7,335	7,335	7,335	29	29	30	29	29	30	29	29	30	30
North West	15,453	16,566	17,803	18,531	19,162	19,162	18,531	19,162	19,162	19,162	30	30	30	30	30	30	29	29	29	29
Yorkshire and the Humber	10,651	11,095	11,920	12,509	12,923	12,923	12,509	12,923	12,923	12,923	29	29	29	29	28	29	28	28	29	29
East Midlands	8,280	8,784	9,393	9,958	10,303	10,303	9,958	10,303	10,303	10,303	29	29	29	29	28	29	28	28	28	28
West Midlands	11,576	12,260	12,890	13,414	13,895	13,895	13,414	13,895	13,895	13,895	30	30	30	30	30	30	29	29	29	29
East	10,570	11,372	12,254	13,141	13,641	13,641	13,141	13,641	13,641	13,641	30	31	30	31	30	30	30	30	30	30
London	24,269	25,169	26,880	28,717	29,896	29,896	28,717	29,896	29,896	29,896	39	38	37	38	37	37	37	37	37	37
South East	15,196	16,031	17,425	18,273	18,946	18,946	18,273	18,946	18,946	18,946	30	30	30	30	29	29	29	29	29	30
South West	9,472	10,099	11,176	11,669	12,132	12,132	11,669	12,132	12,132	12,132	28	28	28	28	29	29	28	28	28	28
<b>Total England</b>	<b>111,296</b>	<b>117,554</b>	<b>126,490</b>	<b>133,309</b>	<b>138,233</b>	<b>138,233</b>	<b>133,309</b>	<b>138,233</b>	<b>138,233</b>	<b>138,233</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>31</b>	<b>31</b>
Scotland	12,621	13,442	14,382	14,824	15,544	15,544	14,824	15,544	15,544	15,544	29	29	29	29	30	30	29	29	29	29
Wales	6,920	7,299	7,856	7,938	8,198	8,198	7,938	8,198	8,198	8,198	28	28	28	28	29	29	27	27	27	27
Northern Ireland <sup>(1)</sup>	464	609	620	565	619	619	565	619	619	619	3	4	4	4	3	3	3	3	3	3
<b>UK local government identifiable expenditure</b>	<b>131,301</b>	<b>138,904</b>	<b>149,348</b>	<b>156,635</b>	<b>162,595</b>	<b>162,595</b>	<b>156,635</b>	<b>162,595</b>	<b>162,595</b>	<b>162,595</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>
Non-identifiable expenditure	518	692	514	6	3	3	6	3	3	3	1	1	1	1	1	0	0	0	0	0
<b>Total local government expenditure on services</b>	<b>131,819</b>	<b>139,596</b>	<b>149,862</b>	<b>156,641</b>	<b>162,598</b>	<b>162,598</b>	<b>156,641</b>	<b>162,598</b>	<b>162,598</b>	<b>162,598</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
Accounting adjustments	14,361	15,567	16,918	16,126	12,506	12,506	16,126	12,506	12,506	12,506	53	56	56	56	64	60	60	60	52	52
<b>Total local government expenditure</b>	<b>146,180</b>	<b>155,163</b>	<b>166,780</b>	<b>172,767</b>	<b>175,104</b>	<b>175,104</b>	<b>172,767</b>	<b>175,104</b>	<b>175,104</b>	<b>175,104</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>25</b>	<b>25</b>

<sup>(1)</sup> Note that local government spending in Northern Ireland appears unusually low to the rest of the UK in these tables because spending that is undertaken by local government in Great Britain is mostly undertaken by Northern Ireland departments.

**Table 9.18 Total local government identifiable expenditure on services by country and region, per head 2006-07 to 2010-11**

	£ per head					Index (UK identifiable expenditure = 100)				
	National Statistics					National Statistics				
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn
North East	2,283	2,413	2,626	2,746	2,814	105	106	108	108	108
North West	2,255	2,414	2,590	2,686	2,763	104	106	106	106	106
Yorkshire and the Humber	2,070	2,141	2,285	2,379	2,438	95	94	94	94	93
East Midlands	1,898	1,998	2,121	2,237	2,299	88	88	87	88	88
West Midlands	2,159	2,280	2,383	2,470	2,547	100	100	98	97	98
East	1,890	2,013	2,143	2,279	2,339	87	88	88	90	90
London	3,216	3,311	3,505	3,704	3,820	148	145	144	146	146
South East	1,848	1,933	2,082	2,166	2,223	85	85	86	85	85
South West	1,849	1,950	2,145	2,231	2,301	85	86	88	88	88
<b>Total England</b>	<b>2,192</b>	<b>2,300</b>	<b>2,458</b>	<b>2,573</b>	<b>2,646</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>102</b>	<b>101</b>
Scotland	2,466	2,613	2,783	2,854	2,977	114	115	114	113	114
Wales	2,336	2,452	2,627	2,647	2,727	108	108	108	104	104
Northern Ireland <sup>(1)</sup>	267	346	349	316	344	12	15	14	12	13
<b>UK local government identifiable expenditure</b>	<b>2,167</b>	<b>2,278</b>	<b>2,432</b>	<b>2,535</b>	<b>2,611</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

<sup>(1)</sup> Note that local government spending in Northern Ireland appears unusually low to the rest of the UK in these tables because spending that is undertaken by local government in Great Britain is mostly undertaken by Northern Ireland departments.

**Table 9.19 Total central government and public corporations' identifiable expenditure on services by country and region, 2006-07 to 2010-11**

	As a per cent of total spending in that region from 9.1									
	National Statistics					National Statistics				
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn
	£ million									
North East	14,167	14,906	16,102	17,348	17,430	71	71	70	71	70
North West	36,870	38,984	41,530	45,395	45,940	70	70	70	71	71
Yorkshire and the Humber	25,544	26,898	29,123	31,983	32,200	71	71	71	72	71
East Midlands	20,194	21,447	23,319	25,429	25,990	71	71	71	72	72
West Midlands	26,483	28,090	30,461	33,366	33,453	70	70	70	71	71
East	24,335	25,539	28,153	31,204	32,046	70	69	70	70	70
London	38,757	41,776	44,856	49,948	49,903	61	62	63	63	63
South East	35,863	38,087	41,919	45,105	45,224	70	70	71	71	70
South West	23,990	25,610	27,802	30,063	30,561	72	72	71	72	72
<b>Total England</b>	<b>246,204</b>	<b>261,337</b>	<b>283,266</b>	<b>309,840</b>	<b>312,745</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>70</b>	<b>69</b>
Scotland	31,325	33,087	34,327	36,830	37,540	71	71	70	71	71
Wales	17,545	18,324	19,485	21,232	21,916	72	72	71	73	73
Northern Ireland <sup>(1)</sup>	15,145	16,173	17,209	18,308	18,578	97	96	97	97	97
<b>UK central government and public corporations' identifiable expenditure</b>	<b>310,219</b>	<b>328,922</b>	<b>354,287</b>	<b>386,211</b>	<b>390,779</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>71</b>	<b>71</b>
Outside UK	12,222	13,738	12,099	16,288	19,373	100	100	100	100	100
<b>Total central government and public corporations' identifiable expenditure</b>	<b>322,440</b>	<b>342,660</b>	<b>366,386</b>	<b>402,498</b>	<b>410,152</b>	<b>71</b>	<b>71</b>	<b>71</b>	<b>72</b>	<b>72</b>
Non-identifiable expenditure <sup>(2)</sup>	68,861	73,027	87,183	84,015	92,746	99	99	99	100	100
<b>Total central government and public corporations' expenditure on services</b>	<b>391,301</b>	<b>415,687</b>	<b>453,569</b>	<b>486,514</b>	<b>502,898</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>76</b>	<b>76</b>
Accounting adjustments	12,564	12,087	9,396	10,869	11,632	47	44	36	40	48
<b>Total central government and public corporations' expenditure <sup>(3)</sup></b>	<b>403,865</b>	<b>427,774</b>	<b>462,965</b>	<b>497,383</b>	<b>514,530</b>	<b>73</b>	<b>73</b>	<b>74</b>	<b>74</b>	<b>75</b>

<sup>(1)</sup> Note, total central government and public corporation spending in Northern Ireland is relatively high in these tables because spending that is undertaken by local government in Great Britain is mostly undertaken by Northern Ireland departments.

<sup>(2)</sup> The increase in 2008-09 relates to the financial sector interventions See Box 5.A for details.

<sup>(3)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 9.20 Total central government and public corporations' identifiable expenditure on services by country and region per head, 2006-07 to 2010-11**

	National Statistics					£ per head
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
North East	5,550	5,822	6,264	6,713	6,687	
North West	5,381	5,680	6,042	6,581	6,624	
Yorkshire and the Humber	4,963	5,191	5,582	6,083	6,074	
East Midlands	4,629	4,878	5,265	5,713	5,799	
West Midlands	4,939	5,223	5,632	6,144	6,132	
East	4,351	4,521	4,924	5,411	5,495	
London	5,136	5,495	5,850	6,442	6,377	
South East	4,361	4,591	5,009	5,347	5,306	
South West	4,682	4,945	5,336	5,747	5,795	
<b>Total England</b>	<b>4,850</b>	<b>5,114</b>	<b>5,504</b>	<b>5,980</b>	<b>5,987</b>	
Scotland	6,122	6,432	6,642	7,091	7,189	
Wales	5,924	6,157	6,517	7,079	7,290	
Northern Ireland <sup>(1)</sup>	8,696	9,194	9,695	10,234	10,324	
<b>UK central government and public corporations' identifiable expenditure</b>	<b>5,120</b>	<b>5,393</b>	<b>5,770</b>	<b>6,250</b>	<b>6,276</b>	

	National Statistics					Index (UK identifiable expenditure = 100)
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
North East	108	108	109	107	107	
North West	105	105	105	105	106	
Yorkshire and the Humber	97	96	97	97	97	
East Midlands	90	90	91	91	92	
West Midlands	96	97	98	98	98	
East	85	84	85	87	88	
London	100	102	101	103	102	
South East	85	85	87	86	85	
South West	91	92	92	92	92	
<b>Total England</b>	<b>95</b>	<b>95</b>	<b>95</b>	<b>96</b>	<b>95</b>	
Scotland	120	119	115	113	115	
Wales	116	114	113	113	116	
Northern Ireland <sup>(1)</sup>	170	170	168	164	164	
<b>UK central government and public corporations' identifiable expenditure</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	

<sup>(1)</sup> Note, total central government and public corporation spending in Northern Ireland is relatively high in these tables because spending that is undertaken by local government in Great Britain is mostly undertaken by Northern Ireland departments.

**Table 9.21 Identifiable expenditure on services for Scotland, Wales and Northern Ireland in 2010-11**

Departmental grouping		National Statistics										Total Expenditure on Services							
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry		of which: transport						
<b>Scotland</b>		442	442	-	4	1,141	3,036	400	68	3	869	1,696	314	1,598	10,772	240	2,613	234	20,393
Scottish Government		17	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17
Scotland Office <sup>(1)</sup>		617	617	-	5	1,302	1,478	420	-	-	85	973	738	175	-	882	5,417	4,930	15,544
Local government public corporations		-	-	-	-	-	5	-	-	-	-	5	-	-	-	-	-	-	5
UK government departments		63	44	20	0	123	876	143	293	303	10	127	326	-	49	91	20	15,577	17,125
<b>Total identifiable expenditure in Scotland</b>		<b>1,140</b>	<b>1,120</b>	<b>20</b>	<b>9</b>	<b>2,566</b>	<b>5,394</b>	<b>962</b>	<b>361</b>	<b>306</b>	<b>963</b>	<b>2,801</b>	<b>1,378</b>	<b>1,773</b>	<b>10,821</b>	<b>1,213</b>	<b>8,049</b>	<b>20,741</b>	<b>53,085</b>
<b>Wales</b>		415	415	1	-	18	1,473	497	16	-	489	470	144	351	6,050	127	1,607	117	10,303
Welsh Assembly Government		5	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5
Wales Office <sup>(1)</sup>		309	309	-	4	883	581	103	-	-	9	468	386	373	-	325	2,824	2,513	8,198
Local government public corporations		-	-	-	-	-	3	-	-	-	-	3	-	-	-	-	-	-	3
UK government departments		62	51	11	0	592	626	59	92	210	5	260	79	3	15	152	32	10,045	11,605
<b>Total identifiable expenditure in Wales</b>		<b>792</b>	<b>780</b>	<b>12</b>	<b>4</b>	<b>1,494</b>	<b>2,683</b>	<b>660</b>	<b>108</b>	<b>210</b>	<b>503</b>	<b>1,202</b>	<b>608</b>	<b>727</b>	<b>6,065</b>	<b>603</b>	<b>4,463</b>	<b>12,675</b>	<b>30,115</b>
<b>Northern Ireland</b>		424	424	-	-	1,548	1,707	302	46	213	515	632	55	845	3,733	140	2,709	5,891	17,052
Northern Ireland Executive		34	34	-	-	5	-	-	-	-	-	-	-	-	-	-	-	-	39
Northern Ireland Office		-	-	-	-	-	23	23	-	-	-	-	185	129	54	228	-	-	619
Local government public corporations		19	12	7	0	22	76	14	41	2	2	17	8	0	4	31	5	1,321	1,487
UK government departments		477	470	7	0	1,575	1,806	340	87	214	516	648	248	973	3,790	400	2,715	7,212	19,197

<sup>(1)</sup> This includes public corporations sponsored by central government departments.

# 10 Public expenditure by country and sub-function

---

**10.1** This chapter presents public expenditure by country and sub-function. The figures in this chapter are consistent with **Chapter 9**, with the English local government data reported at England rather than English regional level to allow sub-functional analyses and country comparisons of spending. See **Chapter 9** for further details on the data used in this chapter.

**10.2** Readers need to bear in mind two points about this chapter:

- most public spending is planned to benefit categories of individuals and enterprises irrespective of location, or where locations are prioritised using national criteria. The regional analyses presented in this chapter show where the individuals and enterprises that benefited from public spending were located. It does not mean that all such spending was planned to benefit a particular region because only a minority of public spending is planned on a regional basis; and
- the information in **Chapters 9 and 10** was gathered in a separate data collection exercise during the summer of 2011. Therefore, the figures in these chapters are not entirely consistent with the figures in other PESA chapters. The Chapter 10 tables are similar to those published in the CRA National Statistics release from October 2011.<sup>1</sup> The main differences being that corrections have been made to Wales education data for 2010-11 in **Tables 10.3 and 10.7**.

**10.3 Tables 10.5 to 10.8** in this chapter present the total identifiable expenditure on services for each country per head. While this makes figures more easily comparable, it draws attention to any inconsistencies in the sub-functional classification of spending across countries.

**10.4** The tables in this chapter present public sector expenditure on services by country and sub-function:

- **Table 10.1** shows total identifiable expenditure on services for England by sub-function;
- **Table 10.2** shows total identifiable expenditure on services for Scotland by sub-function;
- **Table 10.3** shows total identifiable expenditure on services for Wales by sub-function;
- **Table 10.4** shows total identifiable expenditure on services for Northern Ireland by sub-function;
- **Table 10.5** shows total identifiable expenditure on services for England by sub-function per head;
- **Table 10.6** shows total identifiable expenditure on services for Scotland by sub-function per head;
- **Table 10.7** shows total identifiable expenditure on services for Wales by sub-function per head; and
- **Table 10.8** shows total identifiable expenditure on services for Northern Ireland by sub-function per head.

---

<sup>1</sup> [http://www.hm-treasury.gov.uk/pespb\\_natstats\\_oct2011.htm](http://www.hm-treasury.gov.uk/pespb_natstats_oct2011.htm)

**Table 10.1 Total identifiable expenditure on services in England by sub-function, 2006-07 to 2010-11**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	2,991	2,863	3,130	2,961	2,860	
1.2 Foreign economic aid	9	26	6	3	2	
1.3 General services	950	889	993	1,092	1,102	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	11	11	9	11	7	
1.6 General public services n.e.c.	1,647	1,770	2,118	2,101	2,361	
<b>Total general public services</b>	<b>5,608</b>	<b>5,559</b>	<b>6,255</b>	<b>6,166</b>	<b>6,332</b>	
<b>2. Defence</b>						
2.1 Military defence	-	-	-	-	-	
2.2 Civil defence	80	80	74	69	72	
2.3 Foreign military aid	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	
2.5 Defence n.e.c.	-	-	-	-	-	
<b>Total defence</b>	<b>80</b>	<b>80</b>	<b>74</b>	<b>69</b>	<b>72</b>	
<b>3. Public order and safety</b>						
3.1 Police services	12,590	12,798	13,912	14,284	14,197	
<i>of which: immigration and citizenship</i>	4	3	16	12	36	
<i>of which: other police services</i>	12,586	12,795	13,896	14,272	14,161	
3.2 Fire-protection services	2,182	2,365	2,478	2,495	2,537	
3.3 Law courts	5,363	5,689	5,825	5,479	5,422	
3.4 Prisons	3,195	3,669	3,972	4,047	3,908	
3.5 R&D public order and safety	13	23	22	26	13	
3.6 Public order and safety n.e.c.	239	259	262	275	237	
<b>Total public order and safety</b>	<b>23,581</b>	<b>24,803</b>	<b>26,472</b>	<b>26,607</b>	<b>26,315</b>	
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	5,057	5,389	5,650	5,656	5,358	
4.2 Agriculture, forestry, fishing and hunting	3,515	2,635	3,943	3,876	3,512	
<i>of which: market support under CAP</i>	2,515	1,617	2,980	2,943	2,680	
<i>of which: other agriculture, food and fisheries policy</i>	951	955	910	888	788	
<i>of which: forestry</i>	50	63	53	46	44	
4.3 Fuel and energy	1,054	878	649	377	308	
4.4 Mining, manufacturing and construction	-24	-184	236	528	255	
4.5 Transport	15,555	15,882	16,217	17,787	17,971	
<i>of which: national roads</i>	2,687	2,635	2,908	3,447	2,881	
<i>of which: local roads</i>	3,721	3,871	4,219	4,366	4,189	
<i>of which: local public transport</i>	2,500	2,686	3,096	3,460	4,414	
<i>of which: railway</i>	6,308	6,295	5,624	6,144	6,176	
<i>of which: other transport</i>	339	395	370	369	311	
4.6 Communication <sup>(1)</sup>	72	77	75	72	95	
4.7 Other industries	208	188	190	202	186	
4.8 R&D economic affairs	1,791	2,184	2,173	2,479	2,293	
4.9 Economic affairs n.e.c.	440	452	382	548	557	
<b>Total economic affairs</b>	<b>27,668</b>	<b>27,502</b>	<b>29,515</b>	<b>31,526</b>	<b>30,535</b>	
<b>5. Environment protection</b>						
5.1 Waste management	4,442	4,634	4,508	5,217	5,629	
5.2 Waste water management	38	34	49	58	46	
5.3 Pollution abatement	243	173	208	312	361	
5.4 Protection of biodiversity and landscape	322	303	314	293	319	
5.5 R&D environment protection	105	123	104	135	140	
5.6 Environment protection n.e.c.	2,090	2,195	2,294	2,498	2,701	
<b>Total environment protection</b>	<b>7,240</b>	<b>7,461</b>	<b>7,476</b>	<b>8,514</b>	<b>9,197</b>	

**Table 10.1 Total identifiable expenditure on services in England by sub-function, 2006-07 to 2010-11 (continued)**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
<b>6. Housing and community amenities</b>						
6.1 Housing development	5,414	6,078	7,420	8,762	6,761	
<i>of which: local authority housing</i>	3,302	3,796	4,588	4,781	3,931	
<i>of which: other social housing</i>	2,112	2,282	2,832	3,981	2,829	
6.2 Community development	2,534	2,845	3,170	3,041	2,772	
6.3 Water supply	3	2	4	4	3	
6.4 Street lighting	466	513	577	563	589	
6.5 R&D housing and community amenities	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	90	88	88	102	114	
<b>Total housing and community amenities</b>	<b>8,508</b>	<b>9,525</b>	<b>11,260</b>	<b>12,472</b>	<b>10,239</b>	
<b>7. Health<sup>(2)</sup></b>						
Medical services	75,776	82,182	88,822	95,910	98,268	
Health research	230	231	295	327	323	
Central and other health services	919	922	918	1,035	657	
<b>Total health</b>	<b>76,926</b>	<b>83,335</b>	<b>90,035</b>	<b>97,272</b>	<b>99,249</b>	
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	2,354	2,406	2,623	2,869	2,809	
8.2 Cultural services	2,985	3,032	3,077	3,269	3,285	
8.3 Broadcasting and publishing services	1	1	1	1	68	
8.4 Religious and other community services	79	91	84	88	78	
8.5 R&D recreation, culture and religion	98	111	125	122	118	
8.6 Recreation, culture and religion n.e.c.	57	52	53	58	52	
<b>Total recreation, culture and religion</b>	<b>5,573</b>	<b>5,693</b>	<b>5,962</b>	<b>6,407</b>	<b>6,410</b>	
<b>9. Education</b>						
9.1 Pre-primary and primary education	21,093	22,565	23,872	25,030	25,952	
<i>of which: under fives</i>	3,764	4,036	4,194	4,395	4,441	
<i>of which: primary education</i>	17,329	18,529	19,678	20,635	21,511	
9.2 Secondary education	25,417	26,827	28,649	31,096	33,114	
9.3 Post-secondary non-tertiary education	164	178	364	364	380	
9.4 Tertiary education	7,783	9,031	9,212	10,384	10,606	
9.5 Education not definable by level	283	311	276	346	374	
9.6 Subsidiary services to education	2,890	3,033	3,770	3,411	3,420	
9.7 R&D education	13	11	11	12	-	
9.8 Education n.e.c.	2,220	2,503	2,696	3,111	1,685	
<b>Total education</b>	<b>59,864</b>	<b>64,460</b>	<b>68,850</b>	<b>73,754</b>	<b>75,531</b>	
<b>10. Social protection</b>						
<i>of which: personal social services</i>	21,136	22,289	23,562	24,953	25,429	
10.1 Sickness and disability	24,882	26,149	27,420	29,591	30,514	
<i>of which: personal social services</i>	5,429	6,011	6,437	6,967	7,065	
<i>of which: incapacity, disability and injury benefits</i>	19,453	20,138	20,983	22,624	23,450	
10.2 Old age	59,487	63,820	70,202	74,869	77,926	
<i>of which: personal social services</i>	7,425	7,699	8,123	8,498	8,526	
<i>of which: pensions</i>	52,062	56,121	62,079	66,372	69,400	
10.3 Survivors	883	857	823	795	802	
10.4 Family and children	23,002	23,994	25,054	26,113	26,257	
<i>of which: personal social services</i>	5,597	5,866	6,294	6,861	6,874	
<i>of which: family benefits, income support and tax credits</i>	17,405	18,128	18,760	19,252	19,383	
10.5 Unemployment	3,466	3,297	4,025	5,607	5,433	
<i>of which: personal social services</i>	1,169	1,210	1,068	959	1,134	
<i>of which: other unemployment benefits</i>	2,298	2,088	2,957	4,648	4,300	
10.6 Housing	14,646	15,490	16,693	19,604	21,101	
10.7 Social exclusion n.e.c.	13,303	14,379	17,326	20,346	21,742	
<i>of which: personal social services</i>	1,516	1,502	1,641	1,668	1,831	
<i>of which: family benefits, income support and tax credits</i>	11,787	12,876	15,685	18,677	19,911	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	2,783	2,487	2,313	3,437	3,323	
<b>Total social protection</b>	<b>142,453</b>	<b>150,474</b>	<b>163,856</b>	<b>180,361</b>	<b>187,100</b>	
<b>Total Expenditure on Services in England</b>	<b>357,500</b>	<b>378,892</b>	<b>409,756</b>	<b>443,149</b>	<b>450,978</b>	

<sup>(1)</sup> Since publication of PESA 2011, spending for Royal Mail Group has moved from identifiable to non-identifiable. A country and regional split previously used to allocate spending for Royal Mail group data was no longer of sufficient quality to produce an accurate regional breakdown.

<sup>(2)</sup> The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

**Table 10.2 Total identifiable expenditure on services in Scotland by sub-function, 2006-07 to 2010-11**

	National Statistics				
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn
<b>£ million</b>					
<b>1. General public services</b>					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	672	712	707	763	723
1.2 Foreign economic aid	-	-	-	-	-
1.3 General services	20	20	15	11	12
1.4 Basic research	-	-	-	-	-
1.5 R&D general public services	18	9	10	10	10
1.6 General public services n.e.c.	264	215	423	385	395
<b>Total general public services</b>	<b>973</b>	<b>956</b>	<b>1,155</b>	<b>1,168</b>	<b>1,140</b>
<b>2. Defence</b>					
2.1 Military defence	-	-	-	-	-
2.2 Civil defence	7	7	5	9	9
2.3 Foreign military aid	-	-	-	-	-
2.4 R&D defence	-	-	-	-	-
2.5 Defence n.e.c.	-	-	-	-	-
<b>Total defence</b>	<b>7</b>	<b>7</b>	<b>5</b>	<b>9</b>	<b>9</b>
<b>3. Public order and safety</b>					
3.1 Police services	1,113	1,173	1,242	1,299	1,290
<i>of which: immigration and citizenship</i>	0	0	2	1	4
<i>of which: other police services</i>	1,113	1,173	1,240	1,298	1,287
3.2 Fire-protection services	273	282	299	339	326
3.3 Law courts	452	494	506	518	507
3.4 Prisons	323	289	347	305	400
3.5 R&D public order and safety	1	1	1	1	1
3.6 Public order and safety n.e.c.	41	48	43	45	42
<b>Total public order and safety</b>	<b>2,203</b>	<b>2,287</b>	<b>2,438</b>	<b>2,507</b>	<b>2,566</b>
<b>4. Economic affairs</b>					
4.1 General economic, commercial and labour affairs	697	730	649	675	820
4.2 Agriculture, forestry, fishing and hunting	686	771	823	875	963
<i>of which: market support under CAP</i>	449	479	515	536	486
<i>of which: other agriculture, food and fisheries policy</i>	151	209	228	280	389
<i>of which: forestry</i>	86	84	80	60	88
4.3 Fuel and energy	157	127	116	56	47
4.4 Mining, manufacturing and construction	21	81	114	168	164
4.5 Transport	2,706	2,835	2,733	2,921	2,801
<i>of which: national roads</i>	484	457	506	613	562
<i>of which: local roads</i>	651	626	654	684	655
<i>of which: local public transport</i>	239	247	266	275	266
<i>of which: railway</i>	1,070	1,156	917	938	906
<i>of which: other transport</i>	262	349	390	410	413
4.6 Communication <sup>(1)</sup>	20	27	30	27	20
4.7 Other industries	79	86	87	87	81
4.8 R&D economic affairs	273	417	382	400	361
4.9 Economic affairs n.e.c.	184	203	133	151	138
<b>Total economic affairs</b>	<b>4,823</b>	<b>5,277</b>	<b>5,067</b>	<b>5,360</b>	<b>5,394</b>
<b>5. Environment protection</b>					
5.1 Waste management	682	697	648	812	910
5.2 Waste water management	-	-	-	-	-
5.3 Pollution abatement	7	9	12	14	36
5.4 Protection of biodiversity and landscape	225	177	203	192	187
5.5 R&D environment protection	17	19	23	21	22
5.6 Environment protection n.e.c.	142	203	192	218	224
<b>Total environment protection</b>	<b>1,073</b>	<b>1,105</b>	<b>1,077</b>	<b>1,257</b>	<b>1,378</b>

**Table 10.2 Total identifiable expenditure on services in Scotland by sub-function, 2006-07 to 2010-11 (continued)**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
<b>6. Housing and community amenities</b>						
6.1 Housing development	874	950	953	1,095	1,010	
<i>of which: local authority housing</i>	292	357	501	569	658	
<i>of which: other social housing</i>	581	593	452	527	352	
6.2 Community development	116	119	123	210	136	
6.3 Water supply	661	619	701	651	585	
6.4 Street lighting	8	8	10	8	11	
6.5 R&D housing and community amenities	9	8	5	4	8	
6.6 Housing and community amenities n.e.c.	12	43	10	1	23	
<b>Total housing and community amenities</b>	<b>1,679</b>	<b>1,746</b>	<b>1,802</b>	<b>1,970</b>	<b>1,773</b>	
<b>7. Health<sup>(2)</sup></b>						
Medical services	8,906	9,603	10,045	10,244	10,484	
Health research	37	43	58	109	112	
Central and other health services	92	81	76	241	225	
<b>Total health</b>	<b>9,035</b>	<b>9,727</b>	<b>10,179</b>	<b>10,593</b>	<b>10,821</b>	
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	497	523	558	599	641	
8.2 Cultural services	439	467	480	494	531	
8.3 Broadcasting and publishing services	24	11	12	10	7	
8.4 Religious and other community services	21	19	21	24	24	
8.5 R&D recreation, culture and religion	7	8	10	10	9	
8.6 Recreation, culture and religion n.e.c.	1	1	1	1	1	
<b>Total recreation, culture and religion</b>	<b>990</b>	<b>1,029</b>	<b>1,081</b>	<b>1,139</b>	<b>1,213</b>	
<b>9. Education</b>						
9.1 Pre-primary and primary education	2,584	2,731	2,834	2,809	3,031	
<i>of which: under fives</i>	289	307	309	307	320	
<i>of which: primary education</i>	2,294	2,423	2,525	2,502	2,711	
9.2 Secondary education	2,629	2,660	2,731	2,774	2,943	
9.3 Post-secondary non-tertiary education	133	140	148	137	142	
9.4 Tertiary education	1,394	1,467	1,435	1,593	1,484	
9.5 Education not definable by level	127	83	42	25	26	
9.6 Subsidiary services to education	14	15	197	209	218	
9.7 R&D education	23	19	0	0	0	
9.8 Education n.e.c.	243	254	191	200	206	
<b>Total education</b>	<b>7,147</b>	<b>7,368</b>	<b>7,577</b>	<b>7,748</b>	<b>8,049</b>	
<b>10. Social protection</b>						
<i>of which: personal social services</i>	2,369	2,794	2,997	3,139	3,265	
10.1 Sickness and disability	3,098	3,312	3,472	3,738	3,859	
<i>of which: personal social services</i>	524	675	747	789	833	
<i>of which: incapacity, disability and injury benefits</i>	2,575	2,637	2,725	2,949	3,026	
10.2 Old age	6,443	7,022	7,810	8,321	8,692	
<i>of which: personal social services</i>	949	1,132	1,246	1,295	1,313	
<i>of which: pensions</i>	5,495	5,889	6,564	7,026	7,379	
10.3 Survivors	150	155	154	151	149	
10.4 Family and children	2,536	2,684	2,746	2,822	2,871	
<i>of which: personal social services</i>	634	714	747	798	827	
<i>of which: family benefits, income support and tax credits</i>	1,902	1,970	1,999	2,024	2,044	
10.5 Unemployment	400	365	417	561	638	
<i>of which: personal social services</i>	149	152	130	119	152	
<i>of which: other unemployment benefits</i>	251	213	287	441	486	
10.6 Housing	1,570	1,609	1,682	1,844	2,006	
10.7 Social exclusion n.e.c.	1,392	1,494	1,644	1,944	2,053	
<i>of which: personal social services</i>	114	121	127	137	140	
<i>of which: family benefits, income support and tax credits</i>	1,278	1,373	1,517	1,807	1,913	
10.8 R&D social protection	0	0	1	-	-	
10.9 Social protection n.e.c.	424	386	401	521	474	
<b>Total social protection</b>	<b>16,014</b>	<b>17,027</b>	<b>18,327</b>	<b>19,902</b>	<b>20,741</b>	
<b>Total Expenditure on Services in Scotland</b>	<b>43,945</b>	<b>46,529</b>	<b>48,709</b>	<b>51,654</b>	<b>53,085</b>	

<sup>(1)</sup> Since publication of PESA 2011, spending for Royal Mail Group has moved from identifiable to non-identifiable. A country and regional split previously used to allocate spending for Royal Mail group data was no longer of sufficient quality to produce an accurate regional breakdown.

<sup>(2)</sup> The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

**Table 10.3 Total identifiable expenditure on services in Wales by sub-function, 2006-07 to 2010-11**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	522	544	580	613	607	
1.2 Foreign economic aid	0	-	1	1	1	
1.3 General services	25	34	36	41	43	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	0	0	0	1	1	
1.6 General public services n.e.c.	100	123	153	152	139	
<b>Total general public services</b>	<b>648</b>	<b>700</b>	<b>770</b>	<b>807</b>	<b>792</b>	
<b>2. Defence</b>						
2.1 Military defence	-	-	-	-	-	
2.2 Civil defence	3	3	3	3	4	
2.3 Foreign military aid	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	
2.5 Defence n.e.c.	-	-	-	-	-	
<b>Total defence</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	
<b>3. Public order and safety</b>						
3.1 Police services	686	702	744	768	781	
<i>of which: immigration and citizenship</i>	0	0	1	1	2	
<i>of which: other police services</i>	686	701	743	768	779	
3.2 Fire-protection services	172	167	196	195	182	
3.3 Law courts	292	303	305	288	282	
3.4 Prisons	164	194	218	240	235	
3.5 R&D public order and safety	1	1	1	1	1	
3.6 Public order and safety n.e.c.	13	14	14	15	13	
<b>Total public order and safety</b>	<b>1,328</b>	<b>1,380</b>	<b>1,479</b>	<b>1,507</b>	<b>1,494</b>	
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	492	529	518	491	428	
4.2 Agriculture, forestry, fishing and hunting	406	392	466	513	503	
<i>of which: market support under CAP</i>	305	231	271	299	281	
<i>of which: other agriculture, food and fisheries policy</i>	52	139	171	180	180	
<i>of which: forestry</i>	48	22	23	33	41	
4.3 Fuel and energy	160	119	98	51	32	
4.4 Mining, manufacturing and construction	14	5	9	26	-2	
4.5 Transport	888	935	1,028	1,152	1,202	
<i>of which: national roads</i>	187	192	192	238	297	
<i>of which: local roads</i>	338	329	358	334	384	
<i>of which: local public transport</i>	69	114	92	84	85	
<i>of which: railway</i>	260	267	344	450	410	
<i>of which: other transport</i>	34	33	43	46	26	
4.6 Communication <sup>(1)</sup>	58	39	39	41	36	
4.7 Other industries	27	26	26	41	45	
4.8 R&D economic affairs	65	84	79	96	108	
4.9 Economic affairs n.e.c.	191	124	71	222	332	
<b>Total economic affairs</b>	<b>2,302</b>	<b>2,253</b>	<b>2,335</b>	<b>2,633</b>	<b>2,683</b>	
<b>5. Environment protection</b>						
5.1 Waste management	372	306	325	365	388	
5.2 Waste water management	1	1	1	1	1	
5.3 Pollution abatement	0	1	1	1	6	
5.4 Protection of biodiversity and landscape	5	7	9	6	6	
5.5 R&D environment protection	4	6	2	6	7	
5.6 Environment protection n.e.c.	197	139	193	191	200	
<b>Total environment protection</b>	<b>580</b>	<b>460</b>	<b>532</b>	<b>571</b>	<b>608</b>	

**Table 10.3 Total identifiable expenditure on services in Wales by sub-function, 2006-07 to 2010-11 (continued)**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
<b>6. Housing and community amenities</b>						
6.1 Housing development	220	200	340	372	433	
<i>of which: local authority housing</i>	225	232	324	323	339	
<i>of which: other social housing</i>	-5	-32	16	49	94	
6.2 Community development	200	257	220	183	244	
6.3 Water supply	-	-	-	-	-	
6.4 Street lighting	31	34	37	37	40	
6.5 R&D housing and community amenities	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	21	21	27	28	10	
<b>Total housing and community amenities</b>	<b>471</b>	<b>512</b>	<b>624</b>	<b>621</b>	<b>727</b>	
<b>7. Health<sup>(2)</sup></b>						
Medical services	4,930	5,196	5,488	5,836	5,957	
Health research	34	36	39	48	57	
Central and other health services	35	40	35	33	52	
<b>Total health</b>	<b>5,000</b>	<b>5,273</b>	<b>5,562</b>	<b>5,917</b>	<b>6,065</b>	
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	268	326	312	262	241	
8.2 Cultural services	212	237	234	236	226	
8.3 Broadcasting and publishing services	105	99	111	100	106	
8.4 Religious and other community services	7	6	6	6	6	
8.5 R&D recreation, culture and religion	3	2	3	4	4	
8.6 Recreation, culture and religion n.e.c.	22	23	20	19	21	
<b>Total recreation, culture and religion</b>	<b>617</b>	<b>693</b>	<b>687</b>	<b>626</b>	<b>603</b>	
<b>9. Education</b>						
9.1 Pre-primary and primary education	1,243	1,338	1,408	1,476	1,498	
<i>of which: under fives</i>	46	78	93	74	73	
<i>of which: primary education</i>	1,197	1,259	1,315	1,402	1,424	
9.2 Secondary education	1,439	1,497	1,510	1,570	1,632	
9.3 Post-secondary non-tertiary education	-	-	-	-	-	
9.4 Tertiary education	508	537	545	566	623	
9.5 Education not definable by level	196	208	236	261	286	
9.6 Subsidiary services to education	239	305	398	417	387	
9.7 R&D education	0	0	0	0	-	
9.8 Education n.e.c.	65	58	61	48	38	
<b>Total education</b>	<b>3,689</b>	<b>3,943</b>	<b>4,158</b>	<b>4,336</b>	<b>4,463</b>	
<b>10. Social protection</b>						
<i>of which: personal social services</i>	1,595	1,738	1,754	1,789	1,856	
10.1 Sickness and disability	2,409	2,500	2,582	2,782	2,819	
<i>of which: personal social services</i>	430	485	511	544	555	
<i>of which: incapacity, disability and injury benefits</i>	1,979	2,015	2,071	2,238	2,265	
10.2 Old age	3,779	4,082	4,484	4,765	5,039	
<i>of which: personal social services</i>	518	537	560	566	587	
<i>of which: pensions</i>	3,262	3,545	3,924	4,199	4,452	
10.3 Survivors	62	61	59	57	57	
10.4 Family and children	1,557	1,602	1,651	1,688	1,708	
<i>of which: personal social services</i>	406	420	434	449	442	
<i>of which: family benefits, income support and tax credits</i>	1,151	1,182	1,216	1,238	1,266	
10.5 Unemployment	225	223	270	352	355	
<i>of which: personal social services</i>	102	105	92	76	101	
<i>of which: other unemployment benefits</i>	123	118	178	275	254	
10.6 Housing	708	747	805	929	987	
10.7 Social exclusion n.e.c.	900	1,018	1,152	1,330	1,429	
<i>of which: personal social services</i>	139	191	156	153	171	
<i>of which: family benefits, income support and tax credits</i>	762	827	997	1,177	1,258	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	186	171	188	247	279	
<b>Total social protection</b>	<b>9,827</b>	<b>10,405</b>	<b>11,191</b>	<b>12,148</b>	<b>12,675</b>	
<b>Total Expenditure on Services in Wales</b>	<b>24,465</b>	<b>25,623</b>	<b>27,342</b>	<b>29,171</b>	<b>30,115</b>	

<sup>(1)</sup> Since publication of PESA 2011, spending for Royal Mail Group has moved from identifiable to non-identifiable. A country and regional split previously used to allocate spending for Royal Mail group data was no longer of sufficient quality to produce an accurate regional breakdown.

<sup>(2)</sup> The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

**Table 10.4 Total identifiable expenditure on services in Northern Ireland by sub-function, 2006-07 to 2010-11**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	176	196	204	204	216	
1.2 Foreign economic aid	-	-	-	-	-	
1.3 General services	212	203	214	210	216	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	0	0	0	0	0	
1.6 General public services n.e.c.	20	16	26	29	44	
<b>Total general public services</b>	<b>408</b>	<b>417</b>	<b>444</b>	<b>442</b>	<b>477</b>	
<b>2. Defence</b>						
2.1 Military defence	-	-	-	-	-	
2.2 Civil defence	0	0	0	0	0	
2.3 Foreign military aid	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	
2.5 Defence n.e.c.	-	-	-	-	-	
<b>Total defence</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>3. Public order and safety</b>						
3.1 Police services	829	835	851	976	1,037	
<i>of which: immigration and citizenship</i>	0	0	1	0	1	
<i>of which: other police services</i>	829	835	850	975	1,036	
3.2 Fire-protection services	74	74	80	89	84	
3.3 Law courts	282	223	281	286	290	
3.4 Prisons	151	161	160	149	150	
3.5 R&D public order and safety	0	0	0	0	0	
3.6 Public order and safety n.e.c.	23	14	15	15	14	
<b>Total public order and safety</b>	<b>1,360</b>	<b>1,308</b>	<b>1,387</b>	<b>1,515</b>	<b>1,575</b>	
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	334	354	371	469	511	
4.2 Agriculture, forestry, fishing and hunting	473	464	574	550	517	
<i>of which: market support under CAP</i>	252	247	276	360	323	
<i>of which: other agriculture, food and fisheries policy</i>	216	213	295	186	189	
<i>of which: forestry</i>	5	4	3	4	4	
4.3 Fuel and energy	9	17	35	7	6	
4.4 Mining, manufacturing and construction	0	0	0	12	-1	
4.5 Transport	386	521	541	554	648	
<i>of which: national roads</i>	12	13	18	12	13	
<i>of which: local roads</i>	236	294	341	392	468	
<i>of which: local public transport</i>	98	156	124	123	150	
<i>of which: railway</i>	3	2	12	3	3	
<i>of which: other transport</i>	36	56	47	24	15	
4.6 Communication <sup>(1)</sup>	4	4	7	48	13	
4.7 Other industries	0	0	0	0	0	
4.8 R&D economic affairs	64	80	69	83	87	
4.9 Economic affairs n.e.c.	18	12	13	18	25	
<b>Total economic affairs</b>	<b>1,288</b>	<b>1,453</b>	<b>1,611</b>	<b>1,742</b>	<b>1,806</b>	
<b>5. Environment protection</b>						
5.1 Waste management	140	170	172	173	185	
5.2 Waste water management	32	-	-	-	-	
5.3 Pollution abatement	-	-	-	0	2	
5.4 Protection of biodiversity and landscape	5	6	8	6	6	
5.5 R&D environment protection	0	0	-4	0	0	
5.6 Environment protection n.e.c.	70	54	56	57	55	
<b>Total environment protection</b>	<b>247</b>	<b>231</b>	<b>232</b>	<b>236</b>	<b>248</b>	

**Table 10.4 Total identifiable expenditure on services in Northern Ireland by sub-function, 2006-07 to 2010-11 (continued)**

	£ million				
	National Statistics				
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn
<b>6. Housing and community amenities</b>					
6.1 Housing development	370	500	520	496	458
<i>of which: local authority housing</i>	236	320	374	322	272
<i>of which: other social housing</i>	134	180	147	174	186
6.2 Community development	104	139	139	122	116
6.3 Water supply	326	372	536	387	283
6.4 Street lighting	15	19	23	22	21
6.5 R&D housing and community amenities	-	-	-	-	-
6.6 Housing and community amenities n.e.c.	74	102	90	90	94
<b>Total housing and community amenities</b>	<b>889</b>	<b>1,132</b>	<b>1,308</b>	<b>1,118</b>	<b>973</b>
<b>7. Health<sup>(2)</sup></b>					
Medical services	2,836	2,932	3,164	3,319	3,654
Health research	42	43	52	47	60
Central and other health services	83	80	83	76	76
<b>Total health</b>	<b>2,961</b>	<b>3,055</b>	<b>3,299</b>	<b>3,443</b>	<b>3,790</b>
<b>8. Recreation, culture and religion</b>					
8.1 Recreational and sporting services	140	193	215	203	204
8.2 Cultural services	146	165	169	157	172
8.3 Broadcasting and publishing services	0	0	0	0	1
8.4 Religious and other community services	1	1	1	1	1
8.5 R&D recreation, culture and religion	1	1	2	2	1
8.6 Recreation, culture and religion n.e.c.	23	26	28	22	21
<b>Total recreation, culture and religion</b>	<b>310</b>	<b>386</b>	<b>415</b>	<b>385</b>	<b>400</b>
<b>9. Education</b>					
9.1 Pre-primary and primary education	539	563	610	636	641
<i>of which: under fives</i>	25	28	27	30	32
<i>of which: primary education</i>	514	535	583	606	609
9.2 Secondary education	900	922	921	1,013	1,095
9.3 Post-secondary non-tertiary education	-	-	4	-	5
9.4 Tertiary education	332	342	352	401	433
9.5 Education not definable by level	3	-5	-1	1	-5
9.6 Subsidiary services to education	136	144	167	168	167
9.7 R&D education	0	0	0	0	-
9.8 Education n.e.c.	401	468	475	460	379
<b>Total education</b>	<b>2,311</b>	<b>2,434</b>	<b>2,527</b>	<b>2,679</b>	<b>2,715</b>
<b>10. Social protection</b>					
<i>of which: personal social services</i>	771	817	834	903	921
10.1 Sickness and disability	2,499	2,632	2,727	2,851	2,634
<i>of which: personal social services</i>	741	782	820	879	908
<i>of which: incapacity, disability and injury benefits</i>	1,758	1,850	1,907	1,972	1,727
10.2 Old age	1,812	2,113	2,067	2,336	2,347
<i>of which: personal social services</i>	-	-	-	-	-
<i>of which: pensions</i>	1,812	2,113	2,067	2,336	2,347
10.3 Survivors	37	35	36	35	34
10.4 Family and children	470	514	524	573	566
<i>of which: personal social services</i>	31	35	14	24	14
<i>of which: family benefits, income support and tax credits</i>	439	480	510	549	552
10.5 Unemployment	98	93	117	186	210
<i>of which: personal social services</i>	-	-	-	-	-
<i>of which: other unemployment benefits</i>	98	93	117	186	210
10.6 Housing	432	446	483	551	596
10.7 Social exclusion n.e.c.	473	528	638	757	802
<i>of which: personal social services</i>	-	-	-	-	-
<i>of which: family benefits, income support and tax credits</i>	473	528	638	757	802
10.8 R&D social protection	-	-	-	-	-
10.9 Social protection n.e.c.	15	6	15	24	22
<b>Total social protection</b>	<b>5,836</b>	<b>6,367</b>	<b>6,606</b>	<b>7,312</b>	<b>7,212</b>
<b>Total Expenditure on Services in Northern Ireland</b>	<b>15,609</b>	<b>16,782</b>	<b>17,829</b>	<b>18,873</b>	<b>19,197</b>

<sup>(1)</sup> Since publication of PESA 2011, spending for Royal Mail Group has moved from identifiable to non-identifiable. A country and regional split previously used to allocate spending for Royal Mail group data was no longer of sufficient quality to produce an accurate regional breakdown.

<sup>(2)</sup> The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

**Table 10.5 Total identifiable expenditure on services in England by sub-function, per head, 2006-07 to 2010-11**

	National Statistics					£ per head
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	59	56	61	57	55	
1.2 Foreign economic aid	0	1	0	0	0	
1.3 General services	19	17	19	21	21	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	0	0	0	0	0	
1.6 General public services n.e.c.	32	35	41	41	45	
<b>Total general public services</b>	<b>110</b>	<b>109</b>	<b>122</b>	<b>119</b>	<b>121</b>	
<b>2. Defence</b>						
2.1 Military defence	-	-	-	-	-	
2.2 Civil defence	2	2	1	1	1	
2.3 Foreign military aid	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	
2.5 Defence n.e.c.	-	-	-	-	-	
<b>Total defence</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	
<b>3. Public order and safety</b>						
3.1 Police services	248	250	270	276	272	
<i>of which: immigration and citizenship</i>	0	0	0	0	1	
<i>of which: other police services</i>	248	250	270	275	271	
3.2 Fire-protection services	43	46	48	48	49	
3.3 Law courts	106	111	113	106	104	
3.4 Prisons	63	72	77	78	75	
3.5 R&D public order and safety	0	0	0	1	0	
3.6 Public order and safety n.e.c.	5	5	5	5	5	
<b>Total public order and safety</b>	<b>465</b>	<b>485</b>	<b>514</b>	<b>514</b>	<b>504</b>	
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	100	105	110	109	103	
4.2 Agriculture, forestry, fishing and hunting	69	52	77	75	67	
<i>of which: market support under CAP</i>	50	32	58	57	51	
<i>of which: other agriculture, food and fisheries policy</i>	19	19	18	17	15	
<i>of which: forestry</i>	1	1	1	1	1	
4.3 Fuel and energy	21	17	13	7	6	
4.4 Mining, manufacturing and construction	0	-4	5	10	5	
4.5 Transport	306	311	315	343	344	
<i>of which: national roads</i>	53	52	57	67	55	
<i>of which: local roads</i>	73	76	82	84	80	
<i>of which: local public transport</i>	49	53	60	67	84	
<i>of which: railway</i>	124	123	109	119	118	
<i>of which: other transport</i>	7	8	7	7	6	
4.6 Communication <sup>(1)</sup>	1	2	1	1	2	
4.7 Other industries	4	4	4	4	4	
4.8 R&D economic affairs	35	43	42	48	44	
4.9 Economic affairs n.e.c.	9	9	7	11	11	
<b>Total economic affairs</b>	<b>545</b>	<b>538</b>	<b>574</b>	<b>608</b>	<b>585</b>	
<b>5. Environment protection</b>						
5.1 Waste management	88	91	88	101	108	
5.2 Waste water management	1	1	1	1	1	
5.3 Pollution abatement	5	3	4	6	7	
5.4 Protection of biodiversity and landscape	6	6	6	6	6	
5.5 R&D environment protection	2	2	2	3	3	
5.6 Environment protection n.e.c.	41	43	45	48	52	
<b>Total environment protection</b>	<b>143</b>	<b>146</b>	<b>145</b>	<b>164</b>	<b>176</b>	

**Table 10.5 Total identifiable expenditure on services in England by sub-function, per head, 2006-07 to 2010-11 (continued)**

	National Statistics					£ per head
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
<b>6. Housing and community amenities</b>						
6.1 Housing development	107	119	144	169	129	
<i>of which: local authority housing</i>	65	74	89	92	75	
<i>of which: other social housing</i>	42	45	55	77	54	
6.2 Community development	50	56	62	59	53	
6.3 Water supply	0	0	0	0	0	
6.4 Street lighting	9	10	11	11	11	
6.5 R&D housing and community amenities	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	2	2	2	2	2	
<b>Total housing and community amenities</b>	<b>168</b>	<b>186</b>	<b>219</b>	<b>241</b>	<b>196</b>	
<b>7. Health<sup>(2)</sup></b>						
Medical services	1,493	1,608	1,726	1,851	1,881	
Health research	5	5	6	6	6	
Central and other health services	18	18	18	20	13	
<b>Total health</b>	<b>1,515</b>	<b>1,631</b>	<b>1,749</b>	<b>1,877</b>	<b>1,900</b>	
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	46	47	51	55	54	
8.2 Cultural services	59	59	60	63	63	
8.3 Broadcasting and publishing services	0	0	0	0	1	
8.4 Religious and other community services	2	2	2	2	1	
8.5 R&D recreation, culture and religion	2	2	2	2	2	
8.6 Recreation, culture and religion n.e.c.	1	1	1	1	1	
<b>Total recreation, culture and religion</b>	<b>110</b>	<b>111</b>	<b>116</b>	<b>124</b>	<b>123</b>	
<b>9. Education</b>						
9.1 Pre-primary and primary education	416	442	464	483	497	
<i>of which: under fives</i>	74	79	81	85	85	
<i>of which: primary education</i>	341	363	382	398	412	
9.2 Secondary education	501	525	557	600	634	
9.3 Post-secondary non-tertiary education	3	3	7	7	7	
9.4 Tertiary education	153	177	179	200	203	
9.5 Education not definable by level	6	6	5	7	7	
9.6 Subsidiary services to education	57	59	73	66	65	
9.7 R&D education	0	0	0	0	-	
9.8 Education n.e.c.	44	49	52	60	32	
<b>Total education</b>	<b>1,179</b>	<b>1,261</b>	<b>1,338</b>	<b>1,424</b>	<b>1,446</b>	
<b>10. Social protection</b>						
<i>of which: personal social services</i>	416	436	458	482	487	
10.1 Sickness and disability	490	512	533	571	584	
<i>of which: personal social services</i>	107	118	125	134	135	
<i>of which: incapacity, disability and injury benefits</i>	383	394	408	437	449	
10.2 Old age	1,172	1,249	1,364	1,445	1,492	
<i>of which: personal social services</i>	146	151	158	164	163	
<i>of which: pensions</i>	1,026	1,098	1,206	1,281	1,329	
10.3 Survivors	17	17	16	15	15	
10.4 Family and children	453	469	487	504	503	
<i>of which: personal social services</i>	110	115	122	132	132	
<i>of which: family benefits, income support and tax credits</i>	343	355	365	372	371	
10.5 Unemployment	68	65	78	108	104	
<i>of which: personal social services</i>	23	24	21	19	22	
<i>of which: other unemployment benefits</i>	45	41	57	90	82	
10.6 Housing	289	303	324	378	404	
10.7 Social exclusion n.e.c.	262	281	337	393	416	
<i>of which: personal social services</i>	30	29	32	32	35	
<i>of which: family benefits, income support and tax credits</i>	232	252	305	361	381	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	55	49	45	66	64	
<b>Total social protection</b>	<b>2,806</b>	<b>2,944</b>	<b>3,184</b>	<b>3,481</b>	<b>3,582</b>	
<b>Total Expenditure on Services in England</b>	<b>7,042</b>	<b>7,414</b>	<b>7,962</b>	<b>8,553</b>	<b>8,634</b>	

<sup>(1)</sup> Since publication of PESA 2011, spending for Royal Mail Group has moved from identifiable to non-identifiable. A country and regional split previously used to allocate spending for Royal Mail group data was no longer of sufficient quality to produce an accurate regional breakdown.

<sup>(2)</sup> The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

**Table 10.6 Total identifiable expenditure on services in Scotland by sub-function, per head, 2006-07 to 2010-11**

	National Statistics					£ per head
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	131	138	137	147	138	
1.2 Foreign economic aid	-	-	-	-	-	
1.3 General services	4	4	3	2	2	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	4	2	2	2	2	
1.6 General public services n.e.c.	52	42	82	74	76	
<b>Total general public services</b>	<b>190</b>	<b>186</b>	<b>223</b>	<b>225</b>	<b>218</b>	
<b>2. Defence</b>						
2.1 Military defence	-	-	-	-	-	
2.2 Civil defence	1	1	1	2	2	
2.3 Foreign military aid	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	
2.5 Defence n.e.c.	-	-	-	-	-	
<b>Total defence</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	
<b>3. Public order and safety</b>						
3.1 Police services	218	228	240	250	247	
<i>of which: immigration and citizenship</i>	0	0	0	0	1	
<i>of which: other police services</i>	217	228	240	250	246	
3.2 Fire-protection services	53	55	58	65	62	
3.3 Law courts	88	96	98	100	97	
3.4 Prisons	63	56	67	59	77	
3.5 R&D public order and safety	0	0	0	0	0	
3.6 Public order and safety n.e.c.	8	9	8	9	8	
<b>Total public order and safety</b>	<b>431</b>	<b>445</b>	<b>472</b>	<b>483</b>	<b>491</b>	
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	136	142	126	130	157	
4.2 Agriculture, forestry, fishing and hunting	134	150	159	169	184	
<i>of which: market support under CAP</i>	88	93	100	103	93	
<i>of which: other agriculture, food and fisheries policy</i>	30	41	44	54	75	
<i>of which: forestry</i>	17	16	15	12	17	
4.3 Fuel and energy	31	25	22	11	9	
4.4 Mining, manufacturing and construction	4	16	22	32	31	
4.5 Transport	529	551	529	562	536	
<i>of which: national roads</i>	95	89	98	118	108	
<i>of which: local roads</i>	127	122	127	132	126	
<i>of which: local public transport</i>	47	48	51	53	51	
<i>of which: railway</i>	209	225	177	181	173	
<i>of which: other transport</i>	51	68	76	79	79	
4.6 Communication <sup>(1)</sup>	4	5	6	5	4	
4.7 Other industries	15	17	17	17	15	
4.8 R&D economic affairs	53	81	74	77	69	
4.9 Economic affairs n.e.c.	36	39	26	29	26	
<b>Total economic affairs</b>	<b>943</b>	<b>1,026</b>	<b>980</b>	<b>1,032</b>	<b>1,033</b>	
<b>5. Environment protection</b>						
5.1 Waste management	133	135	125	156	174	
5.2 Waste water management	-	-	-	-	-	
5.3 Pollution abatement	1	2	2	3	7	
5.4 Protection of biodiversity and landscape <sup>(1)</sup>	44	34	39	37	36	
5.5 R&D environment protection	3	4	4	4	4	
5.6 Environment protection n.e.c.	28	40	37	42	43	
<b>Total environment protection</b>	<b>210</b>	<b>215</b>	<b>208</b>	<b>242</b>	<b>264</b>	

**Table 10.6 Total identifiable expenditure on services in Scotland by sub-function, per head, 2006-07 to 2010-11 (continued)**

	National Statistics					£ per head
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
<b>6. Housing and community amenities</b>						
6.1 Housing development	171	185	184	211	193	
<i>of which: local authority housing</i>	57	69	97	109	126	
<i>of which: other social housing</i>	114	115	87	101	67	
6.2 Community development	23	23	24	40	26	
6.3 Water supply	129	120	136	125	112	
6.4 Street lighting	2	1	2	2	2	
6.5 R&D housing and community amenities	2	2	1	1	2	
6.6 Housing and community amenities n.e.c.	2	8	2	0	4	
<b>Total housing and community amenities</b>	<b>328</b>	<b>339</b>	<b>349</b>	<b>379</b>	<b>339</b>	
<b>7. Health<sup>(2)</sup></b>						
Medical services	1,741	1,867	1,944	1,972	2,008	
Health research	7	8	11	21	21	
Central and other health services	18	16	15	46	43	
<b>Total health</b>	<b>1,766</b>	<b>1,891</b>	<b>1,969</b>	<b>2,040</b>	<b>2,072</b>	
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	97	102	108	115	123	
8.2 Cultural services	86	91	93	95	102	
8.3 Broadcasting and publishing services	5	2	2	2	1	
8.4 Religious and other community services	4	4	4	5	5	
8.5 R&D recreation, culture and religion	1	2	2	2	2	
8.6 Recreation, culture and religion n.e.c.	0	0	0	0	0	
<b>Total recreation, culture and religion</b>	<b>193</b>	<b>200</b>	<b>209</b>	<b>219</b>	<b>232</b>	
<b>9. Education</b>						
9.1 Pre-primary and primary education	505	531	548	541	580	
<i>of which: under fives</i>	57	60	60	59	61	
<i>of which: primary education</i>	448	471	489	482	519	
9.2 Secondary education	514	517	528	534	564	
9.3 Post-secondary non-tertiary education	26	27	29	26	27	
9.4 Tertiary education	272	285	278	307	284	
9.5 Education not definable by level	25	16	8	5	5	
9.6 Subsidiary services to education	3	3	38	40	42	
9.7 R&D education	4	4	0	0	0	
9.8 Education n.e.c.	48	49	37	39	39	
<b>Total education</b>	<b>1,397</b>	<b>1,432</b>	<b>1,466</b>	<b>1,492</b>	<b>1,541</b>	
<b>10. Social protection</b>						
<i>of which: personal social services</i>	463	543	580	604	625	
10.1 Sickness and disability	606	644	672	720	739	
<i>of which: personal social services</i>	102	131	145	152	160	
<i>of which: incapacity, disability and injury benefits</i>	503	513	527	568	579	
10.2 Old age	1,259	1,365	1,511	1,602	1,665	
<i>of which: personal social services</i>	185	220	241	249	251	
<i>of which: pensions</i>	1,074	1,145	1,270	1,353	1,413	
10.3 Survivors	29	30	30	29	28	
10.4 Family and children	496	522	531	543	550	
<i>of which: personal social services</i>	124	139	145	154	158	
<i>of which: family benefits, income support and tax credits</i>	372	383	387	390	391	
10.5 Unemployment	78	71	81	108	122	
<i>of which: personal social services</i>	29	30	25	23	29	
<i>of which: other unemployment benefits</i>	49	41	56	85	93	
10.6 Housing	307	313	325	355	384	
10.7 Social exclusion n.e.c.	272	290	318	374	393	
<i>of which: personal social services</i>	22	23	25	26	27	
<i>of which: family benefits, income support and tax credits</i>	250	267	293	348	366	
10.8 R&D social protection	0	0	0	-	-	
10.9 Social protection n.e.c.	83	75	78	100	91	
<b>Total social protection</b>	<b>3,130</b>	<b>3,310</b>	<b>3,546</b>	<b>3,832</b>	<b>3,972</b>	
<b>Total Expenditure on Services in Scotland</b>	<b>8,588</b>	<b>9,045</b>	<b>9,424</b>	<b>9,945</b>	<b>10,165</b>	

<sup>(1)</sup> Since publication of PESA 2011, spending for Royal Mail Group has moved from identifiable to non-identifiable. A country and regional split previously used to allocate spending for Royal Mail group data was no longer of sufficient quality to produce an accurate regional breakdown.

<sup>(2)</sup> The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

**Table 10.7 Total identifiable expenditure on services in Wales by sub-function, per head, 2006-07 to 2010-11**

	National Statistics					£ per head
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	176	183	194	205	202	
1.2 Foreign economic aid	0	-	0	0	0	
1.3 General services	9	11	12	14	14	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	0	0	0	0	0	
1.6 General public services n.e.c.	34	41	51	51	46	
<b>Total general public services</b>	<b>219</b>	<b>235</b>	<b>258</b>	<b>269</b>	<b>263</b>	
<b>2. Defence</b>						
2.1 Military defence	-	-	-	-	-	
2.2 Civil defence	1	1	1	1	1	
2.3 Foreign military aid	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	
2.5 Defence n.e.c.	-	-	-	-	-	
<b>Total defence</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	
<b>3. Public order and safety</b>						
3.1 Police services	232	236	249	256	260	
<i>of which: immigration and citizenship</i>	0	0	0	0	1	
<i>of which: other police services</i>	232	236	249	256	259	
3.2 Fire-protection services	58	56	66	65	61	
3.3 Law courts	99	102	102	96	94	
3.4 Prisons	55	65	73	80	78	
3.5 R&D public order and safety	0	0	0	0	0	
3.6 Public order and safety n.e.c.	4	5	5	5	4	
<b>Total public order and safety</b>	<b>448</b>	<b>464</b>	<b>495</b>	<b>502</b>	<b>497</b>	
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	166	178	173	164	142	
4.2 Agriculture, forestry, fishing and hunting	137	132	156	171	167	
<i>of which: market support under CAP</i>	103	78	91	100	94	
<i>of which: other agriculture, food and fisheries policy</i>	18	47	57	60	60	
<i>of which: forestry</i>	16	7	8	11	14	
4.3 Fuel and energy	54	40	33	17	11	
4.4 Mining, manufacturing and construction	5	2	3	9	-1	
4.5 Transport	300	314	344	384	400	
<i>of which: national roads</i>	63	65	64	79	99	
<i>of which: local roads</i>	114	111	120	111	128	
<i>of which: local public transport</i>	23	38	31	28	28	
<i>of which: railway</i>	88	90	115	150	136	
<i>of which: other transport</i>	12	11	14	15	9	
4.6 Communication <sup>(1)</sup>	19	13	13	14	12	
4.7 Other industries	9	9	9	14	15	
4.8 R&D economic affairs	22	28	26	32	36	
4.9 Economic affairs n.e.c.	65	42	24	74	110	
<b>Total economic affairs</b>	<b>777</b>	<b>757</b>	<b>781</b>	<b>878</b>	<b>893</b>	
<b>5. Environment protection</b>						
5.1 Waste management	126	103	109	122	129	
5.2 Waste water management	0	0	0	0	0	
5.3 Pollution abatement	0	0	0	0	2	
5.4 Protection of biodiversity and landscape	2	2	3	2	2	
5.5 R&D environment protection	1	2	1	2	2	
5.6 Environment protection n.e.c.	66	47	65	64	67	
<b>Total environment protection</b>	<b>196</b>	<b>155</b>	<b>178</b>	<b>190</b>	<b>202</b>	

**Table 10.7 Total identifiable expenditure on services in Wales by sub-function, per head, 2006-07 to 2010-11 (continued)**

	£ per head				
	National Statistics				
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn
<b>6. Housing and community amenities</b>					
6.1 Housing development	74	67	114	124	144
<i>of which: local authority housing</i>	76	78	108	108	113
<i>of which: other social housing</i>	-2	-11	5	16	31
6.2 Community development	67	86	74	61	81
6.3 Water supply	-	-	-	-	-
6.4 Street lighting	11	11	12	12	13
6.5 R&D housing and community amenities	-	-	-	-	-
6.6 Housing and community amenities n.e.c.	7	7	9	9	3
<b>Total housing and community amenities</b>	<b>159</b>	<b>172</b>	<b>209</b>	<b>207</b>	<b>242</b>
<b>7. Health<sup>(2)</sup></b>					
Medical services	1,664	1,746	1,835	1,946	1,981
Health research	12	12	13	16	19
Central and other health services	12	13	12	11	17
<b>Total health</b>	<b>1,688</b>	<b>1,772</b>	<b>1,860</b>	<b>1,973</b>	<b>2,017</b>
<b>8. Recreation, culture and religion</b>					
8.1 Recreational and sporting services	91	109	104	87	80
8.2 Cultural services	72	80	78	79	75
8.3 Broadcasting and publishing services	35	33	37	33	35
8.4 Religious and other community services	2	2	2	2	2
8.5 R&D recreation, culture and religion	1	1	1	1	1
8.6 Recreation, culture and religion n.e.c.	8	8	7	6	7
<b>Total recreation, culture and religion</b>	<b>208</b>	<b>233</b>	<b>230</b>	<b>209</b>	<b>201</b>
<b>9. Education</b>					
9.1 Pre-primary and primary education	420	449	471	492	498
<i>of which: under fives</i>	15	26	31	25	24
<i>of which: primary education</i>	404	423	440	467	474
9.2 Secondary education	486	503	505	523	543
9.3 Post-secondary non-tertiary education	-	-	-	-	-
9.4 Tertiary education	172	181	182	189	207
9.5 Education not definable by level	66	70	79	87	95
9.6 Subsidiary services to education	81	102	133	139	129
9.7 R&D education	0	0	0	0	-
9.8 Education n.e.c.	22	20	20	16	13
<b>Total education</b>	<b>1,246</b>	<b>1,325</b>	<b>1,391</b>	<b>1,446</b>	<b>1,485</b>
<b>10. Social protection</b>					
<i>of which: personal social services</i>	538	584	586	596	617
10.1 Sickness and disability	813	840	864	928	938
<i>of which: personal social services</i>	145	163	171	181	185
<i>of which: incapacity, disability and injury benefits</i>	668	677	693	746	753
10.2 Old age	1,276	1,372	1,500	1,589	1,676
<i>of which: personal social services</i>	175	180	187	189	195
<i>of which: pensions</i>	1,101	1,191	1,312	1,400	1,481
10.3 Survivors	21	20	20	19	19
10.4 Family and children	526	538	552	563	568
<i>of which: personal social services</i>	137	141	145	150	147
<i>of which: family benefits, income support and tax credits</i>	389	397	407	413	421
10.5 Unemployment	76	75	90	117	118
<i>of which: personal social services</i>	34	35	31	25	34
<i>of which: other unemployment benefits</i>	42	40	60	92	85
10.6 Housing	239	251	269	310	328
10.7 Social exclusion n.e.c.	304	342	385	443	475
<i>of which: personal social services</i>	47	64	52	51	57
<i>of which: family benefits, income support and tax credits</i>	257	278	333	392	419
10.8 R&D social protection	-	-	-	-	-
10.9 Social protection n.e.c.	63	57	63	82	93
<b>Total social protection</b>	<b>3,318</b>	<b>3,496</b>	<b>3,743</b>	<b>4,050</b>	<b>4,216</b>
<b>Total Expenditure on Services in Wales</b>	<b>8,260</b>	<b>8,609</b>	<b>9,144</b>	<b>9,726</b>	<b>10,017</b>

<sup>(1)</sup> Since publication of PESA 2011, spending for Royal Mail Group has moved from identifiable to non-identifiable. A country and regional split previously used to allocate spending for Royal Mail group data was no longer of sufficient quality to produce an accurate regional breakdown.

<sup>(2)</sup> The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

**Table 10.8 Total identifiable expenditure on services in Northern Ireland by sub-function, per head, 2006-07 to 2010-11**

	£ per head				
	National Statistics				
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn
<b>1. General public services</b>					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	101	112	115	114	120
1.2 Foreign economic aid	-	-	-	-	-
1.3 General services	122	116	121	117	120
1.4 Basic research	-	-	-	-	-
1.5 R&D general public services	0	0	0	0	0
1.6 General public services n.e.c.	11	9	14	16	24
<b>Total general public services</b>	<b>234</b>	<b>237</b>	<b>250</b>	<b>247</b>	<b>265</b>
<b>2. Defence</b>					
2.1 Military defence	-	-	-	-	-
2.2 Civil defence	0	0	0	0	0
2.3 Foreign military aid	-	-	-	-	-
2.4 R&D defence	-	-	-	-	-
2.5 Defence n.e.c.	-	-	-	-	-
<b>Total defence</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3. Public order and safety</b>					
3.1 Police services	476	474	479	545	576
<i>of which: immigration and citizenship</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>
<i>of which: other police services</i>	<i>476</i>	<i>474</i>	<i>479</i>	<i>545</i>	<i>576</i>
3.2 Fire-protection services	43	42	45	50	47
3.3 Law courts	162	127	158	160	161
3.4 Prisons	87	92	90	83	83
3.5 R&D public order and safety	0	0	0	0	0
3.6 Public order and safety n.e.c.	13	8	8	9	8
<b>Total public order and safety</b>	<b>781</b>	<b>743</b>	<b>781</b>	<b>847</b>	<b>875</b>
<b>4. Economic affairs</b>					
4.1 General economic, commercial and labour affairs	192	201	209	262	284
4.2 Agriculture, forestry, fishing and hunting	272	264	323	307	287
<i>of which: market support under CAP</i>	<i>144</i>	<i>140</i>	<i>155</i>	<i>201</i>	<i>180</i>
<i>of which: other agriculture, food and fisheries policy</i>	<i>124</i>	<i>121</i>	<i>166</i>	<i>104</i>	<i>105</i>
<i>of which: forestry</i>	<i>3</i>	<i>2</i>	<i>2</i>	<i>2</i>	<i>2</i>
4.3 Fuel and energy	5	10	20	4	3
4.4 Mining, manufacturing and construction	0	0	0	7	0
4.5 Transport	222	296	305	310	360
<i>of which: national roads</i>	<i>7</i>	<i>7</i>	<i>10</i>	<i>7</i>	<i>7</i>
<i>of which: local roads</i>	<i>136</i>	<i>167</i>	<i>192</i>	<i>219</i>	<i>260</i>
<i>of which: local public transport</i>	<i>56</i>	<i>89</i>	<i>70</i>	<i>68</i>	<i>83</i>
<i>of which: railway</i>	<i>2</i>	<i>1</i>	<i>7</i>	<i>2</i>	<i>2</i>
<i>of which: other transport</i>	<i>21</i>	<i>32</i>	<i>26</i>	<i>14</i>	<i>8</i>
4.6 Communication <sup>(1)</sup>	2	2	4	27	7
4.7 Other industries	0	0	0	0	0
4.8 R&D economic affairs	37	46	39	47	48
4.9 Economic affairs n.e.c.	10	7	7	10	14
<b>Total economic affairs</b>	<b>740</b>	<b>826</b>	<b>907</b>	<b>974</b>	<b>1,004</b>
<b>5. Environment protection</b>					
5.1 Waste management	80	97	97	97	103
5.2 Waste water management	18	-	-	-	-
5.3 Pollution abatement	-	-	-	0	1
5.4 Protection of biodiversity and landscape	3	4	4	4	3
5.5 R&D environment protection	0	0	-2	0	0
5.6 Environment protection n.e.c.	40	31	32	32	31
<b>Total environment protection</b>	<b>142</b>	<b>132</b>	<b>131</b>	<b>132</b>	<b>138</b>

**Table 10.8 Total identifiable expenditure on services in Northern Ireland by sub-function, per head, 2006-07 to 2010-11 (continued)**

	National Statistics					£ per head
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
<b>6. Housing and community amenities</b>						
6.1 Housing development	213	284	293	277	254	
<i>of which: local authority housing</i>	136	182	211	180	151	
<i>of which: other social housing</i>	77	102	83	97	103	
6.2 Community development	60	79	78	68	65	
6.3 Water supply	187	212	302	216	158	
6.4 Street lighting	8	11	13	12	12	
6.5 R&D housing and community amenities	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	43	58	51	51	53	
<b>Total housing and community amenities</b>	<b>510</b>	<b>643</b>	<b>737</b>	<b>625</b>	<b>541</b>	
<b>7. Health<sup>(2)</sup></b>						
Medical services	1,628	1,667	1,782	1,855	2,031	
Health research	24	24	29	27	33	
Central and other health services	48	46	47	43	42	
<b>Total health</b>	<b>1,700</b>	<b>1,736</b>	<b>1,859</b>	<b>1,924</b>	<b>2,106</b>	
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	80	109	121	114	113	
8.2 Cultural services	84	94	95	88	95	
8.3 Broadcasting and publishing services	0	0	0	0	0	
8.4 Religious and other community services	0	0	0	0	1	
8.5 R&D recreation, culture and religion	1	1	1	1	1	
8.6 Recreation, culture and religion n.e.c.	13	15	16	12	12	
<b>Total recreation, culture and religion</b>	<b>178</b>	<b>219</b>	<b>234</b>	<b>215</b>	<b>222</b>	
<b>9. Education</b>						
9.1 Pre-primary and primary education	309	320	344	355	356	
<i>of which: under fives</i>	14	16	15	17	18	
<i>of which: primary education</i>	295	304	329	339	339	
9.2 Secondary education	517	524	519	566	608	
9.3 Post-secondary non-tertiary education	-	-	2	-	3	
9.4 Tertiary education	191	194	198	224	240	
9.5 Education not definable by level	2	-3	-1	1	-3	
9.6 Subsidiary services to education	78	82	94	94	93	
9.7 R&D education	0	0	0	0	-	
9.8 Education n.e.c.	230	266	268	257	211	
<b>Total education</b>	<b>1,327</b>	<b>1,383</b>	<b>1,424</b>	<b>1,498</b>	<b>1,509</b>	
<b>10. Social protection</b>						
<i>of which: personal social services</i>	443	464	470	505	512	
10.1 Sickness and disability	1,435	1,496	1,536	1,594	1,464	
<i>of which: personal social services</i>	425	445	462	491	504	
<i>of which: incapacity, disability and injury benefits</i>	1,010	1,052	1,074	1,102	960	
10.2 Old age	1,040	1,201	1,164	1,306	1,304	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: pensions</i>	1,040	1,201	1,164	1,306	1,304	
10.3 Survivors	21	20	20	19	19	
10.4 Family and children	270	292	295	320	315	
<i>of which: personal social services</i>	18	20	8	13	8	
<i>of which: family benefits, income support and tax credits</i>	252	273	287	307	307	
10.5 Unemployment	57	53	66	104	116	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: other unemployment benefits</i>	57	53	66	104	116	
10.6 Housing	248	253	272	308	331	
10.7 Social exclusion n.e.c.	271	300	359	423	446	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: family benefits, income support and tax credits</i>	271	300	359	423	446	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	9	3	8	13	12	
<b>Total social protection</b>	<b>3,351</b>	<b>3,620</b>	<b>3,722</b>	<b>4,087</b>	<b>4,008</b>	
<b>Total Expenditure on Services in Northern Ireland</b>	<b>8,963</b>	<b>9,540</b>	<b>10,044</b>	<b>10,550</b>	<b>10,668</b>	

<sup>(1)</sup> Since publication of PESA 2011, spending for Royal Mail Group has moved from identifiable to non-identifiable. A country and regional split previously used to allocate spending for Royal Mail group data was no longer of sufficient quality to produce an accurate regional breakdown.

<sup>(2)</sup> The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.



# A

## Sources, data quality and conventions

---

**A.1** This annex outlines the main sources used in producing PESA and provides information on:

- data quality;
- our revisions policy;
- coverage of public bodies;
- the treatment of certain transactions;
- consistency with other publications; and
- the main conventions used throughout the publication.

The information in this annex applies to all in-year updates as well as to this publication.

### Sources of data

#### Central government and public corporation data

**A.2** Most expenditure data in PESA are taken directly from the Treasury's public expenditure database, the Combined Online Information System (COINS). COINS is a reporting system rather than an accounting system and so contains aggregate spending information rather than any transactional detail.

**A.3** Data entered onto COINS by departments and devolved administrations cover:

- their own expenditure;
- the expenditure of agencies and Non-Departmental Public Bodies (NDPBs);
- support for local government and public corporations; and
- capital expenditure of the public corporations that they sponsor.<sup>1</sup>

**A.4** Departments and devolved administrations can maintain up to ten years of live data depending on the year of the latest Spending Review. For PESA 2012 departments maintained the years 2007-08 to 2014-15. This involves:

- updating values in the light of better or new information, ensuring final outturns are consistent with information in published audited accounts (normally available in the summer after the end of the financial year); and
- implementing classification changes across all live years to ensure data are consistent.

**A.5** Data are extracted from COINS approximately one week prior to publication, with the following two exceptions:

- the historical information that extends back beyond the live outturn years is maintained off-database; and

---

<sup>1</sup>The departmental reporting requirements in relation to public corporations result from the fact that only PC capital expenditure is treated as spending in the National Accounts. The current spending (except debt interest paid to the private sector) is included in the calculation of the gross operating surplus, which scores on the revenue side of the account.

- data for the country and regional analysis were extracted from COINS during the summer of 2011, and allocated to countries/regions off COINS.

## Local government data

**A.6** The Department for Education (DfE) supplies data on local government education spending in England. The Department for Work and Pensions (DWP) supplies data on local government housing benefit payments in all countries except Northern Ireland. All other data on local government spending in England are supplied by the Department for Communities and Local Government (CLG). The devolved administrations provide local government spending data for Scotland, Wales and Northern Ireland.

## National Accounts aggregates

**A.7** The Office for National Statistics (ONS) supplies outturn numbers for the following National Accounts aggregates used in PESA:

- Total Managed Expenditure (TME);
- public sector current expenditure, gross investment and net investment;
- public sector, central and local government, and public corporations' depreciation;
- central government own expenditure (total, current and capital);
- local government expenditure (total, current, capital); and
- public corporations' expenditure (total, current and capital).

Two points worth noting are:

- the public sector or total expenditure on services (TES) aggregate used in PESA is a Treasury aggregate that broadly follows the National Accounts framework and so is broadly consistent with TME. Annex E provides a detailed definition of TES; and
- depreciation in budgets is a number sourced from departments consistent with their resource accounts. The depreciation numbers used in the National Accounts are derived by the ONS.

## Classification Of the Functions Of Government (COFOG)

**A.8** The Treasury assigns level 2 United Nations COFOG categories to departmental and local government data in consultation with departments and the devolved administrations. Where data streams cover more than one sub-functional category, departments are asked to change their reporting (if at all possible) so that spending on each sub-function is recorded separately. We do not ask departments to make changes where the amounts involved would be less than £10m.

**A.9** With the exception of the Department of Health, all departments and the devolved administrations are reporting data against COFOG level 2. The Department of Health is currently unable to report on this basis as the NHS is neither financed nor organised along the lines of COFOG level 2. The health sub-functional analysis is therefore presented against Treasury defined sub-functions.

## Data quality

**A.10** Departments (including agencies and NDPBs) and devolved administrations aim to produce good quality data for internal management and control, as well as for external reporting via audited accounts. They also seek to ensure that the data they feed into COINS are of high quality. Several outputs directly relevant to Whitehall departments' operations and reporting are produced straight from COINS, including Supply Estimates, tables published in Departmental Reports, and Supplementary Budgetary Information.

**A.11** While Whitehall departments have clear incentives to ensure accurate data is reported on COINS, a number of factors can adversely affect data quality:

- complexity of the public expenditure system: data needs to be coded so that a wide range of outputs can be produced against a number of frameworks. Some data will inevitably be miscoded;
- although comprehensive guidance is made available, those recording data sometimes need to apply judgement to determine the right coding. Views on the right judgement to make may differ;
- while the budget-based numbers in PESA (for example in Chapter 1) are key control totals for departments and devolved administrations that are closely monitored, some of the economic category and sub-functional analyses do not appear in departmental outputs so may be less robust. The devolved administrations do not draw outputs direct from the Treasury's database; and
- the need to keep compliance costs down means that some data disaggregation is not justifiable.

**A.12** The aim of PESA is to provide a broad picture of where public expenditure goes. As a general rule, the more detailed the presentation, the less accurate the attribution to lower level categories. Small differences in numbers should not be taken as significant. We present many figures to the nearest £m to prevent users from introducing rounding errors.

## Revisions policy

**A.13** The data in all PESA tables are open for revision to ensure that the latest data are published. Long-run data are published on a consistent classification basis, as far back as possible. The main data updates that will be included through the year are as follows:

- April – updated outturn for central government departments;
- July – The Public Spending Statistics (PSS) comprising provisional outturn for central government (Whitehall) departments and PESA including revised spending plans consistent with the Budget;
- October – final outturn for central government (Whitehall) departments and provisional outturn for local government – updated Country and Regional Analysis (CRA); and
- February – final outturn for local government and Devolved Administrations;

**A.14** Further information on significant revisions since PESA 2011 is provided in chapter text.

**A.15** Where we discover errors after the production of PESA 2012 we will take the following action:

- minor errors will be corrected at the next National Statistics update or the next edition of PESA; and

- larger errors will lead to the publication of revised tables on the Treasury's website together with an explanatory note.

## Coverage of public bodies

**A.16** PESA generally aims to include the expenditure of all bodies classified to the public sector by the Office for National Statistics (ONS). However, when new public bodies are set up, or when bodies are reclassified to, or within, the public sector, there may be a delay before data are recorded in a way that allows their inclusion in PESA. The following explains where the PESA 2012 treatment differs from the ONS classification:

- The Financial Services Compensation Scheme (FSCS) and Financial Services Authority (FSA) are classified by the ONS to the public sector but are not currently incorporated within the budgeting framework. While the spending of these bodies is not included within PESA 2012, the Treasury loans to the FSCS are shown as payments to the private sector to reflect their ultimate destination;
- Banks recently classified to the public sector by the ONS (Northern Rock, Bradford & Bingley, Dunfermline, Royal Bank of Scotland and Lloyds Banking Group) are treated in PESA 2012 as part of the private sector. More detail on the treatment of this support in the budgeting and expenditure on services frameworks is set out in Chapters 2 and 5 respectively.

## Treatment of certain transactions in PESA

### The Private Finance Initiative

**A.17** The private finance initiative (PFI) is a means of procuring capital-intensive services. Instead of the public sector being responsible, for example, for building and maintaining a school building, the public sector contracts with the private sector for the provision of serviced school premises. The government entity that is purchasing services pays a single unitary charge to the PFI provider for as long as the services are provided to the required standard.

**A.18** PFI deals may be on or off the Government's balance sheet depending on where the balance of risks in the project lies. For the period that this publication covers, independent public sector auditors take the balance sheet decision based on GAAP principles, and this decision is also normally used by the ONS for the National Accounts. If the project is on the Government's balance sheet, the capital expenditure is treated as part of public sector capital expenditure. If the project is off the Government's balance sheet then the capital expenditure is considered to be undertaken by the private sector, with the unitary charge adding to public sector current expenditure.

**A.19** For on-balance sheet projects, PESA includes:

- the capital expenditure imputed to the public sector;
- the service and debt interest elements of the unitary charge; and
- the depreciation on the imputed asset.

**A.20** For off-balance sheet projects, where the asset economically as well as legally belongs to the private sector, PESA includes the whole general government payment of unitary charges as payments for services.

## Financial sector interventions

**A.21** In December 2009 the ONS created an alternative measure of Public Sector Net Borrowing (PSNBex). This treated the classification of banks to the public sector (Northern Rock, Bradford & Bingley, Dunfermline, Lloyds Banking Group and Royal Bank of Scotland) as temporary, reflecting the Government's intention to return these banks to the private sector. As a result, these institutions are treated as if they are outside the public sector.

**A.22** In the budgeting tables, the support still scores within the HM Treasury Annually Managed Expenditure (AME) budget, which is presented as part of the Chancellor's Departments group in PESA. All support to financial sector institutions is central government own spending.

**A.23** The expenditure on services tables reflects the impact of this support on public spending in the National Accounts, i.e. on Total Managed Expenditure within PSNBex. The only transactions that are treated as spending within this measure are:

- the element of the share purchase that the ONS have classified as a capital grant;
- the element of depositor compensation over and above their statutory entitlements; and
- fees received from underwriting commission and credit guarantee scheme income.

**A.24** Other transactions do not generally have an impact on Total Managed Expenditure, nor therefore on the expenditure on services tables, because:

- they take the form of financial transactions, such as loans or share purchases, which do not constitute spending (as one asset is exchanged for another); or
- they are offset by recoveries imputed in the National Accounts, such as for liabilities borne by the FSCS.

## Consistency with other publications

### Previous editions of PESA

**A.25** Data in previous editions of PESA may not be directly consistent with PESA 2012 due to changes in data coverage and classification changes. Details of the main budgetary classification changes are shown in Annex C. Readers are therefore strongly advised against simply splicing together data in different editions of PESA. The summary analysis in Chapter 4 incorporates historical data adjusted to current definitions in order to show trends over a longer period.

### Public Sector Finance Statistics

**A.26** Total Managed Expenditure (TME) and its sectoral components are consistent with the joint ONS/Treasury Public Sector Finance Statistics monthly release published on 26 June 2012.

## Conventions

### Rounding

**A.27** The figures in this publication are generally shown to the nearest £1 million.

**A.28** In all chapters dashes in the tables show that there are no data, while zeros show that there are data that round to 0.

**A.29** Figures in tables may not sum due to rounding.

## Real terms figures

**A.30** A number of the tables in this publication give figures in real terms or as a per cent of GDP. Real terms figures are the current price outturns or plans adjusted to a constant price level by excluding the effect of general inflation as measured by the GDP deflator at market prices. The real terms figures in this publication are given in 2011-12 prices. The GDP data used in this publication are those given in Annex F.

## Use of accruals data in tables

**A.31** All data are presented on an accruals basis except in the long run tables covering years before 1998-99 (which contain some cash data).

# B

## Departmental groups

**B.1** A number of tables in this publication present analyses by department. Rather than showing figures for all individual government departments separately, departments are grouped together broadly on the basis of Ministerial responsibilities. These groupings are set out below.

**B.2** Note that this presentation is not consistent with the Budget 2012 or the Spending Review 2010. The supplementary tables in **Chapter 1 (Tables 1.12, 1.13 and 1.14)** are consistent with the Budget 2012 presentation.

Title	Departments included
Education	Department for Education Office for Standards in Education, Children's Services and Skills (Ofsted) Office of Qualifications and Examinations Regulation (Ofqual)
NHS (Health)	Department of Health Food Standards Agency
Transport	Department for Transport Office of the Rail Regulator
CLG Communities	Communities part of Communities and Local Government
CLG Local Government	Local Government part of Communities and Local Government (mainly grants to English local authorities, the Greater London Authority, and Regional Development Agencies)
Business, Innovation and Skills	Business, Innovation and Skills UK Trade and Investment Office of Fair Trading Postal Services Commission Export Credits Guarantee Department
Home Office	Home Office
Justice	Ministry of Justice The National Archives: Public Record Office and Historical Manuscripts Commission Electoral Commission The Supreme Court Land Registry
Law Officers' Departments	The Crown Prosecution Service Serious Fraud Office HM Procurator General and Treasury Solicitor Revenue and Customs Prosecution Office
Defence	Ministry of Defence
Foreign and Commonwealth Office	Foreign and Commonwealth Office
International Development	Department for International Development
Energy and Climate Change	Department for Energy and Climate Change Office of Gas and Electricity Markets
Environment, Food and Rural Affairs	Department for Environment, Food and Rural Affairs Forestry Commission Water Services Regulatory Authority
Culture, Media and Sport	Department for Culture, Media and Sport
Work and Pensions	Department for Work and Pensions
Scotland	Scottish Government Scotland Office
Wales	Welsh Assembly Government Wales Office
Northern Ireland	Northern Ireland departments Northern Ireland Office

Chancellor's Departments	HM Treasury National Savings and Investments Government Actuary's Department HM Revenue and Customs Crown Estate Office
Cabinet Office	Cabinet Office Central Office of Information Charity Commission Office of Government Commerce National School of Government Security and Intelligence Agencies
Independent Bodies	House of Commons House of Lords National Audit Office Statistics Board Office of the Parliamentary Commissioner for Administration and Health Service Commissioners for England Independent Parliamentary Standards Authority Local Government Boundary Commission for England



# Public expenditure budgeting and control aggregates

---

**C.1** This annex describes the budgeting and control regime under the current resource budgeting framework that was first introduced for the 2002 Spending Review (full resource budgeting) and that has been modified since then.

**C.2** Departments have separate resource and capital budgets. These are split into Departmental Expenditure Limits (DEL) and departmental Annually Managed Expenditure (AME). Within DEL there are separate control totals for capital and resource DEL budgets; and within resource DEL there is a further control total for administration budgets and a ring-fence for depreciation. In addition to departmental AME, other AME covers spending that is not tied to a departmental budget. DEL plus AME, including accounting adjustments, sum to Total Managed Expenditure (TME), an aggregate that is drawn from National Accounts.

## What's new

**C.3** There have been no significant changes to the budgeting and control aggregates since PESA 2011.

## Resource budgeting

**C.4** In 2003-04 the Government completed its staged move to a full resource basis for financial reporting and control. Since this point, budgets have been set and monitored in resource terms, as described below, and Supply Estimates vote resource requirements as well as cash.

**C.5** There are separate departmental budgets for resource (i.e. current) and capital expenditure. These are also laid out in more detail below and are summarised in C.18.

## Resource budget

**C.6** The **resource budget** controls the current expenditure of a department and largely follows the contents of resource accounts. Resource accounts are prepared in accordance with the Government Financial Reporting Manual, which follows International Financial Reporting Standards (IFRS) with such adaptations as are necessary for the public sector.

**C.7 Resource budgets** measure expenditure when it accrues rather than when the cash is spent. They do not include, as an in-year cost, prepayments for goods and services not consumed in that year but they will include resources consumed but paid for in later years or where pre-financed in earlier periods. Stock consumption scores in the resource budget while spending on adding to stocks does not. They include non-cash costs such as movements in provisions and charges for bad debts. Resource budgets record the cost of lending to students on the basis of an assessment of the subsidy implied in the low interest rate charged and the bad debt provision that is required. The annual resource cost to departments of the assets they use to deliver services is also included in resource budgets. This cost is in the form of charges for capital consumed in that year (depreciation).

**C.8** The resource (DEL) budget includes all administration costs of central government departments such as pay and employer pension contributions or superannuation charges paid to unfunded public service pensions schemes. It also includes most of departments' other purchases of services. It includes current grants and subsidies paid to the private sector.

**C.9** The resource budgets for the Department for International Development (DfID) and the Foreign and Commonwealth Office (FCO) include an attributed share of the EU's expenditure on overseas aid and the Common Foreign and Security Policy.

**C.10 Non-Departmental Public Bodies** – resource and capital budgets include the expenditure of most non-departmental public bodies (NDPBs) classified to the central government sector.

**C.11 Public Corporations** are budgeted for on an external finance basis. Resource budgets include subsidies paid to, and dividends and interest received from, all public corporations sponsored by a department. Capital grants, lending to public corporations, and private sector borrowing by public corporations are in the capital budget.

**C.12 Central government support for local government** – the resource budget scores current grants to local government. Capital support scores in capital budgets. More information on local government is in **Chapter 7**.

## Capital budget

**C.13 Capital budgets** include expenditure on fixed capital assets, capital grants and the acquisition of certain financial assets acquired or sold for policy reasons. Capital budgets include capital expenditure financed by finance leases and on balance sheet Private Finance Initiative transactions. Capital budgets are set net of the sale value of receipts from the sale of capital assets.

**C.14** In resource accounts proceeds from sales of assets are split between the book value and any profit/loss on disposal. Receipts relating to the book value are recorded in capital budgets. The profit/loss on disposal is recorded in the resource budget.

**C.15** Capital budgets generally include loans on a net basis, i.e. new loans issued less repayments of loan principal. Large (over £20m) prepayments and debtors score in capital budgets if they last more than 12 months.

**C.16** Long-lasting defence fighting equipment with no civilian use (sometimes called Single Use Military Equipment) is treated as capital expenditure in budgets and departmental resource accounts, but National Accounts treat it as current.

**C.17 Central government support for local government** – current grants score in resource budgets. Capital grants (also called Supported Capital Expenditure (Capital) in England and Wales) score in capital budgets. Capital budgets also include amounts for local authority borrowing where central government has agreed to fund the resultant loan charges. These credit approvals are known as Supported Capital Expenditure (Revenue) in England and Wales, and supported borrowing in Scotland. More information on local government is in **Chapter 7**.

## Resource and capital budgets – summary table

**C.18** This table summarises the main standard contents of resource and capital budgets:

	Resource budget	Capital budget
<b>Department's own transactions</b>	Pay, current purchases, grants to individuals, subsidies Depreciation and impairments on the department's assets Take-up of provisions, movement in value of provisions and utilisation of provisions Bad debts Loss on sale of fixed assets <i>Less</i> income from sales of goods and services <i>Less</i> release of provisions <i>Less</i> profit on sale of fixed assets	Expenditure on new fixed assets <i>Less</i> book value sale proceeds of fixed assets Net lending to the private sector Investment grants to the private sector
<b>NDPB transactions</b>	As the department	As the department
<b>Local government</b>	Current grants to local government	Capital grants to local government Credit approvals
<b>Public corporations on an external finance basis</b>	Subsidies paid to public corporations <i>Less</i> interest and dividends received from public corporations	Investment grants paid to public corporations Net lending to public corporations (including equity withdrawals from public corporations) Public corporations' market and overseas borrowing

## Departmental Expenditure Limits

**C.19** Around half of public expenditure (TME) by value is in DEL. But because AME includes a small number of large programmes, by far the majority of public expenditure programmes are in DEL. The main programmes in AME are set out later in this section.

**C.20** DELs are set for three or four years in a Spending Review. They represent firm plans for departmental spending that may only be increased in exceptional circumstances with the Treasury's agreement through a claim on the DEL Reserve. Departments may carry forward some unspent DEL from one year to the next.

**C.21** DEL is net of certain receipts, mainly from sales of goods and services, asset sales, dividends, interest, rent of land and income from the European Union. It is also net of certain taxes, levies and fines where exceptionally the Chief Secretary to the Treasury has given specific agreement for a department to retain them in their DEL.

**C.22** DEL includes a Reserve to meet unexpected needs. When sums are allocated from the Reserve, individual departments' DELs are increased and the Reserve lines reduced by the same amounts.

**C.23 Public corporations** – most transactions in respect of public corporations score in DEL but those in respect of self-financing public corporations score in departmental AME (except where they receive grants and subsidies, which would score in DEL).

**C.24 Total DEL** is not a control total but a standard way of presenting the sum of current and capital spending in DEL. Total DEL is defined as resource budget DEL *plus* capital budget DEL *less* depreciation. Depreciation here includes impairments (including Student Loan provisions) and the release of the donated assets and government grant reserves.

## Annually Managed Expenditure

**C.25** The following text describes the components of AME, which for the purposes of PESA is divided into departmental AME and other AME. The items in bold correspond to the row names of **Table 1.1**.

### Departmental Annually Managed Expenditure

**C.26** Departmental AME programmes are set out in departmental reports. A programme is included in AME if it cannot reasonably be subject to firm three-year limits as for DEL. Typically this is where the programme expenditure is demand-led, volatile, and large in relation to the size of the department. But those are neither necessary nor sufficient conditions for inclusion in AME. Discretionary new spending programmes are always in DEL except where a special case can be made to demonstrate that treatment as AME is likely to deliver better control of expenditure.

**C.27** The main programmes in departmental AME are:

- social security benefits;
- tax credits for individuals;
- net lending to students;
- BBC domestic services;
- net public service pensions; and
- expenditure financed by the proceeds of the national lottery.

**C.28 Social security benefits** – includes payments of social security and National Insurance benefits by the Department for Work and Pensions (DWP) and the DSS (Northern Ireland). It includes central government support for certain social security benefits paid by local government, such as Housing Benefit, Council Tax Benefit and Rent Rebates. It includes payments by DWP to the BBC in respect of free television licences for the over 75s.

**C.29 Tax credits** – Until PESA 2011 tax credits in HMRC's AME did not include negative tax (i.e. where the amount paid is less than or equal to the tax liability of the household). In PESA 2012 all tax credits are included in departmental AME, increasing dept AME by approximately £5bn to £6bn per year. This aligns to the way tax credits appear in resource accounts.

**C.30 Student loans** – the transactions of loan principal score in capital departmental AME while resource departmental AME contains interest receivable and certain non-cash transactions. Resource DEL scores the changes in the impairment recognised by the issuing departments in their resource accounts.

**C.31 BBC domestic services** – the expenditure of the BBC on domestic broadcasting scores in departmental AME. The BBC World Service scores in the Foreign and Commonwealth Office DEL. The BBC Monitoring Service also scores in DEL. Certain trading operations of the BBC are treated as self-financing public corporations in AME.

**C.32 Net public service pensions** – this line scores the majority of the operating costs, net of income, for the main public service unfunded pension schemes. Operating costs are measured under International Accounting Standard 19 (IAS 19) as amended for the public sector. The main schemes are those for NHS staff, the civil service, teachers and the armed forces. This line comprises an assessment of the increase in the liability relating to current employees *less* relevant receipts. It does not include an amount for the unwinding of the discount rate, which is shown as part of the non-cash items in AME.

**C.33** All the major unfunded pension schemes follow IAS 19 to report any increase (or decrease) in liabilities accrued in the period. In broad terms, there is a charge (or benefit) shown in this row equal to the gross increase in the provision that impacts on the operating statement of the scheme (excluding the unwinding of the discount rate) *less* pension contributions receivable from employers and employees, and *less* other income.

**C.34** Note that there may be several reasons for a difference in the level of contributions and the IAS 19 charge. In particular, calculations of contributions and of the IAS 19 charge use different discount rates and different actuarial methodologies. In addition, contribution rates are revised only every three or four years, after full actuarial valuations, so the contribution rate is set to reflect previous over- and under-assessment of contributions due to scheme-specific experience on issues such as pay and demography.

**C.35** Cash payments of members' continuing pensions, lump sums, spouses' benefits and similar payments, and bulk and individual transfers out are all normally charged directly to the pension provision shown on the balance sheet. That means that they do not impact on the cost of the scheme as measured in this line, because the obligation to pay the pension had been recognised as adding to liabilities by an increase in the pension provision when the right to the pension accrued. However, if any cash payment is made that is not covered by a previously recognised liability then that payment would score in this AME line.

**C.36** Relevant receipts include employers' contributions (including accruing superannuation liability charges such as those paid by departments to the Principal Civil Service Pension Scheme), employees' contributions for ordinary pensions (including widows'/widowers' pensions) and for added years, and receipts of bulk and individual transfers in.

**C.37** This line does not reflect changes to the pension provision on the balance sheet resulting from changes in the actuarial assumptions made about the future (for example life expectancy, pay growth, inflation etc). Such changes result in the cost of providing already accrued pensions being higher (or lower) than previously thought. So if, for example, pensioners are living longer than previously thought then the overall liability of a scheme will rise. The effects of these changes are shown in a separate statement (Statement of Recognised Gains and Losses) in the pension schemes' resource accounts and do not score in budgets.

**C.38** For simplicity, and because of the immateriality of the amounts, some small unfunded schemes may report the difference between the cash paid out during the year and any contributions received.

**C.39** Note that this line does not cover:

- pension schemes with a real pensions fund, such as local government and most public corporations' pension schemes;
- the schemes for police officers and fire-fighters, which although unfunded are run by local government, and whose costs are therefore in local government expenditure; and
- pensions of some NDPBs and other offices in the central government sector which operate their own pay-as-you-go pensions schemes and which are in DEL, generally on an IAS 19 basis.

**C.40** Future payments of pensions are discounted in order to obtain the value of the liability in today's terms. Each year, future payments come a year closer and so the effects of discounting are reduced. That unwinding of the discount rate is a cost that is recognised in the accounts. In budgets, the amount for the unwinding of the discount rate on the liability is part of the **non-cash items** row (see C.49 below).

**C.41** The amount for the unwinding of the discount rate can be seen as loosely equivalent to the amount of interest the government would have had to pay if the schemes had been funded, and is sometimes referred to as interest on scheme liabilities (note that the discount rate is set in accordance with IFRS principles as endorsed by the Financial Reporting Advisory Board and is not automatically a gilt rate). So this item reflects the fact that the schemes are unfunded. Showing this item in the non-cash items row separates out the costs that the government bears as employer from guaranteeing the schemes (which are the costs in the net public service pensions row) from the notional costs that result because the schemes are unfunded.

**C.42** The cost of pension schemes as measured on a GAAP basis does not impact directly on TME or the other fiscal aggregates. **Annex D** explains how the GAAP measures for the main public service pension schemes in departmental AME can be reconciled to their impact on TME, and this is shown in detail in **Table D.1**.

**C.43** The overall change over the year in the schemes' balance sheet pensions liability measured on a GAAP basis is normally given by:

- current service cost and other pension costs (e.g. liabilities transferred in);
- plus unwinding of the discount rate;
- less pensions paid out;
- plus or less changes in actuarial assumptions and other balance sheet adjustments.

**C.44** With the exception of the last item, which is not an expenditure or budget item, figures for the components listed above are shown in **Table D.1**.

**C.45** Expenditure on services includes the cost of public service pensions on a TME basis in the social protection function.

**C.46 National lottery** – expenditure on good causes funded from the proceeds of the national lottery is in this line. The Big Lottery Fund was officially established by Parliament on 1 December 2006 and at the same time assumed the residual responsibilities of the dissolved National Lottery Charities Board (Community Fund), the New Opportunities Fund and the Millennium Commission. The Big Lottery Fund rolls out grants to health, education, environment and charitable causes across the UK.

**C.47 Non-cash items** include:

- large, demand led non-cash items that could not reasonably be included in DEL budgets, such as provisions for nuclear decommissioning liabilities and the increase in the liability of public service pensions schemes due to the unwinding of the discount rate; and
- non-cash items in respect of departmental AME programmes.

**C.48 Financial sector interventions** – includes all transactions that relate to the support provided by the Treasury to financial institutions since 2008-09. The underlying components are set out in **Box 2.A** in **Chapter 2**.

**C.49 Other departmental expenditure** includes:

- transactions in respect of Self-Financing Public Corporations;
- Export Credits Guarantee Department (part);
- expenditure on tax credits for companies (research and development for Small and Medium Enterprises, contaminated land clearance) and charities calculated on an OECD basis, which reflects payments in excess of tax liability;

- HM Revenue and Customs (HMRC) payments in respect of Child Trust Funds;
- rates paid on behalf of embassies, net of beneficial portion receipts;
- Housing Subsidy in England and Wales, and Housing Support Grant in Scotland;
- Redundancy Payments Scheme;
- coal health liabilities;
- adjustments to prior year National Non-Domestic Rates (NNDR) collection;
- support to local government in respect of police officers' and fire-fighters' pension schemes;
- debt repayment grants to local authorities;
- expenditure of certain levy-funded bodies; and
- acceptances of artworks in lieu of Inheritance Tax.

## Other Annually Managed Expenditure

**C.50 Locally Financed Expenditure (LFE)** – this line comprises the following items:

- Local Authority Self-Financed Expenditure (LASFE) in the UK;
- expenditure financed from the product of the Scottish Non-Domestic Rate; and
- central government expenditure financed from the product of Northern Ireland Regional Rates (NIRR) and from borrowing from the National Loans Fund under the Re-investment & Reform Initiative (RRI).

**C.51** LASFE is that part of total local authority expenditure not met by central government support. Its largest single financing component is the product of the Council Tax. Other components include the surpluses of trading activities, interest receipts, unsupported borrowing and the use of reserves.

**C.52** NIRR are set by the central government in Northern Ireland and can be used to finance any public sector expenditure within Northern Ireland. By convention it is treated in PESA as locally financed central government expenditure. The product of NIRR is treated as a transfer from AME into DEL, so this means that DEL is set net of the product of the NIRR.

**C.53** Expenditure financed by borrowing from the National Loans Fund under the RRI is shown under LFE because the loans will be serviced and repaid out of the product of the NIRR.

**C.54 Net expenditure transfers to the European Union** – transactions with the institutions of the European Union are shown in **Table C.1** and comprise the following concepts:

- net expenditure transfers to the European Union, which reflects the main TME impact of membership of the European Union;
- net payments to EU institutions; and
- the net contribution to the EU budget.

**C.55** The TME effect of EU membership is therefore given by:

- GNI-based contributions;
- less the UK's abatement; and
- less an amount in respect of the cost of collecting TOR.



**C.56 Public Corporations' Own-Financed Capital Expenditure** – this line comprises the capital expenditure of public corporations net of any capital grants or loans given by its parent department and net of public corporations' market and overseas borrowing where that scores to departmental budgets.

**C.57** This line also includes the whole amount of capital expenditure of public corporations accountable to local government, whether own-financed or supported by local government: an accounting adjustment removes local government support to public corporations to avoid this spending being double counted

**C.58 Central government debt interest** – this line includes interest paid to the private sector and overseas, but not interest paid to other parts of the public sector. The capital uplift on index-linked gilts is scored as interest at the time it accrues. This line includes the amortisation of discounts/premia on gilts at issue.

**C.59 Accounting adjustments** are described in **Annex D**.

## Total Managed Expenditure

**C.60** TME is an aggregate drawn from National Accounts. It covers the current and capital expenditure of the public sector, net of some receipts. It therefore includes expenditure of central and local government and also the capital expenditure of public corporations. TME excludes grants and interest payments between parts of the public sector (as it is a consolidated measure) as well as all financial transactions (such as lending). So TME is the expenditure side of the equation that gives public sector net borrowing, a measure of the fiscal stance.

**C.61** As in **Table 1.1**, TME can be shown to equal Total DEL + AME (including accounting adjustments).

**C.62** In addition, TME may be expressed as the sum of:

- public sector current expenditure;
- public sector net investment; and
- public sector depreciation.

**C.63** In this presentation, depreciation represents the amount of capital expenditure required to make good the depreciation of assets, and net investment represents the amount of capital expenditure that adds to the overall stock of assets.



# D

# Accounting adjustments in budgeting presentation of TME

## The need for accounting adjustments

**D.1** The National Accounts, produced by the Office for National Statistics (ONS), follow international guidelines and provide a widely accepted framework for analysing the economic activity of the country. Total Managed Expenditure (TME) is an aggregate drawn from National Accounts that measures the sum of public sector current and capital spending.

**D.2** Government departments budget and account for their spending in resource terms. From 2009-10 onwards this was based on International Financial Reporting Standards (IFRS) and prior to that was based on UK's Generally Accepted Accounting Practise. Both accounting frameworks differ in a numbers of ways from National Accounts, which are based on the European System of Accounts 1995 (ESA 95). The main difference is that ESA95, in the main, recognises liabilities and assets only when they crystallise.

**D.3** As a consequence of this, a number of adjustments are needed to reconcile budgets to the component parts of TME – these are known as accounting adjustments. **Table 1.1** shows resource DEL plus resource AME equalling public sector current expenditure, and capital DEL plus capital AME equalling public sector gross investment. Public sector current expenditure (PSCE) plus public sector gross investment (PSGI) then equals TME. In this presentation the AME totals include the accounting adjustments.

**D.4** **Table 1.10** shows further details of these accounting adjustments.

**D.5** The accounting adjustments are shown separately for resource and capital in **Table 1.10**, the former shows the breakdown of those adjustments necessary to reconcile to PSCE and the latter those adjustments necessary to reconcile to PSGI. In each table the accounting adjustments are broken down into three categories;

- a. data that are removed from budgets because the National Accounts uses a different data source;
- b. data that are removed from budgets because they are not part of spending as defined by the National Accounts; and
- c. accounting adjustments that are made to budgets to move them to a basis and economic categorisation consistent with spending as defined by the National Accounts.

**D.6** The accounting adjustments in the first two categories above are shown separately according to whether they are in DEL or AME. The main accounting adjustments within the third category are shown separately for the Central Government and Local Government sectors arranged by the economic categories within TME. The section below goes through the main adjustments giving a description of the nature of the adjustment and the reason that it needs to be made. For each economic category there are a large number of smaller adjustments that are not shown separately – the total for these is in the “other” category. These adjustments include the part of the timing adjustments published at the bottom of **Table 1.10** that is applicable to each economic category and a number of less significant accounting adjustments, including those that switch misreported data on COINS between economic categories.

## List of the accounting adjustments in Table 1.10

### Resource Accounting Adjustments

#### Remove data in budgets which form part of public sector current expenditure but where a different source is used for National Accounts

##### Capital consumption and NHS capital consumption

**D.7** These items are removed from both DEL and AME because, as is common international practise, estimates of capital consumption in the National Accounts are produced using a Perpetual Inventory Model (PIM) rather than the data reported by departments as part of their budgets.

##### Interest

**D.8** This item is removed from both DEL and AME as the ONS sources its Central Government interest transaction from a variety of sources with none being the data in budgets reported by departments. In **Table 1.1** Gross Debt Interest is shown separately from accounting adjustments under other AME. This is far larger than the interest items deducted from budgets as it includes the interest the Debt Management Office pays on its Gilts as well as interest paid by departments.

##### Subsidy element of renewable obligation certificates and other environmental levies

**D.9** Where there is a compulsory and unrequited payment imposed by Government, even if the payment is not to a public sector body, National Accounts sometimes require the payment to be imputed in the public finances as offsetting taxation and subsidy spending. This is the case with renewable obligation certificates (ROCs), where companies not meeting their renewable obligations have to purchase ROCs from companies who have exceeded their obligations. The Department of Energy and Climate Change (DECC) have already included estimates in their AME forecast for the subsidy elements, however ONS and the Office for Budget Responsibility (OBR) are currently using a different source for their estimates of the value of this subsidy so the DECC estimates are removed from AME. This also applies for other environmental levies such as Feed-in Tariffs and the Renewable Heat Initiative so these are also removed.

##### Other

**D.10** The items deducted from both DEL and AME under this category include dividends and rent. In both cases ONS use sources other than the data reported by departments as part of their budgets.

##### Adjustment for different data used by OBR in PSCE forecast

**D.11** The forecast data for departments' DEL and AME budgets for the period of the 2010 Spending Review used in this publication are taken from the data submitted by departments on COINS. The OBR did not use COINS data consistent with PESA 2012 for their forecast in the March EFO as it was not available at the time of publication. These adjustments are to reconcile the data used by the OBR with that in PESA. For AME, the OBR used the forecasts provided to them by departments, which should also have been reflected on COINS. For DEL the OBR used plans from PESA 2011 adjusted to reflect policy announcements made during the year. For 2011-12, the OBR also included an estimate of the expected level of underspending by departments.

## Remove data in budgets which do not form part of public sector current expenditure

### Impairments

**D.12** Impairments as defined in budgets, in both DEL and AME, can result from a number of factors which do not affect PSCE as defined in the National Accounts. Examples of these are impairments resulting from the revaluation of assets or from unexpected losses which are treated as balance sheet movements only in National Accounts. Impairments from wear and tear in the course of normal business are treated as part of PSCE capital consumption in the National Accounts and are accounted for as part of the PIM discussed in D.7 above. As a result, all impairments as reported in budgets by departments are removed from both DEL and AME as they do not form part of public expenditure.

### Fees, levies and charges, receipts treated as negative DEL but revenue in National Accounts, and miscellaneous current transfers

**D.13** Some receipts included under these categories benefit resource budgets, in both DEL and AME, even where they are included on the revenue side of the National Accounts. The deduction of such receipts in budgets needs to be reversed in the calculation of TME.

**D.14** The central government receipts that are removed in the adjustment are:

- certain taxes collected, including licences issued by the utility regulators;
- certain fines;
- current donations;
- current compensation;
- rent of land; and
- dividends and interest from the private sector and overseas.

### Change in pension scheme liabilities, unwinding of discount rate on pension scheme liabilities and release of provisions covering payments of pension benefits.

**D.15** Pension costs are measured differently in resource accounts (and predominantly AME budgets) and National Accounts due to the different way these frameworks deal with provision liabilities.

**D.16** In the National Accounts, the following transactions are included within TME:

- payments to pensioners, surviving spouses etc and transfers out to other schemes;
- less receipts of contributions by employees and employers, and transfers in from other schemes.

**D.17** In resource accounts a provision liability is recognised on the balance sheet equal to the net present value of the expected future cash benefits to be paid. Broadly speaking, changes in this liability impact on the operating cost statement. The net public service pensions line in departmental AME presents expenditure on this basis. The line consists of the following:

- the gross change in the liability that scores in the operating statement of the schemes;
- plus payments of pensions or transfers out that are not covered by a previously recognised liability;
- less receipts of contributions by employees and employers, and transfers in from other schemes.

**D.18** The unwinding of the discount rate that is applied to the future cash flows is also a cost in the operating statement in accounts. This cost is recorded separately in the non-cash items in departmental AME. See **Annex C** for further details.

**D.19 Table D.1** reconciles pensions expenditure as presented in **Table 1.1**, in resource accounts and in TME. So the table presents:

- the three main contributions to the net public service pensions line in **Table 1.1** (as in D.17 above);
- the pensions element of the non-cash items line in **Table 1.1** (i.e. the unwinding of the discount on the liability);
- the sum of these elements, which is the contribution of pension schemes to departmental AME;
- the accounting adjustments required to reach the contribution to TME (see D.20 below); and
- the contribution of the main public service pensions schemes to TME.

**D.20** The adjustments are as follows:

1. remove changes in liabilities scored in the net public service pensions line;
2. remove changes in liabilities arising from the unwinding of the discount rate that are scored in the non-cash items line in AME; and
3. add cash payments to pensioners, surviving spouses etc and transfers out to other schemes.

**Table D.1 Pay as you go public service pensions schemes in AME and in TME, 2007-08 to 2014-15**

	National Statistics										£ million	
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	plans	plans		
<b>Departmental AME (GAAP basis)</b>												
Change in liability	24,462	24,779	22,124	-56,752	27,114	27,035	23,016	23,312				
Contributions received*	-19,166	-19,439	-20,673	-21,360	-21,140	-22,132	-22,262	-22,374				
Cash payments in OCS not covered by release of provision*	29	76	81	43	80	95	111	111				
<b>Net public service pensions (GAAP basis)</b>	<b>5,325</b>	<b>5,416</b>	<b>1,532</b>	<b>-78,069</b>	<b>6,054</b>	<b>4,998</b>	<b>865</b>	<b>1,049</b>				
Unwinding of discount rate												
(= contribution to non-cash items)	32,805	36,510	39,154	37,615	43,414	40,379	35,277	36,404				
<b>Total Departmental AME (GAAP basis)</b>	<b>38,130</b>	<b>41,926</b>	<b>40,686</b>	<b>-40,454</b>	<b>49,468</b>	<b>45,377</b>	<b>36,143</b>	<b>37,453</b>				
<b>Accounting adjustments</b>												
Remove change in liability	-24,462	-24,779	-22,124	56,752	-27,114	-27,035	-23,016	-23,312				
Remove increased liability due to unwinding of discount rate	-32,805	-36,510	-39,154	-37,615	-43,414	-40,379	-35,277	-36,404				
Add pensions in payment covered by release of provision* +	21,327	22,479	24,272	25,928	27,715	32,007	33,657	35,124				
<b>Accounting adjustments (Pensions)</b>	<b>-35,940</b>	<b>-38,810</b>	<b>-37,005</b>	<b>45,064</b>	<b>-42,813</b>	<b>-35,407</b>	<b>-24,637</b>	<b>-24,592</b>				
<b>Contribution to TME (National Accounts basis)</b>	<b>2,190</b>	<b>3,116</b>	<b>3,681</b>	<b>4,610</b>	<b>6,654</b>	<b>9,970</b>	<b>11,505</b>	<b>12,861</b>				
of which:												
Pensions in payment*	21,356	22,554	24,354	25,971	27,794	32,102	33,767	35,235				
Contributions received*	-19,166	-19,439	-20,673	-21,360	-21,140	-22,132	-22,262	-22,374				

\* Includes bulk and individual transfers, including transfers of liabilities within government.

+ offsets change in gross liability.

## **Grant equivalent element of student lending**

**D.21** In budgets this is the provision that represents the net present value of the interest support element of student loans that scores in DEL and AME as the loans are issued. In the National Accounts the impact on the current balance is determined by the difference between interest payments made on government debt and interest income receivable from students. These values therefore need to be removed from DEL and AME as an accounting adjustment.

## **Stock write-offs**

**D.22** In budgets the write-off of stocks covers items such as military expenditure and medical stocks that are treated as being consumed at the point of purchase in National Accounts. This adjustment therefore removes the value of these stocks from DEL.

## **Northern Ireland Executive transfers between DEL and AME**

**D.23** As explained in Annex C, expenditure financed by Northern Ireland Rates is treated as a transfer from AME into DEL and by convention treated as part of locally financed expenditure in **Table 1.1**. This is removed from DEL and added back in the section which removes data from Local Government expenditure.

## **Profit or loss – sale of company securities**

**D.24** Departmental resource DEL and AME budgets include the profit or loss on the sale of company securities. These are removed as an adjustment as they are scored as financial transactions in the National Accounts.

## **Profit or loss – sale of other assets**

**D.25** Departmental resource DEL and AME budgets include the profit or loss on sales of tangible and intangible fixed assets. In the National Accounts, these are treated as capital transactions rather than resource transactions and so this adjustment is necessary to remove them from PSCE.

## **Green Investment Bank**

**D.26** Resource transactions involving the Green Investment Bank have been included in PSGI in CDEL and then removed as an accounting adjustment in the OBR's forecast. In PESA they are removed as an item in budgets which does not form part of PSGI.

## **Tax credits**

**D.27** Following the Alignment Project, all personal tax credits are treated as part of AME. This adjustment removes tax credits that are treated as negative taxation in the National Accounts.

## **Fee income treated as capital in National Accounts**

**D.28** The Government announced the intention to instigate the Asset Protection Scheme for Lloyds Banking Group (LBG) and Royal Bank of Scotland (RBS) in February 2009. In December 2009, RBS signed the contract to participate in the scheme and LBG announced it would not take part in the scheme. The Government received an exit fee from LBG and a fee from RBS for the implicit guarantee provided between February and December 2009. These fees were treated as capital receipts in the National Accounts but as negative resource AME (receipts) in HM Treasury's budget. This adjustment removes the receipts from PSCE.

## **Imputed tax element of renewable obligation certificates and other environmental levies**

**D.29** As explained above, National Accounts requires payments of ROCs and other environmental levies to be imputed in the public finances as offsetting taxation and subsidy spending. DECC have already included estimates in their AME forecast for the tax elements, however these are treated as part of receipts rather than spending in the National Accounts and so are removed in this adjustment.

### **Other**

**D.30** There are a number of other items that are removed from DEL and AME because they do not score as part of TME in the National Accounts. These include:

- notional audit fees, which are not scored in TME as no money flows;
- some other miscellaneous transactions that are scored in budgets but treated as financial transactions in the National Accounts; and
- some transfers between different parts of central government that are excluded from the National Accounts as they are within the same sector in the National Accounts.

## **Central Government Adjustments in the National Accounts**

### **Expenditure on Goods and Services**

#### **VAT refunds**

**D.31** VAT is a tax that is paid by final consumers, i.e. government and households. Producers pay VAT on materials that they use in the course of production, but are able to claim those VAT payments back from HMRC. Producers then charge VAT on sales and pass these monies to HMRC. Where a public sector body is engaged in production and receives such a VAT refund, this refund would not add to TME, nor would it be included in their spending data, which is measured net of recoverable VAT. Therefore in these cases no adjustment is needed to reconcile to TME.

**D.32** However, some public sector bodies additionally receive refunds of VAT that they have paid in respect of contracted out services for non-business purposes, including the free-to-enter public museums. These VAT payments by general government bodies form part of the prices paid as a final consumer, and therefore form part of final government consumption within TME (as well as part of current receipts). However, departmental budgets, and other spending data, are net of all recoverable VAT. This adjustment therefore adds back VAT refunded to central government departments in respect of contracted out services for non-business purposes and VAT refunds to free public museums in respect of non-business activities.

#### **Single Use Military Equipment**

**D.33** Expenditure on Single Use Military Equipment (fighting equipment with no non-military use) that is capital under IFRS is recorded as capital expenditure in departmental budgets but treated as current expenditure in National Accounts and therefore in PSCE. This adjustment adds it to PSCE.

#### **EU tax collection costs**

**D.34** The UK receives a payment from the EU for collecting Traditional Own Resources (customs duties, agricultural and sugar levies) on behalf of the EU. This receipt (which is actually netted off the payment made to the EU) is treated as a government receipt and reduces TME. This income is recorded here.

## Capital consumption

**D.35** As explained above, departmental estimates for capital consumption are removed from both DEL and AME because, as is common international practice, estimates of capital consumption in the National Accounts are produced using a Perpetual Inventory Model (PIM). This adjustment adds in the PIM estimates.

## Net Social Benefits

### Switch between net social benefits and other current grants

**D.36** When COINS was first set up, departments misclassified net social payments as other current grants due to issues with the mapping of codes to the previous reporting systems. These misclassifications continue on a smaller scale today and this adjustment corrects this misclassification.

### Public service pensions contribution up-rate

**D.37** This adjustment accounts for the additional receipts from the increase in contribution rates from 2012-13 announced in the 2010 Spending Review. The receipts were included in the OBR forecast in the March EFO at a global level since details about how it will impact across pension schemes had not yet been announced.

## Net Current Grants Abroad

### Attributed aid

**D.38** This adjustment removes the attributed share of the EU's aid (and Common Foreign and Security Policy expenditure). Departmental budgets include this attributed expenditure, but it doesn't increase TME as it is actually part of EU spending financed by the UK's budgetary contributions.

### DfID funding for capital projects scored in resource DEL

**D.39** A proportion of the Department for International Development's (DFID) bilateral aid budget is deemed to be a capital grant to the rest of the world in the National Accounts, although all bilateral aid grants are shown in resource DEL budgets. This adjustment removes the part that is deemed to be capital spending so that it is not included in PSCE. This is not reflected in the forecast years as the composition of the DFID aid budget has changed.

### EU receipts and EU funded expenditure

**D.40** EU grant expenditure routed through government departments is treated in the National Accounts as a transaction between the EU and the end-recipient of the grant. Both the receipt from the EU and the spending funded by the EU are included in departments' DEL budgets. This adjustment therefore removes the receipt of the EU finance by departments, which is scored as part of their DEL budget. There are adjustments within the "other" category in Other Current Grants and in Subsidies that remove the spending.

## Subsidies

### Renewable obligation certificates and other environmental levies

**D.41** As mentioned above, ROCs and some other environmental levies are treated as imputed subsidies (and tax) in the National Accounts. This adjustment adds in ONS's and OBR's valuation of the imputed subsidy (DECC's COINS data having been removed in the first section of the table).

## **Company tax credits outside departmental AME**

**D.42** Currently ONS treat all company tax credits payments as part of TME. These include research and development tax credits, transitional relief to charities formerly entitled to receive tax credits on dividends, film tax credits and tax relief on clearing contaminated land. This adjustment adds the part of the payments of these tax credits that are not in HMRC's AME budget.

## **Local Government Adjustments in the National Accounts**

**D.43** As explained in Annex C, the contribution to AME from the Local Government sector is locally financed expenditure. This comprises the parts of local authority expenditure not met by central government support in the UK (known as LASFE), expenditure financed by Scottish NNDR and expenditure financed by Northern Ireland Regional Rates. LASFE is calculated as total Local Government expenditure, sourced from Local Government data (as outlined in Annex A), adjusted to a National Accounts basis, less CG support, based on data in Central Government departments' budgets. The accounting adjustments listed below are therefore the main adjustments to Local Government source data needed to transform it to a National Accounts basis and to reconcile Central and Local Government sources for PSCE.

### **Remove data which do not form part of public sector current expenditure**

#### **Retirement benefits**

**D.44** An adjustment is required here to remove items in the local government source data which do not reflect actual payments.

#### **Debt interest payments to central government**

**D.45** Interest payments to central government are removed as they represent flows between two parts of the public sector and so do not score towards TME.

### **Adjustments to reconcile use of different data sources**

#### **Central government support**

**D.46** As mentioned above, the data for Central Government support used in the calculation of LASFE is based on data in Central Government departments' budgets and the total spending is from the Local Government sources. This adjustment is therefore necessary to reconcile Central Government and Local Government sources of information for current Central Government support. The data based on Central Government departments' budgets are the data deducted in the calculation of LASFE as these are felt to be more reliable and are available at a more detailed level for quality assurance.

#### **Debt interest**

**D.47** This adjustment reconciles differences between the data source used for the calculation of debt interest payments to the private sector by Local Authorities in the National Accounts and that used in Local Government sources.

## Expenditure on Goods and Services

### VAT refunds

**D.48** As mentioned in the section on Central Government adjustments to expenditure on goods and services above, public sector bodies, including Local Authorities, receive refunds of VAT that they have paid in respect of contracted out services for non-business purposes. Central government support in resource DEL (and AME) and current LASFE are measured net of these VAT refunds, but in TME the expenditure is recorded including the VAT paid and therefore an adjustment is made to add back these refunds.

### Capital consumption

**D.49** As also mentioned above, in the section on Central Government adjustments to expenditure on goods and services, estimates of capital consumption in the National Accounts are sourced from the ONS's PIM model. This adjustment adds in these estimates for the Local Government sector.

### Rates

**D.50** This deducts payments of National Non-domestic Rates (NNDR) paid by local government which are in locally financed expenditure but do not form part of TME.

### Subsidies

#### Equity injection into Housing Revenue Account

**D.51** The HRA is treated as a Public Corporation in National Accounts. This means that the regular deficit resulting from its operations is treated in National Accounts as an imputed subsidy (if a regular profit were made it would be treated as an imputed dividend). The deficit (or profit) is calculated as the gross operating surplus less gross capital expenditure. Gross, rather than net, capital expenditure is used as sales of housing stock are treated as financial transactions which reduce LG equity in the HRA. Since 2004-05 the HRA have had a regular deficit so a subsidy is imputed from Local Government to the PC sector. This adjustment adds in the subsidy to Local Government spending. (Unlike grants subsidies from one part of the public sector to another are included in TME).

### Net Social Benefits

#### Housing benefits and rent rebates

**D.52** ONS use data from DWP in respect of housing benefits and rent rebates. An adjustment is necessary to bring data from Local Government sources into line with that from DWP.

### Public Corporations

**D.53** The main adjustment in relation to Public Corporations data is their payment of debt interest to the private sector. This is the only part of Public Corporation own expenditure other than Public Corporations' Own Financed Capital Expenditure (see Annex C) that scores in TME. This adjustment adds in the data used in the National Accounts for their debt interest payments to the private sector.

## Capital Accounting Adjustments

### Remove data in budgets which form part of public sector gross investment but where a different source is used for National Accounts

#### Change in inventories and acquisitions less disposals of valuables

**D.54** The data in the National Accounts for both of these are sourced from ONS surveys and administrative sources other than COINS.

#### Adjustment for different data used by OBR in PSGI forecast

**D.55** As explained above for resource spending, the forecast data for departments' DEL and AME budgets for the period of the 2010 Spending Review used in this PESA publication differ from those used by the OBR in their March EFO. These adjustments are to reconcile the data used by the OBR with those on COINS used in PESA.

### Remove data in budgets which do not form part of public sector gross investment

#### Single Use Military Equipment

**D.56** Expenditure on Single Use Military Equipment is recorded as capital expenditure in departmental budgets but treated as current expenditure in National Accounts and therefore included in PSCE. This adjustment removes it from PSGI so that it is not double-counted in TME.

#### Net lending to private sector and purchase and sale of company securities

**D.57** These types of transactions are treated as financial transactions which do not score as spending in the National Accounts, because they involve a swap of financial assets and so are excluded from PSGI and TME. However they are included in DEL and AME in order to have control over departments' impact on Public Sector Net Debt (PSND) so this adjustment is necessary to exclude them from TME.

#### Capital support for public corporations and local government supported capital expenditure

**D.58** These transactions are excluded from TME as they are lending from central government to support capital expenditure by other parts of the public sector.

#### Northern Ireland Executive transfers between DEL and AME

**D.59** This is the capital equivalent of the transfers described in D.23 above.

#### Green Investment Bank

**D.60** As with resource spending, it is assumed that capital transactions involving the Green Investment Bank, which have been included in the OBR's forecast, will be treated as financial transactions that do not affect PSGI. This adjustment removes them.

#### Other

**D.61** There are a number of other items that are removed from DEL and AME because they do not score as part of PSGI in the National Accounts. These include:

- some capital provisions;
- some other miscellaneous transactions that are scored in budgets but treated as financial transactions in the National Accounts; and
- some transfers between different parts of central government that are excluded from the National Accounts as they are within the same sector in the National Accounts.

## Central Government adjustments in National Accounts

### Gross Fixed Capital Formation

#### Profit or loss – sale of other assets (from resource budgets)

**D.62** As mentioned in the section on resource accounting adjustments, in National Accounts the profit or loss on sales on tangible and intangible fixed assets are treated as capital expenditure and therefore as part of PSGI. However they are treated as part of resource DEL and AME. This adjustment is necessary to add them to PSGI.

#### Capital grants to and from the private sector

##### VAT refunds

**D.63** Refunds of VAT are also available on certain items to householders who are building their own home or converting a non-residential building into a home for them to live in. As mentioned above, spending in National Accounts is recorded inclusive of refunded VAT and therefore the value of these refunds is included in PSGI as a capital grant to the household sector (and also included in total VAT receipts) but not in Budgets. This adjustment adds the value of these refunds to PSGI.

#### Fee income treated as capital in National Accounts

**D.64** As outlined in the section on resource accounting adjustments, certain fees received from RBS and LBG in respect of the Asset Protection Scheme were treated as capital receipts in the National Accounts and resource receipts in HM Treasury's AME. This adjustment ensures that these receipts are included in PSGI.

#### DfID funding for capital projects scored in resource DEL

**D.65** As also stated above, in the section on resource accounting adjustments a proportion of DfID's bilateral aid budget is deemed to be a capital grant to the rest of the world in the National Accounts, although all bilateral aid grants are shown in their resource DEL budgets. This adjustment adds the part deemed to be capital so that it scores in PSGI.

## Local Government Adjustments in National Accounts

**D.66** The overall rationale behind the accounting adjustments for Local Government is explained in the section on resource accounting adjustments. The accounting adjustments listed below are the main adjustments to Local Government source data needed to transform it to a National Accounts basis and to reconcile Central and Local Government sources for PSGI.

### Adjustments to reconcile use of different data sources

#### Central government support

**D.67** As mentioned above, the data for Central Government support used in the calculation of LASFE is based on data in Central Government departments' budgets and the total spending is from the Local Government sources. This adjustment is therefore necessary to reconcile Central Government and Local Government sources of information for Central Government support via capital grants. The data based on Central Government departments' budgets are the data deducted in the calculation of LASFE as these are felt to be more reliable and are available at a detailed level for quality assurance.

## Financial transactions

**D.68** Financial transactions, which do not score as spending in the National Accounts because they involve a swap of financial assets, are excluded from PSGI and TME. This adjustment removes the parts of capital LASFE that need to be excluded as they are financial transactions.

## Capital grants from private sector

**D.69** In some cases receipts are treated as financing expenditure in AME when National Accounts treat them as reducing expenditure. The value of the receipts needs to be included in TME. An adjustment is therefore made to add to public sector net investment the local authority receipts of investment grants from private sector developers.

## Gross Fixed Capital Formation

### VAT refunds

**D.70** As mentioned above, Local Authorities receive refunds of VAT that they have paid in respect of contracted out services for non-business purposes, including on capital expenditure. Central government capital grants to Local Authorities in resource DEL (and AME) and capital LASFE are measured net of these VAT refunds, but in TME the expenditure is recorded including the VAT paid. This adjustment therefore adds the value of the refunds to PSGI.

### Roads de-trunking

**D.71** De-trunking of roads involves transferring the ownership and control of roads from the Highways Agency (part of central government) to Local Authorities. In National Accounts this involves recording the payment for the receipts of an asset by Local Authorities. As this is not recorded in LASFE an adjustment is necessary to add this in to PSGI.

## Capital Grants to Public Corporations

**D.72** Local government capital expenditure includes grants paid to public corporations. The capital expenditure that this finances is included as part of Public Corporations' Own-Financed Capital Expenditure (PCOFCE), as this contains capital spending other than that financed by central government. An adjustment is therefore required to avoid double counting this spending in TME. This mainly concerns payments by Transport for London to London Underground.

## Other capital adjustments

### Public Corporations

**D.73** The Public Corporation element of TME is effectively composed of PCOFCE plus central government support for public corporations. This adjustment adds back an element of the net lending subtracted above, to ensure that the level of PC spending is properly reflected.

### Housing Revenue Account reform receipts

**D.74** This represents a receipt by central government of net capital grants from local authorities that implement the reform of council house financing announced in the Spending Review. This net receipt is completely offset by a net payment included within capital LASFE, so this has no impact on the overall public finances.



# E

## Expenditure on services framework

---

**E.1** Tables in **Chapters 4 to 8**, showing public expenditure by function and/or economic category, and tables in **Chapters 9 and 10**, showing public expenditure by country and region, are all based on the public sector expenditure on services framework.

**E.2** Public sector or total expenditure on services (TES) broadly represents the current and capital expenditure of the public sector, and so is similar to the National Accounts measure of Total Managed Expenditure (TME). The definition of expenditure on services in PESA 2012 is almost identical to that presented in PESA 2011. For the avoidance of doubt, expenditure on services is the spending required to deliver services, not just the purchasing of services.

**E.3** Expenditure on services is a more stable measure of public spending than departments' budgets, as it is not affected by the creation or amalgamation of departments or by programmes of work moving between departments.

### Expenditure on services and TME

**E.4** TME is the current and capital expenditure of the public sector on a National Accounts basis. Public sector expenditure on services is similar, but with minor divergences. The divergences mainly reflect the difficulty of attributing certain types of spending to the correct functions in all cases, which, if attempted, would result in a lack of consistency between functions. The main difference from TME is that expenditure on services does not include general government capital consumption (depreciation) and does not reverse the deduction of certain VAT refunds in the budget-based expenditure data. It also includes a small number of items that are in budgets but not in TME, for example the grant-equivalent element of student loans. Public sector expenditure on services is worth about 95 per cent of TME.

### EU transactions in expenditure on services

**E.5** EU transactions score in their entirety within public sector expenditure on services in the same way as in TME. However, expenditure on services scores EU funded payments, for instance on agriculture, as UK government spending within the appropriate function, whereas the National Accounts score these as direct payments from the EU to enterprises and households. The EU transactions line within expenditure on services includes EU receipts, thus bringing the total into line with TME. Similarly, expenditure on services scores attributed EU expenditure on aid and the Common Foreign and Security Policy under international services and deducts an appropriate amount under EU transactions. Numbers are given in **Table C.1**.

### Expenditure on services and budgets

**E.6** Expenditure on services can be built up from departmental budgets (resource DEL, capital DEL and departmental AME). Essentially, (most) transfers to other parts of the public sector are removed, as are transactions that do not score as spending in the National Accounts. Spending by local government and public corporations is then added.

**Departmental budgets (resource Departmental Expenditure Limits + capital Departmental Expenditure Limits + departmental Annually Managed Expenditure)**

Less	grants to local government; capital grants to public corporations; depreciation; provisions; spending classified as financial transactions in the National Accounts; interest and dividends; items classified as revenue in the National Accounts which are netted off spending in budgets; EU receipts; other items that are not classified as spending in National Accounts (e.g. transfers between central government departments); and most intra-public sector transfers, the main exceptions being subsidies to public corporations and trading bodies.
Plus	local government current and capital expenditure; Northern Ireland locally financed expenditure; public corporations' capital expenditure; public sector debt interest; and EU transactions.

**E.7 Table E.1** shows the derivation of expenditure on services from departmental groups' budgets.

## Classification changes

**E.8** Classification changes since PESA 2011 are detailed in **Chapter 4**, where they affect expenditure on services or the functional split, and **Chapter 5**, where they affect expenditure on services, the sub-functional split or the economic breakdown.

**Table E.1 Derivation of public sector expenditure on services from departmental groups' budgets, 2011-12**

	Education	Health	Transport	Communities and Local Government	Business, Innovation and Skills	Home Office	Justice	Law Officers' Departments	Defence	Foreign and Commonwealth Office	International Development	Energy and Climate Change	Environment, Food and Rural Affairs	Culture, Media and Sport	Work and Pensions	Scotland	Wales	Northern Ireland	Chancellor's Departments	Cabinet Office	Independent Bodies	Total for all departments	
<b>Departmental Budgets</b>																							
Resource DEL	51,369	101,638	5,576	28,463	20,240	8,834	9,131	621	37,683	2,202	6,184	1,145	2,214	1,567	7,488	25,459	13,665	9,885	4,036	2,424	884	340,711	
Capital DEL	5,055	3,818	7,687	3,813	1,014	494	349	0	9,008	117	1,646	1,454	383	1,212	280	2,732	1,386	1,002	258	405	42	42,156	
Resource Departmental AME	11,699	19,564	877	382	-1,412	1,061	-33	4	7,854	59	104	3,709	-51	4,530	159,303	3,069	72	7,570	23,939	8,738	20	251,056	
Capital Departmental AME	-	-	-	153	5,415	-	-	-	-	-	-	-58	0	596	35	167	244	588	-3,653	-	-	-	3,488
<b>Remove</b>																							
Grants to local government	-42,521	-1,586	-6,264	-30,114	-392	-7,367	-	-	-	-	-	-	-141	-268	-27,791	-9,448	-5,503	-57	-	-	-	-131,451	
Capital grants to public corporations	-	0	-6	-11	-	-	-	-	-	-23	-	-	-13	-2	-1	-10	-	-312	-	-	-	-377	
Depreciation	-35	-1,932	-1,406	-243	-2,546	-224	-513	-10	-10,224	-142	-16	-157	-220	-282	-126	-693	-568	-805	14,126	-379	-39	-6,435	
Provisions	-8,650	-19,830	-16	35	-2	14	115	1	-4,319	-1	32	-3,546	35	171	-1,152	-2,708	-12	-1,835	315	-6,764	-57	-48,174	
Financial transactions	-5	-436	33	57	-5,118	-	-	-	6	-13	-1,207	90	0	4	-81	-230	-320	-327	3,406	0	0	-4,140	
Interest and dividends	12	28	-259	23	717	-	-	-	-164	-	1	26	25	116	5	129	23	-26	3,035	-32	-	3,661	
Items classified as revenue in National Accounts	2	-1,703	1,464	44	403	534	0	12	21	-	7	70	94	112	56	-	21	28	-4,288	-	0	-3,122	
EU receipts	-	-	61	355	131	28	-	-	-	-	-	-	2,463	-	249	777	798	398	-	-	1	5,260	
Other items not in TME	5	-115	-228	-29	-60	-210	-128	-5	-10	0	-23	-25	-12	-23	-369	-1	123	-16	-74	1	0	-1,199	
<b>Add</b>																							
Local government current expenditure	49,831	16,134	5,508	8,451	423	12,918	194	-	-	-	-	-	5,577	2,305	23,841	11,305	5,400	520	-	61	-	142,468	
Local government capital expenditure	5,693	282	3,136	2,456	43	546	-	-	-	-	-	-	740	924	37	2,145	786	89	-	-	-	16,878	
Northern Ireland locally financed expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	595	-	-	-	595	
Public corporations' capital expenditure	-	-	1,853	2,240	199	-	13	-	86	12	-	-	0	-	18	1,097	141	345	-	-	-	6,005	
Public sector debt interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,577	-	-	47,577	
EU transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,194	-	-	1,194	
Grant equivalent element of student loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58	-	-	-	640	
Loans written off by mutual consent	-	-	-	-	-	-	-	-	-	-	23	-	-	-	-	-	0	-	-	-	-	23	
<b>Public sector expenditure on services</b>	<b>72,455</b>	<b>115,861</b>	<b>18,017</b>	<b>16,077</b>	<b>19,654</b>	<b>16,628</b>	<b>9,128</b>	<b>623</b>	<b>39,941</b>	<b>2,210</b>	<b>6,750</b>	<b>2,710</b>	<b>11,094</b>	<b>10,963</b>	<b>161,793</b>	<b>33,763</b>	<b>16,269</b>	<b>17,700</b>	<b>89,871</b>	<b>4,453</b>	<b>852</b>	<b>666,812</b>	



# F

## Population numbers and GDP deflators

F.1 This annex presents the population numbers and GDP deflators used in this release.

### Population numbers by country and region

F.2 The population numbers used in Chapter 9 and 10 are in the table below. The mid year numbers are then directly applied to the relevant financial year (e.g. mid 2006 to financial data for 2006-07).

**Table F.1 Population numbers by country and region**

	<b>Thousands</b>				
	<b>mid-2006</b>	<b>mid-2007</b>	<b>mid-2008</b>	<b>mid-2009</b>	<b>mid-2010</b>
North East	2,553	2,560	2,571	2,584	2,607
North West	6,852	6,864	6,874	6,898	6,936
Yorkshire and the Humber	5,146	5,182	5,217	5,258	5,301
East Midlands	4,363	4,397	4,429	4,451	4,481
West Midlands	5,362	5,378	5,408	5,431	5,455
East	5,593	5,649	5,717	5,767	5,832
London	7,547	7,602	7,668	7,754	7,825
South East	8,224	8,296	8,369	8,436	8,523
South West	5,124	5,178	5,210	5,231	5,274
England	50,764	51,106	51,465	51,810	52,234
Scotland	5,117	5,144	5,169	5,194	5,222
Wales	2,962	2,976	2,990	2,999	3,006
Northern Ireland	1,742	1,759	1,775	1,789	1,799
<b>United Kingdom</b>	<b>60,584</b>	<b>60,986</b>	<b>61,398</b>	<b>61,792</b>	<b>62,262</b>

Source: mid-2006 to mid-2010 estimates were supplied by the Population Estimates Unit. All population data were produced by the Office for National Statistics.<sup>1</sup>

### GDP deflators

F.3 A number of the tables in this publication give figures in real terms. Real terms figures are the current price outturns or plans adjusted to a constant price level by excluding the effect of general inflation as measured by the GDP deflator at market prices. The real terms figures in this publication are given in 2011-12 prices. The GDP deflators used in this publication are those given below. The most up-to-date deflators can be found on the Treasury website.<sup>2</sup>

<sup>1</sup> <http://www.statistics.gov.uk/>

<sup>2</sup> [http://www.hm-treasury.gov.uk/data\\_gdp\\_fig.htm](http://www.hm-treasury.gov.uk/data_gdp_fig.htm)

**Table F.2 GDP deflators and money GDP**

Outturn data are based on the 28 June 2012 National Accounts figures from ONS Forecast data are consistent with the 2012 Budget			
Financial year	GDP deflator at market prices		Money GDP
	2010-12 = 100	Per cent change on previous year	£ million
1971-72	9.884	8.65	59,302
1972-73	10.704	8.29	67,453
1973-74	11.448	6.95	75,309
1974-75	13.672	19.43	89,904
1975-76	17.146	25.41	112,102
1976-77	19.493	13.69	130,998
1977-78	22.152	13.64	152,484
1978-79	24.569	10.91	174,331
1979-80	28.665	16.67	209,653
1980-81	33.901	18.27	239,195
1981-82	37.145	9.57	263,139
1982-83	39.667	6.79	287,681
1983-84	41.414	4.40	313,225
1984-85	43.492	5.02	336,754
1985-86	45.807	5.32	369,914
1986-87	47.138	2.90	396,262
1987-88	49.660	5.35	441,979
1988-89	52.895	6.51	492,180
1989-90	56.461	6.74	539,946
1990-91	60.491	7.14	580,769
1991-92	64.429	6.51	612,376
1992-93	65.829	2.17	633,109
1993-94	67.251	2.16	671,839
1994-95	68.221	1.44	711,063
1995-96	70.091	2.74	752,384
1996-97	72.241	3.07	800,303
1997-98	73.693	2.01	848,394
1998-99	75.218	2.07	893,234
1999-00	76.562	1.79	944,562
2000-01	76.978	0.54	986,858
2001-02	78.445	1.91	1,029,350
2002-03	80.407	2.50	1,085,938
2003-04	82.181	2.21	1,154,402
2004-05	84.608	2.95	1,214,413
2005-06	86.542	2.29	1,284,547
2006-07	88.867	2.69	1,350,438
2007-08	91.082	2.49	1,432,887
2008-09	93.568	2.73	1,422,290
2009-10	94.975	1.50	1,415,654
2010-11	97.672	2.84	1,478,318
2011-12	100.000	2.38	1,527,675
2012-13	-	2.7	1,576,000
2013-14	-	2.5	1,652,000
2014-15	-	2.5	1,740,000

GDP Deflator: For years 1971-72 to 2011-12: calculated from ONS data for seasonally adjusted current and constant price GDP (ONS time series codes YBHA and ABMI)  
For years 2012-13 to 2014-15: derived from Office for Budget Responsibility (OBR) forecasts for GDP deflator increases at Budget 2012

Cash GDP: For years 1971-72 to 2011-12: ONS data for money GDP (not seasonally adjusted, ONS time series codes BKTL)  
For years 2012-13 to 2014-15: derived from OBR forecasts for money GDP at Budget 2012



# Glossary of terms

---

Within an explanation of a term, words in bold are themselves explained elsewhere in the glossary.

## Acronyms

<b>AME</b>	Annually Managed Expenditure
<b>ASLCs</b>	Accruing Superannuation Liability Charges
<b>CAP</b>	Common Agricultural Policy
<b>COINS</b>	Combined On-line Information System
<b>CRA</b>	Country and Regional Analysis
<b>DEL</b>	Departmental Expenditure Limits
<b>GAAP</b>	Generally Accepted Accounting Practice
<b>GDP</b>	Gross Domestic Product
<b>LASFE</b>	Local Authority Self-Financed Expenditure
<b>NDPBs</b>	Non-Departmental Public Bodies
<b>PCOFCE</b>	Public Corporations' Own-Financed Capital Expenditure
<b>PSCE</b>	Public sector current expenditure
<b>PSNB</b>	Public sector net borrowing
<b>PSND</b>	Public sector net debt
<b>PSNI</b>	Public sector net investment
<b>RAB</b>	Resource Accounting and Budgeting
<b>SUME</b>	Single Use Military Equipment
<b>TES</b>	Total Expenditure on Services
<b>TME</b>	Total Managed Expenditure

## Terms

**Accounting adjustments** shown in, for example, Table 1.1 are certain items of expenditure that account for the difference between the **National Accounts** aggregate **TME** and the sum of the **resource budgeting** items **DEL**, **departmental AME** and **other AME**. Accounting adjustments are required because there are certain components in TME that are not included in the **resource** and **capital budgets** that form the basis of planning and control of departmental spending under resource budgeting, and there are some items in resource budgeting aggregates that are not part of TME. Annex D has full details.

**Accruals** – apart from some of the older data in the historical tables in Chapter 4, all the data in PESA are based on accruals. Accruals accounting recognises when costs occur rather than when the payment is made, i.e. having the heating on is a cost that accrues each day whereas the bill might be paid quarterly.

**Accruing Superannuation Liability Charges (ASLCs)** are employer pension contributions paid to the bodies responsible for paying and accounting for unfunded public service occupational pensions. For example, government departments pay ASLCs in respect of serving civil servants. The payments represent an actuarial assessment of the accruing discounted future cost of public expenditure on pensions arising from the current employment of staff. ASLCs are included within **DEL**.

**Administration budget** – the costs of running a central government department (including their NDPBs) that do not relate to the delivery of frontline services; it includes the pay of most of the civil servants who work in the department, and associated expenditure such as **ASLCs**, accommodation, travel and training. Administration budgets are a subset of resource **DEL** that are set net of income arising from departments' administrative activities.

**Alignment (or 'Clear Line of Sight') project** – in order to simplify public spending reporting, this project aims to align more closely the treatment of spending in departmental budgets, **Estimates** and **Resource Accounts**. More information is available on the Treasury's website.<sup>1</sup>

**Annually Managed Expenditure (AME)** is spending included in **TME** that does not fall within **DELs**. Expenditure in AME is generally less predictable and more difficult to control than expenditure in DEL. AME is split into **departmental AME** and **other AME**.

**AME margin** – in previous editions of PESA this was an unallocated margin on total AME spending included as an allowance for estimating changes. The forecasts made by the Office for Budget Responsibility no longer include such a margin.

**Area Based Grant**, introduced in 2008-09, is a general non ring-fenced grant from central government to local authorities. It replaces the Local Area Agreement grant, but unlike that grant it is unhypothecated (i.e. available to support any local outcome). It is a pooled revenue grant that is paid by Communities and Local Government (CLG) to local authorities, and so they will receive a single payment of Area Based Grant from CLG, acting as agent for other contributing departments. The Area Based Grant ended in 2010-11.

**Assets** can be either financial or non-financial:

- financial assets include monetary gold, bank deposits, IMF Special Drawing Rights, loans granted, bonds, shares, accounts receivable, and the value of the government's stake in public corporations; and
- non-financial assets consist of fixed capital (such as buildings and vehicles); stocks; land and valuables.

**Billion** – a thousand million.

**Capital budget** – a department's capital budget covers **capital expenditure**. The capital budget is divided into **DEL** and **departmental AME**. The capital budget is not a control total; capital DEL is a control total and capital AME is a planning total. The capital budget includes:

- **capital formation** and the acquisition of assets (including under finance leases) such as land, buildings, machinery and vehicles. In both capital budgets and **National Accounts**, acquisition of assets is recorded net of the sale value of any assets disposed of (where sale value is the aggregate of the net book value and any profit or loss on disposal);

---

<sup>1</sup> [http://www.hm-treasury.gov.uk/psr\\_clear\\_line\\_of\\_sight\\_intro.htm](http://www.hm-treasury.gov.uk/psr_clear_line_of_sight_intro.htm)

- **Single Use Military Equipment** that is treated as capital in **resource** accounts (although it is treated as current expenditure in **National Accounts**);
- **net lending** undertaken for policy purposes; net means after the repayment of debt principal;
- in-house development of assets such as computer software and databases. This can be capitalised in government accounts provided certain conditions are met. It is sometimes called “own account capital formation”;
- large (over £20m) **debtors** or **prepayments** that are long term (over 12 months). These are included in capital budgets on the same basis as **net lending**, i.e. on an additions less reductions basis; and
- **capital grants**.

**Capital consumption** – see **depreciation**.

**Capital expenditure** can be understood in several ways:

- in **National Accounts**, capital expenditure is usually understood to mean **capital formation**, net acquisition of land, and expenditure on **capital grants**. Certain types of significant computer software development are treated as capital expenditure. The **pay** of civil servants engaged in in-house capital formation is also recorded as capital expenditure, not as pay. **Public sector net investment** is given by capital expenditure as defined above (also known as public sector gross investment) less **depreciation**;
- under **resource accounting**, capital expenditure also includes loans that are given and the net acquisition of shares. In other words, it includes the net acquisition of financial assets that are acquired for policy reasons rather than for managing the government’s funds. Such policy lending also generally scores in **DEL**, in the **capital budget**, but is removed by the **accounting adjustments**, as it does not score in **TME**; and
- some presentations of central government capital expenditure include **Supported Capital Expenditure** (Revenue) allocations given to local authorities in England and Wales (the equivalent in Scotland is supported borrowing). Northern Ireland does not have an equivalent concept as their local government sector is much smaller.

**Capital formation** is expenditure, net of sales, on fixed assets (such as buildings, vehicles and machinery) and net stock building, and can be measured gross or net of **depreciation**. Fixed assets are assets that can be used repeatedly to produce goods and services and generally last more than one year. Sometimes a minimum cost threshold (say £1,000) is applied to further define capital assets. There are some borderline cases: for example in **National Accounts**, **Single Use Military Equipment** is defined as current but assets that can be used for both civil and military purposes count as capital. Under **resource accounting**, both single and dual use military equipment are treated as capital.

**Capital grants** (also called investment grants) are payments made by government on the condition that the recipient uses the funds for **capital formation** (for example building a school or factory or buying a machine). Capital grants are also used in **National Accounts** to record debt write-offs made by government for policy reasons, and some other transfers of accumulated wealth. In the case of debt write-offs, two transactions are recorded: a capital grant from government to the debtor; and the repayment of debt by the debtor. Capital grants are treated as resource expenditure in resource accounts and **Estimates** but are included in the **capital budget**.

**Central government** is a sector in **National Accounts**. It comprises Parliament; government departments and their executive agencies; the devolved assemblies of Scotland, Wales and Northern Ireland; government funds such as the **National Loans Fund**; the foreign exchange official reserves; most **NDPBs**; and various other non-market public bodies that are controlled by central government. Central government does not include **public corporations**, nor those non-profit institutions that receive significant government funding but are not controlled by government and so belong in the private sector (for example universities, further education colleges, and housing associations).

**Central government own expenditure** is expenditure that central government makes to the private sector plus subsidies to **public corporations**. It excludes central government support to **local government** and capital support to public corporations.

**Classification changes** are changes in the way public expenditure is recorded, rather than an actual change in the amount of cash spent or resources consumed. Classification changes can increase or decrease the recorded level of public expenditure. When there is a classification change the data are normally restated for all years in order to provide a consistent series.

**Classification Of the Functions Of Government (COFOG)** – a UN-defined system for functional analysis of government spending. The PESA analysis is consistent with UN COFOG at level 2, with the exception of the health function, which continues to be presented against the HM Treasury's own sub-functional classification. Further information on COFOG is available within the 'How to use PESA' chapter and on the UN website.<sup>2</sup>

**Combined On-line Information System (COINS)** – the Treasury's database that holds public expenditure data.

**Common Foreign and Security Policy (CFSP)** is an EU programme. Its costs are attributed to the Foreign and Commonwealth Office's DEL.

**Control total** – **resource budget DEL**, **depreciation** in DEL, **administration budget** in DEL and **capital budget** DEL are control totals. This means that departments have to manage spending within set limits.

**Cost of capital charge** used to be a notional charge that was applied to each department's budget in order to make departments aware of the full cost of holding assets. As part of the **alignment project** this charge has been removed from budgets.

**Country and Regional Analysis (CRA)** – the CRA presents statistical estimates for the allocation of **identifiable expenditure** between the UK countries and nine English regions. See **Chapters 9 and 10** for more information.

**Current expenditure** – this is spending on items that are consumed in the process of providing public services or, in other words, is recurring spending. This includes, for example, wages and salaries, benefits, and purchasing goods and services.

**Current grants** are unrequited payments to individuals or bodies, which means that no specific goods or services are received in return. In **National Accounts** current grants to persons are called **social benefits** and those to trading businesses are called **subsidies**.

**Debtors** are **assets** on the balance sheet. They are recognised where a transaction has accrued, but cash is yet to be received. For example where a public sector body sells an asset but defers cash receipts – the fact that cash is yet to be received means that **PSND** has not benefited from the accrued transaction. Where a department or its **NDPB** has a large (over £20m), long term (over 12 months) debtor, this is included in their **capital budget** on the same basis as net lending.

---

<sup>2</sup> <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=4>

**Dedicated Schools Grants (DSG)** is a hypothecated (ring-fenced) **current grant** from central government to local authorities, paid by the Department for Education (DfE) and allocated to schools on a formula basis. This was introduced from 2006-07 replacing part of the **Revenue Support Grant** (RSG) paid by Communities and Local Government (CLG).

**Departmental AME** is spending that is outside **DEL** but included in departmental budgets. Main categories include social security benefits and tax credits for individuals.

**Departmental Expenditure Limits (DELs)** are firm plans for three years for a specific part of a department's expenditure. DEL covers all administration costs and programme expenditure except where:

- some programme spending cannot reasonably be subject to close control over a three-year period; or
- spending relates to non-cash costs other than depreciation and impairments.

Departmental spending not in DEL is included in **departmental AME**. Both **resource** and **capital budgets** are divided into DEL and departmental AME.

**Departmental Unallocated Provision (DUP)** is an amount that a department keeps within its budget to meet unplanned increases in spending, and which is not allocated to any particular programme at the start of a year.

**Depreciation** is also termed capital consumption. It is a measure of the reduction in value of an asset due to the effects of wear and tear. **TME** includes depreciation as an item of **current expenditure**. **Public sector net investment** is given by deducting depreciation from gross **capital expenditure**. The depreciation ring fence includes depreciation, **impairments** and student loans **provisions** recently classified as **impairments**.

**Economic categories** – these represent broad classifications of the economic impact of transactions. Examples of economic categories are **pay**, **social benefits** and **subsidies**. The main categories in expenditure on services, based on **National Accounts** definitions, are set out in Table 5.3 and described in Chapter 5. The equivalent budgeting presentation, based on resource accounting, is shown in Table 2.1 and described in Chapter 2.

**End-year flexibility (EYF)** was the set of rules by which departments were allowed to carry forward unspent DEL provision from one year to the next. As announced in the Budget 2011 EYF has been replaced by the Budget Exchange. The Budget Exchange mechanism allows departments to surrender an underspend in advance of the end of the financial year in return for a corresponding increase in the following year, subject to Treasury agreement.

**Estimated outturn** is a forecast of spending incurred on the basis of actual expenditure to date.

**Estimates** – see **Supply Expenditure**.

**European System of Accounts 1995 (ESA95)** – This is the system used by the **Office for National Statistics** for measuring and presenting UK **National Accounts**. The system is compulsory for EU member states reporting economic statistics to the EU Commission. ESA95 is consistent with the earlier System of National Accounts 1993 (SNA93), which was developed by a number of international organisations.

**Expenditure on services** (known as TES) is an aggregate used in PESA to analyse the capital and current spending of the public sector. The current and capital elements of expenditure on services are sometimes shown separately as current expenditure on services and capital expenditure on services. Note that TES and its components represent the overall cost of providing services, rather than just the cost of purchasing services from third parties, and includes expenditure on **assets**. See Annex E for a full definition.

**Financial Reporting Standard 17 (FRS17)** sets out the **GAAP** basis for recording pensions.

**Financial Statement and Budget Report (FSBR)** – the FSBR is published each year by the Treasury on Budget day. It has been known as the Red Book. Since 1999 it has been published alongside the Economic and Fiscal Strategy Report in a single Budget document.

**Financial transactions** are payments and receipts relating to changes in holdings of financial assets or liabilities. Financial assets entitle their owners to unconditional financial claims on the units that have the liability (except for gold where there is no liability on another unit). Government departments' financial assets include bank deposits; foreign currency held; bonds and shares owned; loans given; accounts receivable in respect of, for example, income accrued but not yet paid; and **public dividend capital** and the value of government's other stakes in **public corporations**. Physical assets such as buildings and land are not financial assets. Transactions in some financial assets are undertaken to manage cash flows, for example movements in bank deposits, but some are undertaken to further a policy such as lending to students. These types of financial transactions are sometimes called policy lending and are normally included in a department's **DEL capital budget**.

**General Government** is the consolidated combination of the **central government** and **local government** sectors in **National Accounts**.

**Generally accepted accounting practice (GAAP)** – there is no statutory definition of GAAP, but it is taken to be the accounting and disclosure requirements of the Companies Act, pronouncements by the Accounting Standards Board (e.g. financial reporting standards), and the body of accounting knowledge built up over time. GAAP is used for **resource accounting**. GAAP is a different accounting framework from the **National Accounts** framework that is used for **TME**. **Public sector** bodies have recently moved from GAAP to **International Financial Reporting Standards (IFRS)**.

**Grants** – see **current grants** and **capital grants**.

**Gross Domestic Product (GDP)** (at market prices) is the value of goods and services produced in the UK. "Gross" means there is no deduction for **depreciation**. Economic data are often quoted as a per cent of GDP to give an indication of trends through time and to make international comparisons easier.

**Housing Revenue Account (HRA)** – the HRA represents the current income and expenditure of local authority social housing provision. The HRA is treated as a quasi-corporation in **National Accounts**. The surplus of income (which includes rent rebates and subsidies paid by other parts of government) over expenditure is treated as being paid over to local authorities as a notional dividend. This net amount is then included as revenue rather than spending in the **National Accounts**, which means that the current expenditure of local authority housing departments is not included in **TME**. The cost of rent rebates and subsidies is included in TME; these items are within the **AME** lines for social security benefits and other departmental expenditure in AME. Local authority **capital expenditure** on housing associated with the HRA scores as capital spending in the **public corporation** sector, following the implementation of **ONS's** reclassification decision in June 2006. PESA had previously shown this spending in the local government sector. Payments of interest on housing related debt will continue to be treated as part of local government expenditure.

**Identifiable expenditure** is expenditure that can be recognised as having been incurred for the benefit of individuals, enterprises or communities within a particular country or region. Examples are most health and education services, and spending on social security and pensions. See Chapter 9 for further details.

**Impairments** are recorded where there is the permanent loss or write-off of the recoverable value of a fixed or current asset below the value recorded on the balance sheet in accounts.

Impairments are a non-cash charge in the **resource budget** alongside the **depreciation** charge, but are separately identified. In order to provide support for departments' management decisions, impairments are split into six different categories, some of which are scored in **AME** and others in **DEL**. See Annex C for further details. In the PESA budgeting-based presentations impairments are included in the depreciation line, and it is the combined total that is used in the calculation of **Total DEL**. In the **National Accounts**, impairments resulting from accidental damage are included alongside depreciation; other sorts of impairment are not counted in the main expenditure measures.

**International Financial Reporting Standards (IFRS)** have been implemented by **public sector** bodies to replace **GAAP-based resource accounting**. Departments have reported 2009-10 resource accounts against IFRS, whilst local authorities moved onto this basis for 2010-11.

**Local Authority Self-Financed Expenditure (LASFE)** is aggregate **local government** expenditure less its receipts of **central government** current and capital support including distribution of **National Non-Domestic Rates** in England and Wales. It represents local government expenditure financed from local resources such as council tax, trading surpluses, investment income, capital receipts, self-financed borrowing, and use of reserves. LASFE does not include **depreciation**.

**Locally Financed Expenditure (LFE)** is LASFE plus expenditure financed by non-domestic rates in Scotland and Northern Ireland Regional Rates (NIRR).

**Local government** is a sector in **National Accounts**. It comprises all local authorities in the UK including county councils, metropolitan districts, parish councils, police and fire authorities, residuary bodies, passenger transport authorities, Transport for London, London boroughs, and the Greater London Assembly.

**National Accounts** – this is a statistical system that represents the UK's economic transactions. The system provides a number of key economic statistics including **Gross Domestic Product (GDP)**, consumers' expenditure, the balance of payments with the rest of the world, and the public sector balances. The National Accounts is presented by the ONS in the Blue Book.

**National Loans Fund (NLF)** – the NLF is a government account with the Bank of England set up under the National Loans Fund Act 1968. All government borrowing transactions are handled through this fund.

**National Lottery Distribution Fund (NLDF)** – the NLDF is a central government fund, administered by the Department for Culture, Media and Sport (DCMS). The Fund receives a proportion of the proceeds from national lottery ticket sales (receipt of that proportion is treated as a tax in **National Accounts**). The Fund passes it to the Lottery Distributors, independent public sector bodies responsible for awarding national lottery grants to good causes. Payments by the Distributors are treated in the National Accounts as **central government** expenditure in **AME**.

**National Non-Domestic Rates (NNDR)** in England is a tax paid by the occupiers of non-domestic property, principally businesses. Most NNDR is collected from businesses by local authorities and then paid into a **central government** pool. Some large businesses with national activity (such as utility companies) pay directly into the pool (the Central List). The pool is distributed back to local authorities in the form of central government grants. Similar systems apply in Wales and Scotland. The grant is in **DEL** for England and Wales, but in the **AME** line for **Locally Financed Expenditure** in Scotland. NNDR payments by **central government** or **local government** in respect of the occupation of property are consolidated out through the **accounting adjustments** to arrive at **TME**.

**Net lending** has two meanings:

- in **National Accounts** it is the balance of the current and capital accounts and is often quoted with sign reversed as “net borrowing”, which is sometimes called the government deficit; and
- in this publication net lending is more likely to mean lending by government net of any repayments of previous lending. It includes transactions in shares – so, for example, privatisation receipts count as negative net lending. Government lends to students, some industries, **public corporations**, **local government**, some overseas governments and some international bodies that supply foreign aid.

**Non-budget** income and expenditure normally refers to income and expenditure that pass through a government department’s books and that are not included in **DEL** or departmental **AME**. For example, the grant-in-aid paid to **NDPBs** is normally a non-budget transfer – it is the NDPB’s income and expenditure that scores in budgets.

**Non-cash** refers to various transactions that appear in the **operating cost statement** under **resource accounting**, but are not directly included in the **National Accounts** measure of Surplus on the Current Budget. The major non-cash transactions are **depreciation**, **impairments** and the taking and release of **provisions**. Most depreciation and impairments are in **DEL** but following changes to the budgeting framework as part of the **alignment project**, most other non-cash items are in **AME**.

**Non-Departmental Public Bodies (NDPBs)** are public bodies with day-to-day autonomy in their management and financial matters. NDPBs are funded by a sponsor department through a non-budget grant in aid payment, with the subsequent NDPB expenditure (and any further income they generate themselves) scoring in the sponsor department’s budget. A list of NDPBs can be found on the Civil Service website<sup>3</sup>.

**Non-identifiable expenditure** is expenditure that cannot be recognised as benefiting a particular country or region, so is deemed to be incurred on behalf of the United Kingdom as a whole, e.g. most defence expenditure, overseas representation and tax collection.

**Non-voted** expenditure is expenditure that is not voted by Parliament through the Supply procedure. It includes spending funded from various funds, such as the National Insurance Fund, as well as spending by **Non-Departmental Public Bodies (NDPBs)** as Parliament have previously voted the payment of funding to these bodies.

**Office for National Statistics (ONS)** – the ONS is an independent public sector body that produces many official statistics such as the **National Accounts**. ONS decisions about the classification of bodies are the basis for determining which bodies are included within PESA and as part of which sector.

**Operating Cost Statement** – this is the statement in departmental resource accounts that shows the current income and expenditure of the department on an accruals basis. It is similar to the profit and loss statement in commercial accounts.

**Other AME** is public spending that is outside both **DEL** and **departmental AME**. It includes net transfers to the EU, **locally financed expenditure**, debt interest, **public corporations’** own-financed capital expenditure and **accounting adjustments**.

**Outturn** describes expenditure actually incurred and will generally have been included in the resource accounts of the relevant body.

---

<sup>3</sup> [www.civilservice.gov.uk/about/public/bodies.asp](http://www.civilservice.gov.uk/about/public/bodies.asp)

**Pay** includes salaries, employers' National Insurance Contributions, and accruing pension costs, such as **ASLCs**. The pay of staff engaged in own-account **capital formation** is treated as **capital expenditure**.

**Prepayments** are assets on the balance sheet. They are recognised where cash payments are made to suppliers of services in advance of those services being delivered. In resource accounts these are cash movements on the balance sheet and do not score as expenditure in **TME**. The reduction in cash held by the public sector increases **PSND**. Where a department or its **NDPB** makes a large (over £20 million) prepayment that is long term (over 12 months) this is included in the **capital budget** on the same basis as **net lending**. When the service is delivered this is scored as appropriate, e.g. as the consumption of goods and services in **resource DEL** within **TME**.

**Private Finance Initiative (PFI)** is a system for purchasing capital intensive services for the public sector. Typically, the private sector designs, finances, builds, and maintains infrastructure, and other fixed capital **assets**, and then operates those assets to sell services to the **public sector**. In a proportion of cases the capital assets are accounted for on the balance sheet of the private sector operator; in other cases they are on the public sector's books. Annex A has more information on the treatment of PFI in PESA.

**Privatisation receipts** are the receipts from the sale of shares, other securities and debt in **public corporations** that were sold as part of the privatisation programme. The proceeds are recorded as negative **net lending**. A corporation is said to be privatised when it is no longer controlled by government.

**Procurement** spending is now shown gross throughout PESA, rather than net of sales as was previously the case within certain tables. It is shown as current or capital procurement as follows:

- current procurement is expenditure on goods and services, including hire and rentals under PFI and non-PFI operating leases, payments for contract and agency staff and payments for consultancy and audit services. It also includes the purchase of services from GPs. Purchase of minor maintenance and minor pieces of equipment and IT systems that are not treated as capital would be counted as current procurement;
- capital procurement is expenditure on the purchase of fixed **assets** such as buildings, machinery and large-scale IT projects; and
- Expenditure on **Single Use Military Equipment** (SUME) is treated as current procurement within **National Accounts** and **expenditure on services**, but capital procurement in budgets.

**Provider Trusts** sell health services in England and Wales. In England they can either be classified as NHS or Foundation Trusts, the latter having more financial and operational independence. In Wales they are known as Health Trusts. In Scotland trusts have been re-absorbed back into Health Boards. All Provider Trusts throughout the UK are in the **central government** sector.

**Provisions** – departments take provisions in accounts and budgets when a past event means that they should recognise a future liability of uncertain amount or timing. Budgets also score the release of the provision and the expenditure that the release finances. Provisions score as part of the resource budget, usually in **AME** unless they relate to pensions or are scored by independent bodies exceptionally allowed to score provisions in **DEL**.

**Public corporations** are publicly controlled **trading bodies** with substantial financial and operational independence from **central** and **local government** – they are legally separate

institutional units responsible for their own day-to-day operations and producing their own accounts. To be classed as trading they must receive the majority of their income from sales into a market, rather than grant funding from government. They include Royal Mail Holdings, and most **trading funds** such as the Meteorological Office and Companies House.

**Public Corporations' Own-Financed Capital Expenditure (PCOFCE)** is aggregate **public corporation capital expenditure** less its receipts of **central government** capital support in budgets.

**Public Dividend Capital (PDC)** is a form of long-term government finance for some **public corporations**. The government receives a return in the form of dividends rather than fixed interest payments.

**Public expenditure** is spending by public bodies. The definition of aggregate public expenditure most frequently used in this publication is **Total Managed Expenditure (TME)**.

**Public sector** – the public sector comprises **central government, local government** and **public corporations**.

**Public sector current expenditure (PSCE):**

- is the sum of the **current expenditure** of **central government** and **local government**, plus certain transactions (interest and rent) paid by **public corporations** to the private sector and abroad;
- does not include expenditure incurred in producing goods and services for sale where undertaken by **public corporations** – rather the surplus of sale receipts over operating costs for public corporations is scored as a public sector receipt and does not affect expenditure measures;
- is net of certain receipts such as: receipts of contributions to public sector occupational pension schemes; receipts of grants from abroad including the EU abatement; sales of goods and services; and income from rent of buildings; and
- includes non-trading capital consumption. This is the **depreciation** of the fixed **assets** held by **central government** and **local government**. It excludes depreciation on assets used to produce goods and services for sale including the assets of **public corporations** and local authority housing.

For PESA 2012, PSCE is presented consistent with a measure of **public sector net borrowing** excluding the temporary effects of the financial sector interventions (PSNBex).

**Public sector net borrowing (PSNB)** is the difference between **public sector** receipts and expenditure as measured by **National Accounts**. It also equals the net balance of the public sector's acquisition of financial liabilities less its acquisition of financial assets. Data imprecision means that the different ways of measuring net borrowing never give exactly the same answer – the difference is called the statistical discrepancy in **ESA95**. In December 2009 the ONS defined an alternative measure of PSNB excluding the temporary effects of the financial sector interventions (PSNBex). Spending aggregates consistent with PSNBex are used throughout PESA 2012.

**Public sector net debt (PSND)** is the sum of the public sector's financial liabilities at nominal value, less its liquid financial assets.

**Public sector net investment (PSNI)** is all **capital expenditure** by the **public sector** less an amount representing public sector **depreciation**. Broadly, the amount of capital expenditure that equals the depreciation charge could be seen as keeping the stock of assets stable. Net investment therefore represents the increase in the asset base after allowing for depreciation. For PESA 2012, PSNI is presented consistent with a measure of **public sector net borrowing**

excluding the temporary effects of the financial sector interventions (PSNBex).

**Public sector gross investment (PSGI)** – see **capital expenditure**

**Quasi-corporations** are entities that meet the economic definition of a public corporation (i.e. trading income covers at least half their costs) but that do not take a separate legal form. Examples are Export Credits Guarantee Department and local authority housing. They score in the **National Accounts** like public corporations (although interest on housing-related debt is treated as local authority expenditure).

**RAB** – see **resource accounting** and **resource budgeting**.

**Real terms** figures are amounts adjusted for the effect of general price inflation as measured by the **GDP** market price deflator.

**Reserve** – an amount within **DEL** not allocated to departmental programmes, which provides a margin to cover emergencies and genuinely unforeseen contingencies.

**Resource accounting** is the accounting system used to record expenditure in departmental accounts. It applies **generally accepted accounting practice** (GAAP) to departmental transactions.

**Resource budget** is the budget for **current expenditure** on an accruals basis. It is divided into resource **DEL** (which is a **control total**) and resource **departmental AME** (a planning total).

**Resource budgeting** is the budgeting regime based on **resource accounting** introduced for the spending plans set in the 2000 Spending Review and which has been used for in-year spending control from 2001-02. Under RAB Stage I (2001-02 to 2002-03) resource **DEL** included **near-cash** transactions measured on an **accruals** basis while **non-cash** transactions were in Departmental **AME**. Under RAB Stage II (from 2003-04) most non-cash transactions were included in resource DEL. Near-cash controls were introduced in 2003-04 and clarified in 2005-06 such that near-cash in resource DEL was a control total. However, under the 2011-12 framework on which PESA is based, the near-cash control within resource DEL has been removed as part of the **alignment project**. Resource budgeting is largely derived from resource accounting rules, but there are a number of differences in treatment between resource accounts and resource budgets. For example, **capital grants** are capital in budgets (and in the **National Accounts**), but current in departmental resource accounts. See Annex C for further information.

**Revenue Support Grant** is an unhypothecated (i.e. non ring-fenced) current grant from **central government** to local authorities, paid by Communities and Local Government (CLG).

**Single Use Military Equipment (SUME)** is equipment that can only be used for military purposes (e.g. a tank). By contrast, dual use military equipment (e.g. an army lorry) can be used for civilian or military purposes. In the **National Accounts** and **expenditure on services** frameworks all expenditure on SUME is treated as **current expenditure**. In **resource accounts** and **resource budgeting**, expenditure on SUME that is of a capital nature is treated as capital. Dual use military equipment is treated as capital in all presentations.

**Social benefits** include social security, tax credits and similar payments to individuals. They also include unrequited grants to not-for-profit non-market bodies such as charities (although purchases of services from charities count as **procurement**). Public service pension payments are included in social benefits.

**Special reserve** is **reserve** specifically set aside to cover military operations.

**Spending Reviews** set **DELs** for the following three or four years. The first was the Comprehensive Spending Review in 1998 with further SRs held every two years until 2004. A second Comprehensive Spending Review reported in autumn 2007 and set budgets for 2008-09 to 2010-11. A further Spending Review in autumn 2010 set budgets for 2011-12 to 2014-15.

**Spending sectors** are the parts of the **public sector** that are responsible for expenditure, whether **central government**, **local government** or **public corporations**.

**Stock building** (also known as the net acquisition of inventories) is the value of the physical increase in stocks. In government accounts it relates mainly to buildings within urban regeneration areas.

**Subsidies** are payments by government and the EU to trading businesses to help pay for current costs. These include payments to farmers under the EU's Common Agricultural Policy. Subsidies may be paid to **public corporations** as well as to private sector firms.

**Supply expenditure** is expenditure that is voted by Parliament either in the annual Main Estimates (at the start of the year) or in Supplementary Estimates in-year.

**Supported borrowing** – this is the equivalent of **Supported Capital Expenditure (Revenue)** in Scotland.

**Supported Capital Expenditure (SCE)** – Supported Capital Expenditure (Revenue) (SCE[R]) is the amount of borrowing by a local authority in England and Wales (to fund capital expenditure) towards which central government is prepared to provide revenue grant. This support is provided either through **Revenue Support Grant (RSG)** or **Housing Revenue Account (HRA)** subsidy. It is known as **supported borrowing** in Scotland but there is no equivalent in Northern Ireland as their local government sector is much smaller. Supported Capital Expenditure (Capital) (SCE[C]) is sometimes used to refer to central government **capital grants** paid to local authorities, although capital grants remains the more commonly used terminology.

**Tax credits** are the Working Tax Credit and Child Tax Credit. They replaced former personal tax credits in 2003-04. In budgets tax credits score in departmental AME including negative tax, this is aligned with resource accounts. Tax credits score in **TME** (within departmental **AME**) when the amount paid exceeds the tax liability of the household but as negative tax when the amount paid is less than or equal to the tax liability of the household.

**Total DEL** is the sum of the **resource budget DEL** and the **capital budget DEL**, less **depreciation**. Depreciation is excluded from total DEL as scoring both capital expenditure and depreciation may be seen as double counting. In the calculation of total DEL, depreciation includes **impairments**, release from donated asset reserve and release from government grant reserve. Total DEL is not itself a **control total**: it is purely used for presentation.

**Total Expenditure on Services (TES)** – see **Expenditure on services**.

**Total Managed Expenditure (TME)** is a definition of aggregate public spending derived from **National Accounts**. It is the consolidated sum of **current** and **capital expenditure** of **central** and **local government**, and **public corporations**. TME can also be presented as the sum of **DEL** and **AME**. For PESA 2012, TME and its components are presented consistent with **public sector net borrowing** excluding the temporary effects of the financial sector interventions (PSNBex).

**Trading bodies** are publicly owned or controlled trading businesses. **Public corporations** and **quasi-corporations** are trading bodies. There may also be some trading activities that are closely integrated within **central government** or **local government** and do not have enough independence to be classified as a public corporation or quasi-corporation. **Capital expenditure** of trading bodies is included in public expenditure measures, but the surplus of current income over **current expenditure** is included as a revenue item called gross trading surplus. There are examples in the **local government** sector such as some theatres and sports facilities.

**Trading Funds** are government departments or parts of government departments. They have financing frameworks that allow them to meet outgoings without the cash flows passing through **Supply Estimates**. Generally they cover their costs from trading receipts. In **National Accounts** they are normally treated as **public corporations**.

**Traditional Own Resources (TOR)** – the European Communities' Traditional Own Resources are customs duties, including those on agricultural products and sugar levies.

**VAT refunds** are given to departments in relation to payments for contracted-out services to remove a disincentive to contracting out services that might otherwise have been performed in-house.





Published by TSO (The Stationery Office) and available from:

Online

[www.tsoshop.co.uk](http://www.tsoshop.co.uk)

Mail, telephone, fax and email

TSO

PO Box 29, Norwich NR3 1GN

Telephone orders/general enquiries: 0870 600 5522

Order through the Parliamentary Hotline Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

Email: [customer.services@tso.co.uk](mailto:customer.services@tso.co.uk)

Textphone: 0870 240 3701

The Parliamentary Bookshop

12 Bridge Street, Parliament Square,

London SW1A 2JX

Telephone orders/general enquiries: 020 7219 3890

Fax orders: 020 7219 3866

Email: [bookshop@parliament.uk](mailto:bookshop@parliament.uk)

Internet: <http://www.bookshop.parliament.uk>

TSO@Blackwell and other accredited agents

### **HM Treasury contacts**

This document can be found in full on our website: <http://www.hm-treasury.gov.uk>

If you require this information in another language, format or have general enquiries about HM Treasury and its work, contact:

Correspondence Team

HM Treasury

1 Horse Guards Road

London

SW1A 2HQ

Tel: 020 7270 5000

Fax: 020 7270 4861

E-mail: [public.enquiries@hm-treasury.gov.uk](mailto:public.enquiries@hm-treasury.gov.uk)

ISBN 978-0-10-183762-0



9 780101 837620