STATISTICAL BULLETIN: PUBLIC SPENDING STATISTICS NOVEMBER 2015

This release presents updated Public Spending data for the years 2010-11 to 2014-15. All data in this release are National Statistics and are on an outturn basis. Further background detail is found in the accompanying material published alongside this release. We welcome any feedback on this release at: statistics-enquiries@hmtreasury.gsi.gov.uk

HM Treasury Public Spending Statistics provide a range of information about public spending, using two related frameworks as shown in the table on page 4 below. Further detailed explanations are provided in the methodology annex to this bulletin.

IN THIS RELEASE
- Background: Page 3
- Charts on the key data: Page 7
- Statistical Tables: Page 9

KEY POINTS IN THIS RELEASE
- Total DEL expenditure (Resource DEL excluding depreciation plus Capital DEL) was £361.2 billion in 2014-15, an increase of £3.1 billion or 0.9 per cent on the previous year in nominal terms.
- Total Managed Expenditure was £738.0 billion in 2014-15, an increase of 1.8 per cent on the previous year.
- Total expenditure on services was £675.9 billion in 2014-15, an increase of 0.8 per cent on the previous year.
- Total departmental expenditure (Total DEL plus resource and capital departmental AME) was £622.9 billion in 2014-15, a fall of 2.9 per cent on the previous year. Work and Pensions accounts for around one quarter of departmental expenditure.
KEY REVISIONS IN THIS RELEASE (SINCE JULY 2015 PUBLICATION)

- Resource Departmental AME expenditure increased by £2.2 billion to £255.8 billion in 2014-15 driven by revisions to Department of Energy and Climate Change (DECC) spend in respect of Contracts for Difference signed under the Electricity Market Reform Programme. This revision was made to align spend with DECC 2014-15 Resource Accounts that were finalised after the July spending statistics bulletin. Other revisions to departmental budgets (DEL and AME) are small.

- Changes in non-departmental expenditure are mainly due to the impact of updated ONS data. In particular, the August Public Sector Finances release published on 22 September reflected revisions due to an ONS methodological change to the calculation of the depreciation of roads that affects both central and local government spend. A link to the August Public Sector Finances release is below.

http://www.ons.gov.uk/ons/dcp171778_417103.pdf

- This publication takes account of updated England, Scotland and Wales local authority data from DCLG and devolved bodies. In 2014-15 total local authority resource and capital spend has been reduced by £200 million to reflect latest available outturn data. In addition Scotland local authority data has also been corrected due to further work to align reporting methodologies across the United Kingdom. Capital expenditure in 2010-11, 2011-12, 2012-13 and 2013-14 has been revised upwards to include grants financed from the capital budget by £190 million, £170 million, £150 million and £170 million; while current expenditure in 2011-12, 2012-13 and 2013-14 has been revised downwards to exclude inter- and intra-authority charges from sector totals by £500 million, £600 million and £590 million respectively.

UPCOMING REVISIONS AND CHANGE TO THE PRESENTATION IN FORTHCOMING RELEASES

The next Treasury Public Spending National Statistics release will be in February 2016.

FORTHCOMING CHANGES TO THE SPENDING FRAMEWORKS USED IN THIS RELEASE

No changes are expected for the next release.

PUBLIC SPENDING STATISTICS PUBLICATION SCHEDULE FOR THE COMING YEAR

FEBRUARY 2016

This release contains updates to the key Public Spending Statistics series. It includes updated data for English and Welsh local authorities for the previous financial year.

APRIL 2016

Contains updates to the key Public Spending Statistics series. April is the first publication in which full outturn data for the previous financial year is
published, incorporating final data for all local authorities and devolved administrations.

**JULY 2016**  
The July Public Spending Statistics release contains the first publication of departmental spending outturn for the 2015-16 financial year. Local authority data and much of the data from the devolved administrations are still provisional at this stage of the year. This is the main annual release.

**OCT/NOV 2016**  
Updates to the key series of the Public Spending Statistics are published in October. Additionally, the Country and Regional Analysis is published in October or November each year.

**BACKGROUND**

**Tables 1 to 9** show central government departmental spending on a budgetary basis. These are the aggregates used by the Government to plan and control expenditure. They cover departments' own spending as well as support to local government and public corporations. They are consistent with “Estimates” voted by Parliament and broadly consistent with departmental Resource Accounts, which are based on commercial International Financial Reporting Standards (IFRS) adapted for the public sector.

Budgets are divided into Departmental Expenditure Limits (DEL), which are firm plans for three or four years, and Annually Managed Expenditure (AME), covering spending which is demand-led, less predictable and more difficult to control. Table 1 shows the aggregate position for all departments and all types of spending, with some of the main types of spending shown separately. Table 8 shows in detail how the budgeting data is used to construct the Total Managed Expenditure (TME) figures published by the Office for National Statistics. These are based on National Accounts concepts and are used in the aggregates which underlie the Government’s fiscal policy.

**Tables 10 to 11** present spending under the “expenditure on services” framework. This is based on National Accounts definitions and covers the whole of the public sector. It therefore has wider coverage than the budgeting framework and is also more stable over time.

**Tables 10, 10a and 10b** show public sector expenditure on services broken down by function over a period of 21 years, allowing long-term trends to be identified. **Table 11** presents data broken down by economic categories such as pay or grants.
DATA IN THIS RELEASE

Spending frameworks used in HM Treasury spending publications

<table>
<thead>
<tr>
<th>Budgeting</th>
<th>Expenditure on services</th>
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<td>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.</td>
<td>This framework is used in Treasury publications 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.</td>
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BUDGETING STATISTICS

DEPARTMENTAL EXPENDITURE LIMITS

- Total resource DEL was £333.6 billion in 2014-15, a fall of 1.5 per cent on the previous year.

- Total resource DEL excluding depreciation was £316.2 billion in 2014-15, a fall of 0.1 per cent on the previous year.

- Total DEL expenditure (Resource DEL excluding depreciation plus Capital DEL) was £361.2 billion in 2014-15, an increase of £3.1 billion or 0.9 per cent on the previous year in nominal terms.

- Total capital DEL was £44.9 billion in 2014-15, an increase of £3.3 billion or 7.8 per cent on the previous year.

ANNUALLY MANAGED EXPENDITURE

- Net public service pensions increased to £10.2 billion in 2014-15, from £5.4 billion in 2013-14. In 2010-11 net public service pensions was £78.1 billion. The negative expenditure in 2010-11 was caused by the decision to use the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI) for the indexation of public service pensions and the consequent reduction in the size of future liabilities. The effect of this on the major pension schemes (teachers, NHS, civil service and armed forces) is shown in the appropriate departmental budget in Table 3. As liabilities are not included in the
calculation of TME, there is an offset within the accounting adjustments to remove them (see Table 9 for details).

- Locally capital financed expenditure was £16.3 billion in 2011-12. This reflects a one-off payment to central government by local government in respect of Housing Revenue Account reform. There is an offsetting receipt in the accounting adjustments as the transaction is neutral within the public sector.

**TRENDS IN FUNCTIONAL EXPENDITURE (TABLES 10, 10A AND 10B)**

Compared with the previous year;

- In real terms, spending on six of the ten functions (not including EU transactions) increased during 2014-15, whilst the remaining four showed a decrease.

- The largest real terms growth in expenditure was in Recreation, culture and religion by 9.1 per cent, Housing and community amenities by 4.7 per cent and on Environment Protection by 4.2 per cent.

- The largest real terms fall in spending was in Education, down by 7.8 per cent. This is due to a decreased impact of student loan impairments, a footnote to the expenditure on services tables explains this in more detail. General public services also fell by 5.3 per cent, this was driven by a reduction of 11.2 per cent in public sector debt interest.

- There was a large fall of 27.3 per cent in EU transactions, this was driven by a larger UK abatement and higher EU receipts in 2014-15 than in 2013-14.

**EXPENDITURE ON SERVICES STATISTICS**

- During the recession, as GDP shrank but spending increased, TME took an increasingly large share of national income. As a result, TME as a percentage of GDP peaked at 45.7 per cent in 2009-10. In the subsequent years, TME as a percentage of GDP has been decreasing. In 2014-15 it stood at 40.3 per cent of GDP (Table 10b).

- In 2014-15 public expenditure on Health was equal to 7.3 per cent of GDP, compared to 5.2 per cent in 1994-95. Education spending has increased from 4.8 per cent in 1994-95 to 5.1 per cent of GDP in 2013-14, falling back to 4.6 per cent in 2014-15 due to the impact of student loan impairments. These changes reflect a mix of demographics and the policy priorities of successive governments.

- The share of GDP taken by public sector debt interest payments is 1.8 per cent in 2014-15, a level last seen in 2009-10. This is below the peak of 3.4 per cent last seen in 1995-96, when interest rates were significantly higher than now.
• In real terms (i.e. after adjusting for the effect of inflation);
  
  o spending on Social Protection was £257.9 billion in 2014-15, up from £255.0 billion in the previous year.
  
  o Health spending (including spending by central government departments and devolved administrations) was £134.1 billion in 2014-15, compared to £131.2 billion spent in 2013-14.

• Financial sector interventions are scored within Economic affairs in tables 10 to 10b, whereas in Table 11 they appear as capital grants and income from sales of goods and services. ¹

¹ Details of financial sector interventions within expenditure on services can be found in Box 5.A of PESA 2015.
CHARTS

Chart 1 shows trends in public spending in real terms according to the UN defined Classification of the Functions of Government (COFOG) framework. This breakdown allows users to see trends in expenditure over time without changes in the way government is organised (also known as machinery of government changes) introducing distortions. Departmental responsibilities have changed substantially since the early 1990s, for example, making it difficult to create consistent long-run time series. The COFOG framework enables these comparisons over time.

It is important to note that in most cases spending by function does not equate to spending by a single department. Spending within the health function, for example, represents expenditure by the devolved administrations as well as by the Department of Health and other central government departments. In the same way, a large proportion of education spending is carried out by local authorities, and not directly by the Department for Education.

Between 1994-94 and 2014-15 the Health function has had the highest rate of real terms growth.
Chart 2 shows trends in overall spending compared with overall nominal GDP. The ratio between TME and GDP is a measure of the size of government relative to the rest of the economy.

Chart 2: Trends in Public spending since 1994-95

NATIONAL STATISTICS

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods; and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.
### Table 1 Total Managed Expenditure, 2010-11 to 2014-15

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<td>Total resource AME</td>
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<td>Public sector current expenditure</td>
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<td>643,719</td>
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<td>670,636</td>
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<td><strong>CAPITAL EXPENDITURE</strong></td>
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<td>Capital DEL</td>
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<td>Total capital DEL</td>
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<td>National lottery</td>
<td>597</td>
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<td>BBC domestic services</td>
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<td>172</td>
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<td>Student loans</td>
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<td>Other departmental expenditure</td>
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<td>Capital other AME</td>
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<tr>
<td>Locally financed expenditure</td>
<td>5,715</td>
<td>16,343</td>
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<td>Public corporations' own-financed capital expenditure</td>
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<td>Accounting adjustments (3)</td>
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<td>Total capital other AME</td>
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<td>Total capital AME</td>
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<td>69,546</td>
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<td>less public sector depreciation</td>
<td>32,303</td>
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<td>34,739</td>
<td>36,030</td>
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<td><strong>TOTAL MANAGED EXPENDITURE</strong> (5)</td>
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<td>707,478</td>
<td>721,900</td>
<td>724,846</td>
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(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.

(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) Transactions from 2010-11 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2 of PESA 2015 (Cm9122).

(4) This excludes the temporary effects of banks being classified to the public sector. See Box 2.A in Chapter 2 of PESA 2015 (Cm9122).

(5) Total DEL is given by resource DEL excluding depreciation plus capital DEL.
## Table 2 Resource DEL, 2010-11 to 2014-15

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

(2) Figures from 2013-14 reflect adjustments to departmental budgets for changes to local government funding relating to the localisation of business rates and council tax benefit.
### Table 3 Resource departmental AME, 2010-11 to 2014-15

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(1) 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.

(2) Figures from 2013-14 reflect adjustments to departmental budgets for changes to local government funding relating to the localisation of business rates and council tax benefit.

(3) Transactions from 2010-11 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2 of PESA 2015 (Cm9122)
### Table 4 Capital DEL, 2010-11 to 2014-15

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*Table 4 Capital DEL, 2010-11 to 2014-15*

### Table 5 Capital departmental AME, 2010-11 to 2014-15

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(1) Transactions from 2010-11 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2 of PESA 2015 (Cm9122)
## Table 6 Resource DEL excluding depreciation, 2010-11 to 2014-15

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</table>

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

(2) Figures from 2013-14 reflect adjustments to budgets for changes to local government funding relating to the localisation of business rates and council tax benefit.
### Table 7 Total Departmental Expenditure Limits (1), 2010-11 to 2014-15

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<td>11,137</td>
<td>11,529</td>
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<td>Justice</td>
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<td>8,482</td>
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<td>7,450</td>
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<td>Law Officers’ Departments</td>
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<td>613</td>
<td>592</td>
<td>578</td>
<td>551</td>
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<td>Defence</td>
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<td>37,157</td>
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<td>7,813</td>
<td>7,758</td>
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<td>9,650</td>
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<td>Energy and Climate Change</td>
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<td>3,159</td>
<td>3,382</td>
<td>3,636</td>
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<td>2,761</td>
<td>2,435</td>
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<td>Work and Pensions</td>
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<td>7,749</td>
<td>7,667</td>
<td>7,665</td>
<td>7,225</td>
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<td>Scotland</td>
<td>28,495</td>
<td>27,546</td>
<td>27,907</td>
<td>28,345</td>
<td>28,803</td>
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<tr>
<td>Wales</td>
<td>15,133</td>
<td>14,618</td>
<td>14,609</td>
<td>15,034</td>
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<td>10,442</td>
<td>10,433</td>
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<td>Chancellor’s Departments</td>
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<td>3,447</td>
<td>3,364</td>
<td>3,582</td>
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<td>Cabinet Office</td>
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<td>2,448</td>
<td>2,510</td>
<td>2,509</td>
<td>2,829</td>
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<td>Small and Independent Bodies</td>
<td>1,650</td>
<td>1,702</td>
<td>1,467</td>
<td>1,555</td>
<td>1,695</td>
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<td><strong>Total DEL</strong></td>
<td><strong>375,377</strong></td>
<td><strong>364,053</strong></td>
<td><strong>356,012</strong></td>
<td><strong>358,116</strong></td>
<td><strong>361,185</strong></td>
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</table>

(1) Total DEL is given by Resource DEL excluding depreciation (Table 6) plus Capital DEL (Table 4).

(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 reflect adjustments to budgets for changes to local government funding relating to the localisation of business rates and council tax benefit.
## Table 8: Total Managed Expenditure by departmental group and other expenditure, 2010-11 to 2014-15

<table>
<thead>
<tr>
<th>Total Managed Expenditure by departmental group</th>
<th>£ million</th>
</tr>
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<tbody>
<tr>
<td>Education (1)</td>
<td>47,042</td>
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<tr>
<td>NHS (Health) (1)</td>
<td>89,450</td>
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<tr>
<td>Personal Social Services (Health) (2)</td>
<td>1,471</td>
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<tr>
<td>Transport</td>
<td>12,975</td>
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<tr>
<td>CLG Communities</td>
<td>10,990</td>
</tr>
<tr>
<td>CLG Local Government</td>
<td>25,442</td>
</tr>
<tr>
<td>Business, Innovation and Skills</td>
<td>22,448</td>
</tr>
<tr>
<td>Home Office</td>
<td>13,952</td>
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<tr>
<td>Justice</td>
<td>9,499</td>
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<tr>
<td>Law Officers’ Departments</td>
<td>665</td>
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<tr>
<td>Defence (1)</td>
<td>36,477</td>
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<td>Foreign and Commonwealth Office</td>
<td>2,287</td>
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<td>International Development</td>
<td>7,770</td>
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<tr>
<td>Energy and Climate Change</td>
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<tr>
<td>Environment, Food and Rural Affairs</td>
<td>2,301</td>
</tr>
<tr>
<td>Culture, Media and Sport</td>
<td>7,143</td>
</tr>
<tr>
<td>Work and Pensions</td>
<td>160,522</td>
</tr>
<tr>
<td>Scotland</td>
<td>31,701</td>
</tr>
<tr>
<td>Wales</td>
<td>15,395</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>14,369</td>
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<tr>
<td>Chancellor’s Departments (3)</td>
<td>29,885</td>
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<tr>
<td>Cabinet Office (1)</td>
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<tr>
<td>Small and Independent Bodies</td>
<td>1,291</td>
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</table>

Total departmental expenditure (4) 546,383 617,206 619,691 641,210 622,893

Central government gross debt interest 46,609 49,704 48,856 48,688 45,180
Locally financed expenditure 28,685 38,447 29,563 30,083 34,499
Public sector depreciation 32,303 33,714 34,739 36,030 36,961
Net expenditure transfers to the EU 8,414 7,072 9,131 9,716 8,881
Public corporations’ own-financed capital expenditure 8,603 6,045 7,183 7,568 7,596
Accounting adjustments 36,768 -45,340 -27,263 -48,428 -17,989

Total other expenditure (5) 161,382 90,272 102,209 83,636 115,129

TOTAL MANAGED EXPENDITURE (6) 707,765 707,478 721,900 724,846 738,022

---

(1) 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.

(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) Transactions from 2010-11 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2 of PESA 2015 (Cm9122)

(4) Total departmental expenditure is given by Resource DEL excluding depreciation plus capital DEL plus resource and capital departmental AME.

(5) Total other expenditure is other AME spend within total managed expenditure.

(6) This excludes the temporary effects of banks being classified to the public sector. See Box 2.A in Chapter 2 of PESA 2015 (Cm9122)
### Table 9 Accounting adjustments (1), 2010-11 to 2014-15

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<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Capital consumption (excluding NHS)</td>
<td>-8.5</td>
<td>-15.0</td>
<td>-14.9</td>
<td>-17.7</td>
<td>-15.2</td>
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<tr>
<td>NHS capital consumption</td>
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<td>-1.7</td>
<td>-1.8</td>
<td>-2.1</td>
<td>-1.8</td>
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<tr>
<td>Interest</td>
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<td>-0.2</td>
<td>-0.2</td>
<td>-0.2</td>
<td>-0.3</td>
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<tr>
<td>Public corporation subsidies</td>
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<td>-1.1</td>
<td>-1.7</td>
<td>-1.1</td>
<td>-0.9</td>
</tr>
<tr>
<td>Other</td>
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<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Total resource DEL</strong></td>
<td><strong>-11.7</strong></td>
<td><strong>-18.0</strong></td>
<td><strong>-18.5</strong></td>
<td><strong>-21.0</strong></td>
<td><strong>-18.1</strong></td>
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<table>
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</tr>
</thead>
<tbody>
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<td>Capital consumption</td>
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<td>-1.6</td>
<td>-1.6</td>
<td>-1.4</td>
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<td>2.7</td>
<td>1.2</td>
<td>2.1</td>
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<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
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<tr>
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<td>0.0</td>
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<td>-0.2</td>
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<td>-0.3</td>
<td>0.0</td>
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<tr>
<td>Public corporation subsidies</td>
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<td>-7.3</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Other</td>
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<td>2.4</td>
<td>0.0</td>
<td>0.2</td>
<td>0.1</td>
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<tr>
<td><strong>Total resource departmental AME</strong></td>
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<td><strong>-5.1</strong></td>
<td><strong>1.0</strong></td>
<td><strong>-0.4</strong></td>
<td><strong>0.1</strong></td>
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#### Adjustments for different data used by OBR in PSCE forecast
- of which **DEL**
- of which **AME**

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<th><strong>Total resource budget data replaced by different source data</strong></th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
<th>2014-15</th>
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<tbody>
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<td><strong>Total resource DEL</strong></td>
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<td><strong>-23.0</strong></td>
<td><strong>-17.6</strong></td>
<td><strong>-21.4</strong></td>
<td><strong>-18.0</strong></td>
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</table>

Remove data in budgets which do not form part of public sector current expenditure

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</tr>
</thead>
<tbody>
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<td>Receipts treated as negative DEL but revenue in National Accounts</td>
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<td>0.6</td>
<td>0.8</td>
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<td>Fees, levies and charges</td>
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<td>0.4</td>
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<td>1.7</td>
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<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
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<td>0.6</td>
<td>0.6</td>
<td>0.7</td>
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<tr>
<td>Profit or loss - sale of company securities</td>
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<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
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<tr>
<td>Profit or loss - sale of other assets (capital in National Accounts)</td>
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<td><strong>2.8</strong></td>
<td><strong>-0.6</strong></td>
<td><strong>3.3</strong></td>
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<td>0.1</td>
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<td>-0.5</td>
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<td>3.0</td>
</tr>
<tr>
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<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
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<tr>
<td>Imputed tax element of renewable obligation certificates</td>
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<td>0.0</td>
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<td>Imputed tax element of other environmental levies</td>
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<td>0.0</td>
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<tr>
<td>Tax credits</td>
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<td>-2.6</td>
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<td><strong>Total resource departmental AME</strong></td>
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<td><strong>-14.6</strong></td>
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</table>

**Total resource budget data not in public sector current expenditure**

<table>
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<tbody>
<tr>
<td>26.7</td>
<td>-41.8</td>
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### Table 9 Accounting adjustments (1), 2010-11 to 2014-15 (continued)

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<tbody>
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<td>Expenditure on goods and services</td>
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<td>22.5</td>
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<td>18.8</td>
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<tr>
<td>of which: VAT refunds</td>
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<td>5.0</td>
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<tr>
<td>of which: Single Use Military Equipment (1)</td>
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<td>0.4</td>
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<td>0.3</td>
<td>0.3</td>
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<tr>
<td>of which: payment from EU for tax collection costs</td>
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<td>-0.7</td>
<td>-0.7</td>
<td>-0.7</td>
<td>-0.8</td>
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<td>of which: capital consumption</td>
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<td>of which: Network Rail (1)</td>
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<td>-4.0</td>
<td>-3.8</td>
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<td>of which: other</td>
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<td>Net social benefits</td>
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<td>3.8</td>
<td>3.9</td>
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<td>of which: switch between benefits and other current grants</td>
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<td>0.6</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>of which: other</td>
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<td>4.6</td>
<td>3.4</td>
<td>3.5</td>
<td>3.7</td>
</tr>
<tr>
<td>Net current grants abroad</td>
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<td>0.1</td>
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<tr>
<td>of which: attributed ad</td>
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<td>-0.9</td>
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<td>of which: EU receipts</td>
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(1) OFFICIAL SENSITIVE – Until 9.30am 5 November 2015
Table 9 Accounting adjustments, 2010-11 to 2014-15 (1) (continued)

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### Table 9 Accounting adjustments, 2010-11 to 2014-15 (1) (continued)

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(1) This table reflects the effect of the move from European System of Accounts (ESA) 1995 to ESA 2010 and also the implementation of the new ex-measures defined as part of the 2013 Review of Public Sector Finance Statistics. The revision to debt interest due to the Network Rail reclassification from private sector to central government is included within the central government debt interest row in Table 1. Other accounting adjustments are described in Annex D of PESA 2015.

(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 10 Public sector expenditure on services by function, 1994-95 to 2014-15

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(1) Transactions in 2008-09 onwards have been affected by financial sector interventions. Details are provided in Box S.5A in PESA 2015.

(2) The 2014-15 decrease in ‘Education’ is due to a decreased impact of student loan impairments. Earnings forecasts improved during 2014-15 (a reduction of around £1.4bn), and along with further modelling improvements (another reduction of around £1.4bn), the cost of new loans was partially offset by improvements to the value of existing loans. This reduction (£2.8bn), combined with the large increase in 2013-14 (£2.2bn), explains the significant decrease in Education expenditure in 2014-15.

(3) This excludes the temporary effects of banks being classified to the public sector. See Box S.5A in PESA 2015 for details.
### Table 10a: Public sector expenditure on services by function in real terms (1), 1994-95 to 2014-15

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(1) Real terms figures are the nominal figures adjusted to 2014-15 price levels using GDP deflators from the Office for National Statistics (released 30 September 2015).
(2) The increase in 2008-09 relates to the financial sector interventions. Details are provided in Box 5.A in Chapter 5 of PESA 2015.
(3) The 2014-15 decrease in ‘Education’ is due to a decreased impact of student loan impairments. Earnings forecasts improved during 2014-15 (a nominal terms reduction of around £1.4bn), and along with further modelling improvements (another nominal terms reduction of around £1.4bn), the cost of new loans was partially offset by improvements to the value of existing loans. This reduction (£2.8bn, combined with the large increase in 2013-14 (£2.2bn nominally), explains the significant decrease in Education expenditure in 2014-15.
(4) This excludes the temporary effects of banks being classified to the public sector. See Box 5.A in PESA 2015.
### Table 10b Public sector expenditure on services by function as a per cent of GDP (1), 1994-95 to 2014-15

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<td>2.1</td>
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<td>2.1</td>
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<td>1.9</td>
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<td>4. Economic affairs</td>
<td>3.2</td>
<td>3.0</td>
<td>2.8</td>
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<td>2.3</td>
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</tr>
</tbody>
</table>

This excludes the temporary effects of banks being classified to the public sector. See Box 5.A in ESA 2015.

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(1) GDP is consistent with the latest figures from the Office for National Statistics (published 30 September 2015 with additional changes 30 October 2015).

(2) The increase in 2008-09 relates to the financial sector interventions. Details are provided in Box 5.A in Chapter 5 of RESA 2015.

(3) The 2014-15 decrease in ‘Education’ is due to a decreased impact of student loan impairments. Earnings forecasts improved during 2014-15 (a reduction of around £1.4bn), and along with further modelling improvements (another reduction of around £1.4bn), the cost of new loans was partially offset by improvements to the value of existing loans. This reduction (£2.8bn), combined with the large increase in 2013-14 (£2.2bn), explains the significant decrease in Education expenditure in 2014-15.

(4) This excludes the temporary effects of banks being classified to the public sector. See Box 5.A in RESA 2015.
### Table 11 Public sector expenditure on services by economic category, 2010-11 to 2014-15

<table>
<thead>
<tr>
<th></th>
<th>National Statistics</th>
<th>£million</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public sector current expenditure on services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>outturn</td>
<td>outturn</td>
</tr>
<tr>
<td>Pay</td>
<td>169,348</td>
<td>166,184</td>
</tr>
<tr>
<td>Gross current procurement</td>
<td>188,665</td>
<td>189,085</td>
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<tr>
<td>Income from sales of goods and services</td>
<td>-47,464</td>
<td>-44,963</td>
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<tr>
<td>Current grants to persons and non-profit bodies</td>
<td>222,635</td>
<td>229,103</td>
</tr>
<tr>
<td>Current grants abroad</td>
<td>9,427</td>
<td>7,831</td>
</tr>
<tr>
<td>Subsidies to private sector companies</td>
<td>7,941</td>
<td>8,246</td>
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<tr>
<td>Subsidies to public corporations</td>
<td>706</td>
<td>458</td>
</tr>
<tr>
<td>Net public service pensions</td>
<td>4,627</td>
<td>6,678</td>
</tr>
<tr>
<td>Grant equivalent element of student lending</td>
<td>4,242</td>
<td>2,215</td>
</tr>
<tr>
<td>Public sector debt interest</td>
<td>40,227</td>
<td>42,065</td>
</tr>
<tr>
<td>Other</td>
<td>59</td>
<td>82</td>
</tr>
<tr>
<td><strong>Total public sector current expenditure on services</strong></td>
<td>600,410</td>
<td>606,985</td>
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<tr>
<td>Accounting adjustments</td>
<td>35,256</td>
<td>36,734</td>
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<tr>
<td><strong>Total public sector current expenditure</strong></td>
<td>635,666</td>
<td>643,719</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>National Statistics</th>
<th>£million</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public sector capital expenditure on services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital grants(1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>outturn</td>
<td>outturn</td>
</tr>
<tr>
<td>Capital grants</td>
<td>15,754</td>
<td>12,238</td>
</tr>
<tr>
<td>Gross capital procurement</td>
<td>42,824</td>
<td>38,016</td>
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<tr>
<td>Income from sales of capital assets</td>
<td>-3,258</td>
<td>-4,309</td>
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<tr>
<td>Other</td>
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<tr>
<td><strong>Total public sector capital expenditure on services</strong></td>
<td>55,320</td>
<td>45,945</td>
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<td>Accounting adjustments</td>
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<td>17,814</td>
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<td><strong>Total public sector capital expenditure</strong></td>
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<td>63,759</td>
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<tr>
<td><strong>Total public sector expenditure on services</strong></td>
<td>655,729</td>
<td>652,930</td>
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<td>Accounting adjustments</td>
<td>52,036</td>
<td>54,548</td>
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<tr>
<td><strong>Total Managed Expenditure(2)</strong></td>
<td>707,765</td>
<td>707,478</td>
</tr>
</tbody>
</table>

(1) Transactions from 2010-11 onwards have been affected by financial sector interventions. See Box 5.A in PESA 2015 for details.
(2) This excludes the temporary effects of banks being classified to the public sector.