



HM Treasury

Public Expenditure

Statistical Analyses 2013



Public Expenditure

Statistical Analyses 2013

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the Chief Secretary to the Treasury
by Command of Her Majesty

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How to use PESA

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

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 2013 normally cover the years 2008-09 to 2014-15, although some show only the latest year (2012-13) 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 2013, **Table 1.1**);
- resource and capital elements of Departmental Expenditure Limits and Annually Managed Expenditure by departmental group (PESA 2013, **Tables 1.3 and 1.6**);
- public sector expenditure on services by function (PESA 2013, **Table 4.2**); and
- public sector expenditure on services by economic category (PESA 2013, **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:

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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 1.10** shows the total DEL spending of the Transport departmental group. **Tables 1.3 and 1.8** 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 1989-90) 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.¹ 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, of which: public and common services	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, of which: international services	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, of which: public sector debt interest	1.7 Public sector debt interest
4. Economic affairs, of which: enterprise and economic development	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, of which: science and technology	4.8 R&D economic affairs
4. Economic affairs, of which: employment policies	4.1 General economic, commercial and labour affairs (labour affairs part only)
4. Economic affairs, of which: agriculture, fisheries and forestry	4.2 Agriculture, forestry, fishing and hunting
4. Economic affairs, of which: transport	4.5 Transport

¹ unstats.un.org

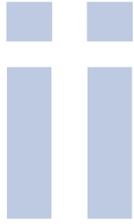
How do I get real terms numbers/proportion of GDP?

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 2012-13 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 GOV.UK website.¹

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 2012. 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.

¹ www.gov.uk



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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 As highlighted in the Public Spending Statistics (PSS) April 2013 statistical bulletin, we have changed the departmental breakdown in tables throughout this publication so that they are consistent with the presentation in the Budget 2013 and Spending Round 2013 documents.

1.3 The groupings for the current presentation (Spending Review groups) and last year's presentation (PESA groups) are set out in Annex B for comparison.

1.4 Departmental resource and capital DEL figures for 2015-16 consistent with the Spending Round 2013 (Cm 8639) are included in tables in Chapter 1 for comparison with earlier years. The presentation of 2014-15 figures in the Spending Round 2013 document is different in that, as at all spending reviews, those figures are baselines which exclude one-off and time-limited expenditure, such as Budget Exchange.

1.5 Due to the short time between the publication of the Spending Round 2013 and this document, we are presenting only high-level departmental resource and capital DEL figures for 2015-16. This publication does not include the AME policy measures in Table 3 of the Spending Round 2013 document. In the Autumn we will update PESA tables in a web-only publication that will provide a full breakdown of 2015-16 departmental plans by economic category (e.g. pay, procurement, grants etc.) and function (health, education, social protection etc.).

1.6 Chapter 1 reflects Machinery of Government changes that have taken place in the last year. The main changes are below and include the figure for the 2013-14 change for information:

- the transfer of Council Tax Benefits from Department for Work and Pensions (DWP) AME into the resource DEL of the Department for Communities and Local Government (DCLG), the Scottish Government and the Welsh Assembly Government (£4.3 billion);
- the transfer of police grants from DCLG to the Home Office (£3.1 billion);
- Public Health grants switched from Department of Health to DCLG (£1.4 billion);
- Early Intervention Grant switched from Department for Education (DfE) to DCLG (£1.7 billion);
- Local Authority Central Spend Equivalent Grant switched from DCLG to DfE (£1.0 billion) and
- Transport grants switch from Department of Transport to DCLG (£0.8 billion).

The budgeting and reporting framework

1.7 Table 1.1 summarises public expenditure both in terms of the Treasury's budgeting and control framework¹, 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.

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

1.9 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). 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.

1.10 1.10 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. 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

1.11 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.

1.12 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. Table 1.2 presents the same information in real terms.

1.13 A breakdown of the accounting adjustments used for this reconciliation is shown in Table 1.12 and Annex D resource and capital budgets

1.14 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.

1.15 Table 1.5 shows resource DEL excluding depreciation as first presented in the Spending Review 2010. The depreciation ring fence is a control total that departments must manage. Table 1.6 presents the same information in real terms.

1.16 Table 1.8 shows the capital budget for each departmental group, with Table 1.9 presenting the same information in real terms. Capital DEL is a control total.

Administration budgets

¹ <https://www.gov.uk/government/publications/consolidated-budgeting-guidance>

1.17 Table 1.7 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 65 per cent of administration costs are accounted for by civil service pay, a further 30 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.

1.18 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

1.19 Table 1.10 shows Total DEL by departmental group. Total DEL is made up of resource DEL excluding depreciation plus capital DEL. Table 1.10 is consistent with Table 1.5 plus Table 1.8. Note that Total DEL is not a control total. Table 1.11 presents the same information as Table 1.10 in real terms.

Public expenditure by spending sector

1.20 Table 1.13 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).

1.21 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).

1.22 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

1.23 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.

1.24 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 Arms Length Bodies (ALBs) classified to central government; and
- spending of the devolved administrations in Scotland, Wales and Northern Ireland.

1.25 Central government own expenditure is shown split into DEL, departmental AME, and other AME, including locally financed central government expenditure. This latter category at present 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

1.26 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

1.27 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.

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

1.29 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, 2008-09 to 2014-15

	£ million						
	National Statistics						
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
CURRENT EXPENDITURE							
Resource DEL							
Resource DEL excluding depreciation	305,012	323,905	330,149	326,380	321,663	320,700	315,700
Depreciation in resource DEL	12,389	13,843	20,509	19,266	21,065	19,700	20,400
Total resource DEL ⁽³⁾	317,401	337,748	350,658	345,646	342,728	340,300	336,100
Resource departmental AME							
Social security benefits	146,343	159,165	164,806	170,791	178,332	180,466	184,499
Tax credits ⁽¹⁾	24,171	27,667	28,938	29,976	30,170	30,091	30,165
Net public service pensions ⁽²⁾	5,340	1,528	-78,073	6,012	4,797	7,269	6,820
National lottery	1,011	1,001	995	1,399	1,283	932	932
BBC domestic services	3,316	3,464	3,559	3,391	3,370	3,611	3,826
Student loans	-976	-256	-301	-642	-756	-1,081	-1,689
Non-cash items	42,271	46,723	55,064	52,418	54,070	45,752	47,988
Financial sector interventions	41,551	-27,592	-14,247	-16,143	-18,122	-1,609	-151
Other departmental expenditure	2,879	4,147	2,011	-848	2,596	4,258	4,313
Total resource departmental AME	265,906	215,847	162,751	246,354	255,740	269,689	276,701
Resource other AME							
Net expenditure transfers to the EU	3,060	6,419	8,414	7,702	9,131	8,293	7,366
Locally financed expenditure ⁽³⁾	26,966	25,794	22,968	22,062	25,774	36,832	38,758
Central government debt interest	30,852	30,479	45,165	47,714	46,967	49,530	51,847
Accounting adjustments ⁽⁴⁾	-77,626	-12,189	44,526	-25,179	-22,861	-31,760	-30,734
Total resource other AME	-16,748	50,503	121,073	52,299	59,011	62,894	67,236
Total resource AME	249,158	266,350	283,824	298,653	314,751	332,583	343,938
Public sector current expenditure	566,559	604,098	634,482	644,299	657,479	672,900	680,000
CAPITAL EXPENDITURE							
Capital DEL							
Total capital DEL	48,511	56,959	49,665	42,317	39,304	42,200	44,900
Capital departmental AME							
National lottery	536	752	597	404	513	497	568
BBC domestic services	81	123	122	172	109	138	145
Student loans	4,475	4,601	4,958	5,857	6,860	8,506	10,713
Financial sector interventions	85,525	38,281	-3,015	-4,571	-3,606	-1,871	-
Other departmental expenditure	249	738	1,147	734	-76	2,278	2,188
Total capital departmental AME	90,866	44,494	3,809	2,597	3,799	9,549	13,614
Capital other AME							
Locally financed expenditure	6,926	5,415	5,342	16,330	8,087	6,405	6,267
Public corporations' own-financed capital expenditure	9,331	8,191	9,300	6,547	6,653	4,995	5,005
Accounting adjustments ⁽⁴⁾	-87,941	-46,666	-8,679	-17,484	-40,068	-16,013	-19,395
Total capital other AME	-71,683	-33,061	5,963	5,393	-25,328	-4,613	-8,123
Total capital AME	19,182	11,434	9,772	7,990	-21,528	4,936	5,491
Public sector gross investment ⁽⁵⁾	67,693	68,393	59,437	50,307	17,776	47,200	50,400
<i>less public sector depreciation</i>	19,146	19,999	20,784	21,625	22,528	22,990	23,810
Public sector net investment ⁽⁵⁾	48,547	48,394	38,653	28,682	-4,752	24,200	26,600
TOTAL MANAGED EXPENDITURE ⁽⁵⁾	634,252	672,491	693,919	694,606	675,255	720,000	730,400
<i>of which:</i>							
Total DEL ⁽⁶⁾	353,523	380,865	379,813	368,697	360,968	362,900	360,600
Departmental AME	356,772	260,342	166,561	248,950	259,539	279,238	290,316
Other AME	-76,042	31,285	147,545	76,958	54,748	77,934	79,469

⁽¹⁾ 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.

⁽²⁾ The main pension schemes are reported under IAS19 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.

⁽³⁾ From April 2013 local authorities in England are allowed to retain a proportion of the non-domestic (business) rates they collect. This results in an increase in self-financed expenditure in AME and an equivalent fall in central government grants in resource DEL of c. £11-12 billion per annum.

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

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

⁽⁶⁾ Total DEL is given by resource DEL excluding depreciation plus capital DEL.

Table 1.2 Total Managed Expenditure in real terms⁽¹⁾, 2008-09 to 2014-15

	£ million						
	National Statistics						
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
CURRENT EXPENDITURE							
<i>Resource DEL</i>							
Resource DEL excluding depreciation	333,923	345,072	342,780	331,293	321,663	313,400	302,800
Depreciation in resource DEL	13,563	14,748	21,294	19,556	21,065	19,200	19,500
Total resource DEL⁽⁴⁾	347,486	359,819	364,074	350,849	342,728	332,700	322,400
<i>Resource departmental AME</i>							
Social security benefits	160,214	169,566	171,111	173,362	178,332	176,409	176,988
Tax credits ⁽²⁾	26,462	29,475	30,045	30,427	30,170	29,414	28,937
Net public service pensions ⁽³⁾	5,846	1,628	-81,060	6,103	4,797	7,106	6,542
National lottery	1,107	1,066	1,033	1,420	1,283	911	894
BBC domestic services	3,630	3,690	3,695	3,442	3,370	3,530	3,670
Student loans	-1,069	-273	-313	-652	-756	-1,057	-1,620
Non-cash items	46,278	49,776	57,171	53,207	54,070	44,723	46,034
Financial sector interventions	45,489	-29,395	-14,792	-16,386	-18,122	-1,573	-145
Other departmental expenditure	3,152	4,418	2,088	-861	2,596	4,162	4,137
Total resource departmental AME	291,110	229,952	168,978	250,062	255,740	263,626	265,437
<i>Resource other AME</i>							
Net expenditure transfers to the EU	3,350	6,838	8,736	7,818	9,131	8,107	7,066
Locally financed expenditure ⁽⁴⁾	29,522	27,480	23,847	22,394	25,774	36,004	37,180
Central government debt interest	33,776	32,471	46,893	48,432	46,967	48,416	49,736
Accounting adjustments ⁽⁵⁾	-84,984	-12,986	46,230	-25,558	-22,861	-31,046	-29,483
Total resource other AME	-18,335	53,803	125,705	53,086	59,011	61,480	64,499
Total resource AME	272,775	283,756	294,683	303,149	314,751	325,106	329,936
Public sector current expenditure	620,261	643,575	658,757	653,998	657,479	657,800	652,300
CAPITAL EXPENDITURE							
<i>Capital DEL</i>							
Total capital DEL	53,109	60,681	51,565	42,954	39,304	41,300	43,100
<i>Capital departmental AME</i>							
National lottery	587	801	620	410	513	486	545
BBC domestic services	89	131	127	175	109	135	139
Student loans	4,899	4,902	5,148	5,945	6,860	8,315	10,277
Financial sector interventions	93,632	40,783	-3,130	-4,640	-3,606	-1,829	-
Other departmental expenditure	273	786	1,191	745	-76	2,227	2,099
Total capital departmental AME	99,479	47,402	3,955	2,636	3,799	9,334	13,060
<i>Capital other AME</i>							
Locally financed expenditure	7,582	5,769	5,546	16,576	8,087	6,261	6,012
Public corporations' own-financed capital expenditure	10,215	8,726	9,656	6,646	6,653	4,883	4,801
Accounting adjustments ⁽⁵⁾	-96,277	-49,716	-9,011	-17,747	-40,068	-15,653	-18,605
Total capital other AME	-78,478	-35,221	6,191	5,474	-25,328	-4,509	-7,792
Total capital AME	21,000	12,181	10,146	8,110	-21,528	4,825	5,267
Public sector gross investment⁽⁶⁾	74,109	72,862	61,711	51,064	17,776	46,100	48,400
<i>less public sector depreciation</i>	20,961	21,306	21,579	21,951	22,528	22,473	22,841
Public sector net investment⁽⁶⁾	53,149	51,556	40,132	29,114	-4,752	23,600	25,500
TOTAL MANAGED EXPENDITURE⁽⁶⁾	694,371	716,437	720,468	705,062	675,255	703,900	700,700
<i>of which:</i>							
Total DEL ⁽⁷⁾	387,032	405,754	394,345	374,247	360,968	354,700	345,900
Departmental AME	390,589	277,355	172,934	252,698	259,539	272,960	278,497
Other AME	-83,250	33,329	153,190	78,116	54,748	76,182	76,234

⁽¹⁾ Real terms figures are the cash figures adjusted to 2012-13 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 27 June 2013. The forecasts are consistent with the Financial Statement and Budget Report 2013.

⁽²⁾ 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.

⁽³⁾ The main pension schemes are reported under IAS19 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.

⁽⁴⁾ From April 2013 local authorities in England are allowed to retain a proportion of the non-domestic (business) rates they collect. This results in an increase in self-financed expenditure in AME and an equivalent fall in central government grants in resource DEL of c. £11-12 billion per annum.

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

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

⁽⁷⁾ Total DEL is given by resource DEL excluding depreciation plus capital DEL.

Table 1.3 Resource budgets, 2008-09 to 2015-16

	£ million							
	National Statistics							
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans	2015-16 ⁽¹⁾ plans
Resource DEL by departmental group								
Education	46,657	49,412	50,603	50,298	50,886	53,284	54,234	54,244
NHS (Health)	87,623	94,422	97,469	100,263	102,513	106,743	109,609	111,663
Personal Social Services (Health) ⁽²⁾	1,281	1,364	1,471	-	-	-	-	-
Transport	5,833	6,548	5,806	5,578	5,283	4,972	4,557	4,151
CLG Communities	4,130	4,334	3,710	1,821	1,349	2,598	2,121	1,159
CLG Local Government ⁽³⁾	29,488	30,800	28,737	29,765	27,577	16,243	13,330	11,821
Business, Innovation and Skills	17,095	18,354	21,291	20,017	19,220	17,726	17,242	17,741
Home Office	9,193	9,471	12,774	12,122	11,442	11,211	10,609	10,155
Justice	9,039	8,962	8,968	8,895	8,593	7,779	7,386	6,835
Law Officers' Departments	722	709	669	621	599	608	540	527
Defence	32,714	34,917	39,035	37,980	35,874	36,076	33,839	33,517
Foreign and Commonwealth Office	2,027	2,127	2,194	2,175	2,152	2,064	1,282	1,228
International Development	4,758	5,250	5,930	6,184	6,129	8,577	8,294	8,517
Energy and Climate Change	292	1,228	1,153	1,157	1,129	1,384	1,086	960
Environment, Food and Rural Affairs	2,412	2,461	2,376	2,197	2,077	2,122	1,886	1,746
Culture, Media and Sport	1,531	1,573	1,580	1,579	3,286	1,535	1,310	1,277
Work and Pensions	7,841	8,770	8,848	7,488	7,360	7,757	7,549	6,127
Scotland	24,481	25,489	26,151	25,812	26,123	26,443	26,511	26,685
Wales ⁽⁶⁾	13,011	13,753	14,022	13,903	13,681	14,188	14,196	14,262
Northern Ireland	9,188	9,636	9,967	9,858	10,031	10,075	10,107	10,167
Chancellor's Departments	4,339	4,256	3,980	3,866	3,495	3,880	3,713	3,527
Cabinet Office	2,030	2,259	2,354	2,399	2,470	2,598	2,788	2,495
Small and Independent Bodies	1,715	1,654	1,570	1,669	1,457	1,537	1,504	1,366
Spending commitments not yet in budgets ⁽¹⁾	-	-	-	-	-	-	-	1,128
Reserve	-	-	-	-	-	2,200	2,800	2,800
Special Reserve	-	-	-	-	-	400	1,800	1,000
Green Investment Bank	-	-	-	-	-	1,000	-	-
OBR allowance for shortfall	-	-	-	-	-	-1,200	-1,000	-
Adjustment for Budget Exchange ⁽⁴⁾	-	-	-	-	-	-1,700	-1,200	-
Total resource DEL	317,401	337,748	350,658	345,646	342,728	340,300	336,100	335,100
Resource departmental AME by departmental group								
Education ⁽⁵⁾	10,642	10,427	-10,465	11,773	11,598	10,211	10,427	
NHS (Health) ⁽⁵⁾	14,984	16,223	-10,976	19,582	18,840	17,498	17,711	
Transport	572	1,143	501	876	507	1,516	1,490	
CLG Communities	613	255	-112	-350	409	474	473	
CLG Local Government	661	284	1,107	732	144	311	300	
Business, Innovation and Skills	313	1,337	-824	-1,158	-92	-789	-1,631	
Home Office	714	679	920	1,061	1,260	1,250	1,395	
Justice	450	606	276	-33	915	221	237	
Law Officers' Departments	11	17	-13	5	5	8	7	
Defence ⁽⁵⁾	6,102	7,895	-878	8,039	7,360	8,330	9,242	
Foreign and Commonwealth Office	-10	86	34	61	88	80	75	
International Development	213	331	303	104	191	337	158	
Energy and Climate Change	2,435	756	5,241	3,742	5,388	497	746	
Environment, Food and Rural Affairs	-56	-73	-437	-51	-29	-57	-59	
Culture, Media and Sport	3,893	4,060	4,369	4,215	4,178	4,146	4,325	
Work and Pensions	131,215	141,938	146,544	154,478	160,761	163,738	167,231	
Scotland	2,486	2,323	3,055	3,073	2,754	2,673	2,765	
Wales	138	293	53	72	175	53	122	
Northern Ireland	6,466	7,230	3,187	7,516	7,656	7,664	7,882	
Chancellor's Departments	77,254	12,777	28,590	24,026	24,306	41,995	43,938	
Cabinet Office ⁽⁵⁾	7,172	7,481	-7,466	8,739	9,434	9,459	9,930	
Small and Independent Bodies	-363	-222	-259	-147	-110	74	-61	
Total resource departmental AME	265,906	215,847	162,751	246,354	255,740	269,689	276,701	
Total resource budget	583,307	553,595	513,409	592,000	598,468	610,000	612,800	

⁽¹⁾ Figures are consistent with Table A.1 of the Spending Round 2013 document (Cm8639) published on 26 June 2013.

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

⁽³⁾ Figures from 2013-14 onwards reflect adjustment to departmental plans for changes to local government funding for business rates retention and council tax localisation.

⁽⁴⁾ Departmental budgets in 2013-14 and 2014-15 include amounts carried forward from 2012-13 through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽⁵⁾ The main pension schemes are reported under IAS19 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.

⁽⁶⁾ The figure for Wales in 2012-13 does not fully reflect the impact of the Council Tax Benefit machinery of government change. See paragraph 1.6 for background information.

Table 1.4 Resource budgets in real terms⁽¹⁾, 2008-09 to 2015-16

	National Statistics					£ million		
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans	2015-16 ⁽²⁾ plans
Resource DEL by departmental group								
Education	51,079	52,641	52,539	51,055	50,886	52,086	52,026	51,116
NHS (Health)	95,928	100,592	101,198	101,772	102,513	104,343	105,147	105,223
Personal Social Services (Health) ⁽³⁾	1,402	1,453	1,527	-	-	-	-	-
Transport	6,386	6,976	6,028	5,662	5,283	4,860	4,371	3,912
CLG Communities	4,521	4,617	3,852	1,848	1,349	2,540	2,035	1,092
CLG Local Government ⁽⁴⁾	32,283	32,813	29,836	30,213	27,577	15,878	12,787	11,139
Business, Innovation and Skills	18,715	19,553	22,106	20,318	19,220	17,327	16,540	16,718
Home Office	10,064	10,090	13,263	12,304	11,442	10,959	10,177	9,569
Justice	9,896	9,548	9,311	9,029	8,593	7,604	7,085	6,441
Law Officers' Departments	790	755	695	630	599	594	518	497
Defence	35,815	37,199	40,528	38,552	35,874	35,265	32,461	31,584
Foreign and Commonwealth Office	2,219	2,266	2,278	2,208	2,152	2,018	1,230	1,157
International Development	5,209	5,593	6,157	6,277	6,129	8,384	7,956	8,026
Energy and Climate Change	320	1,308	1,197	1,174	1,129	1,353	1,042	905
Environment, Food and Rural Affairs	2,641	2,622	2,467	2,230	2,077	2,074	1,809	1,645
Culture, Media and Sport	1,676	1,676	1,640	1,603	3,286	1,500	1,257	1,203
Work and Pensions	8,584	9,343	9,187	7,601	7,360	7,583	7,242	5,774
Scotland	26,801	27,155	27,152	26,201	26,123	25,848	25,432	25,146
Wales ⁽⁶⁾	14,244	14,652	14,558	14,112	13,681	13,869	13,618	13,439
Northern Ireland	10,059	10,266	10,348	10,006	10,031	9,848	9,696	9,581
Chancellor's Departments	4,750	4,534	4,132	3,924	3,495	3,793	3,562	3,324
Cabinet Office	2,222	2,407	2,444	2,435	2,470	2,540	2,675	2,351
Small and Independent Bodies	1,878	1,762	1,630	1,694	1,457	1,502	1,443	1,287
Spending commitments not yet in budgets ⁽²⁾	-	-	-	-	-	-	-	1,063
Reserve	-	-	-	-	-	2,200	2,700	2,700
Special Reserve	-	-	-	-	-	400	1,700	900
Green Investment Bank	-	-	-	-	-	1,000	-	-
OBR allowance for shortfall	-	-	-	-	-	-1,100	-1,000	-
Adjustment for Budget Exchange ⁽⁵⁾	-	-	-	-	-	-1,600	-1,100	-
Total resource DEL	347,486	359,819	364,074	350,849	342,728	332,700	322,400	315,800
Resource departmental AME by departmental group								
Education ⁽⁶⁾	11,651	11,108	-10,865	11,950	11,598	9,981	10,003	
NHS (Health) ⁽⁶⁾	16,404	17,283	-11,396	19,877	18,840	17,105	16,990	
Transport	626	1,218	520	889	507	1,482	1,429	
CLG Communities	671	272	-116	-355	409	463	454	
CLG Local Government	724	303	1,149	743	144	304	288	
Business, Innovation and Skills	343	1,424	-856	-1,175	-92	-771	-1,565	
Home Office	782	723	955	1,077	1,260	1,222	1,338	
Justice	493	646	287	-33	915	216	227	
Law Officers' Departments	12	18	-13	5	5	8	7	
Defence ⁽⁶⁾	6,680	8,411	-912	8,160	7,360	8,143	8,866	
Foreign and Commonwealth Office	-11	92	35	62	88	78	72	
International Development	233	353	315	106	191	329	152	
Energy and Climate Change	2,666	805	5,442	3,798	5,388	486	716	
Environment, Food and Rural Affairs	-61	-78	-454	-52	-29	-56	-57	
Culture, Media and Sport	4,262	4,325	4,536	4,278	4,178	4,053	4,149	
Work and Pensions	143,652	151,213	152,151	156,803	160,761	160,057	160,423	
Scotland	2,722	2,475	3,172	3,119	2,754	2,613	2,652	
Wales	151	312	55	73	175	52	117	
Northern Ireland	7,079	7,702	3,309	7,629	7,656	7,492	7,561	
Chancellor's Departments	84,577	13,612	29,684	24,388	24,306	41,051	42,149	
Cabinet Office ⁽⁶⁾	7,852	7,970	-7,752	8,871	9,434	9,246	9,526	
Small and Independent Bodies	-397	-237	-269	-149	-110	72	-59	
Total resource departmental AME	291,110	229,952	168,978	250,062	255,740	263,626	265,437	
Total resource budget	638,597	589,772	533,052	600,912	598,468	596,300	587,800	

⁽¹⁾ Real terms figures are the cash figures adjusted to 2012-13 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 27 June 2013. The forecasts are consistent with the Financial Statement and Budget Report 2013.

⁽²⁾ Figures are consistent with Table A.1 of the Spending Round 2013 document (Cm8639) published on 26 June 2013.

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

⁽⁴⁾ Figures from 2013-14 onwards reflect adjustment to departmental plans for changes to local government funding for business rates retention and council tax localisation.

⁽⁵⁾ Departmental budgets in 2013-14 and 2014-15 include amounts carried forward from 2012-13 through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽⁶⁾ The main pension schemes are reported under IAS19 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.

⁽⁷⁾ The figure for Wales in 2012-13 does not fully reflect the impact of the Council Tax Benefit machinery of government change. See paragraph 1.6 for background information.

Table 1.5 Resource DEL excluding depreciation, 2008-09 to 2015-16

	£ million							
	National Statistics							
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans	2015-16 ⁽¹⁾ plans
Resource DEL excluding depreciation by departmental group								
Education	46,637	49,385	50,568	50,265	50,239	52,442	53,181	53,168
NHS (Health)	86,671	93,237	96,260	99,070	101,416	105,519	108,340	110,372
Personal Social Services (Health) ⁽²⁾	1,261	1,362	1,471	-	-	-	-	-
Transport	5,436	5,652	5,176	4,679	4,315	3,986	3,621	3,198
CLG Communities	4,084	4,299	3,649	1,745	1,309	2,561	2,085	1,134
CLG Local Government ⁽³⁾	29,487	30,798	28,735	29,764	27,576	16,242	13,330	11,820
Business, Innovation and Skills	16,329	17,321	17,029	16,231	15,467	14,871	13,776	13,000
Home Office	9,009	9,268	12,288	11,904	11,199	10,977	10,359	9,901
Justice	8,633	8,529	8,614	8,453	8,067	7,216	6,793	6,235
Law Officers' Departments	712	697	658	611	591	597	532	519
Defence	25,410	27,587	28,090	28,142	26,415	26,470	24,386	23,896
Foreign and Commonwealth Office	1,946	2,022	2,091	2,052	1,987	1,920	1,158	1,102
International Development	4,742	5,234	5,909	6,167	6,105	8,556	8,273	8,499
Energy and Climate Change	288	1,216	1,146	1,144	1,117	1,375	1,078	952
Environment, Food and Rural Affairs	2,219	2,261	2,175	1,981	1,887	1,932	1,695	1,559
Culture, Media and Sport	1,502	1,457	1,471	1,473	2,059	1,239	1,134	1,098
Work and Pensions	7,689	8,549	8,685	7,286	7,117	7,612	7,412	5,988
Scotland	23,901	24,852	25,587	25,189	25,341	25,672	25,691	25,655
Wales	12,610	13,289	13,615	13,475	13,265	13,705	13,690	13,635
Northern Ireland	8,894	9,293	9,597	9,437	9,461	9,617	9,633	9,622
Chancellor's Departments	4,132	4,048	3,758	3,642	3,262	3,635	3,456	3,265
Cabinet Office	1,772	1,962	2,025	2,045	2,074	2,136	2,279	1,995
Small and Independent Bodies	1,649	1,587	1,552	1,624	1,394	1,468	1,434	1,295
Spending commitments not yet in budgets ⁽¹⁾	-	-	-	-	-	-	-	1,100
Reserve	-	-	-	-	-	2,200	2,800	2,800
Special Reserve	-	-	-	-	-	400	1,800	1,000
Green Investment Bank	-	-	-	-	-	1,000	-	-
OBR allowance for shortfall	-	-	-	-	-	-1,200	-1,000	-
Adjustment for Budget Exchange ⁽⁴⁾	-	-	-	-	-	-1,700	-1,200	-
Total resource DEL excluding depreciation	305,012	323,905	330,149	326,380	321,663	320,700	315,700	312,900

⁽¹⁾ Figures are consistent with Table 1 of the Spending Round 2013 document (Cm8639) published on 26 June 2013.

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

⁽³⁾ Figures from 2013-14 onwards reflect adjustment to departmental plans for changes to local government funding for business rates retention and council tax localisation.

⁽⁴⁾ Departmental budgets in 2013-14 and 2014-15 include amounts carried forward from 2012-13 through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 1.6 Resource DEL excluding depreciation in real terms ⁽¹⁾, 2008-09 to 2015-16

	£ million							
	National Statistics							
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans	2015-16 ⁽²⁾ plans
Resource DEL excluding depreciation by departmental group								
Education	51,058	52,612	52,503	51,022	50,239	51,263	51,016	50,102
NHS (Health)	94,886	99,330	99,943	100,561	101,416	103,147	103,930	104,007
Personal Social Services (Health) ⁽³⁾	1,381	1,451	1,527	-	-	-	-	-
Transport	5,951	6,021	5,374	4,749	4,315	3,896	3,474	3,014
CLG Communities	4,471	4,580	3,789	1,771	1,309	2,503	2,000	1,069
CLG Local Government ⁽⁴⁾	32,282	32,811	29,834	30,212	27,576	15,877	12,787	11,138
Business, Innovation and Skills	17,877	18,453	17,681	16,475	15,467	14,537	13,215	12,250
Home Office	9,863	9,874	12,758	12,083	11,199	10,730	9,937	9,330
Justice	9,451	9,086	8,944	8,580	8,067	7,054	6,516	5,875
Law Officers' Departments	779	743	683	620	591	584	510	489
Defence	27,819	29,390	29,165	28,566	26,415	25,875	23,393	22,518
Foreign and Commonwealth Office	2,130	2,154	2,171	2,083	1,987	1,877	1,111	1,038
International Development	5,191	5,576	6,135	6,260	6,105	8,364	7,936	8,009
Energy and Climate Change	315	1,295	1,190	1,161	1,117	1,344	1,034	897
Environment, Food and Rural Affairs	2,429	2,409	2,258	2,011	1,887	1,889	1,626	1,469
Culture, Media and Sport	1,644	1,552	1,527	1,495	2,059	1,211	1,088	1,035
Work and Pensions	8,418	9,108	9,017	7,396	7,117	7,441	7,110	5,643
Scotland	26,166	26,476	26,566	25,568	25,341	25,095	24,645	24,175
Wales	13,805	14,157	14,136	13,678	13,265	13,397	13,133	12,849
Northern Ireland	9,737	9,900	9,964	9,579	9,461	9,401	9,241	9,067
Chancellor's Departments	4,524	4,313	3,902	3,697	3,262	3,553	3,315	3,077
Cabinet Office	1,940	2,090	2,102	2,076	2,074	2,088	2,186	1,880
Small and Independent Bodies	1,805	1,691	1,611	1,648	1,394	1,435	1,376	1,220
Spending commitments not yet in budgets ⁽²⁾	-	-	-	-	-	-	-	1,100
Reserve	-	-	-	-	-	2,200	2,700	2,700
Special Reserve	-	-	-	-	-	400	1,700	900
Green Investment Bank	-	-	-	-	-	1,000	-	-
OBR allowance for shortfall	-	-	-	-	-	-1,100	-1,000	-
Adjustment for Budget Exchange ⁽⁵⁾	-	-	-	-	-	-1,600	-1,100	-
Total resource DEL excluding depreciation	333,923	345,072	342,780	331,293	321,663	313,400	302,800	294,800

⁽¹⁾ Real terms figures are the cash figures adjusted to 2012-13 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 27 June 2013. The forecasts are consistent with the Financial Statement and Budget Report 2013.

⁽²⁾ Figures are consistent with Table 1 of the Spending Round 2013 document (Cm8639) published on 26 June 2013.

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

⁽⁴⁾ Figures from 2013-14 onwards reflect adjustment to departmental plans for changes to local government funding for business rates retention and council tax localisation.

⁽⁵⁾ Departmental budgets in 2013-14 and 2014-15 include amounts carried forward from 2012-13 through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 1.7 Administration budgets, 2008-09 to 2015-16

	£ million							
	National Statistics							
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans	2015-16 ⁽¹⁾ plans
Education	392	395	410	388	402	394	350	340
NHS (Health)	4,755	5,034	5,425	3,541	3,672	4,114	4,130	3,119
Transport	295	298	276	217	243	255	237	248
CLG Communities	500	484	426	339	286	402	322	297
Business, Innovation and Skills	770	817	429	812	686	715	687	639
Home Office	622	717	629	503	477	543	505	408
Justice	440	419	420	642	582	607	562	518
Law Officers' Departments	66	66	48	42	44	56	49	49
Defence	2,923	2,859	2,212	2,692	2,179	2,096	1,866	1,766
Foreign and Commonwealth Office	269	318	352	168	125	213	198	184
International Development	166	158	148	123	128	124	115	113
Energy and Climate Change	198	202	198	158	162	190	174	177
Environment, Food and Rural Affairs	757	740	741	600	552	623	572	516
Culture, Media and Sport	99	102	100	214	204	175	154	159
Work and Pensions ⁽²⁾	5,621	6,063	5,610	1,333	1,174	1,277	1,210	994
Chancellor's Departments ⁽²⁾	3,765	3,688	3,405	1,093	1,083	1,021	937	931
Cabinet Office	293	273	276	260	248	257	237	191
of which: Security and Intelligence Agencies	81	80	74	73	66	62	60	61
Small and Independent Bodies	460	412	385	325	331	311	299	282
Adjustment for Budget Exchange ⁽³⁾	-	-	-	-	-	-116	-12	-
Total administration budgets	22,393	23,044	21,490	13,449	12,577	13,256	12,590	10,931
<i>of which: administration costs paybill</i>	<i>14,238</i>	<i>14,801</i>	<i>13,649</i>	<i>8,978</i>	<i>8,886</i>	<i>8,101</i>	<i>7,132</i>	
Administration budgets as a percentage of Total Managed Expenditure ⁽⁴⁾	3.5	3.4	3.1	1.9	1.9	1.8	1.7	

⁽¹⁾ Figures are consistent with Table A.3 of the Spending Round 2013 document (Cm8639) published on 26 June 2013. Data also includes depreciation within administration budgets to be consistent with earlier years.

⁽²⁾ As part of SR2010, 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.

⁽³⁾ Departmental budgets in 2013-14 and 2014-15 include amounts carried forward from 2012-13 through Budget Exchange, which will be voted at Main Estimates. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽⁴⁾ TME excludes the temporary effects of banks being classified to the public sector. See Box 2.A for details.

Table 1.8 Capital budgets 2008-09 to 2015-16

	£ million							
	National Statistics							
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans	2015-16 ⁽¹⁾ plans
Capital DEL by departmental group								
Education	5,524	7,442	7,020	5,043	4,449	3,983	4,569	4,569
NHS (Health)	4,369	5,182	4,159	3,786	3,838	4,437	4,648	4,735
Transport	7,252	8,253	7,299	7,686	7,826	8,673	8,873	9,524
CLG Communities	7,167	8,992	6,459	3,821	2,472	4,165	4,766	3,123
CLG Local Government	122	260	-67	-8	1	-	-	-
Business, Innovation and Skills	2,134	3,027	2,104	1,153	1,240	2,794	2,099	3,763
Home Office	836	999	739	493	442	405	465	390
Justice	899	848	530	344	282	277	301	350
Law Officers' Departments	9	12	8	3	2	6	7	5
Defence	8,918	9,148	9,265	9,014	7,843	9,754	9,007	8,697
Foreign and Commonwealth Office	227	201	156	115	100	101	98	98
International Development	875	1,353	1,559	1,646	1,653	1,925	2,044	2,614
Energy and Climate Change	1,666	1,806	2,014	1,454	2,038	2,185	2,237	2,347
Environment, Food and Rural Affairs	610	693	568	383	414	416	498	468
Culture, Media and Sport	824	519	580	1,270	412	154	271	117
Work and Pensions	85	272	323	280	375	372	242	191
Scotland	3,333	3,927	3,284	2,732	2,940	2,632	2,860	2,964
Wales	1,627	1,932	1,751	1,386	1,363	1,304	1,431	1,461
Northern Ireland	1,307	1,277	1,192	1,000	969	931	1,026	1,060
Chancellor's Departments	281	285	211	257	218	200	149	148
Cabinet Office	396	454	432	403	363	400	356	360
Small and Independent Bodies	51	78	78	56	63	73	76	85
Adjustment for Devolved Administration borrowing ⁽¹⁾	-	-	-	-	-	-	-	300
Spending commitments not yet in budgets ⁽¹⁾	-	-	-	-	-	-	-	400
Reserve	-	-	-	-	-	400	1,100	500
Special Reserve	-	-	-	-	-	100	300	-
OBR allowance for shortfall	-	-	-	-	-	-2,300	-2,000	-
Adjustment for Budget Exchange ⁽²⁾	-	-	-	-	-	-1,100	-400	-
Total capital DEL	48,511	56,959	49,665	42,317	39,304	42,200	44,900	48,300
Capital departmental AME by departmental group								
NHS (Health)	14	6	8	-	-	-	-	-
Transport	-	-	-	-33	-61	-	-	-
CLG Communities	516	171	843	153	4	430	430	-
CLG Local Government	-	-	-	-	-4	-	-	-
Business, Innovation and Skills	3,463	4,306	4,158	5,469	6,129	8,540	10,819	-
Defence	76	5	-	-10	-35	-	-	-
International Development	-	-	-	-	-6	-	-	-
Energy and Climate Change	-279	-337	-78	-58	-20	-45	-50	-
Environment, Food and Rural Affairs	1	1	1	-	-1	1	1	-
Culture, Media and Sport	572	875	719	576	622	635	713	-
Work and Pensions	136	171	177	35	27	46	48	-
Scotland	180	160	151	167	188	408	468	-
Wales	168	202	209	244	255	264	313	-
Northern Ireland	407	430	396	588	344	461	520	-
Chancellor's Departments ⁽³⁾	85,822	38,668	-2,675	-4,483	-3,601	-1,486	352	-
Small and Independent Bodies	-210	-162	-100	-52	-40	295	-	-
Total capital departmental AME	90,866	44,494	3,809	2,597	3,799	9,549	13,614	
Total capital budget	139,376	104,654	53,474	44,914	43,104	51,800	58,500	

⁽¹⁾ Figures are consistent with Table 2 of the Spending Round 2013 document (Cm8639) published on 26 June 2013.

⁽²⁾ Departmental budgets in 2013-14 and 2014-15 include amounts carried forward from 2012-13 through Budget Exchange, which will be voted at Main Estimates. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

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

Table 1.9 Capital budgets in real terms⁽¹⁾, 2008-09 to 2015-16

	£ million							
	National Statistics							
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans	2015-16 ⁽²⁾ plans
Capital DEL by departmental group								
Education	6,048	7,928	7,289	5,119	4,449	3,893	4,383	4,305
NHS (Health)	4,783	5,521	4,318	3,843	3,838	4,337	4,459	4,462
Transport	7,939	8,792	7,578	7,802	7,826	8,478	8,512	8,975
CLG Communities	7,846	9,580	6,706	3,879	2,472	4,071	4,572	2,943
CLG Local Government	134	277	-70	-8	1	-	-	-
Business, Innovation and Skills	2,336	3,225	2,184	1,170	1,240	2,731	2,014	3,546
Home Office	915	1,064	767	500	442	396	446	368
Justice	984	903	550	349	282	271	289	330
Law Officers' Departments	10	13	8	3	2	6	7	5
Defence	9,763	9,746	9,619	9,150	7,843	9,535	8,640	8,195
Foreign and Commonwealth Office	249	214	162	117	100	99	94	92
International Development	958	1,441	1,619	1,671	1,653	1,882	1,961	2,463
Energy and Climate Change	1,824	1,924	2,091	1,476	2,038	2,136	2,146	2,212
Environment, Food and Rural Affairs	668	738	590	389	414	407	478	441
Culture, Media and Sport	902	553	602	1,289	412	151	260	110
Work and Pensions	93	290	335	284	375	364	232	180
Scotland	3,649	4,184	3,410	2,773	2,940	2,573	2,744	2,793
Wales	1,781	2,058	1,818	1,407	1,363	1,275	1,373	1,377
Northern Ireland	1,431	1,360	1,238	1,015	969	910	984	999
Chancellor's Departments	308	304	219	261	218	196	143	139
Cabinet Office	434	484	449	409	363	391	342	339
Small and Independent Bodies	56	83	81	57	63	71	73	80
Adjustment for Devolved Administration borrowing ⁽²⁾	-	-	-	-	-	-	-	300
Spending commitments not yet in budgets ⁽²⁾	-	-	-	-	-	-	-	400
Reserve	-	-	-	-	-	400	1,000	500
Special Reserve	-	-	-	-	-	100	200	-
OBR allowance for shortfall	-	-	-	-	-	-2,300	-1,900	-
Adjustment for Budget Exchange ⁽³⁾	-	-	-	-	-	-1,100	-400	-
Total capital DEL	53,109	60,681	51,565	42,954	39,304	41,300	43,100	45,500
Capital departmental AME by departmental group								
NHS (Health)	15	6	8	-	-	-	-	-
Transport	-	-	-	-33	-61	-	-	-
CLG Communities	565	182	875	155	4	420	412	-
CLG Local Government	-	-	-	-	-4	-	-	-
Business, Innovation and Skills	3,791	4,587	4,317	5,551	6,129	8,348	10,379	-
Defence	83	5	-	-10	-35	-	-	-
International Development	-	-	-	-	-6	-	-	-
Energy and Climate Change	-305	-359	-81	-59	-20	-44	-48	-
Environment, Food and Rural Affairs	1	1	1	-	-1	1	1	-
Culture, Media and Sport	626	932	747	585	622	621	684	-
Work and Pensions	149	182	184	36	27	45	46	-
Scotland	197	170	157	170	188	399	449	-
Wales	184	215	217	248	255	258	300	-
Northern Ireland	446	458	411	597	344	451	499	-
Chancellor's Departments ⁽⁴⁾	93,957	41,195	-2,777	-4,550	-3,601	-1,453	338	-
Small and Independent Bodies	-230	-173	-104	-53	-40	288	-	-
Total capital departmental AME	99,479	47,402	3,955	2,636	3,799	9,334	13,060	
Total capital budget	152,587	111,493	55,520	45,590	43,104	50,600	56,200	

Table 1.10 Total Departmental Expenditure Limits⁽¹⁾, 2008-09 to 2015-16

	£ million							
	National Statistics							
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans	2015-16 ⁽²⁾ plans
Total DEL by departmental group ⁽¹⁾								
Education	52,160	56,827	57,588	55,308	54,688	56,424	57,750	57,737
NHS (Health)	91,040	98,419	100,418	102,856	105,254	109,956	112,988	115,107
Personal Social Services (Health) ⁽³⁾	1,261	1,362	1,471	-	-	-	-	-
Transport	12,687	13,905	12,474	12,366	12,141	12,659	12,494	12,722
CLG Communities	11,251	13,291	10,108	5,566	3,781	6,726	6,851	4,257
CLG Local Government ⁽⁴⁾	29,609	31,059	28,669	29,756	27,578	16,242	13,330	11,820
Business, Innovation and Skills	18,462	20,349	19,133	17,384	16,707	17,665	15,874	16,763
Home Office	9,845	10,267	13,028	12,397	11,641	11,382	10,824	10,291
Justice	9,533	9,377	9,144	8,797	8,349	7,493	7,094	6,585
Law Officers' Departments	720	709	666	613	592	602	539	524
Defence	34,328	36,734	37,355	37,157	34,259	36,224	33,393	32,593
Foreign and Commonwealth Office	2,173	2,223	2,246	2,167	2,088	2,021	1,256	1,200
International Development	5,617	6,587	7,467	7,813	7,758	10,481	10,317	11,113
Energy and Climate Change	1,954	3,021	3,160	2,598	3,155	3,560	3,315	3,299
Environment, Food and Rural Affairs	2,828	2,954	2,743	2,364	2,301	2,348	2,193	2,027
Culture, Media and Sport	2,326	1,976	2,051	2,743	2,471	1,393	1,405	1,215
Work and Pensions	7,775	8,821	9,009	7,567	7,492	7,983	7,654	6,179
Scotland	27,234	28,778	28,870	27,921	28,281	28,304	28,551	28,619
Wales	14,237	15,220	15,366	14,861	14,628	15,009	15,121	15,096
Northern Ireland	10,201	10,570	10,789	10,438	10,430	10,549	10,659	10,682
Chancellor's Departments	4,413	4,332	3,970	3,898	3,479	3,834	3,605	3,413
Cabinet Office	2,168	2,416	2,457	2,448	2,437	2,536	2,635	2,354
Small and Independent Bodies	1,700	1,666	1,630	1,680	1,457	1,541	1,510	1,380
Adjustment for Devolved Administration borrowing ⁽²⁾	-	-	-	-	-	-	-	300
Spending commitments not yet in budgets ⁽²⁾	-	-	-	-	-	-	-	1,500
Reserve	-	-	-	-	-	2,700	3,800	3,300
Special Reserve	-	-	-	-	-	500	2,000	1,000
Green Investment Bank	-	-	-	-	-	1,000	-	-
OBR allowance for shortfall	-	-	-	-	-	-3,500	-3,000	-
Adjustment for Budget Exchange ⁽⁵⁾	-	-	-	-	-	-2,800	-1,600	-
Total DEL	353,523	380,865	379,813	368,697	360,968	362,900	360,600	361,200

⁽¹⁾ Total DEL is given by Resource DEL excluding depreciation (Table 1.5) plus Capital DEL (Table 1.8).

⁽²⁾ Figures are consistent with Tables 1 and 2 of the Spending Round 2013 document (Cm8639) published on 26 June 2013.

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

⁽⁴⁾ Figures from 2013-14 onwards reflect adjustment to departmental plans for changes to local government funding for business rates retention and council tax localisation.

⁽⁵⁾ Departmental budgets in 2013-14 and 2014-15 include amounts carried forward from 2012-13 through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 1.11 Total Departmental Expenditure Limits⁽¹⁾ in real terms⁽²⁾, 2008-09 to 2015-16

	£ million							
	National Statistics						2013-14	2014-15
	2008-09	2009-10	2010-11	2011-12	2012-13	plans	plans	plans
	outturn	outturn	outturn	outturn	outturn			
Total DEL by departmental group⁽¹⁾								
Education	57,104	60,541	59,791	56,141	54,688	55,155	55,399	54,407
NHS (Health)	99,669	104,851	104,260	104,404	105,254	107,484	108,388	108,469
Personal Social Services (Health) ⁽⁴⁾	1,381	1,451	1,527	-	-	-	-	-
Transport	13,890	14,814	12,951	12,552	12,141	12,374	11,985	11,988
CLG Communities	12,317	14,160	10,495	5,650	3,781	6,575	6,572	4,011
CLG Local Government ⁽⁵⁾	32,416	33,089	29,766	30,204	27,578	15,877	12,787	11,138
Business, Innovation and Skills	20,212	21,679	19,865	17,646	16,707	17,268	15,228	15,796
Home Office	10,778	10,938	13,526	12,584	11,641	11,126	10,383	9,698
Justice	10,437	9,990	9,494	8,929	8,349	7,325	6,805	6,205
Law Officers' Departments	788	755	691	622	592	588	517	494
Defence	37,582	39,135	38,784	37,716	34,259	35,410	32,034	30,713
Foreign and Commonwealth Office	2,379	2,368	2,332	2,200	2,088	1,976	1,205	1,131
International Development	6,149	7,017	7,753	7,931	7,758	10,245	9,897	10,472
Energy and Climate Change	2,139	3,218	3,281	2,637	3,155	3,480	3,180	3,109
Environment, Food and Rural Affairs	3,096	3,147	2,848	2,400	2,301	2,295	2,104	1,910
Culture, Media and Sport	2,546	2,105	2,129	2,784	2,471	1,362	1,348	1,145
Work and Pensions	8,512	9,397	9,354	7,681	7,492	7,804	7,342	5,823
Scotland	29,815	30,659	29,975	28,341	28,281	27,668	27,389	26,969
Wales	15,586	16,215	15,954	15,085	14,628	14,672	14,505	14,225
Northern Ireland	11,168	11,261	11,202	10,595	10,430	10,312	10,225	10,066
Chancellor's Departments	4,831	4,615	4,122	3,957	3,479	3,748	3,458	3,216
Cabinet Office	2,373	2,574	2,551	2,485	2,437	2,479	2,528	2,218
Small and Independent Bodies	1,861	1,775	1,692	1,705	1,457	1,506	1,449	1,300
Adjustment for Devolved Administration borrowing ⁽³⁾	-	-	-	-	-	-	-	300
Spending commitments not yet in budgets ⁽³⁾	-	-	-	-	-	-	-	1,400
Reserve	-	-	-	-	-	2,600	3,700	3,100
Special Reserve	-	-	-	-	-	500	1,900	900
Green Investment Bank	-	-	-	-	-	1,000	-	-
OBR allowance for shortfall	-	-	-	-	-	-3,400	-2,900	-
Adjustment for Budget Exchange ⁽⁶⁾	-	-	-	-	-	-2,700	-1,500	-
Total DEL	387,032	405,754	394,345	374,247	360,968	354,700	345,900	340,300

⁽¹⁾ Total DEL is given by Resource DEL excluding depreciation (Table 1.6) plus Capital DEL (Table 1.9).

⁽²⁾ Real terms figures are the cash figures adjusted to 2012-13 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 27 June 2013. The forecasts are consistent with the Financial Statement and Budget Report 2013.

⁽³⁾ Figures are consistent with Tables 1 and 2 of the Spending Round 2013 document (Cm8639) published on 26 June 2013.

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

⁽⁵⁾ Figures from 2013-14 onwards reflect adjustment to departmental plans for changes to local government funding for business rates retention and council tax localisation.

⁽⁶⁾ Departmental budgets in 2013-14 and 2014-15 include amounts carried forward from 2012-13 through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 1.12 Accounting adjustments⁽¹⁾, 2008-09 to 2014-15

	£ billion						
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
Remove data in budgets which form part of public sector current expenditure but where a different source is used for National Accounts							
Resource DEL							
Capital consumption (excluding NHS)	-10.6	-13.1	-8.5	-15.0	-14.4	-15.5	-15.5
NHS capital consumption	-1.8	-1.8	-1.8	-1.7	-1.7	-1.9	-2.2
Interest	0.1	-0.1	-0.1	-0.2	-0.2	-0.1	-0.1
Public corporation subsidies	-1.3	-1.0	-1.2	-1.1	-1.5	-1.1	-1.0
Other	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Total resource DEL	-13.5	-16.0	-11.7	-18.0	-17.8	-18.7	-18.7
Resource departmental AME							
Capital consumption	-1.7	-2.5	-1.8	-1.7	-1.4	-1.4	-1.6
Interest	2.4	2.2	1.0	1.6	2.4	2.1	1.7
Subsidy element of renewable obligation certificates	0.0	0.0	0.0	0.0	0.0	-2.6	-3.2
Subsidy element of other environmental levies	0.0	0.0	0.0	0.0	0.0	-0.7	-0.9
NNDR outturn adjustment	-0.6	-0.3	-1.1	-0.7	-0.1	-0.3	-0.3
Public corporation subsidies	-0.6	-0.7	-0.4	-7.3	0.0	0.0	0.0
Other	0.1	0.1	0.1	2.4	0.0	0.0	0.1
Total resource departmental AME	-0.4	-1.2	-2.2	-5.7	0.9	-2.8	-4.2
Adjustment for different data used by OBR in PSCE forecast	0.0	0.0	0.0	0.0	0.0	4.2	6.8
<i>of which DEL</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.5</i>	<i>0.7</i>
<i>of which AME</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>3.7</i>	<i>6.1</i>
Total resource budget data replaced by different source data	-13.8	-17.3	-13.9	-23.7	-16.8	-17.2	-16.1
Remove data in budgets which do not form part of public sector current expenditure							
Resource DEL							
Impairments	-1.0	0.4	-7.8	-0.4	-2.7	-1.3	-1.4
Receipts treated as negative DEL but revenue in National Accounts	0.6	0.6	0.7	0.6	0.8	0.6	0.3
Fees, levies and charges	0.2	0.2	0.2	0.2	0.4	0.5	0.4
Grant equivalent element of student lending	-0.7	-0.9	-4.2	-3.8	-3.9	-2.8	-3.5
Stock write-offs	0.5	-1.0	0.0	0.0	0.0	0.0	0.0
Change in pension scheme liabilities	-0.2	-0.2	-0.1	0.0	0.0	0.0	0.0
Miscellaneous current transfers	0.6	1.0	1.6	1.8	2.1	2.0	2.7
Northern Ireland Executive transfers between DEL and AME ⁽²⁾	0.6	0.5	0.6	0.6	0.6	0.6	0.7
Profit or loss – sale of company securities	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Profit or loss – sale of other assets (capital in National Accounts)	0.3	0.1	0.0	-0.1	0.0	0.0	0.0
Green Investment Bank	0.0	0.0	0.0	0.0	0.0	-1.0	0.0
EU funded expenditure	-0.7	-0.4	-0.3	-0.5	-0.4	-0.8	-0.8
Other	0.0	0.3	0.0	-0.5	-0.5	1.5	1.1
Total resource DEL	0.2	0.7	-9.4	-2.1	-3.6	-0.8	-0.7
Resource departmental AME							
Impairments	-19.3	-3.5	3.0	12.4	15.2	-3.1	-3.4
Bad debts	-0.5	-0.5	-0.6	-0.5	-0.5	-0.4	-0.4
Grant equivalent element of student lending	0.0	-0.5	0.0	1.6	0.1	0.6	0.9
Provisions	-29.0	23.5	-7.2	-5.3	-10.7	-3.7	-3.4
Change in pension scheme liabilities	-24.8	-22.1	56.8	-27.1	-26.8	-30.3	-30.1
Unwinding of discount rate on pension scheme liabilities	-36.5	-39.2	-37.6	-43.5	-39.7	-37.6	-39.9
Release of provisions covering payments of pension benefits	22.5	24.3	25.9	27.7	30.5	32.6	34.3
Fees, levies and charges	0.5	0.2	0.2	0.5	0.6	0.9	0.2
Profit or loss – sale of other assets (capital in National Accounts)	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	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	2.6	3.2
Imputed tax element of other environmental levies	0.0	0.0	0.0	0.0	0.0	0.6	0.7
Tax credits	-5.6	-5.6	-5.6	-4.6	-2.8	-4.2	-4.2
Other	0.1	-0.5	1.1	-0.6	-0.2	-0.8	-0.6
Total resource departmental AME	-92.7	-24.0	36.1	-39.3	-34.3	-43.0	-42.6
Total resource budget data not in public sector current expenditure	-92.5	-23.3	26.7	-41.4	-37.9	-43.8	-43.2

Table 1.12 Accounting adjustments, 2008-09 to 2014-15 (continued)

	£ billion						
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
Central government adjustments in National Accounts							
Expenditure on goods and services	16.6	14.7	18.6	22.7	18.1	17.4	17.3
of which: VAT refunds	3.9	3.8	4.8	5.0	4.8	4.8	4.8
of which: Single Use Military Equipment	5.7	5.3	5.4	5.5	6.3	5.7	5.2
of which: payment from EU for tax collection costs	-0.7	-0.7	-0.8	-0.7	-0.7	-0.7	-0.7
of which: capital consumption	7.0	7.3	7.7	8.0	8.3	8.4	8.8
of which: other	0.8	-1.2	1.4	4.9	-0.6	-0.8	-0.8
Net social benefits	1.8	1.6	0.4	0.5	0.0	-1.3	-1.8
of which: switch between benefits and other current grants	6.9	6.9	0.4	0.6	0.3	0.4	0.4
of which: public service pensions contributions uprate	0.0	0.0	0.0	0.0	-1.1	-2.1	-2.6
of which: other	-5.1	-5.3	0.0	-0.1	0.8	0.4	0.4
Net current grants abroad	-0.3	0.1	0.1	0.8	0.6	5.4	5.4
of which: attributed aid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which: DFID funding for capital projects scored in resource DEL	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
of which: EU receipts	3.9	5.0	4.8	4.9	4.4	4.5	4.6
of which: other	-3.6	-4.8	-4.7	-4.1	-3.8	0.8	0.8
Other current grants	-3.3	-2.5	-2.5	-7.2	-0.4	-1.8	-1.9
of which: switch between other current grants and benefits	-6.9	-6.9	-0.4	-0.6	-0.3	-0.4	-0.4
of which: other	3.5	4.4	-2.1	-6.6	-0.1	-1.4	-1.5
Subsidies	4.9	5.1	4.4	11.5	5.1	-3.0	-3.4
of which: Renewable Obligation Certificates	0.5	0.5	0.5	0.5	0.5	0.6	0.7
of which: other environmental levies	0.0	0.0	0.0	0.0	0.5	0.8	1.0
of which: company tax credits outside departmental AME	0.9	1.1	1.3	1.3	1.0	1.0	0.9
of which: other	3.5	3.5	2.7	9.7	3.1	-5.3	-6.0
Total central government resource adjustments	19.7	19.0	21.0	28.3	23.5	16.7	15.7
Local government adjustments in National Accounts							
Remove data which do not form part of public sector current expenditure	-5.0	-4.6	-5.2	-5.7	-4.7	-3.4	-3.4
of which: Northern Ireland regional rates	-0.6	-0.5	-0.5	-0.6	-0.6	-0.6	-0.7
of which: retirement benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which: debt interest payments to central government	-3.2	-2.9	-3.0	-4.4	-3.4	-2.8	-2.7
of which: other	-1.2	-1.2	-1.7	-0.7	-0.6	0.0	0.0
Adjustments to reconcile use of different data sources	-0.6	-0.1	-0.1	2.0	0.7	-0.5	-0.5
of which: central government support	-1.4	-0.5	-0.5	-0.2	-0.7	0.0	0.0
of which: debt interest	0.0	-0.4	-0.7	0.4	-0.4	-0.5	-0.5
of which: police and fire top up grants	0.8	0.9	1.1	1.4	1.4	0.0	0.0
of which: other	0.0	-0.1	0.0	0.4	0.4	0.0	0.0
Expenditure on goods and services	13.1	13.2	14.6	15.3	12.5	16.7	17.0
of which: VAT refunds	6.1	5.6	6.4	6.8	6.6	7.5	7.5
of which: capital consumption	7.2	7.6	8.0	8.5	9.0	9.4	9.8
of which: rates	-1.2	-1.2	-1.2	-1.4	-1.4	-1.5	-1.6
of which: other	1.0	1.2	1.4	1.4	-1.7	1.3	1.3
Subsidies	1.6	1.4	1.5	1.1	1.2	0.0	0.0
of which: equity injection into Housing Revenue Account	1.6	1.4	1.5	0.4	0.4	0.0	0.0
of which: other	0.0	0.0	0.0	0.7	0.8	0.0	0.0
Net social benefits	-0.5	-0.5	-0.5	-1.0	0.2	-0.6	-0.6
of which: housing benefits and rent rebates	0.4	0.4	0.4	0.0	1.2	0.4	0.4
of which: other	-0.8	-0.9	-0.9	-1.0	-1.0	-1.0	-1.0
Other current grants and current grants abroad	-0.1	-0.1	-0.1	-0.1	0.0	-0.1	-0.1
Total local government resource adjustments	8.6	9.2	10.3	11.7	9.8	12.1	12.5
Other resource adjustments							
Public corporations	0.4	0.2	0.4	0.3	0.2	0.4	0.4
Other	0.0	-0.1	0.0	-0.4	-1.6	0.1	0.0
Total other resource adjustments	0.4	0.1	0.4	-0.1	-1.4	0.5	0.4
Total resource adjustments	-77.6	-12.2	44.5	-25.2	-22.9	-31.8	-30.7
of which:							
Timing adjustments ⁽³⁾							
Central government	1.9	3.0	1.9	8.5	2.1	0.0	0.0
Local government	0.1	0.0	0.1	0.8	-2.2	0.0	0.0

Table 1.12 Accounting adjustments, 2008-09 to 2014-15 (continued)

	£ billion						
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
Remove data in budgets which form part of public sector gross investment but where a different source is used for National Accounts							
Capital DEL							
Change in inventories	-0.4	0.0	0.1	0.0	0.0	-0.1	-0.1
Acquisitions less disposals of valuables	-0.2	0.0	0.0	-0.1	0.0	0.0	0.0
Total capital DEL	-0.6	-0.1	0.0	-0.2	-0.1	-0.1	-0.1
Adjustment for different data used by OBR in PSGI forecast	0.0	0.0	0.0	0.0	0.0	1.1	1.7
<i>of which DEL</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>1.7</i>	<i>1.3</i>
<i>of which AME</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-0.6</i>	<i>0.4</i>
Total capital budget data replaced by different source data	-0.6	-0.1	0.0	-0.2	-0.1	1.0	1.5
Remove data in budgets which do not form part of public sector gross investment							
Capital DEL							
Single Use Military Equipment	-5.7	-5.3	-5.4	-5.3	-4.8	-5.9	-5.2
Net lending to private sector	-0.6	-1.2	-1.0	-2.1	-1.7	-3.8	-3.8
Capital support for public corporations	-0.1	-0.1	0.2	0.1	0.0	0.0	-0.1
Local government supported capital expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Northern Ireland Executive transfers between DEL and AME	0.3	0.0	0.2	0.4	0.2	0.2	0.2
Green Investment Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.1	0.1	0.1	0.0	-0.5	0.5	0.1
Total Capital DEL	-6.1	-6.5	-5.9	-7.0	-6.9	-8.9	-8.8
Capital departmental AME							
Net lending to private sector	-90.0	-53.0	-2.1	-1.3	-3.3	-7.5	-11.5
Capital support for public corporations	0.9	0.1	0.4	-0.1	0.2	-0.7	-0.8
Purchase of company securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sale of company securities	0.0	6.9	0.0	0.0	0.0	0.0	0.0
Northern Ireland Executive transfers between DEL and AME	-0.3	-0.3	-0.2	-0.4	-0.1	-0.2	-0.2
Other	-0.1	3.0	-0.2	0.1	0.0	0.1	0.0
Total capital departmental AME	-89.5	-43.3	-2.1	-1.8	-3.2	-8.3	-12.5
Total capital budget data not in public sector gross investment	-95.5	-49.8	-8.0	-8.7	-10.0	-17.2	-21.2
Central government adjustments in National Accounts							
Gross fixed capital formation	-0.4	0.5	-0.1	0.1	-0.9	-0.4	-0.4
<i>of which: profit or loss – sale of other assets (from resource budgets)</i>	<i>-0.3</i>	<i>-0.1</i>	<i>0.0</i>	<i>0.1</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>of which: other</i>	<i>-0.1</i>	<i>0.5</i>	<i>-0.1</i>	<i>0.1</i>	<i>-0.9</i>	<i>-0.4</i>	<i>-0.4</i>
Capital grants to and from the private sector	9.7	4.9	1.0	0.7	-27.6	0.0	0.0
<i>of which: VAT refunds</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>
<i>of which: transfer of Royal Mail Pension Plan assets</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-28.0</i>	<i>0.0</i>	<i>0.0</i>
<i>of which: fee income (from resource budgets)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>of which: DfID funding for capital projects scored in resource DEL</i>	<i>0.5</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>of which: other</i>	<i>9.1</i>	<i>4.8</i>	<i>1.0</i>	<i>0.7</i>	<i>0.4</i>	<i>-0.1</i>	<i>-0.1</i>
Total central government capital adjustments	9.3	5.3	1.0	0.9	-28.5	-0.5	-0.4
Local government adjustments in National Accounts							
Adjustments to reconcile use of different data sources	-3.9	-4.8	-3.4	-4.2	-1.7	-2.3	-2.4
<i>of which: overhanging debt</i>	<i>-0.5</i>	<i>-0.2</i>	<i>-0.8</i>	<i>-0.2</i>	<i>0.0</i>	<i>-0.4</i>	<i>-0.4</i>
<i>of which: central government support</i>	<i>-1.2</i>	<i>-2.2</i>	<i>-0.4</i>	<i>-1.5</i>	<i>-0.6</i>	<i>0.0</i>	<i>0.0</i>
<i>of which: financial transactions</i>	<i>-1.3</i>	<i>-1.6</i>	<i>-1.4</i>	<i>-1.8</i>	<i>-0.6</i>	<i>-1.0</i>	<i>-0.9</i>
<i>of which: capital grants from private sector</i>	<i>-0.8</i>	<i>-0.9</i>	<i>-0.8</i>	<i>-0.9</i>	<i>-0.5</i>	<i>-0.9</i>	<i>-1.1</i>
Gross fixed capital formation	3.0	2.0	2.5	2.1	0.1	2.2	2.2
<i>of which: VAT refunds</i>	<i>1.9</i>	<i>1.7</i>	<i>2.0</i>	<i>2.1</i>	<i>2.1</i>	<i>2.2</i>	<i>2.2</i>
<i>of which: roads de-trunking</i>	<i>1.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>of which: other</i>	<i>0.1</i>	<i>0.3</i>	<i>0.4</i>	<i>0.0</i>	<i>-2.0</i>	<i>0.0</i>	<i>0.0</i>
Capital grants	0.4	0.4	-0.3	0.2	0.3	0.0	0.0
<i>of which: grants to public corporations</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>of which: other</i>	<i>0.4</i>	<i>0.4</i>	<i>-0.3</i>	<i>0.2</i>	<i>0.3</i>	<i>0.0</i>	<i>0.0</i>
Total local government capital adjustments	-0.5	-2.4	-1.2	-1.9	-1.4	-0.1	-0.2
Other capital adjustments							
Public corporations	0.0	0.2	-0.5	0.1	-0.2	0.7	0.9
Housing Revenue Account reform receipts	0.0	0.0	0.0	-8.1	0.0	0.0	0.0
Other	-0.7	0.0	0.1	0.3	0.0	0.0	0.0
Total other capital adjustments	-0.7	0.3	-0.5	-7.6	-0.1	0.7	0.9
Total capital adjustments	-87.9	-46.7	-8.7	-17.5	-40.1	-16.0	-19.4
<i>of which:</i>							
Timing adjustments ⁽³⁾							
Central government	9.8	5.1	0.8	0.5	-0.5	0.0	0.0
Local government	0.2	0.3	0.4	0.3	0.0	0.0	0.0

⁽¹⁾ The accounting adjustments are described in Annex D.

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

⁽³⁾ Reflects timing difference between the latest OSCAR 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 OSCAR data in the early years.

Table 1.13 Total Managed Expenditure by spending sector, 2008-09 to 2014-15

	National Statistics					£ million	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
Central government own expenditure							
DEL ⁽¹⁾	245,434	265,501	264,312	262,052	259,187	279,683	275,993
Departmental AME ⁽¹⁾⁽²⁾	339,197	239,006	142,701	223,927	234,461	252,442	262,716
Locally financed support in Northern Ireland	607	547	538	588	621	637	667
Net expenditure transfers to the EU	3,060	6,419	8,414	7,702	9,131	8,293	7,366
Central government debt interest	30,852	30,479	45,165	47,714	46,967	49,530	51,847
Accounting and other adjustments ⁽²⁾	-163,098	-52,246	47,235	-25,494	-50,806	-46,500	-44,800
Total central government own expenditure	456,052	489,706	508,365	516,489	499,561	544,000	553,800
Local government expenditure							
Central government support in DEL ⁽¹⁾	107,687	114,689	115,502	106,524	101,673	85,202	83,196
Central government support in departmental AME ⁽¹⁾	19,045	21,436	24,326	24,917	25,474	26,171	26,890
Locally financed support in Scotland	1,963	2,165	2,068	2,182	2,263	2,435	2,664
Local authority self-financed expenditure	31,322	28,496	25,704	35,622	30,978	40,165	41,694
Accounting and other adjustments ⁽²⁾	7,921	6,612	8,422	1,492	8,410	15,700	15,800
Total local government expenditure	167,938	173,398	176,022	170,737	168,798	169,700	170,300
Public corporations' expenditure							
DEL ⁽¹⁾	401	674	0	121	108	48	171
Departmental AME ⁽¹⁾	-1,471	-100	-467	106	-395	625	710
Public corporations' own-financed capital expenditure	9,331	8,191	9,300	6,547	6,653	4,995	5,005
Accounting and other adjustments	2,001	622	699	606	530	600	500
Total public corporations' expenditure	10,262	9,387	9,532	7,380	6,896	6,300	6,400
Total Managed Expenditure	634,252	672,491	693,919	694,606	675,255	720,000	730,400

⁽¹⁾ Full resource budgeting basis, i.e. resource plus capital less depreciation. See Table 2.1.

⁽²⁾ Transactions have been affected by financial sector interventions. See Box 2.A in Chapter 2.

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 2012-13) fall within the scope of National Statistics.

What's new

2.2 The introduction of the Online System for Central Accounting and Reporting (OSCAR) was accompanied by changes to the chart of accounts, against which departments record their expenditure. This has produced a number of changes to the economic categories used in this chapter. The main changes are:

- expenditure on short term contract and agency staff has moved from gross current procurement to pay;
- a new rentals category has been created, with some spending and receipts moving out of gross current procurement and income from sales;
- expenditure on highways renewals maintenance has moved from gross current procurement to other resource expenditure;
- additions and disposals of shares and equity have moved from other capital expenditure to net lending;
- international subscriptions have moved from net lending to capital grants abroad; and
- EU attributed aid has moved from current grants abroad to other resource expenditure.

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 **Staff costs** 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 and payments for contract and agency staff that were formerly treated as procurement expenditure.

2.6 Gross current procurement shows expenditure on goods and services, including accommodation and building management, ICT outsourcing, maintenance and support, travel costs 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 the government's preferred measure of total public spending. 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. In **Table 2.1** they include tax credits previously scored as negative tax which are excluded from **Chapters 5 and 6**. **Current grants abroad** are mainly foreign aid, such as programmes to reduce poverty.

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 Rentals shows net expenditure on hire and rentals under PFI and non-PFI operating leases.

2.10 Depreciation, also termed capital consumption, represents the amount of capital used up in respect of fixed assets measured on the basis of International Financial Reporting Standards (IFRS). 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.

2.11 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).

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, £1.8 billion in 2010-11, £1.0 billion in 2011-12, £0.2 billion in 2012-13 and £0.1 billion in 2013-14. 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 the impairment cost of RBS and LBG shares was £14.1 billion, offset by a -£28.4bn gain for the BEAPFF. There was a further gain of -£17.1 billion in 2012-13;
- 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, £0.7 billion in 2010-11, £1.2 billion in 2011-12 and £1.6 billion in both 2012-13 and 2013-14, comprised mainly of interest paid to government.

Capital budget

- Net lending to the private sector: £85.5 billion in 2008-09, £38.3 billion in 2009-10, -£3.0 billion in 2010-11, -£4.6 billion in 2011-12, -£3.6 billion in 2012-13 and -£1.5 billion in 2013-14. 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.

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

2.12 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 an IFRS 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 IFRS pensions in departmental AME to the National Accounts measure is given in **Table D1**.

2.13 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).

2.14 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**.

2.15 Capital support for public corporations comprises capital grants, net lending (see paragraph 2.18) and public corporations' market and overseas borrowing where this scores in the parent department's budget.

2.16 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.

2.17 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.

2.18 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.

2.19 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. Write-offs of stock and loans are also recorded here. In **Chapters 5 and 6** they are recorded as capital grants in line with National Accounts.

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

2.21 Table 2.3 shows central government own capital procurement, gross of depreciation and before deduction of sales, broken down by departmental group.

Table 2.1 Budgets by economic category of spending, 2008-09 to 2014-15

	National Statistics						£ million	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans	
Resource DEL								
Staff costs ⁽¹⁾	85,726	88,479	94,809	96,589	100,380	99,652	98,932	
Gross current procurement ⁽¹⁾	106,863	111,736	104,226	105,594	106,978	115,116	114,318	
Income from sales of goods and services	-22,179	-21,311	-15,397	-15,465	-16,978	-15,781	-15,191	
Current grants to local government ⁽¹⁾⁽²⁾	95,405	99,436	102,715	95,616	90,529	75,694	72,985	
Current grants to persons and non-profit bodies	29,941	33,125	31,002	29,105	25,985	27,109	25,933	
Current grants abroad	391	361	1,035	728	1,574	3,946	1,687	
Subsidies to private sector companies	5,073	5,887	5,646	6,006	5,694	5,870	6,706	
Subsidies to public corporations	1,254	1,058	1,244	1,126	1,481	1,068	973	
Net public service pensions ⁽³⁾	12	-66	20	9	47	59	-1	
Rentals	2,245	4,038	4,723	6,536	6,850	5,904	5,640	
Depreciation ⁽⁴⁾	12,389	13,843	20,509	19,266	21,065	19,700	20,400	
Take up of provisions	2	3	0	32	-24	0	0	
Release of provisions	-1	-6	-8	-10	-8	-15	0	
Change in pension scheme liabilities	186	153	74	28	22	21	21	
Unwinding of the discount rate on pension scheme liabilities	19	21	-20	56	23	32	26	
Release of provisions covering payments of pensions benefits	0	-2	0	0	0	0	0	
Other	76	993	79	431	-889	-438	-593	
<i>Plus unallocated funds</i>	-	-	-	-	-	2,400	4,300	
Total resource DEL	317,401	337,748	350,658	345,646	342,728	340,300	336,100	
Of which: administration budgets in resource DEL								
Staff costs	14,238	14,801	13,649	8,978	8,886	8,101	7,132	
Gross current procurement	8,354	7,196	6,727	4,258	4,144	5,691	5,461	
Income from sales of goods and services	-1,282	-1,412	-1,321	-1,094	-1,098	-1,190	-851	
Rentals	363	1,603	1,450	559	408	67	67	
Depreciation	833	961	1,066	768	738	949	970	
Other	-112	-105	-81	-20	-501	-362	-189	
Total administration budgets in resource DEL	22,393	23,044	21,490	13,449	12,577	13,256	12,590	
Resource departmental AME								
Staff costs	1,134	1,373	1,161	1,310	1,184	1,149	1,167	
Gross current procurement	2,719	2,585	2,890	2,668	2,824	3,368	3,234	
Income from sales of goods and services ⁽⁶⁾	-1,247	-574	-2,069	-1,229	-474	-533	-335	
Current grants to local government	18,252	21,033	23,334	24,615	25,332	25,499	26,218	
Current grants to persons and non-profit bodies	155,838	169,191	174,326	180,326	187,449	190,037	193,028	
Subsidies to private sector companies	288	273	332	445	465	3,838	5,090	
Subsidies to public corporations	-312	-177	-658	-776	-82	-68	-54	
Net public service pensions ⁽³⁾	3,040	3,677	4,607	6,668	8,542	9,498	11,047	
Rentals	0	0	0	0	2	0	0	
Depreciation ⁽⁶⁾	21,059	6,529	-1,218	-12,364	-13,861	3,913	4,078	
Take up of provisions ⁽⁶⁾	35,580	-17,248	13,237	12,827	18,394	10,191	9,442	
Release of provisions	-6,576	-6,278	-6,071	-7,513	-7,668	-6,471	-6,072	
Change in pension scheme liabilities ⁽⁷⁾	24,779	22,124	-56,752	27,069	26,765	30,341	30,063	
Unwinding of the discount rate on pension scheme liabilities	36,510	39,154	37,615	43,452	39,713	37,642	39,851	
Release of provisions covering payments of pensions benefits ⁽⁵⁾	-22,479	-24,272	-25,928	-27,725	-30,511	-32,570	-34,291	
Other ⁽⁶⁾	-2,678	-1,542	-2,055	-3,419	-2,335	-6,147	-5,766	
Total resource departmental AME	265,906	215,847	162,751	246,354	255,740	269,689	276,701	

Table 2.1 Budgets by economic category of spending, 2008-09 to 2014-15 (continued)

	National Statistics						£ million	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans	
Resource budgets								
Staff costs ⁽¹⁾	86,860	89,852	95,970	97,899	101,564	100,801	100,098	
Gross current procurement ⁽¹⁾	109,582	114,321	107,116	108,262	109,802	118,484	117,552	
Income from sales of goods and services ⁽⁶⁾	-23,426	-21,885	-17,466	-16,694	-17,452	-16,313	-15,525	
Current grants to local government ⁽¹⁾⁽²⁾	113,657	120,469	126,049	120,231	115,861	101,193	99,203	
Current grants to persons and non-profit bodies	185,779	202,316	205,329	209,431	213,434	217,145	218,962	
Current grants abroad	391	361	1,035	728	1,574	3,946	1,687	
Subsidies to private sector companies	5,361	6,160	5,977	6,452	6,159	9,708	11,796	
Subsidies to public corporations	942	880	585	350	1,398	1,001	919	
Net public service pensions ⁽³⁾	3,052	3,611	4,627	6,678	8,589	9,558	11,046	
Rentals	2,245	4,038	4,723	6,536	6,853	5,904	5,640	
Depreciation ⁽⁶⁾	33,449	20,372	19,291	6,902	7,204	23,600	24,400	
Take up of provisions ⁽⁶⁾	35,582	-17,245	13,238	12,859	18,370	10,192	9,443	
Release of provisions	-6,577	-6,284	-6,078	-7,523	-7,676	-6,486	-6,073	
Change in pension scheme liabilities ⁽⁷⁾	24,965	22,277	-56,677	27,097	26,787	30,361	30,084	
Unwinding of the discount rate on pension scheme liabilities	36,528	39,175	37,594	43,508	39,736	37,674	39,878	
Release of provisions covering payments of pensions benefits ⁽⁵⁾	-22,479	-24,274	-25,928	-27,726	-30,511	-32,570	-34,291	
Other ⁽⁶⁾	-2,602	-549	-1,976	-2,988	-3,225	-6,585	-6,359	
<i>Plus unallocated funds</i>	-	-	-	-	-	2,400	4,300	
Total resource budgets	583,307	553,595	513,409	592,000	598,468	610,000	612,800	
Capital DEL								
Capital support for local government	12,282	15,254	12,786	10,909	11,144	9,508	10,211	
Capital grants to persons and non-profit bodies	4,571	6,606	4,836	2,998	1,985	4,252	3,633	
Capital grants to private sector companies	8,335	8,839	7,683	6,643	5,883	5,186	5,219	
Capital grants abroad	699	725	1,768	1,425	1,428	2,228	2,174	
Capital support for public corporations	594	832	190	316	288	182	316	
Gross capital procurement	23,236	25,183	23,789	20,655	19,753	22,803	22,521	
Income from sales of assets	-759	-701	-963	-1,241	-2,027	-1,750	-801	
Net lending and investment to the private sector and abroad ⁽⁶⁾	-149	435	-171	458	742	2,542	2,350	
Other	-298	-213	-254	154	109	-34	-78	
<i>Plus unallocated funds in capital DEL</i>	-	-	-	-	-	-2,700	-600	
Total capital DEL	48,511	56,959	49,665	42,317	39,304	42,200	44,900	
Capital departmental AME								
Capital support for local government	793	402	993	302	141	672	672	
Capital grants to persons and non-profit bodies	554	664	549	351	329	333	327	
Capital grants to private sector companies	0	0	0	-1	0	0	0	
Capital grants abroad	-	-	-	-	-	-	-	
Capital support for public corporations	-735	97	-361	187	-198	725	750	
Gross capital procurement	159	108	131	138	58	172	160	
Income from sales of assets	-45	0	0	0	-2	0	0	
Net lending and investment to the private sector and abroad	89,878	42,728	2,058	1,244	3,260	7,519	11,460	
Other	261	494	439	375	212	129	245	
Total capital departmental AME	90,866	44,494	3,809	2,597	3,799	9,549	13,614	

Table 2.1 Budgets by economic category of spending, 2008-09 to 2014-15 (continued)

	£ million						
	National Statistics					2013-14 plans	2014-15 plans
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		
Capital budgets							
Capital support for local government	13,075	15,656	13,779	11,211	11,285	10,180	10,883
Capital grants to persons and non-profit bodies	5,125	7,270	5,385	3,349	2,314	4,585	3,960
Capital grants to private sector companies	8,335	8,839	7,683	6,642	5,883	5,186	5,219
Capital grants abroad	699	725	1,768	1,425	1,428	2,228	2,174
Capital support for public corporations	-140	929	-171	504	90	907	1,066
Gross capital procurement	23,395	25,291	23,920	20,793	19,811	22,975	22,681
Income from sales of assets	-805	-701	-963	-1,241	-2,029	-1,750	-801
Net lending and investment to the private sector and abroad ⁽⁶⁾	89,729	43,163	1,887	1,702	4,002	10,061	13,810
Other	-37	281	185	529	321	95	167
<i>Plus unallocated funds in capital DEL</i>	-	-	-	-	-	-2,700	-600
Total capital budgets	139,376	101,454	53,474	44,914	43,104	51,800	58,500

⁽¹⁾ As academies are now treated as part of central government, their expenditure falls within staff costs and procurement and is no longer recorded within the line for grants to local government.

⁽²⁾ As explained in Chapter 7, from April 2013 local authorities in England are able to retain a proportion of the business rates they collect. This results in a reduction in the amount distributed by central government.

⁽³⁾ 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 publicservice pensions is used in Table 1.1.

⁽⁴⁾ Excludes NHS Trusts' depreciation as exceptionally this is not removed in the calculation of TDEL.

⁽⁵⁾ Payments that release provision include bulk and individual transfers, including the transfer of liabilities within government.

⁽⁶⁾ Transactions have been affected by financial sector interventions. See Box 2.A for details.

⁽⁷⁾ 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.

Table 2.2 Gross current procurement in budgets⁽¹⁾, 2008-09 to 2014-15

	National Statistics						£ million	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans	
Gross current procurement in budgets								
Education ⁽²⁾	725	1,204	1,360	2,344	2,875	3,640	3,484	
NHS (Health)	53,484	58,419	51,124	53,444	55,188	60,622	62,345	
Personal Social Services (Health)	47	52	24	0	0	0	0	
Transport	1,921	1,920	1,727	1,823	1,942	2,706	1,956	
CLG Communities	468	484	334	250	198	366	274	
CLG Local Government	260	260	239	241	230	244	238	
Business, Innovation and Skills	1,724	1,609	1,397	1,350	1,150	1,755	1,686	
Home Office	2,680	2,196	2,392	2,017	2,201	2,248	2,210	
Justice	5,623	5,727	5,682	6,010	5,845	5,001	4,758	
Law Officers' Departments	398	368	342	299	281	337	298	
Defence	13,480	13,482	13,517	13,018	11,901	12,603	10,804	
Foreign and Commonwealth Office	1,074	948	972	907	942	869	588	
International Development	658	559	588	728	784	195	1,314	
Energy and Climate Change	2,074	2,169	1,957	1,928	1,595	1,917	1,779	
Environment, Food and Rural Affairs	1,253	1,208	1,086	1,106	1,307	1,153	1,138	
Culture, Media and Sport	3,263	3,075	3,376	3,301	3,522	3,234	3,340	
Work and Pensions	3,516	2,756	2,945	2,116	2,106	2,302	1,619	
Scotland	6,664	6,810	6,777	6,224	6,334	6,694	6,994	
Wales	3,101	3,520	3,849	3,831	3,434	4,222	4,202	
Northern Ireland	3,519	3,722	3,948	3,725	4,142	4,342	4,317	
Chancellor's Departments	1,569	1,639	1,324	1,321	1,765	1,640	1,633	
Cabinet Office	1,027	1,148	1,190	1,237	1,192	1,449	1,694	
Small and Independent Bodies	1,055	1,048	968	1,039	869	945	883	
Total gross current procurement in budgets	109,582	114,321	107,116	108,262	109,802	118,484	117,552	

⁽¹⁾ 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.

⁽²⁾ As academies are now treated as part of central government, their expenditure falls within staff costs and procurement and is no longer recorded within the line for grants to local government.

Table 2.3 Gross capital procurement in budgets⁽¹⁾, 2008-09 to 2014-15

	£ million						
	National Statistics						
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
Gross capital procurement in budgets							
Education	44	73	27	15	348	344	341
NHS (Health)	4,303	4,861	4,178	3,431	3,694	4,851	4,549
Personal Social Services (Health)	0	0	0	0	0	0	0
Transport	1,203	2,002	1,654	1,328	1,023	1,827	2,132
CLG Communities	263	266	217	84	55	165	127
CLG Local Government	0	2	1	0	1	0	0
Business, Innovation and Skills	471	484	470	322	297	306	330
Home Office	489	586	337	278	227	236	229
Justice	920	875	591	420	327	362	330
Law Officers' Departments	9	12	8	3	2	6	7
Defence	9,230	9,019	9,369	8,689	7,837	9,927	9,348
Foreign and Commonwealth Office	235	162	128	99	112	166	79
International Development	19	15	11	17	66	18	16
Energy and Climate Change	1,140	1,197	1,326	1,444	1,786	1,616	1,983
Environment, Food and Rural Affairs	216	212	196	131	153	147	233
Culture, Media and Sport	1,418	1,579	1,715	1,378	457	15	191
Work and Pensions	94	254	233	229	308	56	47
Scotland	942	1,144	1,107	905	1,128	967	802
Wales	516	658	624	472	412	369	369
Northern Ireland	1,172	1,161	1,061	832	923	919	996
Chancellor's Departments	293	243	186	241	212	202	150
Cabinet Office	367	409	412	419	381	405	346
Small and Independent Bodies	51	78	67	56	63	73	76
Total gross capital procurement in budgets	23,395	25,291	23,920	20,793	19,811	22,975	22,681

⁽¹⁾ 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.

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 2011-12, estimated outturn published in PESA 2012 (Cm 8376) is compared with the final outturn in Chapter 1;
- for 2012-13, the plans published in PESA 2012 are reconciled to final plans and compared to the estimated outturn in Chapter 1; and
- for 2013-14 to 2014-15 latest plans are compared with the published figures in PESA 2012 (Cm 8376).

3.2 The tables in this chapter are consequently split into three sections – Tables 3.1, 3.2, 3.3 and 3.4 show changes for 2011-12, Tables 3.5, 3.6, 3.7 and 3.8 show changes for 2012-13. Within the first two sections the four tables show, respectively, resource DEL by departmental group, resource DEL excluding depreciation by departmental group, capital DEL by departmental group, and Total Managed Expenditure (TME) by budgeting category. Tables from 3.9 to 3.11 show changes to plans years.

3.3 For Tables 3.9 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 under spends carried forward from 2012-13 to 2013-14 and 2014-15 under the Budget Exchange system.

Machinery of Government and classification changes

3.5 There have been a number of large Machinery of Government and classification changes that have taken effect since PESA 2012 in budgets. These affect all the years published in PESA. The most significant Machinery of Government changes mainly consolidate a larger portion of local government funding in the DCLG local government budget following the business rates retention reforms and are as follows (the figures quoted for each is the value of the change in 2013-14):

- the transfer of police grants from DCLG Local Government resource DEL to Home Office resource DEL (£3.1 billion);

- the switch of the Learning Disabilities and Health Reform grant from Department of Health resource DEL to DCLG Local Government resource DEL (£1.4 billion);
- the Early Intervention Grant switched from the Department for Education's resource DEL to DCLG Local Government resource DEL (£1.7 billion), going the other way the Local Authority Central Spend Equivalent grant moved from Local Government resource DEL to DfE resource DEL (£1.0 billion); and
- various London transport grants moved from the Department for Transport's resource DEL to DCLG Local Government resource DEL (totalling £0.8 billion).

3.6 In addition, there have been the following significant classification changes:

- From April 2013 the Government localised council tax support, allowing local authorities in England to design their own Council Tax support schemes. Consequently spending on council tax benefit (£4.3 billion in 2013-14) transferred from the Department for Work and Pensions' AME into DCLG Local Government resource DEL and resource DEL for both the Scottish Government and Welsh Assembly Government; and
- Following the funding reforms for local government (which led to the Machinery of Government changes above), local authorities in England can retain a portion of the non-domestic rates that they collect. The grant to local authorities from central government (within DCLG Local Government resource DEL) has been reduced by a commensurate amount in the 2013-14 (£11.3 billion) and the years thereafter. This reform also increases local authority self-financed expenditure by the same amount.

Policy changes

3.7 This section sets out the key spending policy decisions taken since PESA 2012. This mainly includes:

- measures announced in the Autumn Statement 2012 and at Budget 2013;
- claims on the Reserve; and
- carry forward of estimated resource and capital DEL under spends (with the agreement of the Treasury) from 2012-13 to 2013-14 and 2014-15 under the Budget Exchange system.

Policy changes in 2012-13

3.8 The impact of policy decisions on resource DEL and capital DEL budgets in 2012-13 are set out in Tables 3.5 and 3.7, respectively. The main policy decisions are set out below.

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

- BIS received £1.75bn of funding in support of Student Loans;
- DCMS received £0.1bn of funding in respect of the Olympic Delivery;
- MOD received £0.5bn of funding in respect of Defence equipment and support, and Revaluation of Defence estates.

The main claim on the capital DEL Reserve in 2012-13 was:

- Scottish Government received £0.1bn of funding in respect of Fossil Fuel Levy.

The other main policy decisions affecting 2012-13 DELs were:

- Defence switched £1.5bn from single use military equipment capital DEL to resource DEL to realign budgets (single use military equipment unlike most other capital DEL spending scores to the current budget in National Accounts, so this switch has no effect to the fiscal spending aggregates);
- Department for Transport switched £0.4bn from resource to capital DEL to provide budget cover for a number of capital pressures; and
- DCLG Communities switched £0.4bn from resource to capital DEL to provide budget cover for a number of capital pressures.

3.9 Under the Budget Exchange system departments carried forward from 2012-13 into 2013-14 £1.7bn resource DEL and £1.1bn capital DEL; departments also carried forward into 2014-15 £1.2bn resource DEL and £0.4bn capital DEL.

Policy changes in 2013-14 and 2014-15

3.10 The impact of policy decisions on resource DEL and capital DEL budgets in 2013-14 and 2014-15 are set out in Tables 3.9 to 3.11. The main policy decisions are set out below.

3.11 A number of claims on the reserve have already fed into 2013-14 control totals at Main Estimates:

- £2.4bn resource DEL (of which £1.8bn resource DEL excluding depreciation) and £0.3bn capital DEL for MOD in respect of the net additional cost of military operations; and
- £0.3bn resource DEL received by FCO in respect of peacekeeping operations.

3.12 The other main policy decisions affecting 2013-14 and 2014-15 DEL budgets were:

- the 1 and 2 per cent reductions to departmental resource budgets in 2013-14 and 2014-15 respectively, as announced in the Autumn Statement 2012. The health, schools, local government (2013-14 only) and HMRC budgets were exempted from these reductions. This measure reduces Resource DEL by £1.0bn in 2013-14 and £2.4bn in 2014-15.

3.13 Budget 2013 announced further reductions in departmental resource DEL budgets of £1.1bn for 2013-14 and £1.2bn for 2014-15, equivalent to a 1 per cent reduction for most departments, although similar exemptions to the 2012 reductions measure also applied (health, schools, local government for 2013-14 and HMRC).

- at Budget 2013 the 2013-14 Special Reserve was been reduced by £0.3bn to reflect the reduction in the net additional costs of military operations in Afghanistan, due to progress made by the Afghans in taking responsibility for their security.
- DFID resource DEL has been adjusted by £0.4bn and £0.6bn in 2013-14 and 2014-15 to meet the 0.7 per cent GNI target;
- Autumn Statement 2012 announced a capital package of support for long-term investment for new roads, science infrastructure and free schools. The overall increase to CDEL budgets is £2.3bn in 2013-14 and £3.0bn in 2014-15. The departments with the largest increases are BIS – £0.7bn and £0.8n, DCLG Communities – £0.7bn and £0.8bn, Transport – £0.5bn and £0.6bn and Education – £0.2bn and £0.8bn; and
- Budget 2013 also announced a capital housing package of £1.3bn in 2013-14 and £1.9bn in 2014-15 to fund the Help to Buy and Build to Rent schemes. These measures mainly affect the CDEL budget of CLG communities.

Table 3.1 Resource DEL 2011-12; changes since PESA 2012

				£ million	
	Final provision adjusted for MOG	Outturn in PESA 2012 adjusted for MOG	Transfers and classification changes since PESA 2012	Other changes since PESA 2012	Outturn
Resource DEL					
Education	50,446	50,283	-	15	50,298
Health	101,092	100,221	-	43	100,263
Transport	5,983	5,576	-	1	5,578
CLG Communities	1,950	1,821	-	-	1,821
CLG Local Government	29,775	29,765	-	-	29,765
Business, Innovation and Skills	21,369	20,082	-	-65	20,017
Home Office	12,396	12,127	-	-5	12,122
Justice	8,939	8,900	-	-5	8,895
Law Officers' Departments	656	621	-	1	621
Defence	39,462	37,683	-	297	37,980
Foreign and Commonwealth Office	2,210	2,202	-	-27	2,175
International Development	6,209	6,184	-	-	6,184
Energy and Climate Change	1,392	1,143	-	14	1,157
Environment, Food and Rural Affairs	2,275	2,197	-	-	2,197
Culture, Media and Sport	1,676	1,619	-	-40	1,579
Work and Pensions ⁽¹⁾	2,811	2,663	4,825	-	7,488
Scotland	25,971	25,834	-	-22	25,812
Wales	14,005	13,905	-	-2	13,903
Northern Ireland	10,019	9,858	-	-1	9,858
Chancellor's Departments	3,950	3,866	-	-	3,866
Cabinet Office	2,443	2,397	-	2	2,399
Small and Independent Bodies	1,747	1,763	-	-95	1,669
Total resource DEL	346,777	340,711	4,825	110	345,646

⁽¹⁾ Following council tax localisation a classification change moved over £4 billion from DWP Resource departmental AME to Resource DEL. A machinery of government change transferred this funding to CLG Local Government, the Scottish Government and the Welsh Assembly Government.

Table 3.2 Resource DEL excluding depreciation 2011-12; changes since PESA 2012

				£ million	
	Final provision adjusted for MOG	Outturn in PESA 2012 adjusted for MOG	Transfers and classification changes since PESA 2012	Other changes since PESA 2012	Outturn
Resource DEL excluding depreciation					
Education	50,417	50,250	-	15	50,265
Health	99,951	99,098	-	-28	99,070
Transport	5,044	4,678	-	1	4,679
CLG Communities	1,910	1,745	-	-	1,745
CLG Local Government	29,774	29,764	-	-	29,764
Business, Innovation and Skills	16,495	16,261	-	-30	16,231
Home Office	12,141	11,913	-	-9	11,904
Justice	8,449	8,458	-	-5	8,453
Law Officers' Departments	642	610	-	1	611
Defence	28,583	28,209	-	-67	28,142
Foreign and Commonwealth Office	2,091	2,078	-	-27	2,052
International Development	6,188	6,167	-	-	6,167
Energy and Climate Change	1,385	1,135	-	9	1,144
Environment, Food and Rural Affairs	2,039	1,981	-	-	1,981
Culture, Media and Sport	1,526	1,521	-	-48	1,473
Work and Pensions ⁽¹⁾	2,572	2,461	4,825	-	7,286
Scotland	25,339	25,210	-	-21	25,189
Wales	13,548	13,477	-	-2	13,475
Northern Ireland	9,531	9,438	-	-1	9,437
Chancellor's Departments	3,711	3,642	-	-	3,642
Cabinet Office	2,074	2,043	-	3	2,045
Small and Independent Bodies	1,696	1,718	-	-94	1,624
Total resource DEL excluding depreciation	325,108	321,859	4,825	-304	326,380

⁽¹⁾ Following council tax localisation a classification change moved over £4 billion from DWP Resource departmental AME to Resource DEL. A machinery of government change transferred this funding to CLG Local Government, the Scottish Government and the Welsh Assembly Government.

Table 3.3 Capital DEL 2011-12; changes since PESA 2012

				£ million	
	Final provision adjusted for MOG	Outturn in PESA 2012 adjusted for MOG	Transfers and classification changes since PESA 2012	Other changes since PESA 2012	Outturn
Capital DEL					
Education	5,065	5,055	-	-12	5,043
Health	4,353	3,817	-	-31	3,786
Transport	7,706	7,686	-	-	7,686
CLG Communities	3,855	3,821	-	-	3,821
CLG Local Government	-	-8	-	-	-8
Business, Innovation and Skills	1,211	1,011	-	142	1,153
Home Office	506	493	-	-	493
Justice	379	344	-	-	344
Law Officers' Departments	6	-	-	3	3
Defence	9,505	9,008	-	6	9,014
Foreign and Commonwealth Office	119	117	-	-1	115
International Development	1,658	1,646	-	-	1,646
Energy and Climate Change	1,485	1,453	-	1	1,454
Environment, Food and Rural Affairs	388	383	-	-	383
Culture, Media and Sport	1,278	1,214	-	56	1,270
Work and Pensions	311	280	-	-	280
Scotland	2,762	2,732	-	-	2,732
Wales	1,397	1,385	-	-	1,386
Northern Ireland	1,021	1,002	-	-2	1,000
Chancellor's Departments	322	257	-	-	257
Cabinet Office	415	405	-	-2	403
Small and Independent Bodies	78	55	-	1	56
Total capital DEL	43,819	42,156	0	161	42,317

Table 3.4 Total Managed Expenditure 2011-12; changes since PESA 2012

	£ million			
	Outturn in PESA 2012	Transfers and classification changes since PESA 2012	Other changes since PESA 2012	Outturn
CURRENT EXPENDITURE				
<i>Resource DEL</i>				
Total resource DEL	340,711	4,825	110	345,646
<i>Resource departmental AME</i>				
Social security benefits ⁽¹⁾	176,029	-4,825	-412	170,791
Tax credits	29,967	-	9	29,976
Net public service pensions	6,054	-	-42	6,012
National lottery	1,399	-	-	1,399
BBC domestic services	3,690	-	-299	3,391
Student loans	-624	-	-18	-642
Non-cash items	50,917	-	1,501	52,418
Financial sector interventions	-16,575	-	432	-16,143
Other departmental expenditure	200	-	-1,047	-848
Total resource departmental AME	251,056	-4,825	123	246,354
<i>Resource other AME</i>				
Net expenditure transfers to the EU	7,702	-	-	7,702
Locally financed expenditure	26,740	-	-4,677	22,062
Central government gross debt interest	46,976	-	738	47,714
Accounting adjustments	-27,497	-	2,317	-25,179
Total resource other AME	53,921	-	-1,622	52,299
Total resource AME	304,977	-4,825	-1,499	298,653
Public sector current expenditure	645,688	-	-1,389	644,299
CAPITAL EXPENDITURE				
<i>Capital DEL</i>				
Total capital DEL	42,156	-	161	42,317
<i>Capital departmental AME</i>				
National lottery	404	-	-	404
BBC domestic services	191	-	-19	172
Student loans	5,646	-	211	5,857
Financial sector interventions	-3,721	-	-850	-4,571
Other departmental expenditure	967	-	-233	734
Total capital departmental AME	3,488	-	-892	2,597
<i>Capital other AME</i>				
Locally financed expenditure	13,641	-	2,688	16,330
Public corporations' own-financed capital expenditure	6,115	-	432	6,547
Accounting adjustments	-16,201	-	-1,283	-17,484
Total capital other AME	3,556	-	1,837	5,393
Total capital AME	7,044	-	946	7,990
Public sector gross investment	49,200	-	1,107	50,307
<i>less public sector depreciation</i>	21,121	-	504	21,625
Public sector net investment	28,079	-	603	28,682
Total Managed Expenditure	694,888	-	-282	694,606

⁽¹⁾ Following council tax localisation a classification change moved over £4 billion from DWP Resource departmental AME to Resource DEL. A machinery of government change transferred this funding to CLG Local Government, the Scottish Government and the Welsh Assembly Government.

Table 3.5 Resource DEL 2012-13; changes since PESA 2012

	£ million				
	Plans in PESA 2012 adjusted for MOG	Transfers and classification changes since PESA 2012	Other changes since PESA 2012	Final provision adjusted for MOG	Outturn
Resource DEL					
Education	51,333	54	-122	51,265	50,886
Health	104,097	-	-	104,097	102,513
Transport	6,091	-	-428	5,663	5,283
CLG Communities	1,798	1	-281	1,518	1,349
CLG Local Government	27,659	1	-63	27,596	27,577
Business Innovation and Skills	18,259	-85	1,400	19,574	19,220
Home Office	11,982	22	-288	11,715	11,442
Justice	8,257	-	373	8,630	8,593
Law Officers' Departments	638	2	-7	632	599
Defence	36,759	6	391	37,157	35,874
Foreign and Commonwealth Office	2,136	18	10	2,163	2,152
International Development	6,618	-69	-348	6,201	6,129
Energy and Climate Change	1,437	21	-266	1,192	1,129
Environment, Food and Rural Affairs	2,233	9	-151	2,091	2,077
Culture, Media and Sport	2,690	-	2,416	5,106	3,286
Work and Pensions ⁽¹⁾	3,172	4,863	-512	7,523	7,360
Scotland	26,274	-	110	26,384	26,123
Wales	14,086	-2	-5	14,079	13,681
Northern Ireland	9,919	-	222	10,141	10,031
Chancellor's Departments	3,905	11	-270	3,646	3,495
Cabinet Office	2,561	-6	-6	2,549	2,470
Small and Independent Bodies	1,533	20	3	1,556	1,457
Reserve	1,900	-	-1,900	-	-
Special Reserve	600	-	-600	-	-
Adjustment for Budget Exchange	-640	-	-	-	-
Total resource DEL	345,294	4,867	-324	350,478	342,728

⁽¹⁾ Following council tax localisation a classification change moved over £4 billion from DWP Resource departmental AME to Resource DEL. A machinery of government change transferred this funding to CLG Local Government, the Scottish Government and the Welsh Assembly Government.

Table 3.6 Resource DEL excluding depreciation 2012-13; changes since PESA 2012

	£ million				
	Plans in PESA 2012 adjusted for MOG	Transfers and classification changes since PESA 2012	Other changes since PESA 2012	Final provision adjusted for MOG	Outturn
Resource DEL excluding depreciation					
Education	51,304	54	-626	50,732	50,239
Health	102,915	-	-	102,915	101,416
Transport	5,059	-	-428	4,631	4,315
CLG Communities	1,759	1	-281	1,480	1,309
CLG Local Government	27,658	1	-63	27,595	27,576
Business Innovation and Skills	15,990	-85	-350	15,555	15,467
Home Office	11,728	22	-292	11,459	11,199
Justice	7,719	-	373	8,092	8,067
Law Officers' Departments	624	2	-7	618	591
Defence	27,562	6	-109	27,459	26,415
Foreign and Commonwealth Office	1,999	18	-5	2,012	1,987
International Development	6,597	-69	-357	6,172	6,105
Energy and Climate Change	1,429	21	-266	1,184	1,117
Environment, Food and Rural Affairs	2,042	8	-151	1,899	1,887
Culture, Media and Sport	2,054	-	112	2,167	2,059
Work and Pensions ⁽¹⁾	2,931	4,863	-444	7,350	7,117
Scotland	25,577	-	-86	25,491	25,341
Wales	13,611	-	-46	13,565	13,265
Northern Ireland	9,463	-	37	9,500	9,461
Chancellor's Departments	3,669	11	-270	3,410	3,262
Cabinet Office	2,129	-6	7	2,131	2,074
Small and Independent Bodies	1,461	20	3	1,485	1,394
Reserve	1,900	-	-1,900	-	-
Special Reserve	600	-	-600	-	-
Adjustment for Budget Exchange	-640	-	-	-	-
Total resource DEL excluding depreciation	327,144	4,867	-5,748	326,903	321,663

⁽¹⁾ Following council tax localisation a classification change moved over £4 billion from DWP Resource departmental AME to Resource DEL. A machinery of government change transferred this funding to CLG Local Government, the Scottish Government and the Welsh Assembly Government.

Table 3.7 Capital DEL 2012-13; changes since PESA 2012

	£ million				
	Plans in PESA 2012 adjusted for MOG	Transfers and classification changes since PESA 2012	Other changes since PESA 2012	Final provision adjusted for MOG	Outturn
Capital DEL					
Education	4,563	-8	-53	4,502	4,449
Health	4,495	-	-	4,495	3,838
Transport	8,031	-1	-21	8,009	7,826
CLG Communities	2,995	42	-343	2,694	2,472
CLG Local Government	-	-	-	-	1
Business Innovation and Skills	2,098	-30	-530	1,538	1,240
Home Office	500	1	-40	461	442
Justice	311	-	-21	291	282
Law Officers' Departments	6	-	-	6	2
Defence	9,917	5	-1,962	7,960	7,843
Foreign and Commonwealth Office	102	-	6	108	100
International Development	1,635	25	-	1,660	1,653
Energy and Climate Change	1,951	-14	161	2,097	2,038
Environment, Food and Rural Affairs	381	3	34	418	414
Culture, Media and Sport	539	-18	-87	434	412
Work and Pensions	329	-5	103	427	375
Scotland	2,553	2	415	2,969	2,940
Wales	1,232	4	127	1,363	1,363
Northern Ireland	888	-	108	996	969
Chancellor's Departments	176	12	44	231	218
Cabinet Office	405	-18	7	395	363
Small and Independent Bodies	78	-	1	79	63
Reserve	900	-	-900	-	-
Adjustment for Budget Exchange	-228	-	-	-	-
Total capital DEL	43,856	-	-2,951	41,133	39,304

Table 3.8 Total Managed Expenditure 2012-13; changes since PESA 2012

	Plans in PESA 2012	Transfers and classification changes since PESA 2012	Other changes since PESA 2012	£ million Outturn
CURRENT EXPENDITURE				
<i>Resource DEL</i>				
Total resource DEL	345,294	4,867	-7,434	342,728
<i>Resource departmental AME</i>				
Social security benefits ⁽¹⁾	183,192	-4,874	15	178,332
Tax credits	26,141	-	4,029	30,170
Net public service pensions	4,998	5	-207	4,797
National lottery	1,141	-	142	1,283
BBC domestic services	3,868	-	-498	3,370
Student loans	-686	-	-70	-756
Non-cash items	51,021	-	3,049	54,070
Financial sector interventions	-	-	-18,122	-18,122
Other departmental expenditure	4,848	-	-2,252	2,596
Total resource departmental AME	274,523	-4,869	-13,914	255,740
<i>Resource other AME</i>				
Net expenditure transfers to the EU	7,477	-	1,654	9,131
Locally financed government expenditure	27,330	-	-1,556	25,774
Central government gross debt interest	44,788	-	2,179	46,967
Accounting adjustments	-34,760	-	11,899	-22,861
Total resource other AME	44,835	-	14,176	59,011
Total resource AME	319,358	-4,869	262	314,751
Public sector current expenditure	664,652	-2	-7,172	657,479
CAPITAL EXPENDITURE				
<i>Capital DEL</i>				
Total capital DEL	43,856	-	-4,552	39,304
<i>Capital departmental AME</i>				
National lottery	712	-	-199	513
BBC domestic services	54	-	55	109
Student loans	6,603	-	257	6,860
Financial sector interventions	-	-	-3,606	-3,606
Other departmental expenditure	2,829	-	-2,905	-76
Total capital departmental AME	10,198	-	-6,399	3,799
<i>Capital other AME</i>				
Locally financed expenditure	5,268	-	2,819	8,087
Public corporations' own-financed capital expenditure	6,244	-	409	6,653
Accounting adjustments	-46,780	-	6,712	-40,068
Total capital other AME	-35,268	-	9,940	-25,328
Total capital AME	-25,070	-	3,542	-21,528
Public sector gross investment	18,786	-	-1,010	17,776
<i>less public sector depreciation</i>	22,200	-	328	22,528
Public sector net investment	-3,414	-	-1,338	-4,752
Total Managed Expenditure	683,439	-2	-8,182	675,255

⁽¹⁾ Following council tax localisation a classification change moved over £4 billion from DWP Resource departmental AME to Resource DEL. A machinery of government change transferred this funding to CLG Local Government, the Scottish Government and the Welsh Assembly Government.

Table 3.9 Resource DEL 2013-14 and 2014-15; changes since PESA 2012

	£ million							
	2013-14				2014-15			
	Plans in PESA 2012 adjusted for MOG	Transfers and classification changes since PESA 2012	Other changes since PESA 2012	New Plans	Plans in PESA 2012 adjusted for MOG	Transfers and classification changes since PESA 2012	Other changes since PESA 2012	New Plans
Resource DEL								
Education	52,446	-62	901	53,284	53,661	-151	724	54,234
Health	106,743	-	-	106,743	109,608	-	-	109,609
Transport	4,996	-4	-19	4,972	4,630	62	-134	4,557
CLG Communities	1,964	550	84	2,598	1,353	807	-40	2,121
CLG Local Government	27,528	-513	-10,772	16,243	26,036	-807	-11,898	13,330
Business Innovation and Skills	17,784	-41	-17	17,726	17,349	3	-111	17,242
Home Office	11,298	-55	-31	11,211	10,839	-	-229	10,609
Justice	7,939	-7	-153	7,779	7,600	-	-214	7,386
Law Officers' Departments	602	-	5	608	557	-	-16	540
Defence	33,734	5	2,337	36,076	33,922	-73	-10	33,839
Foreign and Commonwealth Office	1,574	185	306	2,064	1,284	25	-27	1,282
International Development	9,151	-252	-323	8,577	8,910	-22	-594	8,294
Energy and Climate Change	1,390	-	-6	1,384	1,040	-	46	1,086
Environment, Food and Rural Affairs	2,041	5	76	2,122	1,938	-	-52	1,886
Culture, Media and Sport	1,553	1	-19	1,535	1,330	-	-20	1,310
Work and Pensions ⁽²⁾	3,519	4,216	21	7,757	3,625	4,165	-241	7,549
Scotland	26,402	89	-48	26,443	26,553	92	-133	26,511
Wales	14,208	12	-32	14,188	14,265	12	-81	14,196
Northern Ireland	9,967	-	108	10,075	10,028	-	79	10,107
Chancellor's Departments	3,803	21	56	3,880	3,621	75	18	3,713
Cabinet Office	2,456	167	-26	2,598	2,689	149	-50	2,788
Small and Independent Bodies	1,464	19	53	1,537	1,438	9	57	1,504
Reserve	2,300	-	-100	2,200	2,400	-	400	2,800
Special Reserve	2,500	-	-2,100	400	1,800	-	-	1,800
Green Investment Bank	1,000	-	-	1,000	-	-	-	-
OBR allowance for shortfall	-	-	-	-1,200	-	-	-	-1,000
Adjustment for Budget Exchange ⁽¹⁾	-	-	-	-1,700	-	-	-	-1,200
Total resource DEL	348,400	4,337	-9,640	340,300	346,400	4,345	-12,524	336,100

⁽¹⁾ Departmental budgets in 2013-14 and 2014-15 include amounts carried forward from 2012-13 through Budget Exchange, which will be voted at Main Estimates. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽²⁾ Following council tax localisation a classification change moved over £4 billion from DWP Resource departmental AME to Resource DEL. A machinery of government change transferred this funding to CLG Local Government, the Scottish Government and the Welsh Assembly Government.

Table 3.10 Resource DEL excluding depreciation 2013-14 and 2014-15; changes since PESA 2012

	£ million							
	2013-14				2014-15			
	Plans in PESA 2012 adjusted for MOG	Transfers and classification changes since PESA 2012	Other changes since PESA 2012	New Plans	Plans in PESA 2012 adjusted for MOG	Transfers and classification changes since PESA 2012	Other changes since PESA 2012	New Plans
Resource DEL excluding depreciation								
Education	52,418	-62	86	52,442	53,633	-62	-390	53,181
Health	105,519	-	-	105,519	108,340	-	-	108,340
Transport	4,057	-4	-66	3,986	3,693	-4	-68	3,621
CLG Communities	1,927	550	84	2,561	1,318	550	217	2,085
CLG Local Government	27,528	-513	-10,772	16,242	26,035	-513	-12,193	13,330
Business Innovation and Skills	14,930	-41	-17	14,871	13,883	-41	-67	13,776
Home Office	11,067	-55	-34	10,977	10,591	-55	-176	10,359
Justice	7,376	-7	-153	7,216	7,007	-7	-207	6,793
Law Officers' Departments	591	-	5	597	549	-	-16	532
Defence	24,750	5	1,716	26,470	24,470	5	-88	24,386
Foreign and Commonwealth Office	1,430	185	306	1,920	1,160	185	-187	1,158
International Development	9,130	-252	-323	8,556	8,889	-252	-365	8,273
Energy and Climate Change	1,381	-	-6	1,375	1,032	-	46	1,078
Environment, Food and Rural Affairs	1,851	5	76	1,932	1,747	5	-58	1,695
Culture, Media and Sport	1,257	1	-19	1,239	1,154	1	-21	1,134
Work and Pensions ⁽²⁾	3,374	4,216	21	7,612	3,488	4,216	-292	7,412
Scotland	25,691	29	-48	25,672	25,796	29	-134	25,691
Wales	13,726	12	-32	13,705	13,759	12	-81	13,690
Northern Ireland	9,509	-	108	9,617	9,554	-	79	9,633
Chancellor's Departments	3,557	21	56	3,635	3,363	21	71	3,456
Cabinet Office	1,994	167	-26	2,136	2,180	167	-68	2,279
Small and Independent Bodies	1,395	19	54	1,468	1,370	19	46	1,434
Reserve	2,300	-	-100	2,200	2,400	-	400	2,800
Special Reserve	2,500	-	-2,100	400	1,800	-	-	1,800
Green Investment Bank	1,000	-	-	1,000	-	-	-	-
OBR allowance for shortfall	-	-	-	-1,200	-	-	-	-1,000
Adjustment for Budget Exchange ⁽¹⁾	-	-	-	-1,700	-	-	-	-1,200
Total resource DEL excluding depreciation	330,300	4,277	-11,137	320,700	327,100	4,277	-13,548	315,700

⁽¹⁾ Departmental budgets in 2013-14 and 2014-15 include amounts carried forward from 2012-13 through Budget Exchange, which will be voted at Main Estimates. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽²⁾ Following council tax localisation a classification change moved over £4 billion from DWP Resource departmental AME to Resource DEL. A machinery of government change transferred this funding to CLG Local Government, the Scottish Government and the Welsh Assembly Government.

Table 3.11 Capital DEL 2013-14 and 2014-15; changes since PESA 2012

	£ million							
	2013-14				2014-15			
	Plans in PESA 2012 adjusted for MOG	Transfers and classification changes since PESA 2012	Other changes since PESA 2012	New Plans	Plans in PESA 2012 adjusted for MOG	Transfers and classification changes since PESA 2012	Other changes since PESA 2012	New Plans
Capital DEL								
Education	3,681	7	295	3,983	3,813	6	750	4,569
Health	4,437	-	-	4,437	4,648	-	-	4,648
Transport	7,911	-4	766	8,673	8,218	-	655	8,873
CLG Communities	2,213	171	1,781	4,165	2,261	17	2,487	4,766
CLG Local Government	-	-	-	-	-	-	-	-
Business Innovation and Skills	1,022	-8	1,779	2,794	1,242	-8	864	2,099
Home Office	365	-	40	405	465	-	-	465
Justice	279	-2	-1	277	301	-	-	301
Law Officers' Departments	6	-	-	6	7	-	-	7
Defence	9,279	-21	495	9,754	8,751	2	255	9,007
Foreign and Commonwealth Office	102	-1	-	101	98	-	-	98
International Development	1,924	1	-	1,925	2,044	-	-	2,044
Energy and Climate Change	2,377	8	-200	2,185	2,712	-	-475	2,237
Environment, Food and Rural Affairs	378	-	38	416	413	-	85	498
Culture, Media and Sport	406	-167	-85	154	149	-17	140	271
Work and Pensions	385	-13	-	372	242	-	-	242
Scotland	2,362	-	270	2,632	2,461	-	399	2,860
Wales	1,149	-	155	1,304	1,202	-	230	1,431
Northern Ireland	838	-	93	931	889	-	137	1,026
Chancellor's Departments	136	15	48	200	134	-	16	149
Cabinet Office	387	14	-	400	356	-	-	356
Small and Independent Bodies	71	-	2	73	79	-	-4	76
Reserve	700	-	-300	400	600	-	500	1,100
Special Reserve	500	-	-400	100	300	-	-	300
OBR allowance for shortfall	-	-	-	-2,300	-	-	-	-2,000
Adjustment for Budget Exchange ⁽¹⁾	-	-	-	-1,100	-	-	-	-400
Total capital DEL	40,900	0	4,833	42,200	41,400	0	5,961	44,900

⁽¹⁾ Departmental budgets in 2013-14 and 2014-15 include amounts carried forward from 2012-13 through Budget Exchange, which will be voted at Main Estimates. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

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 outturn data in this chapter are National Statistics.

What's new

4.3 For **Tables 4.2 to 4.4** we have made the demarcation between cash and accruals basis data clearer than was the case in previous years.

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 Outturn data up to 2012-13 for 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 that are updated monthly.

4.6 Plans period data from 2013-14 onwards are taken from the Office for Budget Responsibility, and are consistent with their Economic and fiscal outlook forecasts published on Budget day.

Public sector expenditure on services by function

4.7 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.

4.8 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**.

4.9 **Table 4.2** shows public sector expenditure on services by United Nations Classification Of the Functions Of Government (COFOG) level 1 from 1989-90. **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 2012-13. 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 website¹.

Methods and data quality for long run TES series

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

4.11 Data in **Tables 4.2, 4.3 and 4.4** for years before 2008-09 are not taken directly from the 'live' 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.

4.12 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.

4.13 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.

4.14 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.

¹ http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/pespub_economic_functional_analysis.htm

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

	Public sector current expenditure			Depreciation		Public sector net investment			Total Managed Expenditure ⁽²⁾		
	Nominal £ billion	Real terms ⁽¹⁾ £ billion	Per cent of GDP	Nominal £ billion	Nominal £ billion	Real terms ⁽¹⁾ £ billion	Per cent of GDP	Nominal £ billion	Real terms ⁽¹⁾ £ billion	Per cent of GDP	
1971-72	19.8	197.5	33.4	2.3	3.1	31.3	5.3	25.2	251.5	42.6	
1972-73	22.4	206.0	33.2	2.6	3.3	30.1	4.9	28.3	259.9	41.9	
1973-74	26.4	226.9	35.0	3.1	3.9	33.9	5.2	33.4	287.4	44.4	
1974-75	34.8	250.5	38.7	3.9	5.1	36.4	5.6	43.7	315.0	48.7	
1975-76	44.6	256.0	39.8	4.9	6.2	35.8	5.6	55.7	320.0	49.7	
1976-77	52.0	262.8	39.7	5.8	5.8	29.3	4.4	63.6	321.3	48.6	
1977-78	58.3	259.3	38.3	6.6	4.5	20.1	3.0	69.5	308.7	45.6	
1978-79	66.7	267.3	38.3	7.5	4.4	17.5	2.5	78.6	314.9	45.1	
1979-80	79.9	274.4	38.1	8.9	4.8	16.3	2.3	93.6	321.4	44.6	
1980-81	97.2	282.4	40.7	10.7	4.5	13.1	1.9	112.5	326.7	47.0	
1981-82	111.3	295.0	42.3	11.7	2.6	7.0	1.0	125.6	332.9	47.7	
1982-83	121.7	302.2	42.3	12.1	4.5	11.1	1.6	138.3	343.3	48.1	
1983-84	131.4	312.3	41.9	12.6	5.7	13.6	1.8	149.7	355.9	47.8	
1984-85	142.0	321.5	42.2	12.7	5.3	12.0	1.6	160.0	362.1	47.5	
1985-86	150.0	322.4	40.6	12.3	4.3	9.3	1.2	166.6	358.1	45.0	
1986-87	157.3	328.6	39.7	12.7	2.7	5.7	0.7	172.8	360.8	43.6	
1987-88	168.0	333.1	38.0	12.7	2.6	5.1	0.6	183.3	363.4	41.5	
1988-89	175.4	326.6	35.6	13.6	1.7	3.1	0.3	190.7	354.9	38.7	
1989-90	189.3	330.0	35.1	14.3	6.6	11.5	1.2	210.2	366.6	38.9	
1990-91	205.6	334.6	35.4	14.1	7.8	12.7	1.3	227.5	370.3	39.2	
1991-92	230.8	352.7	37.7	12.6	10.8	16.4	1.8	254.2	388.5	41.5	
1992-93	249.9	373.7	39.5	12.7	11.6	17.3	1.8	274.2	410.1	43.3	
1993-94	263.9	386.3	39.3	13.0	9.4	13.8	1.4	286.3	419.1	42.6	
1994-95	276.3	398.7	38.9	13.1	9.8	14.2	1.4	299.2	431.8	42.1	
1995-96	288.1	404.7	38.3	13.1	10.1	14.2	1.3	311.4	437.4	41.4	
1996-97	298.0	410.5	37.1	12.4	5.4	7.5	0.7	315.8	435.1	39.3	
1997-98	305.0	424.8	35.6	12.3	5.9	8.1	0.7	323.1	450.0	37.8	
1998-99	312.9	427.6	34.6	12.4	6.7	9.2	0.7	332.1	453.8	36.8	
1999-00	325.0	435.6	34.1	12.8	6.8	9.1	0.7	344.6	461.8	36.1	
2000-01	346.4	460.9	34.6	13.1	-16.1	-21.4	-1.6	343.5	457.1	34.3	
2001-02	364.3	472.0	35.0	13.6	13.9	18.1	1.3	391.8	507.6	37.7	
2002-03	392.9	497.4	35.8	14.5	16.2	20.4	1.5	423.5	536.2	38.6	
2003-04	425.0	527.8	36.5	15.0	17.9	22.2	1.5	457.9	568.7	39.3	
2004-05	456.9	552.2	37.2	15.7	22.8	27.6	1.9	495.4	598.7	40.3	
2005-06	484.2	574.7	37.4	16.5	25.7	30.5	2.0	526.4	624.7	40.6	
2006-07	507.6	585.7	37.1	17.4	28.0	32.4	2.0	553.0	638.1	40.4	
2007-08	537.0	604.4	37.1	18.2	31.4	35.4	2.2	586.6	660.2	40.5	
2008-09	566.6	620.3	39.3	19.1	48.5	53.1	3.4	634.3	694.4	44.0	
2009-10	604.1	643.6	42.2	20.0	48.4	51.6	3.4	672.5	716.4	47.0	
2010-11	634.5	658.8	42.2	20.8	38.7	40.1	2.6	693.9	720.5	46.2	
2011-12	644.3	654.0	41.7	21.6	28.7	29.1	1.9	694.6	705.1	45.0	
2012-13	657.5	657.5	41.9	22.5	-4.8	-4.8	-0.3	675.3	675.3	43.1	
2013-14	672.9	657.8	42.2	23.0	24.2	23.6	1.5	720.0	703.9	45.1	
2014-15	680.0	652.3	41.0	23.8	26.6	25.5	1.6	730.4	700.7	44.1	

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2012-13 price levels using GDP deflators from the Office for National Statistics (released 27 June 2013).

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

Table 4.2 Public sector expenditure on services by function, 1989-90 to 2012-13

	National Statistics																							
	cash, £ billion												accruals, £ billion											
	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	2012-13
1. General public services	27.9	28.1	26.9	27.9	29.8	32.7	36.3	37.4	38.9	39.7	37.1	38.6	36.1	35.4	38.7	42.5	45.4	47.6	50.6	52.2	51.8	66.6	68.0	67.0
of which: public and common services	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	14.0	13.8	12.9	11.7	11.7
of which: international services	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	6.4	7.1	8.0	8.0	8.0
of which: public sector debt interest	20.9	20.5	18.3	19.0	20.8	23.5	26.8	28.1	29.6	29.3	25.4	26.5	22.6	21.1	22.7	24.9	26.4	28.6	31.4	31.7	30.9	45.7	48.3	47.4
2. Defence	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	39.3	38.7	36.4
3. Public order and safety	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	34.1	33.0	32.0	31.5
4. Economic affairs	19.6	21.5	21.4	23.4	23.9	23.9	23.6	23.4	21.6	19.6	21.5	23.8	27.7	30.7	33.1	33.6	35.3	37.5	37.4	49.0	47.6	38.9	37.0	35.3
of which: enterprise and economic development ⁽¹⁾	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	7.1	16.2	12.2	4.8	4.8	5.3
of which: science and technology	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	3.6	3.4	3.6	3.6
of which: employment policies	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	2.8	3.1	3.7	2.8	2.6
of which: agriculture, fisheries and forestry	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	5.8	5.5	5.8	5.3
of which: transport	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	20.6	21.0	23.0	21.5	20.0	18.6
5. Environment protection	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	9.2	10.4	10.9	10.5	11.1
6. Housing and community amenities	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	15.3	16.3	13.0	9.9	10.2
7. Health	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	101.1	108.7	116.9	120.0	121.2	124.4
8. Recreation, culture and religion	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	11.5	12.4	13.2	13.0	12.8	12.2
9. Education	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	88.5	91.5	86.9	87.3
10. Social protection	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	204.1	224.0	231.2	240.5	252.2
EU transactions	-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	0.0	2.7	1.2	3.7
Public sector expenditure on services	201.2	218.4	238.2	260.4	271.8	284.0	295.9	302.6	308.5	318.3	331.3	352.9	376.1	402.5	439.0	470.6	501.0	522.9	554.3	601.4	640.6	660.0	658.7	671.1
Accounting adjustments	9.0	9.1	16.0	13.7	14.5	15.2	15.5	13.2	14.7	13.9	13.3	-9.4	15.8	21.0	18.9	24.8	25.4	30.2	32.3	32.8	31.9	33.9	35.9	4.1
Total Managed Expenditure ⁽²⁾	210.2	227.5	254.2	274.2	286.3	299.2	311.4	315.8	323.1	332.1	344.6	343.5	391.8	423.5	457.9	495.4	526.4	553.0	586.6	634.3	672.5	693.9	694.6	675.3

⁽¹⁾ The increase in 2008-09 relates to the financial sector interventions. Details are provided in Box 5.A in Chapter 5.

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

Table 4.3 Public sector expenditure on services by function in real terms⁽¹⁾, 1989-90 to 2012-13

	National Statistics																							
	cash, £ billion						accruals, £ billion																	
	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	2012-13
1. General public services	48.7	45.7	41.1	41.8	43.6	47.2	50.9	51.6	54.1	54.2	49.7	51.3	46.7	44.9	48.0	51.4	53.8	54.9	56.9	57.1	55.2	69.2	69.1	67.0
of which: public and common services	8.2	8.3	8.7	8.7	8.5	8.5	8.6	8.5	8.6	9.8	10.7	10.5	11.9	12.4	13.5	14.6	15.2	14.7	14.0	15.3	14.7	13.4	11.9	11.7
of which: international services	4.0	4.1	4.4	4.6	4.7	4.8	4.8	4.3	4.3	4.4	5.0	5.6	5.6	5.7	6.3	6.6	7.4	7.3	7.5	7.0	7.6	8.3	8.1	8.0
of which: public sector debt interest	36.5	33.3	28.0	28.5	30.4	33.9	37.6	38.8	41.2	40.0	34.0	35.2	29.2	26.7	28.2	30.1	31.3	33.0	35.3	34.8	32.9	47.5	49.1	47.4
2. Defence	36.6	35.8	35.5	35.6	34.4	33.6	31.6	30.4	30.2	33.5	33.6	34.2	32.9	34.2	35.8	36.0	36.8	37.2	37.9	40.3	40.2	40.8	39.2	36.4
3. Public order and safety	18.0	19.0	20.2	21.5	22.0	22.5	22.5	22.6	23.8	24.6	24.7	27.1	29.9	30.9	32.8	34.4	34.8	35.1	35.7	36.8	36.3	34.3	32.5	31.5
4. Economic affairs	34.2	35.0	32.7	35.0	35.0	34.5	33.2	32.2	30.1	26.8	28.8	31.7	35.9	38.9	41.1	40.6	41.9	43.3	42.1	53.6	50.8	40.4	37.6	35.3
of which: enterprise and economic development ⁽²⁾	12.2	11.2	8.3	8.1	8.1	6.8	6.3	5.9	6.0	4.2	5.9	6.5	6.6	7.5	7.5	7.9	7.6	7.3	8.0	17.8	13.0	5.0	4.9	5.3
of which: science and technology	1.9	2.0	2.0	2.1	2.2	1.6	1.7	1.9	1.9	1.9	1.9	1.9	2.2	2.7	2.9	3.0	3.6	3.3	3.7	3.5	3.8	3.5	3.6	3.6
of which: employment policies	4.0	3.9	4.1	4.3	4.5	4.6	4.4	3.9	3.5	4.0	4.7	5.1	4.3	3.8	4.0	3.9	3.9	3.8	2.4	3.1	3.3	3.9	2.8	2.6
of which: agriculture, fisheries and forestry	3.3	4.4	4.3	4.3	5.6	4.9	5.5	7.4	6.5	6.0	5.8	6.3	8.2	6.2	6.6	6.5	6.6	5.9	4.8	6.3	6.2	5.7	5.9	5.3
of which: transport	12.7	13.5	14.1	16.2	14.6	16.6	15.3	13.1	12.1	10.7	10.6	12.0	14.6	18.7	20.2	19.3	20.2	23.0	23.2	23.0	24.5	22.3	20.3	18.6
5. Environment protection	5.1	5.2	5.2	5.4	5.0	5.5	5.8	5.1	5.6	5.9	6.6	6.8	7.0	7.6	7.7	8.5	10.1	10.8	10.8	10.1	11.1	11.3	10.6	11.1
6. Housing and community amenities	9.2	9.8	10.4	10.6	9.1	8.9	8.4	7.9	6.8	7.5	6.3	7.3	8.0	6.8	8.3	9.7	12.7	13.3	14.6	16.7	17.4	13.5	10.0	10.2
7. Health	42.2	44.1	47.2	51.2	53.6	56.9	58.2	59.0	62.0	64.1	66.2	72.1	77.5	83.8	93.0	100.2	106.6	109.3	113.8	119.1	124.6	124.6	123.1	124.4
8. Recreation, culture and religion	7.5	7.8	7.6	7.6	7.5	7.5	7.7	7.9	8.9	9.8	10.3	10.4	11.1	11.8	12.0	12.1	12.8	13.2	13.0	13.6	14.0	13.5	13.0	12.2
9. Education	45.2	45.7	47.8	49.7	50.8	52.2	52.0	52.1	53.8	54.7	56.6	61.1	66.3	69.3	75.8	78.7	82.8	84.2	88.5	90.9	94.3	95.0	88.2	87.3
10. Social protection	106.9	111.0	122.6	136.3	143.9	147.2	151.1	155.4	159.5	157.4	164.8	171.0	178.0	184.0	193.3	198.3	203.0	204.2	212.3	223.4	238.7	240.0	244.1	252.2
EU transactions	-2.6	-3.7	-6.3	-5.1	-6.9	-6.2	-5.8	-7.2	-5.2	-3.6	-3.6	-3.5	-6.2	-2.4	-2.6	-1.1	-0.7	-2.1	-1.7	-3.2	0.0	2.8	1.2	3.7
Public sector expenditure on services	350.9	355.4	364.0	389.5	397.9	409.9	415.6	416.9	429.6	434.9	444.0	469.6	487.2	509.6	545.2	568.8	594.6	603.3	623.8	658.5	682.4	685.3	668.6	671.1
Accounting adjustments	15.7	14.8	24.5	20.5	21.2	21.9	21.8	18.2	20.5	18.9	17.8	-12.5	20.5	26.6	23.5	30.0	30.1	34.8	36.4	35.9	34.0	35.2	36.5	4.1
Total Managed Expenditure⁽³⁾	366.6	370.3	388.5	410.1	419.1	431.8	437.4	435.1	450.0	453.8	461.8	457.1	507.6	536.2	568.7	598.7	624.7	638.1	660.2	694.4	716.4	720.5	705.1	675.3

⁽¹⁾ Real terms: figures are the nominal figures adjusted to 2012-13 price levels using GDP deflators from the Office for National Statistics (released 27 June 2013).

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

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

Table 4.4 Public sector expenditure on services by function as a per cent of GDP,⁽¹⁾ 1989-90 to 2012-13

	National Statistics																							
	cash, per cent						accruals, per cent																	
	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	2012-13
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn
1. General public services	5.2	4.8	4.4	4.4	4.4	4.6	4.8	4.7	4.5	4.4	3.9	3.9	3.5	3.2	3.3	3.5	3.5	3.5	3.5	3.6	3.6	4.4	4.4	4.3
of which: public and common services	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	0.9	0.8	0.7
of which: international services	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	0.4	0.5	0.5	0.5	0.4	0.5	0.5	0.5	0.5
of which: public sector debt interest	3.9	3.5	3.0	3.0	3.1	3.3	3.6	3.5	3.5	3.2	2.7	2.6	2.2	1.9	1.9	2.0	2.0	2.1	2.2	2.2	2.2	3.0	3.1	3.0
2. Defence	3.9	3.8	3.8	3.8	3.5	3.3	3.0	2.7	2.5	2.7	2.6	2.6	2.4	2.5	2.5	2.4	2.4	2.4	2.3	2.6	2.6	2.5	2.5	2.3
3. Public order and safety	1.9	2.0	2.2	2.3	2.2	2.2	2.1	2.0	2.0	2.0	1.9	2.0	2.2	2.2	2.3	2.3	2.3	2.2	2.2	2.3	2.4	2.2	2.1	2.0
4. Economic affairs	3.6	3.7	3.5	3.7	3.6	3.4	3.1	2.9	2.5	2.2	2.3	2.4	2.7	2.8	2.8	2.7	2.7	2.7	2.6	3.4	3.3	2.6	2.4	2.3
of which: enterprise and economic development ⁽²⁾	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	0.9	0.3	0.3	0.3
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	0.1	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
of which: employment policies	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	0.2	0.1	0.2	0.2	0.2	0.2	0.2
of which: agriculture, fisheries and forestry	0.4	0.5	0.5	0.5	0.6	0.5	0.5	0.7	0.5	0.5	0.5	0.5	0.6	0.4	0.5	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.3
of which: transport	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	1.3	1.4	1.3	1.3	1.5	1.4	1.5	1.6	1.4	1.3	1.2
5. Environment protection	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	0.5	0.5	0.6	0.7	0.7	0.7	0.6	0.7	0.7	0.7	0.7
6. Housing and community amenities	1.0	1.0	1.1	1.1	0.9	0.9	0.8	0.7	0.6	0.6	0.5	0.5	0.6	0.5	0.6	0.7	0.8	0.8	0.9	1.1	1.1	0.9	0.6	0.6
7. Health	4.5	4.7	5.0	5.4	5.4	5.5	5.5	5.3	5.2	5.2	5.2	5.4	5.7	6.0	6.4	6.7	6.9	6.9	7.0	7.5	8.2	8.0	7.8	7.9
8. Recreation, culture and religion	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.8	0.8
9. Education	4.8	4.8	5.1	5.2	5.2	5.1	4.9	4.7	4.5	4.4	4.4	4.6	4.9	5.0	5.2	5.3	5.4	5.3	5.4	5.8	6.2	6.1	5.6	5.6
10. Social protection	11.4	11.7	13.1	14.4	14.6	14.3	14.3	14.0	13.4	12.8	12.9	12.8	13.2	13.2	13.4	13.3	13.2	12.9	13.0	14.2	15.6	15.4	15.6	16.1
EU transactions	-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	0.2
Public sector expenditure on services	37.3	37.6	38.9	41.1	40.5	39.9	39.3	37.6	36.0	35.2	34.7	35.3	36.1	36.7	37.7	38.3	38.7	38.2	38.3	41.7	44.7	43.9	42.6	42.8
Accounting adjustments	1.7	1.6	2.6	2.2	2.2	2.1	2.1	1.6	1.7	1.5	1.4	-0.9	1.5	1.9	1.6	2.0	2.2	2.2	2.3	2.2	2.2	2.3	2.3	0.3
Total Managed Expenditure⁽³⁾	38.9	39.2	41.5	43.3	42.6	42.1	41.4	39.3	37.8	36.8	36.1	34.3	37.7	38.6	39.3	40.3	40.6	40.4	40.5	44.0	47.0	46.2	45.0	43.1

⁽¹⁾ GDP until 2012-13 is consistent with the latest figures from the Office for National Statistics (published 27 June 2013).

⁽²⁾ Transactions in 2008-09 onwards have been affected by financial sector interventions. Details are provided in Box 5.A in Chapter 5.

⁽³⁾ 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 2008-09 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 in **Annex E**).

What's new

5.2 As explained in **Chapter 2**, the introduction of the Online System for Central Accounting and Reporting (OSCAR) was accompanied by changes to the chart of accounts, against which departments record their expenditure. The changes these produced to the expenditure on services framework are set out in **Annex E**.

Classification changes

5.3 A number of departments have carried out a restructuring of the way they organise their data. In addition, there has been ongoing work to improve the classification of items of spending against level 2 of the UN Classification of the Functions Of Government (COFOG). As a result of these changes there have been revisions to some of the sub-functional data in **Chapters 5, 6, 9 and 10**. In particular, there has been a review of how expenditure by the Department for Work and Pensions had been allocated. This has led to expenditure moving from personal social services within **COFOG 10 Social protection** to **04.1 General economic commercial and labour affairs**, and also from personal social services to benefits within **COFOG 10 Social protection**.

Relationship between functional series and departments

5.4 Table 5.1 shows public sector expenditure on services by function split across the different government departmental groups for 2012-13. 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.

Public sector expenditure on services by sub-function

5.5 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 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 website¹.

¹ http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/pespub_economic_functional_analysis.htm

5.6 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.

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

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.

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

Current expenditure on services

- income from sales of goods and services: £1.0 billion in 2008-09, £0.4 billion in 2009-10, £1.8 billion in 2010-11, £1.0 billion in 2011-12 and £0.2 billion in 2012-13. 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 by economic category

5.7 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.

5.8 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. Unlike **Chapter 2**, it does not include payments for contract and agency staff which are treated as procurement instead;
- **gross current procurement** includes expenditure on goods and services, including payments for contract and agency staff, and payments for consultancy and audit services. Expenditure on hire and rentals under PFI and non-PFI

operating leases, shown as **Rentals** in **Chapter 2**, are included here. It also includes spending on Single Use Military Equipment (SUME) following the treatment in the National Accounts. SUME is 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. Unlike **Table 2.1**, they do not include tax credits previously scored as negative tax;
- **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**;
- **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.

Public sector expenditure on services split by current and capital spending

5.9 Table 5.4 gives a functional (COFOG level 1) breakdown of the current and capital expenditure of the public sector for the years from 2008-09. 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

5.10 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.

5.11 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 fixed and intangible asset classes, and exclude 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⁽¹⁾ and function, 2012-13

Departmental Grouping	Function	National Statistics										Public sector expenditure on services for each department					
		1. General public services of which: public and common 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		-	-	137	-	-	-	-	-	-	-	-	56,901	9,916	-	66,954	
NHS (Health)		-	-	-	107	107	-	-	-	-	102,572	-	-	14,433	-	117,112	
Transport		1	-	248	14,945	-	61	-	14,884	0	635	-	1	1,213	-	17,043	
Communities and Local Government		4,003	4,002	1	330	330	-	-	6,456	-	6,456	-	1	2,012	-	15,410	
Business, Innovation and Skills		94	94	0	5,353	2,064	3,237	53	0	356	-	636	126	15,723	642	22,954	
Home Office		-	-	15,849	101	-	-	-	101	-	270	-	-33	-	-	16,188	
Justice		134	134	-	8,347	-	-	-	-	-	-	-	-	-	24	8,505	
Law Officers' Departments		-	-	599	-	-	-	-	-	-	-	-	-	-	-	599	
Defence		-	-	-	34,248	-	-	-	-	-	-	-	20	3,070	-	37,338	
Foreign and Commonwealth Office		2,115	-	2,115	-	-	-	-	-	-	-	-	-	-	-	2,115	
International Development		5,831	-	5,831	-	-	-	-	-	-	-	-	-	92	-	5,923	
Energy and Climate Change		41	-	41	543	531	13	-	-	2,558	-	-	-	0	-	3,141	
Environment, Food and Rural Affairs		-	-	-	3,414	-	-	-	3,414	6,378	9	-	955	-	-	10,757	
Culture, Media and Sport		41	41	-	-478	123	-	39	-640	110	89	65	9,146	36	510	9,519	
Work and Pensions		335	335	-	2,369	19	27	2,323	-	-	-	-	-	-	165,124	167,828	
Scotland		950	950	-	4,133	493	4	-	2,727	955	1,141	11,169	1,192	7,625	3,754	33,199	
Wales		570	570	-	1,563	235	11	3	910	447	684	6,073	381	3,993	1,796	15,507	
Northern Ireland		330	330	-	1,367	1,497	37	150	561	250	868	3,839	403	2,836	6,712	18,102	
Chancellor's Departments		51,268	3,893	-	1,230	1,024	207	-	-	6	-	-	-	-	39,589	95,794	
Cabinet Office		297	297	-	2,071	43	-	-	-	-	-	-	-	-	3,311	5,722	
Small and Independent Bodies		1,027	1,027	-	4	235	116	-	30	-	-	-	-	158	-	1,424	
Public sector expenditure on services for each function		67,038	11,675	7,988	31,464	5,295	3,596	2,568	18,573	11,061	10,152	124,354	12,192	87,272	252,196	3,701	671,138

⁽¹⁾ Includes local government spending, which is allocated to the most relevant departmental group.

Table 5.2 Public sector expenditure on services by sub-function, 2008-09 to 2012-13

	National Statistics					£ million
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	12,577	12,131	11,926	10,789	10,861	
1.2 Foreign economic aid	4,186	4,858	5,675	5,731	5,832	
1.3 General services	1,053	1,159	1,064	979	783	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	19	20	16	10	9	
1.6 General public services n.e.c.	2,579	2,730	2,226	2,193	2,178	
1.7 Public debt transactions ⁽¹⁾	31,742	30,893	45,731	48,325	47,375	
<i>of which: central government debt interest</i>	30,852	30,479	45,165	47,714	46,967	
<i>of which: local government debt interest</i>	451	179	195	282	255	
<i>of which: public corporation debt interest</i>	439	235	371	329	153	
Total general public services	52,156	51,791	66,638	68,027	67,038	
2. Defence						
2.1 Military defence	31,431	32,274	32,913	33,129	31,489	
2.2 Civil defence	81	77	135	105	119	
2.3 Foreign military aid	3,697	3,781	3,572	3,172	2,235	
2.4 R&D defence	1,362	1,379	2,472	2,066	2,324	
2.5 Defence n.e.c.	246	201	196	190	196	
Total defence	36,818	37,712	39,287	38,662	36,363	
3. Public order and safety						
3.1 Police services	18,713	19,295	18,572	18,183	17,692	
<i>of which: immigration and citizenship</i>	2,089	2,197	1,769	1,663	1,513	
<i>of which: other police services</i>	16,624	17,098	16,803	16,520	16,180	
3.2 Fire-protection services	3,037	3,105	3,021	2,901	2,950	
3.3 Law courts	6,896	6,661	6,189	6,536	5,984	
3.4 Prisons	4,697	4,731	4,969	4,133	4,325	
3.5 R&D public order and safety	20	25	10	12	35	
3.6 Public order and safety n.e.c.	290	300	255	270	477	
Total public order and safety	33,653	34,118	33,015	32,035	31,464	
4. Economic affairs						
4.1 General economic, commercial and labour affairs ⁽²⁾	15,522	11,616	5,619	5,484	5,857	
4.2 Agriculture, forestry, fishing and hunting	5,764	5,824	5,481	5,790	5,310	
<i>of which: market support under CAP</i>	3,987	4,072	3,744	3,932	2,889	
<i>of which: other agriculture, food and fisheries policy</i>	1,670	1,655	1,603	1,725	2,328	
<i>of which: forestry</i>	107	98	134	133	93	
4.3 Fuel and energy	1,413	1,044	815	524	460	
4.4 Mining, manufacturing and construction	242	597	239	142	35	
4.5 Transport	20,977	22,971	21,490	20,043	18,573	
<i>of which: national roads</i>	3,487	4,131	3,584	3,097	2,864	
<i>of which: local roads</i>	5,668	5,993	5,861	5,165	4,242	
<i>of which: local public transport</i>	3,527	3,898	3,631	3,583	3,411	
<i>of which: railway</i>	7,152	7,728	7,399	7,132	6,819	
<i>of which: other transport</i>	1,144	1,222	1,016	1,065	1,238	
4.6 Communication	890	688	514	419	760	
4.7 Other industries	433	520	506	376	290	
4.8 R&D economic affairs	3,205	3,553	3,406	3,563	3,596	
4.9 Economic affairs n.e.c.	539	831	856	664	462	
Total economic affairs	48,986	47,644	38,926	37,005	35,342	
5. Environment protection						
5.1 Waste management	5,904	6,852	7,162	7,268	8,061	
5.2 Waste water management	23	30	12	20	-	
5.3 Pollution abatement	261	271	383	110	156	
5.4 Protection of biodiversity and landscape	539	521	522	483	388	
5.5 R&D environment protection	369	404	430	413	350	
5.6 Environment protection n.e.c.	2,133	2,318	2,421	2,167	2,105	
Total environment protection	9,230	10,397	10,929	10,462	11,061	

Table 5.2 Public sector expenditure on services by sub-function, 2008-09 to 2012-13 (continued)

	National Statistics					£ million
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
6. Housing and community amenities						
6.1 Housing development	9,545	10,950	8,462	5,646	6,489	
<i>of which: local authority housing</i>	5,458	5,751	4,368	2,957	5,092	
<i>of which: other social housing</i>	4,087	5,199	4,093	2,690	1,397	
6.2 Community development	3,695	3,587	3,101	2,638	2,524	
6.3 Water supply	1,243	1,044	735	788	283	
6.4 Street lighting	647	631	645	679	715	
6.5 R&D housing and community amenities	5	4	4	3	2	
6.6 Housing and community amenities n.e.c.	115	127	22	106	139	
Total housing and community amenities	15,250	16,344	12,969	9,861	10,152	
7. Health ⁽³⁾						
Medical services	104,510	112,416	115,469	116,560	119,275	
Medical research	1,474	1,589	1,798	1,343	897	
Central and other health services	2,765	2,911	2,751	3,345	4,183	
Total health	108,749	116,917	120,017	121,248	124,354	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	4,294	4,671	4,388	4,446	4,036	
8.2 Cultural services	4,157	4,320	4,186	4,126	4,046	
8.3 Broadcasting and publishing services	3,631	3,812	4,018	3,951	3,790	
8.4 Religious and other community services	153	158	139	118	121	
8.5 R&D recreation, culture and religion	131	133	141	106	128	
8.6 Recreation, culture and religion n.e.c.	78	84	88	92	71	
Total recreation, culture and religion	12,445	13,179	12,962	12,837	12,192	
9. Education						
9.1 Pre-primary and primary education	28,806	30,034	30,656	30,567	30,669	
<i>of which: under fives</i>	4,630	4,840	4,851	4,645	4,630	
<i>of which: primary education</i>	24,176	25,195	25,805	25,922	26,039	
9.2 Secondary education	33,641	36,005	36,792	36,044	36,515	
9.3 Post-secondary non-tertiary education	254	365	293	220	206	
9.4 Tertiary education	11,625	13,179	15,783	13,095	13,561	
9.5 Education not definable by level	792	823	1,044	695	674	
9.6 Subsidiary services to education	4,438	4,181	4,075	3,878	3,746	
9.7 R&D education	13	15	1	9	10	
9.8 Education n.e.c.	3,430	3,882	2,856	2,391	1,893	
Total education	82,999	88,484	91,499	86,898	87,272	
10. Social protection						
<i>of which: personal social services ⁽⁴⁾</i>	26,388	27,923	27,674	28,191	28,750	
10.1 Sickness and disability	36,434	39,190	40,823	43,731	46,296	
<i>of which: personal social services</i>	8,019	8,573	8,460	9,821	9,885	
<i>of which: incapacity, disability and injury benefits</i>	28,415	30,618	32,363	33,911	36,411	
10.2 Old age	88,875	94,817	98,190	103,757	111,233	
<i>of which: personal social services</i>	10,897	11,288	10,883	10,057	10,346	
<i>of which: pensions</i>	77,978	83,529	87,307	93,700	100,887	
10.3 Survivors	1,096	1,059	1,100	1,073	1,077	
10.4 Family and children	28,371	29,558	29,028	28,117	26,540	
<i>of which: personal social services</i>	6,902	7,610	7,741	7,807	8,054	
<i>of which: family benefits, income support and tax credits</i>	21,469	21,948	21,287	20,310	18,486	
10.5 Unemployment	3,521	5,533	5,231	5,633	5,939	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: other unemployment benefits</i>	3,521	5,533	5,231	5,633	5,939	
10.6 Housing	19,708	22,812	24,399	25,359	26,496	
10.7 Social exclusion n.e.c.	20,799	24,406	26,079	27,828	29,982	
<i>of which: personal social services</i>	570	453	591	505	465	
<i>of which: family benefits, income support and tax credits ⁽⁵⁾</i>	20,229	23,953	25,488	27,323	29,518	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	5,291	6,650	6,305	4,979	4,633	
Total social protection	204,096	224,024	231,155	240,476	252,196	

Table 5.2 Public sector expenditure on services by sub-function, 2008-09 to 2012-13 (continued)

	National Statistics					£ million
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
EU transactions ⁽⁶⁾						
GNI-based contribution (net of abatement and collection costs)	2,378	5,760	7,669	6,967	8,479	
<i>derived as:</i>	-	-	-	-	-	
<i>EU gross contribution pre-abatement and after deduction of collection costs</i>	13,155	13,733	15,593	15,700	16,871	
<i>Traditional Own Resources (without deduction of collection costs) and VAT contributions</i>	-5,183	-3,754	-5,246	-5,216	-5,221	
<i>UK abatement</i>	-5,595	-4,218	-2,678	-3,516	-3,172	
EU receipts	-4,558	-4,791	-4,009	-4,783	-3,806	
Attributed aid and Common Foreign and Security Policy	-751	-997	-1,009	-1,033	-971	
Total EU transactions	-2,931	-27	2,651	1,151	3,701	
Public sector expenditure on services	601,451	640,580	660,049	658,662	671,138	
Accounting adjustments	32,801	31,911	33,870	35,944	4,117	
Total Managed Expenditure ⁽⁷⁾	634,252	672,491	693,919	694,606	675,255	

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

⁽²⁾ Transactions from 2008-09 onwards have been affected by financial sector interventions. Details are provided in Box 5.A.

⁽³⁾ 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.

⁽⁴⁾ Work and Pensions have reviewed how they allocate their expenditure, leading to a number of items being moved from personal social services within 10 Social protection, to 4. Economic affairs and to benefits within 10 Social protection.

⁽⁵⁾ Social exclusion n.e.c. includes Child and Working Tax Credits

⁽⁶⁾ 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.

⁽⁷⁾ 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, 2008-09 to 2012-13

	National Statistics					£ million
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
Public sector current expenditure on services						
Pay	160,323	165,154	169,353	166,053	166,942	
Gross current procurement	185,664	193,746	188,669	189,695	192,231	
Income from sales of goods and services	-52,892	-51,863	-47,481	-44,957	-45,927	
Current grants to persons and non-profit bodies	198,598	218,049	222,614	229,146	235,751	
Current grants abroad	1,592	5,054	8,456	6,762	9,327	
Subsidies to private sector companies	7,211	8,287	7,940	8,246	7,497	
Subsidies to public corporations	1,058	1,016	702	464	1,501	
Net public service pensions	3,052	3,611	4,627	6,678	8,589	
Grant equivalent element of student lending	757	1,445	4,242	2,215	3,809	
Public sector debt interest	31,742	30,893	45,731	48,325	47,375	
Other	63	65	59	82	193	
Total public sector current expenditure on services	537,168	575,457	604,912	612,709	627,288	
Accounting adjustments	29,391	28,641	29,570	31,590	30,191	
Total public sector current expenditure	566,559	604,098	634,482	644,299	657,479	
Public sector capital expenditure on services						
Capital grants ⁽¹⁾	24,944	22,961	15,563	12,044	10,323	
Gross capital procurement	42,447	45,114	42,835	38,017	37,918	
Income from sales of capital assets	-3,108	-2,952	-3,261	-4,108	-4,391	
Other	0	0	0	0	0	
Total public sector capital expenditure on services	64,283	65,123	55,137	45,953	43,850	
Accounting adjustments	3,410	3,270	4,300	4,354	-26,074	
Total public sector capital expenditure	67,693	68,393	59,437	50,307	17,776	
Total public sector expenditure on services	601,451	640,580	660,049	658,662	671,138	
Accounting adjustments	32,801	31,911	33,870	35,944	4,117	
Total Managed Expenditure ⁽²⁾	634,252	672,491	693,919	694,606	675,255	

⁽¹⁾ Transactions have been affected by financial sector interventions. See Box 5.A for details.

⁽²⁾ 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⁽¹⁾, 2008-09 to 2012-13

	National Statistics					£ million
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
Public sector current expenditure on services						
1. General public services	49,600	49,375	64,256	66,316	64,954	
<i>of which: public and common services</i>	11,889	11,945	11,289	10,631	10,174	
<i>of which: international services</i>	5,969	6,537	7,235	7,360	7,405	
<i>of which: public sector debt interest</i>	31,742	30,893	45,731	48,325	47,375	
2. Defence	33,317	33,652	34,982	35,056	32,908	
3. Public order and safety	30,906	31,432	31,014	30,509	30,038	
4. Economic affairs	24,017	26,236	23,349	22,842	22,901	
<i>of which: enterprise and economic development⁽²⁾</i>	4,208	5,114	2,778	3,245	4,265	
<i>of which: science and technology</i>	2,618	2,819	2,885	2,957	3,104	
<i>of which: employment policies</i>	2,721	2,986	3,705	2,742	2,560	
<i>of which: agriculture, fisheries and forestry</i>	5,450	5,551	5,152	5,522	4,974	
<i>of which: transport</i>	9,019	9,767	8,830	8,375	7,997	
5. Environment protection	7,060	8,188	8,145	8,212	7,884	
6. Housing and community amenities	3,754	4,018	3,069	2,547	3,066	
7. Health	103,383	110,737	114,628	116,985	119,710	
8. Recreation, culture and religion	9,985	10,383	10,380	10,158	10,350	
9. Education	74,704	78,551	82,351	79,109	80,237	
10. Social protection	203,373	222,915	230,086	239,823	251,538	
EU transactions	-2,931	-27	2,651	1,151	3,701	
Total public sector current expenditure on services	537,167	575,458	604,912	612,709	627,288	
Accounting adjustments	29,392	28,640	29,570	31,590	30,191	
Public sector current expenditure	566,559	604,098	634,482	644,299	657,479	
Public sector capital expenditure on services						
1. General public services	2,556	2,416	2,383	1,711	2,084	
<i>of which: public and common services</i>	2,116	1,819	1,635	1,114	1,501	
<i>of which: international services</i>	441	596	748	597	583	
2. Defence	3,501	4,060	4,305	3,606	3,456	
3. Public order and safety	2,746	2,686	2,002	1,525	1,426	
4. Economic affairs	24,968	21,408	15,577	14,162	12,441	
<i>of which: enterprise and economic development⁽²⁾</i>	12,005	7,110	2,024	1,595	1,029	
<i>of which: science and technology</i>	587	734	521	607	491	
<i>of which: employment policies</i>	105	87	43	26	8	
<i>of which: agriculture, fisheries and forestry</i>	314	273	329	268	336	
<i>of which: transport</i>	11,958	13,204	12,660	11,667	10,576	
5. Environment protection	2,169	2,209	2,784	2,250	3,177	
6. Housing and community amenities	11,496	12,326	9,900	7,314	7,087	
7. Health	5,367	6,180	5,389	4,264	4,644	
8. Recreation, culture and religion	2,460	2,796	2,582	2,679	1,842	
9. Education	8,296	9,934	9,148	7,789	7,035	
10. Social protection	723	1,109	1,069	653	658	
Total public sector capital expenditure on services	64,282	65,123	55,137	45,954	43,849	
Accounting adjustments	3,411	3,270	4,300	4,353	-26,073	
Public sector capital expenditure	67,693	68,393	59,437	50,307	17,776	
Total public sector expenditure on services	601,451	640,580	660,049	658,662	671,138	
Accounting adjustments	32,801	31,911	33,870	35,944	4,117	
Total Managed Expenditure⁽³⁾	634,252	672,491	693,919	694,606	675,255	

⁽¹⁾ 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.

⁽²⁾ The decrease in current spending and the increase in capital spending from 2008-09 onwards relate to the financial sector interventions. Details are provided in Box 5.A.

⁽³⁾ 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⁽¹⁾ expenditure on services by function, 2008-09 to 2012-13

	National Statistics				
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn
£ million					
Public sector gross current procurement expenditure on services					
1. General public services	14,477	14,243	13,400	12,946	13,119
<i>of which: public and common services</i>	12,707	12,683	11,793	11,278	11,356
<i>of which: international services</i>	1,770	1,560	1,607	1,668	1,763
2. Defence	22,160	21,975	22,980	22,762	21,333
3. Public order and safety	13,302	13,169	12,842	13,097	12,940
4. Economic affairs	13,411	13,391	12,779	11,489	11,628
<i>of which: enterprise and economic development</i>	3,238	3,223	2,896	2,471	2,616
<i>of which: science and technology</i>	367	492	366	389	325
<i>of which: employment policies</i>	1,499	1,578	2,079	1,442	1,289
<i>of which: agriculture, fisheries and forestry</i>	1,051	1,131	1,026	870	901
<i>of which: transport</i>	7,256	6,967	6,412	6,317	6,497
5. Environment protection	8,006	8,083	7,835	7,907	7,793
6. Housing and community amenities	3,278	3,476	2,937	2,670	2,470
7. Health	63,472	69,460	65,502	67,361	70,095
8. Recreation, culture and religion	7,283	7,286	7,424	7,289	7,320
9. Education	12,225	12,710	12,979	13,813	14,891
10. Social protection	28,050	29,953	29,991	30,361	30,642
Total public sector gross current procurement expenditure on services	185,664	193,746	188,669	189,695	192,231

⁽¹⁾ 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⁽¹⁾ expenditure on services by function, 2008-09 to 2012-13

	National Statistics					£ million
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
Public sector gross capital procurement expenditure on services						
1. General public services	2,952	2,784	2,401	2,230	2,310	
<i>of which: public and common services</i>	2,580	2,502	2,240	2,094	2,132	
<i>of which: international services</i>	373	282	162	136	178	
2. Defence	3,880	4,192	4,417	3,924	3,608	
3. Public order and safety	2,830	2,748	2,197	1,702	1,587	
4. Economic affairs	9,698	11,028	10,298	8,953	8,386	
<i>of which: enterprise and economic development</i>	1,702	1,470	1,328	963	734	
<i>of which: science and technology</i>	142	177	85	150	185	
<i>of which: employment policies</i>	52	47	43	26	8	
<i>of which: agriculture, fisheries and forestry</i>	296	263	230	196	233	
<i>of which: transport</i>	7,507	9,071	8,613	7,618	7,226	
5. Environment protection	1,778	1,831	2,015	2,073	2,690	
6. Housing and community amenities	7,126	6,740	6,141	5,379	5,103	
7. Health	5,421	6,086	5,538	4,548	4,855	
8. Recreation, culture and religion	2,420	2,543	2,439	2,414	2,098	
9. Education	5,977	6,665	6,892	6,332	6,571	
10. Social protection	364	497	497	462	709	
Total public sector gross capital procurement expenditure on services	42,447	45,114	42,835	38,017	37,918	
Plus public sector receipts from sales of assets						
<i>Central government</i>						
Fixed assets	-1,046	-750	-914	-1,380	-2,102	
Intangible assets	-11	-3	-8	197	5	
Total central government receipts	-1,057	-753	-922	-1,183	-2,097	
<i>Local government</i>						
Fixed assets	-1,006	-1,138	-1,116	-1,244	-1,689	
Intangible assets	-	-	-	-	-	
Total local government receipts	-1,006	-1,138	-1,116	-1,244	-1,689	
Total general government receipts	-2,063	-1,891	-2,038	-2,427	-3,786	
<i>Public corporations</i>						
Fixed assets	-1,045	-1,061	-1,223	-1,681	-605	
Intangible assets	-	-	-	-	-	
Total public corporations receipts	-1,045	-1,061	-1,223	-1,681	-605	
Total public sector income from sales of capital assets	-3,108	-2,952	-3,261	-4,108	-4,391	

⁽¹⁾ 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 Arms Length Bodies (ALBs), health trusts and academies.

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.

What's new

6.5 There have been no significant changes to the presentation of data within this chapter since PESA 2012.

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 plus capital DEL less depreciation (including impairments) in 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⁽¹⁾, 2008-09 to 2014-15

£ million

	National Statistics						
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
Within DEL							
Education	11,335	12,531	10,691	13,708	16,956	19,911	19,650
Health	90,918	98,298	100,255	102,575	105,001	109,811	112,857
Transport	7,464	8,222	6,795	6,127	5,618	6,847	7,189
CLG Communities	5,821	7,183	5,450	3,099	1,016	3,855	3,700
CLG Local Government	289	300	273	285	246	252	246
Business, Innovation and Skills	15,568	17,338	18,577	17,121	16,735	17,662	15,882
Home Office	3,264	3,535	2,809	2,686	2,422	2,479	2,307
Justice	9,530	9,377	9,143	8,797	8,349	7,493	7,094
Law Officers' Departments	720	709	666	613	592	602	539
Defence	34,472	36,813	37,460	37,197	34,298	36,236	33,392
Foreign and Commonwealth Office	2,135	2,186	2,214	2,144	2,082	2,016	1,251
International Development	5,617	6,587	7,467	7,813	7,758	10,481	10,317
Energy and Climate Change	1,954	2,974	3,162	2,560	3,094	3,569	3,321
Environment, Food and Rural Affairs	2,610	2,749	2,610	2,175	2,125	2,107	2,015
Culture, Media and Sport	2,324	2,025	2,164	2,692	1,183	1,393	1,405
Work and Pensions	7,115	8,073	8,321	7,006	6,927	7,347	7,044
Scotland	17,475	18,572	18,565	18,073	18,524	20,140	20,276
Wales	8,631	9,337	9,121	9,202	8,637	9,119	9,201
Northern Ireland	9,926	10,293	10,518	10,150	10,249	10,452	10,553
Chancellor's Departments	4,413	4,332	3,970	3,898	3,479	3,834	3,605
Cabinet Office	2,153	2,402	2,451	2,450	2,439	2,538	2,637
Small and Independent Bodies	1,700	1,666	1,630	1,680	1,457	1,541	1,510
Total CG own expenditure within DEL	245,434	265,501	264,312	262,052	259,187	279,683	275,993
Within departmental AME							
Education	10,642	10,427	-10,465	11,773	11,598	10,211	10,427
Health	14,998	16,230	-10,968	19,582	18,840	17,498	17,711
Transport	572	1,143	501	842	446	1,516	1,490
CLG Communities	397	-30	-496	-666	-20	91	76
CLG Local Government	1	0	-4	-12	2	0	0
Business, Innovation and Skills	4,340	5,407	3,616	4,101	6,327	7,058	8,444
Home Office	171	-84	192	-6	21	-5	-3
Justice	450	606	276	-33	915	221	237
Law Officers' Departments	11	17	-13	5	6	8	7
Defence	6,178	7,900	-878	8,029	7,325	8,330	9,242
Foreign and Commonwealth Office	-10	86	34	61	88	80	75
International Development	213	331	303	104	185	337	158
Energy and Climate Change	2,156	419	5,163	3,685	5,368	452	696
Environment, Food and Rural Affairs	-55	-72	-437	-51	-30	-56	-58
Culture, Media and Sport	4,085	4,623	4,865	4,578	4,642	4,450	4,707
Work and Pensions	114,622	122,487	125,687	132,103	137,299	140,322	143,244
Scotland	2,666	2,483	3,206	3,240	2,942	3,081	3,233
Wales	306	495	262	302	414	317	434
Northern Ireland	6,873	7,660	3,583	8,104	8,000	8,125	8,402
Chancellor's Departments ⁽²⁾	163,662	51,541	25,982	19,582	20,759	40,543	44,324
Cabinet Office	7,172	7,481	-7,466	8,739	9,434	9,459	9,930
Small and Independent Bodies	-252	-145	-242	-135	-100	403	-61
Total CG own expenditure within dept AME	339,197	239,006	142,701	223,927	234,461	252,442	262,716
Locally financed expenditure in Northern Ireland	607	547	538	588	621	637	667
Net expenditure transfers to the EU	3,060	6,419	8,414	7,702	9,131	8,293	7,366
Central government debt interest	30,852	30,479	45,165	47,714	46,967	49,530	51,847
Accounting and other adjustments	-163,098	-52,246	47,235	-25,494	-50,806	-46,500	-44,800
Total CG own expenditure ⁽³⁾	456,052	489,706	508,365	516,489	499,561	544,000	553,800

⁽¹⁾ Shown on a full resource budgeting basis, i.e. resource DEL less depreciation plus Capital DEL.⁽²⁾ Transactions have been affected by financial sector interventions. See Box 2.A for details.⁽³⁾ 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, 2008-09 to 2014-15

	£ million						
	National Statistics						
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
Within resource DEL							
Education	10,657	11,760	9,874	13,355	16,074	19,392	18,955
Health	86,732	93,373	96,278	98,934	101,322	105,519	108,340
Transport	2,168	2,325	1,369	1,193	806	1,297	1,420
CLG Communities	1,354	1,391	1,218	770	235	1,142	523
CLG Local Government	288	298	272	285	245	252	246
Business, Innovation and Skills	13,947	14,873	16,792	16,160	15,502	14,884	13,782
Home Office	2,767	2,853	2,385	2,366	2,154	2,199	1,964
Justice	8,633	8,529	8,614	8,453	8,067	7,216	6,793
Law Officers' Departments	712	697	658	611	591	597	532
Defence	25,453	27,610	28,123	28,177	26,449	26,470	24,386
Foreign and Commonwealth Office	1,946	2,022	2,091	2,052	1,987	1,920	1,158
International Development	4,742	5,234	5,909	6,167	6,105	8,556	8,273
Energy and Climate Change	288	1,216	1,143	1,144	1,103	1,372	1,078
Environment, Food and Rural Affairs	2,196	2,251	2,165	1,859	1,753	1,786	1,569
Culture, Media and Sport	1,411	1,419	1,414	1,500	2,072	1,239	1,134
Work and Pensions	7,029	7,808	8,000	6,727	6,552	6,975	6,802
Scotland	15,326	15,955	16,282	16,195	16,349	18,161	18,396
Wales	7,760	8,180	8,158	8,316	7,813	8,387	8,372
Northern Ireland	8,840	9,239	9,544	9,384	9,403	9,584	9,602
Chancellor's Departments	4,132	4,048	3,758	3,642	3,262	3,635	3,456
Cabinet Office	1,770	1,960	2,026	2,047	2,076	2,138	2,281
Small and Independent Bodies	1,649	1,587	1,552	1,624	1,394	1,468	1,435
Total within resource DEL	209,800	224,627	227,624	230,960	231,314	244,187	240,497
Within resource departmental AME							
Education	10,642	10,427	-10,465	11,773	11,598	10,211	10,427
Health	14,984	16,223	-10,976	19,582	18,840	17,498	17,711
Transport	572	1,143	501	876	507	1,516	1,490
CLG Communities	397	-30	-496	-666	10	91	76
CLG Local Government	1	0	-4	-12	6	0	0
Business, Innovation and Skills	352	1,361	-804	-1,129	41	-733	-1,625
Home Office	171	-84	192	-6	21	-5	-3
Justice	450	606	276	-33	915	221	237
Law Officers' Departments	11	17	-13	5	5	8	7
Defence	6,102	7,895	-878	8,039	7,360	8,330	9,242
Foreign and Commonwealth Office	-10	86	34	61	88	80	75
International Development	213	331	303	104	191	337	158
Energy and Climate Change	2,435	756	5,241	3,742	5,388	497	746
Environment, Food and Rural Affairs	-56	-73	-437	-51	-29	-57	-59
Culture, Media and Sport	3,791	3,980	4,295	4,151	4,128	4,056	4,236
Work and Pensions	114,486	122,316	125,510	132,068	137,271	140,276	143,196
Scotland	2,486	2,323	3,055	3,073	2,754	2,673	2,765
Wales	138	293	53	57	159	53	122
Northern Ireland	6,466	7,230	3,187	7,516	7,656	7,664	7,882
Chancellor's Departments ⁽¹⁾	77,840	9,673	28,656	24,066	24,361	42,029	43,972
Cabinet Office	7,172	7,481	-7,466	8,739	9,434	9,459	9,930
Small and Independent Bodies	-252	-145	-242	-135	-100	83	-61
Total within resource departmental AME	248,390	191,811	139,524	221,820	230,605	244,290	250,524
Within resource other AME							
Locally financed expenditure in Northern Ireland	607	547	538	588	621	637	667
Net expenditure transfers to the EU	3,060	6,419	8,414	7,702	9,131	8,293	7,366
Central government debt interest	30,852	30,479	45,165	47,714	46,967	49,530	51,847
Accounting and other adjustments	-75,107	-5,133	54,721	-17,955	-12,414	-27,900	-25,600
Total CG own current expenditure	417,602	448,750	475,986	490,829	506,224	519,100	525,300

⁽¹⁾ Transactions have been affected by financial sector interventions. See Box 2.A for details.

Table 6.3 Central government own capital expenditure by departmental group, 2008-09 to 2014-15

£ million

	National Statistics					2013-14 plans	2014-15 plans
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		
Within capital DEL							
Education	679	771	818	353	883	519	696
Health	4,186	4,925	3,977	3,641	3,679	4,292	4,516
Transport	5,296	5,897	5,426	4,934	4,812	5,550	5,770
CLG Communities	4,467	5,792	4,232	2,329	781	2,713	3,177
CLG Local Government	0	2	1	0	1	0	0
Business, Innovation and Skills	1,620	2,465	1,785	961	1,233	2,778	2,100
Home Office	497	682	425	319	268	280	342
Justice	896	848	529	344	282	277	301
Law Officers' Departments	9	12	8	3	2	6	7
Defence	9,019	9,203	9,337	9,020	7,849	9,766	9,006
Foreign and Commonwealth Office	190	164	123	92	94	96	93
International Development	875	1,353	1,559	1,646	1,653	1,925	2,044
Energy and Climate Change	1,666	1,759	2,018	1,416	1,991	2,197	2,243
Environment, Food and Rural Affairs	414	499	445	316	372	321	447
Culture, Media and Sport	913	606	751	1,192	-890	154	271
Work and Pensions	85	265	321	279	375	372	242
Scotland	2,148	2,617	2,283	1,879	2,175	1,979	1,880
Wales	872	1,157	963	886	824	732	829
Northern Ireland	1,086	1,053	974	766	845	867	951
Chancellor's Departments	281	285	211	257	218	200	149
Cabinet Office	383	442	425	403	363	400	356
Small and Independent Bodies	51	78	78	56	63	73	76
Total within capital DEL	35,634	40,874	36,688	31,092	27,872	35,495	35,495
Within capital departmental AME							
Health	14	7	8	0	0	0	0
Transport	0	0	0	-33	-61	0	0
CLG Communities	0	0	0	0	-29	0	0
CLG Local Government	0	0	0	0	-4	0	0
Business, Innovation and Skills	3,988	4,046	4,419	5,230	6,286	7,790	10,069
Law Officers' Departments	0	0	0	0	0	0	0
Defence	76	5	0	-10	-35	0	0
International Development	0	0	0	0	-6	0	0
Energy and Climate Change	-279	-337	-78	-58	-20	-45	-50
Environment, Food and Rural Affairs	1	1	1	0	-1	1	1
Culture, Media and Sport	295	643	569	427	514	393	471
Work and Pensions	136	171	177	35	27	46	48
Scotland	180	160	151	167	188	408	468
Wales	168	202	209	244	255	264	313
Northern Ireland	407	430	396	588	344	461	520
Chancellor's Departments ⁽¹⁾	85,822	41,868	-2,675	-4,483	-3,601	-1,486	352
Small and Independent Bodies	0	0	0	0	0	320	0
Total within capital departmental AME	90,807	47,195	3,177	2,107	3,856	8,153	12,192
Within capital other AME							
Accounting and other adjustments	-87,991	-47,113	-7,486	-7,539	-38,391	-18,700	-19,200
Total CG own capital expenditure ⁽²⁾	38,450	40,956	32,379	25,660	-6,663	25,000	28,500

⁽¹⁾ Transactions have been affected by financial sector interventions. See Box 2.A for details.⁽²⁾ 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, 2008-09 to 2014-15

£ million

	National Statistics					2013-14 plans	2014-15 plans
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		
1. General public services							
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	9,667	9,668	9,046	8,650	8,318	8,437	7,415
1.2 Foreign economic aid	4,099	4,779	5,669	5,724	5,832	8,292	7,476
1.3 General services	482	468	588	588	475	596	515
1.4 Basic research	-	-	-	-	-	-	-
1.5 R&D general public services	19	20	16	10	9	16	15
1.6 General public services n.e.c.	230	367	441	294	143	260	487
1.7 Public sector debt interest	30,852	30,479	45,165	47,714	46,967	49,530	51,847
<i>of which: central government debt interest ⁽¹⁾</i>	<i>30,852</i>	<i>30,479</i>	<i>45,165</i>	<i>47,714</i>	<i>46,967</i>	<i>49,530</i>	<i>51,847</i>
Total general public services	45,349	45,781	60,924	62,980	61,744	67,132	67,755
2. Defence							
2.1 Military defence	31,431	32,274	32,913	33,129	31,489	33,319	32,330
2.2 Civil defence	19	13	72	52	57	76	15
2.3 Foreign military aid	3,697	3,781	3,572	3,172	2,235	2,114	-
2.4 R&D defence	1,277	1,294	2,386	1,980	2,239	2,461	2,935
2.5 Defence n.e.c.	246	201	196	190	196	208	-
Total defence	36,670	37,563	39,139	38,523	36,216	38,178	35,280
3. Public order and safety							
3.1 Police services	4,751	4,992	4,353	4,265	4,055	4,739	4,314
<i>of which: immigration and citizenship</i>	<i>2,089</i>	<i>2,197</i>	<i>1,769</i>	<i>1,663</i>	<i>1,513</i>	<i>1,715</i>	<i>1,663</i>
<i>of which: other police services</i>	<i>2,662</i>	<i>2,796</i>	<i>2,584</i>	<i>2,602</i>	<i>2,542</i>	<i>3,024</i>	<i>2,651</i>
3.2 Fire-protection services	276	302	188	134	98	429	421
3.3 Law courts	6,812	6,579	6,110	6,449	5,903	5,288	5,054
3.4 Prisons	4,697	4,731	4,969	4,133	4,325	4,044	3,815
3.5 R&D public order and safety	20	25	10	12	35	36	33
3.6 Public order and safety n.e.c.	290	300	255	270	477	524	518
Total public order and safety	16,845	16,930	15,885	15,264	14,892	15,059	14,154
4. Economic affairs							
4.1 General economic, commercial and labour affairs ⁽²⁾	13,780	9,963	4,038	4,396	5,032	5,276	5,003
4.2 Agriculture, forestry, fishing and hunting	5,633	5,640	5,279	5,615	5,087	5,289	4,937
<i>of which: market support under CAP</i>	<i>3,987</i>	<i>4,072</i>	<i>3,744</i>	<i>3,932</i>	<i>2,889</i>	<i>3,140</i>	<i>3,601</i>
<i>of which: other agriculture, food and fisheries policy</i>	<i>1,541</i>	<i>1,476</i>	<i>1,408</i>	<i>1,555</i>	<i>2,105</i>	<i>2,029</i>	<i>1,220</i>
<i>of which: forestry</i>	<i>105</i>	<i>92</i>	<i>127</i>	<i>128</i>	<i>93</i>	<i>121</i>	<i>116</i>
4.3 Fuel and energy	1,169	1,044	815	524	460	3,670	3,967
4.4 Mining, manufacturing and construction	3	401	-17	-5	-5	2	2
4.5 Transport	10,357	11,671	10,652	9,843	9,098	10,946	11,984
<i>of which: national roads</i>	<i>3,466</i>	<i>4,119</i>	<i>3,568</i>	<i>3,089</i>	<i>2,860</i>	<i>3,638</i>	<i>3,844</i>
<i>of which: local roads</i>	<i>438</i>	<i>612</i>	<i>625</i>	<i>440</i>	<i>-310</i>	<i>442</i>	<i>379</i>
<i>of which: local public transport</i>	<i>763</i>	<i>797</i>	<i>768</i>	<i>781</i>	<i>674</i>	<i>631</i>	<i>634</i>
<i>of which: railway</i>	<i>5,046</i>	<i>5,400</i>	<i>5,057</i>	<i>4,909</i>	<i>5,035</i>	<i>5,120</i>	<i>6,175</i>
<i>of which: other transport</i>	<i>643</i>	<i>742</i>	<i>634</i>	<i>624</i>	<i>839</i>	<i>1,115</i>	<i>953</i>
4.6 Communication	446	341	313	221	517	463	394
4.7 Other industries	263	351	350	254	177	137	139
4.8 R&D economic affairs	3,205	3,553	3,406	3,563	3,596	4,463	5,217
4.9 Economic affairs n.e.c.	539	831	856	664	462	742	644
Total economic affairs	35,395	33,794	25,691	25,075	24,423	30,988	32,286
5. Environment protection							
5.1 Waste management	883	1,696	1,868	1,927	2,242	2,348	2,354
5.2 Waste water management	23	30	12	20	-	-	34
5.3 Pollution abatement	261	271	383	110	156	206	283
5.4 Protection of biodiversity and landscape	535	519	519	481	386	423	417
5.5 R&D environment protection	369	404	430	413	350	340	329
5.6 Environment protection n.e.c.	1,215	1,379	1,575	1,398	1,349	2,079	1,837
Total environment protection	3,287	4,299	4,787	4,350	4,483	5,396	5,254

**Table 6.4 Central government own expenditure on services by sub-function, 2008-09 to 2014-15
(continued)**

	National Statistics						£ million
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
6. Housing and community amenities							
6.1 Housing development	3,654	5,291	3,583	1,908	1,404	1,429	1,008
<i>of which: local authority housing</i>	-158	353	-283	-580	134	-1	3
<i>of which: other social housing</i>	3,812	4,939	3,865	2,488	1,271	1,430	1,005
6.2 Community development	706	796	594	416	286	543	543
6.3 Water supply	544	396	292	297	283	277	275
6.4 Street lighting	23	22	21	25	23	20	19
6.5 R&D housing and community amenities	5	4	4	3	2	4	4
6.6 Housing and community amenities n.e.c	25	37	69	11	15	28	26
Total housing and community amenities	4,957	6,547	4,563	2,661	2,014	2,301	1,874
7. Health ⁽³⁾							
Medical services	104,314	112,329	115,251	116,414	119,173	123,535	126,900
Medical research	1,474	1,589	1,798	1,343	897	1,747	718
Central and other health services	2,684	2,833	2,672	3,280	4,130	4,237	4,862
Total health	108,472	116,752	119,720	121,038	124,200	129,519	132,480
8. Recreation, culture and religion							
8.1 Recreational and sporting services	1,070	1,245	1,188	1,337	834	390	515
8.2 Cultural services	1,884	1,965	1,904	1,930	1,925	1,807	1,731
8.3 Broadcasting and publishing services	3,622	3,816	4,012	3,935	3,790	4,143	4,400
8.4 Religious and other community services	58	55	63	46	65	53	53
8.5 R&D recreation, culture and religion	131	133	141	106	128	144	129
8.6 Recreation, culture and religion n.e.c	77	84	88	92	69	66	60
Total recreation, culture and religion	6,842	7,299	7,398	7,445	6,811	6,603	6,887
9. Education							
9.1 Pre-primary and primary education	791	873	798	766	792	738	783
<i>of which: under fives</i>	133	183	147	163	118	109	109
<i>of which: primary education</i>	658	690	652	602	674	629	673
9.2 Secondary education	12,454	13,880	14,595	17,480	20,636	23,836	23,010
9.3 Post-secondary non-tertiary education	2	4	-	-	-	-	-
9.4 Tertiary education	11,625	13,179	15,783	13,095	13,561	11,216	10,874
9.5 Education not definable by level	538	591	784	465	446	536	747
9.6 Subsidiary services to education	912	984	848	731	493	752	767
9.7 R&D education	13	15	1	9	10	19	16
9.8 Education n.e.c	3,375	3,826	2,808	2,338	1,840	2,023	2,087
Total education	29,710	33,351	35,617	34,883	37,777	39,120	38,284
10. Social protection ⁽⁴⁾							
<i>of which: personal social services</i>	1,985	2,129	1,519	1,846	1,694	1,109	1,130
10.1 Sickness and disability	29,083	31,314	32,863	34,937	37,292	37,961	38,332
<i>of which: personal social services</i>	669	697	500	1,026	881	253	258
<i>of which: incapacity, disability and injury benefits</i>	28,415	30,618	32,363	33,911	36,411	37,708	38,074
10.2 Old age	78,358	84,013	87,775	93,609	100,770	105,020	110,142
<i>of which: personal social services</i>	971	1,001	771	429	433	431	439
<i>of which: pensions</i>	77,387	83,012	87,004	93,180	100,337	104,589	109,703
10.3 Survivors	1,096	1,059	1,100	1,073	1,077	1,132	1,146
10.4 Family and children	21,724	22,310	21,457	20,623	18,821	16,510	15,837
<i>of which: personal social services</i>	255	362	169	314	335	380	392
<i>of which: family benefits, income support and tax credits</i>	21,469	21,948	21,287	20,310	18,486	16,130	15,445
10.5 Unemployment	3,521	5,533	5,231	5,633	5,939	5,923	5,955
<i>of which: personal social services</i>	-	-	-	-	-	-	-
<i>of which: other unemployment benefits</i>	3,521	5,533	5,231	5,633	5,939	5,923	5,955
10.6 Housing	537	618	787	729	725	638	570
10.7 Social exclusion n.e.c ⁽⁵⁾	20,319	24,022	25,567	27,400	29,563	28,062	28,280
<i>of which: personal social services</i>	90	69	79	77	45	46	41
<i>of which: family benefits, income support and tax credits</i>	20,229	23,953	25,488	27,323	29,518	28,016	28,239
10.8 R&D Social protection	-	-	-	-	-	-	-
10.9 Social protection n.e.c.	4,484	5,358	5,098	4,087	4,121	3,497	3,141
Total social protection	159,123	174,228	179,877	188,091	198,307	198,744	203,403

Table 6.4 Central government own expenditure on services by sub-function, 2008-09 to 2014-15 (continued)

	National Statistics					£ million	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
EU transactions ⁽⁶⁾							
GNI-based contribution (net of abatement and collection costs) <i>derived as</i>	2,378	5,760	7,669	6,967	8,479	7,555	6,708
<i>EU gross contribution pre-abatement and after deduction of collection costs</i>	13,155	13,733	15,593	15,700	16,871	16,653	16,687
<i>Traditional Own Resources (without deduction of collection costs) and VAT contributions</i>	-5,183	-3,754	-5,246	-5,216	-5,221	-5,422	-5,738
<i>UK abatement</i>	-5,595	-4,218	-2,678	-3,516	-3,172	-3,676	-4,242
EU receipts	-4,558	-4,791	-4,009	-4,783	-3,806	-4,664	-5,002
Attributed aid and CFSP	-751	-997	-1,009	-1,033	-971	-1,023	-962
Total EU transactions	-2,931	-27	2,651	1,151	3,701	1,868	743
Total central government own expenditure on services	443,718	476,515	496,253	501,461	514,569	534,908	538,404
Accounting adjustments	12,334	13,191	12,112	15,028	-15,008	9,100	15,400
Total central government own expenditure ⁽⁷⁾	456,052	489,706	508,365	516,489	499,561	544,000	553,800

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

⁽²⁾ Transactions from 2008-09 onwards have been affected by financial sector interventions. Details are provided in Box 5.A.

⁽³⁾ 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.

⁽⁴⁾ Work and Pensions have reviewed how they allocate their expenditure, leading to a number of items being moved from personal social services within 10 Social protection, to 4. Economic affairs and to benefits within 10 Social protection.

⁽⁵⁾ Social exclusion n.e.c. includes Child and Working Tax Credits.

⁽⁶⁾ 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.

⁽⁷⁾ 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, 2008-09 to 2014-15

£ million

	National Statistics					2013-14 plans	2014-15 plans
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		
Central government current expenditure on services							
Pay	85,966	88,647	92,227	94,481	97,679	100,801	100,098
Gross current procurement	119,254	125,496	121,567	124,101	126,074	130,282	128,484
Income from sales of goods and services	-23,767	-22,214	-17,798	-17,001	-17,731	-16,581	-15,792
Current grants to persons and non-profit bodies ⁽¹⁾	180,025	196,516	199,557	204,581	210,195	211,787	213,913
Current grants abroad	1,592	5,054	8,456	6,762	9,327	10,216	6,851
Subsidies to private sector companies	5,361	6,160	5,977	6,452	6,159	9,708	11,796
Subsidies to public corporations	942	880	585	350	1,398	1,001	919
Net public service pensions	3,052	3,611	4,627	6,678	8,589	9,558	11,046
Grant equivalent element of student lending	757	1,445	4,242	2,215	3,809	2,255	2,558
Central government debt interest	30,852	30,479	45,165	47,714	46,967	49,530	51,847
Other	63	65	59	82	193	58	58
Total central government own current expenditure on services	404,097	436,139	464,664	476,415	492,659	508,615	511,778
Accounting adjustments	13,505	12,611	11,322	14,414	13,565	10,500	13,500
Total central government own current expenditure	417,602	448,750	475,986	490,829	506,224	519,100	525,300
Central government capital expenditure on services							
Capital grants to persons and non-profit bodies	5,125	7,270	5,385	3,351	2,265	4,468	3,770
Capital grants to private sector companies ⁽²⁾	17,550	13,123	7,481	6,568	5,823	5,185	5,237
Capital grants abroad	249	508	964	673	644	1,243	921
Gross capital procurement	17,754	20,228	18,681	15,638	15,275	17,155	17,499
Income from sales of capital assets	-1,057	-753	-922	-1,183	-2,097	-1,756	-801
Other	-	-	-	-	-	-	-
Total central government own capital expenditure on services	39,621	40,376	31,589	25,047	21,910	26,295	26,626
Accounting adjustments	-1,171	580	790	613	-28,573	-1,300	1,800
Total central government own capital expenditure	38,450	40,956	32,379	25,660	-6,663	25,000	28,500
Total central government own expenditure on services	443,718	476,515	496,253	501,462	514,569	534,910	538,404
Accounting adjustments	12,334	13,191	12,112	15,027	-15,008	9,100	15,400
Total central government own expenditure ⁽³⁾	456,052	489,706	508,365	516,489	499,561	544,000	553,800

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

⁽²⁾ Transactions have been affected by financial sector interventions. See Box 5.A for details.

⁽³⁾ 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, 2008-09 to 2014-15

	National Statistics					£ million	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
Central government own current expenditure on services							
1. General public services	44,517	44,720	59,780	62,020	60,904	65,935	66,757
<i>of which: public and common services</i>	7,696	7,704	7,380	6,945	6,532	6,894	6,842
<i>of which: international services</i>	5,969	6,537	7,235	7,360	7,405	9,511	8,068
<i>of which: public sector debt interest</i>	30,852	30,479	45,165	47,714	46,967	49,530	51,847
2. Defence	33,254	33,588	34,919	35,003	32,846	33,926	31,094
3. Public order and safety	15,118	15,176	14,716	14,406	14,162	14,355	13,369
4. Economic affairs	17,135	19,118	16,774	17,113	17,805	22,347	23,230
<i>of which: enterprise and economic development ⁽¹⁾</i>	2,403	3,437	1,138	2,134	3,444	6,885	6,690
<i>of which: science and technology</i>	2,618	2,819	2,885	2,957	3,104	3,374	4,033
<i>of which: employment policies</i>	2,721	2,986	3,705	2,742	2,560	2,786	2,534
<i>of which: agriculture, fisheries and forestry</i>	5,378	5,472	5,078	5,449	4,883	5,091	4,691
<i>of which: transport</i>	4,015	4,405	3,969	3,831	3,814	4,212	5,281
5. Environment protection	1,592	2,561	2,506	2,563	2,060	2,740	2,557
6. Housing and community amenities	649	769	287	-17	543	709	710
7. Health	103,188	110,655	114,396	116,816	119,599	124,361	127,289
8. Recreation, culture and religion	5,779	6,044	6,192	6,175	6,547	5,964	6,111
9. Education	27,121	30,039	33,335	33,524	36,514	37,826	36,596
10. Social protection	158,676	173,497	179,106	187,660	197,978	198,581	203,322
EU transactions	-2,931	-27	2,651	1,151	3,701	1,868	743
Total central government own current expenditure on services	404,097	436,139	464,664	476,414	492,659	508,613	511,777
Accounting adjustments	13,505	12,611	11,322	14,415	13,565	10,500	13,500
Total central government own current expenditure	417,602	448,750	475,986	490,829	506,224	519,100	525,300
Central government own capital expenditure on services							
1. General public services	832	1,061	1,144	960	840	1,197	999
<i>of which: public and common services</i>	487	551	418	382	257	353	298
<i>of which: international services</i>	345	510	726	578	583	844	700
2. Defence	3,416	3,975	4,220	3,520	3,370	4,252	4,187
3. Public order and safety	1,727	1,754	1,168	858	730	705	785
4. Economic affairs	18,260	14,676	8,917	7,962	6,618	8,641	9,056
<i>of which: enterprise and economic development</i>	10,960	6,431	1,471	1,152	630	603	912
<i>of which: science and technology</i>	587	734	521	607	491	1,089	1,183
<i>of which: employment policies</i>	116	77	41	25	8	17	13
<i>of which: agriculture, fisheries and forestry</i>	255	168	201	167	204	198	246
<i>of which: transport</i>	6,341	7,266	6,683	6,012	5,285	6,734	6,703
5. Environment protection	1,695	1,738	2,281	1,787	2,423	2,656	2,697
6. Housing and community amenities	4,309	5,778	4,276	2,677	1,471	1,592	1,164
7. Health	5,284	6,097	5,324	4,222	4,601	5,158	5,192
8. Recreation, culture and religion	1,063	1,254	1,206	1,270	264	639	776
9. Education	2,589	3,313	2,282	1,359	1,263	1,294	1,689
10. Social protection	447	731	770	431	329	163	81
Total central government own capital expenditure on services	39,621	40,376	31,589	25,046	21,910	26,295	26,626
Accounting adjustments	-1,171	580	790	614	-28,573	-1,300	1,800
Total central government own capital expenditure ⁽²⁾	38,450	40,956	32,379	25,660	-6,663	25,000	28,500

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

⁽²⁾ 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 2012-13) are covered by National Statistics protocols.

7.3 Central government support data for all years up to 2012-13 are final outturn figures and data from 2013-14 onwards are latest plans.

7.4 Local government spending data for all years up to 2011-12 are final outturn. Data for 2012-13 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 2012.

The financing of local government expenditure

7.6 Central government support for local government expenditure is provided in two main forms: capital and current grants and the redistribution of non-domestic rate payments. Grant support may be non-specific, e.g. Revenue Support Grant, or related to specific services, e.g. schools grant. From April 2013 in England a non-domestic rates retention scheme was introduced allowing local authorities to keep a proportion of the rates they collect along with growth in the revenue that is generated in their area. Local government expenditure can also be financed by Supported Capital Expenditure (Revenue), equivalent to supported borrowing in Scotland. However, this was discontinued in England as of 31 March 2011.

7.7 Local authorities also raise finance locally, largely through council tax, receipts from sales of assets, contributions from developers, sales, fees and charges and 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 (NNDR) 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. From 1 April 2013 local authorities in England will retain a proportion of this income 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, departmental group 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) up to March 31 2011 in England, 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 readacross 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
[<https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/local-authority-revenue-expenditure-and-financing>]
[<https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/local-authority-capital-expenditure-receipts-and-financing>]
- Scotland – Scottish Government publication
[<http://www.Scotland.gov.uk/topics/statistics>]
- Wales – Welsh Government publication
[<http://www.wales.gov.uk/statistics>]

Table 7.1 Financing of local government in the United Kingdom by country, 2008-09 to 2014-15

£ million

	National Statistics					2013-14 plans	2014-15 plans
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		
Current finance in DEL							
England	81,489	84,927	87,454	80,986	75,863	62,407	59,980
Scotland	8,703	9,037	9,446	9,139	9,130	7,633	7,390
Wales	5,159	5,418	5,763	5,437	5,477	5,601	5,564
Northern Ireland	55	54	53	54	59	53	52
Total current finance in DEL	95,405	99,436	102,715	95,616	90,529	75,694	72,985
Capital support in DEL							
England	10,558	13,510	11,115	9,621	9,979	8,370	8,831
Scotland	952	1,058	866	769	607	562	776
Wales	769	684	790	515	554	572	602
Northern Ireland	3	3	16	3	3	3	3
Total capital support in DEL	12,282	15,254	12,786	10,909	11,144	9,508	10,211
Total central government support in DEL ⁽¹⁾	107,687	114,689	115,502	106,524	101,673	85,202	83,196
Current finance in departmental AME							
England	16,192	18,704	20,828	21,971	22,592	22,769	23,415
Scotland	1,357	1,514	1,621	1,686	1,748	1,751	1,798
Wales	702	815	884	959	992	979	1,006
Northern Ireland	0	0	0	0	0	0	0
Total current finance in departmental AME	18,252	21,033	23,334	24,615	25,332	25,499	26,218
Capital support in departmental AME							
England	793	402	993	302	141	672	672
Scotland	0	0	0	0	0	0	0
Wales	0	0	0	0	0	0	0
Northern Ireland	0	0	0	0	0	0	0
Total capital support in departmental AME	793	402	993	302	141	672	672
Total central government support in departmental AME ⁽²⁾	19,045	21,436	24,326	24,917	25,474	26,171	26,890
Locally financed expenditure							
Local authority self-financed expenditure ⁽³⁾	31,322	28,496	25,704	35,622	30,978	40,165	41,694
Locally financed support in Scotland ⁽⁴⁾	1,963	2,165	2,068	2,182	2,263	2,435	2,664
Total locally financed expenditure	33,285	30,661	27,772	37,804	33,241	42,600	44,358
Total financing of local government expenditure	160,017	166,786	167,600	169,245	160,388	153,973	154,444
Accounting and other adjustments	7,921	6,612	8,422	1,492	8,410	15,700	15,800
Total local government expenditure	167,938	173,398	176,022	170,737	168,798	169,700	170,300

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

⁽²⁾ Includes lottery grants.

⁽³⁾ From April 2013 local authorities in England are allowed to retain a proportion of the non-domestic (business) rates they collect. This results in an increase in self-financed expenditure and a fall in central government grants.

⁽⁴⁾ 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, 2008-09 to 2014-15

	National Statistics					£ million	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
England							
Education ⁽¹⁾							
Schools Grant	33,065	34,274	36,820	33,905	30,824	28,971	29,552
School standards grant	1,545	1,556	1,571	-	-	-	-
Sure Start	1,242	1,433	-	-	-	-	-
Early Intervention grant	-	-	-	206	448	150	150
Pupil Premium	-	-	-	556	989	1,875	2,500
Maintained sixth forms grant	-	-	2,184	1,585	1,136	1,090	991
Private finance initiative grant	-	-	-	600	670	740	755
Other	128	362	119	57	99	224	278
Total Education	35,980	37,625	40,694	36,910	34,166	33,050	34,226
Health							
Health	141	30	185	116	89	-	-
Social Care	1,060	1,197	1,269	-	-	-	-
Other	-	-	1	20	5	0	0
Total Health	1,201	1,227	1,454	136	94	0	0
Transport							
GLA transport	2,471	2,555	2,774	2,804	2,835	1,988	1,687
Strategic rail authority	206	204	206	214	164	187	0
Other	599	576	834	475	516	513	521
Total Transport	3,276	3,335	3,814	3,494	3,515	2,689	2,208
CLG Communities							
Supporting people	1,686	1,666	-	-	-	-	-
New deal for communities	102	72	32	-2	-1	0	0
Local area agreements	-	-	-	-	-	-	-
Local Services Support Grant	645	676	2,166	191	110	152	0
New Homes Bonus	0	0	0	234	397	750	1,050
Other	518	780	618	874	969	902	910
Total CLG Communities	2,951	3,194	2,817	1,297	1,475	1,804	1,960
CLG Local Government							
Non-domestic rate payments/Revenue Support Grant ⁽²⁾⁽³⁾	28,804	29,615	28,557	28,773	27,375	15,501	12,731
Neighbourhood renewal fund	-	-	-	-	-	-	-
PFI special grant	677	773	908	27	29	27	28
LA business growth incentive scheme	-	-	-	-	-	-	-
Other	378	396	109	1,422	67	773	624
Total CLG Local Government	29,859	30,784	29,574	30,223	27,470	16,301	13,383
Business, Innovation and Skills							
LSC grants	2,113	2,201	-	-	-	-	-
RDA development fund	294	263	257	96	-	-	-
Other	6	0	0	1	0	0	0
Total Business, Innovation and Skills	2,413	2,464	257	98	0	0	0
Home Office							
Police	6,240	6,640	10,114	10,179	9,995	9,668	9,434
Area Based Grants	61	81	71	67	29	0	0
Other	200	177	168	107	261	114	114
Total Home Office	6,502	6,898	10,354	10,353	10,284	9,783	9,548
Environment, Food and Rural Affairs							
Environment Agency	-	-	-	-	-	-	-
Area Based Grants	-	-	-	-	-	-	-
Other	54	38	50	147	141	146	138
Total Environment, Food and Rural Affairs	54	38	50	147	141	146	138

Table 7.2 Central government current grants for local government in the United Kingdom by departmental group, 2008-09 to 2014-15 (continued)

	National Statistics						£ million	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans	
Work and Pensions ⁽³⁾								
Rent rebates	4,373	4,475	4,401	4,578	4,854	4,763	4,872	
Rent allowances	10,278	12,799	14,109	15,181	15,856	15,814	16,235	
Council tax benefits	-	-	-	-	-	-	-	
Area Based Grants	33	51	44	-	-	-	-	
Other	565	621	579	503	549	735	735	
Total Work and Pensions	15,250	17,945	19,133	20,261	21,259	21,311	21,842	
Other government departments	195	120	134	37	51	92	89	
Total England	97,681	103,631	108,282	102,956	98,456	85,176	83,395	
Scotland								
Work and Pensions								
Rent allowance	786	905	978	1,034	1,079	1,088	1,123	
Rent rebates	572	609	643	652	669	663	674	
Council tax benefits	-	-	-	-	-	-	-	
Other	54	59	54	52	47	32	0	
Total Work and Pensions	1,411	1,573	1,675	1,738	1,794	1,783	1,798	
Scottish Government								
Revenue Support Grant ⁽³⁾	7,783	8,115	8,771	8,485	8,487	7,481	7,235	
Non-domestic rate income ⁽⁴⁾	1,963	2,165	2,068	2,182	2,263	2,435	2,664	
Police	552	570	496	480	479	-	-	
Other	313	293	126	122	117	120	154	
Total Scottish Government	10,611	11,143	11,461	11,269	11,346	10,036	10,054	
Other government departments	0	0	0	0	0	0	0	
Total Scotland	12,023	12,716	13,135	13,007	13,141	11,819	11,851	
Wales								
Home Office								
Police	270	280	278	250	0	250	246	
Other	12	0	0	1	0	0	0	
Total Home Office	282	280	278	251	0	250	246	
Work and Pensions								
Rent allowance	442	574	649	726	751	757	779	
Rent rebates	260	241	235	218	225	222	227	
Council tax benefits	-	-	-	-	-	-	-	
Other	27	29	28	26	25	32	0	
Total Work and Pensions	729	844	912	970	1,001	1,011	1,006	
Welsh Assembly Government								
Non-domestic rate payments/Revenue Support Grant ⁽³⁾	4,226	4,370	4,500	4,407	4,485	4,487	4,487	
Other	624	740	956	767	984	831	831	
Total Welsh Assembly Government	4,850	5,109	5,457	5,174	5,469	5,319	5,318	
Other government departments	0	0	0	0	0	0	0	
Total Wales	5,861	6,233	6,647	6,396	6,470	6,580	6,570	
Northern Ireland								
Culture, Media and Sport								
Northern Ireland Executive	55	54	53	54	59	53	52	
Total Northern Ireland	55	54	53	54	59	53	52	
Total current finance	115,620	122,634	128,117	122,413	118,124	103,628	101,867	

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

⁽²⁾ As explained in the introduction to Chapter 7, from April 2013 local authorities in England are able to retain a proportion of the business rates they collect. This results in a reduction in the amount distributed by central government.

⁽³⁾ Responsibility for Council Tax Benefits has been transferred from DWP to CLG Local Government, Scottish Government and the Welsh Assembly Government. It now appears within Revenue Support Grant.

⁽⁴⁾ 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, 2008-09 to 2014-15

	National Statistics					£ million	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
England							
Supported Capital Expenditure (Revenue) ⁽¹⁾							
Education	1,045	943	539	-	-	-	-
Health	-	-	-	-	-	-	-
Transport	858	902	975	-	-	-	-
CLG Communities	1,230	1,265	946	-	-	-	-
Home Office	67	73	73	-	-	-	-
Total Supported Capital Expenditure (Revenue)	3,200	3,182	2,532	-	-	-	-
Capital grants							
Education	3,800	5,728	5,664	4,690	3,566	3,464	3,873
Health	164	257	182	155	151	130	132
Transport	1,013	1,268	1,139	2,789	3,044	3,134	3,088
CLG Communities	1,986	2,105	2,121	1,630	1,736	1,882	2,019
CLG Local Government	122	258	-68	-8	-	-	-
Business, Innovation and Skills	447	503	243	187	1	-	-
Home Office	249	236	206	169	174	125	123
Justice	3	0	1	-	-	-	-
Energy and Climate Change	0	47	-4	38	48	-12	-6
Environment, Food and Rural Affairs	168	169	105	49	28	78	32
Culture, Media and Sport	187	145	-21	225	1,371	242	242
Work and Pensions	0	0	0	-	-	-	-
Cabinet Office	13	12	7	-	-	-	-
Total capital grants	8,151	10,730	9,576	9,924	10,121	9,042	9,503
Total England	11,351	13,912	12,108	9,924	10,121	9,042	9,503
Scotland							
Supported borrowing							
Scottish Government	330	328	330	20	16	0	0
Total supported borrowing	330	328	330	20	16	0	0
Capital grants							
Culture, Media and Sport	0	0	0	0	0	0	0
Scottish Government	623	730	536	749	591	562	776
Total capital grants	623	730	536	749	591	562	776
Total Scotland	952	1,058	866	769	607	562	776
Wales							
Supported Capital Expenditure (Revenue) ⁽¹⁾							
Home Office	7	-	-	-	-	-	-
Welsh Assembly Government	163	162	163	120	88	96	96
Total Supported Capital Expenditure (Revenue)	170	162	163	120	88	96	96
Capital grants							
Home Office	7	8	7	5	-	-	-
Culture, Media and Sport	0	0	0	0	0	0	0
Welsh Assembly Government	592	513	619	390	466	476	506
Total capital grants	599	521	626	395	466	476	506
Total Wales	769	684	790	515	554	572	602
Northern Ireland capital grants							
Culture, Media and Sport	0	0	0	0	0	0	0
Northern Ireland Executive	3	3	16	3	3	3	3
Total Northern Ireland	3	3	16	3	3	3	3
Total United Kingdom	13,075	15,656	13,779	11,211	11,285	10,180	10,883

⁽¹⁾ A full definition of Supported Capital expenditure (SCR) is given in Annex 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, 2008-09 to 2012-13

	National Statistics					£ million
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 plans	
Current						
1. General public services	4,644	4,420	4,104	3,967	3,897	
<i>of which: public and common services</i>	4,193	4,241	3,909	3,685	3,642	
<i>of which: public sector debt interest ⁽¹⁾</i>	451	179	195	282	255	
2. Defence	63	64	62	53	62	
3. Public order and safety	15,788	16,256	16,298	16,104	15,876	
4. Economic affairs	6,883	7,117	6,575	5,730	5,096	
<i>of which: enterprise and economic development</i>	1,806	1,676	1,640	1,112	821	
<i>of which: agriculture, fisheries and forestry</i>	73	79	74	74	92	
<i>of which: transport</i>	5,004	5,362	4,861	4,544	4,183	
5. Environment protection	5,468	5,627	5,639	5,649	5,824	
6. Housing and community amenities	3,105	3,249	2,782	2,564	2,523	
7. Health	195	82	232	168	111	
8. Recreation, culture and religion	4,206	4,339	4,189	3,983	3,804	
9. Education	47,583	48,512	49,016	45,585	43,723	
10. Social protection	44,697	49,418	50,980	52,164	53,560	
Total local government current expenditure on services	132,631	139,084	139,877	135,966	134,475	
Accounting adjustments	15,887	16,029	18,248	17,175	16,627	
Total local government current expenditure	148,518	155,113	158,125	153,141	151,102	
Capital						
1. General public services	1,398	1,163	1,028	907	1,210	
<i>of which: public and common services</i>	1,398	1,163	1,028	907	1,210	
3. Public order and safety	1,013	928	828	665	695	
4. Economic affairs	4,366	4,770	4,820	4,399	4,244	
<i>of which: enterprise and economic development</i>	343	320	340	240	157	
<i>of which: employment policies</i>	-	-	-	-	-	
<i>of which: agriculture, fisheries and forestry</i>	107	118	121	97	132	
<i>of which: transport</i>	3,916	4,332	4,359	4,062	3,955	
5. Environment protection	474	471	503	463	754	
6. Housing and community amenities	2,509	1,814	1,459	1,321	2,105	
7. Health	57	58	38	31	43	
8. Recreation, culture and religion	1,370	1,530	1,353	1,393	1,577	
9. Education	5,706	6,621	6,866	6,430	5,772	
10. Social protection	274	376	298	222	328	
Total local government capital expenditure on services	17,168	17,731	17,193	15,830	16,728	
Accounting adjustments	2,252	554	704	1,766	968	
Total local government capital expenditure	19,420	18,285	17,897	17,596	17,696	
Total local government expenditure	167,938	173,398	176,022	170,737	168,798	

⁽¹⁾ 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, 2008-09 to 2012-13

	National Statistics					£ million
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 plans	
England						
1. General public services	3,566	3,451	3,195	2,856	2,965	
<i>of which: public and common services</i>	3,566	3,451	3,195	2,856	2,965	
2. Defence	54	56	54	45	53	
3. Public order and safety	13,873	14,280	14,187	13,849	13,897	
4. Economic affairs	5,823	6,038	5,443	4,571	4,044	
<i>of which: enterprise and economic development</i>	1,481	1,333	1,275	748	460	
<i>of which: agriculture, fisheries and forestry</i>	60	67	61	61	73	
<i>of which: transport</i>	4,282	4,638	4,107	3,762	3,511	
5. Environment protection	4,391	4,495	4,486	4,488	4,670	
6. Housing and community amenities	2,589	2,748	2,461	2,189	2,092	
7. Health	141	30	180	116	66	
8. Recreation, culture and religion	3,133	3,254	3,096	2,856	2,757	
9. Education	40,456	41,323	41,756	38,409	36,537	
10. Social protection	38,051	42,268	43,696	44,931	45,818	
Total England	112,077	117,942	118,553	114,311	112,897	
Scotland						
1. General public services	444	613	552	663	443	
<i>of which: public and common services</i>	444	613	552	663	443	
2. Defence	5	5	5	4	4	
3. Public order and safety	1,141	1,175	1,318	1,474	1,207	
4. Economic affairs	678	721	762	815	741	
<i>of which: enterprise and economic development</i>	184	216	231	237	258	
<i>of which: agriculture, fisheries and forestry</i>	7	7	7	7	12	
<i>of which: transport</i>	487	498	524	571	471	
5. Environment protection	590	620	629	639	624	
6. Housing and community amenities	186	179	161	101	152	
8. Recreation, culture and religion	573	604	591	640	600	
9. Education	4,673	4,636	4,674	4,578	4,588	
10. Social protection	4,353	4,693	4,765	4,584	5,009	
Total Scotland	12,645	13,246	13,457	13,500	13,369	
Wales						
1. General public services	183	178	162	167	234	
<i>of which: public and common services</i>	183	178	162	167	234	
2. Defence	3	3	4	3	5	
3. Public order and safety	774	800	792	780	772	
4. Economic affairs	359	338	350	322	292	
<i>of which: enterprise and economic development</i>	119	106	114	106	84	
<i>of which: agriculture, fisheries and forestry</i>	6	6	6	5	6	
<i>of which: transport</i>	234	226	230	211	202	
5. Environment protection	328	341	351	347	357	
6. Housing and community amenities	232	221	174	167	154	
8. Recreation, culture and religion	293	294	285	282	273	
9. Education	2,454	2,553	2,586	2,598	2,598	
10. Social protection	2,293	2,458	2,519	2,649	2,733	
Total Wales	6,919	7,187	7,223	7,315	7,418	
Total Great Britain	131,641	138,375	139,233	135,126	133,684	
Northern Ireland						
4. Economic affairs	21	21	20	20	19	
<i>of which: enterprise and economic development</i>	21	21	20	20	19	
5. Environment protection	159	170	173	175	173	
6. Housing and community amenities	98	100	-13	106	124	
7. Health	54	52	52	52	45	
8. Recreation, culture and religion	207	187	218	204	174	
Total Northern Ireland	539	529	449	558	535	
Debt interest ⁽¹⁾	451	179	195	282	255	
Total local government current expenditure on services	132,631	139,083	139,877	135,966	134,474	
Accounting adjustments	15,887	16,030	18,248	17,175	16,628	
Total local government current expenditure	148,518	155,113	158,125	153,141	151,102	

⁽¹⁾ Debt interest is not allocated to individual countries, so is only included in the total UK figures. It excludes all intra-public sector debt interest payments.

Table 7.6 Local government gross⁽¹⁾ capital expenditure on services in the United Kingdom by country and function, 2008-09 to 2012-13

	National Statistics					£ million
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 plans	
England						
1. General public services	1,362	1,319	1,091	1,111	1,610	
<i>of which: public and common services</i>	1,362	1,319	1,091	1,111	1,610	
3. Public order and safety	960	893	797	675	756	
4. Economic affairs	3,713	4,115	4,174	3,855	3,537	
<i>of which: enterprise and economic development</i>	349	292	301	359	208	
<i>of which: employment policies</i>	0	0	0	0	0	
<i>of which: agriculture, fisheries and forestry</i>	80	69	70	73	72	
<i>of which: transport</i>	3,284	3,754	3,803	3,423	3,257	
5. Environment protection	349	377	427	395	659	
6. Housing and community amenities	2,352	1,725	1,532	1,224	1,930	
7. Health	55	57	38	29	36	
8. Recreation, culture and religion	1,051	1,265	1,139	1,097	1,244	
9. Education	5,159	6,164	6,370	5,693	5,332	
10. Social protection	240	335	274	223	332	
Total England	15,241	16,249	15,842	14,304	15,436	
Scotland						
1. General public services	268	166	169	141	156	
<i>of which: public and common services</i>	268	166	169	141	156	
3. Public order and safety	79	63	56	74	0	
4. Economic affairs	600	681	536	616	653	
<i>of which: enterprise and economic development</i>	95	133	92	97	121	
<i>of which: agriculture, fisheries and forestry</i>	61	64	51	52	62	
<i>of which: transport</i>	444	484	393	467	470	
5. Environment protection	69	66	57	53	64	
6. Housing and community amenities	63	68	56	36	11	
8. Recreation, culture and religion	210	223	201	252	281	
9. Education	479	416	410	585	511	
10. Social protection	63	59	50	46	78	
Total Scotland	1,831	1,742	1,534	1,805	1,754	
Wales						
1. General public services	67	51	55	47	29	
<i>of which: public and common services</i>	67	51	55	47	29	
3. Public order and safety	62	45	53	38	72	
4. Economic affairs	259	228	255	236	318	
<i>of which: enterprise and economic development</i>	28	21	29	18	16	
<i>of which: agriculture, fisheries and forestry</i>	4	8	20	18	25	
<i>of which: transport</i>	227	199	206	200	277	
5. Environment protection	54	31	31	28	17	
6. Housing and community amenities	200	153	164	185	256	
8. Recreation, culture and religion	117	55	50	63	61	
9. Education	203	214	232	259	279	
10. Social protection	22	22	22	19	26	
Total Wales	984	799	863	875	1,058	
Total Great Britain	18,056	18,790	18,239	16,984	18,248	
Northern Ireland						
4. Economic affairs	4	0	1	1	3	
<i>of which: enterprise and economic development</i>	4	0	1	1	3	
5. Environment protection	15	8	10	9	25	
6. Housing and community amenities	32	30	15	25	40	
7. Health	2	1	1	2	7	
8. Recreation, culture and religion	64	40	44	53	95	
Total Northern Ireland	116	79	71	89	171	
Total United Kingdom	18,173	18,869	18,310	17,073	18,418	
Memorandum						
United Kingdom gross capital expenditure, from above	18,173	18,869	18,310	17,073	18,418	
United Kingdom capital receipts (see Table 7.7)	-1,006	-1,138	-1,116	-1,244	-1,689	
Total local government net capital expenditure on services	17,167	17,731	17,194	15,829	16,729	
Accounting adjustments	2,253	554	703	1,767	967	
Total local government net capital expenditure	19,420	18,285	17,897	17,596	17,696	

⁽¹⁾ '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, 2008-09 to 2012-13

	National Statistics					£ million
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 plans	
England						
1. General public services	244	227	251	365	553	
<i>of which: public and common services</i>	244	227	251	365	553	
3. Public order and safety	80	67	72	116	129	
4. Economic affairs	194	228	120	285	239	
<i>of which: enterprise and economic development</i>	118	101	60	216	169	
<i>of which: employment policies</i>	0	0	0	0	0	
<i>of which: agriculture, fisheries and forestry</i>	39	23	20	47	27	
<i>of which: transport</i>	37	104	40	22	43	
5. Environment protection	9	6	17	19	7	
6. Housing and community amenities	109	129	282	130	104	
8. Recreation, culture and religion	44	22	51	54	76	
9. Education	102	166	112	81	320	
10. Social protection	45	37	44	62	101	
Total England	828	883	949	1,111	1,529	
Scotland						
1. General public services	44	142	19	16	15	
<i>of which: public and common services</i>	44	142	19	16	15	
3. Public order and safety	5	4	4	5	0	
4. Economic affairs	8	10	20	15	15	
<i>of which: enterprise and economic development</i>	6	9	18	9	9	
<i>of which: agriculture, fisheries and forestry</i>	0	0	0	0	0	
<i>of which: transport</i>	2	1	2	6	6	
5. Environment protection	1	1	1	1	0	
6. Housing and community amenities	4	1	0	6	5	
8. Recreation, culture and religion	3	2	12	1	1	
9. Education	30	4	19	20	20	
10. Social protection	1	0	2	3	3	
Total Scotland	94	164	76	66	60	
Wales						
1. General public services	11	4	17	12	16	
<i>of which: public and common services</i>	11	4	17	12	16	
3. Public order and safety	3	1	3	1	5	
4. Economic affairs	5	17	4	9	13	
<i>of which: enterprise and economic development</i>	5	16	4	9	13	
<i>of which: agriculture, fisheries and forestry</i>	0	0	0	0	0	
<i>of which: transport</i>	0	1	0	0	0	
5. Environment protection	0	0	0	0	1	
6. Housing and community amenities	14	20	8	10	13	
8. Recreation, culture and religion	5	1	1	1	0	
9. Education	4	3	15	7	9	
10. Social protection	5	2	2	1	2	
Total Wales	47	48	50	42	60	
Total Great Britain	969	1,095	1,075	1,219	1,649	
Northern Ireland						
4. Economic affairs	3	0	1	2	1	
<i>of which: enterprise and economic development</i>	3	0	1	2	1	
5. Environment protection	2	4	4	2	3	
6. Housing and community amenities	11	11	18	5	10	
7. Health	0	0	2	0	0	
8. Recreation, culture and religion	19	27	17	16	27	
Total Northern Ireland	36	43	41	25	41	
Total United Kingdom capital receipts	1,006	1,138	1,116	1,244	1,689	

Table 7.8 Local government expenditure on services in the United Kingdom by country and economic category, 2008-09 to 2012-13

	National Statistics					£ million
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 plans	
England						
Pay	63,053	64,836	65,214	60,118	58,091	
Gross current procurement	55,260	57,483	56,491	54,970	55,554	
Income from sales of goods and services	-24,576	-25,680	-25,635	-24,466	-24,866	
Subsidies to private sector companies	1,850	2,127	1,963	1,794	1,338	
Subsidies to public corporations	20	33	15	14	14	
Current grants to persons and non-profit bodies	16,469	19,144	20,504	21,881	22,767	
Gross capital procurement	13,526	14,531	14,440	13,137	14,078	
Income from sales of capital assets	-828	-883	-949	-1,111	-1,529	
Capital grants	1,715	1,718	1,403	1,167	1,358	
Total England	126,490	133,309	133,446	127,504	126,803	
Scotland						
Pay	7,091	7,472	7,543	7,134	6,818	
Gross current procurement	6,781	6,639	6,597	6,544	6,503	
Income from sales of goods and services	-2,714	-2,525	-2,445	-2,005	-1,835	
Subsidies to public corporations	96	103	102	100	89	
Current grants to persons and non-profit bodies	1,392	1,556	1,660	1,728	1,795	
Gross capital procurement	1,790	1,693	1,493	1,775	1,746	
Income from sales of capital assets	-94	-164	-76	-66	-60	
Capital grants	42	48	41	30	8	
Total Scotland	14,382	14,824	14,914	15,239	15,063	
Wales						
Pay	3,931	3,905	4,084	4,029	4,044	
Gross current procurement	3,961	3,738	3,602	3,671	3,711	
Income from sales of goods and services	-1,684	-1,290	-1,355	-1,340	-1,331	
Current grants to persons and non-profit bodies	712	834	893	956	995	
Gross capital procurement	891	708	764	784	936	
Income from sales of capital assets	-47	-48	-50	-42	-60	
Capital grants	93	91	98	91	122	
Total Wales	7,856	7,938	8,036	8,148	8,417	
Great Britain						
Pay	74,074	76,213	76,840	71,280	68,953	
Gross current procurement	66,002	67,861	66,690	65,184	65,767	
Income from sales of goods and services	-28,974	-29,495	-29,435	-27,811	-28,032	
Subsidies to private sector companies	1,850	2,127	1,963	1,794	1,338	
Subsidies to public corporations	116	136	117	114	103	
Current grants to persons and non-profit bodies	18,573	21,533	23,057	24,565	25,556	
Gross capital procurement	16,207	16,932	16,697	15,696	16,759	
Income from sales of capital assets	-970	-1,095	-1,076	-1,218	-1,649	
Capital grants	1,850	1,857	1,542	1,288	1,488	
Total Great Britain	148,728	156,070	156,396	150,892	150,283	
Northern Ireland						
Pay	283	294	286	292	310	
Gross current procurement	407	389	411	410	390	
Income from sales of goods and services	-151	-154	-248	-144	-164	
Gross capital procurement	116	79	71	89	171	
Income from sales of capital assets	-36	-43	-41	-25	-41	
Total Northern Ireland	620	565	480	622	665	
United Kingdom						
Pay	74,357	76,507	77,126	71,572	69,263	
Gross current procurement	66,410	68,250	67,102	65,594	66,157	
Income from sales of goods and services	-29,125	-29,649	-29,683	-27,956	-28,196	
Subsidies to private sector companies	1,850	2,127	1,963	1,794	1,338	
Subsidies to public corporations	116	136	117	114	103	
Current grants to persons and non-profit bodies	18,573	21,533	23,057	24,565	25,556	
Local government debt interest ⁽¹⁾	451	179	195	282	255	
Gross capital procurement	16,324	17,012	16,768	15,785	16,930	
Income from sales of capital assets	-1,006	-1,138	-1,116	-1,244	-1,689	
Capital grants	1,850	1,857	1,542	1,288	1,488	
Total local government expenditure on services	149,800	156,814	157,071	151,794	151,205	
Accounting adjustments	18,138	16,584	18,951	18,943	17,593	
Total local government expenditure	167,938	173,398	176,022	170,737	168,798	

⁽¹⁾ Debt interest is not allocated to individual countries, so is only included in the total UK figures. It excludes 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 2012-13 are National Statistics.

What's new

8.3 There have been no significant changes to the presentation of data within this chapter since PESA 2012.

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 per cent 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 website¹ in *Sector classification for the National Accounts*.

¹ http://www.statistics.gov.uk/downloads/theme_economy/MA23.xls

Table 8.1 Public corporations' contribution to budgets and Total Managed Expenditure⁽¹⁾, 2008-09 to 2014-15

	National Statistics					£ million	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
Resource DEL							
CG dividends from PCs (-)	-108	-64	-89	-94	-77	-36	-42
CG interest from PCs (-)	-85	-94	-101	-102	-103	-98	-102
Subsidies to PCs	1,254	1,058	1,244	1,126	1,481	1,068	973
Loans written off – mutual consent	-	-	-	-	-	-	-
Total resource DEL	1,060	900	1,053	930	1,301	933	828
Resource departmental AME							
CG dividends from PCs (-)	-452	-119	-88	-66	-106	-34	-34
CG interest from PCs (-)	-284	-79	-18	-15	-91	-66	-6
Subsidies to PCs	-312	-177	-658	-776	-82	-68	-54
Loans written off – mutual consent	-	-	-	-	-	-	-
Total resource departmental AME	-1,048	-375	-765	-857	-280	-167	-94
Total public corporations' contribution to resource budget	12	525	288	73	1,021	766	735
Capital DEL							
CG investment grants to PCs	479	733	394	379	280	184	184
Net lending to PCs	116	185	-199	-44	24	2	136
Market and overseas borrowing	-1	-86	-5	-18	-16	-4	-4
Total capital DEL	594	832	190	316	288	182	316
Capital departmental AME							
Net lending to PCs	-735	97	-361	187	-198	725	750
Total capital departmental AME	-735	97	-361	187	-198	725	750
Total public corporations' contribution to capital budget	-140	929	-171	504	90	907	1,066
Other AME							
PC own-financed capital expenditure ⁽²⁾	9,331	8,191	9,300	6,547	6,653	4,995	5,005
Accounting adjustments	1,059	-258	115	256	-868	-400	-500
Public corporations' expenditure in TME ⁽³⁾	10,262	9,387	9,532	7,380	6,896	6,300	6,400
<i>of which:</i>							
PC current expenditure in TME	439	235	371	329	153	400	400
PC gross investment in TME	9,823	9,152	9,161	7,051	6,743	5,900	5,900

⁽¹⁾ Data in this table differ from those shown for public corporations in Table 1.13. Central government subsidies to public corporations are classified as central government own spending in National Accounts, and are shown as such in Table 1.13. 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.

⁽²⁾ Includes capital expenditure by local authority public corporations.

⁽³⁾ 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⁽¹⁾, 2008-09 to 2014-15

	National Statistics					£ million	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
Resource DEL							
Health	51	-1	-2	10	70	55	0
Transport	12	72	50	-1	12	23	17
Communities and Local Government	15	38	20	24	-3	-2	-2
Business, Innovation and Skills	271	141	230	153	314	338	324
Defence	-43	-23	-33	-35	-34	0	0
Foreign and Commonwealth Office	195	193	185	179	166	157	149
Environment, Food and Rural Affairs	53	49	37	36	6	35	27
Culture, Media and Sport	0	0	83	63	323	2	2
Work and Pensions	174	117	174	206	141	75	87
Scotland	28	4	12	21	48	10	10
Wales	0	3	0	0	0	1	1
Northern Ireland	306	306	299	275	260	241	216
Chancellor's Departments	0	0	0	0	0	0	0
Cabinet Office	0	0	-2	-2	-3	-3	-2
Small and Independent Bodies	0	0	0	0	0	0	0
Total resource DEL	1,060	900	1,053	930	1,301	933	828
Resource departmental AME							
Transport	-	-	-	-	-	-	-
Communities and Local Government	-222	-86	-582	-704	-13	1	0
Business, Innovation and Skills	-39	-24	-23	-29	-133	-56	-6
Energy and Climate Change	0	0	0	0	0	0	0
Wales	-93	-93	-79	-74	-72	-71	-56
Chancellor's Departments	-586	-97	-67	-40	-55	-34	-34
Small and Independent Bodies	-109	-74	-14	-10	-7	-7	2
Total resource departmental AME	-1,048	-375	-765	-857	-280	-167	-94
Total public corporations' contribution to resource budget	12	525	288	73	1,021	766	735
Capital DEL							
Health	19	0	0	-10	8	15	0
Transport	85	186	-242	-37	-31	-11	15
Communities and Local Government	0	2	3	14	-11	0	0
Business, Innovation and Skills	66	59	76	5	6	16	-2
Home Office	10	0	29	0	0	0	0
Defence	-101	-55	-72	-5	-6	-12	2
Foreign and Commonwealth Office	37	36	33	23	6	5	5
International Development	-	-	-	-	-	-	-
Environment, Food and Rural Affairs	28	25	18	18	14	17	19
Culture, Media and Sport	0	0	0	2	39	0	0
Work and Pensions	0	7	2	1	0	0	0
Scotland	232	252	135	84	158	91	204
Wales	0	99	5	-11	-16	0	0
Northern Ireland	218	221	203	231	121	61	72
Chancellor's Departments	-	-	-	-	-	-	-
Small and Independent Bodies	-	-	-	-	-	-	-
Total capital DEL	594	832	190	316	288	182	316
Capital departmental AME							
Health	-	-1	-	-	-	-	-
Business, Innovation and Skills	-525	260	-261	239	-157	750	750
Small and Independent Bodies	-210	-162	-100	-52	-40	-25	0
Total capital departmental AME	-735	97	-361	187	-198	725	750
Total public corporations' contribution to capital budget	-140	929	-171	504	90	907	1,066
Total public corporations' contribution to budgets	-128	1,454	118	576	1,111	1,673	1,800

⁽¹⁾Data in this table differ from those shown for public corporations in Table 1.13. Central government subsidies to public corporations are classified as central government own spending in National Accounts, and are shown as such in Table 1.13. In Table 8.2 subsidies are shown as part of public corporations' contribution to the resource budget.

Table 8.3 Public corporations' capital expenditure on services, 2008-09 to 2014-15

	National Statistics					£ million	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
Health							
Medicines and Healthcare Products Regulatory Agency ⁽¹⁾	6	8	18	3	#	#	#
NHS Estates ⁽¹⁾	19	17	8	7	#	#	#
NHS Blood and Transplant	-	-	-	-	#	#	#
Total Health	25	25	27	11	#	#	#
Transport							
Civil Aviation Authority	4	4	0	1	#	#	#
Driving Standards Agency ⁽¹⁾	3	0	12	6	#	#	#
Vehicle and Operator Services Agency ⁽¹⁾	15	10	1	3	#	#	#
London and Continental Railways	-70	0	0	0	#	#	#
GNER	-	-	-	-	#	#	#
Total Transport	-48	14	13	9	#	#	#
Communities and Local Government							
Fire Service College ⁽¹⁾	1	0	1	2	1	2	2
Housing Action Trusts	-	-	-	-	-	-	-
QEII Conference Centre ⁽¹⁾	1	1	0	0	0	1	1
Total Department for Communities and Local Government	2	2	2	2	2	2	2
Business, Innovation and Skills							
UK Intellectual Property Office	1	4	2	2	1	1	1
British Nuclear Fuels Limited ⁽⁵⁾	-	-	-	-	-	-	-
Companies House ⁽¹⁾	14	8	9	3	-2	-2	-2
Royal Mail Holdings ⁽⁵⁾	444	347	201	198	*	*	*
Ordnance Survey ⁽¹⁾	22	117	26	9	15	20	20
Meteorological Office ⁽¹⁾	26	26	26	27	27	27	27
Total Business, Innovation and Skills	507	503	265	238	*	*	*
Home Office							
Forensic Science Service ⁽¹⁾	6	4	4	1	#	#	#
Total Home Office	6	4	4	1	#	#	#
Justice							
Land Registry ⁽¹⁾	27	15	-29	13	9	6	6
Total Justice	27	15	-29	13	9	6	6
Defence							
Defence Support Group	7	7	7	7	7	7	7
Defence Aviation Repair Agency ⁽¹⁾	-	-	-	-	-	-	-
Defence Science and Technology Laboratory ⁽¹⁾	41	41	41	41	41	41	41
Hydrographic Office ⁽¹⁾	8	8	8	8	8	8	8
Navy, Army and Air Force Institute	3	3	3	3	3	3	3
QinetiQ ⁽⁵⁾	-	-	-	-	-	-	-
Total Defence	59	59	59	59	59	59	59
Foreign and Commonwealth Office							
British Council	9	7	16	12	0	10	10
Total Foreign and Commonwealth Office	9	7	16	12	0	10	10
International Development							
CDC Group ⁽⁵⁾	86	79	6	7	*	*	*
Actis ⁽⁵⁾	1	1	1	1	*	*	*
Total International Development	87	80	6	7	*	*	*
Energy and Climate Change							
British Energy ⁽¹⁾	244	-	-	-	-	-	-
Total Energy and Climate Change	244	-	-	-	-	-	-
Environment Food and Rural Affairs							
British Waterways	-51	-18	1	0	#	#	#
Total Environment Food and Rural Affairs	-51	-18	1	0	#	#	#
Culture Media and Sport							
Channel Four Television Corporation ⁽⁵⁾	9	-4	6	15	#	#	#
Historic Royal Palaces Trust	1	0	0	0	#	#	#
Tote ⁽⁵⁾	17	16	17	0	#	#	#
Total Culture Media and Sport	27	12	22	15	#	#	#

Table 8.3 Public corporations' capital expenditure on services, 2008-09 to 2014-15 (continued)

	National Statistics					£ million	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
Work and Pensions							
Reemploy	-11	10	2	1	1	1	1
Pension Protection Fund	1	2	0	0	0	0	0
National Employment Savings Trust	0	0	1	17	10	14	5
Total Work and Pensions	-10	12	3	18	11	15	6
Scotland							
Caledonian MacBrayne	8	6	6	6	#	#	#
Forest Enterprise	2	5	7	5	#	#	#
Scottish Water	699	648	443	491	#	#	#
Total Scotland	709	659	455	502	#	#	#
Northern Ireland							
Northern Ireland Driver and Vehicle Testing Agency ⁽¹⁾	2	1	3	0	3	1	2
Northern Ireland Housing Executive	275	260	228	202	126	113	124
Northern Ireland Public Trust Port Authority	0	0	0	34	42	24	31
Northern Ireland Transport Holding Company	85	70	71	110	60	19	25
Northern Ireland Water	-	-	-	-	-	-	-
Total Northern Ireland	362	332	301	345	232	157	182
Chancellor's Departments							
Crown Estate ⁽⁵⁾	180	-28	191	-213	*	*	*
Royal Mint ^{(5) (7)}	-	-	-	-	-	-	-
Total Chancellor's Departments	180	-28	191	-213	*	*	*
Local Government							
London Underground Limited ⁽²⁾	1,653	1,515	1,525	1,435	*	*	*
England Housing Revenue Account	3,226	3,276	2,894	1,930	2,636	1,865	1,822
Scotland Housing Revenue Account	353	430	480	553	596	422	412
Wales Housing Revenue Account	126	121	120	140	152	107	105
Total Local Government	5,358	5,341	5,019	4,059	*	*	*
Total public corporations' capital expenditure on services	7,494	7,016	6,354	5,078	5,211	4,247	4,269
Accounting Adjustments	2,329	2,136	2,807	1,973	1,532	1,600	1,700
Total public corporations' capital expenditure ⁽³⁾	9,823	9,152	9,161	7,051	6,743	5,900	5,900

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

⁽⁷⁾ Denotes public corporation with trading fund status.

⁽⁵⁾ 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.

⁽¹⁾ The Government sold shares in British energy in January 2009, but it is still currently classified by the ONS as a public corporation.

⁽²⁾ Includes capital spending by Infracos (Metronet and Tubelines).

⁽³⁾ This excludes the temporary effect 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, 2008-09 to 2014-15

	National Statistics					£ million	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans
Public corporations' current expenditure on services							
1. General public services	439	235	371	329	153	400	400
<i>of which: public sector debt interest</i>	439	235	371	329	153	400	400
Total public corporations' current expenditure on services	439	235	371	329	153	400	400
Accounting adjustments	-	-	-	-	-	-	-
Total public corporations' current expenditure	439	235	371	329	153	400	400
Public corporations' capital expenditure on services							
1. General public services	327	192	211	-155	35	51	42
<i>of which: public and common services</i>	231	105	189	-175	35	41	32
<i>of which: international services</i>	96	86	22	19	-	10	10
2. Defence	85	85	85	86	86	86	86
3. Public order and safety	7	4	5	3	1	2	2
4. Economic affairs	2,344	1,962	1,839	1,802	1,579	1,601	1,676
<i>of which: enterprise and economic development</i>	702	359	212	203	242	212	212
<i>of which: employment policies</i>	-11	10	2	1	1	1	1
<i>of which: agriculture, fisheries and forestry</i>	-48	-13	7	5	-	1	-
<i>of which: transport</i>	1,700	1,606	1,618	1,593	1,336	1,388	1,463
5. Environment protection	-	-	-	-	-	-	-
6. Housing and community amenities	4,679	4,735	4,165	3,316	3,511	2,507	2,463
7. Health	25	25	27	11	-	-	-
8. Recreation, culture and religion	27	12	22	15	-	-	-
10. Social protection	1	2	0	0	0	0	0
Total public corporations' capital expenditure on services	7,494	7,016	6,354	5,078	5,211	4,247	4,269
Accounting adjustments	2,329	2,136	2,807	1,973	1,532	1,600	1,700
Total public corporations' capital expenditure	9,823	9,152	9,161	7,051	6,743	5,900	5,900

Table 8.5 Public corporations' current and capital expenditure by economic category, 2008-09 to 2014-15

	National Statistics						£ million	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	2014-15 plans	
Public corporations' current expenditure on services								
Public corporations' debt interest	439	235	371	329	153	400	400	
Total public corporations' current expenditure on services	439	235	371	329	153	400	400	
Accounting adjustments	-	-	-	-	-	-	-	
Total public corporations' current expenditure	439	235	371	329	153	400	400	
Public corporations' capital expenditure on services								
Gross capital procurement	8,369	7,874	7,386	6,594	5,713	4,271	4,301	
Income from sales of assets	-1,045	-1,061	-1,223	-1,681	-605	-121	-138	
Capital grants	170	203	191	164	103	98	105	
Total public corporations' capital expenditure on services	7,494	7,016	6,354	5,078	5,211	4,247	4,269	
Accounting adjustments	2,329	2,136	2,807	1,973	1,532	1,600	1,700	
Total public corporations' capital expenditure	9,823	9,152	9,161	7,051	6,743	5,900	5,900	
Total public corporations' expenditure on services	7,933	7,251	6,725	5,407	5,364	4,660	4,699	
Accounting adjustments	2,329	2,136	2,807	1,973	1,532	1,600	1,700	
Total public corporations' expenditure ⁽¹⁾	10,262	9,387	9,532	7,380	6,896	6,300	6,400	

⁽¹⁾ This excludes the temporary effect 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 need to 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 because only a minority of public spending is planned on a regional basis; and

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 2012. 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 2012.¹ The main differences since that publication being:

- The most recently available mid year population estimates (see **Annex F**) have been used to produce **Chapter 9 and 10** “per head” data. Therefore users will notice differences in the “per head” tables between PESA and the October 2012 release;
- GDP deflators (**Annex F**) as used throughout PESA 2013 have been applied to the Chapter 9 ‘real terms’ tables. Again, users will notice differences between PESA and the October 2012 release; and
- TME and Debt interest figures used throughout PESA 2013 have also been included within the relevant **Chapter 9** tables. Once again there will be differences in comparison with the October 2012 release.

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 Assembly, 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 a statistical analysis. It plays no direct part in resource allocation.

The tables

9.6 Most of the tables in this chapter provide an analysis of spending for the period 2007-08 to 2011-12. Information on methods and data quality is provided in the sections below.

¹ <https://www.gov.uk/government/publications/national-statistics-release-october-2012>

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.

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 percentages 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 2011-12 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 the UK government departments and devolved administrations to undertake an annual statistical exercise.

- The exercise is based on devolved administration spending and the subset of departmental 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 release and in Departmental Annual Report and Accounts.

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 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 'for' and the 'in' 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 spending on the basis of 'who benefits'. If spending is not significant (less than £20m 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 since the summer of 2012.

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 Annual Report and Accounts, 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. As in previous years, this expenditure is therefore allocated on an ‘in’ basis;

- **Department for Culture, Media and Sport** – while some NDPBs allocated the spending to the region where it took place, others used visitor survey data or other proxies to estimate regional allocations. Inconsistencies occurred in the treatment of survey data for visitors from 'outside UK'. This mostly affects the recreation, culture and religion function;
- **Department for Environment, Food, and Rural Affairs** – DEFRA radically re-organised their programme structure in preparation for the changeover from COINS to OSCAR. As a consequence they have had problems populating back years for a number of the new programme groupings introduced during 2012.
- **Department for Work and Pensions** – for the 2012 CRA, DWP introduced a new methodology for allocating several programme groups and revised their back data to 2007-08. This has had an effect on the regional allocation of Social Protection data within the CRA tables;
- **Department of Health** – DoH informed us that data on spending by Foundation Trusts would not be available for the 2012 CRA exercise. Given that Foundation Trust spending is such a large proportion of total health spending, a proxy was used to allocate all Trust expenditure broadly in line with 2010-11 expenditure.

Table 9.2 Total identifiable expenditure on services by country and region, per head 2007-08 to 2011-12

	£ per head						Index (UK identifiable expenditure = 100)					
	National Statistics			National Statistics			National Statistics			National Statistics		
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn		
North East	8,222	8,886	9,479	9,472	9,389	108	109	108	108	107		
North West	8,013	8,502	9,132	9,224	9,180	105	104	105	105	105		
Yorkshire and the Humber	7,372	8,015	8,604	8,600	8,539	96	98	98	98	98		
East Midlands	6,871	7,355	7,900	8,013	7,984	90	90	90	91	91		
West Midlands	7,416	7,924	8,485	8,464	8,398	97	97	97	97	96		
East	6,557	7,074	7,711	7,780	7,785	86	87	88	89	89		
London	8,767	9,188	9,931	9,850	9,613	115	113	114	112	110		
South East	6,520	7,089	7,513	7,499	7,565	85	87	86	86	87		
South West	6,912	7,513	8,005	8,085	8,171	90	92	92	92	93		
England	7,397	7,930	8,511	8,532	8,491	97	97	97	97	97		
Scotland	9,026	9,404	9,929	9,972	10,088	118	115	114	114	115		
Wales	8,478	8,990	9,550	9,712	9,740	111	110	109	111	111		
Northern Ireland	9,524	10,008	10,517	10,528	10,623	125	123	120	120	121		
UK identifiable expenditure	7,648	8,165	8,738	8,766	8,745	100	100	100	100	100		

**Table 9.3 Total identifiable expenditure on services by country and region in real terms,⁽¹⁾
2007-08 to 2011-12**

	National Statistics					£ million
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	
North East	23,707	24,994	26,008	25,440	24,745	
North West	62,493	64,772	67,965	67,232	65,752	
Yorkshire and the Humber	42,846	45,618	47,878	46,920	45,834	
East Midlands	34,064	35,760	37,634	37,498	36,774	
West Midlands	45,504	47,679	49,972	48,914	47,809	
East	41,720	44,212	47,246	46,911	46,325	
London	75,908	78,580	84,036	82,445	80,054	
South East	61,282	65,394	67,960	66,789	66,443	
South West	40,224	42,812	44,574	44,163	43,963	
England	427,748	449,820	473,273	466,313	457,698	
Scotland	52,257	53,212	54,942	54,066	53,810	
Wales	28,684	29,782	30,919	30,754	30,292	
Northern Ireland	18,883	19,495	20,092	19,728	19,563	
UK identifiable expenditure	527,572	552,309	579,227	570,860	561,362	
Outside UK	15,413	13,216	17,264	20,008	19,098	
Total identifiable expenditure	542,985	565,524	596,490	590,868	580,460	
Non-identifiable expenditure ⁽²⁾	82,580	95,199	88,115	97,039	97,148	
Total Expenditure on Services	625,565	660,723	684,605	687,908	677,609	
Accounting adjustments	34,638	33,647	31,832	32,560	27,453	
Total Managed Expenditure ⁽³⁾	660,203	694,371	716,437	720,468	705,062	

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2012-13 price levels using GDP deflators from the Office for National Statistics (released 27 June 2013).

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

⁽³⁾ 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,⁽¹⁾ 2007-08 to 2011-12

	National Statistics					£ per head
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	
North East	9,253	9,728	10,099	9,834	9,530	
North West	9,019	9,308	9,729	9,577	9,319	
Yorkshire and the Humber	8,297	8,775	9,166	8,929	8,667	
East Midlands	7,733	8,052	8,416	8,320	8,105	
West Midlands	8,347	8,675	9,040	8,788	8,524	
East	7,379	7,745	8,215	8,078	7,902	
London	9,867	10,059	10,580	10,227	9,757	
South East	7,338	7,761	8,004	7,786	7,679	
South West	7,779	8,225	8,528	8,394	8,294	
England	8,325	8,681	9,067	8,858	8,618	
Scotland	10,158	10,295	10,578	10,353	10,240	
Wales	9,541	9,842	10,174	10,083	9,887	
Northern Ireland	10,719	10,957	11,204	10,931	10,782	
UK identifiable expenditure	8,607	8,939	9,309	9,102	8,877	

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2012-13 price levels using GDP deflators from the Office for National Statistics (released 27 June 2013).

Table 9.5 Identifiable expenditure on general public services by country and region, 2007-08 to 2011-12

	General public services												of which: capital						£ million
	National Statistics						National Statistics						National Statistics						
	2007-08	2008-09	2009-10	2010-11	2011-12		2007-08	2008-09	2009-10	2010-11	2011-12		2007-08	2008-09	2009-10	2010-11	2011-12		
	outturn	outturn	outturn	outturn	outturn		outturn	outturn	outturn	outturn	outturn		outturn	outturn	outturn	outturn	outturn		
North East	263	364	319	285	289		244	321	265	227	212		19	43	54	58	76		
North West	694	824	804	782	795		617	726	669	692	684		77	98	135	89	111		
Yorkshire and the Humber	470	492	556	484	505		420	427	461	369	354		50	65	94	115	150		
East Midlands	502	487	571	666	668		384	374	444	588	568		118	113	127	78	100		
West Midlands	699	740	734	629	646		483	519	512	454	405		216	221	222	174	241		
East	617	731	664	560	566		524	608	525	497	495		93	123	138	63	71		
London	1,008	1,165	1,131	866	824		828	927	913	788	741		181	237	218	77	83		
South East	806	860	875	889	946		682	734	740	752	772		125	127	135	137	174		
South West	552	636	639	532	548		463	515	499	451	441		89	121	140	81	107		
England	5,610	6,299	6,293	5,692	5,787		4,644	5,152	5,028	4,819	4,673		966	1,147	1,265	873	1,114		
Scotland	964	1,160	1,172	1,212	1,082		920	902	1,109	1,041	878		44	258	63	171	204		
Wales	696	764	795	680	714		651	671	691	620	685		45	92	104	60	29		
Northern Ireland	397	422	419	429	372		336	377	355	381	336		61	45	63	48	36		
UK identifiable expenditure	7,668	8,645	8,678	8,013	7,955		6,551	7,101	7,183	6,861	6,572		1,117	1,543	1,495	1,152	1,383		
Outside the UK	5,172	5,641	6,309	7,278	7,387		4,969	5,399	5,879	6,666	6,895		203	241	429	611	492		
Total identifiable expenditure	12,840	14,285	14,987	15,290	15,342		11,520	12,501	13,062	13,527	13,467		1,320	1,785	1,925	1,763	1,875		
Non-identifiable expenditure	37,723	38,595	37,495	51,982	54,633		37,519	37,925	37,097	51,543	54,262		204	670	398	439	371		
Total Expenditure on Services	50,563	52,880	52,482	67,272	69,975		49,039	50,426	50,159	65,070	67,729		1,524	2,454	2,323	2,202	2,246		

Table 9.5a Identifiable expenditure on general public services (of which: public and common services) by country and region, 2007-08 to 2011-12

	Total public and common services						of which: current						of which: capital					
	National Statistics						National Statistics						National Statistics					
	2007-08 outrun	2008-09 outrun	2009-10 outrun	2010-11 outrun	2011-12 outrun		2007-08 outrun	2008-09 outrun	2009-10 outrun	2010-11 outrun	2011-12 outrun		2007-08 outrun	2008-09 outrun	2009-10 outrun	2010-11 outrun	2011-12 outrun	
North East	254	356	311	275	280		237	313	258	218	204		16	43	54	58	76	
North West	669	801	785	756	771		599	704	650	667	661		69	97	135	88	110	
Yorkshire and the Humber	452	475	541	465	487		407	410	447	350	337		44	65	94	114	150	
East Midlands	489	472	559	649	653		373	359	432	572	553		116	113	127	77	100	
West Midlands	682	722	719	608	628		470	502	497	435	387		213	221	222	174	240	
East	601	711	647	538	546		511	589	509	476	476		90	122	138	62	71	
London	989	1,139	1,109	836	797		810	902	891	760	715		179	237	218	76	82	
South East	785	827	848	855	916		662	703	714	719	742		123	123	134	136	173	
South West	538	618	624	512	531		450	498	484	432	424		88	120	140	80	106	
England	5,459	6,122	6,143	5,494	5,609		4,520	4,981	4,881	4,628	4,500		939	1,141	1,262	866	1,109	
Scotland	951	1,143	1,157	1,193	1,065		908	885	1,094	1,022	861		44	258	63	170	203	
Wales	689	753	785	668	703		644	661	682	608	675		45	92	104	60	29	
Northern Ireland	393	416	414	422	366		332	371	350	374	330		61	45	63	48	36	
UK identifiable expenditure	7,492	8,433	8,499	7,777	7,743		6,404	6,897	7,007	6,633	6,366		1,089	1,536	1,492	1,144	1,377	
Outside the UK	0	0	0	0	1		0	0	0	0	1		-	-	-	-	-	
Total identifiable expenditure	7,492	8,433	8,499	7,777	7,744		6,404	6,897	7,007	6,633	6,367		1,089	1,536	1,492	1,144	1,377	
Non-identifiable expenditure	4,976	5,495	5,144	4,877	4,955		4,963	5,017	4,909	4,562	4,677		14	478	235	315	278	
Total Expenditure on Services	12,469	13,928	13,643	12,654	12,699		11,366	11,915	11,916	11,195	11,045		1,102	2,014	1,726	1,459	1,654	

£ million

Table 9.5b Identifiable expenditure on general public services (of which: international services) by country and region, 2007-08 to 2011-12

	International services												of which: current						of which: capital						£ million			
	National Statistics						National Statistics						2007-08			2008-09			2009-10			2010-11				2011-12		
	2007-08	2008-09	2009-10	2010-11	2011-12	2007-08	2008-09	2009-10	2010-11	2011-12	2007-08	2008-09	2009-10	2010-11	2011-12	2007-08	2008-09	2009-10	2010-11	2011-12	2007-08	2008-09	2009-10	2010-11		2011-12		
North East	9	9	7	10	9	6	8	7	9	8	6	8	7	9	8	2	0	0	0	0	2	0	0	0	0	0		
North West	25	23	20	26	23	18	22	19	25	23	18	22	19	25	23	7	1	0	1	1	7	1	0	1	1	1		
Yorkshire and the Humber	18	17	15	20	18	13	17	15	19	17	13	17	15	19	17	5	0	0	1	1	5	0	0	1	1	1		
East Midlands	13	15	13	17	15	11	14	12	16	15	11	14	12	16	15	2	0	0	1	0	2	0	0	1	0	0		
West Midlands	16	18	15	20	19	13	18	15	20	18	13	18	15	20	18	3	0	0	1	1	3	0	0	1	1	1		
East	16	19	16	22	19	13	19	16	21	19	13	19	16	21	19	3	0	0	1	1	3	0	0	1	1	1		
London	20	25	22	29	27	18	25	22	28	26	18	25	22	28	26	1	1	0	1	1	1	1	0	1	1	1		
South East	21	34	27	34	30	19	30	26	33	29	19	30	26	33	29	2	3	0	1	1	2	3	0	1	1	1		
South West	13	17	15	20	18	13	17	15	19	17	13	17	15	19	17	1	0	0	1	1	1	0	0	1	1	1		
England	151	178	150	197	178	124	171	147	191	173	124	171	147	191	173	27	7	3	7	5	27	7	3	7	5			
Scotland	13	17	15	20	17	12	17	14	19	17	12	17	14	19	17	1	0	0	1	0	1	0	0	1	0	0		
Wales	7	11	9	12	11	7	11	9	12	11	7	11	9	12	11	0	0	0	0	0	0	0	0	0	0	0		
Northern Ireland	4	6	5	7	6	4	6	5	7	6	4	6	5	7	6	0	0	0	0	0	0	0	0	0	0	0		
UK identifiable expenditure	175	212	179	236	212	147	204	176	228	206	147	204	176	228	206	28	7	3	8	6	28	7	3	8	6			
Outside the UK	5,172	5,640	6,309	7,277	7,386	4,969	5,399	5,879	6,666	6,894	203	241	429	611	492	203	241	429	611	492	203	241	429	611	492			
Total identifiable expenditure	5,348	5,852	6,488	7,513	7,598	5,116	5,603	6,055	6,894	7,100	5,116	5,603	6,055	6,894	7,100	231	249	433	619	498	231	249	433	619	498			
Non-identifiable expenditure	1,346	1,358	1,458	1,374	1,353	1,156	1,166	1,295	1,250	1,260	1,156	1,166	1,295	1,250	1,260	190	192	163	124	94	190	192	163	124	94			
Total Expenditure on Services	6,693	7,210	7,946	8,887	8,951	6,272	6,769	7,350	8,144	8,360	6,272	6,769	7,350	8,144	8,360	422	441	596	743	592	422	441	596	743	592			

Table 9.5c Identifiable expenditure on general public services (of which: public sector debt interest) by country and region, 2007-08 to 2011-12

	Public sector debt interest						of which: current						of which: capital					
	National Statistics						National Statistics						National Statistics					
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn		2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn		2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	
North East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
North West	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Yorkshire and the Humber	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
East Midlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
West Midlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
London	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
South East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
South West	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
England	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Scotland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Wales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Northern Ireland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
UK identifiable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Outside the UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total identifiable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-identifiable expenditure	31,401	31,742	30,893	45,731	48,325		31,401	31,742	30,893	45,731	48,325		-	-	-	-	-	
Total Expenditure on Services	31,401	31,742	30,893	45,731	48,325		31,401	31,742	30,893	45,731	48,325		-	-	-	-	-	

£ million

Table 9.6 Identifiable expenditure on defence by country and region, 2007-08 to 2011-12

	Defence						of which: current						of which: capital						£ million						
	2007-08		2008-09		2009-10		2010-11		2011-12		2007-08		2008-09		2009-10		2010-11			2011-12					
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn		outturn	outturn	outturn									
North East	3	3	3	3	3	3	3	3	4	3	3	3	3	3	3	3	3	3	4	0	0	0	-1		
North West	9	8	8	8	8	9	9	8	8	9	8	8	8	9	8	8	8	8	9	0	0	0	-1		
Yorkshire and the Humber	9	6	5	5	6	9	9	6	6	9	6	5	5	6	6	6	6	6	6	0	0	0	0		
East Midlands	7	7	6	6	6	7	7	7	6	7	7	6	6	6	6	6	6	6	6	0	0	0	0		
West Midlands	8	7	7	6	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	0	0	0	-1		
East	10	10	10	9	9	10	10	10	9	10	10	10	10	10	10	10	10	10	10	0	0	0	0		
London	12	11	11	11	13	12	12	11	11	12	11	11	11	11	13	11	11	11	13	0	0	0	0		
South East	13	12	12	11	8	12	12	12	11	12	12	12	12	11	12	12	12	11	12	0	0	0	-4		
South West	9	8	7	7	6	8	8	8	7	8	8	8	7	7	8	7	7	7	7	0	0	0	-1		
England	80	74	69	66	68	77	72	68	65	74	77	72	68	65	74	77	72	68	65	74	3	2	2	-7	
Scotland	7	5	9	11	12	7	5	9	11	12	7	5	9	11	12	7	5	9	11	12	-	-	-	-	
Wales	3	3	3	4	7	3	3	3	4	7	3	3	3	4	7	3	3	3	4	7	-	-	-	-	
Northern Ireland	0	0	0	0	1	0	0	0	0	1	0	0	0	0	1	0	0	0	0	1	-	-	-	-	
UK identifiable expenditure	91	82	82	81	87	88	81	80	80	94	88	81	80	80	94	88	81	80	80	94	3	2	2	-7	
Outside the UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total identifiable expenditure	91	82	82	81	87	88	81	80	80	94	88	81	80	80	94	88	81	80	80	94	3	2	2	-7	
Non-identifiable expenditure	33,573	36,704	37,601	39,117	39,032	31,036	33,239	33,575	34,849	35,280	2,537	3,465	4,026	4,268	3,752	2,537	3,465	4,026	4,268	3,752	2,537	3,465	4,026	4,268	3,752
Total Expenditure on Services	33,663	36,786	37,682	39,199	39,119	31,124	33,319	33,655	34,929	35,374	2,539	3,467	4,027	4,270	3,745	2,539	3,467	4,027	4,270	3,745	2,539	3,467	4,027	4,270	3,745

Table 9.7 Identifiable expenditure on public order and safety by country and region, 2007-08 to 2011-12

	Public order and safety												of which: current						of which: capital														
	National Statistics						National Statistics						2007-08			2008-09			2009-10			2010-11			2011-12								
	2007-08	2008-09	2009-10	2010-11	2011-12		2007-08	2008-09	2009-10	2010-11	2011-12		2007-08	2008-09	2009-10	2010-11	2011-12	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn			
North East	1,326	1,410	1,362	1,324	1,362		1,260	1,316	1,253	1,259	1,305		66	94	109	65	58																
North West	3,559	3,806	3,781	3,654	3,608		3,314	3,505	3,495	3,430	3,407		245	302	286	223	201																
Yorkshire and the Humber	2,412	2,472	2,585	2,505	2,461		2,249	2,272	2,389	2,366	2,342		162	200	196	139	119																
East Midlands	1,735	1,889	1,872	1,783	1,786		1,622	1,743	1,721	1,689	1,692		113	146	151	93	95																
West Midlands	2,454	2,587	2,651	2,512	2,518		2,271	2,360	2,414	2,388	2,412		182	228	237	124	107																
East	2,088	2,182	2,181	2,093	2,079		1,923	2,016	2,025	1,993	1,986		165	166	157	100	93																
London	6,162	6,699	6,643	6,369	6,168		5,829	6,112	6,175	5,983	5,920		333	587	468	386	249																
South East	3,149	3,388	3,454	3,326	3,196		2,965	3,143	3,229	3,181	3,081		184	245	225	145	115																
South West	1,918	2,028	2,079	2,005	2,037		1,780	1,889	1,926	1,904	1,955		139	139	153	100	82																
England	24,803	26,462	26,608	25,570	25,216		23,214	24,356	24,627	24,195	24,099		1,589	2,106	1,981	1,376	1,118																
Scotland	2,286	2,437	2,506	2,670	2,486		2,124	2,220	2,273	2,446	2,297		162	217	233	224	189																
Wales	1,381	1,479	1,508	1,452	1,475		1,264	1,352	1,393	1,361	1,377		117	127	116	91	97																
Northern Ireland	1,157	1,203	1,308	1,454	1,449		1,141	1,119	1,235	1,380	1,365		16	83	73	73	84																
UK identifiable expenditure	29,627	31,581	31,930	31,147	30,626		27,743	29,048	29,528	29,382	29,138		1,884	2,533	2,403	1,764	1,488																
Outside the UK	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-															
Total identifiable expenditure	29,627	31,581	31,930	31,147	30,626		27,743	29,048	29,528	29,382	29,138		1,884	2,533	2,403	1,764	1,488																
Non-identifiable expenditure	2,072	2,089	2,199	1,773	1,692		1,933	1,876	1,904	1,534	1,492		139	213	295	238	201																
Total Expenditure on Services	31,699	33,670	34,129	32,919	32,318		29,677	30,924	31,432	30,917	30,630		2,022	2,746	2,698	2,003	1,689																

£ million

Table 9.8 Identifiable expenditure on economic affairs by country and region, 2007-08 to 2011-12

	£ million																			
	Economic affairs						of which: current						of which: capital							
	2007-08		2008-09		2009-10		2010-11		2011-12		2007-08		2008-09		2009-10		2010-11		2011-12	
	outturn	2007-08	outturn	2008-09	outturn	2009-10	outturn	2010-11	outturn	2011-12	outturn	2007-08	outturn	2008-09	outturn	2009-10	outturn	2010-11	outturn	2011-12
North East	1,523	1,527	1,592	1,503	1,204	1,087	1,031	1,116	1,066	867	436	495	476	436	337					
North West	3,533	3,682	4,156	3,813	3,278	2,231	2,297	2,680	2,380	1,940	1,303	1,385	1,475	1,434	1,338					
Yorkshire and the Humber	2,570	2,708	3,003	2,742	2,384	1,705	1,803	1,970	1,863	1,575	865	905	1,033	879	809					
East Midlands	2,099	2,141	2,387	2,191	1,788	1,380	1,424	1,547	1,512	1,238	719	718	839	679	550					
West Midlands	2,625	2,757	2,874	2,549	2,090	1,642	1,721	1,787	1,710	1,352	983	1,035	1,087	839	738					
East	2,479	2,823	3,242	3,285	2,875	1,549	1,679	1,920	1,812	1,566	930	1,145	1,322	1,473	1,309					
London	6,191	6,397	7,574	6,877	6,559	3,749	3,064	3,591	3,225	2,880	2,442	3,333	3,983	3,652	3,679					
South East	3,583	4,376	3,775	3,478	3,216	1,981	2,432	2,172	2,020	1,975	1,602	1,944	1,603	1,458	1,241					
South West	2,305	2,627	2,565	2,400	2,247	1,533	1,720	1,784	1,638	1,599	772	907	782	762	648					
England	26,908	29,038	31,167	28,836	25,640	16,856	17,171	18,567	17,225	14,992	10,052	11,867	12,600	11,611	10,648					
Scotland	5,139	4,903	5,265	5,057	5,124	3,422	3,253	3,405	3,442	3,354	1,717	1,651	1,861	1,614	1,770					
Wales	2,169	2,241	2,545	2,631	2,371	1,463	1,510	1,746	1,753	1,692	705	731	799	878	679					
Northern Ireland	1,434	1,556	1,712	1,780	1,646	1,076	1,135	1,243	1,268	1,245	358	421	469	512	401					
UK identifiable expenditure	35,650	37,739	40,690	38,304	34,781	22,818	23,069	24,960	23,688	21,283	12,832	14,670	15,730	14,616	13,497					
Outside the UK	362	421	390	366	511	192	309	269	220	335	171	112	121	145	176					
Total identifiable expenditure	36,012	38,160	41,080	38,670	35,291	23,009	23,378	25,229	23,909	21,618	13,003	14,782	15,851	14,761	13,673					
Non-identifiable expenditure ⁽¹⁾	1,344	9,612	5,197	-643	-386	927	-352	182	-946	-728	417	9,964	5,015	303	343					
Total Expenditure on Services	37,356	47,772	46,277	38,027	34,906	23,936	23,026	25,412	22,963	20,890	13,420	24,746	20,866	15,064	14,016					

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

Table 9.8a Identifiable expenditure on economic affairs (of which: enterprise and economic development) by country and region, 2007-08 to 2011-12

	Enterprise and economic development						of which: current						of which: capital					
	National Statistics						National Statistics						National Statistics					
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn		2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn		2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	
North East	554	462	443	372	191		481	373	366	336	182		73	89	77	36	9	
North West	678	771	778	648	445		543	584	636	584	369		135	187	142	64	76	
Yorkshire and the Humber	661	571	604	425	266		550	459	467	373	228		112	112	137	53	38	
East Midlands	374	387	383	256	172		320	324	332	232	156		54	63	51	24	16	
West Midlands	478	505	536	416	262		377	395	432	372	226		101	110	104	44	36	
East	249	349	339	210	183		205	297	289	188	157		44	53	50	23	26	
London	606	892	804	660	450		598	533	584	475	296		8	359	220	185	155	
South East	295	429	352	278	286		259	359	329	251	250		36	71	24	27	37	
South West	257	332	350	291	232		234	255	302	257	198		23	77	48	34	35	
England	4,151	4,698	4,590	3,556	2,488		3,566	3,579	3,736	3,066	2,061		585	1,119	853	490	428	
Scotland	1,001	851	884	908	1,001		778	620	632	656	718		223	231	251	252	284	
Wales	586	502	634	694	391		436	379	480	477	329		151	123	154	216	62	
Northern Ireland	240	246	371	331	302		216	223	260	257	242		24	23	111	74	60	
UK identifiable expenditure	5,979	6,297	6,478	5,489	4,183		4,996	4,800	5,109	4,457	3,349		983	1,497	1,369	1,032	834	
Outside the UK	11	18	29	18	9		10	18	29	18	9		1	0	0	0	0	
Total identifiable expenditure	5,990	6,315	6,507	5,507	4,192		5,006	4,818	5,138	4,474	3,358		984	1,497	1,370	1,033	834	
Non-identifiable expenditure ⁽¹⁾	804	9,150	4,763	-1,095	-872		516	-690	-149	-1,335	-1,096		287	9,840	4,912	239	224	
Total Expenditure on Services	6,794	15,466	11,271	4,412	3,320		5,523	4,129	4,989	3,140	2,262		1,271	11,337	6,282	1,272	1,058	

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

Table 9.8b Identifiable expenditure on economic affairs (of which: science and technology) by country and region, 2007-08 to 2011-12

	Science and technology						of which: current						of which: capital					
	National Statistics						National Statistics						National Statistics					
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn		2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn		2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	
North East	104	95	121	104	110		75	77	96	90	96		29	18	26	13	14	
North West	249	238	284	262	267		193	196	228	227	225		56	42	57	34	42	
Yorkshire and the Humber	211	196	224	197	203		163	161	177	173	179		48	36	47	24	24	
East Midlands	167	157	191	175	174		127	130	151	152	151		40	26	39	23	23	
West Midlands	173	157	186	167	173		134	131	148	147	151		40	27	38	20	22	
East	279	314	356	346	368		239	258	275	275	302		39	56	81	71	66	
London	425	435	502	474	512		327	358	400	402	444		98	77	102	72	68	
South East	404	387	424	412	429		287	310	331	359	358		118	77	93	52	71	
South West	177	151	186	185	190		133	126	153	167	164		44	25	33	19	26	
England	2,189	2,129	2,474	2,321	2,425		1,677	1,746	1,959	1,992	2,068		512	383	515	329	357	
Scotland	397	364	367	258	283		290	271	299	213	237		107	93	68	45	46	
Wales	75	71	82	85	85		66	66	63	74	71		9	6	19	12	14	
Northern Ireland	71	64	75	74	83		64	61	65	67	77		7	3	9	7	6	
UK identifiable expenditure	2,731	2,629	2,998	2,738	2,876		2,096	2,144	2,386	2,346	2,453		635	485	612	392	423	
Outside the UK	162	254	244	247	386		132	225	210	194	319		30	29	34	53	67	
Total identifiable expenditure	2,893	2,883	3,242	2,985	3,261		2,228	2,369	2,596	2,540	2,772		665	515	645	445	490	
Non-identifiable expenditure	367	279	245	286	322		252	169	158	228	212		116	110	87	58	111	
Total Expenditure on Services	3,260	3,163	3,487	3,270	3,584		2,480	2,538	2,754	2,768	2,983		780	625	732	503	600	

£ million

Table 9.8c Identifiable expenditure on economic affairs (of which: employment policies) by country and region, 2007-08 to 2011-12

	Employment policies												of which: current												of which: capital												£ million
	National Statistics						National Statistics						National Statistics						National Statistics																		
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn		2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn		2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn		2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn														
North East	123	138	132	177	97		113	96	116	166	90		10	42	16	10	7		10	42	16	10	7														
North West	325	271	295	448	250		271	232	281	394	216		54	39	14	54	34		54	39	14	54	34														
Yorkshire and the Humber	231	204	250	316	173		186	167	210	296	160		45	37	40	20	12		45	37	40	20	12														
East Midlands	172	145	179	228	127		139	125	156	211	116		33	20	22	17	11		33	20	22	17	11														
West Midlands	261	242	277	336	179		213	187	234	319	168		48	55	43	18	11		48	55	43	18	11														
East	167	150	196	245	134		148	136	172	231	126		19	13	25	14	9		19	13	25	14	9														
London	317	338	380	482	264		297	243	304	434	234		19	95	76	47	30		19	95	76	47	30														
South East	209	212	290	412	236		191	180	231	298	164		17	32	60	114	72		17	32	60	114	72														
South West	158	137	157	206	117		126	117	145	193	108		32	20	13	13	8		32	20	13	13	8														
England	1,961	1,836	2,157	2,849	1,577		1,685	1,482	1,849	2,541	1,382		276	354	309	308	194		276	354	309	308	194														
Scotland	133	140	217	237	130		133	140	215	236	129		-1	0	2	1	1		-1	0	2	1	1														
Wales	181	173	164	164	96		120	103	123	164	96		61	71	41	0	0		61	71	41	0	0														
Northern Ireland	117	109	124	155	156		117	109	123	155	156		1	0	1	0	0		1	0	1	0	0														
UK identifiable expenditure	2,392	2,258	2,663	3,404	1,958		2,054	1,833	2,310	3,095	1,763		338	425	353	309	195		338	425	353	309	195														
Outside the UK	9	14	21	2	1		9	14	21	2	1		0	0	0	0	0		0	0	0	0	0														
Total identifiable expenditure	2,401	2,273	2,685	3,407	1,959		2,064	1,848	2,332	3,097	1,764		338	425	353	309	195		338	425	353	309	195														
Non-identifiable expenditure	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-														
Total Expenditure on Services	2,401	2,273	2,685	3,407	1,959		2,064	1,848	2,332	3,097	1,764		338	425	353	309	195		338	425	353	309	195														

Table 9.8d Identifiable expenditure on economic affairs (of which: agriculture, fisheries and forestry) by country and region, 2007-08 to 2011-12

	Agriculture, fisheries and forestry												of which: current						of which: capital						£ million			
	National Statistics						National Statistics						2007-08			2008-09			2009-10			2010-11				2011-12		
	2007-08	2008-09	2009-10	2010-11	2011-12	2007-08	2008-09	2009-10	2010-11	2011-12	2007-08	2008-09	2009-10	2010-11	2011-12	2007-08	2008-09	2009-10	2010-11	2011-12	2007-08	2008-09	2009-10	2010-11		2011-12		
North East	160	198	211	184	227	142	192	205	180	224	18	6	5	5	3	18	6	5	5	3	18	6	5	5	3			
North West	274	373	366	288	349	241	341	339	275	340	33	31	27	13	9	33	31	27	13	9	33	31	27	13	9			
Yorkshire and the Humber	292	400	443	411	416	273	390	434	402	411	19	10	8	8	5	19	10	8	8	5	19	10	8	8	5			
East Midlands	307	449	481	512	445	295	440	472	507	443	12	10	9	5	1	12	10	9	5	1	12	10	9	5	1			
West Midlands	282	372	380	360	363	263	366	370	343	351	20	7	11	16	12	20	7	11	16	12	20	7	11	16	12			
East	407	567	734	713	559	404	560	720	703	553	3	7	14	10	5	3	7	14	10	5	3	7	14	10	5			
London	87	111	88	54	51	80	108	84	51	50	6	2	3	3	2	6	2	3	3	2	6	2	3	3	2			
South East	369	781	470	389	478	359	767	459	372	464	9	14	11	17	13	9	14	11	17	13	9	14	11	17	13			
South West	489	714	721	608	732	462	677	685	585	717	26	38	36	23	15	26	38	36	23	15	26	38	36	23	15			
England	2,667	3,965	3,894	3,518	3,619	2,520	3,840	3,769	3,418	3,554	147	125	125	100	65	147	125	125	100	65	147	125	125	100	65			
Scotland	771	822	874	927	988	700	722	764	775	814	71	100	111	152	173	71	100	111	152	173	71	100	111	152	173			
Wales	392	466	512	519	724	369	430	482	462	680	23	35	30	57	44	23	35	30	57	44	23	35	30	57	44			
Northern Ireland	465	575	551	518	507	414	457	530	494	474	51	118	22	24	33	51	118	22	24	33	51	118	22	24	33			
UK identifiable expenditure	4,295	5,827	5,832	5,482	5,838	4,003	5,449	5,545	5,149	5,523	292	378	288	333	315	292	378	288	333	315	292	378	288	333	315			
Outside the UK	1	1	-	0	0	1	1	-	0	0	0	-	-	-	-	0	-	-	-	-	0	-	-	-	-			
Total identifiable expenditure	4,296	5,829	5,832	5,482	5,838	4,004	5,451	5,545	5,150	5,524	292	378	288	333	315	292	378	288	333	315	292	378	288	333	315			
Non-identifiable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total Expenditure on Services	4,296	5,829	5,832	5,482	5,838	4,004	5,451	5,545	5,150	5,524	292	378	288	333	315	292	378	288	333	315	292	378	288	333	315			

Table 9.8e Identifiable expenditure on economic affairs (of which: transport) by country and region, 2007-08 to 2011-12

	Transport												of which: current												of which: capital											
	National Statistics						National Statistics						National Statistics						National Statistics																	
	2007-08	2008-09	2009-10	2010-11	2011-12	2011-12	2007-08	2008-09	2009-10	2010-11	2011-12	2011-12	2007-08	2008-09	2009-10	2010-11	2011-12	2011-12	2007-08	2008-09	2009-10	2010-11	2011-12													
North East	583	634	685	666	579	579	277	294	333	294	275	275	305	341	351	372	304	305	341	351	372	304	304													
North West	2,008	2,030	2,432	2,169	1,967	1,967	983	944	1,197	899	790	790	1,025	1,086	1,235	1,269	1,177	1,025	1,086	1,235	1,269	1,177	1,177													
Yorkshire and the Humber	1,175	1,337	1,482	1,393	1,326	1,326	534	627	681	619	596	596	641	710	801	774	730	641	710	801	774	730	730													
East Midlands	1,079	1,003	1,153	1,020	871	871	499	404	435	411	372	372	580	599	717	610	499	580	599	717	610	499	499													
West Midlands	1,431	1,480	1,494	1,270	1,112	1,112	655	643	602	529	456	456	775	837	891	740	656	775	837	891	740	656	656													
East	1,377	1,444	1,618	1,770	1,631	1,631	552	428	465	415	429	429	825	1,016	1,153	1,355	1,202	825	1,016	1,153	1,355	1,202	1,202													
London	4,756	4,621	5,801	5,207	5,282	5,282	2,445	1,822	2,219	1,864	1,857	1,857	2,311	2,800	3,582	3,343	3,425	2,311	2,800	3,582	3,343	3,425	3,425													
South East	2,307	2,566	2,238	1,988	1,787	1,787	884	817	822	740	739	739	1,422	1,750	1,415	1,248	1,048	1,422	1,750	1,415	1,248	1,048	1,048													
South West	1,225	1,294	1,151	1,109	976	976	578	545	498	437	412	412	647	748	652	673	564	647	748	652	673	564	564													
England	15,940	16,409	18,052	16,593	15,532	15,532	7,408	6,523	7,254	6,208	5,927	5,927	8,532	9,886	10,798	10,385	9,605	8,532	9,886	10,798	10,385	9,605	9,605													
Scotland	2,838	2,727	2,923	2,727	2,722	2,722	1,522	1,500	1,494	1,562	1,456	1,456	1,316	1,227	1,428	1,165	1,266	1,316	1,227	1,428	1,165	1,266	1,266													
Wales	934	1,029	1,153	1,169	1,074	1,074	473	533	598	576	516	516	461	496	555	593	558	461	496	555	593	558	558													
Northern Ireland	541	562	591	701	598	598	266	286	264	294	296	296	275	276	327	407	302	275	276	327	407	302	302													
UK identifiable expenditure	20,253	20,727	22,718	21,191	19,926	19,926	9,669	8,842	9,610	8,641	8,195	8,195	10,584	11,885	13,108	12,549	11,731	10,584	11,885	13,108	12,549	11,731	11,731													
Outside the UK	179	133	96	99	114	114	39	50	9	6	6	6	141	82	87	92	109	141	82	87	92	109	109													
Total identifiable expenditure	20,432	20,860	22,814	21,289	20,041	20,041	9,708	8,892	9,619	8,648	8,201	8,201	10,724	11,967	13,196	12,641	11,840	10,724	11,967	13,196	12,641	11,840	11,840													
Non-identifiable expenditure	173	182	189	166	164	164	159	168	173	161	156	156	14	14	16	6	8	14	14	16	6	6	8													
Total Expenditure on Services	20,605	21,042	23,003	21,456	20,205	20,205	9,867	9,061	9,792	8,808	8,357	8,357	10,739	11,981	13,211	12,647	11,848	10,739	11,981	13,211	12,647	11,848	11,848													

£ million

Table 9.9 Identifiable expenditure on environment protection by country and region, 2007-08 to 2011-12

	£ million																			
	Environment protection						of which: current						of which: capital							
	2007-08		2008-09		2009-10		2010-11		2011-12		2007-08		2008-09		2009-10		2010-11		2011-12	
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn
North East	313	321	344	355	374	261	263	279	282	307	52	58	65	74	67					
North West	1,588	1,481	1,958	2,073	2,039	806	550	1,128	1,107	1,203	782	931	829	966	835					
Yorkshire and the Humber	637	681	758	708	713	520	544	565	552	583	117	137	193	156	130					
East Midlands	517	544	596	615	576	421	440	474	488	484	96	103	122	126	92					
West Midlands	617	645	705	648	657	513	519	534	504	532	103	126	171	144	126					
East	725	775	827	816	768	591	624	650	634	640	134	152	176	182	127					
London	1,012	1,031	1,111	1,108	1,226	919	944	988	987	1,093	93	87	124	122	133					
South East	1,225	1,175	1,300	1,352	1,339	919	876	984	979	1,063	307	299	316	374	276					
South West	866	850	950	1,025	993	612	597	703	711	719	254	253	247	314	274					
England	7,500	7,502	8,548	8,701	8,684	5,562	5,357	6,305	6,243	6,626	1,938	2,146	2,243	2,457	2,059					
Scotland	1,106	1,078	1,261	1,314	1,327	829	819	999	1,005	1,027	277	259	262	309	300					
Wales	461	532	575	608	595	430	441	468	488	508	31	91	107	121	87					
Northern Ireland	233	233	240	241	255	209	217	234	229	236	24	16	6	13	20					
UK identifiable expenditure	9,299	9,345	10,624	10,864	10,862	7,030	6,833	8,006	7,965	8,397	2,269	2,512	2,618	2,899	2,465					
Outside the UK	36	83	67	58	13	36	73	57	45	13	-	11	10	13	-					
Total identifiable expenditure	9,335	9,429	10,691	10,923	10,874	7,066	6,906	8,063	8,010	8,409	2,269	2,523	2,628	2,912	2,465					
Non-identifiable expenditure	219	287	290	492	344	184	184	142	178	159	35	103	149	315	185					
Total Expenditure on Services	9,554	9,716	10,982	11,415	11,218	7,250	7,090	8,204	8,188	8,568	2,304	2,626	2,777	3,227	2,650					

Table 9.10 Identifiable expenditure on housing and community amenities by country and region, 2007-08 to 2011-12

	Housing and community amenities												of which: capital												£ million
	National Statistics						of which: current						National Statistics												
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn		2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn		2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn								
North East	582	673	825	660	538		188	172	204	156	125		394	501	622	504	413								
North West	1,799	1,874	1,529	1,234	996		443	447	451	345	268		1,356	1,426	1,079	889	728								
Yorkshire and the Humber	999	1,090	1,144	900	694		302	280	319	231	178		697	810	825	669	516								
East Midlands	507	654	772	678	485		222	231	258	193	145		285	423	514	485	340								
West Midlands	769	981	1,104	857	630		251	242	272	184	137		519	739	832	673	492								
East	633	781	997	688	412		282	269	320	203	148		351	512	677	485	264								
London	2,682	3,447	3,856	3,145	2,079		521	509	566	471	333		2,161	2,938	3,289	2,674	1,746								
South East	989	1,227	1,522	1,176	749		440	410	469	322	236		549	817	1,053	854	513								
South West	646	748	919	677	462		241	255	291	207	156		405	493	629	470	306								
England	9,606	11,474	12,668	10,015	7,046		2,890	2,814	3,149	2,312	1,728		6,716	8,660	9,519	7,703	5,319								
Scotland	1,739	1,802	1,970	1,621	1,719		326	281	261	296	292		1,413	1,521	1,709	1,324	1,427								
Wales	512	624	621	597	673		119	150	145	145	204		392	474	476	452	470								
Northern Ireland	1,132	1,333	1,118	828	968		559	590	529	402	498		573	743	589	426	470								
UK identifiable expenditure	12,989	15,233	16,377	13,061	10,406		3,894	3,835	4,083	3,156	2,721		9,095	11,398	12,294	9,905	7,685								
Outside the UK	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-								
Total identifiable expenditure	12,989	15,233	16,377	13,061	10,406		3,894	3,835	4,083	3,156	2,721		9,095	11,398	12,294	9,905	7,685								
Non-identifiable expenditure	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-								
Total Expenditure on Services	12,989	15,233	16,377	13,061	10,406		3,894	3,835	4,083	3,156	2,721		9,095	11,398	12,294	9,905	7,685								

Table 9.11 Identifiable expenditure on health by country and region, 2007-08 to 2011-12

	£ million														
	Health				of which: current				of which: capital						
	National Statistics		National Statistics		National Statistics		National Statistics		National Statistics		National Statistics				
	2007-08	2008-09	2009-10	2010-11	2011-12	2007-08	2008-09	2009-10	2010-11	2011-12	2007-08	2008-09	2009-10	2010-11	2011-12
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn
North East	4,584	5,063	5,347	5,458	5,440	4,419	4,824	5,104	5,254	5,297	165	239	243	204	143
North West	12,233	12,972	14,002	14,284	14,318	11,668	12,463	13,344	13,754	13,911	565	509	658	530	407
Yorkshire and the Humber	8,453	9,832	10,232	10,199	10,075	8,149	9,475	9,768	9,681	9,783	305	357	464	518	291
East Midlands	6,650	7,151	7,554	7,839	7,843	6,355	6,750	7,219	7,538	7,650	296	402	335	301	192
West Midlands	8,833	9,604	10,288	10,412	10,461	8,406	9,156	9,707	9,977	10,079	426	448	581	435	382
East	8,151	8,789	9,652	10,045	10,033	7,872	8,445	9,182	9,636	9,782	279	345	470	409	251
London	14,127	14,375	16,429	17,270	17,247	13,364	13,602	15,545	16,536	16,637	763	772	884	733	610
South East	12,355	13,505	14,554	14,574	14,723	11,730	12,761	13,641	13,986	14,138	625	744	913	588	585
South West	7,955	8,734	9,214	9,264	9,385	7,607	8,282	8,740	8,887	9,031	347	451	474	377	355
England	83,342	90,025	97,272	99,343	99,525	79,570	85,758	92,250	95,248	96,308	3,772	4,267	5,022	4,095	3,217
Scotland	9,727	10,179	10,593	10,838	10,989	9,285	9,672	10,059	10,260	10,494	442	507	534	579	494
Wales	5,273	5,562	5,917	6,066	6,017	5,004	5,250	5,520	5,679	5,721	268	313	397	387	296
Northern Ireland	3,061	3,299	3,442	3,786	3,835	2,873	3,106	3,253	3,583	3,636	188	193	189	202	200
UK identifiable expenditure	101,404	109,065	117,224	120,033	120,366	96,733	103,786	111,082	114,770	116,159	4,671	5,279	6,142	5,263	4,207
Outside the UK	745	660	815	930	706	745	660	815	930	706	0	-	-	0	-
Total identifiable expenditure	102,149	109,725	118,040	120,963	121,071	97,478	104,446	111,898	115,700	116,864	4,671	5,279	6,142	5,263	4,207
Non-identifiable expenditure	198	244	202	344	215	144	177	166	213	148	54	67	37	132	67
Total Expenditure on Services	102,346	109,970	118,242	121,307	121,287	97,622	104,623	112,063	115,913	117,012	4,725	5,347	6,179	5,395	4,274

Table 9.12 Identifiable expenditure on recreation, culture and religion by country and region, 2007-08 to 2011-12

	Recreation, culture and religion												of which: current						of which: capital											
	National Statistics						National Statistics						2007-08			2008-09			2009-10			2010-11			2011-12					
	2007-08	2008-09	2009-10	2010-11	2011-12	2011-12	2007-08	2008-09	2009-10	2010-11	2011-12	2011-12	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	
North East	369	370	426	380	342	285	299	327	303	264	264	84	71	99	77	78														
North West	752	814	807	764	721	597	638	620	593	537	537	155	176	187	172	185														
Yorkshire and the Humber	597	619	650	600	577	453	471	483	474	441	441	144	148	167	126	135														
East Midlands	473	462	513	449	400	360	365	376	354	306	306	113	97	137	94	95														
West Midlands	583	598	567	583	571	443	469	445	432	418	418	140	129	121	151	154														
East	546	563	614	542	500	415	436	421	407	363	363	131	126	193	135	137														
London	1,052	1,120	1,355	1,308	1,455	872	889	1,009	1,040	1,154	1,154	180	231	346	268	301														
South East	829	882	878	840	768	643	659	647	622	551	551	186	223	231	218	217														
South West	490	535	590	570	522	386	416	451	418	373	373	104	119	139	151	149														
England	5,692	5,962	6,399	6,035	5,857	4,455	4,642	4,779	4,643	4,407	4,407	1,238	1,320	1,621	1,392	1,450														
Scotland	1,029	1,081	1,138	1,097	1,221	799	815	867	847	874	874	230	265	271	250	347														
Wales	693	687	636	608	571	497	543	561	524	494	494	196	144	75	85	77														
Northern Ireland	411	445	415	447	391	304	350	332	365	317	317	107	95	83	82	74														
UK identifiable expenditure	7,826	8,174	8,589	8,187	8,041	6,056	6,351	6,538	6,379	6,092	6,092	1,770	1,823	2,051	1,808	1,949														
Outside the UK	267	279	240	237	264	227	226	203	206	208	208	40	53	36	31	55														
Total identifiable expenditure	8,093	8,453	8,828	8,424	8,304	6,283	6,577	6,742	6,585	6,300	6,300	1,810	1,876	2,087	1,839	2,004														
Non-identifiable expenditure	3,845	3,984	4,479	4,360	4,893	3,609	3,456	3,640	3,540	4,238	4,238	236	528	839	820	655														
Total Expenditure on Services	11,938	12,437	13,308	12,784	13,197	9,892	10,033	10,382	10,124	10,539	10,539	2,046	2,404	2,926	2,659	2,659														

£ million

Table 9.13 Identifiable expenditure on education by country and region, 2007-08 to 2011-12

	Education												of which: current												of which: capital												£ million
	National Statistics						National Statistics						National Statistics						National Statistics																		
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn		2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn		2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn		2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn														
North East	3,431	3,760	3,887	3,950	3,860		3,106	3,256	3,349	3,556	3,531		324	504	538	394	329		667	839	1,157	1,140	922														
North West	8,947	9,385	10,136	10,708	10,450		8,280	8,546	8,979	9,568	9,528		8,280	8,546	8,979	9,568	9,528		667	839	1,157	1,140	922														
Yorkshire and the Humber	6,504	6,951	7,464	7,861	7,808		5,951	6,198	6,650	6,969	7,070		553	753	814	892	738		553	753	814	892	738														
East Midlands	5,304	5,654	6,021	6,330	6,355		4,820	5,072	5,341	5,742	5,859		485	581	681	588	496		485	581	681	588	496														
West Midlands	7,016	7,334	7,833	8,320	8,129		6,410	6,683	7,018	7,509	7,512		606	651	815	811	617		606	651	815	811	617														
East	6,503	6,810	7,408	7,708	8,022		5,858	6,127	6,576	6,844	7,295		645	683	832	864	727		645	683	832	864	727														
London	11,700	12,309	13,211	13,773	13,506		10,577	10,943	11,527	12,123	12,200		1,123	1,366	1,684	1,651	1,306		1,123	1,366	1,684	1,651	1,306														
South East	9,596	10,178	10,846	11,098	11,488		8,684	9,090	9,575	10,041	10,625		912	1,088	1,271	1,057	863		912	1,088	1,271	1,057	863														
South West	5,836	6,278	6,733	7,149	7,167		5,362	5,593	5,871	6,456	6,586		474	685	861	692	581		474	685	861	692	581														
England	64,837	68,658	73,539	76,897	76,786		59,048	61,507	64,887	68,809	70,206		5,789	7,151	8,652	8,088	6,580		5,789	7,151	8,652	8,088	6,580														
Scotland	7,368	7,577	7,748	7,694	7,702		6,672	6,928	7,084	7,097	6,900		696	649	664	597	802		696	649	664	597	802														
Wales	3,944	4,159	4,339	4,444	4,442		3,720	3,886	4,016	4,108	4,018		223	273	323	336	424		223	273	323	336	424														
Northern Ireland	2,467	2,555	2,718	2,758	2,717		2,252	2,330	2,447	2,536	2,561		215	225	271	223	157		215	225	271	223	157														
UK identifiable expenditure	78,616	82,949	88,344	91,793	91,647		71,692	74,651	78,434	82,549	83,684		6,924	8,298	9,910	9,243	7,963		6,924	8,298	9,910	9,243	7,963														
Outside the UK	43	41	41	3	3		43	41	41	3	2		0	0	0	0	0		0	0	0	0	0														
Total identifiable expenditure	78,659	82,990	88,385	91,796	91,649		71,735	74,692	78,475	82,552	83,687		6,924	8,298	9,910	9,244	7,963		6,924	8,298	9,910	9,244	7,963														
Non-identifiable expenditure	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-														
Total Expenditure on Services	78,659	82,990	88,385	91,796	91,649		71,735	74,692	78,475	82,552	83,687		6,924	8,298	9,910	9,244	7,963		6,924	8,298	9,910	9,244	7,963														

Table 9.14 Identifiable expenditure on social protection by country and region, 2007-08 to 2011-12

	£ million																			
	Social protection						of which: current						of which: capital							
	2007-08		2008-09		2009-10		2010-11		2011-12		2007-08		2008-09		2009-10		2010-11		2011-12	
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn
North East	8,669	9,339	10,309	10,585	10,964	8,624	9,301	10,241	10,514	10,905	45	38	68	71	60					
North West	22,412	24,318	26,615	27,435	28,564	22,326	24,229	26,469	27,284	28,451	85	89	146	151	113					
Yorkshire and the Humber	15,416	16,817	18,545	19,187	19,933	15,347	16,753	18,454	19,086	19,858	70	64	91	101	74					
East Midlands	12,471	13,674	15,033	15,562	16,320	12,409	13,628	14,940	15,473	16,259	61	47	93	89	61					
West Midlands	16,829	18,297	20,145	20,595	21,390	16,737	18,230	20,051	20,504	21,334	92	66	93	92	56					
East	15,317	16,920	18,754	19,436	20,373	15,258	16,865	18,663	19,341	20,305	59	55	91	95	68					
London	23,499	25,224	27,560	28,681	29,790	23,406	25,103	27,399	28,531	29,681	93	121	161	150	110					
South East	21,904	24,129	26,574	27,584	29,024	21,820	24,047	26,439	27,439	28,927	84	82	135	145	97					
South West	15,162	16,663	18,144	18,908	19,942	15,102	16,609	18,057	18,805	19,862	60	53	87	103	80					
England	151,679	165,380	181,679	187,975	196,301	151,030	164,765	180,714	186,978	195,582	649	615	964	997	719					
Scotland	17,066	18,383	19,910	20,559	21,351	16,974	18,286	19,791	20,459	21,237	92	97	119	100	113					
Wales	10,354	11,151	12,082	12,531	12,977	10,317	11,110	12,047	12,476	12,938	37	41	35	55	39					
Northern Ireland	6,485	6,763	7,487	7,278	7,638	6,473	6,744	7,460	7,264	7,626	12	18	28	14	12					
UK identifiable expenditure	185,584	201,676	221,158	228,342	238,268	184,794	200,905	220,012	227,177	237,384	790	771	1,146	1,166	884					
Outside the UK	2,999	3,319	3,481	3,629	3,984	2,996	3,316	3,470	3,619	3,974	4	3	11	11	10					
Total identifiable expenditure	188,583	204,996	224,639	231,972	242,251	187,789	204,221	223,482	230,795	241,358	794	774	1,157	1,176	894					
Non-identifiable expenditure	-	-	37	34	39	-	-	37	34	39	-	-	-	-	-					
Total Expenditure on Services	188,583	204,996	224,676	232,006	242,290	187,789	204,221	223,519	230,829	241,397	794	774	1,157	1,176	894					

Table 9.15 UK identifiable expenditure on services by function, country and region, per head, 2007-08 to 2011-12 (continued)

		Data in this table from 2007-08 to 2011-12 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
2009-10																			
North East		124	121	3	1	529	618	172	47	51	82	266	133	321	2,076	165	1,509	4,003	9,479
North West		115	112	3	1	541	595	111	41	42	52	348	280	219	2,004	115	1,451	3,810	9,132
Yorkshire and the Humber		106	103	3	1	495	575	116	43	48	85	284	145	219	1,959	125	1,429	3,550	8,604
East Midlands		128	125	3	1	419	534	86	43	40	108	258	133	173	1,689	115	1,347	3,362	7,900
West Midlands		133	130	3	1	480	520	97	34	50	69	270	128	200	1,861	103	1,417	3,644	8,485
East		115	113	3	2	379	564	59	62	34	128	281	144	173	1,678	107	1,288	3,261	7,711
London		142	140	3	1	836	954	101	63	48	11	730	140	485	2,068	171	1,663	3,470	9,931
South East		103	100	3	1	407	445	42	50	34	55	264	153	179	1,714	103	1,277	3,130	7,513
South West		122	119	3	1	398	491	67	36	30	138	220	182	176	1,763	113	1,288	3,471	8,005
England		121	118	3	1	510	597	88	47	41	75	346	164	243	1,864	123	1,409	3,481	8,511
Scotland		226	223	3	2	482	1,014	170	71	42	168	563	243	379	2,040	219	1,492	3,833	9,929
Wales		262	258	3	1	496	838	209	27	54	169	379	189	204	1,947	209	1,428	3,976	9,550
Northern Ireland		233	231	3	0	729	955	207	42	69	308	329	134	624	1,919	231	1,516	4,175	10,517
UK identifiable expenditure		139	137	3	1	513	654	104	48	43	94	365	171	263	1,884	138	1,420	3,554	8,738
2010-11																			
North East		110	106	4	1	512	581	144	40	68	71	258	137	255	2,110	147	1,527	4,092	9,472
North West		111	108	4	1	520	543	92	37	64	41	309	295	176	2,035	109	1,525	3,908	9,224
Yorkshire and the Humber		92	88	4	1	477	522	81	37	60	78	265	135	171	1,941	114	1,496	3,651	8,600
East Midlands		148	144	4	1	395	486	57	39	51	114	226	136	150	1,739	100	1,405	3,453	8,013
West Midlands		113	109	4	1	451	458	75	30	60	65	228	116	154	1,871	105	1,495	3,700	8,464
East		96	93	4	2	360	566	36	60	42	123	305	140	119	1,730	93	1,327	3,347	7,780
London		107	104	4	1	790	853	82	59	60	7	646	137	390	2,142	162	1,709	3,558	9,850
South East		104	100	4	1	388	405	32	48	48	45	232	158	137	1,699	98	1,294	3,216	7,499
South West		101	97	4	1	381	456	55	35	39	116	211	195	129	1,761	108	1,359	3,594	8,085
England		108	104	4	1	486	548	68	44	54	67	315	165	190	1,887	115	1,461	3,571	8,532
Scotland		232	228	4	2	511	968	174	49	45	178	522	252	310	2,075	210	1,473	3,937	9,972
Wales		223	219	4	1	476	863	227	28	54	170	383	199	196	1,989	199	1,457	4,108	9,712
Northern Ireland		238	234	4	0	806	986	183	41	86	287	389	134	459	2,097	248	1,528	4,032	10,528
UK identifiable expenditure		128	124	4	1	497	611	88	44	54	87	338	173	208	1,914	131	1,464	3,641	8,766

Table 9.15 UK identifiable expenditure on services by function, country and region, per head, 2007-08 to 2011-12 (continued)

	Data in this table from 2007-08 to 2011-12 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
2011-12																		
North East	111	108	3	1	525	464	73	42	37	87	223	144	207	2,095	132	1,487	4,223	9,389
North West	113	109	3	1	511	465	63	38	35	49	279	289	141	2,029	102	1,481	4,048	9,180
Yorkshire and the Humber	95	92	3	1	465	451	50	38	33	79	251	135	131	1,905	109	1,476	3,769	8,539
East Midlands	147	144	3	1	394	394	38	38	28	98	192	127	107	1,728	88	1,401	3,597	7,984
West Midlands	115	112	3	1	449	373	47	31	32	65	198	117	112	1,865	102	1,449	3,814	8,398
East	97	93	3	2	355	490	31	63	23	95	278	131	70	1,711	85	1,368	3,475	7,785
London	100	97	3	2	752	799	55	62	32	6	644	149	253	2,102	177	1,646	3,631	9,613
South East	109	106	3	1	369	372	33	50	27	55	207	155	87	1,702	89	1,328	3,354	7,565
South West	103	100	3	1	384	424	44	36	22	138	184	187	87	1,771	99	1,352	3,762	8,171
England	109	106	3	1	475	483	47	46	30	68	292	164	133	1,874	110	1,446	3,696	8,491
Scotland	206	203	3	2	473	975	191	54	25	188	518	253	327	2,091	232	1,466	4,063	10,088
Wales	233	230	4	2	481	774	128	28	31	236	351	194	220	1,964	186	1,450	4,236	9,740
Northern Ireland	205	202	3	0	799	907	167	46	86	279	330	141	533	2,114	216	1,498	4,210	10,623
UK identifiable expenditure	126	122	3	1	484	550	66	45	31	92	315	172	165	1,903	127	1,449	3,768	8,745

Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2007-08 to 2011-12

		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	
2007-08																				
North East		82	81	122	92	107	102	222	91	123	89	69	80	107	108	113	104	112	108	
North West		80	79	125	89	106	88	100	81	120	56	88	151	123	107	85	101	107	105	
Yorkshire and the Humber		73	72	125	123	97	86	131	92	114	81	69	81	91	99	91	98	99	96	
East Midlands		91	91	100	110	82	82	87	85	100	100	74	77	54	91	84	94	94	90	
West Midlands		102	102	106	96	93	83	90	71	122	74	79	75	67	98	84	100	102	97	
East		87	87	97	120	76	75	45	111	76	103	74	85	53	87	76	90	89	86	
London		105	105	89	106	166	138	81	124	105	16	187	87	165	111	107	119	101	115	
South East		77	77	89	102	78	74	36	109	64	63	84	97	56	89	78	90	87	85	
South West		85	85	90	113	77	77	51	77	78	135	72	110	59	93	74	88	97	90	
England		87	87	103	105	100	90	83	96	98	74	94	96	88	98	87	98	97	97	
Scotland		150	151	85	91	92	172	199	173	66	214	167	142	160	114	157	112	110	118	
Wales		185	187	85	77	95	124	200	56	154	186	94	101	80	106	181	102	114	111	
Northern Ireland		180	182	85	6	136	140	140	90	171	377	93	87	303	105	183	109	122	125	
UK identifiable expenditure		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
2008-09																				
North East		101	101	98	90	107	97	176	87	147	82	74	83	106	112	109	109	111	109	
North West		85	84	96	89	107	87	109	80	106	57	87	141	109	106	88	100	107	104	
Yorkshire and the Humber		68	67	98	86	93	85	108	89	107	82	77	87	85	107	90	100	99	98	
East Midlands		78	78	97	123	83	79	86	83	89	107	67	81	60	91	79	95	94	90	
West Midlands		96	96	96	101	92	82	90	67	120	72	80	78	72	99	82	99	102	97	
East		91	91	98	136	75	81	60	129	72	105	75	90	56	87	74	89	91	87	
London		107	107	95	108	168	134	112	131	118	15	176	87	179	104	108	117	99	113	
South East		73	72	117	109	79	85	50	108	69	98	91	92	59	91	79	90	88	87	
South West		87	87	98	118	76	83	63	68	72	146	74	108	58	95	78	90	98	92	
England		87	87	100	107	100	92	89	97	97	81	94	96	90	98	87	99	98	97	
Scotland		160	162	98	73	92	155	162	166	74	169	157	138	141	112	158	109	109	115	
Wales		180	182	104	84	96	121	163	55	157	163	101	116	84	104	172	102	113	110	
Northern Ireland		169	171	97	2	132	143	136	84	168	343	94	86	304	105	189	107	116	123	
UK identifiable expenditure		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	

Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2007-08 to 2011-12 (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	
2009-10																				
North East		89	89	99	92	103	95	165	98	120	87	73	78	122	110	120	106	113	108	
North West		83	82	98	91	105	91	107	84	99	56	95	164	83	106	84	102	107	105	
Yorkshire and the Humber		76	76	99	75	96	88	111	89	112	90	78	85	83	104	90	101	100	98	
East Midlands		92	91	98	98	82	82	82	88	93	115	71	78	66	90	83	95	95	90	
West Midlands		95	95	97	93	93	79	93	70	117	73	74	75	76	99	74	100	103	97	
East		83	82	99	131	74	86	57	128	80	136	77	84	66	89	77	91	92	88	
London		102	102	96	108	163	146	97	131	112	12	200	82	184	110	124	117	98	114	
South East		74	73	109	112	79	68	40	104	80	59	72	90	68	91	75	90	88	86	
South West		88	87	99	96	78	75	64	74	70	147	60	106	67	94	82	91	98	92	
England		86	86	100	101	99	91	84	98	97	80	95	96	92	99	89	99	98	97	
Scotland		162	163	99	131	94	155	163	147	98	180	154	142	144	108	159	105	108	114	
Wales		188	189	105	86	97	128	200	56	126	180	104	111	78	103	152	101	112	109	
Northern Ireland		167	169	99	2	142	146	199	86	162	328	90	78	237	102	168	107	117	120	
UK identifiable expenditure		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
2010-11																				
North East		86	86	100	101	103	95	164	92	126	82	76	79	123	110	112	104	112	108	
North West		87	87	98	86	105	89	105	85	118	47	91	170	84	106	83	104	107	105	
Yorkshire and the Humber		72	71	100	74	96	85	92	86	111	89	78	78	82	101	87	102	100	98	
East Midlands		116	116	99	97	80	80	65	89	93	130	67	79	72	91	76	96	95	91	
West Midlands		88	88	98	90	91	75	85	69	111	74	68	67	74	98	80	102	102	97	
East		75	75	100	122	73	93	41	137	78	140	90	81	57	90	72	91	92	89	
London		84	84	97	104	159	140	94	135	110	8	191	79	187	112	124	117	98	112	
South East		81	80	105	100	78	66	37	110	88	52	69	91	66	89	75	88	88	86	
South West		79	79	100	98	77	75	63	81	72	132	62	112	62	92	83	93	99	92	
England		85	84	100	97	98	90	77	101	100	76	93	95	91	99	88	100	98	97	
Scotland		182	184	100	165	103	159	199	113	83	203	155	145	149	108	161	101	108	114	
Wales		175	177	105	96	96	141	260	64	99	195	113	115	94	104	153	100	113	111	
Northern Ireland		186	189	99	2	162	161	209	94	158	328	115	77	220	110	190	104	111	120	
UK identifiable expenditure		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	

Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2007-08 to 2011-12 (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
2011-12																			
North East		88	88	99	99	108	84	111	93	120	95	71	84	126	110	104	103	112	107
North West		90	89	99	82	106	84	95	83	114	54	88	168	86	107	80	102	107	105
Yorkshire and the Humber		76	75	99	81	96	82	76	84	106	85	80	78	80	100	86	102	100	98
East Midlands		117	118	99	98	81	72	57	84	90	106	61	74	65	91	69	97	95	91
West Midlands		92	91	99	87	93	68	71	68	103	70	63	68	68	98	80	100	101	96
East		77	76	99	118	73	89	47	138	74	103	88	76	43	90	67	94	92	89
London		80	79	99	117	155	145	83	137	104	7	204	87	154	110	139	114	96	110
South East		87	86	103	68	76	68	50	109	88	60	66	90	53	89	70	92	89	87
South West		82	82	99	89	79	77	66	79	71	150	58	109	53	93	78	93	100	93
England		87	86	100	92	98	88	71	100	96	74	93	95	81	98	87	100	98	97
Scotland		164	165	99	159	98	177	288	119	80	204	164	147	199	110	183	101	108	115
Wales		185	187	107	174	99	141	193	61	101	256	111	113	134	103	147	100	112	111
Northern Ireland		163	165	99	27	165	165	252	100	277	303	105	82	324	111	170	103	112	121
UK identifiable expenditure		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Table 9.17 Total local government identifiable expenditure on services by country and region, 2007-08 to 2011-12

	As a per cent of total spending in that region (from Table 9.1)											
	£ million						National Statistics					
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2007-08 outturn	2009-10 outturn
North East	6,203	6,755	7,099	7,119	7,130	29	30	29	29	29	29	29
North West	16,601	17,804	18,532	18,689	18,950	30	30	29	29	29	29	29
Yorkshire and the Humber	11,116	11,907	12,535	12,759	12,863	29	29	28	28	28	28	28
East Midlands	8,783	9,403	9,972	9,928	10,096	29	29	28	27	27	28	28
West Midlands	12,212	12,886	13,446	13,471	13,654	30	30	29	29	29	29	29
East	11,363	12,260	13,154	12,927	13,126	31	30	30	29	29	30	29
London	25,130	26,893	28,616	28,303	28,582	37	37	36	36	36	36	36
South East	16,057	17,400	18,278	18,509	18,831	29	29	29	29	29	29	29
South West	10,090	11,183	11,678	11,745	11,948	28	29	28	28	28	28	28
Total England	117,554	126,490	133,309	133,450	135,181	31	31	30	30	30	30	30
Scotland	13,442	14,382	14,824	14,914	15,408	29	30	29	29	29	29	29
Wales	7,299	7,856	7,938	8,034	8,148	29	29	27	27	27	27	27
Northern Ireland ⁽¹⁾	609	620	565	480	609	4	3	3	3	3	3	3
UK local government identifiable expenditure	138,904	149,348	156,635	156,878	159,345	30	30	29	29	29	29	29
Non-identifiable expenditure	700	451	179	195	282	1	1	0	0	0	0	0
Total local government expenditure on services	139,604	149,799	156,814	157,073	159,627	25	25	24	24	24	24	24
Accounting adjustments	16,233	18,139	16,584	18,949	11,110	53	59	56	60	60	41	41
Total local government expenditure	155,837	167,938	173,398	176,022	170,737	27	26	26	25	25	25	25

⁽¹⁾ The relative weighting of Northern Ireland is lower 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 2007-08 to 2011-12

	£ per head						Index (UK identifiable expenditure = 100)					
	National Statistics			National Statistics			National Statistics			National Statistics		
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn		
North East	2,421	2,629	2,756	2,752	2,746	107	109	109	110	109		
North West	2,396	2,559	2,653	2,662	2,686	106	106	105	106	107		
Yorkshire and the Humber	2,153	2,290	2,400	2,428	2,432	95	95	95	97	97		
East Midlands	1,994	2,117	2,230	2,203	2,225	88	88	89	88	88		
West Midlands	2,240	2,345	2,432	2,420	2,434	99	97	97	97	97		
East	2,010	2,148	2,287	2,226	2,239	89	89	91	89	89		
London	3,266	3,442	3,603	3,511	3,484	144	142	143	140	138		
South East	1,923	2,065	2,153	2,158	2,176	85	85	86	86	86		
South West	1,952	2,148	2,234	2,232	2,254	86	89	89	89	89		
Total England	2,288	2,441	2,554	2,535	2,545	101	101	101	101	101		
Scotland	2,613	2,783	2,854	2,856	2,932	115	115	113	114	116		
Wales	2,428	2,596	2,612	2,634	2,659	107	107	104	105	106		
Northern Ireland ⁽¹⁾	345	348	315	266	335	15	14	13	11	13		
UK local government identifiable expenditure	2,266	2,417	2,517	2,501	2,520	100	100	100	100	100		

⁽¹⁾ The relative weighting of Northern Ireland is lower 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, 2007-08 to 2011-12

	As a per cent of total spending in that region from Table 9.1											
	£ million						National Statistics					
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn		
North East	14,861	16,075	17,314	17,384	17,247	71	70	71	71	71		
North West	38,925	41,360	45,265	46,066	45,826	70	70	71	71	71		
Yorkshire and the Humber	26,952	29,761	32,407	32,432	32,291	71	71	72	72	72		
East Midlands	21,483	23,261	25,354	26,189	26,133	71	71	72	73	72		
West Midlands	28,220	30,665	33,461	33,640	33,446	70	70	71	71	71		
East	25,706	28,124	31,194	32,256	32,512	69	70	70	71	71		
London	42,315	44,884	50,266	51,105	50,285	63	63	64	64	64		
South East	38,393	42,332	45,513	45,819	46,627	71	71	71	71	71		
South West	25,649	27,923	30,161	30,790	31,362	72	71	72	72	72		
Total England	262,504	284,385	310,934	315,679	315,730	69	69	70	70	70		
Scotland	32,989	34,223	36,749	37,159	37,603	71	70	71	71	71		
Wales	18,187	19,347	21,084	21,587	21,695	71	71	73	73	73		
Northern Ireland ⁽¹⁾	16,169	17,187	18,295	18,521	18,664	96	97	97	97	97		
UK central government and public corporations' identifiable expenditure	329,849	355,142	387,061	392,946	393,692	70	70	71	71	71		
Outside UK	13,694	12,071	16,205	19,271	18,815	100	100	100	100	100		
Total central government and public corporations' identifiable expenditure	343,544	367,213	403,266	412,217	412,507	71	71	72	72	72		
Non-identifiable expenditure ⁽²⁾	72,673	86,506	82,531	93,269	95,426	99	99	100	100	100		
Total central government and public corporations' expenditure on services	416,217	453,719	485,797	505,485	507,932	75	75	76	76	76		
Accounting adjustments	14,543	12,595	13,296	12,412	15,937	47	41	44	40	59		
Total central government and public corporations' expenditure ⁽³⁾	430,760	466,314	499,093	517,897	523,869	73	74	74	75	75		

⁽¹⁾ The relative weighting of Northern Ireland is higher in these tables because spending that is undertaken by local government in Great Britain is mostly undertaken by Northern Ireland departments.

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

⁽³⁾ 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, 2007-08 to 2011-12

	National Statistics					£ per head
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	
North East	5,801	6,256	6,723	6,720	6,643	
North West	5,617	5,944	6,479	6,562	6,495	
Yorkshire and the Humber	5,219	5,725	6,204	6,172	6,106	
East Midlands	4,877	5,238	5,670	5,811	5,759	
West Midlands	5,176	5,579	6,053	6,044	5,963	
East	4,547	4,927	5,424	5,554	5,546	
London	5,500	5,745	6,329	6,339	6,129	
South East	4,597	5,024	5,360	5,342	5,389	
South West	4,961	5,365	5,771	5,852	5,917	
Total England	5,109	5,488	5,957	5,997	5,945	
Scotland	6,413	6,621	7,075	7,116	7,156	
Wales	6,050	6,394	6,938	7,078	7,081	
Northern Ireland ⁽¹⁾	9,178	9,660	10,202	10,262	10,287	
UK central government and public corporations' identifiable expenditure	5,382	5,748	6,221	6,265	6,225	

	National Statistics					Index (UK identifiable expenditure = 100)
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	
North East	108	109	108	107	107	
North West	104	103	104	105	104	
Yorkshire and the Humber	97	100	100	99	98	
East Midlands	91	91	91	93	93	
West Midlands	96	97	97	96	96	
East	84	86	87	89	89	
London	102	100	102	101	98	
South East	85	87	86	85	87	
South West	92	93	93	93	95	
Total England	95	95	96	96	95	
Scotland	119	115	114	114	115	
Wales	112	111	112	113	114	
Northern Ireland ⁽¹⁾	171	168	164	164	165	
UK central government and public corporations' identifiable expenditure	100	100	100	100	100	

⁽¹⁾ The relative weighting of Northern Ireland is higher 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 2011-12

Departmental grouping		National Statistics										Total Expenditure on Services					
		1. General public services <i>of which: public and common services</i>	2. Defence <i>of which: international services</i>	3. Public order and safety	4. Economic affairs <i>of which: enterprise and economic development</i>	5. Environment protection <i>of which: science and technology</i>	6. Housing and community amenities <i>of which: employment policies</i>	7. Health <i>of which: agriculture, fisheries and forestry</i>	8. Recreation, culture and religion <i>of which: transport</i>	9. Education	10. Social protection						
Scotland		404	7	1,021	2,993	455	5	0	905	1,628	265	1,544	10,920	235	2,373	470	20,232
Scottish Government		21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21
Scotland Office ⁽¹⁾		608	4	1,294	1,432	394	-	-	74	964	742	175	-	897	5,303	4,953	15,408
Local government public corporations		-	-	-	6	-	-	-	-	6	-	-	-	-	-	-	6
UK government departments		7	-	171	693	152	278	130	9	125	321	0	69	89	26	15,927	17,302
Total identifiable expenditure in Scotland		1,082	17	2,486	5,124	1,001	283	130	988	2,722	1,327	1,719	10,989	1,221	7,702	21,351	53,012
Wales		378	1	18	1,371	211	9	5	697	450	129	351	6,003	112	1,573	122	10,058
Welsh Assembly Government		5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5
Wales Office ⁽¹⁾		288	7	844	568	107	-	-	23	438	378	320	-	317	2,846	2,582	8,148
Local government public corporations		-	-	-	4	-	-	-	-	4	-	-	-	-	-	-	4
UK government departments		43	10	613	429	73	76	91	5	183	88	3	14	142	22	10,274	11,628
Total identifiable expenditure in Wales		714	11	1,475	2,371	391	85	96	724	1,074	595	673	6,017	571	4,442	12,977	29,842
Northern Ireland		339	-	1,418	1,552	254	54	155	505	584	56	831	3,781	144	2,710	6,236	17,067
Northern Ireland Executive		20	-	4	-	-	-	-	-	-	-	-	-	-	-	-	25
Northern Ireland Office		-	-	-	21	21	-	-	-	-	185	137	51	216	-	-	609
Local government public corporations		13	6	27	73	27	29	1	2	14	15	-	3	31	8	1,402	1,572
UK government departments		372	6	1,449	1,646	302	83	156	507	598	255	968	3,835	391	2,717	7,638	19,273

⁽¹⁾ 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**.

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 2012. Therefore, the figures in these chapters are not entirely consistent with the figures in earlier PESA chapters. The **Chapter 10** tables are similar to those published in the CRA National Statistics release from October 2012.¹ The difference being that the most recently available mid year population estimates (see **Annex F**) were used to produce **10.5 to 10.8** “per head” tables.

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.

¹ <https://www.gov.uk/government/publications/national-statistics-release-october-2012>

Table 10.1 Total identifiable expenditure on services in England by sub-function, 2007-08 to 2011-12

	National Statistics				
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn
£ million					
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	2,912	3,157	3,079	3,074	2,667
1.2 Foreign economic aid	26	6	3	2	1
1.3 General services	905	1,011	1,183	1,057	1,021
1.4 Basic research	-	-	-	-	-
1.5 R&D general public services	11	9	11	7	5
1.6 General public services n.e.c.	1,756	2,116	2,018	1,551	2,092
Total general public services	5,610	6,299	6,293	5,692	5,787
2. Defence					
2.1 Military defence	-	-	-	-	-
2.2 Civil defence	80	74	69	66	68
2.3 Foreign military aid	-	-	-	-	-
2.4 R&D defence	-	-	-	-	-
2.5 Defence n.e.c.	-	-	-	-	-
Total defence	80	74	69	66	68
3. Public order and safety					
3.1 Police services	12,795	13,902	14,276	13,696	13,567
<i>of which: immigration and citizenship</i>	-	-	-	-	-
<i>of which: other police services</i>	12,795	13,902	14,276	13,696	13,567
3.2 Fire-protection services	2,365	2,478	2,485	2,430	2,421
3.3 Law courts	5,696	5,830	5,504	5,037	5,446
3.4 Prisons	3,669	3,972	4,047	4,165	3,417
3.5 R&D public order and safety	19	18	22	9	15
3.6 Public order and safety n.e.c.	258	262	275	233	351
Total public order and safety	24,803	26,462	26,608	25,570	25,216
4. Economic affairs					
4.1 General economic, commercial and labour affairs	4,482	4,654	4,818	4,896	3,112
4.2 Agriculture, forestry, fishing and hunting	2,667	3,965	3,894	3,518	3,619
<i>of which: market support under CAP</i>	1,620	2,984	2,946	2,696	2,862
<i>of which: other agriculture, food and fisheries policy</i>	980	924	898	766	705
<i>of which: forestry</i>	67	57	50	56	52
4.3 Fuel and energy	965	700	387	297	279
4.4 Mining, manufacturing and construction	-184	231	528	226	89
4.5 Transport	15,940	16,409	18,052	16,593	15,532
<i>of which: national roads</i>	2,586	2,810	3,338	2,739	2,420
<i>of which: local roads</i>	3,913	4,320	4,583	4,334	3,507
<i>of which: local public transport</i>	2,686	3,096	3,460	3,146	3,156
<i>of which: railway</i>	6,311	5,716	6,184	5,959	6,138
<i>of which: other transport</i>	444	468	487	414	310
4.6 Communication	77	75	72	95	12
4.7 Other industries	325	506	407	349	253
4.8 R&D economic affairs	2,189	2,129	2,474	2,321	2,425
4.9 Economic affairs n.e.c.	447	368	534	543	319
Total economic affairs	26,908	29,038	31,167	28,836	25,640
5. Environment protection					
5.1 Waste management	4,917	4,827	5,580	5,804	6,260
5.2 Waste water management	28	45	53	42	59
5.3 Pollution abatement	170	204	301	364	134
5.4 Protection of biodiversity and landscape	302	311	287	316	264
5.5 R&D environment protection	123	104	135	140	142
5.6 Environment protection n.e.c.	1,959	2,011	2,192	2,034	1,824
Total environment protection	7,500	7,502	8,548	8,701	8,684

Table 10.1 Total identifiable expenditure on services in England 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	
6. Housing and community amenities						
6.1 Housing development	6,078	7,554	8,869	6,632	4,171	
<i>of which: local authority housing</i>	3,796	4,588	4,781	3,472	2,348	
<i>of which: other social housing</i>	2,282	2,966	4,088	3,160	1,823	
6.2 Community development	2,930	3,256	3,135	2,692	2,221	
6.3 Water supply	5	6	6	5	5	
6.4 Street lighting	513	577	563	578	580	
6.5 R&D housing and community amenities	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	81	81	95	107	70	
Total housing and community amenities	9,606	11,474	12,668	10,015	7,046	
7. Health ⁽¹⁾						
Medical services	81,368	87,651	94,894	97,667	97,128	
Health research	231	295	327	323	346	
Central and other health services	1,744	2,079	2,051	1,353	2,051	
Total health	83,342	90,025	97,272	99,343	99,525	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	2,406	2,623	2,869	2,594	2,522	
8.2 Cultural services	3,032	3,076	3,269	3,132	3,049	
8.3 Broadcasting and publishing services	1	1	1	68	85	
8.4 Religious and other community services	91	84	88	70	42	
8.5 R&D recreation, culture and religion	111	125	115	118	112	
8.6 Recreation, culture and religion n.e.c.	52	53	58	52	47	
Total recreation, culture and religion	5,692	5,962	6,399	6,035	5,857	
9. Education						
9.1 Pre-primary and primary education	21,179	22,422	23,487	24,096	25,062	
<i>of which: under fives</i>	4,016	4,184	4,399	4,416	4,673	
<i>of which: primary education</i>	17,163	18,239	19,088	19,680	20,389	
9.2 Secondary education	28,037	29,706	32,141	32,913	36,720	
9.3 Post-secondary non-tertiary education	178	364	364	293	427	
9.4 Tertiary education	9,446	9,230	10,397	13,122	9,063	
9.5 Education not definable by level	311	276	346	514	177	
9.6 Subsidiary services to education	3,033	3,770	3,411	3,375	3,312	
9.7 R&D education	13	12	13	1	11	
9.8 Education n.e.c.	2,640	2,878	3,379	2,581	2,014	
Total education	64,837	68,658	73,539	76,897	76,786	
10. Social protection						
<i>of which: personal social services</i>	24,208	25,639	26,579	26,673	24,252	
10.1 Sickness and disability	25,923	27,209	29,403	30,318	33,017	
<i>of which: personal social services</i>	6,011	6,436	6,911	6,959	7,859	
<i>of which: incapacity, disability and injury benefits</i>	19,913	20,773	22,492	23,359	25,158	
10.2 Old age	63,942	70,110	74,765	77,556	81,939	
<i>of which: personal social services</i>	7,698	8,122	8,428	8,240	7,947	
<i>of which: pensions</i>	56,244	61,988	66,337	69,316	73,992	
10.3 Survivors	857	823	795	802	756	
10.4 Family and children	23,912	25,269	26,228	26,605	24,638	
<i>of which: personal social services</i>	5,867	6,297	6,811	7,009	5,831	
<i>of which: family benefits, income support and tax credits</i>	18,045	18,972	19,417	19,596	18,807	
10.5 Unemployment	5,220	6,103	7,417	6,912	5,335	
<i>of which: personal social services</i>	3,131	3,144	2,766	2,611	690	
<i>of which: other unemployment benefits</i>	2,089	2,959	4,651	4,301	4,645	
10.6 Housing	15,490	16,693	19,443	20,884	21,961	
10.7 Social exclusion n.e.c.	14,377	17,324	20,341	21,797	23,289	
<i>of which: personal social services</i>	1,501	1,640	1,663	1,854	1,924	
<i>of which: family benefits, income support and tax credits</i>	12,876	15,685	18,677	19,942	21,365	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	1,957	1,847	3,287	3,101	5,366	
Total social protection	151,679	165,380	181,679	187,975	196,301	
Total Expenditure on Services in England	380,059	410,875	444,242	449,129	450,911	

⁽¹⁾ 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, 2007-08 to 2011-12

	National Statistics				
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn
£ million					
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	716	709	765	743	673
1.2 Foreign economic aid	-	-	-	-	-
1.3 General services	21	17	20	15	19
1.4 Basic research	-	-	-	-	-
1.5 R&D general public services	9	10	10	9	4
1.6 General public services n.e.c.	218	424	377	445	386
Total general public services	964	1,160	1,172	1,212	1,082
2. Defence					
2.1 Military defence	-	-	-	-	-
2.2 Civil defence	7	5	9	11	12
2.3 Foreign military aid	-	-	-	-	-
2.4 R&D defence	-	-	-	-	-
2.5 Defence n.e.c.	-	-	-	-	-
Total defence	7	5	9	11	12
3. Public order and safety					
3.1 Police services	1,173	1,241	1,298	1,374	1,298
<i>of which: immigration and citizenship</i>	-	-	-	-	-
<i>of which: other police services</i>	1,173	1,241	1,298	1,374	1,298
3.2 Fire-protection services	282	299	339	338	318
3.3 Law courts	494	507	518	511	501
3.4 Prisons	289	347	305	405	326
3.5 R&D public order and safety	1	1	1	0	1
3.6 Public order and safety n.e.c.	48	43	45	43	42
Total public order and safety	2,286	2,437	2,506	2,670	2,486
4. Economic affairs					
4.1 General economic, commercial and labour affairs	611	513	613	792	805
4.2 Agriculture, forestry, fishing and hunting	771	822	874	927	988
<i>of which: market support under CAP</i>	479	515	536	505	529
<i>of which: other agriculture, food and fisheries policy</i>	209	228	280	338	357
<i>of which: forestry</i>	83	79	59	85	102
4.3 Fuel and energy	127	116	56	57	52
4.4 Mining, manufacturing and construction	81	113	168	103	147
4.5 Transport	2,838	2,727	2,923	2,727	2,722
<i>of which: national roads</i>	457	506	614	567	465
<i>of which: local roads</i>	626	654	684	690	710
<i>of which: local public transport</i>	247	266	275	258	268
<i>of which: railway</i>	1,155	915	937	875	902
<i>of which: other transport</i>	353	385	412	337	377
4.6 Communication	27	30	27	20	11
4.7 Other industries	86	87	87	73	76
4.8 R&D economic affairs	397	364	367	258	283
4.9 Economic affairs n.e.c.	203	132	150	101	41
Total economic affairs	5,139	4,903	5,265	5,057	5,124
5. Environment protection					
5.1 Waste management	697	648	812	859	911
5.2 Waste water management	-	-	-	-	-
5.3 Pollution abatement	9	12	17	33	26
5.4 Protection of biodiversity and landscape	177	204	192	184	165
5.5 R&D environment protection	19	23	21	22	22
5.6 Environment protection n.e.c.	203	192	218	217	203
Total environment protection	1,106	1,078	1,261	1,314	1,327

Table 10.2 Total identifiable expenditure on services in Scotland 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	
6. Housing and community amenities						
6.1 Housing development	943	953	1,095	1,000	1,074	
<i>of which: local authority housing</i>	350	501	569	600	680	
<i>of which: other social housing</i>	593	452	527	401	395	
6.2 Community development	119	123	210	138	123	
6.3 Water supply	619	701	651	446	494	
6.4 Street lighting	8	10	8	8	11	
6.5 R&D housing and community amenities	8	5	4	4	3	
6.6 Housing and community amenities n.e.c.	43	10	1	25	14	
Total housing and community amenities	1,739	1,802	1,970	1,621	1,719	
7. Health ⁽¹⁾						
Medical services	9,603	10,045	10,244	10,495	10,650	
Health research	43	58	109	112	131	
Central and other health services	81	76	241	231	207	
Total health	9,727	10,179	10,593	10,838	10,989	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	523	558	599	583	694	
8.2 Cultural services	467	480	494	469	483	
8.3 Broadcasting and publishing services	11	12	10	12	14	
8.4 Religious and other community services	19	21	24	23	20	
8.5 R&D recreation, culture and religion	8	10	10	9	9	
8.6 Recreation, culture and religion n.e.c.	1	1	1	1	1	
Total recreation, culture and religion	1,029	1,081	1,138	1,097	1,221	
9. Education						
9.1 Pre-primary and primary education	2,731	2,834	2,809	2,839	2,988	
<i>of which: under fives</i>	307	309	307	307	307	
<i>of which: primary education</i>	2,423	2,525	2,502	2,531	2,681	
9.2 Secondary education	2,660	2,731	2,774	2,762	2,749	
9.3 Post-secondary non-tertiary education	140	148	137	132	131	
9.4 Tertiary education	1,467	1,435	1,593	1,510	1,351	
9.5 Education not definable by level	83	42	25	50	78	
9.6 Subsidiary services to education	15	197	209	221	220	
9.7 R&D education	19	0	0	0	0	
9.8 Education n.e.c.	254	191	200	179	185	
Total education	7,368	7,577	7,748	7,694	7,702	
10. Social protection						
<i>of which: personal social services</i>	2,970	3,185	3,301	3,330	3,219	
10.1 Sickness and disability	3,281	3,442	3,697	3,782	3,955	
<i>of which: personal social services</i>	675	747	788	812	834	
<i>of which: incapacity, disability and injury benefits</i>	2,606	2,695	2,908	2,971	3,121	
10.2 Old age	7,035	7,791	8,311	8,659	9,192	
<i>of which: personal social services</i>	1,132	1,246	1,295	1,295	1,317	
<i>of which: pensions</i>	5,903	6,545	7,015	7,364	7,875	
10.3 Survivors	155	154	151	149	155	
10.4 Family and children	2,613	2,716	2,780	2,767	2,731	
<i>of which: personal social services</i>	714	747	798	790	840	
<i>of which: family benefits, income support and tax credits</i>	1,899	1,969	1,982	1,977	1,891	
10.5 Unemployment	542	606	723	782	582	
<i>of which: personal social services</i>	329	318	282	296	76	
<i>of which: other unemployment benefits</i>	213	287	442	486	506	
10.6 Housing	1,609	1,682	1,844	1,932	2,066	
10.7 Social exclusion n.e.c.	1,494	1,644	1,944	2,019	2,135	
<i>of which: personal social services</i>	121	127	137	139	153	
<i>of which: family benefits, income support and tax credits</i>	1,373	1,517	1,807	1,881	1,983	
10.8 R&D social protection	0	1	-	-	-	
10.9 Social protection n.e.c.	337	348	460	469	534	
Total social protection	17,066	18,383	19,910	20,559	21,351	
Total Expenditure on Services in Scotland	46,431	48,605	51,572	52,073	53,012	

⁽¹⁾ 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, 2007-08 to 2011-12

	National Statistics					£ million
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	546	581	613	557	617	
1.2 Foreign economic aid	-	1	1	1	1	
1.3 General services	28	29	33	33	33	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	0	0	1	1	1	
1.6 General public services n.e.c.	122	153	147	88	62	
Total general public services	696	764	795	680	714	
2. Defence						
2.1 Military defence	-	-	-	-	-	
2.2 Civil defence	3	3	3	4	7	
2.3 Foreign military aid	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	
2.5 Defence n.e.c.	-	-	-	-	-	
Total defence	3	3	3	4	7	
3. Public order and safety						
3.1 Police services	701	743	768	744	744	
<i>of which: immigration and citizenship</i>	-	-	-	-	-	
<i>of which: other police services</i>	701	743	768	744	744	
3.2 Fire-protection services	167	196	195	177	172	
3.3 Law courts	304	306	290	268	324	
3.4 Prisons	194	218	240	250	214	
3.5 R&D public order and safety	1	1	1	0	1	
3.6 Public order and safety n.e.c.	14	14	15	13	19	
Total public order and safety	1,381	1,479	1,508	1,452	1,475	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	395	391	418	398	285	
4.2 Agriculture, forestry, fishing and hunting	392	466	512	519	724	
<i>of which: market support under CAP</i>	227	271	299	281	275	
<i>of which: other agriculture, food and fisheries policy</i>	143	171	180	197	427	
<i>of which: forestry</i>	22	23	33	41	22	
4.3 Fuel and energy	119	98	51	33	28	
4.4 Mining, manufacturing and construction	5	9	26	16	9	
4.5 Transport	934	1,029	1,153	1,169	1,074	
<i>of which: national roads</i>	192	192	240	297	234	
<i>of which: local roads</i>	329	358	334	346	358	
<i>of which: local public transport</i>	114	92	84	79	59	
<i>of which: railway</i>	266	345	448	409	398	
<i>of which: other transport</i>	33	43	46	38	24	
4.6 Communication	39	39	41	36	23	
4.7 Other industries	26	26	41	44	40	
4.8 R&D economic affairs	75	71	82	85	85	
4.9 Economic affairs n.e.c.	183	112	221	332	102	
Total economic affairs	2,169	2,241	2,545	2,631	2,371	
5. Environment protection						
5.1 Waste management	306	325	365	383	381	
5.2 Waste water management	1	1	1	1	1	
5.3 Pollution abatement	1	1	4	8	4	
5.4 Protection of biodiversity and landscape	8	10	7	7	7	
5.5 R&D environment protection	6	2	6	7	6	
5.6 Environment protection n.e.c.	139	193	191	203	196	
Total environment protection	461	532	575	608	595	

Table 10.3 Total identifiable expenditure on services in Wales 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	
6. Housing and community amenities						
6.1 Housing development	200	340	372	286	389	
<i>of which: local authority housing</i>	232	324	323	271	307	
<i>of which: other social housing</i>	-32	16	49	15	82	
6.2 Community development	257	220	183	264	230	
6.3 Water supply	-	-	-	-	-	
6.4 Street lighting	34	37	37	38	39	
6.5 R&D housing and community amenities	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	21	27	28	10	15	
Total housing and community amenities	512	624	621	597	673	
7. Health ⁽¹⁾						
Medical services	5,196	5,488	5,836	5,957	5,919	
Health research	36	39	48	57	48	
Central and other health services	40	35	33	52	49	
Total health	5,273	5,562	5,917	6,066	6,017	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	326	312	262	245	232	
8.2 Cultural services	237	234	246	228	211	
8.3 Broadcasting and publishing services	99	111	100	106	97	
8.4 Religious and other community services	6	6	6	5	4	
8.5 R&D recreation, culture and religion	2	3	4	4	4	
8.6 Recreation, culture and religion n.e.c.	23	20	19	21	23	
Total recreation, culture and religion	693	687	636	608	571	
9. Education						
9.1 Pre-primary and primary education	1,338	1,408	1,476	1,456	1,479	
<i>of which: under fives</i>	78	93	74	72	75	
<i>of which: primary education</i>	1,259	1,315	1,402	1,383	1,404	
9.2 Secondary education	1,497	1,510	1,570	1,643	1,665	
9.3 Post-secondary non-tertiary education	-	-	-	-	-	
9.4 Tertiary education	537	545	566	623	576	
9.5 Education not definable by level	208	236	261	291	343	
9.6 Subsidiary services to education	305	398	419	393	355	
9.7 R&D education	0	0	0	0	0	
9.8 Education n.e.c.	58	62	48	38	24	
Total education	3,944	4,159	4,339	4,444	4,442	
10. Social protection						
<i>of which: personal social services</i>	1,818	1,859	1,878	1,925	1,713	
10.1 Sickness and disability	2,480	2,561	2,745	2,764	2,841	
<i>of which: personal social services</i>	485	511	544	554	551	
<i>of which: incapacity, disability and injury benefits</i>	1,995	2,050	2,201	2,209	2,290	
10.2 Old age	4,079	4,460	4,760	5,028	5,311	
<i>of which: personal social services</i>	537	560	566	579	577	
<i>of which: pensions</i>	3,542	3,899	4,193	4,449	4,734	
10.3 Survivors	61	59	57	57	60	
10.4 Family and children	1,528	1,585	1,621	1,632	1,470	
<i>of which: personal social services</i>	420	434	449	466	353	
<i>of which: family benefits, income support and tax credits</i>	1,108	1,151	1,172	1,167	1,117	
10.5 Unemployment	295	367	441	409	318	
<i>of which: personal social services</i>	177	189	165	155	41	
<i>of which: other unemployment benefits</i>	118	178	275	254	277	
10.6 Housing	747	805	929	984	1,054	
10.7 Social exclusion n.e.c.	1,026	1,161	1,330	1,424	1,521	
<i>of which: personal social services</i>	199	164	153	171	190	
<i>of which: family benefits, income support and tax credits</i>	827	997	1,177	1,252	1,331	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	138	153	201	233	402	
Total social protection	10,354	11,151	12,082	12,531	12,977	
Total Expenditure on Services in Wales	25,486	27,203	29,022	29,621	29,842	

⁽¹⁾ 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, 2007-08 to 2011-12

	National Statistics					£ million
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	188	191	183	124	96	
1.2 Foreign economic aid	-	-	-	-	-	
1.3 General services	180	191	186	240	213	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	0	0	0	0	0	
1.6 General public services n.e.c.	29	40	50	65	63	
Total general public services	397	422	419	429	372	
2. Defence						
2.1 Military defence	-	-	-	-	-	
2.2 Civil defence	0	0	0	0	1	
2.3 Foreign military aid	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	
2.5 Defence n.e.c.	-	-	-	-	-	
Total defence	0	0	0	0	1	
3. Public order and safety						
3.1 Police services	693	675	774	925	885	
<i>of which: immigration and citizenship</i>	-	-	-	-	-	
<i>of which: other police services</i>	693	675	774	925	885	
3.2 Fire-protection services	74	80	89	84	80	
3.3 Law courts	223	281	286	285	293	
3.4 Prisons	161	160	149	150	179	
3.5 R&D public order and safety	0	0	0	0	0	
3.6 Public order and safety n.e.c.	6	6	9	10	12	
Total public order and safety	1,157	1,203	1,308	1,454	1,449	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	302	295	361	370	355	
4.2 Agriculture, forestry, fishing and hunting	465	575	551	518	507	
<i>of which: market support under CAP</i>	245	275	359	322	319	
<i>of which: other agriculture, food and fisheries policy</i>	215	296	187	190	183	
<i>of which: forestry</i>	5	4	5	5	5	
4.3 Fuel and energy	16	8	4	3	2	
4.4 Mining, manufacturing and construction	1	2	15	2	2	
4.5 Transport	541	562	591	701	598	
<i>of which: national roads</i>	25	32	22	29	29	
<i>of which: local roads</i>	288	337	393	498	328	
<i>of which: local public transport</i>	101	59	72	120	74	
<i>of which: railway</i>	34	53	44	6	97	
<i>of which: other transport</i>	92	82	59	48	71	
4.6 Communication	4	8	49	13	7	
4.7 Other industries	28	37	55	64	57	
4.8 R&D economic affairs	71	64	75	74	83	
4.9 Economic affairs n.e.c.	6	6	12	35	35	
Total economic affairs	1,434	1,556	1,712	1,780	1,646	
5. Environment protection						
5.1 Waste management	170	172	173	178	185	
5.2 Waste water management	1	0	0	1	-	
5.3 Pollution abatement	-	-	2	4	2	
5.4 Protection of biodiversity and landscape	1	1	-	-	-	
5.5 R&D environment protection	0	-4	0	0	0	
5.6 Environment protection n.e.c.	61	64	64	59	68	
Total environment protection	233	233	240	241	255	

Table 10.4 Total identifiable expenditure on services in Northern Ireland 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	
6. Housing and community amenities						
6.1 Housing development	500	545	496	458	436	
<i>of which: local authority housing</i>	482	502	479	439	385	
<i>of which: other social housing</i>	19	43	17	19	51	
6.2 Community development	139	139	122	112	114	
6.3 Water supply	372	536	387	283	286	
6.4 Street lighting	19	23	22	21	25	
6.5 R&D housing and community amenities	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	102	90	90	-47	106	
Total housing and community amenities	1,132	1,333	1,118	828	968	
7. Health ⁽¹⁾						
Medical services	2,715	2,943	3,127	3,521	3,578	
Health research	1	1	1	1	0	
Central and other health services	345	355	313	263	257	
Total health	3,061	3,299	3,442	3,786	3,835	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	201	220	208	224	181	
8.2 Cultural services	173	185	169	182	175	
8.3 Broadcasting and publishing services	0	0	0	1	1	
8.4 Religious and other community services	35	38	37	38	34	
8.5 R&D recreation, culture and religion	1	2	1	1	0	
8.6 Recreation, culture and religion n.e.c.	0	0	0	1	0	
Total recreation, culture and religion	411	445	415	447	391	
9. Education						
9.1 Pre-primary and primary education	665	705	743	709	711	
<i>of which: under fives</i>	49	50	57	61	112	
<i>of which: primary education</i>	616	655	685	647	599	
9.2 Secondary education	973	1,038	1,058	1,115	1,039	
9.3 Post-secondary non-tertiary education	-	-	-	-	-	
9.4 Tertiary education	341	329	401	416	401	
9.5 Education not definable by level	84	89	102	117	122	
9.6 Subsidiary services to education	165	192	203	193	185	
9.7 R&D education	0	0	0	0	0	
9.8 Education n.e.c.	239	202	212	209	259	
Total education	2,467	2,555	2,718	2,758	2,717	
10. Social protection						
<i>of which: personal social services</i>	1,407	1,458	1,530	1,354	968	
10.1 Sickness and disability	2,049	2,115	2,231	2,209	2,659	
<i>of which: personal social services</i>	782	821	882	908	954	
<i>of which: incapacity, disability and injury benefits</i>	1,267	1,294	1,350	1,302	1,706	
10.2 Old age	2,721	2,716	3,031	2,753	2,657	
<i>of which: personal social services</i>	427	439	457	316	-	
<i>of which: pensions</i>	2,294	2,277	2,575	2,437	2,657	
10.3 Survivors	35	36	35	68	72	
10.4 Family and children	631	665	696	633	506	
<i>of which: personal social services</i>	198	198	192	130	14	
<i>of which: family benefits, income support and tax credits</i>	434	466	503	503	492	
10.5 Unemployment	69	96	163	188	205	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: other unemployment benefits</i>	69	96	163	188	205	
10.6 Housing	446	483	551	596	631	
10.7 Social exclusion n.e.c.	528	638	757	809	877	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: family benefits, income support and tax credits</i>	528	638	757	809	877	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	6	14	23	21	31	
Total social protection	6,485	6,763	7,487	7,278	7,638	
Total Expenditure on Services in Northern Ireland	16,778	17,807	18,860	19,001	19,273	

⁽¹⁾ 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, 2007-08 to 2011-12

	£ per head				
	National Statistics				
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	57	61	59	58	50
1.2 Foreign economic aid	1	0	0	0	0
1.3 General services	18	20	23	20	19
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	39	29	39
Total general public services	109	122	121	108	109
2. Defence					
2.1 Military defence	-	-	-	-	-
2.2 Civil defence	2	1	1	1	1
2.3 Foreign military aid	-	-	-	-	-
2.4 R&D defence	-	-	-	-	-
2.5 Defence n.e.c.	-	-	-	-	-
Total defence	2	1	1	1	1
3. Public order and safety					
3.1 Police services	249	268	274	260	255
<i>of which: immigration and citizenship</i>	-	-	-	-	-
<i>of which: other police services</i>	249	268	274	260	255
3.2 Fire-protection services	46	48	48	46	46
3.3 Law courts	111	113	105	96	103
3.4 Prisons	71	77	78	79	64
3.5 R&D public order and safety	0	0	0	0	0
3.6 Public order and safety n.e.c.	5	5	5	4	7
Total public order and safety	483	511	510	486	475
4. Economic affairs					
4.1 General economic, commercial and labour affairs	87	90	92	93	59
4.2 Agriculture, forestry, fishing and hunting	52	77	75	67	68
<i>of which: market support under CAP</i>	32	58	56	51	54
<i>of which: other agriculture, food and fisheries policy</i>	19	18	17	15	13
<i>of which: forestry</i>	1	1	1	1	1
4.3 Fuel and energy	19	14	7	6	5
4.4 Mining, manufacturing and construction	-4	4	10	4	2
4.5 Transport	310	317	346	315	292
<i>of which: national roads</i>	50	54	64	52	46
<i>of which: local roads</i>	76	83	88	82	66
<i>of which: local public transport</i>	52	60	66	60	59
<i>of which: railway</i>	123	110	118	113	116
<i>of which: other transport</i>	9	9	9	8	6
4.6 Communication	2	1	1	2	0
4.7 Other industries	6	10	8	7	5
4.8 R&D economic affairs	43	41	47	44	46
4.9 Economic affairs n.e.c.	9	7	10	10	6
Total economic affairs	524	560	597	548	483
5. Environment protection					
5.1 Waste management	96	93	107	110	118
5.2 Waste water management	1	1	1	1	1
5.3 Pollution abatement	3	4	6	7	3
5.4 Protection of biodiversity and landscape	6	6	5	6	5
5.5 R&D environment protection	2	2	3	3	3
5.6 Environment protection n.e.c.	38	39	42	39	34
Total environment protection	146	145	164	165	164

Table 10.5 Total identifiable expenditure on services in England by sub-function, per head, 2007-08 to 2011-12 (continued)

	£ per head				
	National Statistics				
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn
6. Housing and community amenities					
6.1 Housing development	118	146	170	126	79
<i>of which: local authority housing</i>	74	89	92	66	44
<i>of which: other social housing</i>	44	57	78	60	34
6.2 Community development	57	63	60	51	42
6.3 Water supply	0	0	0	0	0
6.4 Street lighting	10	11	11	11	11
6.5 R&D housing and community amenities	-	-	-	-	-
6.6 Housing and community amenities n.e.c.	2	2	2	2	1
Total housing and community amenities	187	221	243	190	133
7. Health⁽¹⁾					
Medical services	1,584	1,692	1,818	1,855	1,829
Health research	4	6	6	6	7
Central and other health services	34	40	39	26	39
Total health	1,622	1,737	1,864	1,887	1,874
8. Recreation, culture and religion					
8.1 Recreational and sporting services	47	51	55	49	47
8.2 Cultural services	59	59	63	59	57
8.3 Broadcasting and publishing services	0	0	0	1	2
8.4 Religious and other community services	2	2	2	1	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
Total recreation, culture and religion	111	115	123	115	110
9. Education					
9.1 Pre-primary and primary education	412	433	450	458	472
<i>of which: under fives</i>	78	81	84	84	88
<i>of which: primary education</i>	334	352	366	374	384
9.2 Secondary education	546	573	616	625	691
9.3 Post-secondary non-tertiary education	3	7	7	6	8
9.4 Tertiary education	184	178	199	249	171
9.5 Education not definable by level	6	5	7	10	3
9.6 Subsidiary services to education	59	73	65	64	62
9.7 R&D education	0	0	0	0	0
9.8 Education n.e.c.	51	56	65	49	38
Total education	1,262	1,325	1,409	1,461	1,446
10. Social protection					
<i>of which: personal social services</i>	471	495	509	507	457
10.1 Sickness and disability	505	525	563	576	622
<i>of which: personal social services</i>	117	124	132	132	148
<i>of which: incapacity, disability and injury benefits</i>	388	401	431	444	474
10.2 Old age	1,244	1,353	1,432	1,473	1,543
<i>of which: personal social services</i>	150	157	161	157	150
<i>of which: pensions</i>	1,095	1,196	1,271	1,317	1,393
10.3 Survivors	17	16	15	15	14
10.4 Family and children	465	488	502	505	464
<i>of which: personal social services</i>	114	122	130	133	110
<i>of which: family benefits, income support and tax credits</i>	351	366	372	372	354
10.5 Unemployment	102	118	142	131	100
<i>of which: personal social services</i>	61	61	53	50	13
<i>of which: other unemployment benefits</i>	41	57	89	82	87
10.6 Housing	301	322	373	397	414
10.7 Social exclusion n.e.c.	280	334	390	414	439
<i>of which: personal social services</i>	29	32	32	35	36
<i>of which: family benefits, income support and tax credits</i>	251	303	358	379	402
10.8 R&D social protection	-	-	-	-	-
10.9 Social protection n.e.c.	38	36	63	59	101
Total social protection	2,952	3,192	3,481	3,571	3,696
Total Expenditure on Services in England	7,397	7,930	8,511	8,532	8,491

⁽¹⁾ 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, 2007-08 to 2011-12

	National Statistics					£ per head
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	139	137	147	142	128	
1.2 Foreign economic aid	-	-	-	-	-	
1.3 General services	4	3	4	3	4	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	2	2	2	2	1	
1.6 General public services n.e.c.	42	82	73	85	73	
Total general public services	187	224	226	232	206	
2. Defence						
2.1 Military defence	-	-	-	-	-	
2.2 Civil defence	1	1	2	2	2	
2.3 Foreign military aid	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	
2.5 Defence n.e.c.	-	-	-	-	-	
Total defence	1	1	2	2	2	
3. Public order and safety						
3.1 Police services	228	240	250	263	247	
<i>of which: immigration and citizenship</i>	-	-	-	-	-	
<i>of which: other police services</i>	228	240	250	263	247	
3.2 Fire-protection services	55	58	65	65	61	
3.3 Law courts	96	98	100	98	95	
3.4 Prisons	56	67	59	77	62	
3.5 R&D public order and safety	0	0	0	0	0	
3.6 Public order and safety n.e.c.	9	8	9	8	8	
Total public order and safety	444	471	482	511	473	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	119	99	118	152	153	
4.2 Agriculture, forestry, fishing and hunting	150	159	168	178	188	
<i>of which: market support under CAP</i>	93	100	103	97	101	
<i>of which: other agriculture, food and fisheries policy</i>	41	44	54	65	68	
<i>of which: forestry</i>	16	15	11	16	19	
4.3 Fuel and energy	25	22	11	11	10	
4.4 Mining, manufacturing and construction	16	22	32	20	28	
4.5 Transport	552	528	563	522	518	
<i>of which: national roads</i>	89	98	118	109	88	
<i>of which: local roads</i>	122	127	132	132	135	
<i>of which: local public transport</i>	48	51	53	49	51	
<i>of which: railway</i>	225	177	180	167	172	
<i>of which: other transport</i>	69	75	79	64	72	
4.6 Communication	5	6	5	4	2	
4.7 Other industries	17	17	17	14	14	
4.8 R&D economic affairs	77	71	71	49	54	
4.9 Economic affairs n.e.c.	39	26	29	19	8	
Total economic affairs	999	949	1,014	968	975	
5. Environment protection						
5.1 Waste management	135	125	156	164	173	
5.2 Waste water management	-	-	-	-	-	
5.3 Pollution abatement	2	2	3	6	5	
5.4 Protection of biodiversity and landscape	34	39	37	35	31	
5.5 R&D environment protection	4	4	4	4	4	
5.6 Environment protection n.e.c.	40	37	42	42	39	
Total environment protection	215	209	243	252	253	

Table 10.6 Total identifiable expenditure on services in Scotland by sub-function, per head, 2007-08 to 2011-12 (continued)

	National Statistics					£ per head
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	
6. Housing and community amenities						
6.1 Housing development	183	184	211	192	204	
<i>of which: local authority housing</i>	68	97	109	115	129	
<i>of which: other social housing</i>	115	87	101	77	75	
6.2 Community development	23	24	40	26	23	
6.3 Water supply	120	136	125	85	94	
6.4 Street lighting	1	2	2	1	2	
6.5 R&D housing and community amenities	2	1	1	1	1	
6.6 Housing and community amenities n.e.c.	8	2	0	5	3	
Total housing and community amenities	338	349	379	310	327	
7. Health ⁽¹⁾						
Medical services	1,867	1,944	1,972	2,010	2,027	
Health research	8	11	21	21	25	
Central and other health services	16	15	46	44	39	
Total health	1,891	1,969	2,040	2,075	2,091	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	102	108	115	112	132	
8.2 Cultural services	91	93	95	90	92	
8.3 Broadcasting and publishing services	2	2	2	2	3	
8.4 Religious and other community services	4	4	5	4	4	
8.5 R&D recreation, culture and religion	2	2	2	2	2	
8.6 Recreation, culture and religion n.e.c.	0	0	0	0	0	
Total recreation, culture and religion	200	209	219	210	232	
9. Education						
9.1 Pre-primary and primary education	531	548	541	544	569	
<i>of which: under fives</i>	60	60	59	59	58	
<i>of which: primary education</i>	471	489	482	485	510	
9.2 Secondary education	517	528	534	529	523	
9.3 Post-secondary non-tertiary education	27	29	26	25	25	
9.4 Tertiary education	285	278	307	289	257	
9.5 Education not definable by level	16	8	5	10	15	
9.6 Subsidiary services to education	3	38	40	42	42	
9.7 R&D education	4	0	0	0	0	
9.8 Education n.e.c.	49	37	39	34	35	
Total education	1,432	1,466	1,492	1,473	1,466	
10. Social protection						
<i>of which: personal social services</i>	577	616	635	638	613	
10.1 Sickness and disability	638	666	712	724	753	
<i>of which: personal social services</i>	131	145	152	155	159	
<i>of which: incapacity, disability and injury benefits</i>	507	521	560	569	594	
10.2 Old age	1,367	1,507	1,600	1,658	1,749	
<i>of which: personal social services</i>	220	241	249	248	251	
<i>of which: pensions</i>	1,147	1,266	1,351	1,410	1,499	
10.3 Survivors	30	30	29	28	29	
10.4 Family and children	508	525	535	530	520	
<i>of which: personal social services</i>	139	145	154	151	160	
<i>of which: family benefits, income support and tax credits</i>	369	381	382	379	360	
10.5 Unemployment	105	117	139	150	111	
<i>of which: personal social services</i>	64	62	54	57	14	
<i>of which: other unemployment benefits</i>	41	56	85	93	96	
10.6 Housing	313	325	355	370	393	
10.7 Social exclusion n.e.c.	290	318	374	387	406	
<i>of which: personal social services</i>	23	25	26	27	29	
<i>of which: family benefits, income support and tax credits</i>	267	293	348	360	377	
10.8 R&D social protection	0	0	-	-	-	
10.9 Social protection n.e.c.	65	67	89	90	102	
Total social protection	3,318	3,557	3,833	3,937	4,063	
Total Expenditure on Services in Scotland	9,026	9,404	9,929	9,972	10,088	

⁽¹⁾ 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, 2007-08 to 2011-12

	National Statistics					£ per head
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	182	192	202	183	201	
1.2 Foreign economic aid	-	0	0	0	0	
1.3 General services	9	9	11	11	11	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	0	0	0	0	0	
1.6 General public services n.e.c.	41	50	48	29	20	
Total general public services	232	252	262	223	233	
2. Defence						
2.1 Military defence	-	-	-	-	-	
2.2 Civil defence	1	1	1	1	2	
2.3 Foreign military aid	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	
2.5 Defence n.e.c.	-	-	-	-	-	
Total defence	1	1	1	1	2	
3. Public order and safety						
3.1 Police services	233	246	253	244	243	
<i>of which: immigration and citizenship</i>	-	-	-	-	-	
<i>of which: other police services</i>	233	246	253	244	243	
3.2 Fire-protection services	55	65	64	58	56	
3.3 Law courts	101	101	95	88	106	
3.4 Prisons	64	72	79	82	70	
3.5 R&D public order and safety	0	0	0	0	0	
3.6 Public order and safety n.e.c.	5	5	5	4	6	
Total public order and safety	459	489	496	476	481	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	131	129	138	130	93	
4.2 Agriculture, forestry, fishing and hunting	130	154	169	170	236	
<i>of which: market support under CAP</i>	76	90	99	92	90	
<i>of which: other agriculture, food and fisheries policy</i>	48	57	59	65	139	
<i>of which: forestry</i>	7	8	11	13	7	
4.3 Fuel and energy	39	32	17	11	9	
4.4 Mining, manufacturing and construction	2	3	8	5	3	
4.5 Transport	311	340	379	383	351	
<i>of which: national roads</i>	64	63	79	97	77	
<i>of which: local roads</i>	110	118	110	114	117	
<i>of which: local public transport</i>	38	30	28	26	19	
<i>of which: railway</i>	89	114	147	134	130	
<i>of which: other transport</i>	11	14	15	12	8	
4.6 Communication	13	13	13	12	7	
4.7 Other industries	9	9	13	15	13	
4.8 R&D economic affairs	25	24	27	28	28	
4.9 Economic affairs n.e.c.	61	37	73	109	33	
Total economic affairs	721	741	838	863	774	
5. Environment protection						
5.1 Waste management	102	107	120	125	124	
5.2 Waste water management	0	0	0	0	0	
5.3 Pollution abatement	0	0	1	3	1	
5.4 Protection of biodiversity and landscape	3	3	2	2	2	
5.5 R&D environment protection	2	1	2	2	2	
5.6 Environment protection n.e.c.	46	64	63	67	64	
Total environment protection	153	176	189	199	194	

Table 10.7 Total identifiable expenditure on services in Wales by sub-function, per head, 2007-08 to 2011-12 (continued)

	National Statistics					£ per head
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	
6. Housing and community amenities						
6.1 Housing development	66	112	123	94	127	
<i>of which: local authority housing</i>	77	107	106	89	100	
<i>of which: other social housing</i>	-11	5	16	5	27	
6.2 Community development	86	73	60	86	75	
6.3 Water supply	-	-	-	-	-	
6.4 Street lighting	11	12	12	13	13	
6.5 R&D housing and community amenities	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	7	9	9	3	5	
Total housing and community amenities	170	206	204	196	220	
7. Health ⁽¹⁾						
Medical services	1,728	1,814	1,920	1,953	1,932	
Health research	12	13	16	19	16	
Central and other health services	13	12	11	17	16	
Total health	1,754	1,838	1,947	1,989	1,964	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	108	103	86	80	76	
8.2 Cultural services	79	77	81	75	69	
8.3 Broadcasting and publishing services	33	37	33	35	32	
8.4 Religious and other community services	2	2	2	2	1	
8.5 R&D recreation, culture and religion	1	1	1	1	1	
8.6 Recreation, culture and religion n.e.c.	8	7	6	7	7	
Total recreation, culture and religion	231	227	209	199	186	
9. Education						
9.1 Pre-primary and primary education	445	465	486	477	483	
<i>of which: under fives</i>	26	31	24	24	25	
<i>of which: primary education</i>	419	435	461	453	458	
9.2 Secondary education	498	499	516	539	544	
9.3 Post-secondary non-tertiary education	-	-	-	-	-	
9.4 Tertiary education	179	180	186	204	188	
9.5 Education not definable by level	69	78	86	95	112	
9.6 Subsidiary services to education	101	132	138	129	116	
9.7 R&D education	0	0	0	0	0	
9.8 Education n.e.c.	19	20	16	13	8	
Total education	1,312	1,374	1,428	1,457	1,450	
10. Social protection						
<i>of which: personal social services</i>	605	614	618	631	559	
10.1 Sickness and disability	825	846	903	906	927	
<i>of which: personal social services</i>	161	169	179	182	180	
<i>of which: incapacity, disability and injury benefits</i>	664	677	724	724	748	
10.2 Old age	1,357	1,474	1,566	1,649	1,733	
<i>of which: personal social services</i>	179	185	186	190	188	
<i>of which: pensions</i>	1,178	1,289	1,380	1,459	1,545	
10.3 Survivors	20	19	19	19	20	
10.4 Family and children	508	524	533	535	480	
<i>of which: personal social services</i>	140	144	148	153	115	
<i>of which: family benefits, income support and tax credits</i>	369	380	386	383	364	
10.5 Unemployment	98	121	145	134	104	
<i>of which: personal social services</i>	59	62	54	51	13	
<i>of which: other unemployment benefits</i>	39	59	91	83	90	
10.6 Housing	249	266	306	323	344	
10.7 Social exclusion n.e.c.	341	384	438	467	496	
<i>of which: personal social services</i>	66	54	50	56	62	
<i>of which: family benefits, income support and tax credits</i>	275	329	387	411	434	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	46	51	66	76	131	
Total social protection	3,444	3,685	3,976	4,108	4,236	
Total Expenditure on Services in Wales	8,478	8,990	9,550	9,712	9,740	

⁽¹⁾ 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, 2007-08 to 2011-12

	£ per head				
	National Statistics				
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	106	107	102	68	53
1.2 Foreign economic aid	-	-	-	-	-
1.3 General services	102	107	104	133	117
1.4 Basic research	-	-	-	-	-
1.5 R&D general public services	0	0	0	0	0
1.6 General public services n.e.c.	16	22	28	36	35
Total general public services	225	237	233	238	205
2. Defence					
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.	-	-	-	-	-
Total defence	0	0	0	0	0
3. Public order and safety					
3.1 Police services	393	380	432	513	488
<i>of which: immigration and citizenship</i>	-	-	-	-	-
<i>of which: other police services</i>	393	380	432	513	488
3.2 Fire-protection services	42	45	49	46	44
3.3 Law courts	126	158	160	158	161
3.4 Prisons	92	90	83	83	99
3.5 R&D public order and safety	0	0	0	0	0
3.6 Public order and safety n.e.c.	3	3	5	5	6
Total public order and safety	657	676	729	806	799
4. Economic affairs					
4.1 General economic, commercial and labour affairs	172	166	202	205	196
4.2 Agriculture, forestry, fishing and hunting	264	323	308	287	279
<i>of which: market support under CAP</i>	139	154	200	179	176
<i>of which: other agriculture, food and fisheries policy</i>	122	167	104	106	101
<i>of which: forestry</i>	3	2	3	3	3
4.3 Fuel and energy	9	4	2	2	1
4.4 Mining, manufacturing and construction	1	1	8	1	1
4.5 Transport	307	316	329	389	330
<i>of which: national roads</i>	14	18	12	16	16
<i>of which: local roads</i>	164	189	219	276	181
<i>of which: local public transport</i>	57	33	40	67	41
<i>of which: railway</i>	19	30	24	3	53
<i>of which: other transport</i>	52	46	33	27	39
4.6 Communication	2	4	27	7	4
4.7 Other industries	16	21	31	35	31
4.8 R&D economic affairs	40	36	42	41	46
4.9 Economic affairs n.e.c.	3	3	6	19	19
Total economic affairs	814	875	955	986	907
5. Environment protection					
5.1 Waste management	97	96	96	99	102
5.2 Waste water management	1	0	0	0	-
5.3 Pollution abatement	-	-	1	2	1
5.4 Protection of biodiversity and landscape	0	0	-	-	-
5.5 R&D environment protection	0	-2	0	0	0
5.6 Environment protection n.e.c.	34	36	36	32	38
Total environment protection	132	131	134	134	141

Table 10.8 Total identifiable expenditure on services in Northern Ireland by sub-function, per head, 2007-08 to 2011-12 (continued)

	National Statistics					£ per head
	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	
6. Housing and community amenities						
6.1 Housing development	284	306	277	254	240	
<i>of which: local authority housing</i>	273	282	267	243	212	
<i>of which: other social housing</i>	11	24	10	11	28	
6.2 Community development	79	78	68	62	63	
6.3 Water supply	211	301	216	157	158	
6.4 Street lighting	11	13	12	12	14	
6.5 R&D housing and community amenities	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	58	51	50	-26	59	
Total housing and community amenities	643	749	624	459	533	
7. Health ⁽¹⁾						
Medical services	1,541	1,654	1,744	1,951	1,972	
Health research	1	1	1	1	0	
Central and other health services	196	199	175	146	142	
Total health	1,738	1,854	1,919	2,097	2,114	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	114	124	116	124	100	
8.2 Cultural services	98	104	94	101	96	
8.3 Broadcasting and publishing services	0	0	0	0	1	
8.4 Religious and other community services	20	21	20	21	19	
8.5 R&D recreation, culture and religion	1	1	1	1	0	
8.6 Recreation, culture and religion n.e.c.	0	0	0	1	0	
Total recreation, culture and religion	234	250	231	248	216	
9. Education						
9.1 Pre-primary and primary education	377	396	414	393	392	
<i>of which: under fives</i>	28	28	32	34	62	
<i>of which: primary education</i>	350	368	382	359	330	
9.2 Secondary education	552	583	590	618	573	
9.3 Post-secondary non-tertiary education	-	-	-	-	-	
9.4 Tertiary education	194	185	223	230	221	
9.5 Education not definable by level	47	50	57	65	67	
9.6 Subsidiary services to education	94	108	113	107	102	
9.7 R&D education	0	0	0	0	0	
9.8 Education n.e.c.	136	113	118	116	143	
Total education	1,400	1,436	1,516	1,528	1,498	
10. Social protection						
<i>of which: personal social services</i>	799	820	853	750	533	
10.1 Sickness and disability	1,163	1,189	1,244	1,224	1,466	
<i>of which: personal social services</i>	444	462	492	503	526	
<i>of which: incapacity, disability and injury benefits</i>	719	727	753	721	940	
10.2 Old age	1,544	1,527	1,690	1,525	1,465	
<i>of which: personal social services</i>	242	247	255	175	-	
<i>of which: pensions</i>	1,302	1,280	1,436	1,350	1,465	
10.3 Survivors	20	20	19	38	40	
10.4 Family and children	358	374	388	351	279	
<i>of which: personal social services</i>	112	111	107	72	8	
<i>of which: family benefits, income support and tax credits</i>	246	262	281	279	271	
10.5 Unemployment	39	54	91	104	113	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: other unemployment benefits</i>	39	54	91	104	113	
10.6 Housing	253	271	307	330	348	
10.7 Social exclusion n.e.c.	299	358	422	448	484	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: family benefits, income support and tax credits</i>	299	358	422	448	484	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	3	8	13	11	17	
Total social protection	3,681	3,801	4,175	4,032	4,210	
Total Expenditure on Services in Northern Ireland	9,524	10,008	10,517	10,528	10,623	

⁽¹⁾ 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.

A.2 The information in this annex applies to all in-year updates as well as to this publication.

Sources of data

Central government and public corporations data

A.3 Most expenditure data in PESA are taken directly from the Treasury's public expenditure database. HM Treasury has replaced its COINS system for financial reporting with a new Online System for Central Accounting and Reporting (OSCAR). This system collects public spending data from central government departments and the devolved administrations. Although the data are for the most part of comparable quality to previous years, there are still some initial data and systems issues. Resolving these issues may lead to larger than normal revisions in the central government expenditure data reported during 2013. OSCAR is a reporting system rather than an accounting system and so contains aggregate spending information rather than any transactional detail.

A.4 Data entered onto OSCAR by departments and devolved administrations cover:

- their own expenditure;
- the expenditure of agencies, Non-Departmental Public Bodies (NDPBs) and other Arms Length Bodies (ALBs);
- support for local government and public corporations; and
- capital expenditure of the public corporations that they sponsor.¹

A.5 Departments and devolved administrations can maintain up to ten years of live data depending on the year of the latest Spending Review. In 2013 departments maintained the years 2008-09 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

¹ 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.

- implementing classification changes across all live years to ensure data are consistent.

A.6 Data are extracted from OSCAR approximately one week prior to publication, with the following exception:

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

Local government data

A.7 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.8 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;
- public sector, central and local government, and public corporations' debt interest;
- central government own expenditure (total, current and capital);
- local government expenditure (total, current, capital); and
- public corporations' expenditure (total, current and capital).

A.9 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.10 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.11 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.12 Departments (including agencies and ALBs) 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 OSCAR are of high quality. Several outputs directly relevant to Whitehall departments' operations and reporting are derived from OSCAR, including Supply Estimates and tables published in Departmental Reports.

A.13 While Whitehall departments have clear incentives to ensure accurate data is reported on OSCAR, 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 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.14 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 £1m to prevent users from introducing rounding errors.

Revisions policy

A.15 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 – 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.16 Further information on significant revisions since PESA 2012 is provided in chapter text.

A.17 Where we discover errors after the production of PESA 2013 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.18 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 2013 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, 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 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.19 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.20 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 IFRS 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.21 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.22 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.23 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.24 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.25 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.26 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.27 Data in previous editions of PESA may not be directly consistent with PESA 2013 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.28 Total Managed Expenditure (TME) and its sectoral components are consistent with the joint ONS/Treasury Public Sector Finance Statistics monthly release published on 21 June 2013.

Conventions

Rounding

A.29 The figures in this publication are generally shown to the nearest £1 million.

A.30 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.31 Figures in tables may not sum due to rounding.

Real terms figures

A.32 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 2012-13 prices. The GDP data used in this publication are those given in **Annex F**.

Use of accruals data in tables

A.33 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. Since last year's publication we have changed the departmental breakdown so that the presentation is consistent with Budget 2013 and Spending Review 2010 and Spending Round 2013 documents.

B.2 The groupings for the current presentation (Spending Review groups) and last year's presentation (PESA groups) are set out below for comparison.

Title	Spending Review groups (Departments included)	PESA Groups (Departments included)
Education	Department for Education Office of Qualifications and Examinations Regulation	Department for Education Office of Qualifications and Examinations Regulation Office for Standards in Education, Children's Services and Skills
NHS (Health)	Department of Health	Department of Health Food Standards Agency
Transport	Department for Transport	Department for Transport Office of Rail Regulation
CLG Communities	Communities part of Communities and Local Government	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)	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	Department for Business, Innovation and Skills	Department for Business, Innovation and Skills Export Credits Guarantee Department Office of Fair Trading UK Trade and Investment
Home Office	Home Office	Home Office
Justice	Ministry of Justice	Electoral Commission Ministry of Justice The National Archives United Kingdom Supreme Court
Law Officers' Departments	HM Procurator General and Treasury Solicitor Serious Fraud Office The Crown Prosecution Service	HM Procurator General and Treasury Solicitor Serious Fraud Office The Crown Prosecution Service
Defence	Ministry of Defence	Ministry of Defence
Foreign and Commonwealth Office	Foreign and Commonwealth Office	Foreign and Commonwealth Office
International Development	Department for International Development	Department for International Development
Energy and Climate Change	Department for 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	Department for Environment, Food and Rural Affairs Water Services Regulatory Authority
Culture, Media and Sport	Department for Culture, Media and Sport	Department for Culture, Media and Sport
Work and Pensions	Department for Work and Pensions	Department for Work and Pensions
Scotland	Scottish Government	Scottish Government Scotland Office and Office of the Advocate General

Title	Spending Review groups (Departments included)	PESA Groups (Departments included)
Wales	Welsh Assembly Government	Welsh Assembly Government Wales Office
Northern Ireland	Northern Ireland Executive	Northern Ireland departments Northern Ireland Office
Chancellor's Departments	HM Revenue and Customs HM Treasury	Crown Estate Office Government Actuary's Department HM Revenue and Customs HM Treasury National Savings and Investments
Cabinet Office	Cabinet Office Security and Intelligence Agencies	Cabinet Office Charity Commission Security and Intelligence Agencies
Small and Independent Bodies	Charity Commission Crown Estate Office Electoral Commission Export Credits Guarantee Department Food Standards Agency Government Actuary's Department House of Commons House of Lords Independent Parliamentary Standards Authority Local Government Boundary Commission for England National Audit Office National Savings and Investments Northern Ireland Office Office for Standards in Education, Children's Services and Skills Office of Fair Trading Office of Gas and Electricity Markets Office of Rail Regulation Office of the Parliamentary Commissioner for Administration and Health Service Commissioners for England Scotland Office and Office of the Advocate General Statistics Board The National Archives United Kingdom Supreme Court UK Trade and Investment Wales Office Water Services Regulatory Authority	House of Commons House of Lords Independent Parliamentary Standards Authority Local Government Boundary Commission for England National Audit Office Office of the Parliamentary Commissioner for Administration and Health Service Commissioners for England Statistics Board



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 Since PESA 2012 expenditure related to council tax benefit has been moved from resource departmental AME to resource DEL.

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.

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 Arms Length Bodies – resource and capital budgets include the expenditure of most arms length bodies (ALBs) 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
Department's own transactions	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 Less income from sales of goods and services Less release of provisions Less profit on sale of fixed assets	Expenditure on new fixed assets Less book value sale proceeds of fixed assets Net lending to the private sector Investment grants to the private sector
ALB transactions	As the department	As the department
Local government	Current grants to local government	Capital grants to local government Credit approvals
Public corporations on an external finance basis	Subsidies paid to public corporations Less 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 with the agreement of Treasury under the system of Budget Exchange.

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 line reduced by the same amount.

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 DEL excluding depreciation *plus* capital DEL. 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. 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 this PESA 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 ALBs 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.47 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 an IFRS basis does not impact directly on TME or the other fiscal aggregates. **Annex D** explains how the IFRS 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 an IFRS 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 years' 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 PSS 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**.

Table C.1 Transactions with the institutions of the EU, 2008-09 to 2014-15

	£ million						
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	outturn	outturn	outturn	outturn	outturn	plans	plans
GNI based contribution	8,654	10,637	11,092	11,218	12,303	11,969	11,607
UK abatement	-5,595	-4,218	-2,678	-3,516	-3,172	-3,676	-4,242
Net expenditure transfers to the EU	3,060	6,419	8,414	7,702	9,131	8,293	7,366
Receipts to cover collection costs in respect of collecting Traditional Own Resources (TOR) ⁽¹⁾	-682	-658	-745	-735	-653	-738	-658
to give contribution to TME	2,378	5,760	7,669	6,967	8,479	7,555	6,708
TOR ⁽¹⁾	2,728	2,633	2,979	2,940	2,823	3,107	3,291
VAT-based payments to the EU	2,455	1,121	2,266	2,276	2,398	2,315	2,448
Gross contribution to the EU budget	7,561	9,515	12,915	12,184	13,699	12,977	12,446
Public sector EU receipts ⁽²⁾	-4,558	-4,791	-4,009	-4,783	-3,806	-4,664	-5,002
Net contributions to the EU budget	3,002	4,724	8,906	7,401	9,893	8,313	7,444
less Attributed Aid ⁽³⁾	728	899	932	837	855	910	928
less Common Foreign and Security Policy ⁽³⁾	23	29	34	34	34	34	34
less Other attributed costs ⁽³⁾	-	69	43	163	82	79	-
Net payments to EU institutions	2,252	3,727	7,897	6,367	8,922	7,290	6,482

⁽¹⁾ TOR comprises customs duties (including those on agricultural products) and sugar levies.

⁽²⁾ Receipts are shown here on a cash basis. EU receipts in budgets are on an accruals basis.

⁽³⁾ The UK's contribution to the cost of EU aid to states outside the EU is attributed to departmental budgets.

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 Practice. Both accounting frameworks differ in a number 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 The accounting adjustments are shown separately for resource and capital in **Table 1.12**, 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.5 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 1.12** that is applicable to each economic category and a number of less significant accounting adjustments, including those that switch misreported data on OSCAR between economic categories.

List of the accounting adjustments in Table 1.12

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.6 These items 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) rather than the data reported by departments as part of their budgets.

Interest

D.7 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.8 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.9 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.10 The forecast data for departments' DEL and AME budgets for 2013-14 to 2014-15 used in this publication are taken from the data submitted by departments on OSCAR. The OBR used COINS data consistent with PESA 2012 for their forecast in the March 2013 Economic and Fiscal Outlook (EFO) as OSCAR data were 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 OSCAR. For DEL the OBR used plans from PESA 2012 adjusted to reflect policy announcements made during the year. For 2012-13, 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.11 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.6 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.12 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.13 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.14 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.15 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.16 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.17 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.18 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.19 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, 2008-09 to 2014-15

	£ million						
	National Statistics						
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	outturn	outturn	outturn	outturn	outturn	plans	plans
Departmental AME (IFRS basis)							
Change in liability	24,779	22,124	-56,752	27,069	26,765	30,341	30,063
Contributions received*	-19,439	-20,673	-21,360	-21,142	-22,019	-23,182	-23,357
Cash payments in SoCNE not covered by release of provision*	0	78	39	85	51	110	113
Net public service pensions (IFRS basis)	5,340	1,528	-78,073	6,012	4,797	7,269	6,820
Unwinding of discount rate (= contribution to non-cash items)	36,510	39,154	37,615	43,452	39,713	37,642	39,851
Total Departmental AME (IFRS basis)	41,850	40,682	-40,458	49,464	44,510	44,911	46,671
Accounting adjustments							
Remove change in liability	-24,779	-22,124	56,752	-27,069	-26,765	-30,341	-30,063
Remove increased liability due to unwinding of discount rate	-36,510	-39,154	-37,615	-43,452	-39,713	-37,642	-39,851
Add pensions in payment covered by release of provision**	22,479	24,272	25,928	27,725	30,511	32,570	34,291
Accounting adjustments (Pensions)	-38,810	-37,005	45,065	-42,795	-35,968	-35,413	-35,624
Contribution to TME (National Accounts basis)	3,040	3,677	4,607	6,668	8,542	9,498	11,047
<i>of which:</i>							
Pensions in payment*	22,478	24,350	25,967	27,810	30,562	32,681	34,405
Contributions received*	-19,439	-20,673	-21,360	-21,142	-22,019	-23,182	-23,357

* Includes bulk and individual transfers, including transfers of liabilities within government.

** offsets change in gross liability.

Grant equivalent element of student lending

D.20 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.21 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.22 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.23 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.24 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.25 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.26 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.27 The Government announced the intention to instigate the Asset Protection Scheme for Lloyds Banking Group (LBG) and 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.28 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.29 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.30 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.31 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.32 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.33 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.34 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.35 When COINS, the predecessor of OSCAR, 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.36 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 2012 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

DfID funding for capital projects scored in resource DEL

D.37 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.38 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.39 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.40 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.41 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.42 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.43 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.44 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.45 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.46 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.47 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.48 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.49 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.50 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.51 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.52 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.53 As explained above for resource spending, the forecast data for departments' DEL and AME budgets for 2013-14 and 2014-15 used in this PESA publication differ from those used by the OBR in their March 2013 EFO. These adjustments are to reconcile the data used by the OBR with those on OSCAR used in PESA.

Remove data in budgets which do not form part of public sector gross investment

Single Use Military Equipment

D.54 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.55 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.56 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.57 This is the capital equivalent of the transfers described in D.22 above.

Green Investment Bank

D.58 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.59 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.60 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.61 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.62 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.63 As also stated above, in the section on resource accounting adjustments a proportion of the 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.64 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.65 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 more reliable and are available at a detailed level for quality assurance.

Financial transactions

D.66 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.67 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.68 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.69 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.70 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.71 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.72 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 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). For the avoidance of doubt, expenditure on services is the spending required to deliver services, not just the purchasing of services.

E.3 The introduction of the Online System for Central Accounting and Reporting (OSCAR) was accompanied by changes to the chart of accounts, against which departments record their expenditure. Most of the changes to the expenditure on services framework have been minor. The most significant has been the removal of the attributed share of the EU's aid. 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. This change brings TES closer into line with the National Accounts.

E.4 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.5 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.6 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.7 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> local government current and capital expenditure; Northern Ireland locally financed expenditure; public corporations' capital expenditure; public sector debt interest; and EU transactions.

E.8 Table E.1 shows the derivation of expenditure on services from departmental groups' budgets.

Classification changes

E.9 Classification changes since PESA 2012 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, 2012-13

	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	Small and Independent Bodies	Total for all departments	
Departmental Budgets																							
Resource DEL	50,886	102,513	5,283	23,285	19,220	11,442	8,593	599	35,874	2,152	6,129	1,129	2,077	3,286	7,360	26,123	13,681	10,031	3,495	2,470	1,457	337,087	
Capital DEL	4,449	3,838	7,826	2,473	1,240	442	282	2	7,843	100	1,653	2,038	414	412	375	2,940	1,363	969	218	363	63	39,304	
Resource Departmental AME	11,598	18,840	507	553	-92	1,260	915	5	7,360	88	191	5,388	-29	4,178	160,761	2,754	175	7,656	24,306	9,434	-110	255,740	
Capital Departmental AME	-	-	-61	0	6,129	-	-	0	-35	-	-6	-20	-1	622	27	188	255	344	-3,601	-	-40	3,799	
Remove																							
Grants to local government	-37,732	-245	-6,559	-25,041	-2	-10,459	0	-	-	-	-	-62	-169	-1,407	-24,055	-9,690	-6,023	-62	-	-1	-	-121,506	
Capital grants to public corporations	-	-8	-4	-	-	-	-	-	-	-6	-	-	-14	-39	-	-16	0	-194	-	-	-	-280	
Depreciation	-646	-2,248	-1,278	-72	-3,589	-256	-499	-9	-10,339	-228	-25	-130	-211	-1,358	-245	-919	-590	-977	16,918	-444	-61	-7,204	
Provisions	-8,288	-18,838	23	-9	-207	-7	-919	-2	-3,381	-18	-65	-5,314	45	25	-43	-2,321	-80	-1,630	552	-6,107	-122	-46,706	
Financial transactions	-2	-239	35	-208	-6,337	-	-	-	6	-	23	108	0	-	-97	-333	-344	-108	3,590	0	40	-3,867	
Interest and dividends	0	23	-299	16	815	-33	-	-	-183	-	1	2	8	105	6	132	24	-34	1,671	-31	51	2,272	
Items classified as revenue in National Accounts	1	-1,624	1,752	79	307	635	-	3	113	27	-759	96	72	61	-349	-1	11	-3	-2,382	10	146	-1,805	
EU receipts	-	-20	57	395	173	21	-	-	-	-	-	-	-2,129	-	187	702	484	371	-	-	1	4,501	
Other items not in TME	-1,338	-26	40	37	1,052	33	0	0	21	0	-1,220	-94	42	478	-752	0	-28	588	-47	-29	-2	-1,243	
Add																							
Local government current expenditure	42,958	14,935	5,191	8,196	416	12,648	124	-	-	-	-	-	5,492	2,193	24,641	11,339	5,496	535	-	57	-	134,221	
Local government capital expenditure	5,067	211	3,300	3,068	112	462	0	-	-	-	-	-	902	962	0	1,583	931	130	-	0	-	16,728	
Northern Ireland locally financed expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
Public corporations' capital expenditure	-	-	1,231	2,638	284	-	9	-	59	-	-	-	-	-	11	596	152	232	-	-	-	5,212	
Public sector debt interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,375	-	-	47,375	
EU transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,701	-	-	3,701	
Grant equivalent element of student loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans written off by mutual consent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	124	-	252	-	-	-	3,809	
Public sector expenditure on services	66,954	117,112	17,043	15,410	22,954	16,188	8,505	599	37,338	2,115	5,923	3,141	10,757	9,519	167,828	33,199	15,507	18,102	95,794	5,722	1,424	671,138	

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 2007 to financial data for 2007-08).

Table F.1 Population numbers by country and region

	Thousands				
	mid-2007	mid-2008	mid-2009	mid-2010	mid-2011
North East	2,562	2,569	2,575	2,587	2,596
North West	6,929	6,959	6,986	7,020	7,056
Yorkshire and the Humber	5,164	5,199	5,223	5,255	5,288
East Midlands	4,405	4,441	4,472	4,507	4,537
West Midlands	5,452	5,496	5,528	5,566	5,609
East	5,654	5,708	5,751	5,807	5,862
London	7,694	7,812	7,943	8,062	8,204
South East	8,351	8,426	8,491	8,578	8,653
South West	5,171	5,205	5,227	5,261	5,301
England	51,381	51,816	52,196	52,643	53,107
Scotland	5,144	5,169	5,194	5,222	5,255
Wales	3,006	3,026	3,039	3,050	3,064
Northern Ireland	1,762	1,779	1,793	1,805	1,814
United Kingdom	61,293	61,789	62,223	62,720	63,240

Source: Population Estimates for England and Wales produced by the Office for National Statistics¹ and are based upon the 2011 Census. Population Estimates for Scotland produced by the General Register Office for Scotland² and are based upon the 2001 Census. Population Estimates for Northern Ireland produced by the Northern Ireland Research and Statistics Agency³ and are based upon the 2011 Census.

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 2012-13 prices. The GDP deflators used in this publication are those given below. The most up to date deflators can be found on the GOV.UK website.⁴

¹ www.ons.gov.uk

² www.gro-scotland.gov.uk

³ www.nisra.gov.uk

⁴ <https://www.gov.uk>

Table F.2 GDP deflators and money GDP

**Outturn data are based on the June 2013 National Accounts figures from ONS
Forecast data are consistent with the 2013 Budget**

Financial year	GDP deflator at market prices		Money GDP £ million
	2010-12 = 100	Per cent change on previous year	
1971-72	10.039	8.65	59,302
1972-73	10.871	8.29	67,453
1973-74	11.627	6.95	75,309
1974-75	13.886	19.43	89,904
1975-76	17.415	25.41	112,102
1976-77	19.799	13.69	130,998
1977-78	22.499	13.64	152,484
1978-79	24.954	10.91	174,331
1979-80	29.114	16.67	209,653
1980-81	34.433	18.27	239,195
1981-82	37.727	9.57	263,139
1982-83	40.289	6.79	287,681
1983-84	42.063	4.40	313,225
1984-85	44.173	5.02	336,754
1985-86	46.525	5.32	369,914
1986-87	47.877	2.90	396,262
1987-88	50.439	5.35	441,979
1988-89	53.724	6.51	492,180
1989-90	57.346	6.74	539,946
1990-91	61.439	7.14	580,769
1991-92	65.439	6.51	612,376
1992-93	66.861	2.17	633,109
1993-94	68.304	2.16	671,839
1994-95	69.290	1.44	711,063
1995-96	71.190	2.74	752,384
1996-97	72.585	1.96	803,891
1997-98	71.807	-1.07	856,014
1998-99	73.179	1.91	903,201
1999-00	74.621	1.97	953,810
2000-01	75.147	0.71	1,000,990
2001-02	77.191	2.72	1,040,339
2002-03	78.987	2.33	1,098,061
2003-04	80.517	1.94	1,164,429
2004-05	82.740	2.76	1,229,516
2005-06	84.251	1.83	1,295,438
2006-07	86.672	2.87	1,369,907
2007-08	88.851	2.51	1,447,844
2008-09	91.342	2.80	1,442,253
2009-10	93.866	2.76	1,432,213
2010-11	96.315	2.61	1,502,176
2011-12	98.517	2.29	1,544,863
2012-13	100.00	1.50	1,568,241
2013-14	-	2.3	1,595,000
2014-15	-	1.9	1,658,000

GDP Deflator: For years 1971-72 to 2012-13: calculated from Office for National Statistics (ONS) data for seasonally adjusted current and constant price GDP (YBHA and ABMI)

For years 2013-14 to 2014-15: derived from Office for Budget Responsibility (OBR) forecasts for GDP deflator increases as at the Budget Report 2013

Money GDP: For years 1971-72 to 2012-13: ONS data for money GDP (not seasonally adjusted, BKTL)

For years 2013-14 to 2014-15: derived from OBR forecasts for money GDP at the Budget Report 2013

G

Glossary of terms

Within an explanation of a term, words in bold are themselves explained elsewhere in the glossary.

Acronyms

ALBs	Arms Length Bodies
AME	Annually Managed Expenditure
ASLCs	Accruing Superannuation Liability Charges
CAP	Common Agricultural Policy
CRA	Country and Regional Analysis
DEL	Departmental Expenditure Limit
EFO	Economic and Fiscal Outlook
GAAP	Generally Accepted Accounting Practice
GDP	Gross Domestic Product
IFRS	International Financial Reporting Standards
LASFE	Local Authority Self-Financed Expenditure
NDPBs	Non-Departmental Public Bodies
OSCAR	Online System for Central Accounting and Reporting
PCOFCE	Public Corporations' Own-Financed Capital Expenditure
PSCE	Public sector current expenditure
PSNB	Public sector net borrowing
PSND	Public sector net debt
PSNI	Public sector net investment
RAB	Resource Accounting and Budgeting
SUME	Single Use Military Equipment
TES	Total Expenditure on Services
TME	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 website¹.

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**.

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.

Arms Length Bodies – refers to a department's executive NDPBs and Trading Funds where these bodies have been classified as being within Central Government by the Office for National Statistics.

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.

Budget Exchange – a mechanism that 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.

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:

¹ http://webarchive.nationalarchives.gov.uk/20130405170223/http://www.hm-treasury.gov.uk/psr_clear_line_of_sight_intro.htm

- **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);
- **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 on the UN website.²

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** in PESA 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**.

² <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=4>

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.

Dedicated Schools Grants (DSG) is a hypothecated (ring-fenced) **current grant** from central government to local authorities, paid by the Department for Education 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.

Economic and Fiscal Outlook – is a bi-annual publication. It sets out the OBR forecasts for the economy and the public finances, and an assessment of whether the Government is likely to achieve its fiscal mandate and supplementary target

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. **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 of PESA 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 in 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 **statement of comprehensive net expenditure** 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-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 Public Spending Statistics and PESA and as part of which sector.

Online System for Central Accounting and Reporting (OSCAR) – the Treasury’s database that holds public expenditure data.

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.

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 **ALB**

makes a large (over £20m) 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.

Within PESA, 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 net 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 this release.

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 this release, 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 **International Financial Reporting Standards** (IFRS) 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 this release 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. A Spending Round in June 2013 set budgets for 2015-16.

Spending sectors are the part of the **public sector** that are making the expenditure, either **central government**, **local government** or **public corporations**.

Statement of Comprehensive Net Expenditure (SoCNE) – 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.

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 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, 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 Union's 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.

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