

# PUBLIC SPENDING STATISTICS JULY 2019



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## CORRECTION TO THIS RELEASE

Following the initial publication of the statistical release on 18 July 2019, this publication has been updated to take on corrections to local government current expenditure data for Scotland in 2017-18 only. This affects tables 4.2 to 4.4, 5.2 to 5.5, 7.4, 7.5 and 7.8. The changes produce an increase in expenditure of £294m in 2017-18.

A further correction has been made to tables 2.2 and 2.3. Labelling was switched between HM Treasury and HM Revenue & Customs in both tables. Overall totals have not been affected.

## INTRODUCTION

This National Statistics release is intended to provide comprehensive information on public spending. Data are arranged thematically by section. Each section contains overview commentary on the statistics being released, statistical tables, and further background information.

The key data being updated in this release are for the years 2014-15 to 2018-19. This release contains the first estimate of 2018-19 outturn. All data in this release are National Statistics and are on an outturn basis. Where major revisions to the data for past years have been made we refer to them in the text accompanying the tables. Further background detail is found in the accompanying background material published alongside this release.

### EUROPEAN SYSTEM OF ACCOUNTS 2010 (ESA10)

The Office for National Statistics (ONS) are responsible for producing the National Accounts which measure the economic activity of the whole economy. The UK are legally required to produce these based on a framework specified in the European System of Accounts 2010 (ESA10). Before September 2014 the UK, along with all other Member States, produced accounts using the previous ESA95 framework.

Total Managed Expenditure (TME) is an aggregate drawn from National Accounts that measures the sum of public sector current and capital spending. The move to ESA10 from September 2014 onwards means that the TME aggregate used in the Public Spending Statistics and PESA publications is also now on an ESA 2010 basis.

#### About ESA 2010:

<http://ec.europa.eu/eurostat/web/esa-2010>

HM Treasury Public Spending Statistics provide a range of information about public spending. Further detailed explanations are provided in the methodology annex to this bulletin.

The release is classified as National Statistics and conforms to the rules and principles set out in the *Code of Practice for Official Statistics* overseen by the United Kingdom Statistics Authority.

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## RELATED RELEASES FROM HM TREASURY

- The **PESA command paper** is an annual release, containing plans data for the Spending Review period, alongside the data contained in this release.
- The **quarterly Public Spending Statistics update releases** update the key series found in this release.

Changes to this release have been made in response to requests from the United Kingdom Statistics Authority and feedback received from users. We welcome further user feedback at: [pesa@hmtreasury.gov.uk](mailto:pesa@hmtreasury.gov.uk)

## REVISIONS IN THIS RELEASE

All of the data contained in the Public Spending National Statistics are open for revision in every publication. Table 1 below summarises the key revisions in this release.

Revisions to Budgets since July 2018 (£million)	2014-15	2015-16	2016-17	2017-18
Total Managed Expenditure	0	0	-32	5,374
Total Departmental Expenditure Limits (DEL)	131	72	73	510
Departmental Annually Managed Expenditure (AME)	5	8	11	-428
Other AME	-136	-80	-117	5,319
Total resource DEL	74	72	74	628
Total capital DEL	57	0	0	-143

Figures for Total Managed Expenditure (TME) are taken from the ONS/HM Treasury Public Sector Finances release. The main revisions since last July's publication are:

Changes to TME and Other AME are mainly due to ONS revisions to Central Government current and capital expenditure. Local Government expenditure has also been revised up. Changes to TDEL in 2017-18 are mainly the result of the inclusion of revised data from the Department for Education.

## FUTURE DEVELOPMENT OF PUBLIC SPENDING STATISTICS

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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## CHAPTER 1 DEPARTMENTAL BUDGETS

### OVERVIEW

The tables in chapter 1 bring 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.

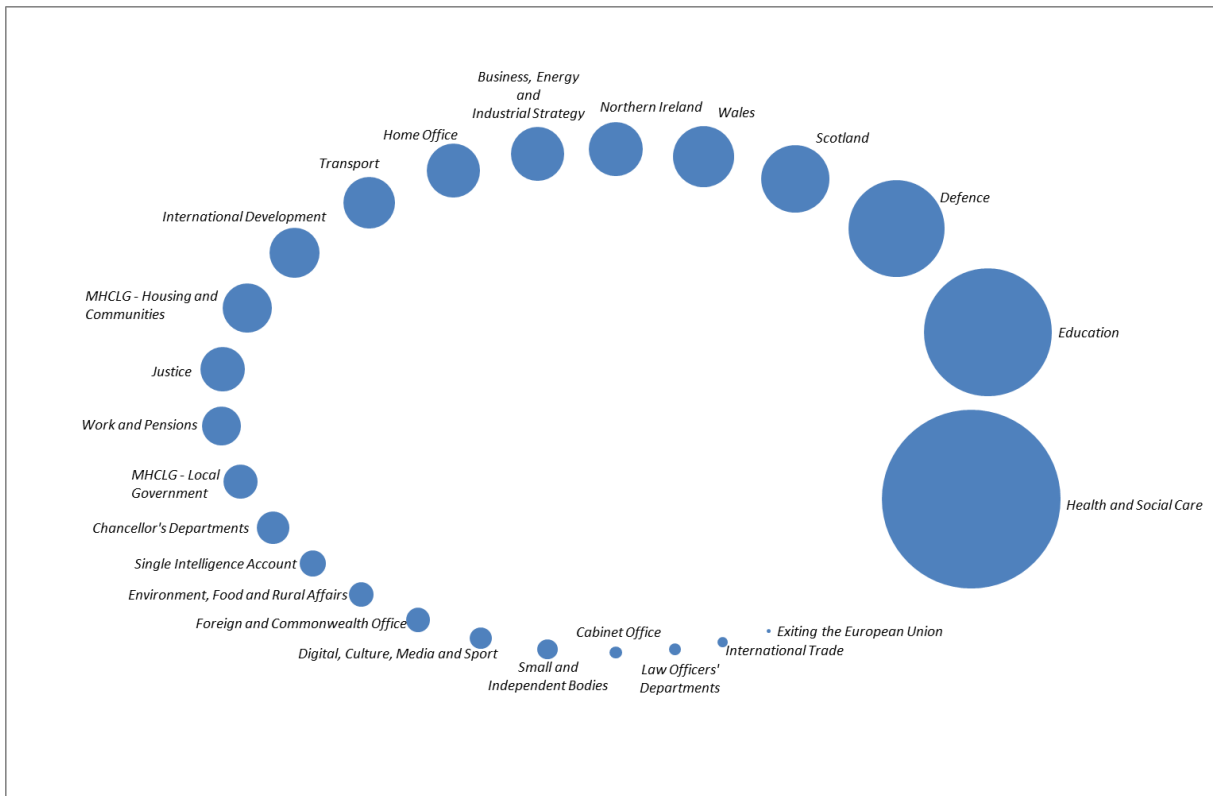
### DEPARTMENTAL EXPENDITURE LIMITS

- Total resource DEL was £331.9bn in 2018-19, a decrease of 1.8 per cent in real terms on the previous year.
- Total resource DEL (RDEL) excluding depreciation was £308.6bn in 2018-18, a fall of 0.1 per cent in real terms on the previous year.
- Depreciation in resource DEL was £23.4bn in 2018-19, a decrease of 19.9 per cent in real terms on 2017-18.
- Total capital DEL was £62.5bn in 2018-19, an increase of 10.5 per cent in real terms on the previous year.
- Total DEL in real terms increased by 1.6 per cent in 2018-19 from £365.3bn to £371.1bn. The largest increases in DEL spending in real terms in 2018-19 were for Health and Social Care, which increased by £2.8bn to £130.3bn, and Transport which was up by £2.3bn to £10.7bn, although this largely reflected a change in treatment of Network Rail which had previously formed part of Transport AME.

### ANNUALLY MANAGED EXPENDITURE

- Resource departmental AME fell by £192.5bn to £248.3bn in real terms in 2018-19. This is mainly reflects lower provisions for the Nuclear Decommissioning Authority within Business, Energy and Industrial Strategy.
- Capital departmental AME fell by £9.0bn to £12.5bn in 2018-19.

CHART 1 2018-19 Total Departmental Expenditure Limit (TDEL) outturn by department.



Bubble sizes are proportional to the amount of TDEL for each department. TDEL is made up of Resource DEL excluding depreciation plus Capital DEL.

**Table 1.1 Total Managed Expenditure, 2014-15 to 2018-19**

	£ million				
	National Statistics				
	2014-15	2015-16	2016-17	2017-18	2018-19
	outturn	outturn	outturn	outturn	outturn
<b>CURRENT EXPENDITURE</b>					
<i>Resource DEL</i>					
Resource DEL excluding depreciation	307,918	306,748	304,332	303,197	308,564
Depreciation in resource DEL	17,169	18,742	25,247	28,637	23,371
<b>Total resource DEL</b>	<b>325,087</b>	<b>325,490</b>	<b>329,580</b>	<b>331,833</b>	<b>331,935</b>
<i>Resource departmental AME</i>					
Social security benefits	184,185	187,687	189,298	192,728	199,381
Tax credits <sup>(1)</sup>	29,187	28,482	27,393	26,293	22,715
Net public service pensions <sup>(2)</sup>	10,188	11,830	9,524	26,912	53,777
National lottery	1,440	904	1,080	1,132	840
BBC domestic services	3,533	3,631	3,567	3,410	3,447
Student loans	-1,579	-1,683	-2,031	-3,001	-5,667
Non-cash items	61,033	185,538	61,761	147,045	-56,672
Financial sector interventions	-48,669	-12,492	-24,832	-216	-15,090
Other departmental expenditure	14,990	14,075	25,814	38,616	45,599
<b>Total resource departmental AME</b>	<b>254,308</b>	<b>417,971</b>	<b>291,574</b>	<b>432,919</b>	<b>248,331</b>
<i>Resource other AME</i>					
Net expenditure transfers to the EU	11,658	11,253	9,160	10,188	12,899
Locally financed expenditure	25,555	30,294	33,956	33,908	35,495
Central government gross debt interest	45,371	45,127	48,659	55,037	48,658
Accounting adjustments <sup>(3)</sup>	12,838	-147,519	-20,219	-152,728	50,846
<b>Total resource other AME</b>	<b>95,422</b>	<b>-60,846</b>	<b>71,556</b>	<b>-53,595</b>	<b>147,897</b>
<b>Total resource AME</b>	<b>349,730</b>	<b>357,125</b>	<b>363,130</b>	<b>379,324</b>	<b>396,228</b>
<b>Public sector current expenditure</b>	<b>674,817</b>	<b>682,615</b>	<b>692,710</b>	<b>711,157</b>	<b>728,163</b>
<b>CAPITAL EXPENDITURE</b>					
<i>Capital DEL</i>					
<b>Total capital DEL</b>	<b>53,252</b>	<b>48,603</b>	<b>51,268</b>	<b>55,568</b>	<b>62,505</b>
<i>Capital departmental AME</i>					
National lottery	584	407	479	426	337
BBC domestic services	111	130	248	118	160
Student loans	11,477	12,597	14,025	16,870	18,385
Financial sector interventions	-3,030	-11,315	-3,514	-942	-2,509
Other departmental expenditure	-4,118	-11,076	-8,059	4,654	-3,828
<b>Total capital departmental AME</b>	<b>5,024</b>	<b>-9,257</b>	<b>3,179</b>	<b>21,127</b>	<b>12,544</b>
<i>Capital other AME</i>					
Locally financed expenditure	6,549	8,582	8,860	13,649	14,142
Public corporations' own-financed capital expenditure	18,027	14,594	16,667	15,016	9,374
Accounting adjustments <sup>(3)</sup>	-7,224	11,631	-730	-21,647	-16,553
<b>Total capital other AME</b>	<b>17,352</b>	<b>34,806</b>	<b>24,797</b>	<b>7,018</b>	<b>6,963</b>
<b>Total capital AME</b>	<b>22,376</b>	<b>25,549</b>	<b>27,976</b>	<b>28,144</b>	<b>19,507</b>
<b>Public sector gross investment <sup>(4)</sup></b>	<b>75,628</b>	<b>74,152</b>	<b>79,244</b>	<b>83,712</b>	<b>82,012</b>
<i>less public sector depreciation</i>	39,014	40,078	40,782	41,055	40,361
<b>Public sector net investment <sup>(4)</sup></b>	<b>36,614</b>	<b>34,074</b>	<b>38,462</b>	<b>42,657</b>	<b>41,651</b>
<b>TOTAL MANAGED EXPENDITURE <sup>(4) (5)</sup></b>	<b>750,445</b>	<b>756,767</b>	<b>771,954</b>	<b>794,869</b>	<b>810,175</b>
<i>of which:</i>					
Total DEL <sup>(5)</sup>	361,170	355,351	355,601	358,764	371,069
Departmental AME	259,332	408,713	294,752	454,045	260,875
Other AME	129,943	-7,297	121,601	-17,940	178,231

(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 change from 2017-18 is due to the reduction in the "discount rate net of CPI" used to measure the costs of public service pensions accruing over the year on an accounting basis.

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

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

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

**Table 1.2 Total Managed Expenditure in real terms <sup>(1)</sup>, 2014-15 to 2018-19**

	£ million				
	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>CURRENT EXPENDITURE</b>					
<i>Resource DEL</i>					
Resource DEL excluding depreciation	329,792	325,934	316,164	308,758	308,564
Depreciation in resource DEL	18,388	19,914	26,229	29,162	23,371
<b>Total resource DEL</b>	<b>348,181</b>	<b>345,848</b>	<b>342,393</b>	<b>337,920</b>	<b>331,935</b>
<i>Resource departmental AME</i>					
Social security benefits	197,270	199,426	196,657	196,263	199,381
Tax credits <sup>(2)</sup>	31,260	30,263	28,457	26,775	22,715
Net public service pensions <sup>(3)</sup>	10,912	12,570	9,894	27,405	53,777
National lottery	1,542	960	1,122	1,153	840
BBC domestic services	3,784	3,858	3,706	3,473	3,447
Student loans	-1,691	-1,788	-2,110	-3,056	-5,667
Non-cash items	65,369	197,143	64,162	149,742	-56,672
Financial sector interventions	-52,127	-13,274	-25,798	-220	-15,090
Other departmental expenditure	16,055	14,955	26,818	39,324	45,599
<b>Total resource departmental AME</b>	<b>272,373</b>	<b>444,113</b>	<b>302,910</b>	<b>440,859</b>	<b>248,331</b>
<i>Resource other AME</i>					
Net expenditure transfers to the EU	12,486	11,956	9,516	10,375	12,899
Locally financed expenditure	27,370	32,189	35,277	34,530	35,495
Central government gross debt interest	48,594	47,950	50,551	56,046	48,658
Accounting adjustments <sup>(4)</sup>	13,750	-156,746	-21,005	-155,529	50,846
<b>Total resource other AME</b>	<b>102,201</b>	<b>-64,651</b>	<b>74,338</b>	<b>-54,578</b>	<b>147,897</b>
<b>Total resource AME</b>	<b>374,574</b>	<b>379,462</b>	<b>377,248</b>	<b>386,281</b>	<b>396,228</b>
<b>Public sector current expenditure</b>	<b>722,755</b>	<b>725,310</b>	<b>719,642</b>	<b>724,201</b>	<b>728,163</b>
<b>CAPITAL EXPENDITURE</b>					
<i>Capital DEL</i>					
<b>Total capital DEL</b>	<b>57,035</b>	<b>51,643</b>	<b>53,262</b>	<b>56,587</b>	<b>62,505</b>
<i>Capital departmental AME</i>					
National lottery	626	433	498	433	337
BBC domestic services	119	138	257	120	160
Student loans	12,292	13,385	14,570	17,180	18,385
Financial sector interventions	-3,245	-12,023	-3,651	-959	-2,509
Other departmental expenditure	-4,410	-11,769	-8,372	4,740	-3,828
<b>Total capital departmental AME</b>	<b>5,381</b>	<b>-9,836</b>	<b>3,302</b>	<b>21,514</b>	<b>12,544</b>
<i>Capital other AME</i>					
Locally financed expenditure	7,015	9,119	9,205	13,899	14,142
Public corporations' own-financed capital expenditure	19,308	15,506	17,315	15,292	9,374
Accounting adjustments <sup>(4)</sup>	-7,738	12,358	-758	-22,044	-16,553
<b>Total capital other AME</b>	<b>18,585</b>	<b>36,983</b>	<b>25,761</b>	<b>7,147</b>	<b>6,963</b>
<b>Total capital AME</b>	<b>23,966</b>	<b>27,147</b>	<b>29,063</b>	<b>28,661</b>	<b>19,507</b>
<b>Public sector gross investment <sup>(5)</sup></b>	<b>81,001</b>	<b>78,790</b>	<b>82,325</b>	<b>85,247</b>	<b>82,012</b>
<i>less public sector depreciation</i>	41,786	42,585	42,368	41,808	40,361
<b>Public sector net investment <sup>(5)</sup></b>	<b>39,215</b>	<b>36,205</b>	<b>39,957</b>	<b>43,439</b>	<b>41,651</b>
<b>TOTAL MANAGED EXPENDITURE <sup>(5) (6)</sup></b>	<b>803,756</b>	<b>804,100</b>	<b>801,967</b>	<b>809,448</b>	<b>810,175</b>
<i>of which:</i>					
Total DEL <sup>(6)</sup>	386,827	377,577	369,426	365,344	371,069
Departmental AME	277,755	434,277	306,212	462,373	260,875
Other AME	139,174	-7,754	126,329	-18,269	178,231

(1) Real terms figures are the cash figures adjusted to 2018-19 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National statistics on 28 June 2019. The forecasts are consistent with the 2019 Spring Statement.

(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.

(3) The change from 2017-18 is due to the reduction in the "discount rate net of CPI" used to measure the costs of public service pensions accruing over the year on an accounting basis.

(4) Transactions 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 1.3 Resource budgets, 2014-15 to 2018-19

	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>£ million</b>					
<b>Resource DEL by departmental group</b>					
Defence	34,155	34,424	35,423	34,199	34,353
Single Intelligence Account	2,032	2,174	2,268	2,390	2,541
Home Office	11,443	10,757	10,977	10,911	11,227
Foreign and Commonwealth Office	1,861	1,953	2,058	2,208	2,410
International Development	7,017	6,829	7,413	7,558	7,196
Health and Social Care	109,534	113,710	117,031	120,650	125,278
Work and Pensions	7,225	6,551	6,237	6,187	5,967
Education	62,191	63,947	69,831	75,148	70,444
Business, Energy and Industrial Strategy	2,448	2,494	1,962	1,714	1,246
Transport <sup>1</sup>	3,460	3,029	2,927	3,673	3,894
Exiting the European Union	7	7	22	55	79
Digital, Culture, Media and Sport	1,513	1,390	1,551	1,585	1,658
MHCLG - Housing and Communities	2,043	2,174	2,488	2,372	2,328
MHCLG - Local Government	13,657	10,758	8,229	6,714	4,834
Scotland <sup>(2)</sup>	26,376	26,338	21,377	14,946	16,255
Wales <sup>(3)</sup>	14,203	13,329	13,325	14,002	14,006
Northern Ireland	10,184	10,156	10,475	10,625	11,008
Justice	7,728	7,348	7,406	7,627	8,035
Law Officers' Departments	554	553	530	567	557
Environment, Food and Rural Affairs	1,851	1,732	1,740	1,833	1,944
HM Revenue and Customs	3,468	3,576	3,836	3,946	3,952
HM Treasury	129	129	163	225	246
Cabinet Office	454	443	479	701	553
International Trade	279	341	345	381	413
Small and Independent Bodies	1,275	1,349	1,489	1,617	1,510
<b>Total resource DEL</b>	<b>325,087</b>	<b>325,490</b>	<b>329,580</b>	<b>331,833</b>	<b>331,935</b>
<b>Resource departmental AME by departmental group</b>					
Defence	8,311	12,020	5,125	16,675	4,679
Single Intelligence Account	41	135	13	19	22
Home Office	2,457	1,551	2,396	2,489	2,695
Foreign and Commonwealth Office	-70	39	-53	142	31
International Development	151	206	188	326	-101
Health and Social Care <sup>(5)</sup>	21,952	48,530	27,782	39,657	40,708
Work and Pensions	167,639	173,400	172,921	177,252	180,877
Education	12,908	5,296	11,448	15,094	22,739
Business, Energy and Industrial Strategy <sup>(5)</sup>	8,949	102,217	3,781	75,398	-105,625
Transport <sup>(6)</sup>	-264	5,680	6,457	6,989	7,657
Exiting the European Union	-	-	-	0	-
Digital, Culture, Media and Sport	4,935	4,348	4,702	4,265	4,739
MHCLG - Housing and Communities	47	56	154	184	198
MHCLG - Local Government	11,662	12,174	12,413	15,752	21,188
Scotland	3,858	3,951	9,203	17,123	17,919
Wales	32	-311	240	177	262
Northern Ireland	8,290	8,375	8,253	8,872	9,955
Justice	-144	483	549	244	1,301
Law Officers' Departments	13	-15	-1	11	2
Environment, Food and Rural Affairs	78	391	86	-28	-416
HM Revenue and Customs	42,931	43,194	42,329	41,845	40,601
HM Treasury <sup>(7)</sup>	-49,912	-13,778	-25,452	-684	-15,254
Cabinet Office	10,573	10,366	9,140	11,203	14,245
International Trade	0	0	-	0	0
Small and Independent Bodies	-129	-336	-101	-88	-95
<b>Total resource departmental AME</b>	<b>254,308</b>	<b>417,971</b>	<b>291,574</b>	<b>432,919</b>	<b>248,331</b>
<b>Total resource budget</b>	<b>579,395</b>	<b>743,461</b>	<b>621,154</b>	<b>764,752</b>	<b>580,266</b>

(1) From 2019-20 Transport DEL includes funding for expenditure by Network Rail. This was formerly part of the Transport Annually Managed Expenditure (AME) budget.

(2) The Scottish Government's resource DEL block grant has been adjusted from 2015-16 onwards as agreed in the Scottish Government's Fiscal Framework. From 2015-16 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax. In 2016-17 they reflect the creation of the Scottish Rate of Income Tax. From 2017-18 they reflect the devolution of further income tax powers and revenues from Scottish courts.

(3) The Welsh Government's resource DEL block grant has been adjusted from 2018-19 onwards as agreed in the Welsh Government's Fiscal Framework. From 2018-19 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax and from 2019-20 the devolution of Welsh Rates of Income Tax.

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

(5) Figures reflect a change to the long-term discount rate used each year for provisions to maintain compliance with International Financial Reporting Standards.

(6) Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown. However, the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. Figures in 2014-15 reflect a change in accounting policy for recognising impairment on the roads network. From 2019-20 expenditure by Network Rail forms part of Transport DEL budgets.

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

Table 1.4 Resource budgets in real terms <sup>(1)</sup>, 2014-15 to 2018-19

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Resource DEL by departmental group</b>						
Defence	36,581	36,577	36,800	34,826	34,353	
Single Intelligence Account	2,176	2,310	2,356	2,434	2,541	
Home Office	12,256	11,430	11,404	11,112	11,227	
Foreign and Commonwealth Office	1,994	2,075	2,137	2,248	2,410	
International Development	7,516	7,256	7,701	7,696	7,196	
Health and Social Care	117,315	120,822	121,581	122,863	125,278	
Work and Pensions	7,738	6,961	6,479	6,301	5,967	
Education	66,609	67,946	72,546	76,526	70,444	
Business, Energy and Industrial Strategy	2,622	2,650	2,038	1,745	1,246	
Transport <sup>(2)</sup>	3,706	3,218	3,041	3,740	3,894	
Exiting the European Union	8	8	22	56	79	
Digital, Culture, Media and Sport	1,621	1,477	1,611	1,614	1,658	
MHCLG - Housing and Communities	2,188	2,310	2,585	2,415	2,328	
MHCLG - Local Government	14,627	11,431	8,549	6,837	4,834	
Scotland <sup>(3)</sup>	28,250	27,985	22,209	15,220	16,255	
Wales <sup>(4)</sup>	15,212	14,163	13,843	14,259	14,006	
Northern Ireland	10,907	10,791	10,883	10,820	11,008	
Justice	8,277	7,808	7,694	7,767	8,035	
Law Officers' Departments	593	588	550	578	557	
Environment, Food and Rural Affairs	1,983	1,840	1,808	1,866	1,944	
HM Revenue and Customs	3,714	3,800	3,985	4,018	3,952	
HM Treasury	138	137	169	230	246	
Cabinet Office	486	470	497	714	553	
International Trade	299	363	358	388	413	
Small and Independent Bodies	1,365	1,433	1,547	1,647	1,510	
<b>Total resource DEL</b>	<b>348,181</b>	<b>345,848</b>	<b>342,393</b>	<b>337,920</b>	<b>331,935</b>	
<b>Resource departmental AME by departmental group</b>						
Defence	8,901	12,772	5,324	16,981	4,679	
Single Intelligence Account	44	143	14	19	22	
Home Office	2,632	1,648	2,489	2,534	2,695	
Foreign and Commonwealth Office	-75	41	-55	145	31	
International Development	162	219	195	332	-101	
Health and Social Care <sup>(5)</sup>	23,512	51,566	28,863	40,384	40,708	
Work and Pensions	179,548	184,246	179,644	180,503	180,877	
Education	13,825	5,627	11,893	15,371	22,739	
Business, Energy and Industrial Strategy <sup>(6)</sup>	9,585	108,611	3,928	76,781	-105,625	
Transport <sup>(7)</sup>	-282	6,035	6,708	7,117	7,657	
Exiting the European Union	-	-	-	0	-	
Digital, Culture, Media and Sport	5,285	4,620	4,885	4,343	4,739	
MHCLG - Housing and Communities	51	59	160	187	198	
MHCLG - Local Government	12,490	12,936	12,896	16,041	21,188	
Scotland	4,132	4,198	9,560	17,437	17,919	
Wales	34	-330	249	181	262	
Northern Ireland	8,879	8,899	8,574	9,035	9,955	
Justice	-155	513	571	248	1,301	
Law Officers' Departments	13	-16	-1	12	2	
Environment, Food and Rural Affairs	83	415	89	-29	-416	
HM Revenue and Customs	45,981	45,895	43,975	42,612	40,601	
HM Treasury <sup>(8)</sup>	-53,458	-14,640	-26,442	-696	-15,254	
Cabinet Office	11,324	11,014	9,495	11,409	14,245	
International Trade	-	-	-	-	-	
Small and Independent Bodies	-138	-357	-105	-89	-95	
<b>Total resource departmental AME</b>	<b>272,373</b>	<b>444,114</b>	<b>302,909</b>	<b>440,858</b>	<b>248,327</b>	
<b>Total resource budget</b>	<b>620,554</b>	<b>789,962</b>	<b>645,302</b>	<b>778,778</b>	<b>580,262</b>	

(1) Real terms figures are the cash figures adjusted to 2018-19 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National Statistics on 28 June 2019. The forecasts are consistent with the 2019 Spring Statement.

(2) From 2019-20 Transport DEL includes funding for expenditure by Network Rail. This was formerly part of the Transport Annually Managed Expenditure (AME) budget.

(3) The Scottish Government's resource DEL block grant has been adjusted from 2015-16 onwards as agreed in the Scottish Government's Fiscal Framework. From 2015-16 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax. In 2016-17 they reflect the creation of the Scottish Rate of Income Tax. From 2017-18 they reflect the devolution of further income tax powers and revenues from Scottish courts.

(4) The Welsh Government's resource DEL block grant has been adjusted from 2018-19 onwards as agreed in the Welsh Government's Fiscal Framework. From 2018-19 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax and from 2019-20 the devolution of Welsh Rates of Income Tax.

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

(6) Figures reflect a change to the long-term discount rate used each year for provisions to maintain compliance with International Financial Reporting Standards.

(7) Following implementation of ESA 10, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown. However, the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. Figures in 2014-15 reflect a change in accounting policy for recognising impairment on the roads network. From 2019-20 expenditure by Network Rail forms part of Transport DEL budgets.

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

**Table 1.5 Resource DEL excluding depreciation, 2014-15 to 2018-19**

	£ million				
	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>Resource DEL excluding depreciation by departmental group</b>					
Defence	25,632	26,696	26,592	26,901	27,732
Single Intelligence Account	1,606	1,768	1,920	2,020	2,134
Home Office	11,163	10,510	10,712	10,614	10,924
Foreign and Commonwealth Office	1,713	1,762	1,934	2,061	2,236
International Development	7,000	6,817	7,404	7,549	7,190
Health and Social Care	108,373	112,592	116,028	119,918	124,359
Work and Pensions	7,049	6,368	6,080	6,001	5,761
Education	59,829	59,149	59,871	60,643	61,491
Business, Energy and Industrial Strategy	2,155	2,225	1,607	1,448	936
Transport <sup>(1)</sup>	2,468	1,913	1,585	2,110	2,475
Exiting the European Union	7	7	22	55	79
Digital, Culture, Media and Sport	1,407	1,262	1,407	1,436	1,524
MHCLG - Housing and Communities	2,050	2,173	2,471	2,391	2,333
MHCLG - Local Government	13,657	10,758	8,229	6,714	4,834
Scotland <sup>(2)</sup>	25,623	25,566	20,598	14,177	14,742
Wales <sup>(3)</sup>	13,754	12,815	13,072	13,293	13,305
Northern Ireland	9,681	9,901	9,885	10,078	10,483
Justice	7,293	6,894	6,915	7,135	7,511
Law Officers' Departments	547	546	524	559	547
Environment, Food and Rural Affairs	1,662	1,564	1,553	1,656	1,749
HM Revenue and Customs	3,191	3,302	3,557	3,649	3,663
HM Treasury	123	121	155	217	241
Cabinet Office	441	423	456	666	501
International Trade	277	339	343	378	408
Small and Independent Bodies	1,215	1,275	1,411	1,528	1,407
<b>Total Resource DEL less depreciation</b>	<b>307,918</b>	<b>306,748</b>	<b>304,332</b>	<b>303,197</b>	<b>308,564</b>

(1) From 2019-20 Transport DEL includes funding for expenditure by Network Rail. This was formerly part of the Transport Annually Managed Expenditure (AME) budget.

(2) The Scottish Government's resource DEL block grant has been adjusted from 2015-16 onwards as agreed in the Scottish Government's Fiscal Framework. From 2015-16 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax. In 2016-17 they reflect the creation of the Scottish Rate of Income Tax. From 2017-18 they reflect the devolution of further income tax powers and revenues from Scottish courts.

(3) The Welsh Government's resource DEL block grant has been adjusted from 2018-19 onwards as agreed in the Welsh Government's Fiscal Framework. From 2018-19 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax and from 2019-20 the devolution of Welsh Rates of Income Tax.

(4) Departmental budgets include amounts carried forward 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 <sup>(1)</sup>, 2014-15 to 2018-19**

	£ million				
	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>Resource DEL excluding depreciation by departmental group</b>					
Defence	27,453	28,366	27,626	27,395	27,732
Single Intelligence Account	1,720	1,879	1,995	2,057	2,134
Home Office	11,956	11,168	11,129	10,808	10,924
Foreign and Commonwealth Office	1,834	1,872	2,010	2,099	2,236
International Development	7,497	7,243	7,692	7,687	7,190
Health and Social Care	116,072	119,635	120,539	122,118	124,359
Work and Pensions	7,550	6,767	6,317	6,111	5,761
Education	64,079	62,848	62,199	61,755	61,491
Business, Energy and Industrial Strategy	2,308	2,364	1,669	1,474	936
Transport <sup>(2)</sup>	2,643	2,033	1,646	2,148	2,475
Exiting the European Union	8	8	22	56	79
Digital, Culture, Media and Sport	1,507	1,341	1,462	1,462	1,524
MHCLG - Housing and Communities	2,196	2,309	2,567	2,435	2,333
MHCLG - Local Government	14,627	11,431	8,549	6,837	4,834
Scotland <sup>(3)</sup>	27,443	27,165	21,399	14,437	14,742
Wales <sup>(4)</sup>	14,731	13,617	13,580	13,537	13,305
Northern Ireland	10,369	10,520	10,269	10,263	10,483
Justice	7,811	7,325	7,183	7,265	7,511
Law Officers' Departments	586	580	544	570	547
Environment, Food and Rural Affairs	1,780	1,662	1,613	1,686	1,749
HM Revenue and Customs	3,418	3,508	3,696	3,716	3,663
HM Treasury	132	128	161	221	241
Cabinet Office	472	450	474	678	501
International Trade	297	360	356	385	408
Small and Independent Bodies	1,302	1,355	1,466	1,556	1,407
<b>Total Resource DEL less depreciation</b>	<b>329,792</b>	<b>325,934</b>	<b>316,164</b>	<b>308,758</b>	<b>308,564</b>

(1) Real terms figures are the cash figures adjusted to 2018-19 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National statistics on 28 June 2019. The forecasts are consistent with the 2019 Spring Statement.

(2) From 2019-20 Transport DEL includes funding for expenditure by Network Rail. This was formerly part of the Transport Annually Managed Expenditure (AME) budget.

(3) The Scottish Government's resource DEL block grant has been adjusted from 2015-16 onwards as agreed in the Scottish Government's Fiscal Framework. From 2015-16 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax. In 2016-17 they reflect the creation of the Scottish Rate of Income Tax. From 2017-18 they reflect the devolution of further income tax powers and revenues from Scottish courts.

(4) The Welsh Government's resource DEL block grant has been adjusted from 2018-19 onwards as agreed in the Welsh Government's Fiscal Framework. From 2018-19 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax and from 2019-20 the devolution of Welsh Rates of Income Tax.

(5) Departmental budgets include amounts carried forward 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 , 2014-15 to 2018-19**

	£ million				
	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
Defence	1,474	1,505	1,497	1,467	1,688
Single Intelligence Account	58	63	67	70	75
Home Office	525	384	375	355	360
Foreign and Commonwealth Office	178	111	116	176	129
International Development	110	104	97	100	125
Health and Social Care	2,873	2,554	2,400	2,304	2,273
Work and Pensions	888	835	880	799	780
Education	541	482	508	530	507
Business, Energy and Industrial Strategy	475	435	392	383	461
Transport	271	267	259	265	279
Exiting the European Union	7	7	22	55	79
Digital, Culture, Media and Sport	148	159	143	157	205
MHCLG - Housing and Communities	252	275	242	224	254
Justice	552	571	510	450	398
Law Officers' Departments	45	43	43	42	38
Environment, Food and Rural Affairs	487	497	453	473	590
HM Revenue and Customs	801	792	757	842	840
HM Treasury	146	134	160	165	186
Cabinet Office	175	169	211	201	198
International Trade	20	27	30	76	118
Small and Independent Bodies	366	281	256	250	555
Adjustment for Budget Exchange <sup>(1)</sup>	-	-	-	-	-
<b>Total administration budgets</b>	<b>10,394</b>	<b>9,695</b>	<b>9,418</b>	<b>9,385</b>	<b>10,136</b>
of which: administration costs paybill	6,680	6,604	6,474	6,542	7,462
<b>Administration budgets as a percentage of Total Managed Expenditure <sup>(2)</sup></b>	<b>1.4</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>1.3</b>

(1) Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

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

**Table 1.8 Capital budgets, 2014-15 to 2018-19**

	£ million				
	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>Capital DEL by departmental group</b>					
Defence	8,736	8,402	8,689	9,704	10,294
Single Intelligence Account	550	575	603	576	607
Home Office	520	476	510	624	744
Foreign and Commonwealth Office	158	131	60	-252	142
International Development	2,650	2,433	2,588	2,713	3,105
Health and Social Care	4,971	4,652	4,556	5,238	5,937
Work and Pensions	251	188	292	433	334
Education	4,764	5,414	5,103	4,634	5,169
Business, Energy and Industrial Strategy	9,284	10,123	10,719	10,392	10,814
Transport <sup>(1)</sup>	9,446	6,001	5,419	6,175	8,273
Exiting the European Union	-	-	0	1	0
Digital, Culture, Media and Sport	264	349	275	351	366
MHCLG - Housing and Communities	4,332	3,849	5,114	6,634	7,424
Scotland	3,289	3,164	3,248	3,625	3,876
Wales	1,500	1,543	1,449	1,821	2,037
Northern Ireland	1,085	766	1,005	1,148	1,297
Justice	295	266	417	414	431
Law Officers' Departments	4	3	13	10	16
Environment, Food and Rural Affairs	691	570	653	630	727
HM Revenue and Customs	234	228	326	281	362
HM Treasury	36	-660	-2	-78	167
Cabinet Office	106	39	121	191	120
International Trade	2	2	6	16	17
Small and Independent Bodies	83	90	103	289	247
<b>Total capital DEL</b>	<b>53,252</b>	<b>48,603</b>	<b>51,268</b>	<b>55,568</b>	<b>62,505</b>
<b>Capital departmental AME by departmental group</b>					
Defence	51	29	-	44	-
Home Office	-	437	-	-	-
International Development	-	450	285	395	736
Health and Social Care	-5	9	13	-	-5
Work and Pensions	-124	-148	-87	-37	135
Education	10,563	11,642	13,072	15,771	17,106
Business, Energy and Industrial Strategy	-1,616	-1,630	-15	-1,197	-417
Transport <sup>(3)</sup>	6,695	6,544	6,855	7,291	5,225
Digital, Culture, Media and Sport	743	497	804	605	453
MHCLG - Housing and Communities	121	207	-	-	-
Scotland	440	744	811	959	809
Wales	357	388	422	505	698
Northern Ireland	536	605	498	318	374
Environment, Food and Rural Affairs	2	0	1	0	0
HM Revenue and Customs	0	0	0	0	2
HM Treasury <sup>(4)</sup>	-12,715	-29,066	-19,732	-3,697	-12,998
Small and Independent Bodies	-23	34	251	168	426
<b>Total capital departmental AME</b>	<b>5,024</b>	<b>-9,257</b>	<b>3,179</b>	<b>21,127</b>	<b>12,544</b>
<b>Total capital budget</b>	<b>58,276</b>	<b>39,346</b>	<b>54,447</b>	<b>76,694</b>	<b>75,049</b>

(1) Following implementation of ESA10, Network rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail. The actual expenditure of Network rail appears in the Department for Transport departmental AME budget for 2015-16 to 2018-19 and in DEL from 2019-20.

(2) Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

(3) In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. This is included in Capital departmental AME as lending to the private sector. From 2019-20 funding for Network Rail forms part of Department for Transport's DEL budget.

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

**Table 1.9 Capital budgets in real terms <sup>(1)</sup>, 2014-15 to 2018-19**

	£ million				
	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>Capital DEL by departmental group</b>					
Defence	9,356	8,928	9,026	9,882	10,294
Single Intelligence Account	589	611	627	586	607
Home Office	557	505	530	635	744
Foreign and Commonwealth Office	169	140	62	-257	142
International Development	2,839	2,585	2,688	2,763	3,105
Health and Social Care	5,324	4,943	4,733	5,334	5,937
Work and Pensions	268	200	303	441	334
Education	5,102	5,753	5,302	4,719	5,169
Business, Energy and Industrial Strategy	9,944	10,756	11,136	10,583	10,814
Transport <sup>(2)</sup>	10,117	6,377	5,630	6,288	8,273
Exiting the European Union	-	-	-	1	-
Digital, Culture, Media and Sport	282	371	286	357	366
MHCLG - Housing and Communities	4,640	4,090	5,313	6,755	7,424
Scotland	3,523	3,362	3,374	3,692	3,876
Wales	1,607	1,639	1,505	1,855	2,037
Northern Ireland	1,162	814	1,045	1,169	1,297
Justice	316	283	433	422	431
Law Officers' Departments	4	3	14	10	16
Environment, Food and Rural Affairs	740	605	678	641	727
HM Revenue and Customs	251	242	339	286	362
HM Treasury	38	-702	-2	-80	167
Cabinet Office	113	41	126	194	120
International Trade	2	2	7	16	17
Small and Independent Bodies	89	96	107	294	247
<b>Total capital DEL</b>	<b>57,035</b>	<b>51,643</b>	<b>53,262</b>	<b>56,587</b>	<b>62,505</b>
<b>Capital departmental AME by departmental group</b>					
Defence	54	31	-	45	-
Home Office	-	464	-	-	-
International Development	-	478	296	402	736
Health and Social Care	-5	10	14	-	-5
Work and Pensions	-133	-157	-91	-37	135
Education	11,313	12,370	13,580	16,061	17,106
Business, Energy and Industrial Strategy	-1,730	-1,732	-15	-1,219	-417
Transport <sup>(4)</sup>	7,171	6,954	7,122	7,424	5,225
Digital, Culture, Media and Sport	796	528	836	616	453
MHCLG - Housing and Communities	129	220	-	-	-
Scotland	471	791	842	977	809
Wales	382	412	438	514	698
Northern Ireland	574	643	517	324	374
Environment, Food and Rural Affairs	2	-	1	-	-
HM Revenue and Customs	-	-	-	-	2
HM Treasury <sup>(5)</sup>	-13,618	-30,884	-20,499	-3,765	-12,998
Small and Independent Bodies	-24	36	260	171	426
<b>Total capital departmental AME</b>	<b>5,381</b>	<b>-9,836</b>	<b>3,302</b>	<b>21,514</b>	<b>12,544</b>
<b>Total capital budget</b>	<b>62,416</b>	<b>41,807</b>	<b>56,564</b>	<b>78,101</b>	<b>75,049</b>

(1) Real terms figures are the cash figures adjusted to 2018-19 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National statistics on 28 June 2019. The forecasts are consistent with the 2019 Spring Statement.

(2) Following implementation of ESA10, Network rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail. The actual expenditure of Network rail appears in the Department for Transport departmental AME budget for 2015-16 to 2018-19 and in DEL from 2019-20.

(3) Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

(4) In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. This is included in Capital departmental AME as lending to the private sector. From 2019-20 funding for Network Rail forms part of Department for Transport's DEL budget.

(5) Transactions from 2013-14 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

**Table 1.10 Total Departmental Expenditure Limits <sup>(1)</sup>, 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Total DEL by departmental group</b>						
Defence	34,368	35,099	35,280	36,605	38,026	
Single Intelligence Account	2,156	2,343	2,524	2,596	2,741	
Home Office	11,683	10,986	11,222	11,237	11,668	
Foreign and Commonwealth Office	1,870	1,893	1,994	1,809	2,378	
International Development	9,650	9,250	9,992	10,262	10,295	
Health and Social Care	113,345	117,245	120,584	125,156	130,296	
Work and Pensions	7,300	6,556	6,372	6,433	6,095	
Education	64,593	64,563	64,975	65,277	66,659	
Business, Energy and Industrial Strategy	11,439	12,348	12,326	11,839	11,750	
Transport <sup>(2)</sup>	11,914	7,914	7,004	8,284	10,748	
Exiting the European Union	7	7	22	56	79	
Digital, Culture, Media and Sport	1,671	1,611	1,682	1,786	1,890	
MHCLG - Housing and Communities	6,383	6,022	7,585	9,025	9,757	
MHCLG - Local Government	13,657	10,758	8,229	6,714	4,834	
Scotland <sup>(3)</sup>	28,912	28,730	23,846	17,802	18,617	
Wales <sup>(4)</sup>	15,255	14,358	14,521	15,115	15,342	
Northern Ireland	10,766	10,667	10,890	11,226	11,781	
Justice	7,588	7,160	7,332	7,549	7,941	
Law Officers' Departments	551	548	537	569	563	
Environment, Food and Rural Affairs	2,353	2,134	2,206	2,285	2,476	
HM Revenue and Customs	3,425	3,530	3,884	3,930	4,025	
HM Treasury	159	-540	153	139	408	
Cabinet Office	547	462	578	857	622	
International Trade	279	341	349	394	425	
Small and Independent Bodies	1,298	1,366	1,514	1,817	1,655	
<b>Total DEL by departmental group</b>	<b>361,170</b>	<b>355,351</b>	<b>355,601</b>	<b>358,764</b>	<b>371,069</b>	

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

(2) Following implementation of ESA10, Network rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail. The actual expenditure of Network Rail appears in the Department for Transport departmental AME budget for 2015-16 to 2018-19 and in DEL from 2019-20.

(3) The Scottish Government's resource DEL block grant has been adjusted from 2015-16 onwards as agreed in the Scottish Government's Fiscal Framework. From 2015-16 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax. In 2016-17 they reflect the creation of the Scottish Rate of Income Tax. From 2017-18 they reflect the devolution of further income tax powers and revenues from Scottish courts.

(4) The Welsh Government's resource DEL block grant has been adjusted from 2018-19 onwards as agreed in the Welsh Government's Fiscal Framework. From 2018-19 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax and from 2019-20 the devolution of Welsh Rates of Income Tax.

(5) Departmental budgets include amounts carried forward 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 <sup>(1)</sup> in real terms <sup>(2)</sup>, 2014-15 to 2018-19**

	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>£ million</b>					
<b>Total DEL by departmental group</b>					
Defence	36,809	37,294	36,652	37,276	38,026
Single Intelligence Account	2,310	2,489	2,622	2,643	2,741
Home Office	12,513	11,673	11,659	11,443	11,668
Foreign and Commonwealth Office	2,003	2,012	2,072	1,843	2,378
International Development	10,335	9,828	10,381	10,450	10,295
Health and Social Care	121,396	124,578	125,273	127,452	130,296
Work and Pensions	7,819	6,966	6,620	6,551	6,095
Education	69,182	68,601	67,501	66,474	66,659
Business, Energy and Industrial Strategy	12,252	13,120	12,805	12,057	11,750
Transport <sup>(3)</sup>	12,761	8,409	7,276	8,436	10,748
Exiting the European Union	8	8	22	57	79
Digital, Culture, Media and Sport	1,790	1,712	1,748	1,819	1,890
MHCLG - Housing and Communities	6,836	6,399	7,880	9,191	9,757
MHCLG - Local Government	14,627	11,431	8,549	6,837	4,834
Scotland <sup>(4)</sup>	30,966	30,527	24,773	18,128	18,617
Wales <sup>(5)</sup>	16,338	15,256	15,085	15,392	15,342
Northern Ireland	11,531	11,334	11,314	11,432	11,781
Justice	8,127	7,608	7,617	7,688	7,941
Law Officers' Departments	590	583	558	580	563
Environment, Food and Rural Affairs	2,521	2,267	2,291	2,327	2,476
HM Revenue and Customs	3,669	3,750	4,035	4,002	4,025
HM Treasury	170	-573	159	142	408
Cabinet Office	586	491	600	872	622
International Trade	298	362	362	401	425
Small and Independent Bodies	1,390	1,451	1,573	1,850	1,655
<b>Total DEL by departmental group</b>	<b>386,827</b>	<b>377,577</b>	<b>369,426</b>	<b>365,344</b>	<b>371,069</b>

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

(2) Real terms figures are the cash figures adjusted to 2018-19 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National statistics on 28 June 2019. The forecasts are consistent with the 2019 Spring Statement.

(3) Following implementation of ESA10, Network rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail. The actual expenditure of Network Rail appears in the Department for Transport departmental AME budget for 2015-16 to 2018-19 and in DEL from 2019-20.

(4) The Scottish Government's resource DEL block grant has been adjusted from 2015-16 onwards as agreed in the Scottish Government's Fiscal Framework. From 2015-16 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax. In 2016-17 they reflect the creation of the Scottish Rate of Income Tax. From 2017-18 they reflect the devolution of further income tax powers and revenues from Scottish courts.

(5) The Welsh Government's resource DEL block grant has been adjusted from 2018-19 onwards as agreed in the Welsh Government's Fiscal Framework. From 2018-19 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax and from 2019-20 the devolution of Welsh Rates of Income Tax.

(6) Departmental budgets include amounts carried forward 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 Total Managed Expenditure by departmental group and other expenditure , 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Total Managed Expenditure by departmental group</b>						
Defence	42,729	47,148	40,405	53,324	42,705	
Single Intelligence Account	2,198	2,478	2,537	2,615	2,763	
Home Office	14,141	12,973	13,619	13,726	14,363	
Foreign and Commonwealth Office	1,800	1,932	1,941	1,952	2,409	
International Development	9,801	9,906	10,465	10,983	10,930	
Health and Social Care <sup>(1)</sup>	135,292	165,784	148,380	164,813	171,000	
Work and Pensions	174,814	179,808	179,206	183,649	187,107	
Education	88,064	81,501	89,495	96,143	106,504	
Business, Energy and Industrial Strategy <sup>(1)</sup>	18,772	112,936	16,092	86,040	-94,292	
Transport <sup>(2)</sup>	18,346	20,138	20,316	22,564	23,629	
Exiting the European Union	7	7	22	56	79	
Digital, Culture, Media and Sport	7,349	6,456	7,189	6,656	7,081	
MHCLG - Housing and Communities	6,551	6,285	7,739	9,209	9,955	
MHCLG - Local Government	25,319	22,932	20,642	22,466	26,022	
Scotland <sup>(3)</sup>	33,210	33,425	33,859	35,884	37,345	
Wales <sup>(4)</sup>	15,643	14,435	15,183	15,797	16,302	
Northern Ireland	19,592	19,647	19,642	20,417	22,109	
Justice	7,444	7,643	7,881	7,793	9,242	
Law Officers' Departments	564	533	537	581	568	
Environment, Food and Rural Affairs	2,433	2,525	2,293	2,257	2,060	
HM Revenue and Customs	46,357	46,723	46,213	45,775	44,629	
HM Treasury <sup>(5)</sup>	-62,468	-43,383	-45,031	-4,242	-27,844	
Cabinet Office	11,120	10,828	9,718	12,060	14,867	
International Trade	279	340	349	394	425	
Small and Independent Bodies	1,147	1,063	1,663	1,897	1,986	
<b>Total departmental expenditure <sup>(6)</sup></b>	<b>620,504</b>	<b>764,063</b>	<b>650,355</b>	<b>812,809</b>	<b>631,944</b>	
Central government gross debt interest	45,371	45,127	48,659	55,037	48,658	
Locally financed expenditure	32,104	38,876	42,817	47,557	49,637	
Public sector depreciation	39,014	40,078	40,782	41,055	40,361	
Net expenditure transfers to the EU	11,658	11,253	9,160	10,188	12,899	
Public corporations' own-financed capital expenditure	18,027	14,594	16,667	15,016	9,374	
Accounting adjustments	-16,231	-157,225	-36,484	-186,793	17,303	
<b>Total other expenditure <sup>(8)</sup></b>	<b>129,943</b>	<b>-7,297</b>	<b>121,601</b>	<b>-17,940</b>	<b>178,232</b>	
<b>Total Managed Expenditure <sup>(9)</sup></b>	<b>750,445</b>	<b>756,767</b>	<b>771,954</b>	<b>794,869</b>	<b>810,175</b>	

(1) Figures reflect a change to the long-term discount rate used each year for provisions to maintain compliance with International Financial Reporting Standards.

(2) Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown. However, the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. This is included in Capital departmental AME as lending to the private sector. Figures in 2014-15 reflect a change in accounting policy for recognising impairment on the roads network.

(3) The Scottish Government's resource DEL block grant has been adjusted from 2015-16 onwards as agreed in the Scottish Government's Fiscal Framework. From 2015-16 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax. In 2016-17 they reflect the creation of the Scottish Rate of Income Tax. From 2017-18 they reflect the devolution of further income tax powers and revenues from Scottish courts.

(4) The Welsh Government's resource DEL block grant has been adjusted from 2018-19 onwards as agreed in the Welsh Government's Fiscal Framework. From 2018-19 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax and from 2019-20 the devolution of Welsh Rates of Income Tax.

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

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

(7) Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

(8) Total other expenditure is other AME spend within Total Managed Expenditure.

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

**Table 1.13 Total Managed Expenditure by departmental group and other expenditure in real terms <sup>(1)</sup>, 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Total Managed Expenditure by departmental group</b>						
Defence	45,765	50,097	41,976	54,302	42,705	
Single Intelligence Account	2,354	2,633	2,636	2,663	2,763	
Home Office	15,145	13,785	14,148	13,978	14,363	
Foreign and Commonwealth Office	1,928	2,053	2,017	1,987	2,409	
International Development	10,498	10,525	10,872	11,185	10,930	
Health and Social Care <sup>(2)</sup>	144,903	176,153	154,149	167,836	171,000	
Work and Pensions	187,233	191,055	186,173	187,017	187,107	
Education	94,320	86,599	92,974	97,906	106,504	
Business, Energy and Industrial Strategy <sup>(1)</sup>	20,106	119,999	16,718	87,619	-94,292	
Transport <sup>(3)</sup>	19,649	21,398	21,106	22,978	23,629	
Exiting the European Union	8	8	22	57	79	
Digital, Culture, Media and Sport	7,871	6,860	7,468	6,779	7,081	
MHCLG - Housing and Communities	7,017	6,678	8,040	9,378	9,955	
MHCLG - Local Government	27,117	24,366	21,445	22,878	26,022	
Scotland <sup>(4)</sup>	35,569	35,516	35,176	36,542	37,345	
Wales <sup>(5)</sup>	16,755	15,338	15,773	16,087	16,302	
Northern Ireland	20,984	20,876	20,405	20,791	22,109	
Justice	7,973	8,121	8,188	7,936	9,242	
Law Officers' Departments	604	566	557	591	568	
Environment, Food and Rural Affairs	2,606	2,683	2,382	2,299	2,060	
HM Revenue and Customs	49,650	49,646	48,010	46,614	44,629	
HM Treasury <sup>(6)</sup>	-66,906	-46,097	-46,782	-4,319	-27,844	
Cabinet Office	11,910	11,505	10,096	12,281	14,867	
International Trade	298	362	362	401	425	
Small and Independent Bodies	1,228	1,130	1,728	1,932	1,986	
<b>Total departmental expenditure <sup>(7)</sup></b>	<b>664,585</b>	<b>811,855</b>	<b>675,639</b>	<b>827,718</b>	<b>631,944</b>	
Central government gross debt interest	48,594	47,950	50,551	56,046	48,658	
Locally financed expenditure	34,385	41,307	44,481	48,429	49,637	
Public sector depreciation	41,786	42,585	42,368	41,808	40,361	
Net expenditure transfers to the EU	12,486	11,956	9,516	10,375	12,899	
Public corporations' own-financed capital expenditure	19,308	15,506	17,315	15,292	9,374	
Accounting adjustments	-17,385	-167,058	-37,902	-190,219	17,303	
<b>Total other expenditure <sup>(9)</sup></b>	<b>139,174</b>	<b>-7,754</b>	<b>126,329</b>	<b>-18,269</b>	<b>178,232</b>	
<b>Total Managed Expenditure <sup>(10)</sup></b>	<b>803,756</b>	<b>804,100</b>	<b>801,967</b>	<b>809,448</b>	<b>810,175</b>	

(1) Real terms figures are the cash figures adjusted to 2018-19 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National statistics on 28 June 2019. The forecasts are consistent with the 2019 Spring Statement.

(2) Figures reflect a change to the long-term discount rate used each year for provisions to maintain compliance with International Financial Reporting Standards.

(3) Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown. However, the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. This is included in Capital departmental AME as lending to the private sector. Figures in 2014-15 reflect a change in accounting policy for recognising impairment on the roads network.

(4) The Scottish Government's resource DEL block grant has been adjusted from 2015-16 onwards as agreed in the Scottish Government's Fiscal Framework. From 2015-16 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax. In 2016-17 they reflect the creation of the Scottish Rate of Income Tax. From 2017-18 they reflect the devolution of further income tax powers and revenues from Scottish courts.

(5) The Welsh Government's resource DEL block grant has been adjusted from 2018-19 onwards as agreed in the Welsh Government's Fiscal Framework. From 2018-19 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax and from 2019-20 the devolution of Welsh Rates of Income Tax.

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

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

(8) Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

(9) Total other expenditure is other AME spend within Total Managed Expenditure.

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



Table 1.14 Accounting adjustments <sup>(1)</sup>, 2014-15 to 2018-19

	National Statistics					£ billion
	2014-15	2015-16	2016-17	2017-18	2018-19	
	outturn	outturn	outturn	outturn	outturn	
<b>Remove data in budgets which form part of public sector current expenditure but where a different source is used for National Accounts</b>						
<b>Resource DEL</b>						
Capital consumption (excluding NHS)	-15.0	-14.6	-15.3	-13.9	-14.0	
NHS capital consumption	-1.8	-1.9	-1.9	-1.9	-1.9	
Interest	-0.2	-0.1	-0.2	-0.4	-0.4	
Public corporation subsidies	-0.7	-0.6	-0.5	-0.4	-0.4	
Other	0.1	0.0	0.0	0.0	0.0	
<b>Total resource DEL</b>	<b>-17.7</b>	<b>-17.3</b>	<b>-17.8</b>	<b>-16.6</b>	<b>-16.7</b>	
<b>Resource departmental AME</b>						
Capital consumption	-1.2	-6.3	-6.7	-6.3	-6.8	
Interest	2.5	3.4	1.9	2.3	5.1	
Subsidy element of renewable obligation certificates	-	-	-	-	-	
Subsidy element of other environmental levies	-0.2	-0.4	-0.5	-0.7	-0.8	
NNDR outturn adjustment	-	-	0.0	0.0	0.0	
Public corporation subsidies	-0.1	-0.2	-0.2	-0.2	-0.2	
Other	0.1	0.0	0.3	0.1	1.0	
<b>Total resource departmental AME</b>	<b>1.1</b>	<b>-3.5</b>	<b>-5.2</b>	<b>-4.8</b>	<b>-1.7</b>	
Adjustment for different data used by OBR in PSCE forecast	-	-	-	-	-	
<i>of which DEL</i>	-	-	-	-	-	
<i>of which AME</i>	-	-	-	-	-	
<b>Total resource budget data replaced by different source data</b>	<b>-16.5</b>	<b>-20.8</b>	<b>-23.0</b>	<b>-21.4</b>	<b>-18.4</b>	
<b>Remove data in budgets which do not form part of public sector current expenditure</b>						
<b>Resource DEL</b>						
Impairments	-0.5	-0.4	-0.7	-1.0	-0.6	
Receipts treated as negative DEL but revenue in National Accounts	0.1	0.1	0.0	0.0	0.0	
Fees, levies and charges	-	-	-	-	-	
Grant equivalent element of student lending	-1.8	-3.7	-9.3	-13.7	-8.8	
Stock write-offs	0.0	0.0	0.0	0.2	0.2	
Change in pension scheme liabilities	-0.1	0.0	0.0	-0.1	0.0	
Miscellaneous current transfers	2.7	2.5	2.7	1.7	2.8	
Northern Ireland Executive transfers between DEL and AME <sup>(2)</sup>	0.7	0.7	0.6	0.6	0.9	
Profit or loss - sale of company securities	0.0	0.1	0.1	0.1	0.1	
Profit or loss - sale of other assets (capital in National Accounts)	0.2	0.3	0.3	0.1	0.1	
EU funded expenditure	0.2	0.0	-0.4	-0.3	-0.2	
Other	0.7	1.1	1.0	0.8	1.3	
<b>Total resource DEL</b>	<b>2.4</b>	<b>0.6</b>	<b>-5.7</b>	<b>-11.7</b>	<b>-4.2</b>	
<b>Resource departmental AME</b>						
Impairments	43.9	-5.0	22.4	-6.0	15.1	
Bad debts	-0.4	-0.4	-0.2	-0.4	-0.5	
Grant equivalent element of student lending	-0.4	7.5	0.1	0.0	0.0	
Provisions	-9.9	-127.5	-12.8	-93.7	103.8	
Change in pension scheme liabilities	-34.8	-37.6	-36.2	-54.2	-82.1	
Unwinding of discount rate on pension scheme liabilities	-46.3	-42.9	-42.0	-42.7	-40.0	
Release of provisions covering payments of pension benefits	34.2	35.3	35.5	36.5	38.2	
Fees, levies and charges	-	-	-	-	-	
Profit or loss - sale of other assets (capital in National Accounts)	0.0	0.1	0.1	0.0	0.3	
Imputed tax element of renewable obligation certificates	-	-	-	-	-	
Imputed tax element of other environmental levies	-	-	-	-	-	
Tax credits	0.0	0.0	0.0	0.0	0.0	
Other	2.5	6.7	3.1	2.6	0.4	
<b>Total resource departmental AME</b>	<b>-11.2</b>	<b>-163.8</b>	<b>-30.0</b>	<b>-157.9</b>	<b>35.3</b>	
<b>Total resource budget data not in public sector current expenditure</b>	<b>-8.8</b>	<b>-163.2</b>	<b>-35.7</b>	<b>-169.6</b>	<b>31.1</b>	

Table 1.14 Accounting adjustments <sup>(1)</sup>, 2014-15 to 2018-19

	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>£ billion</b>					
<b>Central government adjustments in National Accounts</b>					
Expenditure on goods and services	25.2	22.3	25.9	24.1	28.1
of which: VAT refunds	5.0	5.0	5.0	7.9	8.1
of which: Single use military expenditure	0.3	-	-	-	-
of which: payment from EU for tax collection costs	-0.8	-0.8	-0.8	-0.7	-0.7
of which: capital consumption	17.9	18.3	18.3	18.5	18.6
of which: ONS R&D Adjustment	-	-	-2.7	-	1.0
of which: Network Rail	1.1	1.1	1.1	1.3	-
of which: other	1.5	-1.4	4.9	-2.9	1.2
Net social benefits <sup>(2)</sup>	1.1	0.2	0.9	0.4	2.5
of which: switch between benefits and other current grants	0.3	0.1	-	-	-
of which: other	0.9	0.2	0.9	0.4	2.5
Net current grants abroad	0.7	1.1	0.8	0.7	0.2
of which: attributed aid	-	-	-	-	-
of which: EU receipts	-	0.1	0.1	0.1	-
of which: other	0.7	1.0	0.7	0.6	0.2
Other current grants	0.5	0.0	-2.8	-0.2	-0.5
of which: switch between other current grants and benefits	-0.3	-0.1	-	-	-
of which: other	0.7	0.1	-2.8	-0.2	-0.5
Subsidies	4.2	4.5	5.8	7.2	9.2
of which: Renewable Obligation Certificates	3.1	3.9	4.7	6.1	6.1
of which: other environmental levies	0.2	0.4	0.5	0.7	2.5
of which: company tax credits outside departmental AME	-	-	-	-	0.0
of which: other	0.9	0.2	0.6	0.4	0.7
VAT and GNI based EU contributions	0.1	0.0	0.4	0.0	-
of which: other	0.1	0.0	0.4	0.0	-
<b>Total central government resource adjustments</b>	<b>31.7</b>	<b>28.2</b>	<b>30.9</b>	<b>32.2</b>	<b>39.6</b>
<b>Local government adjustments in National Accounts</b>					
Remove data which do not form part of public sector current expenditure	-3.0	-3.5	-3.3	-3.2	-4.3
of which: Northern Ireland regional rates	-0.7	-0.7	-0.6	-0.6	-0.6
of which: retirement benefits	-	-	-	-	-
of which: debt interest payments to central government	-2.5	-2.9	-2.8	-2.8	-3.2
of which: other	0.1	0.1	0.1	0.3	-0.5
Adjustments to reconcile use of different data sources	0.0	0.5	-0.1	-0.8	-7.1
of which: central government support	-1.3	-1.6	-1.7	-2.4	-7.3
of which: debt interest	0.0	0.4	0.3	0.2	0.1
of which: police and fire top up grants	-	-	-	-	-
of which: other	1.4	1.7	1.3	1.4	0.1
Expenditure on goods and services	17.1	17.8	18.7	19.3	20.9
of which: VAT refunds	6.6	6.9	7.1	7.4	7.2
of which: Local Authority Pension Scheme	0.2	0.4	0.2	0.1	0.1
of which: capital consumption	10.5	11.0	11.5	12.0	12.5
of which: rates	-1.4	-1.4	-1.4	-1.4	-1.4
of which: other	1.1	0.9	1.3	1.2	2.5
Subsidies	0.6	0.7	0.9	1.2	1.5
of which: equity injection into Housing Revenue Account	0.6	0.7	0.9	1.2	1.5
of which: other	-	-	-	-	-
Net social benefits	0.5	0.7	0.6	0.4	-1.2
of which: housing benefits and rent rebates	0.0	0.0	0.0	-0.3	-1.8
of which: other	0.5	0.7	0.7	0.7	0.6
Other current grants and current grants abroad	0.1	0.1	0.1	0.1	0.1
<b>Total local government resource adjustments</b>	<b>15.1</b>	<b>16.2</b>	<b>16.8</b>	<b>17.0</b>	<b>9.9</b>
<b>Other resource adjustments</b>					
Public corporations	3.7	3.8	3.8	2.6	0.5
Asset Purchase Facility and Special Liquidity Scheme	-12.4	-11.7	-13.2	-13.5	-11.8
Other	0.0	0.0	0.0	0.0	0.0
<b>Total other resource adjustments</b>	<b>-8.7</b>	<b>-7.9</b>	<b>-9.3</b>	<b>-11.0</b>	<b>-11.3</b>
<b>Total resource adjustments</b>	<b>12.8</b>	<b>-147.5</b>	<b>-20.2</b>	<b>-152.7</b>	<b>50.8</b>
of which:					
Timing adjustments <sup>(3)</sup>					
Central government	5.1	-2.2	2.0	-3.7	1.9
Local government	1.6	1.7	2.0	2.0	3.2

Table 1.14 Accounting adjustments, <sup>(1)</sup> 2014-15 to 2018-19 (continued)

	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>£ billion</b>					
<b>Remove data in budgets which form part of public sector gross investment but where a different source is used for National Accounts</b>					
<b>Capital DEL</b>					
Change in inventories	0.1	0.0	-0.3	-0.7	-0.7
Acquisitions less disposals of valuables	0.0	0.0	0.0	-0.1	0.0
<b>Total capital DEL</b>	<b>0.1</b>	<b>0.0</b>	<b>-0.3</b>	<b>-0.8</b>	<b>-0.7</b>
Adjustment for different data used by OBR in PSGI forecast	-	-	-	-	-
of which DEL	-	-	-	-	-
of which AME	-	-	-	-	-
<b>Total capital budget data replaced by different source data</b>	<b>0.1</b>	<b>0.0</b>	<b>-0.3</b>	<b>-0.8</b>	<b>-0.7</b>
<b>Remove data in budgets which do not form part of public sector gross investment</b>					
<b>Capital DEL</b>					
Net lending to private sector	-2.9	-1.9	-3.9	-4.9	-3.9
Capital support for public corporations	1.0	0.1	0.3	0.0	-0.2
Local government supported capital expenditure	0.0	-0.3	-0.2	-0.2	-0.5
Northern Ireland Executive transfers between DEL and AME	0.3	0.3	0.2	0.0	0.1
Other	0.9	0.0	-1.8	0.3	-0.3
<b>Total Capital DEL</b>	<b>-0.7</b>	<b>-1.8</b>	<b>-5.4</b>	<b>-4.8</b>	<b>-4.8</b>
<b>Capital departmental AME</b>					
Net lending to private sector	2.0	17.2	4.7	-13.3	-6.9
Capital support for public corporations	-0.3	-0.1	-0.2	-0.2	-0.1
Purchase of company securities	-	-	-	-	-
Sale of company securities	-	-	-	-	-
Northern Ireland Executive transfers between DEL and AME <sup>(2)</sup>	-0.2	-0.3	-0.2	0.0	-0.1
Other	-6.5	-0.3	-0.4	-1.1	0.5
<b>Total capital departmental AME</b>	<b>-5.0</b>	<b>16.5</b>	<b>4.0</b>	<b>-14.7</b>	<b>-6.7</b>
<b>Total capital budget data not in public sector gross investment</b>	<b>-5.7</b>	<b>14.6</b>	<b>-1.4</b>	<b>-19.5</b>	<b>-11.5</b>
<b>Central government adjustments in National Accounts</b>					
Gross fixed capital formation	5.7	-0.3	0.0	-1.0	-1.9
of which: profit or loss - sale of other assets (from resource budgets)	-0.2	-0.3	-0.4	-0.1	-0.4
of which: Network Rail	6.4	6.6	6.6	6.7	-
of which: Single use military expenditure	-0.3	-	-	-	-
of which: other	-0.1	-6.6	-6.2	-7.6	-1.4
Capital grants to and from the private sector	-6.4	-0.5	1.5	1.3	0.1
of which: VAT refunds	0.1	0.1	0.1	0.1	0.1
of which: Royal Mail assets transfer	-	-	-	-	-
of which: Network Rail	-4.1	-	-	-	-
of which: other	-2.4	-0.6	1.4	1.2	0.0
<b>Total central government capital adjustments</b>	<b>-0.7</b>	<b>-0.8</b>	<b>1.5</b>	<b>0.3</b>	<b>-1.8</b>
<b>Local government adjustments in National Accounts</b>					
Adjustments to reconcile use of different data sources	-3.8	-4.8	-3.5	-4.7	-4.4
of which: overhanging debt	-0.1	-0.2	-	-	-
of which: central government support	0.6	1.1	0.5	-0.7	0.6
of which: financial transactions	-2.7	-4.3	-2.6	-2.4	-3.1
of which: capital grants from private sector	-1.5	-1.4	-1.4	-1.5	-1.8
Gross fixed capital formation	3.5	3.6	3.2	3.0	1.8
of which: VAT refunds	2.0	2.1	1.7	2.0	1.0
of which: roads de-trunking	-	-	-	-	-
of which: other	1.5	1.5	1.5	1.0	0.7
Capital grants	-0.1	-0.1	0.0	0.0	-0.1
of which: grants to public corporations	-	-	-	-	-
of which: other	-0.1	-0.1	0.0	0.0	-0.1
<b>Total local government capital adjustments</b>	<b>-0.4</b>	<b>-1.3</b>	<b>-0.3</b>	<b>-1.7</b>	<b>-2.7</b>
<b>Other capital adjustments</b>					
Public corporations	-0.7	0.0	-0.1	0.3	0.3
Housing Revenue Account reform receipts	-	-0.9	-	-	0.0
Other	0.2	0.1	-0.1	-0.2	-0.2
<b>Total other capital adjustments</b>	<b>-0.5</b>	<b>-0.9</b>	<b>-0.2</b>	<b>0.1</b>	<b>0.1</b>
<b>Total capital adjustments</b>	<b>-7.2</b>	<b>11.6</b>	<b>-0.7</b>	<b>-21.6</b>	<b>-16.6</b>
of which:					
Timing adjustments <sup>(3)</sup>					
Central government	-4.7	-6.9	-5.3	-6.9	-1.2
Local government	0.0	0.0	-0.1	-0.6	0.3

(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.

(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 1.15 Total Managed Expenditure by spending sector, 2014-15 to 2018-19**

	£ million				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 plans
<b>Central government own expenditure</b>					
DEL <sup>(1)</sup>	254,797	253,593	262,544	275,169	287,762
Departmental AME <sup>(1)(2)</sup>	242,337	391,691	273,545	424,427	227,672
Locally financed support in Northern Ireland	661	651	585	595	625
Net expenditure transfers to the EU	11,658	11,253	9,160	10,188	12,899
Central government debt interest	45,371	45,127	48,659	55,037	48,658
Accounting and other adjustments	16,217	-124,014	-3,022	-150,182	56,836
<b>Total central government own expenditure</b>	<b>571,041</b>	<b>578,301</b>	<b>591,470</b>	<b>615,234</b>	<b>634,452</b>
<b>Local government expenditure</b>					
Central government support in DEL	78,279	72,968	69,382	65,702	64,285
Central government support in departmental AME	45,755	46,020	45,117	47,402	51,939
Locally financed support in Scotland	2,650	2,789	2,769	2,666	2,636
Locally financed support in Wales	-	1,875	977	1,059	1,050
Local authority self-financed expenditure	28,794	33,561	38,487	43,237	45,326
Accounting and other adjustments	14,895	14,219	15,992	14,892	11,229
<b>Total local government expenditure</b>	<b>170,372</b>	<b>171,432</b>	<b>172,723</b>	<b>174,957</b>	<b>176,464</b>
<b>Public corporations' expenditure</b>					
DEL	-818	60	-171	92	404
Departmental AME	152	-268	-63	18	-119
Public corporations' own-financed capital expenditure	18,027	14,594	16,667	15,016	9,374
Accounting and other adjustments	4,027	4,315	4,439	3,071	738
<b>Total public corporations' expenditure</b>	<b>21,388</b>	<b>18,700</b>	<b>20,872</b>	<b>18,197</b>	<b>10,397</b>
<b>Bank of England <sup>(3)</sup></b>	<b>-12,356</b>	<b>-11,666</b>	<b>-13,111</b>	<b>-13,519</b>	<b>-11,138</b>
<b>Total Managed Expenditure</b>	<b>750,445</b>	<b>756,767</b>	<b>771,954</b>	<b>794,869</b>	<b>810,175</b>

(1) Full resource budgeting basis, ie resource plus capital less depreciation. To reflect new budgeting arrangements, expenditure by the Scottish Government is scored as AME rather than DEL (see paragraph 1.19).

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

(3) Asset Purchase facility and Special Liquidity Scheme.

## BACKGROUND TO 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** In 2018-19 departments and devolved administrations were provided with funding for the purpose of EU Exit preparation. Although this funding is not separately identifiable in any of the tables published in Public Spending Statistics (PSS), it is included within departmental aggregates. For example, DEL budgets in chapters 1 and 2 will include the expenditure related to this funding for 2018-19. The amounts allocated to individual departments have been published elsewhere.<sup>1,2</sup>

## THE BUDGETING AND REPORTING FRAMEWORK

**1.3** **Table 1.1** summarises public expenditure both in terms of the Treasury's budgeting and control framework<sup>3</sup>, and in terms of the National Accounts aggregate Total Managed Expenditure (TME) and its components. **Table 1.2** presents the same information in real terms.

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

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

**1.6** Spending that cannot reasonably be subject to firm multi-year limits, or that relates to certain non-cash transactions, is included in Annually Managed Expenditure (AME). **Table 1.1** sets out the main elements of AME. Departmental AME (which is contained in departments' budgets) includes social security spending, and various other items of departmental expenditure. 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.

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<sup>1</sup> <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-03-13/HCWS540/>

<sup>2</sup> <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-12-18/HCWS1205/>

<sup>3</sup> <https://www.gov.uk/government/collections/consolidated-budgeting-guidance>

## RECONCILIATION OF BUDGETING AND NATIONAL ACCOUNTS AGGREGATES

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

**1.8** **Table 1.1** shows the reconciliation from the resource and capital budgets to the National Accounts measures of public sector current expenditure and public sector gross investment, respectively. With the deduction of depreciation, the latter reconciles to public sector net investment. **Table 1.2** presents the same information in real terms.

**1.9** A breakdown of the accounting adjustments used for this reconciliation is shown in **Table 1.14** and PESA **Annex D** resource and capital budgets.

**1.10** **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.

**1.11** **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.

**1.12** **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

**1.13** **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**.

## TOTAL DEL

**1.14** **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.

**1.15** **Table 1.12** presents total expenditure, i.e. the sum of Total DEL and departmental AME, by departmental group. **Table 1.13** presents the same information as **Table 1.12** in real terms.

## PUBLIC EXPENDITURE BY SPENDING SECTOR

**1.16** **Table 1.15** 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).

**1.17** 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).

**1.18** To reflect new budgeting arrangements, expenditure by the Scottish Government is presented as AME rather than DEL in **Table 1.15**. This treatment is explained in more detail in Chapter 2.

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

## CENTRAL GOVERNMENT OWN EXPENDITURE

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

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

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

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

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

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

## PUBLIC CORPORATIONS' EXPENDITURE

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

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

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

**1.26** Subsidies to public corporations are included in central government own expenditure as they affect 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**.



## CHAPTER 2 ECONOMIC ANALYSES OF BUDGETS

### OVERVIEW

The tables in chapter 2 of Public Spending Statistics present an analysis by economic category of the budgeting aggregates shown in chapter 1. A description of the economic categories referred to below can be found in the main chapter text of the Public Spending Statistics.

### RESOURCE DEL

- Total resource DEL was £331.9bn in 2018-19, almost unchanged on the £331.8bn in 2017-18.
- Staff costs increased by 5.3 per cent in 2018-19 (to £115.6bn) and gross current procurement rose by 2.7 per cent (to £112.5bn). A breakdown of gross current procurement by individual departments is shown in table 2.2.
- Expenditure on grants to local government totalled £54.9bn in 2018-19, a fall of 4.0 per cent on 2017-18. The main cause of this is a fall in Revenue Support Grant in England. The financing of local government expenditure is examined in more detail in chapter 7.
- Spending on administration, composed mainly of pay and procurement, stood at £10.1bn in 2018-19. This is a rise of 8.0 per cent from the previous year.

### RESOURCE AME

- Resource departmental AME fell by £184.5bn to £248.3bn in 2018-19. This is mainly a reflection of lower provisions for the Nuclear Decommissioning Authority within Business, Energy and Industrial Strategy.
- The majority of the spending within resource AME is made up of grants to persons and non-profit bodies, which is mainly social security benefits. Expenditure on this heading rose by 2.4 per cent to £205.9bn in 2018-19 from £201.1bn in the previous year.
- Depreciation fell to -£8.4bn from £12.1bn in 2017-18. This is mainly due to changes in the fair value of financial assets held by HM Treasury in 2018-19.

### CAPITAL BUDGETS

- Capital spending within budgets was £75.0bn in 2018-19, a fall of 2.1 per cent on the previous year. The majority of capital spending occurred within DEL.
- Within capital budgets, gross capital procurement increased by £5.1bn and support for local government increased by £0.9bn in 2018-19. These are broken down by department in Tables 2.3 and 7.3 respectively.

**Table 2.1 Budgets by economic category of spending, 2014-15 to 2018-19**

	£ million				
	National Statistics				
	2014-15	2015-16	2016-17	2017-18	2018-19
	outturn	outturn	outturn	outturn	outturn
<b>Resource DEL</b>					
Staff costs	97,644	101,241	105,003	109,730	115,576
Gross current procurement	104,429	104,520	108,990	109,502	112,505
Income from sales of goods and services	-17,293	-15,683	-19,910	-18,372	-18,372
Current grants to local government	68,860	63,346	60,077	57,156	54,884
Current grants to persons and non-profit bodies	17,798	17,218	19,417	16,412	16,974
Current grants abroad	2,419	2,997	3,638	3,746	2,233
Subsidies to private sector companies	3,929	3,888	4,528	4,643	4,942
Subsidies to public corporations	747	639	487	430	418
Net public service pensions <sup>(1)</sup>	540	88	78	88	83
Rentals	7,635	7,737	6,467	6,502	5,876
Depreciation <sup>(2)</sup>	17,169	18,742	25,247	28,637	23,371
Take up of provisions	-147	44	2	1	44
Release of provisions	-2	-2	0	0	0
Change in pension scheme liabilities	74	16	15	86	28
Unwinding of the discount rate on pension scheme liabilities	0	2	1	1	1
Release of provisions covering payments of pensions benefits	-386	0	0	0	0
Other	21,669	20,697	15,540	13,274	13,372
<i>Plus unallocated funds</i>	-	-	-	-	-
<b>Total resource DEL</b>	<b>325,087</b>	<b>325,490</b>	<b>329,580</b>	<b>331,833</b>	<b>331,935</b>
<b>Of which: administration budgets in resource DEL</b>					
Staff costs	6,680	6,604	6,474	6,542	7,462
Gross current procurement	5,005	4,195	3,778	3,722	3,809
Income from sales of goods and services	-1,625	-1,288	-1,264	-1,171	-1,505
Rentals	299	309	407	398	325
Depreciation	504	479	429	390	422
Other	-469	-605	-407	-496	-377
<b>Total administration budgets in resource DEL</b>	<b>10,394</b>	<b>9,695</b>	<b>9,418</b>	<b>9,385</b>	<b>10,136</b>
<b>Resource departmental AME</b>					
Staff costs	10,448	13,201	12,373	12,584	13,255
Gross current procurement	11,317	12,756	13,346	13,703	16,505
Income from sales of goods and services <sup>(3)</sup>	-2,015	-2,181	-1,973	-1,606	-4,147
Current grants to local government	44,616	44,801	44,190	46,658	51,103
Current grants to persons and non-profit bodies	193,176	195,585	197,262	201,090	205,855
Current grants abroad	-598	-520	-553	-578	-675
Subsidies to private sector companies	3,534	4,716	5,103	5,434	7,811
Subsidies to public corporations	74	175	170	169	218
Net public service pensions <sup>(1)</sup>	9,641	9,561	8,812	9,174	9,920
Rentals	390	81	204	91	86
Depreciation <sup>(3)</sup>	-42,267	3,776	-15,885	12,148	-8,444
Take up of provisions <sup>(3)</sup>	14,317	132,966	19,259	101,243	-95,283
Release of provisions	-4,369	-5,420	-6,430	-7,505	-8,561
Change in pension scheme liabilities	34,769	37,596	36,245	54,213	82,105
Unwinding of the discount rate on pension scheme liabilities	46,255	42,882	42,002	42,663	40,042
Release of provisions covering payments of pensions benefits <sup>(4)</sup>	-34,222	-35,327	-35,533	-36,475	-38,248
Other	-30,756	-36,678	-27,021	-20,089	-23,210
<b>Total resource departmental AME</b>	<b>254,308</b>	<b>417,971</b>	<b>291,574</b>	<b>432,919</b>	<b>248,331</b>

**Table 2.1 Budgets by economic category of spending, 2014-15 to 2018-19 (continued)**

	£ million				
	National Statistics				
	2014-15	2015-16	2016-17	2017-18	2018-19
	outturn	outturn	outturn	outturn	outturn
<b>Resource budgets</b>					
Staff costs	108,092	114,442	117,376	122,313	128,831
Gross current procurement	115,746	117,276	122,336	123,205	129,010
Income from sales of goods and services <sup>(3)</sup>	-19,309	-17,864	-21,883	-19,978	-22,519
Current grants to local government	113,476	108,147	104,267	103,814	105,987
Current grants to persons and non-profit bodies	210,974	212,804	216,680	217,503	222,829
Current grants abroad	1,820	2,477	3,085	3,169	1,558
Subsidies to private sector companies	7,463	8,604	9,631	10,077	12,753
Subsidies to public corporations	821	815	657	599	636
Net public service pensions <sup>(1)</sup>	10,182	9,649	8,891	9,262	10,003
Rentals	8,025	7,818	6,671	6,593	5,962
Depreciation <sup>(2) (3)</sup>	-25,099	22,518	9,362	40,785	14,927
Take up of provisions <sup>(3)</sup>	14,171	133,010	19,261	101,243	-95,239
Release of provisions	-4,371	-5,421	-6,430	-7,505	-8,561
Change in pension scheme liabilities	34,843	37,612	36,259	54,299	82,133
Unwinding of the discount rate on pension scheme liabilities	46,256	42,883	42,003	42,664	40,043
Release of provisions covering payments of pensions benefits <sup>(4)</sup>	-34,608	-35,328	-35,533	-36,475	-38,248
Other	-9,087	-15,981	-11,480	-6,816	-9,839
<i>Plus unallocated funds</i>	-	-	-	-	-
<b>Total resource budgets</b>	<b>579,395</b>	<b>743,461</b>	<b>621,154</b>	<b>764,752</b>	<b>580,266</b>
<b>Capital DEL</b>					
Capital support for local government	9,419	9,623	9,305	8,546	9,402
Capital grants to persons and non-profit bodies	6,189	6,507	5,567	6,852	7,779
Capital grants to private sector companies	5,742	1,822	1,912	2,335	1,878
Capital grants abroad	2,112	2,487	2,581	2,172	3,174
Capital support for public corporations	-698	221	140	341	563
Release of provisions	-	-	-	-	-
Gross capital procurement	27,275	25,433	24,821	28,818	33,597
Income from sales of assets	-1,982	-2,278	-1,624	-1,580	-1,835
Net lending and investment to the private sector and abroad <sup>(3)</sup>	2,810	1,965	4,550	4,822	3,849
Other	2,386	2,824	4,018	3,261	4,090
<i>Plus unallocated funds in capital DEL</i>	-	-	-	-	-
<b>Total capital DEL</b>	<b>53,252</b>	<b>48,603</b>	<b>51,268</b>	<b>55,568</b>	<b>62,505</b>
<b>Capital departmental AME</b>					
Capital support for local government	1,139	1,219	926	743	835
Capital grants to persons and non-profit bodies	731	853	459	497	462
Capital grants to private sector companies	271	427	674	821	1,263
Capital grants abroad	-32	-77	-27	-26	-32
Capital support for public corporations	362	102	195	242	112
Take up of Provisions	149	83	8	545	-234
Release of Provision	-80	-99	-72	-66	-395
Gross capital procurement	1,233	8,134	8,532	8,147	8,441
Income from sales of assets	-346	-243	-126	-142	-1,226
Net lending and investment to the private sector and abroad	-2,007	-17,331	-4,745	12,687	6,910
Other	3,603	-2,324	-2,645	-2,321	-3,592
<b>Total capital departmental AME</b>	<b>5,024</b>	<b>-9,257</b>	<b>3,179</b>	<b>21,127</b>	<b>12,544</b>

**Table 2.1 Budgets by economic category of spending, 2014-15 to 2018-19 (continued)**

	£ million				
	National Statistics				
	2014-15	2015-16	2016-17	2017-18	2018-19
	outturn	outturn	outturn	outturn	outturn
<b>Capital budgets</b>					
Capital support for local government	10,558	10,841	10,231	9,289	10,237
Capital grants to persons and non-profit bodies	6,920	7,360	6,026	7,348	8,241
Capital grants to private sector companies	6,013	2,249	2,585	3,157	3,141
Capital grants abroad	2,080	2,409	2,554	2,146	3,142
Capital support for public corporations	-336	323	334	583	684
Take up of Provisions	149	83	8	545	-234
Release of Provision	-80	-99	-72	-66	-395
Gross capital procurement	28,508	33,566	33,353	36,967	42,040
Income from sales of assets	-2,328	-2,521	-1,750	-1,724	-3,063
Net lending and investment to the private sector and abroad	803	-15,366	-195	17,509	10,759
Other	5,989	500	1,373	940	498
<i>Plus unallocated funds in capital DEL</i>	-	-	-	-	-
<b>Total capital budgets</b>	<b>58,276</b>	<b>39,346</b>	<b>54,447</b>	<b>76,694</b>	<b>75,049</b>

(1) 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.

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

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

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

**Table 2.2 Gross current procurement in budgets, 2014-15 to 2018-19**

	£ million				
	National Statistics				
	2014-15	2015-16	2016-17	2017-18	2018-19
	outturn	outturn	outturn	outturn	outturn
<b>Gross current procurement in budgets</b>					
Defence	11,836	11,223	11,017	11,510	12,253
Single Intelligence Account	983	1,084	1,107	1,198	1,223
Home Office	2,254	2,445	2,508	2,545	2,930
Foreign and Commonwealth Office	487	542	592	680	763
International Development	1,218	1,193	1,170	1,117	1,028
NHS (Health)	59,341	60,359	64,553	63,408	63,630
Work and Pensions	2,474	2,329	2,124	1,922	2,098
Education	4,416	4,302	4,711	5,259	5,717
Business, Innovation and Skills	2,218	2,135	2,015	2,040	2,082
Transport	1,746	3,604	3,792	4,329	4,847
Exiting the European Union	4	4	10	23	28
Culture, Media and Sport	3,580	3,213	3,263	3,104	3,395
CLG Communities	288	310	318	124	204
CLG Local Government	-	-	-	-	0
Scotland	7,905	7,504	8,074	8,088	10,404
Wales	3,472	3,566	3,854	3,987	4,149
Northern Ireland	4,212	4,275	4,154	4,207	4,476
Justice	4,825	4,466	4,873	5,033	4,993
Law Officers' Departments	300	313	292	323	321
Environment, Food and Rural Affairs	1,161	1,032	895	903	1,042
HM Treasury	558	885	499	745	746
HM Revenue & Customs	1,160	1,245	1,365	1,238	1,272
Cabinet Office	335	326	297	409	465
International Trade	202	211	203	212	221
Small and Independent Bodies	769	709	650	801	722
<b>Total gross current procurement in budgets</b>	<b>115,746</b>	<b>117,276</b>	<b>122,336</b>	<b>123,205</b>	<b>129,010</b>

**Table 2.3 Gross capital procurement in budgets, 2014-15 to 2018-19**

	£ million				
	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>Gross capital procurement in budgets</b>					
Defence	9,145	9,015	8,836	9,737	10,731
Single Intelligence Account	563	581	631	623	666
Home Office	265	271	347	437	519
Foreign and Commonwealth Office	123	134	104	142	148
International Development	79	77	64	252	67
Health and Social Care	5,523	5,089	4,850	4,901	6,156
Work and Pensions	120	102	181	341	200
Education	3,171	2,163	790	2,157	2,422
Business, Innovation and Skills	3,075	3,095	3,157	3,366	3,664
Transport	2,219	9,232	9,463	10,019	12,448
Exiting the European Union	-	-	0	1	0
Digital, Culture, Media and Sport	425	383	591	314	355
MHCLG - Housing and Communities	168	139	231	395	272
Scotland	1,053	1,113	1,203	1,097	975
Wales	531	467	589	660	675
Northern Ireland	1,011	786	1,052	980	1,116
Justice	365	297	436	450	522
Law Officers' Departments	4	3	13	10	16
Environment, Food and Rural Affairs	227	191	242	265	279
HM Treasury	13	2	3	8	22
HM Revenue & Customs	240	229	328	308	387
Cabinet Office	104	102	123	198	134
International Trade	2	2	6	16	17
Small and Independent Bodies	83	92	115	289	249
<b>Total gross capital procurement in budgets</b>	<b>28,508</b>	<b>33,566</b>	<b>33,353</b>	<b>36,967</b>	<b>42,040</b>

## BACKGROUND TO ECONOMIC ANALYSES

**2.1** This chapter provides an economic category analysis of the budgeting aggregates presented in **Chapter 1**. All data in this chapter fall within the scope of National Statistics.

## WHAT'S NEW

**2.2** Following the implementation of the Scotland Act 2016 and the associated fiscal Framework, new budgeting arrangements have been agreed with the Scottish Government which see its spend scored as AME rather than DEL. The new arrangements began at the start of 2018-19. The changes only affect tables in **Chapters 2 and 7**. In **Table 2.1** the block grant paid by the UK Government to the Scottish Government is shown against the **Other** economic category in both Resource and Capital DEL, offset by a corresponding receipt in Resource and Capital departmental AME. Spending funded by the block grant and the Scottish Government itself, is then shown against economic categories within Resource and Capital departmental AME. As a result, since PESA 2017 most economic categories in DEL will have been revised down, with a corresponding increase in the same categories within departmental AME. Total spending by the Scottish Government is not affected.

## 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 1.7**; and capital budgets with **Table 1.8**.

**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.

**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. **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. Only Royal Bank of Scotland is still classified to the public sector.

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

**Resource budget**

- Income from sales of goods and services: -£0.2 billion in 2014-15, £0.0 billion in 2015-16, -£0.1 billion in 2016-17 and -£0.1 billion in 2017-18 and 2018-19. This is mainly underwriting commission and guarantee fee income;
- Depreciation: There was a gain of £48.0 billion in 2014-15, £6.3 billion in 2015-16 and £23.1 billion in 2016-17. In 2017-18 there was an impairment of £0.4 billion and a gain of £14.0 billion in 2018-19.
- Other: income of -£0.5 billion in 2014-15, -£6.2 billion in 2015-16, -£1.7 billion in 2016-17, -£0.5 billion in 2017-18 and -£1.1 billion in 2018-19. This is mainly interest paid to government and from the sale of shares.

**Capital budget**

- Net lending to the private sector: -£3.0 billion in 2014-15, -£11.3 billion in 2015-16, -£3.5 billion in 2016-17, -£0.9 billion in 2017-18 and -£2.5 billion in 2018-19. This is mainly lending to banks and the Financial Services Compensation Scheme and subsequent repayments, and income from the sale of shares in Lloyds Banking Group and the Royal Bank of Scotland.

These transactions score within the HM Treasury AME budget.

**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 D.1**.

**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..

**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 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.

## CHAPTER 4 TRENDS IN PUBLIC SPENDING

### OVERVIEW

The tables in chapter 4 show trends in public spending on a longer run basis than other chapters in this release, in nominal, real (inflation-adjusted) and percentage of GDP terms. Table 4.1 shows long run trends in Total Managed Expenditure (TME) and its Public Sector Current Expenditure (PSCE) and Public Sector Net Investment (PSNI) components back to 1976-77.

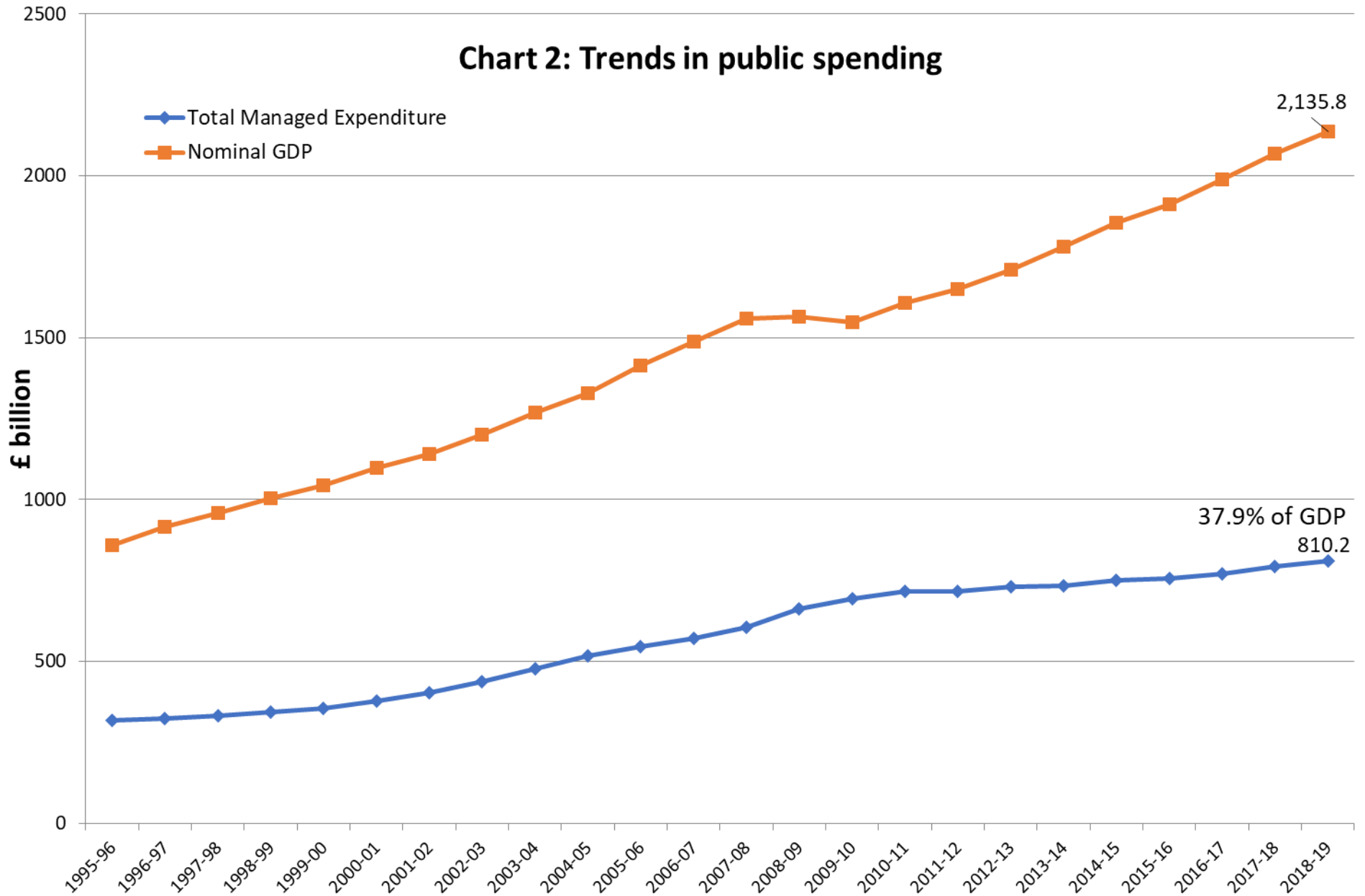
Tables 4.2 to 4.4 show total expenditure on services split by high level spending function (health, education, social protection, etc.) back to 1995-96.

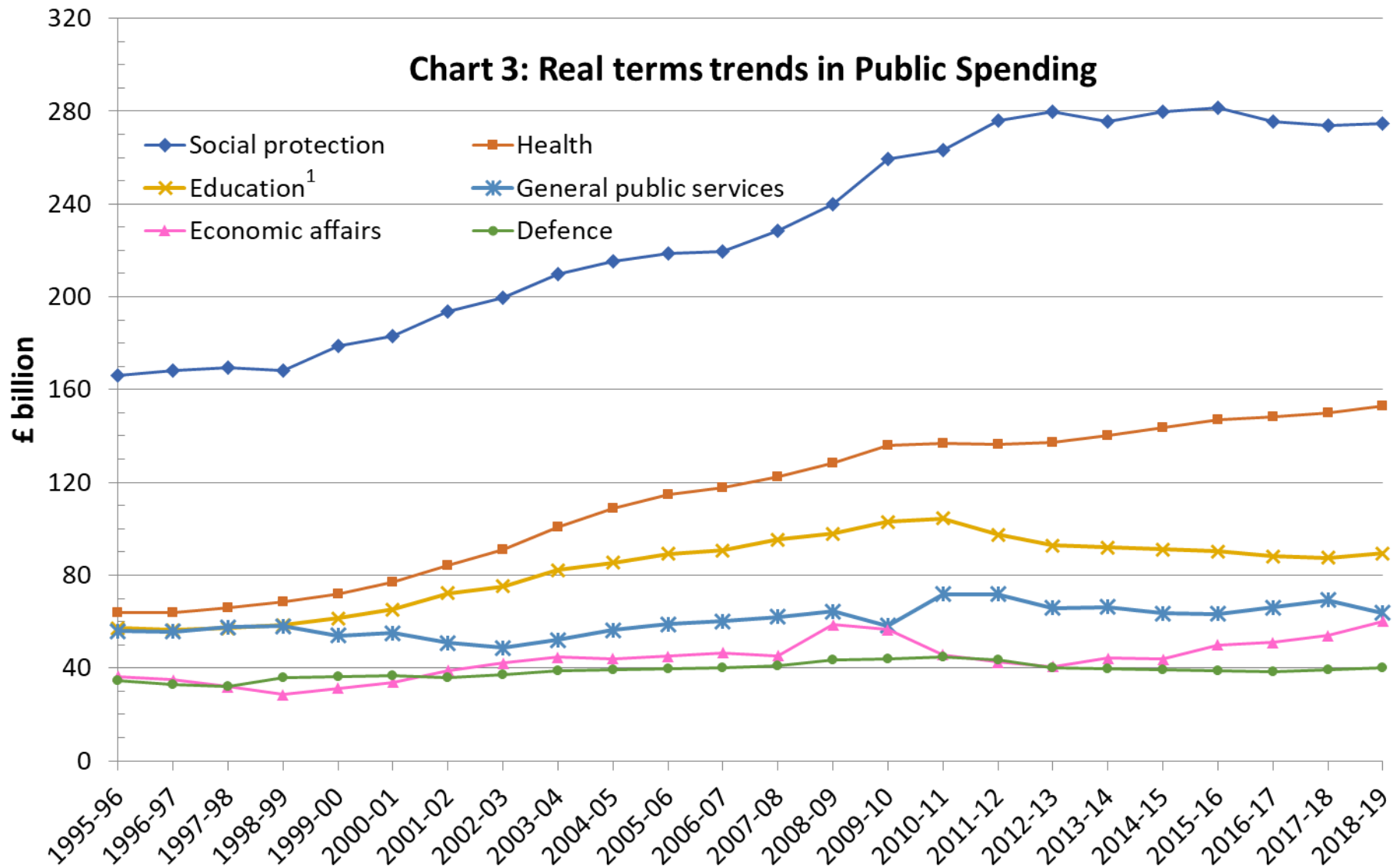
### TRENDS IN TME, PSCE AND PSNI (TABLE 4.1)

- During 2018-19, Total Managed Expenditure has increased in nominal terms by £15.3bn (1.9 per cent), and also in real (inflation-adjusted) terms by £0.7bn (0.1 per cent).
- Since 1976-77, real terms year-on-year decreases in TME have only occurred in 1977-78, 1985-86, 1988-89, 1996-97, 2011-12, 2013-14 and 2016-17.
- TME as a percentage of GDP, which shows the size of the public sector relative to the size of the whole economy, was 37.9 per cent in 2018-19. This is lowest figure since 2003-04.

### TRENDS IN FUNCTIONAL EXPENDITURE (TABLE 4.2 TO 4.4)

- In real terms, spending in seven functions increased whilst spending in three functions fell during 2018-19.
- The largest real terms percentage increases were in **Economic affairs** (11.0 per cent) and in **Housing and community amenities** (7.7 per cent).
- The real terms decreases in spending were in **General public services** (-7.8 per cent), **Environment protection** (-6.9 per cent) and in **Recreation, Culture and Religion** (-4.5 per cent).
- Spending on **Health** shows a nominal and real terms increase in 2018-19 (3.8 per cent in nominal terms, 1.9 per cent in real terms).
- For greater detail see Table 5.2, which shows a breakdown of public spending at the sub-functional level.





1. From 2011-12 onwards the 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from the Education function. Therefore figures are not directly comparable between 2010-11 and 2011-12. A full explanation of this decision can be found in PESA 2016 Annex E.

**Table 4.1 Public expenditure aggregates, 1976-77 to 2018-19**

Outturn data in this table up to 2018-19 fall within the scope of National Statistics

	Public sector current expenditure			Depreciation	Public sector net investment			Total Managed Expenditure <sup>(2)</sup>		
	Nominal £ billion	Real terms <sup>(1)</sup> £ billion	Per cent of GDP	Nominal £ billion	Nominal £ billion	Real terms <sup>(1)</sup> £ billion	Per cent of GDP	Nominal £ billion	Real terms <sup>(1)</sup> £ billion	Per cent of GDP
1976-77	51.2	304.6	36.1	6.4	6.4	38.2	4.5	64.1	381.0	45.1
1977-78	57.5	300.7	34.7	7.4	5.2	27.4	3.2	70.2	366.7	42.3
1978-79	66.1	310.6	34.4	8.4	5.2	24.5	2.7	79.7	374.5	41.5
1979-80	79.6	320.0	34.2	10.0	5.8	23.2	2.5	95.3	383.3	41.0
1980-81	96.8	326.8	36.2	12.1	5.8	19.6	2.2	114.7	387.1	42.9
1981-82	110.8	338.4	37.2	13.2	4.1	12.6	1.4	128.2	391.3	43.0
1982-83	121.6	346.2	37.2	13.9	6.1	17.4	1.9	141.6	403.1	43.3
1983-84	131.3	356.6	36.7	14.6	7.6	20.6	2.1	153.4	416.8	42.9
1984-85	142.0	365.1	36.8	14.8	7.3	18.8	1.9	164.1	421.9	42.5
1985-86	150.5	367.0	35.6	14.4	6.3	15.5	1.5	171.3	417.5	40.4
1986-87	158.7	371.5	34.9	14.9	4.8	11.3	1.1	178.4	417.7	39.2
1987-88	169.6	376.1	33.2	14.9	4.7	10.5	0.9	189.3	419.6	37.1
1988-89	176.3	367.1	31.0	15.8	3.8	7.9	0.7	195.9	407.8	34.4
1989-90	191.1	369.4	30.5	16.8	9.0	17.3	1.4	216.8	419.1	34.6
1990-91	208.1	371.8	30.7	16.7	10.3	18.3	1.5	235.1	420.0	34.7
1991-92	232.0	391.9	32.5	15.4	13.5	22.8	1.9	260.9	440.8	36.6
1992-93	252.1	415.5	34.3	15.3	14.0	23.2	1.9	281.5	463.9	38.3
1993-94	266.2	428.2	34.2	15.6	11.9	19.2	1.5	293.7	472.5	37.7
1994-95	277.6	441.2	34.0	15.7	12.3	19.5	1.5	305.5	485.6	37.4
1995-96	291.2	449.0	33.9	15.7	12.6	19.4	1.5	319.4	492.6	37.1
1996-97	300.3	447.4	32.8	16.0	7.6	11.4	0.8	323.9	482.6	35.3
1997-98	308.2	456.2	32.1	18.7	6.5	9.6	0.7	333.4	493.4	34.8
1998-99	316.6	462.5	31.6	18.8	7.8	11.3	0.8	343.1	501.3	34.2
1999-00	327.5	476.6	31.3	19.4	9.2	13.4	0.9	356.1	518.3	34.1
2000-01	349.1	496.9	31.8	20.0	9.2	13.1	0.8	378.3	538.5	34.4
2001-02	366.9	517.1	32.1	20.9	16.4	23.1	1.4	404.2	569.7	35.4
2002-03	394.2	542.1	32.8	22.8	20.8	28.5	1.7	437.8	602.1	36.5
2003-04	430.8	580.4	34.0	22.9	23.8	32.1	1.9	477.5	643.3	37.6
2004-05	463.5	608.1	34.9	24.5	28.9	37.9	2.2	516.9	678.1	38.9
2005-06	490.8	627.4	34.7	25.9	29.7	38.0	2.1	546.4	698.5	38.7
2006-07	513.7	637.8	34.5	27.2	31.0	38.5	2.1	571.9	710.0	38.4
2007-08	544.4	659.5	34.9	28.2	33.9	41.1	2.2	606.5	734.8	38.9
2008-09	577.1	680.7	36.9	31.1	53.5	63.1	3.4	661.7	780.5	42.3
2009-10	610.0	709.5	39.4	32.5	52.7	61.3	3.4	695.2	808.5	44.9
2010-11	637.7	728.1	39.7	33.9	45.7	52.2	2.8	717.4	819.0	44.7
2011-12	645.9	727.9	39.1	35.4	36.0	40.5	2.2	717.3	808.4	43.5
2012-13	655.9	724.6	38.3	36.6	39.3	43.5	2.3	731.8	808.4	42.8
2013-14	665.2	721.6	37.3	38.0	30.7	33.3	1.7	733.8	796.0	41.2
2014-15	674.8	722.8	36.4	39.0	36.6	39.2	2.0	750.4	803.8	40.5
2015-16	682.6	725.3	35.7	40.1	34.1	36.2	1.8	756.8	804.1	39.6
2016-17	692.7	719.6	34.8	40.8	38.5	40.0	1.9	772.0	802.0	38.8
2017-18	711.2	724.2	34.4	41.1	42.7	43.4	2.1	794.9	809.4	38.4
2018-19	728.2	728.2	34.1	40.4	41.7	41.7	2.0	810.2	810.2	37.9

(1) Real terms figures are the nominal figures adjusted to 2018-19 price levels using GDP deflators from the Office for National Statistics (released 28 June 2019).

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

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Table 4.2 Public sector expenditure on services by function, 1995-96 to 2018-19

National Statistics																							£ billion	
	cash basis			accruals basis																				
	1995-96 outturn	1996-97 outturn	1997-98 outturn	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
1. General public services	36.3	37.4	39.0	39.8	37.2	38.7	36.1	35.5	38.7	43.0	46.1	48.4	51.3	54.7	50.1	62.9	63.8	59.5	61.1	59.4	59.5	63.5	67.9	63.8
<i>of which: public and common services</i>	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	12.8	11.5	11.2	11.2	11.5	11.3	12.5	12.5	13.2
<i>of which: international services</i>	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	7.8	7.7	7.7	9.8	10.5	10.3	10.9	10.5	12.1
<i>of which: public sector debt interest</i>	26.8	28.1	29.7	29.4	25.5	26.6	22.6	21.2	22.7	25.4	27.1	29.4	32.1	34.3	29.2	42.3	44.6	40.6	40.1	37.4	38.0	40.2	44.9	38.5
2. Defence <sup>(1)</sup>	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	36.3	36.4	36.7	36.6	37.1	38.7	40.2
3. Public order and safety	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	33.1	32.1	31.3	29.6	30.5	30.2	30.1	31.5	32.4
4. Economic affairs	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	49.7	48.7	40.0	37.8	36.7	40.9	41.0	47.0	49.2	53.2	60.1
<i>of which: enterprise and economic development<sup>(2)</sup></i>	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	4.9	4.8	5.0	6.7	6.6	7.5	8.3	10.0	12.6
<i>of which: science and technology</i>	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	3.3	4.2	4.4	4.7	4.5	5.0	6.4
<i>of which: employment policies</i>	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	3.5	4.1	4.7	3.2	2.9	3.8	2.9	2.4	2.4	2.6	2.7
<i>of which: agriculture, fisheries and forestry</i>	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	5.4	5.2	4.5	5.2	5.2	5.7
<i>of which: transport<sup>(3), (4)</sup></i>	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	20.4	20.2	20.8	22.0	27.9	28.8	30.4	32.6
5. Environment protection	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	10.7	11.2	11.6	11.6	11.0	11.8	11.2
6. Housing and community amenities	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	13.3	10.2	10.0	9.9	10.3	9.8	10.3	11.4	12.5
7. Health	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	119.9	121.3	124.3	129.4	134.1	138.5	142.6	147.3	152.9
8. Recreation, culture and religion	5.5	5.7	6.4	7.2	7.7	7.8	8.6	9.3	9.7	10.0	10.8	11.4	11.9	12.4	13.2	13.0	12.5	12.7	11.6	12.4	11.4	11.6	11.5	11.2
9. Education <sup>(5)</sup>	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	86.5	84.1	84.7	85.1	84.9	84.9	86.1	89.4
10. Social protection	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	203.4	223.0	230.4	244.8	253.4	254.2	261.1	264.9	265.4	268.7	274.7
EU transactions <sup>(6)</sup>	-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	0.9	5.9	4.3	6.7	7.2	6.2	7.7	4.7	5.4	7.9
<b>Public sector expenditure on services</b>	<b>295.9</b>	<b>302.6</b>	<b>308.6</b>	<b>318.4</b>	<b>331.4</b>	<b>353.0</b>	<b>376.1</b>	<b>402.6</b>	<b>439.0</b>	<b>471.1</b>	<b>501.7</b>	<b>523.7</b>	<b>555.5</b>	<b>604.0</b>	<b>639.8</b>	<b>660.2</b>	<b>662.3</b>	<b>665.8</b>	<b>676.1</b>	<b>688.4</b>	<b>702.2</b>	<b>710.5</b>	<b>733.3</b>	<b>756.2</b>
Accounting adjustments	23.5	21.3	24.8	24.7	24.7	25.3	28.1	35.2	38.5	45.7	44.7	48.2	51.1	57.7	55.4	57.2	55.0	66.0	57.7	62.1	54.6	61.4	61.5	53.9
<b>Total Managed Expenditure<sup>(7)</sup></b>	<b>319.4</b>	<b>323.9</b>	<b>333.4</b>	<b>343.1</b>	<b>356.1</b>	<b>378.3</b>	<b>404.2</b>	<b>437.8</b>	<b>477.5</b>	<b>516.9</b>	<b>546.4</b>	<b>571.9</b>	<b>606.5</b>	<b>661.7</b>	<b>695.2</b>	<b>717.4</b>	<b>717.3</b>	<b>731.8</b>	<b>733.8</b>	<b>750.4</b>	<b>756.8</b>	<b>772.0</b>	<b>794.9</b>	<b>810.2</b>

(1) The 2015 Spending Review continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence for the rest of this decade. This is evaluated using the NATO definitions of Defence spending rather than the UN COFOG definitions that are used in this table. The UN COFOG and NATO measures of Defence use different definitions and are therefore not comparable. For example, the NATO Defence figures include pensions whereas in COFOG these are included in Social Protection. Details and figures on NATO Defence expenditures can be found at the following link:

[http://www.nato.int/cps/on/natohq/topics\\_49198.htm](http://www.nato.int/cps/on/natohq/topics_49198.htm)

(2) Transactions from 2008-09 onwards have been affected by financial sector interventions.

(3) Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown. However the actual expenditure of Network Rail only appears in the Department for Transport budget, and the "transport" function shown here, from 2015-16.

(4) In order to align with ONS data, the transport function now includes expenditure relating to the local government part of the TfL subsidiary, 'Transport Trading Limited'. This data has been obtained from the Office for National Statistics and currently includes expenditure of bodies such as Crossrail and Rail for London from 2011-12 onwards.

(5) From 2011-12 onwards the 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from the Education function. Therefore figures are not directly comparable between 2010-11 and 2011-12. A full explanation of this decision can be found in PESA 2016 Annex E.

(6) From 2010-11 onwards VAT-based payments are no longer deducted from EU transactions thus bringing these totals in-line with ESA10.

(7) This excludes the temporary effects of banks being classified to the public sector.

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**Table 4.3 Public sector expenditure on services by function in real terms <sup>(1)</sup>, 1995-96 to 2018-19**

National Statistics																								
	cash basis			accruals basis																			£ billion	
	1995-96 outturn	1996-97 outturn	1997-98 outturn	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
1. General public services	55.9	55.8	57.7	58.1	54.1	55.0	50.9	48.8	52.2	56.4	58.9	60.1	62.1	64.5	58.3	71.8	71.9	65.8	66.3	63.6	63.3	66.0	69.2	63.8
<i>of which: public and common services</i>	9.4	9.2	9.2	10.5	11.6	11.2	13.0	13.5	14.7	15.9	16.4	15.8	15.1	16.5	16.0	14.6	12.9	12.4	12.1	12.3	12.0	13.0	12.7	13.2
<i>of which: international services</i>	5.2	4.6	4.6	4.7	5.4	6.0	6.1	6.2	6.9	7.2	7.9	7.8	8.1	7.5	8.3	8.9	8.7	8.5	10.6	11.2	10.9	11.3	10.7	12.1
<i>of which: public sector debt interest</i>	41.3	41.9	43.9	42.9	37.1	37.8	31.9	29.1	30.6	33.4	34.6	36.5	38.8	40.4	34.0	48.2	50.2	44.9	43.5	40.1	40.4	41.7	45.7	38.5
2. Defence <sup>(2)</sup>	34.7	32.9	32.1	35.8	36.5	36.6	35.8	37.1	38.8	39.1	39.6	40.0	40.8	43.4	43.8	44.9	43.6	40.1	39.5	39.3	38.9	38.6	39.4	40.2
3. Public order and safety	24.7	24.4	25.3	26.3	26.8	29.0	32.6	33.6	35.6	37.4	37.5	37.7	38.4	39.7	39.7	37.8	36.1	34.6	32.1	32.7	32.1	31.2	32.0	32.4
4. Economic affairs	36.4	34.9	32.0	28.6	31.3	33.9	39.0	42.2	44.6	44.1	45.1	46.6	45.3	58.6	56.6	45.7	42.6	40.6	44.3	43.9	49.9	51.1	54.1	60.1
<i>of which: enterprise and economic development<sup>(3)</sup></i>	6.9	6.4	6.4	4.5	6.4	7.0	7.2	8.1	8.1	8.5	8.2	7.8	8.6	19.1	14.2	5.6	5.4	5.5	7.3	7.0	7.9	8.6	10.2	12.6
<i>of which: science and technology</i>	1.9	2.1	2.1	2.0	2.0	2.0	2.4	2.9	3.1	3.3	3.8	3.6	4.0	3.8	4.2	3.9	4.1	3.7	4.5	4.7	5.0	4.7	5.1	6.4
<i>of which: employment policies</i>	4.8	4.2	3.7	4.2	5.1	5.4	4.7	4.1	4.3	4.2	4.2	4.1	2.5	4.1	4.8	5.4	3.6	4.1	3.1	2.6	2.5	2.7	2.7	2.7
<i>of which: agriculture, fisheries and forestry</i>	6.0	8.0	7.0	6.4	6.3	6.7	8.9	6.7	7.1	7.1	7.2	6.3	5.2	6.8	6.7	6.3	6.5	5.8	5.8	5.6	4.8	5.4	5.3	5.7
<i>of which: transport<sup>(4), (5)</sup></i>	16.8	14.2	12.9	11.4	11.5	12.8	15.9	20.4	22.0	21.0	21.7	24.7	25.0	24.8	26.7	24.5	23.0	22.3	22.6	23.5	29.7	29.9	30.9	32.6
5. Environment protection	6.3	5.5	5.9	6.3	7.1	7.3	7.6	8.3	8.4	9.2	10.9	11.7	11.6	10.9	12.1	12.4	11.8	11.8	12.2	12.4	12.3	11.5	12.0	11.2
6. Housing and community amenities	9.3	8.5	7.3	8.0	6.8	7.8	8.7	7.4	9.0	10.5	13.7	14.3	15.7	18.0	19.0	15.2	11.4	11.0	10.7	11.0	10.4	10.7	11.6	12.5
7. Health	63.8	63.8	65.9	68.5	71.9	77.2	84.3	91.0	100.9	108.8	114.8	117.6	122.5	128.2	136.0	136.9	136.6	137.3	140.4	143.6	147.2	148.1	150.0	152.9
8. Recreation, culture and religion	8.5	8.5	9.5	10.5	11.2	11.1	12.1	12.8	13.1	13.1	13.8	14.2	14.4	14.6	15.4	14.8	14.1	14.0	12.6	13.3	12.1	12.1	11.7	11.2
9. Education <sup>(6)</sup>	57.1	56.3	57.1	58.4	61.4	65.3	72.2	75.2	82.2	85.4	89.2	90.6	95.3	97.9	102.9	104.5	97.5	92.9	91.9	91.1	90.2	88.2	87.6	89.4
10. Social protection	165.9	168.0	169.5	168.3	179.0	182.9	193.6	199.8	209.6	215.3	218.6	219.7	228.5	239.9	259.4	263.1	275.9	279.9	275.7	279.7	281.5	275.7	273.7	274.7
EU transactions <sup>(7)</sup>	-6.3	-7.7	-5.5	-3.8	-3.9	-3.7	-6.8	-2.6	-2.8	-1.2	-0.8	-2.2	-1.8	-3.4	1.0	6.7	4.9	7.4	7.8	6.7	8.2	4.9	5.5	7.9
<b>Public sector expenditure on services</b>	<b>456.3</b>	<b>450.8</b>	<b>456.7</b>	<b>465.2</b>	<b>482.4</b>	<b>502.4</b>	<b>530.1</b>	<b>553.6</b>	<b>591.5</b>	<b>618.1</b>	<b>641.4</b>	<b>650.2</b>	<b>672.9</b>	<b>712.4</b>	<b>744.1</b>	<b>753.7</b>	<b>746.4</b>	<b>735.5</b>	<b>733.4</b>	<b>737.3</b>	<b>746.1</b>	<b>738.1</b>	<b>746.8</b>	<b>756.2</b>
Accounting adjustments	36.3	31.7	36.7	36.1	35.9	36.0	39.6	48.4	51.9	60.0	57.1	59.8	61.9	68.1	64.4	65.3	62.0	73.0	62.6	66.5	58.0	63.8	62.7	53.9
<b>Total Managed Expenditure<sup>(8)</sup></b>	<b>492.6</b>	<b>482.6</b>	<b>493.4</b>	<b>501.3</b>	<b>518.3</b>	<b>538.5</b>	<b>569.7</b>	<b>602.1</b>	<b>643.3</b>	<b>678.1</b>	<b>698.5</b>	<b>710.0</b>	<b>734.8</b>	<b>780.5</b>	<b>808.5</b>	<b>819.0</b>	<b>808.4</b>	<b>808.4</b>	<b>796.0</b>	<b>803.8</b>	<b>804.1</b>	<b>802.0</b>	<b>809.4</b>	<b>810.2</b>

(1) Real terms figures are the nominal figures adjusted to 2018-19 price levels using GDP deflators from the Office for National Statistics (released 28 June 2019).

(2) The 2015 Spending Review continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence for the rest of this decade. This is evaluated using the NATO definitions of Defence spending rather than the UN COFOG definitions that are used in this table. The UN COFOG and NATO measures of Defence use different definitions and are therefore not comparable. For example, the NATO Defence figures include pensions whereas in COFOG these are included in Social Protection. Details and figures on NATO Defence expenditures can be found at the following link:

[http://www.nato.int/cps/on/natohq/topics\\_49198.htm](http://www.nato.int/cps/on/natohq/topics_49198.htm)

(3) Transactions from 2008-09 onwards have been affected by financial sector interventions.

(4) Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown. However the actual expenditure of Network Rail only appears in the Department for Transport budget, and the "transport" function shown here, from 2015-16.

(5) In order to align with ONS data, the transport function now includes expenditure relating to the local government part of the TfL subsidiary, 'Transport Trading Limited'. This data has been obtained from the Office for National Statistics and currently includes expenditure of bodies such as Crossrail and Rail for London from 2011-12 onwards.

(6) From 2011-12 onwards the 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from the Education function. Therefore figures are not directly comparable between 2010-11 and 2011-12. A full explanation of this decision can be found in PESA 2016 Annex E.

(7) From 2010-11 onwards VAT-based payments are no longer deducted from EU transactions thus bringing these totals in-line with ESA10.

(8) This excludes the temporary effects of banks being classified to the public sector.



Table 4.4 Public sector expenditure on services by function as a per cent of GDP <sup>(1)</sup>, 1995-96 to 2018-19

National Statistics																								
	cash basis			accruals basis																				per cent
	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	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	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	4.2	4.1	4.1	4.0	3.6	3.5	3.2	3.0	3.1	3.2	3.3	3.3	3.3	3.5	3.2	3.9	3.9	3.5	3.4	3.2	3.1	3.2	3.3	3.0
<i>of which: public and common services</i>	0.7	0.7	0.6	0.7	0.8	0.7	0.8	0.8	0.9	0.9	0.9	0.9	0.8	0.9	0.9	0.8	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6
<i>of which: international services</i>	0.4	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.5	0.6
<i>of which: public sector debt interest</i>	3.1	3.1	3.1	2.9	2.4	2.4	2.0	1.8	1.8	1.9	1.9	2.0	2.1	2.2	1.9	2.6	2.7	2.4	2.3	2.0	2.0	2.0	2.2	1.8
2. Defence <sup>(2)</sup>	2.6	2.4	2.3	2.4	2.4	2.3	2.2	2.2	2.3	2.2	2.2	2.2	2.2	2.4	2.4	2.4	2.3	2.1	2.0	2.0	1.9	1.9	1.9	1.9
3. Public order and safety	1.9	1.8	1.8	1.8	1.8	1.9	2.0	2.0	2.1	2.1	2.1	2.0	2.0	2.2	2.2	2.1	1.9	1.8	1.7	1.6	1.6	1.5	1.5	1.5
4. Economic affairs	2.7	2.6	2.3	2.0	2.1	2.2	2.4	2.6	2.6	2.5	2.5	2.5	2.4	3.2	3.1	2.5	2.3	2.1	2.3	2.2	2.5	2.5	2.6	2.8
<i>of which: enterprise and economic development<sup>(3)</sup></i>	0.5	0.5	0.4	0.3	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.4	0.5	1.0	0.8	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.6
<i>of which: science and technology</i>	0.1	0.2	0.1	0.1	0.1	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	0.2	0.2	0.2	0.2	0.3
<i>of which: employment policies</i>	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.2	0.2	0.2	0.1	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1
<i>of which: agriculture, fisheries and forestry</i>	0.5	0.6	0.5	0.4	0.4	0.4	0.6	0.4	0.4	0.4	0.4	0.3	0.3	0.4	0.4	0.3	0.4	0.3	0.3	0.3	0.2	0.3	0.3	0.3
<i>of which: transport<sup>(4), (5)</sup></i>	1.3	1.0	0.9	0.8	0.8	0.8	1.0	1.2	1.3	1.2	1.2	1.3	1.3	1.3	1.5	1.3	1.2	1.2	1.2	1.2	1.5	1.4	1.5	1.5
5. Environment protection	0.5	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5
6. Housing and community amenities	0.7	0.6	0.5	0.5	0.4	0.5	0.5	0.4	0.5	0.6	0.8	0.8	0.8	1.0	1.1	0.8	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.6
7. Health	4.8	4.7	4.6	4.7	4.7	4.9	5.2	5.5	5.9	6.2	6.4	6.4	6.5	7.0	7.6	7.5	7.3	7.3	7.2	7.2	7.2	7.2	7.1	7.2
8. Recreation, culture and religion	0.6	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.7	0.7	0.7	0.6	0.6	0.6	0.5
9. Education <sup>(6)</sup>	4.3	4.1	4.0	4.0	4.0	4.2	4.5	4.6	4.8	4.9	4.9	4.9	5.0	5.3	5.7	5.7	5.2	4.9	4.8	4.6	4.4	4.3	4.2	4.2
10. Social protection	12.5	12.3	11.9	11.5	11.8	11.7	12.0	12.1	12.3	12.4	12.1	11.9	12.1	13.0	14.4	14.3	14.8	14.8	14.3	14.1	13.9	13.3	13.0	12.9
EU transactions <sup>(7)</sup>	-0.5	-0.6	-0.4	-0.3	-0.3	-0.2	-0.4	-0.2	-0.2	-0.1	0.0	-0.1	-0.1	-0.2	0.1	0.4	0.3	0.4	0.4	0.3	0.4	0.2	0.3	0.4
<b>Public sector expenditure on services</b>	<b>34.4</b>	<b>33.0</b>	<b>32.2</b>	<b>31.7</b>	<b>31.7</b>	<b>32.1</b>	<b>33.0</b>	<b>33.5</b>	<b>34.6</b>	<b>35.5</b>	<b>35.5</b>	<b>35.2</b>	<b>35.6</b>	<b>38.6</b>	<b>41.4</b>	<b>41.1</b>	<b>40.1</b>	<b>38.9</b>	<b>38.0</b>	<b>37.1</b>	<b>36.7</b>	<b>35.7</b>	<b>35.5</b>	<b>35.4</b>
Accounting adjustments	2.7	2.3	2.6	2.5	2.4	2.3	2.5	2.9	3.0	3.4	3.2	3.2	3.3	3.7	3.6	3.6	3.3	3.9	3.2	3.3	2.9	3.1	3.0	2.5
<b>Total Managed Expenditure<sup>(8)</sup></b>	<b>37.1</b>	<b>35.3</b>	<b>34.8</b>	<b>34.2</b>	<b>34.1</b>	<b>34.4</b>	<b>35.4</b>	<b>36.5</b>	<b>37.6</b>	<b>38.9</b>	<b>38.7</b>	<b>38.4</b>	<b>38.9</b>	<b>42.3</b>	<b>44.9</b>	<b>44.7</b>	<b>43.5</b>	<b>42.8</b>	<b>41.2</b>	<b>40.5</b>	<b>39.6</b>	<b>38.8</b>	<b>38.4</b>	<b>37.9</b>

(1) GDP until 2018-19 is consistent with the latest figures from the Office for National Statistics (published 28 June 2019).

(2) The 2015 Spending Review continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence for the rest of this decade. This is evaluated using the NATO definitions of Defence spending rather than the UN COFOG definitions that are used in this table. The UN COFOG and NATO measures of Defence use different definitions and are therefore not comparable. For example, the NATO Defence figures include pensions whereas in COFOG these are included in Social Protection. Details and figures on NATO Defence expenditures can be found at the following link:

[http://www.nato.int/cps/on/natohq/topics\\_49198.htm](http://www.nato.int/cps/on/natohq/topics_49198.htm)

(3) Transactions from 2008-09 onwards have been affected by financial sector interventions.

(4) Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown. However the actual expenditure of Network Rail only appears in the Department for Transport budget, and the "transport" function shown here, from 2015-16.

(5) In order to align with ONS data, the transport function now includes expenditure relating to the local government part of the TfL subsidiary, 'Transport Trading Limited'. This data has been obtained from the Office for National Statistics and currently includes expenditure of bodies such as Crossrail and Rail for London from 2011-12 onwards.

(6) From 2011-12 onwards the 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from the Education function. Therefore figures are not directly comparable between 2010-11 and 2011-12. A full explanation of this decision can be found in PESA 2016 Annex E.

(7) From 2010-11 onwards VAT-based payments are no longer deducted from EU transactions thus bringing these totals in-line with ESA10.

(8) This excludes the temporary effects of banks being classified to the public sector.

## BACKGROUND TO 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 Public Spending Statistics, adjusted as far as possible so that figures for historical outturn years are based on current definitions.

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

## WHAT'S NEW

**4.3** There have been no significant changes to the presentation of data within this chapter since the summer PSS 2018.

## PUBLIC SPENDING AGGREGATES

**4.4** **Table 4.1** shows trends in public spending since 1976-77 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 2018-19 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.

## PUBLIC SECTOR EXPENDITURE ON SERVICES BY FUNCTION

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

**4.7** Public sector expenditure on services includes central government spending, but excludes the part that is finance to local government and capital finance to public corporations. This central government own expenditure is then combined with actual spending by local government and public corporations to give total public sector expenditure. Expenditure on services excludes non-cash items such as depreciation and provisions. Derivation of expenditure on services from departments' budgets is available at the end of this release in **Table E.1**.

**4.8** **Table 4.2** shows public sector expenditure on services by United Nations Classification Of the Functions Of Government (COFOG) level 1 from 1995-96. **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 2018-19. 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.

## METHODS AND DATA QUALITY FOR EXPENDITURE ON SERVICE LONG-RUN TABLE

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

**4.10** Data in **Tables 4.2, 4.3 and 4.4** for years before 2014-15 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.

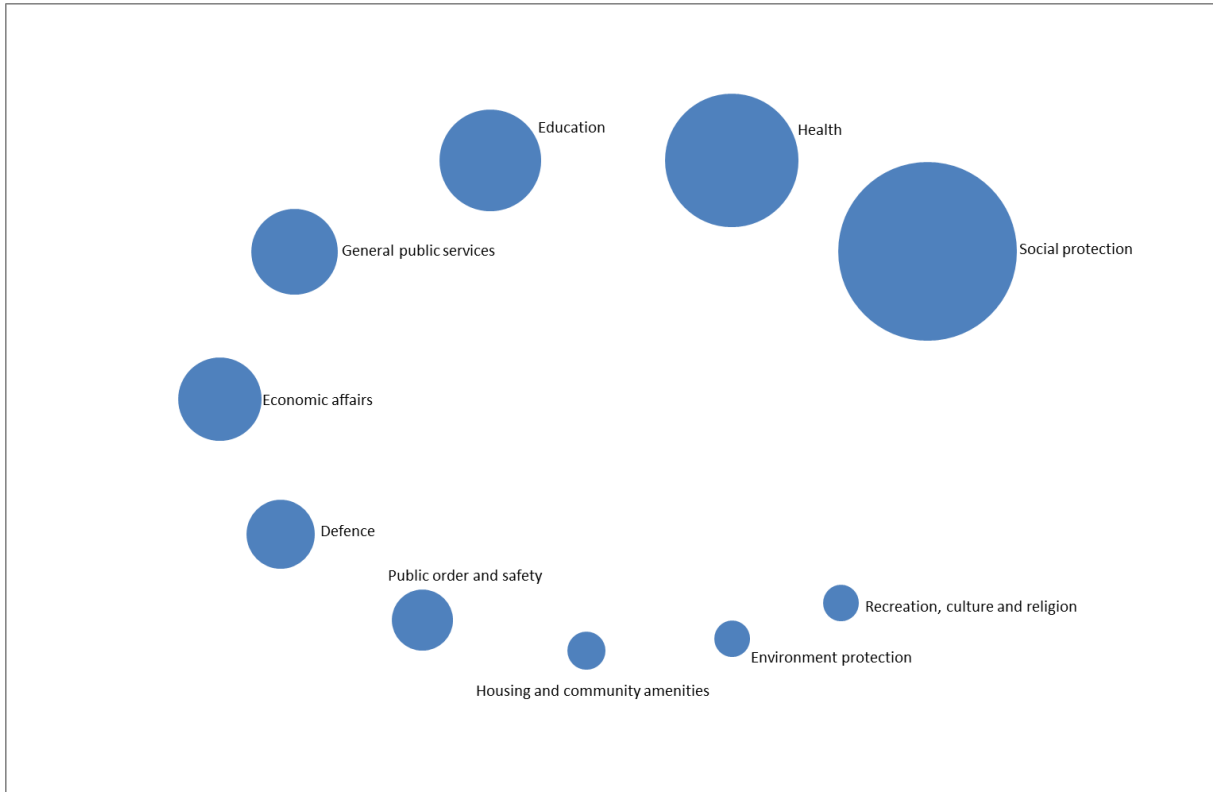
**4.11** Historical outturn data are not usually subject to adjustment. However, sometimes reclassifications affect the long run functional series. These include ONS decisions for the National Accounts and decisions taken by the Treasury in conjunction with departments to improve the allocation of spending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

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

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

## CHAPTER 5 PUBLIC SECTOR SPENDING BY FUNCTION, SUB-FUNCTION AND ECONOMIC CATEGORY

**CHART 4** Public Sector spending in 2018-19 broken down by function.



Data are consistent with UN Classification of the Functions of Government framework (COFOG). Each bubble is proportional to the amount spent under each function in 2018-19.

## OVERVIEW

The tables in chapter 5 of this release present analysis of total public sector expenditure on services split by function, sub-function and economic category. These presentations are more stable between years than presentations of data by government department on a budgeting basis (Chapters 1 and 2) because they are not affected by changes in the structure of Government over time.

## FUNCTIONAL TABLES

- In nominal terms, spending in seven of the ten functions increased in 2018-19.
- The largest increases in percentage terms, were in **Economic affairs** (13.1 per cent) and **Housing and community amenities** (9.7 per cent).
- In percentage terms, the smallest increases in functional spend were in **Social protection** (2.2 per cent), **Public order and safety** (2.9 per cent) and **Health** (3.8 per cent).
- Expenditure in both **Health** and **Education** increased in 2018-19 by 3.8% and 3.9% respectively.

## SUB-FUNCTIONAL TABLES

- The largest nominal spending increase by function in 2018-19 was £7.0bn in **Economic affairs**. This was driven by *General economic, commercial and labour affairs* (£2.7bn, 31.1%), followed by *Transport* (£2.3bn, 7.4%) and *R&D economic affairs* (£1.4bn, 28.2%).
- The 2.3bn increase in Transport was largely driven by spending on *railway* (£1.7bn, 10.6%) and *national roads* (£0.6bn, 13.0%)
- The year on year fall seen in 2018-19 for **General public affairs** (-£4.2bn, -6.1%) is largely due to a decrease in *Public debt transactions* (-£6.4bn, -14.3%).

**Table 5.1 Public sector expenditure on services by departmental group and function, 2018-19**

		National Statistics																	£ million		
Departmental Grouping	Function	1. General public services	<i>of which: public and common services</i>	<i>of which: international services</i>	<i>of which: public sector debt interest</i>	2. Defence	3. Public order and safety	4. Economic affairs	<i>of which: enterprise and economic development</i>	<i>of which: science and technology</i>	<i>of which: employment policies</i>	<i>of which: agriculture, fisheries and forestry</i>	<i>of which: transport</i>	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	EU transactions	Public sector expenditure on services for each department
		Defence		-	-	-	-	37,437	-	-	-	-	-	-	-	-	-	-	32	-	2,557
Single Intelligence Account		-	-	-	-	2,761	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,761
Home Office		19	19	-	-	-	3,217	21	-	-	21	-	-	-	-	-	-	-	-	-	3,257
Foreign and Commonwealth Office		2,473	-	2,473	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,473
International Development		9,805	371	9,435	-	-	-	18	-	-	18	-	-	-	-	-	-	-	60	-	9,884
Health and Social Care		-	-	-	-	-	-	-	-	-	-	-	-	-	-	124,271	-	-	-79	-	124,193
Work and Pensions		23	23	-	-	-	-	2,491	4	3	2,485	-	-	-	-	-	-	-	165,309	-	167,824
Education		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,201	3,777	-	38,978
Business, Energy and Industrial Strategy		188	159	29	-	-	112	7,749	1,319	6,372	57	-	0	3,018	-	209	71	2,259	628	-	14,234
Transport		0	0	-	-	-	297	20,469	0	23	-	-	20,446	1	-	-	-	-	13	-	20,781
Exiting the European Union		79	-	79	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79
Digital, Culture, Media and Sport		-	-	-	-	-	-	69	69	-	-	-	-	40	243	6	6,320	1	554	-	7,232
Housing, Communities and Local Government		211	210	2	-	-	0	8	8	-	-	-	-	-	3,835	-	4	-	8	-	4,066
Scotland		629	582	47	-	-	2,756	2,965	470	2	-	823	1,670	225	1,904	13,002	301	2,655	830	-	25,267
Wales		255	255	-	-	-	2	1,231	299	19	-	492	421	137	625	7,534	154	1,253	117	-	11,306
Northern Ireland		338	338	-	-	-	1,242	1,525	217	11	98	542	657	47	555	4,532	178	2,778	8,061	-	19,254
Justice		-	-	-	-	-	9,064	-	-	-	-	-	-	-	-	-	-	-	42	-	9,106
Law Officers' Departments		-	-	-	-	-	625	-	-	-	-	-	-	-	-	-	-	-	-	-	625
Environment, Food and Rural Affairs		-	-	-	-	-	-	3,582	-	-	-	3,582	-	1,233	7	-	-	-	-	-	4,822
HM Revenue and Customs		3,598	3,598	-	-	-	-	6,151	6,151	-	-	-	-	9	143	-	-	-	34,636	-	44,537
HM Treasury		38,392	533	10	37,849	-	-	701	701	-	-	-	-	-	-	-	-	-	5	7,874	46,971
Cabinet Office		645	645	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,387	-	4,032
International Trade		-	-	-	-	-	-	464	464	-	-	-	-	-	-	-	-	-	-	-	464
Small and Independent Bodies		1,329	1,329	-	-	-	5	19	-100	2	-	85	31	-	-	-	-	150	-	-	1,502
Local Government		5,778	5,129	-	649	44	15,057	12,659	3,041	-	-	221	9,397	6,468	5,149	3,387	4,108	45,129	54,784	-	152,563
<b>Public sector expenditure on services for each function</b>		<b>63,764</b>	<b>13,192</b>	<b>12,074</b>	<b>38,498</b>	<b>40,241</b>	<b>32,377</b>	<b>60,120</b>	<b>12,641</b>	<b>6,433</b>	<b>2,679</b>	<b>5,744</b>	<b>32,622</b>	<b>11,178</b>	<b>12,460</b>	<b>152,941</b>	<b>11,167</b>	<b>89,426</b>	<b>274,688</b>	<b>7,874</b>	<b>756,237</b>

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Table 5.1a Public sector current expenditure on services by departmental group and function, 2018-19

		National Statistics																	£ million		
Function	Departmental Grouping	1. General public services	<i>of which: public and common services</i>	<i>of which: international services</i>	<i>of which: public sector debt interest</i>	2. Defence	3. Public order and safety	4. Economic affairs	<i>of which: enterprise and economic development</i>	<i>of which: science and technology</i>	<i>of which: employment policies</i>	<i>of which: agriculture, fisheries and forestry</i>	<i>of which: transport</i>	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	EU transactions	Public sector expenditure on services for each department
		Defence		-	-	-	27,276	-	-	-	-	-	-	-	-	-	-	-	31	-	2,557
Single Intelligence Account		-	-	-	2,105	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,105
Home Office		18	18	-	-	2,661	21	-	-	21	-	-	-	-	-	-	-	-	-	-	2,700
Foreign and Commonwealth Office		2,331	-	2,331	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,331
International Development		6,731	18	6,713	-	-	18	-	-	18	-	-	-	-	-	-	-	-	60	-	6,810
Health and Social Care		-	-	-	-	-	-	-	-	-	-	-	-	-	-	118,822	-	-	-79	-	118,744
Work and Pensions		22	22	-	-	-	2,443	2	-	2,441	-	-	-	-	-	-	-	-	165,158	-	167,623
Education		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,346	3,775	-	36,121
Business, Energy and Industrial Strategy		76	50	26	-	110	2,326	1,263	1,006	56	-	0	480	-	-	-	0	-	628	-	3,620
Transport		0	0	-	-	288	7,319	0	-	-	-	7,319	1	-	-	-	-	-	13	-	7,621
Exiting the European Union		79	-	79	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79
Digital, Culture, Media and Sport		-	-	-	-	-	68	68	-	-	-	-	40	241	6	5,663	-	-	554	-	6,572
Housing, Communities and Local Government		191	189	2	-	0	18	18	-	-	-	-	-	220	-	4	-	-	8	-	441
Scotland		605	558	47	-	2,638	1,973	294	-	-	750	930	196	80	12,537	284	2,535	811	-	21,659	
Wales		236	236	-	-	2	794	143	5	-	428	218	115	35	7,120	137	1,197	113	-	9,750	
Northern Ireland		281	281	-	-	1,139	1,036	207	-	96	470	263	39	228	4,284	146	2,564	8,061	-	17,778	
Justice		-	-	-	-	8,636	-	-	-	-	-	-	-	-	-	-	-	-	42	-	8,678
Law Officers' Departments		-	-	-	-	608	-	-	-	-	-	-	-	-	-	-	-	-	-	-	608
Environment, Food and Rural Affairs		-	-	-	-	-	3,463	-	-	3,463	-	709	7	-	-	-	-	-	-	-	4,179
HM Revenue and Customs		3,310	3,310	-	-	-	6,082	6,082	-	-	-	-	9	134	-	-	-	-	34,629	-	44,165
HM Treasury		38,141	282	10	37,849	-	571	571	-	-	-	-	-	-	-	-	-	-	5	7,874	46,590
Cabinet Office		519	519	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,387	-	3,906
International Trade		-	-	-	-	-	447	447	-	-	-	-	-	-	-	-	-	-	-	-	447
Small and Independent Bodies		1,116	1,116	-	-	4	-9	-120	-	-	81	31	-	-	-	-	-	144	-	-	1,255
Local Government		4,169	3,520	-	649	44	14,360	3,666	487	-	93	3,086	5,893	2,154	3,358	2,848	41,713	54,344	-	132,547	
<b>Public sector expenditure on services for each function</b>		<b>57,826</b>	<b>10,121</b>	<b>9,208</b>	<b>38,498</b>	<b>29,425</b>	<b>30,446</b>	<b>30,237</b>	<b>9,462</b>	<b>1,011</b>	<b>2,632</b>	<b>5,285</b>	<b>11,846</b>	<b>7,482</b>	<b>3,099</b>	<b>146,127</b>	<b>9,114</b>	<b>80,499</b>	<b>274,066</b>	<b>7,874</b>	<b>676,195</b>

Table 5.1b Public sector capital expenditure on services by departmental group and function, 2018-19

		National Statistics																	£ million				
Function	Departmental Grouping	1. General public services	<i>of which: public and common services</i>	<i>of which: international services</i>	<i>of which: public sector debt interest</i>	2. Defence	3. Public order and safety	4. Economic affairs	<i>of which: enterprise and economic development</i>	<i>of which: science and technology</i>	<i>of which: employment policies</i>	<i>of which: agriculture, fisheries and forestry</i>	<i>of which: transport</i>	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	EU transactions	Public sector expenditure on services for each department		
		Defence		-	-	-	-	10,160	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-
Single Intelligence Account		-	-	-	-	656	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	656	
Home Office		1	1	-	-	-	556	-	-	-	-	-	-	-	-	-	-	-	-	-	-	557	
Foreign and Commonwealth Office		142	-	142	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	142	
International Development		3,074	353	2,722	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,074	
Health and Social Care		-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,449	-	-	-	-	-	5,449	
Work and Pensions		1	1	-	-	-	-	49	2	3	44	-	-	-	-	-	-	-	-	151	-	200	
Education		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,855	2	-	-	2,857	
Business, Energy and Industrial Strategy		112	110	2	-	2	5,422	55	5,366	1	-	-	-	2,538	-	209	71	2,259	-	-	-	10,614	
Transport		0	0	-	-	-	10	13,150	-	23	-	-	13,127	0	-	-	-	-	-	-	-	-	13,160
Exiting the European Union		0	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
Digital, Culture, Media and Sport		-	-	-	-	-	-	1	1	-	-	-	-	-	1	-	657	1	-	-	-	660	
Housing, Communities and Local Government		20	20	-	-	-	-	-10	-10	-	-	-	-	-	3,615	-	0	-	-	0	-	3,626	
Scotland		24	24	-	-	-	118	992	176	2	-	73	741	28	1,824	465	17	121	18	-	-	3,607	
Wales		20	20	-	-	-	0	437	156	14	-	64	203	22	589	413	16	55	3	-	-	1,556	
Northern Ireland		57	57	-	-	-	103	488	10	11	2	71	394	7	327	249	31	214	0	-	-	1,476	
Justice		-	-	-	-	-	428	-	-	-	-	-	-	-	-	-	-	-	-	-	-	428	
Law Officers' Departments		-	-	-	-	-	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16	
Environment, Food and Rural Affairs		-	-	-	-	-	-	119	-	-	-	119	-	525	0	-	-	-	-	-	-	644	
HM Revenue and Customs		288	288	-	-	-	-	68	68	-	-	-	-	-	9	-	-	-	-	7	-	372	
HM Treasury		251	251	-	-	-	-	130	130	-	-	-	-	-	-	-	-	-	-	-	-	381	
Cabinet Office		126	126	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	126	
International Trade		-	-	-	-	-	-	17	17	-	-	-	-	-	-	-	-	-	-	-	-	17	
Small and Independent Bodies		213	213	-	-	-	0	28	21	2	-	4	0	-	-	-	-	6	-	-	-	248	
Local Government		1,609	1,609	-	-	-	697	8,994	2,554	-	-	128	6,311	575	2,995	30	1,260	3,416	440	-	-	20,016	
<b>Public sector expenditure on services for each function</b>		<b>5,937</b>	<b>3,071</b>	<b>2,866</b>	<b>-</b>	<b>10,816</b>	<b>1,931</b>	<b>29,884</b>	<b>3,179</b>	<b>5,422</b>	<b>47</b>	<b>459</b>	<b>20,777</b>	<b>3,696</b>	<b>9,361</b>	<b>6,815</b>	<b>2,053</b>	<b>8,927</b>	<b>623</b>	<b>-</b>	<b>-</b>	<b>80,042</b>	



Table 5.2 Public sector expenditure on services by sub-function, 2014-15 to 2018-19

	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>£ million</b>					
<b>1. General public services</b>					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	9,969	9,875	10,409	10,739	11,441
1.2 Foreign economic aid <sup>(1)</sup>	8,542	8,173	8,729	8,613	9,447
1.3 General services	932	948	1,140	1,091	988
1.4 Basic research	-	-	-	-	-
1.5 R&D general public services	407	415	308	358	372
1.6 General public services n.e.c.	2,156	2,111	2,804	2,236	3,017
1.7 Public debt transactions <sup>(2), (3)</sup>	37,418	38,006	40,154	44,900	38,498
<i>of which: central government debt interest</i>	45,371	45,127	48,659	55,037	48,658
<i>of which: local government debt interest</i>	706	762	808	784	649
<i>of which: public corporation debt interest</i>	3,739	3,821	3,842	2,620	351
<i>of which: Bank of England</i>	-12,398	-11,704	-13,155	-13,541	-11,160
<b>Total general public services</b>	<b>59,424</b>	<b>59,528</b>	<b>63,543</b>	<b>67,937</b>	<b>63,764</b>
<b>2. Defence <sup>(4)</sup></b>					
2.1 Military defence	33,749	34,012	34,995	36,409	37,980
2.2 Civil defence	49	46	45	42	44
2.3 Foreign military aid	688	382	602	801	696
2.4 R&D defence	2,009	1,981	1,296	1,249	1,339
2.5 Defence n.e.c.	202	207	193	168	182
<b>Total defence</b>	<b>36,697</b>	<b>36,627</b>	<b>37,132</b>	<b>38,670</b>	<b>40,241</b>
<b>3. Public order and safety</b>					
3.1 Police services	16,662	16,569	16,371	17,503	17,991
<i>of which: immigration and citizenship</i>	1,196	1,063	868	752	834
<i>of which: other police services</i>	15,466	15,506	15,504	16,751	17,157
3.2 Fire-protection services	2,807	2,720	2,722	2,731	2,739
3.3 Law courts	6,331	5,745	5,810	6,074	6,267
3.4 Prisons	3,828	4,158	4,249	4,314	4,556
3.5 R&D public order and safety	38	35	38	31	30
3.6 Public order and safety n.e.c.	820	980	880	814	795
<b>Total public order and safety</b>	<b>30,487</b>	<b>30,207</b>	<b>30,070</b>	<b>31,467</b>	<b>32,377</b>
<b>4. Economic affairs</b>					
4.1 General economic, commercial and labour affairs	7,752	8,094	8,380	8,820	11,566
4.2 Agriculture, forestry, fishing and hunting	5,206	4,475	5,205	5,179	5,744
<i>of which: market support under CAP</i>	3,080	2,580	3,265	3,093	3,396
<i>of which: other agriculture, food and fisheries policy</i>	2,001	1,754	1,781	1,951	2,208
<i>of which: forestry</i>	126	141	159	135	139
4.3 Fuel and energy	450	463	480	702	583
4.4 Mining, manufacturing and construction	39	168	858	2,222	2,210
4.5 Transport	21,981	27,909	28,820	30,362	32,622
<i>of which: national roads</i>	3,713	3,987	4,160	4,270	4,826
<i>of which: local roads</i>	5,302	5,159	5,224	5,766	5,369
<i>of which: local public transport</i>	2,519	2,438	2,495	2,503	2,659
<i>of which: railway <sup>(5), (6)</sup></i>	9,329	14,791	15,480	16,199	17,922
<i>of which: other transport</i>	1,118	1,534	1,461	1,624	1,845
4.6 Communication	436	438	271	198	117
4.7 Other industries	282	277	253	255	281
4.8 R&D economic affairs	4,396	4,744	4,488	5,018	6,433
4.9 Economic affairs n.e.c.	480	427	432	412	564
<b>Total economic affairs</b>	<b>41,022</b>	<b>46,994</b>	<b>49,187</b>	<b>53,167</b>	<b>60,120</b>
<b>5. Environment protection</b>					
5.1 Waste management	7,896	7,938	7,909	8,621	8,315
5.2 Waste water management	-	-	-	-	-
5.3 Pollution abatement	501	469	78	84	161
5.4 Protection of biodiversity and landscape	475	598	418	361	338
5.5 R&D environment protection	466	456	424	509	207
5.6 Environment protection n.e.c.	2,250	2,148	2,215	2,212	2,157
<b>Total environment protection</b>	<b>11,589</b>	<b>11,609</b>	<b>11,043</b>	<b>11,786</b>	<b>11,178</b>

Table 5.2 Public sector expenditure on services by sub-function, 2014-15 to 2018-19 (continued)

	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
£ million					
<b>6. Housing and community amenities</b>					
6.1 Housing development	5,692	5,493	5,234	6,467	7,433
<i>of which: local authority housing</i>	4,738	4,685	4,358	5,132	5,717
<i>of which: other social housing</i>	954	808	876	1,336	1,715
6.2 Community development	2,950	2,642	3,165	2,998	2,988
6.3 Water supply	576	584	750	790	793
6.4 Street lighting	790	814	847	831	906
6.5 R&D housing and community amenities	-	2	0	1	2
6.6 Housing and community amenities n.e.c.	263	300	304	268	339
<b>Total housing and community amenities</b>	<b>10,271</b>	<b>9,835</b>	<b>10,301</b>	<b>11,356</b>	<b>12,460</b>
<b>7. Health <sup>(7)</sup></b>					
Medical services	128,596	132,766	137,337	140,241	146,704
Medical research	1,876	2,179	1,871	1,947	1,621
Central and other health services	3,581	3,554	3,380	5,149	4,616
<b>Total health</b>	<b>134,053</b>	<b>138,499</b>	<b>142,589</b>	<b>147,338</b>	<b>152,941</b>
<b>8. Recreation, culture and religion</b>					
8.1 Recreational and sporting services	3,997	3,268	3,230	3,036	2,947
8.2 Cultural services	4,056	3,777	3,860	4,052	3,797
8.3 Broadcasting and publishing services	4,089	4,006	4,233	4,051	4,171
8.4 Religious and other community services	76	85	58	80	78
8.5 R&D recreation, culture and religion	174	168	156	170	73
8.6 Recreation, culture and religion n.e.c.	58	63	68	90	101
<b>Total recreation, culture and religion</b>	<b>12,450</b>	<b>11,366</b>	<b>11,606</b>	<b>11,479</b>	<b>11,167</b>
<b>9. Education</b>					
9.1 Pre-primary and primary education	30,749	31,203	31,045	30,634	31,095
<i>of which: under fives</i>	2,932	3,102	3,125	3,543	4,229
<i>of which: primary education</i>	27,817	28,101	27,920	27,090	26,866
9.2 Secondary education <sup>(8)</sup>	39,138	38,972	38,928	40,972	43,913
9.3 Post-secondary non-tertiary education	580	508	594	581	607
9.4 Tertiary education	6,680	6,164	6,066	5,419	4,621
9.5 Education not definable by level	735	632	808	908	789
9.6 Subsidiary services to education	3,727	3,504	3,393	3,385	3,557
9.7 R&D education	1,573	1,573	1,703	1,815	2,259
9.8 Education n.e.c.	1,872	2,358	2,369	2,345	2,584
<b>Total education</b>	<b>85,054</b>	<b>84,914</b>	<b>84,905</b>	<b>86,057</b>	<b>89,426</b>
<b>10. Social protection</b>					
<i>of which: personal social services</i>	30,268	30,437	31,142	32,074	33,116
10.1 Sickness and disability	50,155	53,259	53,465	54,937	57,170
<i>of which: personal social services</i>	9,422	9,814	9,919	10,288	10,858
<i>of which: incapacity, disability and injury benefits</i>	40,733	43,445	43,546	44,649	46,312
10.2 Old age	118,569	120,094	121,856	124,214	128,141
<i>of which: personal social services</i>	10,552	10,037	10,442	10,478	11,112
<i>of which: pensions</i>	108,016	110,057	111,413	113,736	117,029
10.3 Survivors	1,153	1,167	1,157	1,020	1,127
10.4 Family and children	25,250	25,340	24,934	25,062	24,928
<i>of which: personal social services</i>	9,759	10,023	10,149	10,566	10,447
<i>of which: family benefits, income support and tax credits</i>	15,491	15,317	14,785	14,495	14,481
10.5 Unemployment	3,473	2,698	2,227	2,022	1,683
<i>of which: personal social services</i>	-	-	-	-	-
<i>of which: other unemployment benefits</i>	3,473	2,698	2,227	2,022	1,683
10.6 Housing	26,421	26,211	25,153	23,964	22,468
10.7 Social exclusion n.e.c. <sup>(9)</sup>	32,086	32,097	32,286	33,212	34,376
<i>of which: personal social services</i>	534	562	632	741	699
<i>family benefits, income support, Universal Credit and tax credits</i>	31,552	31,535	31,653	32,470	33,678
10.8 R&D social protection	-	-	-	-	-
10.9 Social protection n.e.c.	4,012	4,034	4,351	4,298	4,795
<b>Total social protection</b>	<b>261,119</b>	<b>264,901</b>	<b>265,427</b>	<b>268,728</b>	<b>274,688</b>

**Table 5.2 Public sector expenditure on services by sub-function, 2014-15 to 2018-19 (continued)**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>EU transactions <sup>(10)</sup></b>						
VAT-based and GNI-based contributions (net of abatement and derived as: .....	10,915	10,482	8,803	9,490	12,234	
collection costs	18,733	17,635	16,926	17,450	20,384	
Traditional Own Resources (without deduction of collection	-3,006	-3,085	-3,366	-3,413	-3,304	
UK abatement	-4,811	-4,068	-4,757	-4,547	-4,846	
EU receipts	-4,690	-2,811	-4,081	-4,130	-4,360	
Attributed aid and Common Foreign and Security Policy	-	-	-	-	-	
<b>Total EU transactions</b>	<b>6,225</b>	<b>7,671</b>	<b>4,723</b>	<b>5,360</b>	<b>7,874</b>	
<b>Public sector expenditure on services</b>	<b>688,392</b>	<b>702,151</b>	<b>710,525</b>	<b>733,344</b>	<b>756,237</b>	
Accounting adjustments	62,053	54,616	61,429	61,525	53,938	
<b>Total Managed Expenditure <sup>(11)</sup></b>	<b>750,445</b>	<b>756,767</b>	<b>771,954</b>	<b>794,869</b>	<b>810,175</b>	

(1) Official Development Assistance (ODA) is the internationally-agreed classification of foreign aid financing and is measured in accordance with international standards agreed by the Organisation for Economic Co-operation and Development (OECD). The UN COFOG measure of Foreign economic aid presented in this table is quite different from the UK ODA measure and therefore not comparable. For example the UK ODA measure include financial transactions such as loans, whereas the UN COFOG measure does not. Also, the UK ODA analysis is on a calendar year rather than financial year basis. A link to the latest ODA release is provided here: <https://www.gov.uk/government/collections/statistics-on-international-development>

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

(3) Bank of England public debt transactions shows data in respect of the Asset Purchase Facility and Special Liquidity Scheme.

(4) The 2015 Spending Review continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence for the rest of this decade. This is evaluated using the NATO definitions of Defence spending rather than the UN COFOG definitions that are used in this table. The UN COFOG and NATO measures of Defence use different definitions and are therefore not comparable. For example, the NATO Defence figures include pensions whereas in COFOG these are included in Social Protection. Details and figures on NATO Defence expenditures can be found at the following link:

[http://www.nato.int/cps/on/natohq/topics\\_49198.htm](http://www.nato.int/cps/on/natohq/topics_49198.htm)

(5) Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The sub-functional analysis shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' from that year.

(6) In order to align with ONS data, the transport function now includes expenditure relating to the local government part of the TfL subsidiary, 'Transport Trading Limited'. This data has been obtained from the Office for National Statistics and currently includes expenditure of bodies such as Crossrail and Rail for London from 2011-12 onwards.

(7) The level of detail required for COFOG level 2 is not yet available in England and Wales. Health spending is therefore presented using HM Treasury's own sub-functional classification.

(8) The Department for Education is currently recording all central government academy expenditure as 'Secondary Education', across all years presented. While secondary schools currently account for the largest population in the academy sector, it is recognised that this will also cover some schools in primary and other functional categories. In future editions of PESA the Department for Education will look to improve apportionment of spending across the education categories.

(9) Social exclusion n.e.c. includes Child and Working Tax Credits. Also included here are Universal Credit additional costs that were previously scored in 10.9 Social protection n.e.c.

(10) 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.

(11) This excludes the temporary effects of banks being classified to the public sector.

**Table 5.3 Public sector expenditure on services by economic category, 2014-15 to 2018-19**

	National Statistics					£million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Public sector current expenditure on services</b>						
Pay	166,621	171,602	174,952	183,425	190,951	
Gross current procurement	206,034	208,799	212,834	211,900	220,428	
Income from sales of goods and services	-53,035	-52,073	-56,309	-55,345	-57,468	
Current grants to persons and non-profit bodies	234,881	236,656	239,715	239,580	243,325	
Current grants abroad	12,402	13,694	11,381	12,317	14,613	
Subsidies to private sector companies	8,820	9,972	10,904	11,376	13,991	
Subsidies to public corporations	928	924	766	714	749	
Net public service pensions	10,182	9,649	8,891	9,262	10,003	
Public sector debt interest	37,418	38,006	40,154	44,900	38,498	
Other	289	215	478	993	1,105	
<b>Total public sector current expenditure on services</b>	<b>624,539</b>	<b>637,443</b>	<b>643,767</b>	<b>659,123</b>	<b>676,195</b>	
Accounting adjustments	50,278	45,172	48,943	52,034	51,968	
<b>Total public sector current expenditure</b>	<b>674,817</b>	<b>682,615</b>	<b>692,710</b>	<b>711,157</b>	<b>728,163</b>	
<b>Public sector capital expenditure on services</b>						
Capital grants	18,313	14,546	12,431	14,760	15,431	
Gross capital procurement	51,305	57,296	60,514	64,854	71,583	
Income from sales of capital assets	-5,765	-7,134	-6,186	-5,393	-6,972	
<b>Total public sector capital expenditure on services</b>	<b>63,852</b>	<b>64,708</b>	<b>66,759</b>	<b>74,221</b>	<b>80,042</b>	
Accounting adjustments	11,776	9,444	12,485	9,491	1,970	
<b>Total public sector capital expenditure</b>	<b>75,628</b>	<b>74,152</b>	<b>79,244</b>	<b>83,712</b>	<b>82,012</b>	
<b>Total public sector expenditure on services</b>	<b>688,392</b>	<b>702,151</b>	<b>710,525</b>	<b>733,344</b>	<b>756,237</b>	
Accounting adjustments	62,053	54,616	61,429	61,525	53,938	
<b>Total Managed Expenditure</b>	<b>750,445</b>	<b>756,767</b>	<b>771,954</b>	<b>794,869</b>	<b>810,175</b>	

**Table 5.4 Public sector current and capital expenditure on services by function <sup>(1)</sup>, 2014-15 to 2018-19**

	National Statistics					£million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Public sector current expenditure on services</b>						
1. General public services	55,464	56,111	58,797	64,328	57,826	
of which: public and common services	9,684	9,838	9,697	10,112	10,121	
of which: international services	8,362	8,267	8,945	9,316	9,208	
of which: public sector debt interest <sup>(2)</sup>	37,418	38,006	40,154	44,900	38,498	
2. Defence <sup>(3)</sup>	27,448	27,796	27,881	28,399	29,425	
3. Public order and safety	29,235	28,928	28,954	29,437	30,446	
4. Economic affairs	20,351	23,843	24,551	25,685	30,237	
of which: enterprise and economic development	5,720	6,733	6,589	7,306	9,462	
of which: science and technology	496	875	978	1,098	1,011	
of which: employment policies	2,825	2,379	2,347	2,512	2,632	
of which: agriculture, fisheries and forestry	4,692	4,090	4,769	4,774	5,285	
of which: transport <sup>(4)</sup>	6,618	9,765	9,868	9,996	11,846	
5. Environment protection	7,839	7,937	7,264	7,260	7,482	
6. Housing and community amenities	3,062	2,988	2,943	2,979	3,099	
7. Health	127,651	132,663	136,978	141,033	146,127	
8. Recreation, culture and religion	10,428	9,326	9,382	9,307	9,114	
9. Education	75,604	75,595	77,319	77,089	80,499	
10. Social protection	261,230	264,585	264,976	268,245	274,066	
EU transactions	6,225	7,671	4,723	5,360	7,874	
<b>Total public sector current expenditure on services</b>	<b>624,539</b>	<b>637,443</b>	<b>643,767</b>	<b>659,123</b>	<b>676,195</b>	
Accounting adjustments	50,278	45,172	48,943	52,034	51,968	
<b>Public sector current expenditure</b>	<b>674,817</b>	<b>682,615</b>	<b>692,710</b>	<b>711,157</b>	<b>728,163</b>	
<b>Public sector capital expenditure on services</b>						
1. General public services	3,960	3,417	4,746	3,608	5,937	
of which: public and common services	1,827	1,433	2,828	2,382	3,071	
of which: international services	2,133	1,984	1,918	1,227	2,866	
2. Defence <sup>(3)</sup>	9,249	8,831	9,250	10,271	10,816	
3. Public order and safety	1,252	1,279	1,116	2,030	1,931	
4. Economic affairs	20,671	23,152	24,636	27,481	29,884	
of which: enterprise and economic development	862	733	1,678	2,686	3,179	
of which: science and technology	3,900	3,868	3,510	3,920	5,422	
of which: employment policies	32	22	60	105	47	
of which: agriculture, fisheries and forestry	514	385	436	405	459	
of which: transport <sup>(4), (5)</sup>	15,363	18,144	18,952	20,365	20,777	
5. Environment protection	3,750	3,672	3,779	4,525	3,696	
6. Housing and community amenities	7,209	6,847	7,358	8,377	9,361	
7. Health	6,402	5,836	5,611	6,304	6,815	
8. Recreation, culture and religion	2,022	2,040	2,225	2,173	2,053	
9. Education	9,450	9,319	7,587	8,968	8,927	
10. Social protection	-112	316	451	483	623	
<b>Total public sector capital expenditure on services</b>	<b>63,852</b>	<b>64,708</b>	<b>66,759</b>	<b>74,221</b>	<b>80,042</b>	
Accounting adjustments	11,776	9,444	12,485	9,491	1,970	
<b>Public sector capital expenditure</b>	<b>75,628</b>	<b>74,152</b>	<b>79,244</b>	<b>83,712</b>	<b>82,012</b>	
<b>Total public sector expenditure on services</b>	<b>688,392</b>	<b>702,151</b>	<b>710,525</b>	<b>733,344</b>	<b>756,237</b>	
Accounting adjustments	62,053	54,616	61,429	61,525	53,938	
<b>Total Managed Expenditure <sup>(6)</sup></b>	<b>750,445</b>	<b>756,767</b>	<b>771,954</b>	<b>794,869</b>	<b>810,175</b>	

(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) Debt interest figures include Bank of England public debt transactions in respect of the Asset Purchase Facility and Special Liquidity Scheme.

(3) The 2015 Spending Review continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence for the rest of this decade. This is evaluated using the NATO definitions of Defence spending rather than the UN COFOG definitions that are used in this table. The UN COFOG and NATO measures of Defence use different definitions and are therefore not comparable. For example, the NATO Defence figures include pensions whereas in COFOG these are included in Social Protection. Details and figures on NATO Defence expenditures can be found at the following link:

[http://www.nato.int/cps/on/natohq/topics\\_49198.htm](http://www.nato.int/cps/on/natohq/topics_49198.htm)

(4) Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget and the transport function shown here from 2015-16.

(5) In order to align with ONS data, the transport function now includes expenditure relating to the local government part of the TfL subsidiary, 'Transport Trading Limited'. This data has been obtained from the Office for National Statistics and currently includes expenditure of bodies such as Crossrail and Rail for London from 2011-12 onwards.

(6) This excludes the temporary effects of banks being classified to the public sector.

**Table 5.5 Public sector gross current procurement expenditure on services by function, 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Public sector gross current procurement expenditure on services</b>						
1. General public services	12,024	12,162	11,583	11,523	11,564	
<i>of which: public and common services</i>	10,216	10,399	9,703	9,672	9,746	
<i>of which: international services</i>	1,808	1,763	1,881	1,852	1,819	
2. Defence	16,838	16,453	15,948	16,473	17,137	
3. Public order and safety	12,589	12,832	12,876	13,179	13,524	
4. Economic affairs	10,943	12,417	12,432	12,401	13,662	
<i>of which: enterprise and economic development</i>	2,881	2,794	2,557	2,717	2,915	
<i>of which: science and technology</i>	152	92	35	-6	25	
<i>of which: employment policies</i>	1,506	1,271	1,265	1,096	762	
<i>of which: agriculture, fisheries and forestry</i>	828	833	827	792	911	
<i>of which: transport <sup>(1)</sup></i>	5,576	7,427	7,748	7,802	9,050	
5. Environment protection	7,710	7,688	7,623	7,667	7,795	
6. Housing and community amenities	2,802	2,702	2,645	2,491	2,644	
7. Health	78,588	80,511	85,273	82,485	85,867	
8. Recreation, culture and religion	7,554	6,856	6,744	6,567	6,708	
9. Education	24,975	24,189	23,804	24,481	26,097	
10. Social protection	32,011	32,987	33,904	34,634	35,430	
<b>Total public sector gross current procurement expenditure on services</b>	<b>206,034</b>	<b>208,799</b>	<b>212,834</b>	<b>211,900</b>	<b>220,428</b>	

(1) Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget and the transport function shown here from 2015-16.

**Table 5.6 Public sector capital procurement expenditure on services by function, 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Public sector gross capital procurement expenditure on services</b>						
1. General public services	2,478	2,466	3,535	3,202	3,605	
<i>of which: public and common services</i>	2,331	2,322	3,394	2,887	3,448	
<i>of which: international services</i>	147	144	141	315	157	
2. Defence	9,783	9,661	9,504	10,379	11,397	
3. Public order and safety	1,607	1,561	1,790	2,223	2,204	
4. Economic affairs	11,978	19,413	20,596	22,349	25,796	
<i>of which: enterprise and economic development</i>	493	666	1,358	2,684	2,860	
<i>of which: science and technology</i>	591	596	591	660	1,201	
<i>of which: employment policies</i>	33	26	62	112	47	
<i>of which: agriculture, fisheries and forestry</i>	379	348	345	344	377	
<i>of which: transport <sup>(1)</sup></i>	10,482	17,777	18,239	18,549	21,311	
5. Environment protection	2,906	2,901	3,053	3,287	3,071	
6. Housing and community amenities	6,375	6,720	7,331	7,840	8,165	
7. Health	6,749	6,174	6,124	6,013	7,316	
8. Recreation, culture and religion	1,517	1,695	1,812	1,645	1,630	
9. Education	7,525	6,384	6,373	7,398	7,862	
10. Social protection	386	322	395	519	537	
<b>Total public sector gross capital procurement expenditure on services</b>	<b>51,305</b>	<b>57,296</b>	<b>60,514</b>	<b>64,854</b>	<b>71,583</b>	
<b>Plus public sector receipts from sales of assets</b>						
<i>Central government</i>						
Fixed assets	-2,195	-2,777	-2,137	-1,797	-3,236	
Intangible assets	-107	-37	-12	-32	-237	
<b>Total central government receipts</b>	<b>-2,303</b>	<b>-2,814</b>	<b>-2,148</b>	<b>-1,829</b>	<b>-3,473</b>	
<i>Local government</i>						
Fixed assets	-1,759	-2,358	-1,960	-1,571	-1,769	
Intangible assets	-	-	-	-	-	
<b>Total local government receipts</b>	<b>-1,759</b>	<b>-2,358</b>	<b>-1,960</b>	<b>-1,571</b>	<b>-1,769</b>	
<b>Total general government receipts</b>	<b>-4,062</b>	<b>-5,172</b>	<b>-4,108</b>	<b>-3,400</b>	<b>-5,242</b>	
<i>Public corporations</i>						
Fixed assets	-1,703	-1,962	-2,077	-1,993	-1,730	
Intangible assets	-	-	-	-	-	
<b>Total public corporations receipts</b>	<b>-1,703</b>	<b>-1,962</b>	<b>-2,077</b>	<b>-1,993</b>	<b>-1,730</b>	
<b>Total public sector income from sales of capital assets</b>	<b>-5,765</b>	<b>-7,134</b>	<b>-6,186</b>	<b>-5,393</b>	<b>-6,972</b>	

(1) Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget and the transport function shown here from 2015-16.

## BACKGROUND TO PUBLIC SECTOR SPENDING BY FUNCTION

**5.1** The analyses in this chapter present public sector expenditure for the years 2014-15 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** There have been no significant changes to the presentation of data within this chapter since the 2018 release.

## CLASSIFICATION CHANGES

**5.3** For this year's publication there are no significant changes to classification to report.

## RELATIONSHIP BETWEEN FUNCTIONAL SERIES AND DEPARTMENTS

**5.4** **Tables 5.1, 5.1a** and **5.1b** show public sector expenditure on services by function split across the different government departmental groups for 2018-19. Departmental spending can be spread across a variety of functions, particularly in the case of the devolved administrations.

## 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 used prior to the introduction of UN COFOG, but which do not map directly to COFOG level 2. Further information on COFOG has been made available by the International Monetary Fund (IMF)<sup>3</sup>.

**5.6** The sub-function analysis of health is presented against HM Treasury's own sub-functional classification. This is because the NHS in England and Wales (not applicable to Scotland or Northern Ireland) is neither financed nor organised along the lines of COFOG level 2, so capturing the required additional information is not currently possible.

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<sup>3</sup> <https://www.imf.org/external/pubs/ft/gfs/manual/pdf/ch6ann.pdf>



## 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. **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.
- **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**;
- **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; 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

**5.3 Table 5.4** gives a functional (COFOG level 1) breakdown of the current and capital expenditure of the public sector for the years from 2014-15. A functional split by sector is available in **Chapter 6** (central government), **Chapter 7** (local government) and **Chapter 8** (public corporations). Totals in **Chapter 5** in addition include expenditure by the Bank of England. The split between capital and current follows the National Accounts definition.

#### PUBLIC SECTOR GROSS PROCUREMENT BY FUNCTION

**5.4 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.

**5.5 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.

## CHAPTER 6 CENTRAL GOVERNMENT OWN EXPENDITURE

### OVERVIEW

The tables in chapter 6 of Public Spending Statistics (PSS) present analyses of central government own expenditure. This is spending by government departments and other central government bodies on their own activities. Central government support for local government and capital support for public corporations is not included.

**Tables 6.1 to 6.3** show central government expenditure on a budgeting basis, consistent with the data shown in chapters 1 and 2.

**Tables 6.4 to 6.6** show expenditure on services, consistent with chapters 4 and 5.

### EXPENDITURE IN BUDGETS

- Central government own expenditure within DEL reached £287.8bn in 2018-19, from £275.2bn in 2017-18, a rise of 4.6 per cent.
- Expenditure within AME fell to £227.7bn in 2018-19 from £424.4bn in 2017-18. The fall in 2018-19 AME is due to changes in provisions mainly relating to the Nuclear Decommissioning Authority, whilst the 2017-18 total was affected by a change in the discount rate, causing a one-off increase in non-cash costs in budgets.

### EXPENDITURE ON SERVICES

- Central government's own current expenditure on services increased to £554.5bn in 2018-19, from £539.2bn the previous year. Capital expenditure on services increased from £47.2bn in 2017-18 to £53.5bn in 2018-19.
- As shown in **Table 6.4**, **Social protection** and **Health** account for more than half of all of central government own expenditure. In 2018-19 spending on **Social protection** increased to £219.9bn compared to £213.6bn in the previous year.
- Expenditure on **Central government debt interest** fell from £55.0bn in 2017-18 to £48.7bn in 2018-19, a decrease of -11.6 per cent.
- Expenditure on **Current grants to persons and non-profit bodies**, which is mainly composed of social benefits, rose to £222.6bn in 2018-19 from £217.3bn in 2017-18.

**Table 6.1 Central government own expenditure in budgets by departmental group <sup>(1)</sup>, 2014-15 to 2018-19**

	National Statistics				
	2014-15	2015-16	2016-17	2017-18	2018-19
	outturn	outturn	outturn	outturn	outturn
<b>£ million</b>					
<b>Within DEL</b>					
Defence	34,509	35,169	35,413	36,627	38,031
Single Intelligence Account	2,156	2,343	2,524	2,596	2,741
Home Office	2,475	2,236	2,332	2,363	2,674
Foreign and Commonwealth Office	1,866	1,889	1,997	1,808	2,403
International Development	9,650	9,250	9,992	10,262	10,295
Health and Social Care	110,921	114,022	116,821	121,614	127,254
Work and Pensions	6,576	6,031	5,865	5,910	5,527
Education	29,337	30,153	31,338	32,736	34,373
Business, Energy and Industrial Strategy	11,337	12,122	12,133	11,733	11,563
Transport <sup>(2)</sup>	6,652	3,015	3,628	5,549	7,504
Exiting the European Union	7	7	22	56	79
Digital, Culture, Media and Sport	1,344	1,363	1,531	1,649	1,797
MHCLG - Housing and Communities	2,482	1,521	2,460	3,896	4,029
MHCLG - Local Government	0	0	0	0	1
Scotland <sup>(3)</sup>	0	0	0	0	0
Wales	9,107	9,390	9,846	10,331	10,332
Northern Ireland	10,630	10,475	10,684	11,013	11,519
Justice	7,495	7,084	7,133	7,359	7,776
Law Officers' Departments	551	548	537	569	563
Environment, Food and Rural Affairs	2,031	1,846	1,964	2,002	2,180
HM Revenue and Customs	3,425	3,530	3,884	3,930	4,025
HM Treasury	159	-540	153	139	408
Cabinet Office	510	434	546	817	609
Department for International Trade	279	341	349	393	425
Small and Independent Bodies	1,298	1,366	1,394	1,817	1,655
<b>Total CG own expenditure within DEL</b>	<b>254,797</b>	<b>253,593</b>	<b>262,544</b>	<b>275,169</b>	<b>287,762</b>
<b>Within departmental AME</b>					
Defence	8,361	12,049	5,125	16,719	4,679
Single Intelligence Account	41	135	13	19	22
Home Office	582	-521	48	5	-5
Foreign and Commonwealth Office	-70	39	-53	142	31
International Development	151	656	473	721	635
Health and Social Care	21,948	48,539	27,796	39,657	40,704
Work and Pensions	143,775	149,652	149,954	155,528	160,834
Education	23,471	16,938	24,520	30,866	39,845
Business, Energy and Industrial Strategy	7,042	100,537	3,637	74,170	-105,915
Transport <sup>(2)</sup>	6,432	12,920	13,821	15,014	13,522
Exiting the European Union	0	0	0	0	0
Digital, Culture, Media and Sport	5,465	4,956	5,380	4,783	5,160
MHCLG - Housing and Communities	48	56	154	184	199
Scotland <sup>(3)</sup>	25,094	25,294	26,099	27,732	28,823
Wales	367	51	629	654	936
Northern Ireland	8,826	8,980	8,751	9,191	10,329
Justice	-144	483	549	244	1,301
Law Officers' Departments	13	-15	-1	11	2
Environment, Food and Rural Affairs	79	391	87	-28	-415
HM Revenue and Customs	42,931	43,194	42,329	41,845	40,604
HM Treasury <sup>(4)</sup>	-62,530	-42,735	-45,077	-4,314	-28,194
Cabinet Office	10,573	10,366	9,140	11,203	14,245
Department for International Trade	0	0	0	0	0
Small and Independent Bodies	-116	-274	171	80	331
<b>Total CG own expenditure within dept AME</b>	<b>242,337</b>	<b>391,691</b>	<b>273,545</b>	<b>424,427</b>	<b>227,672</b>
Locally financed expenditure in Northern Ireland	661	651	585	595	625
Net expenditure transfers to the EU	11,658	11,253	9,160	10,188	12,899
Central government debt interest	45,371	45,127	48,659	55,037	48,658
Accounting and other adjustments	16,217	-124,014	-3,022	-150,182	56,836
<b>Total CG own expenditure <sup>(5)</sup></b>	<b>571,041</b>	<b>578,301</b>	<b>591,470</b>	<b>615,234</b>	<b>634,452</b>

(1) Shown on a full resource budgeting basis, i.e. resource DEL less depreciation plus Capital DEL.

(2) Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail within DEL. The actual expenditure of Network Rail appears in the Department for Transport Resource departmental AME budget for 2015-16 to 2018-19 and in DEL from 2019-20. In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. This is included in Capital departmental AME as lending to the private sector.

(3) To reflect new budgeting arrangements, all expenditure by the Scottish Government is now scored within AME

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

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

**Table 6.2 Central government own resource expenditure in budgets by departmental group, 2014-15 to 2018-19**

	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>£ million</b>					
<b>Within resource DEL</b>					
Defence	25,716	26,763	26,661	26,923	27,745
Single Intelligence Account	1,606	1,768	1,920	2,020	2,134
Home Office	2,199	1,963	1,952	1,871	2,078
Foreign and Commonwealth Office	1,713	1,762	1,937	2,059	2,261
International Development	7,000	6,817	7,404	7,549	7,190
Health and Social Care	105,707	109,474	112,640	116,769	121,289
Work and Pensions	6,325	5,909	5,652	5,561	5,286
Education	27,098	26,774	28,717	30,418	31,621
Business, Energy and Industrial Strategy	2,164	2,223	1,603	1,464	959
Transport <sup>(1)</sup>	15	598	601	1,343	1,885
Exiting the European Union	7	7	22	55	79
Digital, Culture, Media and Sport	1,380	1,217	1,339	1,391	1,509
MHCLG - Housing and Communities	448	271	300	209	21
MHCLG - Local Government	0	0	0	0	1
Scotland <sup>(2)</sup>	0	0	0	0	0
Wales	8,149	8,470	8,880	9,079	9,065
Northern Ireland	9,543	9,756	9,735	9,932	10,323
Justice	7,200	6,818	6,730	6,949	7,346
Law Officers' Departments	547	546	524	559	547
Environment, Food and Rural Affairs	1,523	1,432	1,420	1,451	1,551
HM Revenue and Customs	3,191	3,302	3,557	3,649	3,663
HM Treasury	123	121	155	217	241
Cabinet Office	408	395	424	628	490
Department for International Trade	277	339	342	377	408
Small and Independent Bodies	1,215	1,275	1,291	1,528	1,407
<b>Total within resource DEL</b>	<b>213,556</b>	<b>218,000</b>	<b>223,809</b>	<b>232,002</b>	<b>239,097</b>
<b>Within resource departmental AME</b>					
Defence	8,311	12,020	5,125	16,675	4,679
Single Intelligence Account	41	135	13	19	22
Home Office	582	-612	48	5	-5
Foreign and Commonwealth Office	-70	39	-53	142	31
International Development	151	206	188	326	-101
Health and Social Care	21,952	48,530	27,782	39,657	40,708
Work and Pensions	143,899	149,800	150,041	155,565	160,699
Education	12,908	5,296	11,448	15,094	22,739
Business, Energy and Industrial Strategy	8,950	102,220	3,785	75,403	-105,619
Transport <sup>(1)</sup>	-264	6,125	6,921	7,415	7,996
Exiting the European Union	0	0	0	0	0
Digital, Culture, Media and Sport	4,912	4,481	4,725	4,291	4,753
MHCLG - Housing and Communities	48	56	154	184	199
Scotland <sup>(2)</sup>	22,293	22,349	22,942	24,293	25,461
Wales	10	-331	207	149	238
Northern Ireland	8,290	8,375	8,253	8,872	9,955
Justice	-144	483	549	244	1,301
Law Officers' Departments	13	-15	-1	11	2
Environment, Food and Rural Affairs	78	391	86	-28	-416
HM Revenue and Customs	42,931	43,194	42,329	41,845	40,601
HM Treasury <sup>(3)</sup>	-49,816	-13,669	-25,346	-617	-15,196
Cabinet Office	10,573	10,366	9,140	11,203	14,245
Department for International Trade	0	0	0	0	0
Small and Independent Bodies	-123	-332	-98	-88	-95
<b>Total within resource departmental AME</b>	<b>235,525</b>	<b>399,106</b>	<b>268,239</b>	<b>400,661</b>	<b>212,199</b>
<b>Within resource other AME</b>					
Locally financed expenditure in Northern Ireland	661	651	585	595	625
Net expenditure transfers to the EU	11,658	11,253	9,160	10,188	12,899
Central government debt interest	45,371	45,127	48,659	55,037	48,658
Accounting and other adjustments	22,801	-138,123	-2,815	-130,451	70,358
<b>Total CG own current expenditure</b>	<b>529,572</b>	<b>536,014</b>	<b>547,637</b>	<b>568,032</b>	<b>583,836</b>

(1) Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently Central Government own current expenditure includes Network Rail spending in all years shown. However, the actual expenditure of Network Rail only appears in the Department for Transport Resource departmental AME budget from 2015-16, before it is switched into DEL from 2019-20.

(2) To reflect new budgeting arrangements, all expenditure by the Scottish Government is now scored within AME

(3) 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, 2014-15 to 2018-19**

	£ million				
	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>Within capital DEL</b>					
Defence	8,792	8,406	8,752	9,704	10,286
Single Intelligence Account	550	575	603	576	607
Home Office	276	273	380	493	597
Foreign and Commonwealth Office	153	126	60	-252	142
International Development	2,650	2,433	2,588	2,713	3,105
Health and Social Care	5,213	4,548	4,180	4,846	5,966
Work and Pensions	251	121	212	349	241
Education	2,238	3,378	2,621	2,318	2,752
Business, Energy and Industrial Strategy	9,173	9,898	10,530	10,269	10,604
Transport <sup>(1)</sup>	6,637	2,417	3,026	4,206	5,620
Exiting the European Union	0	0	0	1	0
Digital, Culture, Media and Sport	-36	146	192	258	288
MHCLG - Housing and Communities	2,034	1,250	2,159	3,688	4,008
Scotland <sup>(2)</sup>	0	0	0	0	0
Wales	958	921	966	1,252	1,267
Northern Ireland	1,086	719	949	1,080	1,195
Justice	295	266	403	410	431
Law Officers' Departments	4	3	13	10	16
Environment, Food and Rural Affairs	508	414	544	551	629
HM Revenue and Customs	234	228	326	281	362
HM Treasury	36	-660	-2	-78	167
Cabinet Office	103	39	121	188	119
Department for International Trade	2	2	6	16	17
Small and Independent Bodies	83	90	103	289	247
<b>Total within capital DEL</b>	<b>41,240</b>	<b>35,593</b>	<b>38,735</b>	<b>43,166</b>	<b>48,665</b>
<b>Within capital departmental AME</b>					
Defence	51	29	0	44	0
Home Office	0	91	0	0	0
International Development	0	450	285	395	736
Health and Social Care	-5	9	13	0	-5
Work and Pensions	-124	-148	-87	-37	135
Education	10,563	11,642	13,072	15,771	17,106
Business, Energy and Industrial Strategy	-1,908	-1,683	-149	-1,233	-297
Transport <sup>(1)</sup>	6,695	6,795	6,900	7,599	5,526
Digital, Culture, Media and Sport	554	475	655	492	407
MHCLG - Housing and Communities	0	0	0	0	0
Scotland <sup>(2)</sup>	2,801	2,945	3,157	3,440	3,362
Wales	357	382	422	505	698
Northern Ireland	536	605	498	318	374
Environment, Food and Rural Affairs	2	0	1	0	0
HM Revenue and Customs	0	0	0	0	2
HM Treasury <sup>(3)</sup>	-12,715	-29,066	-19,732	-3,697	-12,998
Small and Independent Bodies	7	58	269	168	426
<b>Total within capital departmental AME</b>	<b>6,813</b>	<b>-7,414</b>	<b>5,306</b>	<b>23,767</b>	<b>15,473</b>
<b>Within capital other AME</b>					
Accounting and other adjustments	-6,584	14,108	-207	-19,731	-13,522
<b>Total CG own capital expenditure <sup>(4)</sup></b>	<b>41,469</b>	<b>42,287</b>	<b>43,833</b>	<b>47,202</b>	<b>50,616</b>

(1) Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently Central Government own capital expenditure includes Network Rail spending in all years shown. However, the actual expenditure of Network Rail only appears in the Department for Transport Resource departmental AME budget from 2015-16, before it is switched into DEL from 2019-20.

(2) To reflect new budgeting arrangements, all expenditure by the Scottish Government is now scored within AME

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

(4) This excludes the temporary effects of banks being classified to the public sector.

Table 6.4 Central government own expenditure on services by sub-function, 2014-15 to 2018-19

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external	7,993	8,141	8,317	8,651	9,109	
1.2 Foreign economic aid <sup>(1)</sup>	8,542	8,173	8,729	8,613	9,447	
1.3 General services	492	453	577	576	719	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	407	415	308	358	372	
1.6 General public services n.e.c.	320	298	176	348	252	
1.7 Public sector debt interest	45,371	45,127	48,659	55,037	48,658	
<i>of which: central government debt interest <sup>(2)</sup></i>	<i>45,371</i>	<i>45,127</i>	<i>48,659</i>	<i>55,037</i>	<i>48,658</i>	
<b>Total general public services</b>	<b>63,124</b>	<b>62,607</b>	<b>66,766</b>	<b>73,583</b>	<b>68,558</b>	
<b>2. Defence <sup>(3)</sup></b>						
2.1 Military defence	33,749	34,012	34,995	36,409	37,980	
2.2 Civil defence	-	-	-	-	-	
2.3 Foreign military aid	688	382	602	801	696	
2.4 R&D defence	1,950	1,922	1,268	1,231	1,339	
2.5 Defence n.e.c	202	207	193	168	182	
<b>Total defence</b>	<b>36,589</b>	<b>36,523</b>	<b>37,059</b>	<b>38,609</b>	<b>40,198</b>	
<b>3. Public order and safety</b>						
3.1 Police services	4,778	4,656	4,642	4,851	5,284	
<i>of which: immigration and citizenship</i>	<i>1,196</i>	<i>1,063</i>	<i>868</i>	<i>752</i>	<i>834</i>	
<i>of which: other police services</i>	<i>3,582</i>	<i>3,593</i>	<i>3,774</i>	<i>4,099</i>	<i>4,450</i>	
3.2 Fire-protection services	444	470	461	471	485	
3.3 Law courts	6,244	5,654	5,713	5,975	6,171	
3.4 Prisons	3,828	4,158	4,249	4,314	4,556	
3.5 R&D public order and safety	38	35	38	31	30	
3.6 Public order and safety n.e.c.	820	980	880	814	795	
<b>Total public order and safety</b>	<b>16,152</b>	<b>15,952</b>	<b>15,982</b>	<b>16,456</b>	<b>17,320</b>	
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs <sup>(4)</sup>	6,858	7,550	7,542	8,108	10,807	
4.2 Agriculture, forestry, fishing and hunting	4,904	4,185	4,918	4,944	5,518	
<i>of which: market support under CAP</i>	<i>2,773</i>	<i>2,278</i>	<i>2,973</i>	<i>2,864</i>	<i>3,175</i>	
<i>of which: other agriculture, food and fisheries policy</i>	<i>2,001</i>	<i>1,754</i>	<i>1,780</i>	<i>1,948</i>	<i>2,204</i>	
<i>of which: forestry</i>	<i>131</i>	<i>153</i>	<i>165</i>	<i>132</i>	<i>139</i>	
4.3 Fuel and energy	449	463	480	702	580	
4.4 Mining, manufacturing and construction	6	8	14	35	31	
4.5 Transport	10,688	16,829	17,836	18,610	21,275	
<i>of which: national roads</i>	<i>3,712</i>	<i>3,986</i>	<i>4,158</i>	<i>4,266</i>	<i>4,822</i>	
<i>of which: local roads</i>	<i>349</i>	<i>246</i>	<i>315</i>	<i>310</i>	<i>371</i>	
<i>of which: local public transport</i>	<i>511</i>	<i>533</i>	<i>498</i>	<i>530</i>	<i>540</i>	
<i>of which: railway <sup>(5)</sup></i>	<i>5,331</i>	<i>10,880</i>	<i>11,709</i>	<i>12,254</i>	<i>14,102</i>	
<i>of which: other transport</i>	<i>784</i>	<i>1,183</i>	<i>1,156</i>	<i>1,250</i>	<i>1,440</i>	
4.6 Communication	436	438	271	198	117	
4.7 Other industries	175	179	154	161	179	
4.8 R&D economic affairs	4,396	4,744	4,488	5,018	6,433	
4.9 Economic affairs n.e.c	480	427	432	412	564	
<b>Total economic affairs</b>	<b>28,393</b>	<b>34,823</b>	<b>36,136</b>	<b>38,188</b>	<b>45,504</b>	
<b>5. Environment protection</b>						
5.1 Waste management	2,344	2,277	2,314	2,483	2,461	
5.2 Waste water management	-	-	-	-	-	
5.3 Pollution abatement	501	469	78	84	161	
5.4 Protection of biodiversity and landscape	473	596	416	359	336	
5.5 R&D environment protection	466	456	424	509	207	
5.6 Environment protection n.e.c	1,603	1,537	1,632	1,637	1,545	
<b>Total environment protection</b>	<b>5,388</b>	<b>5,335</b>	<b>4,864</b>	<b>5,072</b>	<b>4,710</b>	

Table 6.4 Central government own expenditure on services by sub-function, 2014-15 to 2018-19 (continued)

	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>£ million</b>					
<b>6. Housing and community amenities</b>					
6.1 Housing development	1,000	966	1,046	1,566	2,010
<i>of which: local authority housing</i>	66	152	166	227	290
<i>of which: other social housing</i>	934	814	880	1,339	1,720
6.2 Community development	639	455	540	522	546
6.3 Water supply	265	256	261	292	284
6.4 Street lighting	25	26	20	23	28
6.5 R&D housing and community amenities	-	2	0	1	2
6.6 Housing and community amenities n.e.c	186	214	182	131	151
<b>Total housing and community amenities</b>	<b>2,115</b>	<b>1,919</b>	<b>2,049</b>	<b>2,534</b>	<b>3,019</b>
<b>7. Health<sup>(6)</sup></b>					
Medical services	125,853	129,604	133,839	136,866	143,367
Medical research	1,876	2,179	1,871	1,947	1,621
Central and other health services	3,526	3,499	3,325	5,098	4,566
<b>Total health</b>	<b>131,255</b>	<b>135,281</b>	<b>139,036</b>	<b>143,911</b>	<b>149,554</b>
<b>8. Recreation, culture and religion</b>					
8.1 Recreational and sporting services	1,196	553	629	551	567
8.2 Cultural services	2,142	1,891	2,037	2,211	2,010
8.3 Broadcasting and publishing services	4,089	4,006	4,233	4,051	4,171
8.4 Religious and other community services	74	102	97	129	137
8.5 R&D recreation, culture and religion	174	168	156	170	73
8.6 Recreation, culture and religion n.e.c	58	63	68	90	101
<b>Total recreation, culture and religion</b>	<b>7,732</b>	<b>6,784</b>	<b>7,221</b>	<b>7,202</b>	<b>7,059</b>
<b>9. Education</b>					
9.1 Pre-primary and primary education	835	814	821	797	828
<i>of which: under fives</i>	99	85	86	85	87
<i>of which: primary education</i>	736	729	735	712	741
9.2 Secondary education <sup>(7)</sup>	26,978	27,371	27,653	30,259	32,808
9.3 Post-secondary non-tertiary education	-	-	-	-	-
9.4 Tertiary education	6,680	6,164	6,066	5,419	4,621
9.5 Education not definable by level	560	473	655	747	637
9.6 Subsidiary services to education	573	507	475	535	595
9.7 R&D education	1,573	1,573	1,703	1,815	2,259
9.8 Education n.e.c	1,837	2,328	2,342	2,318	2,550
<b>Total education</b>	<b>39,035</b>	<b>39,230</b>	<b>39,715</b>	<b>41,890</b>	<b>44,297</b>
<b>10. Social protection</b>					
<i>of which: personal social services</i>	1,113	1,202	1,203	1,289	1,365
10.1 Sickness and disability	41,011	43,742	43,869	44,997	46,693
<i>of which: personal social services</i>	278	297	323	348	381
<i>of which: incapacity, disability and injury benefits</i>	40,733	43,445	43,546	44,649	46,312
10.2 Old age	107,679	109,813	111,049	113,466	116,810
<i>of which: personal social services</i>	467	489	495	514	542
<i>of which: pensions</i>	107,212	109,324	110,554	112,953	116,268
10.3 Survivors	1,153	1,167	1,157	1,020	1,127
10.4 Family and children	15,814	15,688	15,131	14,882	14,874
<i>of which: personal social services</i>	323	371	346	387	393
<i>of which: family benefits, income support and tax credits</i>	15,491	15,317	14,785	14,495	14,481
10.5 Unemployment <sup>(8)</sup>	3,473	2,698	2,227	2,022	1,683
<i>of which: personal social services</i>	-	-	-	-	-
<i>of which: other unemployment benefits</i>	3,473	2,698	2,227	2,022	1,683
10.6 Housing	619	590	583	556	532
10.7 Social exclusion n.e.c. <sup>(8) (9)</sup>	31,596	31,581	31,692	32,511	33,727
<i>of which: personal social services</i>	44	46	39	41	49
<i>of which: family benefits, income support, Universal Credit and tax</i>	31,552	31,535	31,653	32,470	33,678
10.8 R&D Social protection	-	-	-	-	-
10.9 Social protection n.e.c.	3,881	3,870	4,140	4,107	4,458
<b>Total social protection</b>	<b>205,226</b>	<b>209,149</b>	<b>209,847</b>	<b>213,562</b>	<b>219,904</b>



**Table 6.4 Central government own expenditure on services by sub-function, 2014-15 to 2018-19 (continued)**

	£ million				
	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>EU transactions <sup>(10)</sup></b>					
VAT-based and GNI-based contributions (net of abatement and collection derived as:	10,915	10,482	8,803	9,490	12,234
<i>EU gross contribution pre-abatement and after deduction of collection costs</i>	18,733	17,635	16,926	17,450	20,384
<i>Traditional Own Resources (without deduction of collection costs)</i>	-3,006	-3,085	-3,366	-3,413	-3,304
<i>UK abatement</i>	-4,811	-4,068	-4,757	-4,547	-4,846
EU receipts	-4,690	-2,811	-4,081	-4,130	-4,360
Attributed aid and Common Foreign and Security Policy	-	-	-	-	-
<b>Total EU transactions</b>	<b>6,225</b>	<b>7,671</b>	<b>4,723</b>	<b>5,360</b>	<b>7,874</b>
<b>Total central government own expenditure on services</b>	<b>541,234</b>	<b>555,273</b>	<b>563,399</b>	<b>586,369</b>	<b>607,998</b>
Accounting adjustments	29,807	23,028	28,071	28,865	26,454
<b>Total central government own expenditure <sup>(11)</sup></b>	<b>571,041</b>	<b>578,301</b>	<b>591,470</b>	<b>615,234</b>	<b>634,452</b>

(1) Official Development Assistance (ODA) is the internationally-agreed classification of foreign aid financing and is measured in accordance with international standards agreed by the Organisation for Economic Co-operation and Development (OECD). The UN COFOG measure of Foreign economic aid presented in this table is quite different from the UK ODA measure and therefore not comparable. For example the UK ODA measure includes financial transactions such as loans, whereas the UN COFOG measure does not. Also, the UK ODA analysis is on a calendar year rather than financial year basis. A link to the latest ODA release is provided here:

<https://www.gov.uk/government/collections/statistics-on-international-development>

(2) Central government debt interest figures show gross payments to the private sector and overseas.

(3) The 2015 Spending Review continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence for the rest of this decade. This is evaluated using the NATO definitions of Defence spending rather than the UN COFOG definitions that are used in this table. The UN COFOG and NATO measures of Defence use different definitions and are therefore not comparable. For example, the NATO Defence figures include pensions whereas in COFOG these are included in Social Protection. Details and figures on NATO Defence expenditures can be found at the following link:

[http://www.nato.int/cps/o/n/natohq/topics\\_4998.htm](http://www.nato.int/cps/o/n/natohq/topics_4998.htm)

(4) Transactions have been affected by financial sector interventions.

(5) Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown. However the actual expenditure of Network Rail only appears in Department for Transport budgets and the transport function shown here from 2015-16.

(6) The level of detail required for COFOG level 2 is not yet available in England and Wales. Health spending is therefore presented using HM Treasury's own sub-functional classification.

(7) The Department for Education is currently recording all central government academy expenditure as 'Secondary Education', across all years presented. While secondary schools currently account for the largest population in the academy sector, it is recognised that this will also cover some schools in primary and other functional categories. In future editions of PESA the Department for Education will look to improve apportionment of spending across the education categories.

(8) Figures in 2019-20 reflect a switch to Universal Credit, which forms part of 10.7 Social exclusion n.e.c.

(9) Social exclusion n.e.c. includes Child and Working Tax Credits. Also included here are Universal Credit additional costs that were previously scored in 10.9 Social protection n.e.c.

(10) 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

(11) This excludes the temporary effects of banks being classified to the public sector.

**Table 6.5 Central government own expenditure on services by economic category, 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Central government current expenditure on services</b>						
Pay	103,427	109,592	112,742	121,453	127,932	
Gross current procurement	128,818	130,581	135,001	133,252	139,988	
Income from sales of goods and services	-20,034	-18,579	-22,999	-21,057	-23,826	
Current grants to persons and non-profit bodies	210,564	212,413	216,275	217,279	222,595	
Current grants abroad	12,402	13,694	11,381	12,317	14,613	
Subsidies to private sector companies	7,463	8,604	9,631	10,077	12,753	
Subsidies to public corporations	821	815	657	599	636	
Net public service pensions	10,182	9,649	8,891	9,262	10,003	
Central government debt interest	45,371	45,127	48,659	55,037	48,658	
Other	289	215	478	993	1,105	
<b>Total central government own current expenditure on services</b>	<b>499,302</b>	<b>512,109</b>	<b>520,717</b>	<b>539,212</b>	<b>554,457</b>	
Accounting adjustments	30,270	23,905	26,920	28,820	29,379	
<b>Total central government own current expenditure</b>	<b>529,572</b>	<b>536,014</b>	<b>547,637</b>	<b>568,032</b>	<b>583,836</b>	
<b>Central government capital expenditure on services</b>						
Capital grants to persons and non-profit bodies	6,923	7,369	6,184	7,307	7,836	
Capital grants to private sector companies <sup>(1) (2)</sup>	6,135	2,297	1,577	2,438	1,668	
Capital grants abroad	2,754	2,753	2,686	2,244	3,565	
Gross capital procurement <sup>(2)</sup>	28,424	33,558	34,383	36,997	43,945	
Income from sales of capital assets	-2,303	-2,814	-2,148	-1,829	-3,473	
<b>Total central government own capital expenditure on services</b>	<b>41,933</b>	<b>43,163</b>	<b>42,682</b>	<b>47,157</b>	<b>53,541</b>	
Accounting adjustments	-464	-876	1,151	45	-2,925	
<b>Total central government own capital expenditure</b>	<b>41,469</b>	<b>42,287</b>	<b>43,833</b>	<b>47,202</b>	<b>50,616</b>	
<b>Total central government own expenditure on services</b>	<b>541,234</b>	<b>555,273</b>	<b>563,399</b>	<b>586,369</b>	<b>607,998</b>	
Accounting adjustments	29,807	23,028	28,071	28,865	26,454	
<b>Total central government own expenditure<sup>(3)</sup></b>	<b>571,041</b>	<b>578,301</b>	<b>591,470</b>	<b>615,234</b>	<b>634,452</b>	

(1) Transactions have been affected by financial sector interventions.

(2) Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail. The actual expenditure of Network Rail appears in the Department for Transport Resource departmental AME budget for 2015-16 to 2018-19 and in DEL from 2019-20. In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public

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

Table 6.6 Central government own current and capital expenditure on services by function, 2014-15 to 2018-19

	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>£ million</b>					
<b>Central government own current expenditure on services</b>					
1. General public services	60,099	59,829	63,897	71,088	64,467
of which: public and common services	6,366	6,435	6,293	6,734	6,601
of which: international services	8,362	8,267	8,945	9,316	9,208
of which: public sector debt interest	45,371	45,127	48,659	55,037	48,658
2. Defence <sup>(1)</sup>	27,399	27,750	27,836	28,357	29,382
3. Public order and safety	15,420	15,172	15,089	15,418	16,086
4. Economic affairs	15,906	19,907	20,819	22,054	26,571
of which: enterprise and economic development <sup>(2)</sup>	4,809	6,120	5,887	6,758	8,975
of which: science and technology	496	875	978	1,098	1,011
of which: employment policies	2,825	2,379	2,347	2,512	2,632
of which: agriculture, fisheries and forestry	4,604	3,988	4,668	4,676	5,192
of which: transport <sup>(3)</sup>	3,172	6,545	6,939	7,011	8,760
5. Environment protection	2,211	2,252	1,581	1,605	1,590
6. Housing and community amenities	843	868	925	885	945
7. Health	124,863	129,458	133,444	137,619	142,769
8. Recreation, culture and religion	6,857	5,988	6,231	6,336	6,266
9. Education	33,887	34,139	36,446	37,162	38,786
10. Social protection	205,591	209,075	209,726	213,328	219,722
EU transactions	6,225	7,671	4,723	5,360	7,874
<b>Total central government own current expenditure on services</b>	<b>499,302</b>	<b>512,109</b>	<b>520,717</b>	<b>539,212</b>	<b>554,457</b>
Accounting adjustments	30,270	23,905	26,920	28,820	29,379
<b>Total central government own current expenditure</b>	<b>529,572</b>	<b>536,014</b>	<b>547,637</b>	<b>568,032</b>	<b>583,836</b>
<b>Central government own capital expenditure on services</b>					
1. General public services	3,025	2,779	2,869	2,495	4,091
of which: public and common services	908	800	982	1,250	1,225
of which: international services	2,117	1,979	1,887	1,245	2,866
2. Defence <sup>(1)</sup>	9,190	8,773	9,223	10,252	10,816
3. Public order and safety	732	780	894	1,038	1,234
4. Economic affairs	12,486	14,916	15,317	16,134	18,934
of which: enterprise and economic development <sup>(2)</sup>	738	545	601	241	623
of which: science and technology	3,900	3,868	3,510	3,920	5,422
of which: employment policies	32	22	60	105	47
of which: agriculture, fisheries and forestry	300	197	250	268	326
of which: transport <sup>(3)</sup>	7,515	10,284	10,897	11,600	12,515
5. Environment protection	3,177	3,083	3,283	3,467	3,121
6. Housing and community amenities	1,272	1,051	1,124	1,650	2,074
7. Health	6,392	5,823	5,592	6,292	6,785
8. Recreation, culture and religion	875	796	990	866	793
9. Education	5,148	5,091	3,269	4,728	5,511
10. Social protection	-365	73	122	234	182
<b>Total central government own capital expenditure on services</b>	<b>41,933</b>	<b>43,163</b>	<b>42,682</b>	<b>47,157</b>	<b>53,541</b>
Accounting adjustments	-464	-876	1,151	45	-2,925
<b>Total central government own capital expenditure<sup>(4)</sup></b>	<b>41,469</b>	<b>42,287</b>	<b>43,833</b>	<b>47,202</b>	<b>50,616</b>

(1) The 2015 Spending Review continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence for the rest of this decade. This is evaluated using the NATO definitions of Defence spending rather than the UN COFOG definitions that are used in this table. The UN COFOG and NATO measures of Defence use different definitions and are therefore not comparable. For example, the NATO Defence figures include pensions whereas in COFOG these are included in Social Protection. Details and figures on NATO Defence expenditures can be found at the following link: [http://www.nato.int/cps/orn/natohq/topics\\_49198.htm](http://www.nato.int/cps/orn/natohq/topics_49198.htm)

(2) Transactions have been affected by financial sector interventions.

(3) Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown. However the actual expenditure of Network Rail only appears in Department for Transport budgets and the transport function shown here

(4) This excludes the temporary effects of banks being classified to the public sector.

## BACKGROUND TO 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**.

**6.3** Central government own expenditure accounts for about 78 per cent of Departmental Expenditure Limits (DEL) and about 93 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** Following the implementation of the Scotland Act 2016 and the associated fiscal Framework, new budgeting arrangements have been agreed with the Scottish Government which see its spend scored as AME rather than DEL. As a result, the DEL block grant paid by the UK Government to the Scottish Government is shown as zero in **Tables 6.1 to 6.3** with the expenditure that it funded shown as AME instead.

## 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.

## 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.

#### CENTRAL GOVERNMENT OWN EXPENDITURE ON SERVICES BY SUB-FUNCTION

**6.8 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** of PESA 2019.

#### CENTRAL GOVERNMENT OWN EXPENDITURE ON SERVICES BY ECONOMIC CATEGORY

**6.9 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

**6.10 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.

## CHAPTER 7 LOCAL GOVERNMENT FINANCING AND EXPENDITURE

### OVERVIEW

Chapter 7 analyses 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, as most equivalent spending in Northern Ireland is central government spending carried out by Northern Ireland departments.

### CENTRAL GOVERNMENT SUPPORT FOR LOCAL GOVERNMENT

- Total central government support in DEL was £64.3bn in 2018-19, down from £65.7bn the year before. Support in AME increased to £51.9bn from £47.4bn over the same period.
- Capital support for local government rose from £9.3bn in 2017-18 to £10.2bn in 2018-19.

### LOCAL GOVERNMENT EXPENDITURE ON SERVICES

- Total local government current expenditure on services rose to £132.5bn in 2018-19 compared to £130.5bn in 2017-18. Over the same period total capital expenditure on services fell from £21.3bn to £20.0bn.
- As shown in table 7.4, local government current expenditure on *Education* showed an increase from £39.8bn in 2017-18 to £41.7bn in 2018-19. Over the same period, spending on *Social protection* dipped slightly to £54.3bn from £54.9bn.
- Local government capital expenditure fell in 2018-19 in a number of service areas including; *Education* (down -£0.8bn), *transport* (down -£0.7bn) and *Environment protection* (down -£0.5bn). These decreases were somewhat countered by increases in other service areas including; *General public services* (up £0.5bn) and *Housing and community amenities* (up 0.2bn) over the same period.
- A breakdown of local government expenditure by economic category is shown in table 7.8. Spending on pay, which amounted to £63.0bn in 2018-19, accounts for just over 41 per cent of all spending on services by local government. The majority of this was within the education and public order and safety functions.

**Table 7.1 Financing of local government in the United Kingdom by country, 2014-15 to 2018-19**

	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>£ million</b>					
<b>Current finance in DEL</b>					
England	63,070	58,811	55,695	52,759	50,481
Scotland	30	28	25	22	0
Wales	5,621	4,361	4,205	4,227	4,240
Northern Ireland	138	147	152	148	162
<b>Total current finance in DEL</b>	<b>68,860</b>	<b>63,346</b>	<b>60,077</b>	<b>57,156</b>	<b>54,884</b>
<b>Capital support in DEL</b>					
England	8,878	9,022	8,819	8,034	8,761
Scotland	0	0	0	0	0
Wales	535	555	481	509	634
Northern Ireland	6	46	5	3	7
<b>Total capital support in DEL</b>	<b>9,419</b>	<b>9,623</b>	<b>9,305</b>	<b>8,546</b>	<b>9,402</b>
<b>Total central government support in DEL <sup>(1)</sup></b>	<b>78,279</b>	<b>72,968</b>	<b>69,382</b>	<b>65,702</b>	<b>64,285</b>
<b>Current finance in departmental AME</b>					
England	34,556	35,227	34,978	37,346	41,644
Scotland	9,035	8,551	8,187	8,307	8,512
Wales	1,025	1,023	1,026	1,006	948
Northern Ireland	-	-	-	-	-
<b>Total current finance in departmental AME</b>	<b>44,616</b>	<b>44,801</b>	<b>44,190</b>	<b>46,658</b>	<b>51,103</b>
<b>Capital support in departmental AME</b>					
England	310	333	110	-169	-205
Scotland	829	880	817	913	1,040
Wales	0	5	0	0	0
Northern Ireland	-	-	-	-	-
<b>Total capital support in departmental AME</b>	<b>1,139</b>	<b>1,219</b>	<b>926</b>	<b>743</b>	<b>835</b>
<b>Total central government support in departmental AME <sup>(2)</sup></b>	<b>45,755</b>	<b>46,020</b>	<b>45,117</b>	<b>47,402</b>	<b>51,939</b>
<b>Locally financed expenditure</b>					
Local authority self-financed expenditure	28,794	33,561	38,487	43,237	45,326
Locally financed support in Scotland <sup>(3)</sup>	2,650	2,789	2,769	2,666	2,636
Locally financed support in Wales <sup>(4)</sup>	-	1,875	977	1,059	1,050
<b>Total locally financed expenditure</b>	<b>31,443</b>	<b>38,225</b>	<b>42,232</b>	<b>46,962</b>	<b>49,012</b>
<b>Total financing of local government expenditure</b>	<b>155,477</b>	<b>157,213</b>	<b>156,731</b>	<b>160,065</b>	<b>165,235</b>
Accounting and other adjustments	14,895	14,219	15,992	14,892	11,229
<b>Total local government expenditure</b>	<b>170,372</b>	<b>171,432</b>	<b>172,723</b>	<b>174,957</b>	<b>176,464</b>

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

(2) Includes lottery grants.

(3) 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, as it is finance raised in Scotland rather than funding from Whitehall.

(4) From 2015-16 national non-domestic rates in Wales became classified as locally raised, prior to that they formed part of departmental DEL. 2015-16 includes borrowing to reform the HRA.

**Table 7.2 Central government current grants for local government in the United Kingdom by departmental group, 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>England</b>						
<b>Home Office</b>						
Police	10,300	9,952	10,267	10,399	10,623	
Other	540	758	841	827	923	
<b>Total Home Office</b>	<b>10,840</b>	<b>10,710</b>	<b>11,109</b>	<b>11,226</b>	<b>11,546</b>	
<b>Health and Social Care</b>						
Social Care	80	56	-	-	-	
Public Health	2,565	3,036	3,388	3,091	3,011	
Other	20	26	-	59	59	
<b>Total Health and Social Care</b>	<b>2,666</b>	<b>3,118</b>	<b>3,388</b>	<b>3,150</b>	<b>3,070</b>	
<b>Work and Pensions</b>						
Housing benefits <sup>(1)</sup>	20,989	20,866	20,194	19,085	17,708	
Other	676	443	419	439	508	
<b>Total Work and Pensions</b>	<b>21,665</b>	<b>21,309</b>	<b>20,613</b>	<b>19,524</b>	<b>18,216</b>	
<b>Education<sup>(2)</sup></b>						
Schools Grant	28,254	27,551	25,168	24,079	23,405	
Pupil Premium	1,768	1,668	1,563	1,432	1,351	
Private finance initiative grant	744	749	751	751	751	
Other	1,965	2,406	3,673	3,962	4,362	
<b>Total Education</b>	<b>32,731</b>	<b>32,374</b>	<b>31,154</b>	<b>30,224</b>	<b>29,869</b>	
<b>Business, Energy and Industrial Strategy</b>						
Business, Energy and Industrial Strategy	18	26	12	10	22	
<b>Total Business, Energy and Industrial Strategy</b>	<b>18</b>	<b>26</b>	<b>12</b>	<b>10</b>	<b>22</b>	
<b>Transport</b>						
GLA transport	1,777	591	474	255	29	
Strategic rail authority	52	126	5	86	87	
Other	626	639	541	478	503	
<b>Total Transport</b>	<b>2,456</b>	<b>1,356</b>	<b>1,020</b>	<b>820</b>	<b>619</b>	
<b>MHCLG Housing and Communities</b>						
New Homes Bonus	917	1,168	1,462	1,227	948	
PFI special grant (Housing)	183	184	192	192	192	
Troubled Families	153	141	171	214	174	
City Deals	-	1	102	91	122	
Other	351	410	245	460	878	
<b>Total MHCLG Housing and Communities</b>	<b>1,604</b>	<b>1,903</b>	<b>2,172</b>	<b>2,184</b>	<b>2,314</b>	
<b>MHCLG Local Government</b>						
Non-domestic rate payments/Revenue Support Grant <sup>(3)</sup>	24,994	22,241	20,071	19,598	23,433	
Independent Living Fund	-	140	177	171	166	
PFI special grant	27	27	27	26	26	
Other	298	524	367	2,671	2,397	
<b>Total MHCLG Local Government</b>	<b>25,319</b>	<b>22,932</b>	<b>20,642</b>	<b>22,466</b>	<b>26,021</b>	
<b>Environment, Food and Rural Affairs</b>						
Environment, Food and Rural Affairs	139	132	133	205	198	
<b>Total Environment, Food and Rural Affairs</b>	<b>139</b>	<b>132</b>	<b>133</b>	<b>205</b>	<b>198</b>	
<b>Other government departments</b>						
Other government departments	189	177	430	296	248	
<b>Total England</b>	<b>97,627</b>	<b>94,037</b>	<b>90,673</b>	<b>90,105</b>	<b>92,125</b>	



**Table 7.2 Central government current grants for local government in the United Kingdom by departmental group, 2014-15 to 2018-19 (continued)**

	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>£ million</b>					
<b>Scotland</b>					
<b>Work and Pensions</b>					
Housing benefits <sup>(1)</sup>	1,750	1,732	1,693	1,625	1,548
Other	30	28	25	22	0
<b>Total Work and Pensions</b>	<b>1,780</b>	<b>1,759</b>	<b>1,718</b>	<b>1,647</b>	<b>1,548</b>
<b>Scottish Government</b>					
Revenue Support Grant	7,165	7,151	6,839	6,799	6,885
Non-domestic rate income <sup>(4)</sup>	2,650	2,789	2,769	2,666	2,636
Other	120	114	119	309	418
<b>Total Scottish Government</b>	<b>9,934</b>	<b>10,054</b>	<b>9,726</b>	<b>9,773</b>	<b>9,939</b>
<b>Other government departments</b>	<b>0</b>	<b>-445</b>	<b>-464</b>	<b>-425</b>	<b>-339</b>
<b>Total Scotland</b>	<b>11,715</b>	<b>11,368</b>	<b>10,981</b>	<b>10,995</b>	<b>11,148</b>
<b>Wales</b>					
<b>Home Office</b>					
Police	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Home Office</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Work and Pensions</b>					
Housing benefits <sup>(1)</sup>	1,003	1,002	992	977	923
Other	16	14	13	12	0
<b>Total Work and Pensions</b>	<b>1,019</b>	<b>1,017</b>	<b>1,005</b>	<b>990</b>	<b>923</b>
<b>Welsh Assembly Government</b>					
Non-domestic rate payments/Revenue Support Grant	4,439	5,212	4,263	4,309	4,394
Other	1,189	1,030	939	993	921
<b>Total Welsh Assembly Government</b>	<b>5,628</b>	<b>6,242</b>	<b>5,202</b>	<b>5,302</b>	<b>5,315</b>
<b>Other government departments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Wales</b>	<b>6,646</b>	<b>7,259</b>	<b>6,207</b>	<b>6,292</b>	<b>6,238</b>
<b>Northern Ireland</b>					
<b>Northern Ireland Executive</b>					
	138	147	152	148	162
<b>Total Northern Ireland</b>	<b>138</b>	<b>147</b>	<b>152</b>	<b>148</b>	<b>162</b>
<b>Total current finance</b>	<b>116,126</b>	<b>112,811</b>	<b>108,013</b>	<b>107,539</b>	<b>109,673</b>

(1) Housing Benefit figures reflect the switch of payments from Housing Benefit to Universal Credit, which is funded directly from central government.

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

(3) The level of business rates retained by local authorities has been affected by a number of pilots for 100% rates retention since 2017-18.

(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, 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>England</b>						
<b>Capital grants</b>						
Home Office	244	548	130	131	148	
Health and Social Care	227	221	621	516	66	
Education	2,525	2,036	2,482	2,317	2,416	
Business, Energy and Industrial Strategy	22	55	42	41	6	
Transport	3,188	3,342	2,351	1,633	2,282	
Digital, Culture, Media and Sport	409	225	232	227	175	
MHCLG Housing and Communities	2,406	2,792	2,947	2,914	3,365	
Justice	-	-	14	4	0	
Environment, Food and Rural Affairs	164	137	109	79	97	
Cabinet Office	3	-	-	2	1	
<b>Total capital grants</b>	<b>9,188</b>	<b>9,355</b>	<b>8,928</b>	<b>7,864</b>	<b>8,557</b>	
<b>Total England</b>	<b>9,188</b>	<b>9,355</b>	<b>8,928</b>	<b>7,864</b>	<b>8,557</b>	
<b>Scotland</b>						
<b>Supported borrowing</b>						
Scottish Government	-	-	-	-	-	
<b>Total supported borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Capital grants</b>						
Scottish Government	829	880	817	913	1,040	
<b>Total capital grants</b>	<b>829</b>	<b>880</b>	<b>817</b>	<b>913</b>	<b>1,040</b>	
<b>Total Scotland</b>	<b>829</b>	<b>880</b>	<b>817</b>	<b>913</b>	<b>1,040</b>	
<b>Wales</b>						
<b>Supported Capital Expenditure (Revenue) <sup>(1)</sup></b>						
Welsh Assembly Government	89	89	89	89	89	
<b>Total Supported Capital Expenditure (Revenue)</b>	<b>89</b>	<b>89</b>	<b>89</b>	<b>89</b>	<b>89</b>	
<b>Capital grants</b>						
Welsh Assembly Government	446	471	392	421	545	
<b>Total capital grants</b>	<b>446</b>	<b>471</b>	<b>392</b>	<b>421</b>	<b>545</b>	
<b>Total Wales</b>	<b>535</b>	<b>560</b>	<b>481</b>	<b>509</b>	<b>634</b>	
<b>Northern Ireland capital grants</b>						
Northern Ireland Executive	6	46	5	3	7	
<b>Total Northern Ireland</b>	<b>6</b>	<b>46</b>	<b>5</b>	<b>3</b>	<b>7</b>	
<b>Total United Kingdom</b>	<b>10,558</b>	<b>10,841</b>	<b>10,231</b>	<b>9,289</b>	<b>10,237</b>	

(1) A full definition of Supported Capital expenditure (SCR) is given in Annex G.

**Table 7.4 Local government current and capital expenditure on services in the United Kingdom by function, 2014-15 to 2018-19**

	£ million				
	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 plans
<b>Current</b>					
1. General public services	4,024	4,165	4,213	4,162	4,169
<i>of which: public and common services</i>	3,318	3,403	3,405	3,378	3,520
<i>of which: public sector debt interest <sup>(1)</sup></i>	706	762	808	784	649
2. Defence	49	46	45	42	44
3. Public order and safety	13,815	13,756	13,865	14,019	14,360
4. Economic affairs	4,445	3,936	3,732	3,631	3,666
<i>of which: enterprise and economic development</i>	911	613	702	548	487
<i>of which: agriculture, fisheries and forestry</i>	88	102	101	98	93
<i>of which: transport</i>	3,446	3,220	2,928	2,986	3,086
5. Environment protection	5,629	5,686	5,683	5,655	5,893
6. Housing and community amenities	2,219	2,119	2,018	2,095	2,154
7. Health	2,788	3,205	3,534	3,414	3,358
8. Recreation, culture and religion	3,571	3,338	3,151	2,971	2,848
9. Education	41,717	41,455	40,873	39,926	41,713
10. Social protection	55,639	55,510	55,250	54,917	54,344
<b>Total local government current expenditure on services</b>	<b>133,896</b>	<b>133,216</b>	<b>132,363</b>	<b>130,832</b>	<b>132,547</b>
Accounting adjustments	20,008	21,268	22,023	23,214	22,589
<b>Total local government current expenditure</b>	<b>153,904</b>	<b>154,484</b>	<b>154,386</b>	<b>154,046</b>	<b>155,136</b>
<b>Capital</b>					
1. General public services	878	947	1,732	1,158	1,609
<i>of which: public and common services</i>	878	947	1,732	1,158	1,609
3. Public order and safety	519	499	223	992	697
4. Economic affairs	6,451	6,492	7,523	9,544	8,994
<i>of which: enterprise and economic development</i>	84	128	1,019	2,431	2,554
<i>of which: agriculture, fisheries and forestry</i>	219	200	191	131	128
<i>of which: transport</i>	6,148	6,164	6,313	6,981	6,311
5. Environment protection	573	589	496	1,058	575
6. Housing and community amenities	2,543	2,098	2,503	2,756	2,995
7. Health	10	13	19	12	30
8. Recreation, culture and religion	1,146	1,244	1,235	1,307	1,260
9. Education	4,302	4,228	4,318	4,241	3,416
10. Social protection	256	241	327	247	440
<b>Total local government capital expenditure on services</b>	<b>16,679</b>	<b>16,351</b>	<b>18,375</b>	<b>21,314</b>	<b>20,016</b>
Accounting adjustments	-211	597	-38	-403	1,312
<b>Total local government capital expenditure</b>	<b>16,468</b>	<b>16,948</b>	<b>18,337</b>	<b>20,911</b>	<b>21,328</b>
<b>Total local government expenditure</b>	<b>170,372</b>	<b>171,432</b>	<b>172,723</b>	<b>174,957</b>	<b>176,464</b>

(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, 2014-15 to 2018-19**

	£ million				
	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 plans
<b>England</b>					
1. General public services	2,682	2,744	2,789	2,723	2,932
<i>of which: public and common services</i>	2,682	2,744	2,789	2,723	2,932
2. Defence	43	39	39	36	37
3. Public order and safety	13,014	12,999	13,101	13,229	13,543
4. Economic affairs	3,459	3,013	2,850	2,725	2,791
<i>of which: enterprise and economic development</i>	559	312	411	268	197
<i>of which: agriculture, fisheries and forestry</i>	72	80	83	80	74
<i>of which: transport</i>	2,827	2,620	2,356	2,377	2,520
5. Environment protection	4,467	4,523	4,498	4,456	4,677
6. Housing and community amenities	1,892	1,799	1,729	1,734	1,735
7. Health	2,737	3,152	3,480	3,365	3,314
8. Recreation, culture and religion	2,505	2,322	2,149	2,032	1,940
9. Education	34,477	34,133	33,382	32,265	33,862
10. Social protection	47,623	47,402	47,362	46,988	46,111
<b>Total England</b>	<b>112,898</b>	<b>112,127</b>	<b>111,379</b>	<b>109,554</b>	<b>110,942</b>
<b>Scotland</b>					
1. General public services	455	468	428	459	363
<i>of which: public and common services</i>	455	468	428	459	363
2. Defence	3	4	4	3	3
3. Public order and safety	-	-	-	-	-
4. Economic affairs	701	673	630	662	629
<i>of which: enterprise and economic development</i>	247	226	216	212	225
<i>of which: agriculture, fisheries and forestry</i>	10	15	10	9	11
<i>of which: transport</i>	444	432	404	441	393
5. Environment protection	633	644	647	662	683
6. Housing and community amenities	74	97	43	91	126
8. Recreation, culture and religion	609	566	539	524	524
9. Education	4,624	4,745	4,875	5,020	5,225
10. Social protection	5,065	5,163	4,909	4,868	5,192
<b>Total Scotland</b>	<b>12,164</b>	<b>12,359</b>	<b>12,076</b>	<b>12,290</b>	<b>12,745</b>
<b>Wales</b>					
1. General public services	181	191	188	195	225
<i>of which: public and common services</i>	181	191	188	195	225
2. Defence	4	3	2	3	3
3. Public order and safety	801	756	764	790	817
4. Economic affairs	258	227	222	221	218
<i>of which: enterprise and economic development</i>	77	52	46	45	38
<i>of which: agriculture, fisheries and forestry</i>	6	8	8	8	7
<i>of which: transport</i>	174	168	168	168	173
5. Environment protection	343	329	336	334	347
6. Housing and community amenities	155	124	121	116	106
8. Recreation, culture and religion	245	220	210	206	194
9. Education	2,616	2,577	2,616	2,642	2,626
10. Social protection	2,951	2,945	2,979	3,061	3,041
<b>Total Wales</b>	<b>7,553</b>	<b>7,373</b>	<b>7,438</b>	<b>7,568</b>	<b>7,577</b>
<b>Total Great Britain</b>	<b>132,615</b>	<b>131,858</b>	<b>130,892</b>	<b>129,412</b>	<b>131,265</b>
<b>Northern Ireland</b>					
4. Economic affairs	27	23	29	23	28
<i>of which: enterprise and economic development</i>	27	23	29	23	28
5. Environment protection	186	190	203	203	186
6. Housing and community amenities	99	100	124	153	186
7. Health	52	53	54	49	44
8. Recreation, culture and religion	211	230	252	208	190
<b>Total Northern Ireland</b>	<b>575</b>	<b>596</b>	<b>662</b>	<b>636</b>	<b>634</b>
Debt interest <sup>(1)</sup>	706	762	808	784	649
<b>Total local government current expenditure on services</b>	<b>133,896</b>	<b>133,216</b>	<b>132,363</b>	<b>130,832</b>	<b>132,547</b>
Accounting adjustments	20,008	21,268	22,023	23,214	22,589
<b>Total local government current expenditure</b>	<b>153,904</b>	<b>154,484</b>	<b>154,386</b>	<b>154,046</b>	<b>155,136</b>

(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<sup>(1)</sup> capital expenditure on services in the United Kingdom by country and function, 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 plans	
<b>England</b>						
1. General public services	1,280	1,311	2,020	1,496	1,912	
<i>of which: public and common services</i>	1,280	1,311	2,020	1,496	1,912	
3. Public order and safety	740	785	813	1,072	818	
4. Economic affairs	6,077	6,347	7,030	8,947	8,268	
<i>of which: enterprise and economic development</i>	296	472	1,017	2,309	2,218	
<i>of which: agriculture, fisheries and forestry</i>	147	184	170	162	135	
<i>of which: transport</i>	5,634	5,690	5,843	6,476	5,915	
5. Environment protection	491	492	378	995	468	
6. Housing and community amenities	2,330	2,208	2,335	2,714	2,952	
7. Health	7	10	18	10	23	
8. Recreation, culture and religion	931	1,034	982	1,061	960	
9. Education	3,647	3,367	3,216	2,998	2,560	
10. Social protection	239	248	311	290	413	
<b>Total England</b>	<b>15,742</b>	<b>15,802</b>	<b>17,103</b>	<b>19,583</b>	<b>18,375</b>	
<b>Scotland</b>						
1. General public services	174	196	178	258	236	
<i>of which: public and common services</i>	174	196	178	258	236	
3. Public order and safety <sup>(2)</sup>	-	-	-	-	-	
4. Economic affairs	570	573	697	700	894	
<i>of which: enterprise and economic development</i>	50	73	175	238	341	
<i>of which: agriculture, fisheries and forestry</i>	85	65	47	43	53	
<i>of which: transport</i>	435	436	475	419	500	
5. Environment protection	56	64	87	61	77	
6. Housing and community amenities	173	174	175	159	192	
8. Recreation, culture and religion	128	171	229	180	167	
9. Education	559	653	854	898	595	
10. Social protection	74	63	65	43	52	
<b>Total Scotland</b>	<b>1,735</b>	<b>1,893</b>	<b>2,285</b>	<b>2,298</b>	<b>2,212</b>	
<b>Wales</b>						
1. General public services	44	39	40	39	86	
<i>of which: public and common services</i>	44	39	40	39	86	
3. Public order and safety	48	57	43	52	89	
4. Economic affairs	188	134	145	179	217	
<i>of which: enterprise and economic development</i>	25	18	22	48	83	
<i>of which: agriculture, fisheries and forestry</i>	14	7	8	5	12	
<i>of which: transport</i>	150	108	115	126	122	
5. Environment protection	26	32	32	21	43	
6. Housing and community amenities	194	195	155	110	147	
8. Recreation, culture and religion	47	54	44	56	48	
9. Education	246	335	374	430	338	
10. Social protection	23	13	15	17	18	
<b>Total Wales</b>	<b>816</b>	<b>859</b>	<b>848</b>	<b>904</b>	<b>986</b>	
<b>Total Great Britain</b>	<b>18,293</b>	<b>18,553</b>	<b>20,235</b>	<b>22,785</b>	<b>21,573</b>	
<b>Northern Ireland</b>						
4. Economic affairs	4	15	5	2	17	
<i>of which: enterprise and economic development</i>	4	15	5	2	17	
5. Environment protection	12	8	6	10	11	
6. Housing and community amenities	25	37	34	17	36	
7. Health	4	3	2	2	7	
8. Recreation, culture and religion	100	93	52	69	141	
<b>Total Northern Ireland</b>	<b>145</b>	<b>155</b>	<b>100</b>	<b>101</b>	<b>211</b>	
<b>Total United Kingdom</b>	<b>18,438</b>	<b>18,709</b>	<b>20,335</b>	<b>22,886</b>	<b>21,784</b>	
<b>Memorandum</b>						
United Kingdom gross capital expenditure, from above	18,438	18,709	20,335	22,886	21,784	
United Kingdom capital receipts (see table 7.7)	-1,759	-2,358	-1,960	-1,571	-1,769	
<b>Total local government net capital expenditure on</b>	<b>16,679</b>	<b>16,351</b>	<b>18,375</b>	<b>21,314</b>	<b>20,016</b>	
Accounting adjustments	-211	597	-38	-403	1,312	
<b>Total local government net capital expenditure</b>	<b>16,468</b>	<b>16,948</b>	<b>18,337</b>	<b>20,911</b>	<b>21,328</b>	

(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, 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 plans	
<b>England</b>						
1. General public services	-574	-562	-463	-602	-593	
<i>of which: public and common services</i>	-574	-562	-463	-602	-593	
3. Public order and safety	-267	-340	-631	-130	-204	
4. Economic affairs	-338	-433	-309	-259	-375	
<i>of which: enterprise and economic development</i>	-262	-317	-159	-145	-81	
<i>of which: agriculture, fisheries and forestry</i>	-27	-56	-34	-79	-71	
<i>of which: transport</i>	-48	-60	-116	-35	-222	
5. Environment protection	-8	-4	-3	-16	-15	
6. Housing and community amenities	-147	-495	-177	-209	-309	
8. Recreation, culture and religion	-22	-54	-42	-38	-40	
9. Education	-120	-107	-108	-55	-35	
10. Social protection	-69	-78	-57	-99	-30	
<b>Total England</b>	<b>-1,544</b>	<b>-2,073</b>	<b>-1,790</b>	<b>-1,408</b>	<b>-1,601</b>	
<b>Scotland</b>						
1. General public services	-26	-19	-21	-18	-20	
<i>of which: public and common services</i>	-26	-19	-21	-18	-20	
3. Public order and safety	-	-	-	-	-	
4. Economic affairs	-39	-127	-16	-16	-20	
<i>of which: enterprise and economic development</i>	-18	-118	-13	-11	-17	
<i>of which: agriculture, fisheries and forestry</i>	0	0	-	0	0	
<i>of which: transport</i>	-21	-10	-3	-4	-3	
5. Environment protection	-1	-1	-2	-10	-8	
6. Housing and community amenities	-5	0	0	-1	0	
8. Recreation, culture and religion	-2	-3	-14	-1	-2	
9. Education	-15	-16	-13	-12	-16	
10. Social protection	-6	-1	-4	-3	-2	
<b>Total Scotland</b>	<b>-94</b>	<b>-168</b>	<b>-69</b>	<b>-61</b>	<b>-68</b>	
<b>Wales</b>						
1. General public services	-20	-18	-23	-16	-12	
<i>of which: public and common services</i>	-20	-18	-23	-16	-12	
3. Public order and safety	-2	-3	-2	-2	-5	
4. Economic affairs	-11	-8	-28	-8	-6	
<i>of which: enterprise and economic development</i>	-10	-7	-27	-8	-5	
<i>of which: agriculture, fisheries and forestry</i>	-	-	-	-	-	
<i>of which: transport</i>	-1	-1	0	-1	0	
5. Environment protection	0	0	0	0	0	
6. Housing and community amenities	-15	-13	-15	-27	-20	
8. Recreation, culture and religion	0	-1	-1	-1	-1	
9. Education	-15	-4	-6	-19	-27	
10. Social protection	-5	-3	-3	-1	-11	
<b>Total Wales</b>	<b>-68</b>	<b>-51</b>	<b>-78</b>	<b>-74</b>	<b>-80</b>	
<b>Total Great Britain</b>	<b>-1,707</b>	<b>-2,292</b>	<b>-1,937</b>	<b>-1,544</b>	<b>-1,750</b>	
<b>Northern Ireland</b>						
4. Economic affairs	-1	-8	-1	0	-2	
<i>of which: enterprise and economic development</i>	-1	-8	-1	0	-2	
5. Environment protection	-3	-1	-1	-1	-	
6. Housing and community amenities	-13	-7	-3	-7	-4	
7. Health	-1	0	-1	0	-	
8. Recreation, culture and religion	-35	-49	-16	-19	-13	
<b>Total Northern Ireland</b>	<b>-53</b>	<b>-66</b>	<b>-23</b>	<b>-27</b>	<b>-19</b>	
<b>Total United Kingdom capital receipts</b>	<b>-1,759</b>	<b>-2,358</b>	<b>-1,960</b>	<b>-1,571</b>	<b>-1,769</b>	

**Table 7.8 Local government expenditure on services in the United Kingdom by country and economic category, 2014-15 to 2018-19**

	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 plans
<b>£ million</b>					
<b>England</b>					
Pay	52,876	51,424	51,198	50,688	51,567
Gross current procurement	66,558	67,893	67,723	68,370	69,979
Income from sales of goods and services	-29,436	-30,019	-29,526	-30,454	-30,053
Subsidies to private sector companies	1,357	1,368	1,273	1,299	1,238
Subsidies to public corporations	14	14	12	13	14
Current grants to persons and non-profit bodies	21,529	21,447	20,699	19,638	18,197
Gross capital procurement	13,529	13,964	15,368	17,047	16,292
Income from sales of capital assets	-1,544	-2,073	-1,790	-1,408	-1,601
Capital grants	2,213	1,838	1,735	2,535	2,082
<b>Total England</b>	<b>127,096</b>	<b>125,855</b>	<b>126,692</b>	<b>127,728</b>	<b>127,716</b>
<b>Scotland</b>					
Pay	6,045	6,129	6,467	6,641	6,765
Gross current procurement	6,250	6,340	6,088	6,198	6,438
Income from sales of goods and services	-2,001	-1,978	-2,309	-2,323	-2,145
Subsidies to public corporations	93	95	97	102	100
Current grants to persons and non-profit bodies	1,776	1,772	1,733	1,671	1,588
Gross capital procurement	1,536	1,705	2,120	2,123	2,007
Income from sales of capital assets	-94	-168	-69	-61	-68
Capital grants	198	188	165	175	205
<b>Total Scotland</b>	<b>13,804</b>	<b>14,083</b>	<b>14,291</b>	<b>14,527</b>	<b>14,889</b>
<b>Wales</b>					
Pay	3,951	4,110	4,199	4,276	4,289
Gross current procurement	3,946	3,515	3,532	3,580	3,624
Income from sales of goods and services	-1,355	-1,276	-1,302	-1,280	-1,281
Current grants to persons and non-profit bodies	1,011	1,024	1,009	992	945
Gross capital procurement	728	765	766	845	915
Income from sales of capital assets	-68	-51	-78	-74	-80
Capital grants	88	94	82	58	71
<b>Total Wales</b>	<b>8,301</b>	<b>8,181</b>	<b>8,208</b>	<b>8,398</b>	<b>8,483</b>
<b>Great Britain</b>					
Pay	62,873	61,662	61,864	61,604	62,621
Gross current procurement	76,754	77,748	77,342	78,149	80,042
Income from sales of goods and services	-32,793	-33,274	-33,136	-34,057	-33,479
Subsidies to private sector companies	1,357	1,368	1,273	1,299	1,238
Subsidies to public corporations	107	109	109	115	113
Current grants to persons and non-profit bodies	24,317	24,244	23,441	22,301	20,729
Gross capital procurement	15,793	16,433	18,254	20,016	19,214
Income from sales of capital assets	-1,707	-2,292	-1,937	-1,544	-1,750
Capital grants	2,500	2,120	1,981	2,769	2,358
<b>Total Great Britain</b>	<b>149,201</b>	<b>148,119</b>	<b>149,191</b>	<b>150,653</b>	<b>151,088</b>
<b>Northern Ireland</b>					
Pay	321	348	346	368	398
Gross current procurement	463	469	491	499	398
Income from sales of goods and services	-209	-220	-174	-230	-162
Gross capital procurement	145	155	100	101	211
Income from sales of capital assets	-53	-66	-23	-27	-19
<b>Total Northern Ireland</b>	<b>668</b>	<b>686</b>	<b>739</b>	<b>710</b>	<b>826</b>
<b>United Kingdom</b>					
Pay	63,194	62,010	62,210	61,972	63,019
Gross current procurement	77,217	78,217	77,833	78,648	80,440
Income from sales of goods and services	-33,001	-33,494	-33,311	-34,287	-33,641
Subsidies to private sector companies	1,357	1,368	1,273	1,299	1,238
Subsidies to public corporations	107	109	109	115	113
Current grants to persons and non-profit bodies	24,317	24,244	23,441	22,301	20,729
Local government debt interest <sup>(1)</sup>	706	762	808	784	649
Gross capital procurement	15,938	16,589	18,354	20,117	19,426
Income from sales of capital assets	-1,759	-2,358	-1,960	-1,571	-1,769
Capital grants	2,500	2,120	1,981	2,769	2,358
<b>Total local government expenditure on services</b>	<b>150,575</b>	<b>149,567</b>	<b>150,738</b>	<b>152,147</b>	<b>152,563</b>
Accounting adjustments	19,797	21,865	21,985	22,810	23,901
<b>Total local government expenditure</b>	<b>170,372</b>	<b>171,432</b>	<b>172,723</b>	<b>174,957</b>	<b>176,464</b>

(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.

## BACKGROUND TO 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** All data are covered by National Statistics protocols.

**7.3** Central government support data for all years are final outturn figures.

**7.4** Local government spending data for all years up to 2017-18 are final outturn. Data for 2018-19 are based on budget plans and provisional outturns, where the latter are available.

## WHAT'S NEW

**7.5** There have been no significant changes to the presentation of data within this chapter since last year's release.

## 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 Public Spending Statistics (PSS) 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 PSS. 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; Also, from 2015-16 Welsh non-domestic rates move from central government DEL support to locally raised finance, 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 31 March 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.

**7.14** **Tables 7.1 to 7.3** show central government support for local government allocated by territory. There are several instances where support or grant payments cover more than one territory, for example Home Office grants that cover England and Wales. In these circumstances the grant or support has been allocated entirely to the majority territory, namely England.

## LOCAL GOVERNMENT EXPENDITURE

**7.15** 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.

**7.16** 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

**7.17** The measure of local government spending that is analysed by function and economic category in PSS 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.

**7.18** 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 PSS 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.

**7.19** **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

**7.20** 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 Ministry of Housing, Communities and Local Government (MHCLG) 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 PSS. In general the read-across from service categories to COFOG categories is relatively clear, but in some cases it is less straightforward and assumptions are applied.

**7.22** Although the quality of the local government expenditure data in PSS 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 PSS. 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 MHCLG 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 – Ministry of Housing, Communities and Local Government**

- [<https://www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing>]
- [<https://www.gov.uk/government/collections/local-authority-capital-expenditure-receipts-and-financing>]

**Scotland – Scottish Government**

- [<http://www.gov.scot/Topics/Statistics/Browse/Local-Government-Finance>]

**Wales – Welsh Government**

- [<https://statswales.gov.wales/Catalogue/Local-Government/Finance>]

**CHAPTER 8 PUBLIC CORPORATIONS****OVERVIEW**

Chapter 8 analyses the impact of public corporations on departmental budgets and expenditure on services.

**Tables 8.1** and **8.2** examine the impact on departmental budgets (DEL and departmental AME), breaking this down by economic category and departmental group.

**Tables 8.3** to **8.5** analyse capital spending by public corporations. They break the expenditure down by individual public corporations as well as by function and economic category. Debt interest payments to the private sector, which is the only public corporation current spending that forms part of Total Managed Expenditure (TME), is also included.

- Public corporations' capital expenditure was £10.0bn in 2018-19, down from £15.6bn the year before.
- Out of this total, expenditure by the Housing Revenue Account (for England, Scotland and Wales) was £3.8bn, up from £3.5bn the previous year.
- The other main contributors to public corporations' capital expenditure were London Underground (as Transport Trading Limited) and Scottish Water.
- Public corporations' expenditure on debt interest was £0.4bn in 2018-19 compared with £2.6bn in 2017-18.

**Table 8.1 Public corporations' contribution to budgets and Total Managed Expenditure <sup>(1)</sup>, 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Resource DEL</b>						
CG dividends from PCs (-)	-115	-135	-121	-99	-122	
CG interest from PCs (-)	-6	-29	-31	-39	-36	
Subsidies to PCs	747	639	487	430	418	
Loans written off - mutual consent	-	-	-	-	-	
<b>Total resource DEL</b>	<b>626</b>	<b>475</b>	<b>335</b>	<b>291</b>	<b>260</b>	
<b>Resource departmental AME</b>						
CG dividends from PCs (-)	-101	-262	-194	-138	-124	
CG interest from PCs (-)	-109	-109	-64	-86	-106	
Subsidies to PCs	74	175	170	169	218	
Loans written off - mutual consent	-	-	-	-	-	
<b>Total resource departmental AME</b>	<b>-136</b>	<b>-195</b>	<b>-87</b>	<b>-54</b>	<b>-13</b>	
<b>Total public corporations' contribution to resource budget</b>	<b>489</b>	<b>280</b>	<b>248</b>	<b>237</b>	<b>247</b>	
<b>Capital DEL</b>						
CG investment grants to PCs	320	277	252	208	371	
Net lending to PCs	-1,008	-49	-259	-15	100	
Market and overseas borrowing	-9	-4	-12	36	91	
<b>Total capital DEL</b>	<b>-697</b>	<b>224</b>	<b>-19</b>	<b>230</b>	<b>563</b>	
<b>Capital departmental AME</b>						
CG investment grants to PCs	28	12	20	13	26	
Net lending to PCs	335	90	175	229	86	
<b>Total capital departmental AME</b>	<b>362</b>	<b>102</b>	<b>195</b>	<b>242</b>	<b>112</b>	
<b>Total public corporations' contribution to capital budget</b>	<b>-335</b>	<b>326</b>	<b>175</b>	<b>472</b>	<b>674</b>	
<b>Other AME</b>						
PC own-financed capital expenditure <sup>(2)</sup>	18,027	14,594	16,667	15,016	9,374	
Accounting adjustments	3,206	3,500	3,782	2,472	102	
<b>Total other AME</b>	<b>21,233</b>	<b>18,094</b>	<b>20,449</b>	<b>17,488</b>	<b>9,476</b>	
<b>Public corporations' expenditure in TME <sup>(3)</sup></b>	<b>21,388</b>	<b>18,700</b>	<b>20,872</b>	<b>18,197</b>	<b>10,397</b>	
<i>of which:</i>						
PC current expenditure in TME	3,739	3,821	3,842	2,620	351	
PC gross investment in TME	17,649	14,879	17,030	15,577	10,046	

(1) Data in this table differ from those shown for public corporations in Table 1.15. Central government subsidies to public corporations are classified as central government own spending in National Accounts, and are shown as such in Table 1.15. 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.

**Table 8.2 Public corporations' contribution to budgets by departmental group <sup>(1)</sup>, 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Resource DEL</b>						
Defence	-84	-67	-70	-22	-13	
Home Office	-1	-	-	-	-	
Foreign and Commonwealth Office	150	157	159	173	163	
Health and Social Care	82	94	0	0	0	
Work and Pensions	111	16	17	8	14	
Education	-	-	-	-	2	
Business, Energy and Industrial Strategy	202	159	137	69	16	
Transport	25	-42	-37	-53	-29	
Digital, Culture, Media and Sport	50	44	29	14	11	
MHCLG - Housing and Communities and MHCLG - Local Government	-2	-2	-1	-1	-2	
Wales	0	-1	0	-	-	
Northern Ireland	81	100	73	84	85	
International Trade	-	0	-	-	-	
Environment, Food and Rural Affairs	8	20	30	21	19	
Cabinet Office	1	-2	-2	-2	-6	
Small and Independent Bodies	0	0	-	-	-	
<b>Total resource DEL</b>	<b>626</b>	<b>475</b>	<b>335</b>	<b>291</b>	<b>260</b>	
<b>Resource departmental AME</b>						
Business, Energy and Industrial Strategy	-1	-2	-5	-5	-7	
Digital, Culture, Media and Sport	-5	-150	-44	-50	-60	
Scotland	42	68	69	64	109	
Wales	-73	-	-	-	-	
HM Treasury	-97	-109	-107	-66	-58	
Small and Independent Bodies	-4	-2	-1	2	2	
<b>Total resource departmental AME</b>	<b>-136</b>	<b>-195</b>	<b>-87</b>	<b>-54</b>	<b>-13</b>	
<b>Total public corporations' contribution to resource budget</b>	<b>489</b>	<b>280</b>	<b>248</b>	<b>237</b>	<b>247</b>	
<b>Capital DEL</b>						
Defence	-57	-3	-63	-	9	
Foreign and Commonwealth Office	5	5	-	-	-	
Health and Social Care	-469	-117	-245	-124	-95	
Work and Pensions	-	67	80	84	93	
Business, Energy and Industrial Strategy	90	170	147	82	204	
Transport	-378	1	3	33	70	
Digital, Culture, Media and Sport	80	-	-	-1	-	
MHCLG - Housing and Communities and MHCLG - Local Government	14	14	8	32	51	
Wales	7	67	2	60	136	
Northern Ireland	-7	0	51	65	95	
Environment, Food and Rural Affairs	19	19	-	-	0	
<b>Total capital DEL</b>	<b>-697</b>	<b>224</b>	<b>-19</b>	<b>230</b>	<b>563</b>	
<b>Capital departmental AME</b>						
Business, Energy and Industrial Strategy	292	53	134	36	-120	
Digital, Culture, Media and Sport	0	-	-	-20	-51	
Scotland	99	73	79	226	282	
Small and Independent Bodies	-29	-24	-19	-	-	
<b>Total capital departmental AME</b>	<b>362</b>	<b>102</b>	<b>195</b>	<b>242</b>	<b>112</b>	
<b>Total public corporations' contribution to capital budget</b>	<b>-335</b>	<b>326</b>	<b>175</b>	<b>472</b>	<b>674</b>	
<b>Total public corporations' contribution to budgets</b>	<b>155</b>	<b>606</b>	<b>423</b>	<b>709</b>	<b>921</b>	

(1) Data in this table differ from those shown for public corporations in Table 1.15. Central government subsidies to public corporations are classified as central government own spending in National Accounts, and are shown as such in Table 1.15. 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.

**Table 8.3 Public corporations' capital expenditure on services, 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Defence</b>						
Defence Support Group	7	7	#	#	#	
Defence Aviation Repair Agency <sup>(1)</sup>	-	-	#	#	#	
Defence Science and Technology Laboratory <sup>(1)</sup>	41	41	33	#	#	
Hydrographic Office <sup>(1)</sup>	8	8	-6	18	#	
Navy, Army and Air Force Institute	3	3	#	#	#	
<b>Total Defence</b>	<b>59</b>	<b>59</b>	<b>27</b>	<b>18</b>	<b>#</b>	
<b>Foreign and Commonwealth Office</b>						
British Council	16	5	31	-18	#	
<b>Total Foreign and Commonwealth Office</b>	<b>16</b>	<b>5</b>	<b>31</b>	<b>-18</b>	<b>#</b>	
<b>International Development</b>						
CDC Group <sup>(5)</sup>	#	#	#	#	#	
Actis <sup>(5)</sup>	#	#	#	#	#	
<b>Total International Development</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	
<b>Health and Social Care</b>						
Medicines and Healthcare Products Regulatory Agency <sup>(1)</sup>	#	#	#	#	#	
NHS Estates <sup>(1)</sup>	#	#	#	#	#	
NHS Blood and Transplant	#	#	#	#	#	
<b>Total Health and Social Care</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	
<b>Work and Pensions</b>						
Remploy	-	-	-	#	#	
Pension Protection Fund	-3	1	3	2	0	
National Employment Savings Trust	3	4	1	2	1	
Office for Nuclear Regulation	0	0	0	0	2	
<b>Total Work and Pensions</b>	<b>1</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>3</b>	
<b>Business, Energy and Industrial Strategy</b>						
UK Intellectual Property Office	1	0	0	-1	#	
British Nuclear Fuels Limited <sup>(5)</sup>	-	-	#	#	#	
Companies House <sup>(1)</sup>	-	5	7	1	#	
Royal Mail Holdings <sup>(5)</sup>	-	-	#	#	#	
Land Registry <sup>(1)</sup>	2	#	#	#	#	
Ordnance Survey <sup>(1)</sup>	-	#	#	#	#	
Meteorological Office <sup>(1)</sup>	38	55	51	14	#	
<b>Total Business, Energy and Industrial Strategy</b>	<b>41</b>	<b>60</b>	<b>58</b>	<b>14</b>	<b>#</b>	
<b>Transport</b>						
Civil Aviation Authority	#	#	#	#	#	
Driving Standards Agency <sup>(1)</sup>	#	#	#	#	#	
Vehicle and Operator Services Agency <sup>(1)</sup>	#	#	#	#	#	
<b>Total Transport</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	
<b>Digital, Culture Media and Sport</b>						
Channel Four Television Corporation <sup>(5)</sup>	#	#	#	#	#	
Historic Royal Palaces Trust	#	#	#	#	#	
Tote <sup>(5)</sup>	#	#	#	#	#	
<b>Total Digital, Culture Media and Sport</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	
<b>MHCLG - Housing and Communities and MHCLG - Local Government</b>						
Fire Service College <sup>(1)</sup>	-	-	#	#	#	
QEII Conference Centre <sup>(1)</sup>	3	4	#	#	#	
<b>Total MHCLG - Housing and Communities and MHCLG - Local Government</b>	<b>3</b>	<b>4</b>	<b>#</b>	<b>#</b>	<b>#</b>	

**Table 8.3 Public corporations' capital expenditure on services, 2014-15 to 2018-19 (continued)**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Scotland</b>						
Caledonian MacBrayne	14	51	57	39	66	
Forest Enterprise	-5	-13	-6	3	1	
Scottish Water	312	328	489	498	509	
<b>Total Scotland</b>	<b>322</b>	<b>366</b>	<b>541</b>	<b>540</b>	<b>576</b>	
<b>Northern Ireland</b>						
Northern Ireland Driver and Vehicle Testing Agency <sup>(T)</sup>	0	0	2	4	4	
Northern Ireland Housing Executive	21	-6	-4	-3	-5	
Northern Ireland Public Trust Port Authority	22	23	54	46	65	
Northern Ireland Transport Holding Company	37	37	75	75	102	
Northern Ireland Water	-	-	-	-	-	
<b>Total Northern Ireland</b>	<b>79</b>	<b>55</b>	<b>126</b>	<b>121</b>	<b>167</b>	
<b>Environment Food and Rural Affairs</b>						
Covent Garden Market Authority	-	-	1	3	3	
<b>Total Environment Food and Rural Affairs</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>3</b>	<b>3</b>	
<b>HM Treasury</b>						
Crown Estate <sup>(S)</sup>	33	-321	113	-28	236	
Royal Mint <sup>(S)(T)</sup>	-	-	-	-	-	
<b>Total HM Treasury</b>	<b>33</b>	<b>-321</b>	<b>113</b>	<b>-28</b>	<b>236</b>	
<b>Local Government</b>						
Transport Trading Limited	1,626	1,585	1,555	1,620	1,713	
England Housing Revenue Account	2,297	2,607	2,465	2,614	2,725	
Scotland Housing Revenue Account	595	561	538	613	740	
Wales Housing Revenue Account	169	207	242	249	322	
<b>Total Local Government</b>	<b>4,688</b>	<b>4,961</b>	<b>4,800</b>	<b>5,096</b>	<b>5,500</b>	
<b>Total public corporations' capital expenditure on services</b>	<b>5,241</b>	<b>5,194</b>	<b>5,702</b>	<b>5,750</b>	<b>6,485</b>	
Accounting Adjustments	12,408	9,685	11,328	9,827	3,561	
<i>of which: Housing Associations</i>	9,316	6,392	8,427	7,009	634	
<b>Total public corporations' capital expenditure</b>	<b>17,649</b>	<b>14,879</b>	<b>17,030</b>	<b>15,577</b>	<b>10,046</b>	

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

(T) denotes public corporation with trading fund status.

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

(1) The Office for National Statistics has concluded that registered providers of social housing in England are private, market producers and as such were re-classified to the private non-financial corporations sector. This classification took effect from 16 November 2017.

(2) This excludes the temporary effects of banks being classified to the public sector. :



**Table 8.4 Public corporations' current and capital expenditure on services by function, 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Public corporations' current expenditure on services</b>						
1. General public services	3,739	3,821	3,842	2,620	351	
<i>of which: public sector debt interest</i>	3,739	3,821	3,842	2,620	351	
<b>Total public corporations' current expenditure on services</b>	<b>3,739</b>	<b>3,821</b>	<b>3,842</b>	<b>2,620</b>	<b>351</b>	
Accounting adjustments	-	-	-	-	-	
<b>Total public corporations' current expenditure</b>	<b>3,739</b>	<b>3,821</b>	<b>3,842</b>	<b>2,620</b>	<b>351</b>	
<b>Public corporations' capital expenditure on services</b>						
1. General public services	57	-308	146	-44	237	
<i>of which: public and common services</i>	41	-313	115	-26	237	
<i>of which: international services</i>	16	5	31	-18	-	
2. Defence	59	59	27	18	-	
3. Public order and safety	-	-	-	-	-	
4. Economic affairs	1,734	1,744	1,795	1,803	1,956	
<i>of which: enterprise and economic development</i>	39	60	58	14	2	
<i>of which: employment policies</i>	-	-	-	-	-	
<i>of which: agriculture, fisheries and forestry</i>	-5	-13	-5	5	4	
<i>of which: transport</i>	1,699	1,696	1,743	1,784	1,950	
5. Environment protection	-	-	-	-	-	
6. Housing and community amenities	3,394	3,698	3,731	3,971	4,292	
7. Health	-	-	-	-	-	
8. Recreation, culture and religion	-	-	-	-	-	
10. Social protection	-3	1	3	2	0	
<b>Total public corporations' capital expenditure on services</b>	<b>5,241</b>	<b>5,194</b>	<b>5,702</b>	<b>5,750</b>	<b>6,485</b>	
Accounting adjustments	12,408	9,685	11,328	9,827	3,561	
<b>Total public corporations' capital expenditure</b>	<b>17,649</b>	<b>14,879</b>	<b>17,030</b>	<b>15,577</b>	<b>10,046</b>	

**Table 8.5 Public corporations' current and capital expenditure by economic category, 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Public corporations' current expenditure on services</b>						
Public corporations' debt interest	3,739	3,821	3,842	2,620	351	
<b>Total public corporations' current expenditure on services</b>	<b>3,739</b>	<b>3,821</b>	<b>3,842</b>	<b>2,620</b>	<b>351</b>	
Accounting adjustments	0	0	0	0	0	
<b>Total public corporations' current expenditure</b>	<b>3,739</b>	<b>3,821</b>	<b>3,842</b>	<b>2,620</b>	<b>351</b>	
<b>Public corporations' capital expenditure on services</b>						
Gross capital procurement	6,943	7,150	7,777	7,740	8,212	
Income from sales of assets	-1,703	-1,962	-2,077	-1,993	-1,730	
Capital grants	2	6	3	3	3	
<b>Total public corporations' capital expenditure on services</b>	<b>5,241</b>	<b>5,194</b>	<b>5,702</b>	<b>5,750</b>	<b>6,485</b>	
Accounting adjustments	12,408	9,685	11,328	9,827	3,561	
<b>Total public corporations' capital expenditure</b>	<b>17,649</b>	<b>14,879</b>	<b>17,030</b>	<b>15,577</b>	<b>10,046</b>	
<b>Total public corporations' expenditure on services</b>	<b>8,980</b>	<b>9,015</b>	<b>9,544</b>	<b>8,370</b>	<b>6,836</b>	
Accounting adjustments	12,408	9,685	11,328	9,827	3,561	
<b>Total public corporations' expenditure <sup>(1)</sup></b>	<b>21,388</b>	<b>18,700</b>	<b>20,872</b>	<b>18,197</b>	<b>10,397</b>	

(1) This excludes the temporary effects of banks being classified to the public sector.

## BACKGROUND TO 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** All data in this chapter to 2018-19 are National Statistics.

## WHAT'S NEW

**8.3** The presentation of Housing Associations in **Table 8.3** has been changed to make it clearer that their expenditure, where still classified to the public sector, did not contribute to the 'total expenditure on services' measure. Instead they form part of the accounting adjustments line.

## DEFINITION OF PUBLIC CORPORATIONS

**8.4** Public corporation is a term from National Accounts, which are based on the European System of Accounts (ESA10). The Office for National Statistics (ONS) therefore determines which bodies are public corporations. A body will be classified as a public corporation where:

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

## SELF FINANCING PUBLIC CORPORATIONS (SFPCS)

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

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

## TRADING FUNDS

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

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

**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 an 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**;
- public corporations' market and overseas borrowing (PCMOB) where, exceptionally, it is permitted (capital DEL, or capital AME if an SFPC); and

**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, including the cost of capital charge.

**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 PSS 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.

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.

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

## THE NATIONAL ACCOUNTS

**8.16** 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.

**8.17** TME is a consolidated measure of public expenditure and so most transactions 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.

**8.18** 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.

**8.19** 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** of PESA for a full explanation of the accounting adjustments).

**8.20 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.

**8.21** 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

**8.22** 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.

**8.23** 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 the PSS 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

**8.24** More information is available in the departmental reports of government departments and in the annual reports and accounts of individual public corporations. A fuller list of public corporations is available on the ONS website<sup>4</sup> in *Public Sector Classification Guide*.

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<sup>4</sup> <https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/datasets/publicsectorclassificationguide>

## CHAPTER 9 PUBLIC EXPENDITURE BY COUNTRY AND ADDITIONAL TABLES

### COUNTRY AND REGIONAL ANALYSIS DATA IN THIS RELEASE

**9.1** The Country and Regional Analysis (CRA) is published each autumn. As a result there are no new substantive data on regional spending for this PSS release. However, the four headline tables of the CRA release published in November 2018 have been included below. To view the entire release please see link:

<https://www.gov.uk/government/statistics/country-and-regional-analysis-2018>

**9.2** Additionally we have included several other tables which complement the tables shown in this release. In particular we have included the GDP deflators used to calculate the real terms tables through the rest of this document. The CRA-based tables in this chapter are based on GDP deflators that were current at their time of original publication.

### WHAT'S NEW

**9.3** No new tables or presentations of country and regional data are included in this chapter. However, the CRA dataset published in November 2018 included a methodology document for the first time, giving users a brief overview of how 2017-18 expenditure was assigned to countries and regions by departments and HM Treasury, and covered over 99% of identifiable expenditure within the public sector. The methodology note is available from the above link.

**Table 9.1 Total identifiable expenditure on services by country and region, 2013-14 to 2017-18**

	£ million					as a per cent of identifiable expenditure				
	National Statistics					National Statistics				
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn
North East	24,454	24,808	25,308	25,481	25,931	4	4	4	4	4
North West	64,820	66,284	67,591	68,233	71,185	11	11	11	11	11
Yorkshire and The Humber	45,474	46,719	47,635	47,999	48,865	8	8	8	8	8
East Midlands	37,032	38,191	38,591	39,155	40,024	6	6	6	6	6
West Midlands	48,244	50,249	50,166	51,502	52,551	8	8	8	8	8
East	46,590	48,475	49,641	49,866	51,562	8	8	8	8	8
London	83,335	84,430	87,578	88,475	91,585	14	14	14	14	14
South East	67,804	69,322	71,090	73,517	75,365	11	11	12	12	12
South West	43,931	45,256	45,871	46,846	47,964	7	7	7	7	7
<b>Total England</b>	<b>461,684</b>	<b>473,734</b>	<b>483,470</b>	<b>491,073</b>	<b>505,032</b>	<b>78</b>	<b>78</b>	<b>78</b>	<b>78</b>	<b>78</b>
Scotland	54,063	54,948	56,173	57,323	59,028	9	9	9	9	9
Wales	30,089	30,622	30,975	31,411	32,492	5	5	5	5	5
Northern Ireland	19,916	20,337	20,214	20,504	20,934	3	3	3	3	3
<b>UK identifiable expenditure</b>	<b>565,752</b>	<b>579,641</b>	<b>590,832</b>	<b>600,312</b>	<b>617,485</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>
Outside UK	26,655	27,019	25,705	25,320	26,589	4	4	4	4	4
<b>Total identifiable expenditure</b>	<b>592,407</b>	<b>606,660</b>	<b>616,536</b>	<b>625,632</b>	<b>644,075</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
	£ million					as a per cent of Total Managed Expenditure				
	National Statistics					National Statistics				
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn
Identifiable expenditure	592,407	606,660	616,536	625,632	644,075	81	81	81	81	81
Non-identifiable expenditure <sup>(1)</sup>	83,406	81,095	85,082	85,945	91,952	11	11	11	11	12
<b>Public sector expenditure on services</b>	<b>675,813</b>	<b>687,755</b>	<b>701,618</b>	<b>711,577</b>	<b>736,027</b>	<b>92</b>	<b>92</b>	<b>93</b>	<b>92</b>	<b>93</b>
Accounting adjustments	58,000	62,690	55,149	60,384	57,798	8	8	7	8	7
<b>Total Managed Expenditure<sup>(2)</sup></b>	<b>733,813</b>	<b>750,445</b>	<b>756,767</b>	<b>771,961</b>	<b>793,825</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

(1) Includes the effect of financial sector interventions. See PESA 2018 Box 5.A for details.

(2) This excludes the temporary effects of banks being classified to the public sector. See PESA 2018 Box 5.A for details.



**Table 9.2 Total identifiable expenditure on services by country and region, per head 2013-14 to 2017-18 <sup>(1)</sup>**

	£ per head					Index (UK identifiable expenditure = 100)				
	National Statistics					National Statistics				
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn
North East	9,367	9,473	9,643	9,664	9,805	106	106	106	106	105
North West	9,125	9,292	9,420	9,445	9,807	103	104	104	103	105
Yorkshire and The Humber	8,519	8,716	8,837	8,847	8,966	97	97	97	97	96
East Midlands	8,053	8,236	8,250	8,286	8,388	91	92	91	91	90
West Midlands	8,501	8,795	8,717	8,863	8,967	96	98	96	97	96
East	7,828	8,056	8,170	8,136	8,359	89	90	90	89	89
London	9,900	9,887	10,105	10,089	10,378	112	110	111	110	111
South East	7,711	7,812	7,944	8,141	8,299	87	87	88	89	89
South West	8,169	8,345	8,383	8,491	8,628	93	93	92	93	92
<b>England</b>	<b>8,571</b>	<b>8,722</b>	<b>8,825</b>	<b>8,885</b>	<b>9,080</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>
Scotland	10,148	10,275	10,455	10,606	10,881	115	115	115	116	116
Wales	9,762	9,904	9,995	10,090	10,397	111	110	110	110	111
Northern Ireland	10,885	11,050	10,917	11,011	11,190	123	123	120	120	120
<b>UK identifiable expenditure</b>	<b>8,825</b>	<b>8,973</b>	<b>9,074</b>	<b>9,144</b>	<b>9,350</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

(1) Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2018 release for details.

**Table 9.3 Total identifiable expenditure on services by country and region in real terms <sup>(1)</sup>, 2013-14 to 2017-18**

	National Statistics					£ million
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
North East	26,004	26,046	26,360	25,965	25,931	
North West	68,929	69,591	70,401	69,528	71,185	
Yorkshire and The Humber	48,357	49,050	49,615	48,911	48,865	
East Midlands	39,379	40,097	40,195	39,898	40,024	
West Midlands	51,302	52,756	52,252	52,480	52,551	
East	49,544	50,894	51,704	50,812	51,562	
London	88,618	88,643	91,219	90,155	91,585	
South East	72,102	72,782	74,045	74,912	75,365	
South West	46,715	47,514	47,777	47,736	47,964	
<b>England</b>	<b>490,949</b>	<b>497,373</b>	<b>503,569</b>	<b>500,397</b>	<b>505,032</b>	
Scotland	57,490	57,689	58,508	58,412	59,028	
Wales	31,997	32,150	32,263	32,007	32,492	
Northern Ireland	21,178	21,352	21,054	20,894	20,934	
<b>UK identifiable expenditure</b>	<b>601,614</b>	<b>608,564</b>	<b>615,394</b>	<b>611,710</b>	<b>617,485</b>	
Outside UK	28,345	28,367	26,773	25,801	26,589	
<b>Total identifiable expenditure</b>	<b>629,959</b>	<b>636,931</b>	<b>642,167</b>	<b>637,511</b>	<b>644,075</b>	
Non-identifiable expenditure <sup>(2)</sup>	88,693	85,142	88,619	87,577	91,952	
<b>Total Expenditure on Services</b>	<b>718,652</b>	<b>722,073</b>	<b>730,786</b>	<b>725,088</b>	<b>736,027</b>	
Accounting adjustments	61,677	65,818	57,442	61,530	57,798	
<b>Total Managed Expenditure<sup>(3)</sup></b>	<b>780,328</b>	<b>787,891</b>	<b>788,228</b>	<b>786,618</b>	<b>793,825</b>	

(1) Real terms figures are the nominal figures adjusted to 2017-18 price levels using GDP deflators from the Office for National Statistics (released 28 September 2018).

(2) Includes the effect of financial sector interventions. See PESA 2018 Box 5.A for details.

(3) This excludes the temporary effects of banks being classified to the public sector. See PESA 2018 Box 5.A for details.

**Table 9.4 Total identifiable expenditure on services by country and region per head <sup>(1)</sup> in real terms <sup>(2)</sup>, 2013-14 to 2017-18**

	National Statistics					£ per head
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
North East	9,961	9,946	10,043	9,848	9,805	
North West	9,703	9,756	9,812	9,625	9,807	
Yorkshire and The Humber	9,059	9,151	9,205	9,015	8,966	
East Midlands	8,563	8,646	8,593	8,443	8,388	
West Midlands	9,040	9,234	9,079	9,031	8,967	
East	8,324	8,458	8,510	8,290	8,359	
London	10,528	10,380	10,525	10,280	10,378	
South East	8,200	8,202	8,274	8,296	8,299	
South West	8,687	8,761	8,732	8,652	8,628	
<b>England</b>	<b>9,114</b>	<b>9,157</b>	<b>9,192</b>	<b>9,054</b>	<b>9,080</b>	
Scotland	10,791	10,788	10,889	10,808	10,881	
Wales	10,380	10,398	10,410	10,281	10,397	
Northern Ireland	11,575	11,601	11,371	11,220	11,190	
<b>UK identifiable expenditure</b>	<b>9,385</b>	<b>9,421</b>	<b>9,452</b>	<b>9,318</b>	<b>9,350</b>	

(1) Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2018 release for details.

(2) Real terms figures are the nominal figures adjusted to 2017-18 price levels using GDP deflators from the Office for National Statistics (released 28 September 2018).

**Table C.1 Transactions with the institutions of the European Union, 2014-15 to 2018-19**

	£ million				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
GNI based contribution	14,154	12,570	11,440	11,761	14,606
UK abatement	-4,811	-4,068	-4,757	-4,547	-4,846
VAT-based payments to the EU <sup>(1)</sup>	2,316	2,751	2,477	2,974	3,138
<b>Net expenditure transfers to the EU</b>	<b>11,658</b>	<b>11,253</b>	<b>9,160</b>	<b>10,188</b>	<b>12,899</b>
Receipts to cover collection costs in respect of collecting Traditional Own Resources (TOR) <sup>(2)</sup>	-743	-771	-357	-698	-664
<b>to give contribution to TME <sup>(2)</sup></b>	<b>10,915</b>	<b>10,482</b>	<b>8,803</b>	<b>9,490</b>	<b>12,234</b>
TOR <sup>(2)</sup>	3,006	3,085	3,366	3,413	3,304
<b>Gross contribution to the EU budget</b>	<b>13,921</b>	<b>13,567</b>	<b>12,169</b>	<b>12,903</b>	<b>15,538</b>
Public sector EU receipts <sup>(3)</sup>	-4,690	-2,811	-4,081	-4,130	-4,360
<b>Net contributions to the EU budget</b>	<b>9,231</b>	<b>10,756</b>	<b>8,088</b>	<b>8,773</b>	<b>11,178</b>
less Other attributed costs <sup>(4)</sup>	-	-	-	-	-
<b>Net payments to EU institutions</b>	<b>9,231</b>	<b>10,756</b>	<b>8,088</b>	<b>8,773</b>	<b>11,178</b>

(1) VAT-based payments to the EU are included in the TME subtotal, reflecting changes in the European System of Accounts 2010.

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

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

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

**Table D.1 Pay as you go public service pensions schemes in AME and in TME, 2014-15 to 2018-19**

	£ million				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>Departmental AME (GAAP basis)</b>					
Change in liability <sup>(1)</sup>	34,769	37,596	36,245	54,213	82,105
Contributions received*	-24,676	-25,934	-26,802	-27,455	-28,507
Cash payments in OCS not covered by release of provision*	95	168	81	154	180
<b>Net public service pensions (GAAP basis) <sup>(2)</sup></b>	<b>10,188</b>	<b>11,830</b>	<b>9,524</b>	<b>26,912</b>	<b>53,777</b>
Unwinding of discount rate (= contribution to non-cash items)	46,255	42,882	42,002	42,663	40,041
<b>Total Departmental AME (GAAP basis)</b>	<b>56,443</b>	<b>54,712</b>	<b>51,526</b>	<b>69,575</b>	<b>93,819</b>
<b>Accounting adjustments</b>					
Remove change in liability	-34,769	-37,596	-36,245	-54,213	-82,105
Remove increased liability due to unwinding of discount rate	-46,255	-42,882	-42,002	-42,663	-40,041
Add pensions in payment covered by release of provision* <sup>+</sup>	34,222	35,327	35,533	36,475	38,248
<b>Accounting adjustments (Pensions)</b>	<b>-46,802</b>	<b>-45,150</b>	<b>-42,714</b>	<b>-60,401</b>	<b>-83,899</b>
<b>Contribution to TME (National Accounts basis)</b>	<b>9,641</b>	<b>9,561</b>	<b>8,812</b>	<b>9,174</b>	<b>9,920</b>
of which:					
Pensions in payment*	34,318	35,496	35,614	36,629	38,427
Contributions received*	-24,676	-25,934	-26,802	-27,455	-28,507

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

+ offsets change in gross liability.

(1) The increase in 2018-19 is due to higher provisions for past service costs.

(2) The change from 2017-18 is due to the reduction in the "discount rate net of CPI" used to measure the costs of public service pensions accruing over the year on an accounting basis.

Public Spending Statistics July 2019

Table E.1 Derivation of public sector expenditure on services from departmental groups' budgets, 2018-19

	Defence	Single Intelligence Account	Home Office	Foreign and Commonwealth Office	International Development	Health and Social Care	Work and Pensions	Education	Business, Energy and Industrial Strategy	Transport	Exiting the European Union	Digital, Culture, Media and Sport	Housing and Communities and Local Government	Scotland	Wales	Northern Ireland	Justice	Law Officers' Departments	Environment, Food and Rural Affairs	HM Revenue and Customs	HM Treasury	Cabinet Office	International Trade	Small and Independent Bodies	Local Government Expenditure	Total for all departments	
<b>Departmental Budgets</b>																											
Resource DEL	34,353	2,541	11,227	2,410	7,196	125,278	5,967	70,444	1,246	3,894	79	1,658	7,162	16,255	14,006	11,008	8,035	557	1,944	3,952	246	553	413	1,510	-	331,935	
Capital DEL	10,294	607	744	142	3,105	5,937	334	5,169	10,814	8,273	0	366	7,424	3,876	2,037	1,297	431	16	727	362	167	120	17	247	-	62,505	
Resource Departmental AME	4,679	22	2,695	31	-101	40,708	180,877	22,739	-105,625	7,657	-	4,739	21,387	17,919	262	9,955	1,301	2	-416	40,601	-15,254	14,245	0	-95	-	248,331	
Capital Departmental AME	-	-	-	-	736	-5	135	17,106	-417	5,225	-	453	-	809	698	374	-	-	0	2	-12,998	-	-	426	-	12,544	
<b>Remove</b>																											
Grants to local government	-	-	-11,694	-	-	-3,137	-20,686	-32,286	-28	-2,562	-	-240	-11,582	-8,343	-4,899	-169	-165	-	-296	-	-	-19	0	0	-	-96,105	
Capital grants to public corporations	-	-	-	-	-	-	-	0	-167	0	-	-1	-51	-25	0	-153	-	-	0	-	-	-	-	-	-	-397	
Depreciation	-6,708	-425	-303	-195	-6	-1,750	-88	-9,024	1,651	-7,163	0	-379	-191	-1,673	-698	-707	-574	-10	-200	-289	13,998	-50	-5	-136	-	-14,927	
Provisions	-2,777	-4	5	1	129	-39,826	1,618	-22,583	104,353	-431	-	-674	-13	-4,263	-103	-3,320	-1,209	2	266	-59	-103	-10,860	0	-277	-	19,873	
Financial transactions	-9	-	-	-	-453	100	-423	-17,136	334	3	-	27	-3,855	-1,022	-921	-250	-	-	-2	-	12,975	-	-	-427	-	-11,059	
Interest and dividends	-183	-29	-31	23	6	-333	24	5,449	151	-1,256	-	22	74	2	140	-16	-7	0	0	0	1,463	20	-	73	-	5,590	
Items classified as revenue in National Accounts	117	0	827	61	-414	-2,050	-221	-1,162	1,990	4,874	-	1,052	71	48	46	3	1,294	34	301	16	517	16	39	197	-	7,654	
EU receipts	-	-	-	-	-	-	602	198	26	48	-	-	568	708	689	432	-	-	2,477	-	-	-	-	-	-	5,748	
Other items not in TME	258	49	-213	-	-314	-730	-319	64	-94	508	-	210	-19,652	-338	-273	8	1	23	18	-49	-	6	-	-15	-	-20,852	
<b>Add</b>																											
Local government current expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	131,898	131,898	
Local government capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,016	20,016	
Northern Ireland locally financed expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	625	-	-	-	-	-	-	-	-	-	625	
Public corporations' capital expenditure	-	-	-	-	-	-	3	-	-	1,713	-	-	2,725	1,316	322	167	-	-	3	-	236	-	-	-	-	6,485	
Public sector debt interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,849	-	-	-	649	38,498	
EU transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,874	-	-	-	-	7,874	
Loans written off by mutual consent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Public sector expenditure on services</b>	<b>40,025</b>	<b>2,761</b>	<b>3,257</b>	<b>2,473</b>	<b>9,884</b>	<b>124,193</b>	<b>167,824</b>	<b>38,978</b>	<b>14,234</b>	<b>20,781</b>	<b>79</b>	<b>7,232</b>	<b>4,066</b>	<b>25,267</b>	<b>11,306</b>	<b>19,254</b>	<b>9,106</b>	<b>625</b>	<b>4,822</b>	<b>44,537</b>	<b>46,971</b>	<b>4,032</b>	<b>464</b>	<b>1,502</b>	<b>152,563</b>	<b>756,237</b>	

£ million

## GDP DEFLATORS AND POPULATION NUMBERS

### GDP DEFLATORS

F.1 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 2018-19 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<sup>5</sup>.

**Table F.1 GDP deflators and money GDP**

<b>Data are based on the June 2019 National Accounts figures from ONS</b>			
<b>Financial year</b>	<b>GDP deflator at market prices</b>		<b>Money GDP £ million</b>
	<b>2018-19 = 100</b>	<b>Per cent change on previous year</b>	
1976-77	16.822	13.92	142,000
1977-78	19.137	13.77	165,996
1978-79	21.280	11.20	192,181
1979-80	24.872	16.88	232,495
1980-81	29.639	19.16	267,471
1981-82	32.753	10.51	297,954
1982-83	35.139	7.29	327,120
1983-84	36.809	4.75	357,828
1984-85	38.885	5.64	385,681
1985-86	41.021	5.49	423,462
1986-87	42.718	4.14	455,085
1987-88	45.107	5.59	510,371
1988-89	48.031	6.48	569,310
1989-90	51.730	7.70	627,117
1990-91	55.970	8.20	676,943
1991-92	59.185	5.74	712,877
1992-93	60.682	2.53	734,387
1993-94	62.158	2.43	778,018
1994-95	62.909	1.21	815,769
1995-96	64.841	3.07	859,841
1996-97	67.125	3.52	916,578
1997-98	67.569	0.66	959,331
1998-99	68.441	1.29	1,003,372
1999-00	68.703	0.38	1,045,091

<sup>5</sup> <https://www.gov.uk/government/collections/gdp-deflators-at-market-prices-and-money-gdp>

**Table F.1 GDP deflators and money GDP (cont.)**

Financial year	GDP deflator at market prices		Money GDP
	2018-19 = 100	Per cent change on previous year	£ million
2000-01	70.252	2.25	1,099,246
2001-02	70.955	1.00	1,141,377
2002-03	72.715	2.48	1,200,616
2003-04	74.224	2.08	1,268,445
2004-05	76.224	2.69	1,327,919
2005-06	78.222	2.62	1,412,939
2006-07	80.547	2.97	1,487,530
2007-08	82.543	2.48	1,558,747
2008-09	84.783	2.71	1,563,555
2009-10	85.984	1.42	1,547,137
2010-11	87.584	1.86	1,606,602
2011-12	88.736	1.31	1,650,370
2012-13	90.522	2.01	1,710,685
2013-14	92.183	1.83	1,781,350
2014-15	93.367	1.28	1,855,049
2015-16	94.114	0.80	1,912,472
2016-17	96.258	2.28	1,989,398
2017-18	98.199	2.02	2,067,387
2018-19	100.000	1.83	2,135,752
GDP Deflator:	Financial years taken from ONS series L8GG.		
Money GDP:	Taken from ONS series BKTL.		

**F.2** Please note that these deflators do not apply to the real terms Country and Regional Analysis (CRA) tables 9.3 and 9.4 that were originally published in November 2018.

## POPULATION NUMBERS BY COUNTRY AND REGION

**F.3** The population numbers used in Chapters 9 are derived from ONS's mid-year estimates as used in the November 2018 Country and Regional Analysis release. This can be found at the link below:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/759560/Country\\_and\\_Regional\\_Analysis\\_November\\_2018\\_rvsd.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/759560/Country_and_Regional_Analysis_November_2018_rvsd.pdf)

ONS's most recent mid-year population estimates for the UK are directly available from the link below:

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland>