



HM Treasury



Statistical Bulletin: Public Spending Statistics November 2019

This release presents updated Public Spending data for the years 2014-15 to 2018-19. All data in this release are National Statistics and are on an outturn basis. Further background detail is found in the accompanying material published alongside this release. **We welcome any feedback on this release at: statistics-enquiries@hmtreasury.gov.uk**

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

In this release

◆ *Background: Page 3* ◆ *Charts on the key data: Page 6* ◆ *Statistical Tables: Page 8*

KEY POINTS IN THIS RELEASE

- Total DEL expenditure (Resource DEL excluding depreciation plus Capital DEL) was £371.1 billion in 2018-19, an increase of £12.3 billion or 3.4 per cent on the previous year in nominal terms.
- Total Managed Expenditure (TME) was £852.8 billion in 2018-19, an increase of 2.3 per cent on the previous year.
- Total expenditure on services was £773.1 billion in 2018-19, an increase of 3.0 per cent on the previous year.
- Total departmental expenditure (Total DEL plus resource and capital departmental AME) was £627.1 billion in 2018-19, a decrease of £185.7 billion or 22.8 per cent on the previous year. This is mainly due to a larger than normal figure for Resource departmental AME in 2017-18, which reflected a significant change in the accounting valuation of provisions following a change in the long-term Treasury discount rate.

KEY REVISIONS IN THIS RELEASE (SINCE JULY 2019 PUBLICATION)

- Total DEL expenditure (Resource DEL excluding depreciation and Capital DEL) has been revised up by £26m in 2018-19 and depreciation in Resource DEL has been revised up by £228m in the same year. The latter is mainly due to revisions to Ministry of Defence outturn data. Resource departmental AME has been revised down by £4,806m, driven mainly by the Ministry of Defence, the Armed Forces Pension and Compensation Schemes, HM Revenue and Customs and the Department for Transport. The changes reflect departments revising data in line with their 2018-19 resource accounts.
- Final capital outturn and provisional revenue outturn data for English local authorities in 2018-19 has been included in this release, as has final outturn data (capital and revenue) for Welsh local authorities.
- Changes to Total Managed Expenditure (TME) and public sector debt interest in all years are due to updated ONS data. More information about these changes is available in the monthly ONS public sector finances (PSF) release:
<https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicsectorfinance/bulletins/publicsectorfinances/september2019>

UPCOMING REVISIONS AND CHANGES TO THE PRESENTATION IN FORTHCOMING RELEASES

The next HM Treasury Public Spending National Statistics release will be in February 2020.

FORTHCOMING CHANGES TO THE SPENDING FRAMEWORKS USED IN THIS RELEASE

No changes are expected for the next release.

PUBLIC SPENDING STATISTICS PUBLICATION SCHEDULE FOR THE COMING YEAR

FEB 2020	This release contains updates to the key Public Spending Statistics series. It includes updated data for local authorities for the previous financial year.
MAY 2020	Contains updates to the key Public Spending Statistics series. May is the first publication in which full outturn data for the previous financial year is published, incorporating final data for all local authorities and devolved administrations.
JULY 2020	The July Public Spending Statistics release contains the first publication of departmental spending outturn for the 2019-20 financial year. Local authority data and much of the data from the devolved administrations are still provisional at this stage of the year. This is the main annual release.
NOV 2020	As well as the PSS release, the Country and Regional Analysis is also published in November each year.

BACKGROUND

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

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

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

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

Spending frameworks used in HM Treasury spending publications

Budgeting

This framework provides information on central government departmental budgets, which are the aggregates used by the Government to plan and control expenditure. It covers departmental own spending as well as support to local government and public corporations.

Expenditure on services

This framework is used in HM Treasury publications for statistical analysis. It is based on National Accounts definitions and covers spending by the whole of the public sector. It therefore has wider coverage than the budgeting framework and is also more stable over time.

BUDGETING STATISTICS

DEPARTMENTAL EXPENDITURE LIMITS

- Total DEL expenditure (Resource DEL excluding depreciation plus Capital DEL) was £371.1 billion in 2018-19, an increase of £12.3 billion or 3.4 per cent on the previous year in nominal terms.

ANNUALLY MANAGED EXPENDITURE

- Resource departmental AME was £243.5 billion in 2018-19, a decrease from £432.9 billion in 2017-18. The increased resource departmental AME expenditure in 2017-18 reflects a significant change in the accounting valuation of provisions as a result of changes in the long-term Treasury discount rate which inflated the present value of expected future long-term costs. The largest decrease in 2018-19 was for Business, Energy and Industrial Strategy (£181 billion) which mainly reflected lower provisions for the Nuclear Decommissioning Authority (NDA). This was a non-cash charge.

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

Compared with the previous year;

- In real terms, spending on seven of the ten functions (not including EU transactions) increased during 2018-19, whilst the remaining three showed a decrease.
- The largest real terms growth in expenditure in percentage terms was on Economic affairs which increased by 12.6 per cent. This was followed by Housing and community amenities which grew by 4.8 per cent and Defence and Health which grew by 2.1 per cent and 1.9 per cent on 2017-18 respectively.
- The largest real terms fall in spending was in Environment protection which went down by 7.6 per cent. General public services and Recreation, culture and religion fell by 6.6 per cent and 2.9 per cent respectively.

EXPENDITURE ON SERVICES STATISTICS

- During the recession, as GDP shrank but spending increased, TME took an increasingly large share of national income. As a result, TME as a percentage of GDP peaked at 46.3 per cent in 2009-10. In the subsequent years, TME as a percentage of GDP has been decreasing. In 2018-19 it stood at 39.4 per cent of GDP (Table 10b).
- In 2018-19 public expenditure on Health was equal to 7.1 per cent of GDP, compared to 4.6 per cent in 1997-98. Education spending stood at 4.0 per cent in 1997-98 compared to 4.1 per cent of GDP in 2018-19. These changes reflect a mix of demographics and the policy priorities of successive governments.
- The share of GDP taken by public sector debt interest payments was 2.6 per cent in 2018-19. This compares with a peak of 3.7 per cent last seen in 1997-98, when interest rates were significantly higher than now.
- In real terms (i.e. after adjusting for the effect of inflation);
 - Spending on Social Protection was £275.1 billion in 2018-19, up from £273.8 billion in the previous year.
 - Health spending (including spending by central government departments and devolved administrations) was £152.9 billion in 2018-19, compared to £150.1 billion spent in 2017-18.

CHARTS

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

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

Between 1997-98 and 2018-19 the Health function has had the highest rate of real terms growth.

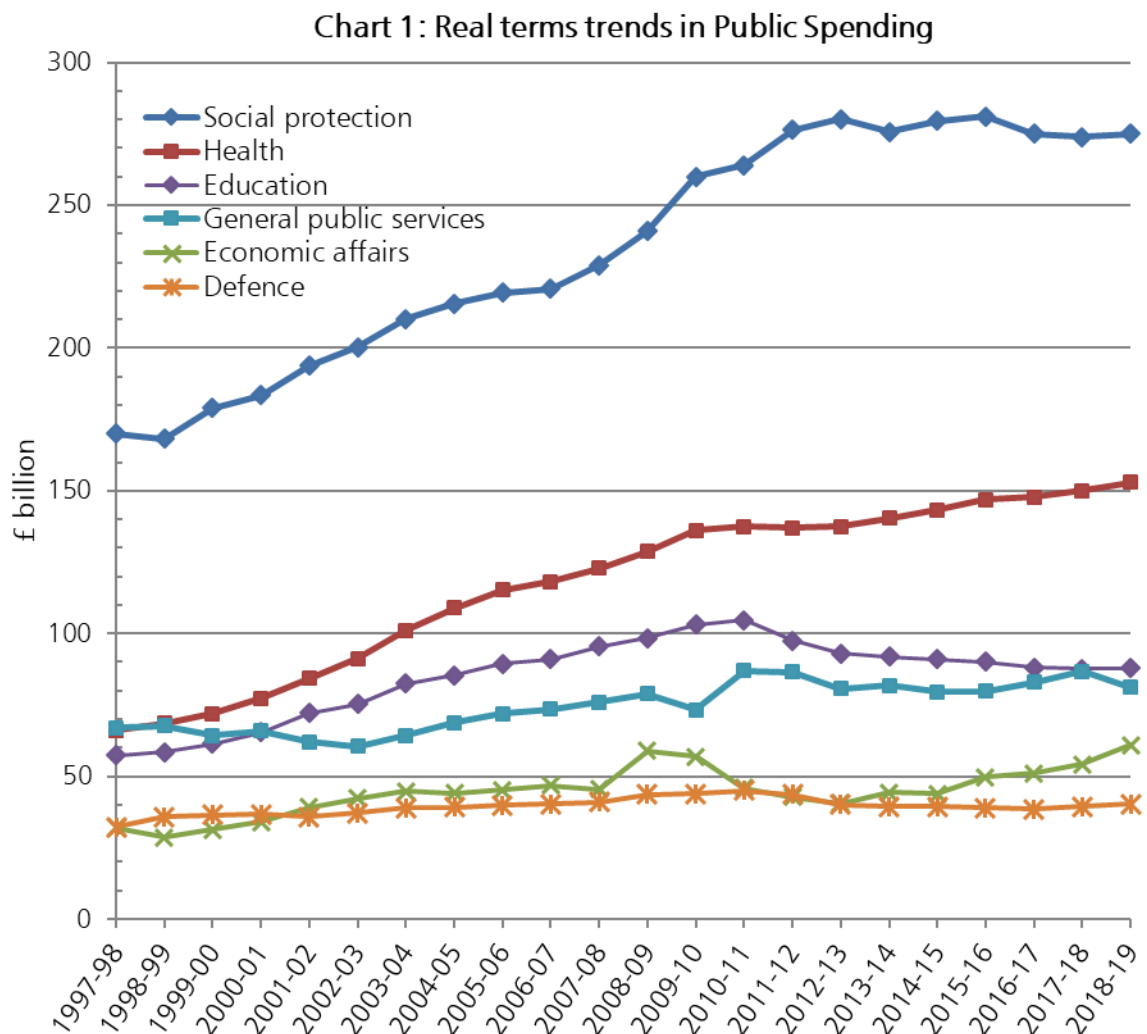
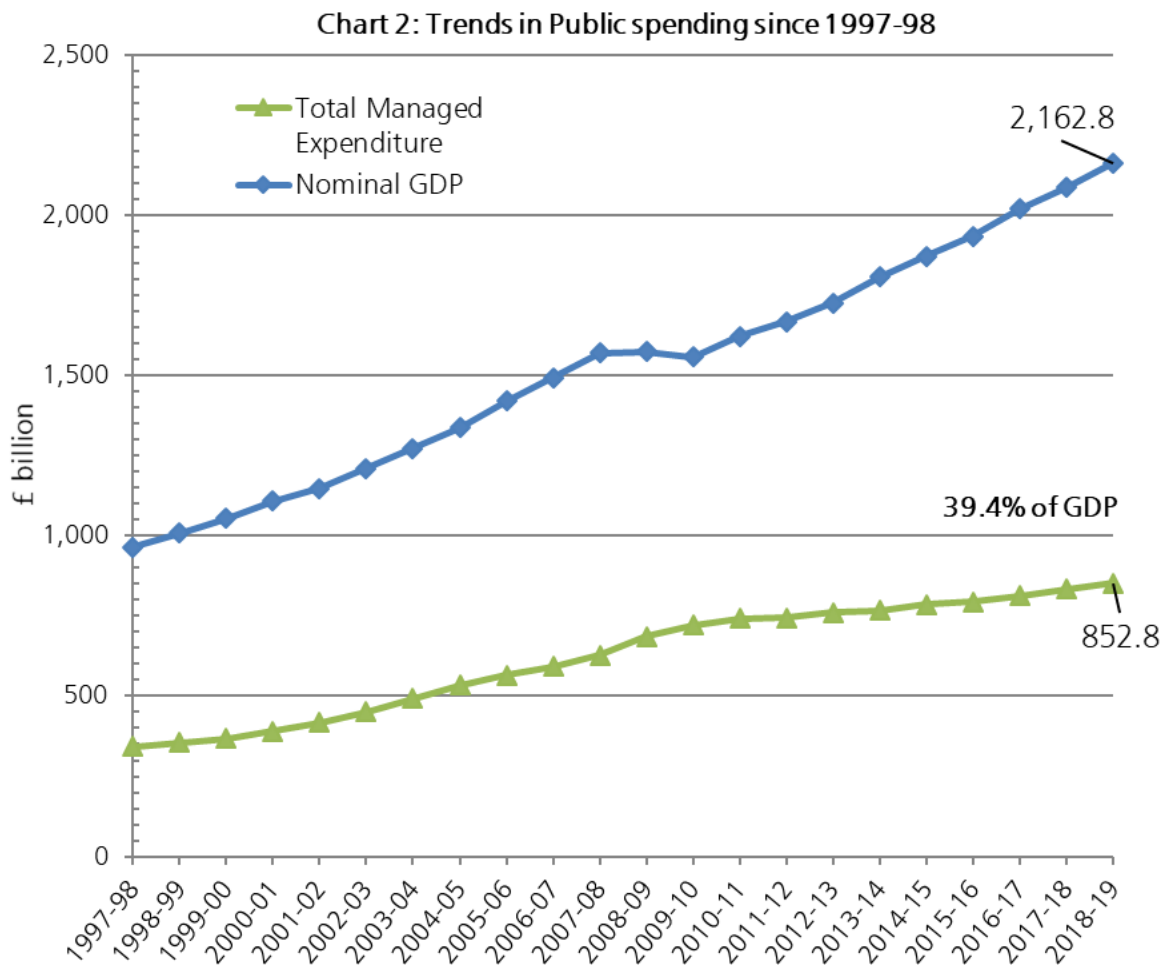


Chart 2 shows trends in overall spending compared with overall nominal GDP. The ratio between TME and GDP is a measure of the size of government relative to the rest of the economy.



NATIONAL STATISTICS

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

Designation can be broadly interpreted to mean that the statistics:

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

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

Table 1 Total Managed Expenditure, 2014-15 to 2018-19

	£ million				
	National Statistics				
	2014-15	2015-16	2016-17	2017-18	2018-19
	outturn	outturn	outturn	outturn	outturn
CURRENT EXPENDITURE					
<i>Resource DEL</i>					
Resource DEL excluding depreciation	307,918	306,748	304,332	303,197	308,584
Depreciation in resource DEL	17,169	18,742	25,247	28,637	23,599
Total resource DEL	325,087	325,490	329,580	331,833	332,183
<i>Resource departmental AME</i>					
Social security benefits	184,185	187,687	189,298	192,728	199,381
Tax credits ⁽¹⁾	29,187	28,482	27,393	26,293	22,345
Net public service pensions ⁽²⁾	10,188	11,830	9,524	26,912	53,001
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	-60,740
Financial sector interventions	-48,669	-12,492	-24,832	-216	-15,090
Other departmental expenditure	14,990	14,075	25,814	38,616	46,007
Total resource departmental AME	254,308	417,971	291,574	432,919	243,525
<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	48,796
Accounting adjustments ⁽³⁾	40,480	-117,102	12,327	-122,810	84,362
Total resource other AME	123,064	-30,429	104,102	-23,677	181,551
Total resource AME	377,372	387,542	395,676	409,242	425,076
Public sector current expenditure	702,459	713,032	725,256	741,075	757,259
CAPITAL EXPENDITURE					
<i>Capital DEL</i>					
Total capital DEL	53,252	48,603	51,268	55,568	62,511
<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	-3,887
Total capital departmental AME	5,024	-9,257	3,179	21,127	12,485
<i>Capital other AME</i>					
Locally financed expenditure	6,549	8,582	8,860	13,649	14,142
Public corporations' own-financed capital expenditure	18,148	14,857	16,939	15,479	9,802
Accounting adjustments ⁽³⁾	-366	17,603	7,046	-12,922	-3,376
Total capital other AME	24,331	41,041	32,845	16,206	20,568
Total capital AME	29,355	31,784	36,024	37,332	33,053
Public sector gross investment ⁽³⁾	82,607	80,387	87,292	92,900	95,564
<i>less public sector depreciation</i>	46,361	47,273	48,521	48,976	48,790
Public sector net investment ⁽³⁾	36,246	33,114	38,771	43,924	46,774
TOTAL MANAGED EXPENDITURE ^{(3) (4)}	785,066	793,419	812,548	833,975	852,823
<i>of which:</i>					
Total DEL ⁽⁴⁾	361,170	355,351	355,601	358,764	371,095
Departmental AME	259,332	408,713	294,752	454,045	256,010
Other AME	164,564	29,355	162,195	21,166	225,718

(1) Tax credits include working tax credits, stakeholder pension credits and Child Tax Credits. Child allowances paid as part of Income Support, Jobseekers' Allowance, and/or Universal credit 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) This excludes the temporary effects of banks being classified to the public sector. See Box 2.A in Chapter 2 of PESA.

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

Table 2 Resource DEL, 2014-15 to 2018-19

£ million

	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
Resource DEL by departmental group					
Defence	34,155	34,424	35,423	34,199	34,571
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	3,460	3,029	2,927	3,673	3,902
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 ⁽¹⁾	26,376	26,338	21,377	14,946	16,255
Wales	14,203	13,329	13,325	14,002	14,009
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	1,963
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
Total resource DEL	325,087	325,490	329,580	331,833	332,183

(1) The Scottish Government's 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.

Table 3 Resource departmental AME, 2014-15 to 2018-19

£ million

	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
Resource departmental AME by departmental group					
Defence ⁽¹⁾	8,311	12,020	5,125	16,675	594
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 ⁽¹⁾	21,952	48,530	27,782	39,657	40,645
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 ⁽¹⁾	8,949	102,217	3,781	75,398	-105,625
Transport ⁽²⁾	-264	5,680	6,457	6,989	7,456
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⁾	3,858	3,951	9,203	17,123	17,919
Wales	32	-311	240	177	260
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	-501
HM Revenue and Customs	42,931	43,194	42,329	41,845	40,232
HM Treasury ⁽⁴⁾	-49,912	-13,778	-25,452	-684	-15,254
Cabinet Office	10,573	10,366	9,140	11,203	14,247
International Trade	0	0	-	0	0
Small and Independent Bodies	-129	-336	-101	-88	-95
Total resource departmental AME	254,308	417,971	291,574	432,919	243,525

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

(2) Following implementation of ESA 2010, Network Rail is now classified to Central Government. The Transport analysis shown includes Network Rail spending from 2015-16 onwards.

(3) The Scottish Government's 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) Transactions have been affected by financial sector interventions, see Box 2.A in Chapter 2 of PESA 2019.

Table 4 Capital DEL, 2014-15 to 2018-19

	£ million				
	National Statistics				
	2014-15	2015-16	2016-17	2017-18	2018-19
	outturn	outturn	outturn	outturn	outturn
Capital DEL by departmental group					
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	5,941
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 ⁽¹⁾	9,446	6,001	5,419	6,175	8,274
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	2,036
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	729
HM Revenue and Customs	234	228	326	281	362
HM Treasury	36	-660	-2	-78	167
Cabinet Office	106	39	121	191	118
International Trade	2	2	6	16	17
Small and Independent Bodies	83	90	103	289	247
Total capital DEL	53,252	48,603	51,268	55,568	62,511

(1) Following implementation of ESA 2010, Network Rail is now classified to Central Government. The Transport analysis shown includes Network Rail spending from 2015-16 onwards.

Table 5 Capital departmental AME, 2014-15 to 2018-19

£ million

	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
Capital departmental AME by departmental group					
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 ⁽¹⁾	6,695	6,544	6,855	7,291	5,168
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	0
HM Treasury ⁽²⁾	-12,715	-29,066	-19,732	-3,697	-12,998
Small and Independent Bodies	-23	34	251	168	426
Total capital departmental AME	5,024	-9,257	3,179	21,127	12,485

(1) 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.

(2) Transactions have been affected by financial sector interventions, see Box 2.A in Chapter 2 of PESA 2019.

Table 6 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
Resource DEL excluding depreciation by departmental group					
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	2,468	1,913	1,585	2,110	2,479
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 ⁽¹⁾	25,623	25,566	20,598	14,177	14,742
Wales	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	1,765
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	502
International Trade	277	339	343	378	408
Small and Independent Bodies	1,215	1,275	1,411	1,528	1,407
Total Resource DEL excluding depreciation	307,918	306,748	304,332	303,197	308,584

(1) The Scottish Government's 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.

Table 7 Total Departmental Expenditure Limits ⁽¹⁾, 2014-15 to 2018-19

	£ million				
	National Statistics				
	2014-15	2015-16	2016-17	2017-18	2018-19
	outturn	outturn	outturn	outturn	outturn
Total DEL by departmental group					
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	130,300
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 ⁽²⁾	11,914	7,914	7,004	8,284	10,753
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 ⁽³⁾	28,912	28,730	23,846	17,802	18,617
Wales	15,255	14,358	14,521	15,115	15,341
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	2,494
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	620
International Trade	279	341	349	394	425
Small and Independent Bodies	1,298	1,366	1,514	1,817	1,655
Total DEL	361,170	355,351	355,601	358,764	371,095

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

(2) Following implementation of ESA 2010, Network Rail is now classified to Central Government. The Transport analysis shown includes Network Rail spending from 2015-16 onwards.

(3) The Scottish Government's 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.

Table 8 Total Managed Expenditure by departmental group and other expenditure , 2014-15 to 2018-19

	£ million				
	National Statistics				
	2014-15	2015-16	2016-17	2017-18	2018-19
	outturn	outturn	outturn	outturn	outturn
Total Managed Expenditure by departmental group					
Defence	42,729	47,148	40,406	53,324	38,621
Single Intelligence Account	2,197	2,478	2,537	2,615	2,763
Home Office	14,141	12,973	13,618	13,726	14,364
Foreign and Commonwealth Office	1,800	1,932	1,941	1,951	2,409
International Development	9,802	9,906	10,464	10,984	10,930
Health and Social Care ⁽¹⁾	135,292	165,784	148,380	164,813	170,940
Work and Pensions	174,814	179,808	179,205	183,649	187,107
Education	88,063	81,502	89,494	96,143	106,505
Business, Energy and Industrial Strategy ⁽¹⁾	18,773	112,936	16,093	86,041	-94,292
Transport ⁽²⁾	18,346	20,138	20,316	22,565	23,377
Exiting the European Union	7	7	22	56	79
Digital, Culture, Media and Sport	7,348	6,456	7,188	6,657	7,082
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	33,210	33,425	33,859	35,884	37,345
Wales	15,643	14,435	15,183	15,796	16,299
Northern Ireland	19,592	19,647	19,642	20,417	22,109
Justice	7,444	7,643	7,882	7,793	9,243
Law Officers' Departments	563	533	537	580	566
Environment, Food and Rural Affairs	2,433	2,525	2,293	2,258	1,993
HM Revenue and Customs	46,356	46,724	46,213	45,775	44,257
HM Treasury ⁽³⁾	-62,468	-43,383	-45,031	-4,242	-27,844
Cabinet Office	11,120	10,827	9,717	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
Total departmental expenditure ⁽⁴⁾	620,500	764,063	650,352	812,810	627,107
Central government gross debt interest	45,371	45,127	48,659	55,037	48,796
Locally financed expenditure	25,555	30,294	33,956	33,908	35,495
Public sector depreciation	46,361	47,273	48,521	48,976	48,790
Net expenditure transfers to the EU	11,658	11,253	9,160	10,188	12,899
Public corporations' own-financed capital expenditure	18,148	14,857	16,939	15,479	9,802
Accounting adjustments	17,473	-119,447	4,961	-142,423	69,935
Total other expenditure ⁽⁵⁾	164,566	29,356	162,196	21,165	225,716
Total Managed Expenditure ⁽⁶⁾	785,066	793,419	812,548	833,975	852,823

(1) Figures in 2015-16 and 2017-18 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 ESA 2010, Network Rail is now classified to Central Government. The Transport analysis shown includes Network Rail spending from 2015-16 onwards.

(3) Transactions have been affected by financial sector interventions, see Box 2.A in Chapter 2 of PESA 2019.

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

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

(6) This excludes the temporary effects of banks being classified to the public sector. See Box 2.A in Chapter 2 of PESA 2019.

Table 9 Accounting adjustments ⁽¹⁾, 2014-15 to 2018-19

	£ billion				
	National Statistics				
	2014-15	2015-16	2016-17	2017-18	2018-19
	outturn	outturn	outturn	outturn	outturn
Remove data in budgets which form part of public sector current expenditure but where a different source is used for National Accounts					
Resource DEL					
Capital consumption (excluding NHS)	-15.0	-14.6	-15.3	-13.9	-14.2
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
Total resource DEL	-17.7	-17.3	-17.8	-16.6	-16.9
Resource departmental AME					
Capital consumption	-1.2	-6.3	-6.7	-6.3	-6.5
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
Total resource departmental AME	1.1	-3.5	-5.2	-4.8	-1.5
Adjustment for different data used by OBR in PSCE forecast	-	-	-	-	-
<i>of which DEL</i>	-	-	-	-	-
<i>of which AME</i>	-	-	-	-	-
Total resource budget data replaced by different source data	-16.5	-20.8	-23.0	-21.4	-18.5
Remove data in budgets which do not form part of public sector current expenditure					
Resource DEL					
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 ⁽²⁾	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	1.4
Total resource DEL	2.4	0.6	-5.7	-11.7	-4.4
Resource departmental AME					
Impairments	43.9	-5.0	22.4	-6.0	15.2
Bad debts	-0.4	-0.4	-0.2	-0.4	-0.6
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	107.8
Change in pension scheme liabilities	-34.8	-37.6	-36.2	-54.2	-81.3
Unwinding of discount rate on pension scheme liabilities	-46.3	-42.9	-42.0	-42.7	-40.1
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
Total resource departmental AME	-11.2	-163.8	-30.0	-157.9	39.9
Total resource budget data not in public sector current expenditure	-8.8	-163.2	-35.7	-169.6	35.5

Table 9 Accounting adjustments ⁽¹⁾, 2014-15 to 2018-19 (continued)

	£ billion				
	National Statistics				
	2014-15	2015-16	2016-17	2017-18	2018-19
	outturn	outturn	outturn	outturn	outturn
Central government adjustments in National Accounts					
Expenditure on goods and services	36.3	34.3	38.4	34.1	34.2
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	25.9	26.7	27.6	28.2	28.4
of which: ONS R&D Adjustment	-	-2.7	-	-	-
of which: Network Rail	-	-	-	-	-
of which: other	5.8	5.9	6.6	-1.3	-1.5
Net social benefits ⁽²⁾	1.1	0.2	0.9	0.4	1.2
of which: switch between benefits and other current grants	0.3	0.1	-	-	-
of which: other	0.9	0.2	0.9	0.4	1.2
Net current grants abroad	0.7	1.1	0.8	0.7	1.0
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	1.0
Other current grants	0.5	0.0	-2.8	-0.2	-0.1
of which: switch between other current grants and benefits	-0.3	-0.1	-	-	-
of which: other	0.7	0.1	-2.8	-0.2	-0.1
Subsidies	4.6	5.9	7.7	9.0	8.4
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	1.3	1.6	2.5	2.2	-0.2
VAT and GNI based EU contributions	0.1	0.0	0.4	0.0	0.0
of which: other	0.1	0.0	0.4	0.0	0.0
Total central government resource adjustments	43.3	41.6	45.4	44.0	44.7
Local government adjustments in National Accounts					
Remove data which do not form part of public sector current expenditure	-0.6	-0.6	-0.7	-0.7	0.6
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	-	-	-	-	-
of which: other	0.1	0.1	-0.1	-0.1	1.2
Adjustments to reconcile use of different data sources	-3.2	-2.4	-2.7	-3.5	-6.6
of which: central government support	-1.3	-1.6	-1.7	-2.3	-5.2
of which: debt interest	0.0	0.4	0.4	0.2	0.1
of which: police and fire top up grants	-	-	-	-	-
of which: other	-1.8	-1.2	-1.3	-1.3	-1.5
Expenditure on goods and services	19.1	19.1	20.1	20.1	19.2
of which: VAT refunds	6.6	7.6	7.8	7.4	7.4
of which: Local Authority Pension Scheme	0.2	0.4	0.2	0.1	0.0
of which: capital consumption	11.3	11.6	12.0	12.4	12.7
of which: rates	-1.4	-1.4	-1.4	-1.4	-1.4
of which: other	2.5	0.9	1.6	1.6	0.5
Subsidies	0.6	0.6	0.8	1.1	1.6
of which: equity injection into Housing Revenue Account	0.6	0.6	0.8	1.1	1.6
of which: other	0.0	-	-	-	-
Net social benefits	0.5	0.7	0.7	0.5	0.5
of which: housing benefits and rent rebates	0.0	0.0	0.0	-0.2	-0.2
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
Total local government resource adjustments	16.5	17.5	18.3	17.6	15.4
Other resource adjustments					
Public corporations	18.7	19.6	20.3	19.9	18.4
Asset Purchase Facility and Special Liquidity Scheme	-12.4	-11.7	-13.2	-13.5	-11.3
Other	-0.2	-0.1	0.2	0.2	0.1
Total other resource adjustments	6.0	7.8	7.4	6.6	7.2
Total resource adjustments	40.5	-117.1	12.3	-122.8	84.4
of which:					
Timing adjustments ⁽³⁾					
Central government	9.8	6.5	5.6	-0.4	-0.8
Local government	2.9	1.7	2.3	2.5	1.2

Table 9 Accounting adjustments, ⁽¹⁾ 2014-15 to 2018-19 (continued)

	£ billion				
	National Statistics				
	2014-15	2015-16	2016-17	2017-18	2018-19
	outturn	outturn	outturn	outturn	outturn
Remove data in budgets which form part of public sector gross investment but where a different source is used for National Accounts					
Capital DEL					
Change in inventories	0.1	0.0	-0.3	-0.7	-0.7
Acquisitions less disposals of valuables	0.0	0.0	0.0	-0.1	0.0
Total capital DEL	0.1	0.0	-0.3	-0.8	-0.7
Adjustment for different data used by OBR in PSGI forecast	-	-	-	-	-
of which DEL	-	-	-	-	-
of which AME	-	-	-	-	-
Total capital budget data replaced by different source data	0.1	0.0	-0.3	-0.8	-0.7
Remove data in budgets which do not form part of public sector gross investment					
Capital DEL					
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
Total Capital DEL	-0.7	-1.8	-5.4	-4.8	-4.8
Capital departmental AME					
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 ⁽²⁾	-0.2	-0.3	-0.2	0.0	-0.1
Other	-6.5	-0.3	-0.4	-1.1	0.5
Total capital departmental AME	-5.0	16.5	4.0	-14.7	-6.7
Total capital budget data not in public sector gross investment	-5.7	14.6	-1.4	-19.5	-11.4
Central government adjustments in National Accounts					
Gross fixed capital formation	5.7	-0.3	0.0	-1.0	-1.3
of which: profit or loss - sale of other assets (from resource budgets)	-0.2	-0.3	-0.4	-0.1	-0.2
of which: Network Rail	-	-	-	-	-
of which: Single use military expenditure	-0.3	-	-	-	-
of which: other	6.2	0.0	0.4	-0.9	-1.1
Capital grants to and from the private sector	-1.5	5.2	8.2	9.7	11.1
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	2.6	5.2	8.1	9.6	11.0
Total central government capital adjustments	4.2	4.9	8.2	8.7	9.8
Local government adjustments in National Accounts					
Adjustments to reconcile use of different data sources	-3.6	-4.8	-3.3	-4.3	-5.5
of which: overhanging debt	-	-	-	-	-
of which: central government support	0.8	1.0	0.7	-0.5	-0.6
of which: financial transactions	-2.8	-4.4	-2.5	-2.3	-3.1
of which: capital grants from private sector	-1.5	-1.4	-1.5	-1.5	-1.8
Gross fixed capital formation	3.6	3.8	3.5	2.9	2.0
of which: VAT refunds	2.0	2.1	1.7	2.0	2.2
of which: roads de-trunking	-	-	-	-	-
of which: other	1.6	1.7	1.8	0.9	-0.2
Capital grants	-0.3	0.1	-0.2	-0.6	0.9
of which: grants to public corporations	-	-	-	-	-
of which: other	-0.3	0.1	-0.2	-0.6	0.9
Total local government capital adjustments	-0.2	-0.9	0.0	-1.9	-2.7
Other capital adjustments					
Public corporations	-0.7	0.1	-0.1	0.3	0.3
Housing Revenue Account reform receipts	-	-0.9	-	-	0.0
Other	1.9	-0.2	0.6	0.4	1.4
Total other capital adjustments	1.2	-1.0	0.5	0.7	1.7
Total capital adjustments	-0.4	17.6	7.0	-12.9	-3.4
of which:					
Timing adjustments ⁽³⁾					
Central government	8.3	5.3	7.7	7.5	8.7
Local government	0.3	0.3	0.2	-0.7	-0.9

(1) The accounting adjustments are described in Annex D of PESA 2019.

(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 10 Public sector expenditure on services by function, 1997-98 to 2018-19

	National Statistics																					£ billion
	cash		accruals																			
	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	
1. General public services	45.2	46.3	44.1	46.1	44.0	43.9	47.6	52.4	56.1	59.0	62.5	66.7	62.8	75.9	76.8	73.0	75.3	74.4	75.3	80.0	85.2	81.1
<i>of which: public and common services</i>	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	12.5
<i>of which: international services</i>	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	12.0
<i>of which: public sector debt interest</i>	35.9	35.9	32.4	34.0	30.5	29.6	31.6	34.8	37.1	40.0	43.3	46.3	41.9	55.3	57.6	54.1	54.3	52.3	53.8	56.6	62.1	56.6
2. Defence ⁽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	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	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	61.0
<i>of which: enterprise and economic development ⁽²⁾</i>	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	13.3
<i>of which: science and technology</i>	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>	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>	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 ^{(3), (4)}</i>	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	32.9
5. Environment protection	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	11.1
6. Housing and community amenities	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	12.1
7. Health	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	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	11.4
9. Education ⁽⁵⁾	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	87.9
10. Social protection	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	275.1
EU transactions ⁽⁶⁾	-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
Public sector expenditure on services	314.8	324.9	338.3	360.4	384.0	411.0	447.9	480.5	511.7	534.3	566.7	616.0	652.5	673.2	675.5	679.2	690.4	703.3	717.9	727.0	750.6	773.1
Accounting adjustments	28.5	29.3	29.5	30.1	32.9	40.0	45.4	52.6	53.6	57.2	61.4	69.5	68.5	69.5	69.7	81.0	76.4	81.7	75.5	85.5	83.4	79.7
Total Managed Expenditure ⁽⁷⁾	343.3	354.2	367.8	390.5	416.9	451.0	493.2	533.1	565.3	591.5	628.1	685.5	721.0	742.7	745.2	760.2	766.8	785.1	793.4	812.5	834.0	852.8

(1) The 2019 Spending Round 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

(2) Transactions in 2008-09 onwards have been affected by financial sector interventions. Details are provided in PESA 2019 chapter 2 Box 2.A.

(3) Following implementation of ESA 2010, Network Rail is now classified to Central Government. The Transport analysis shown includes Network Rail spending from 2015-16 onwards.

(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 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. See PESA 2019 Box 2.A for details.

Table 10a Public sector expenditure on services by function in real terms ⁽¹⁾, 1997-98 to 2018-19

National Statistics

	£ billion																					
	cash	accruals																				
	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	67.1	67.7	64.2	65.8	62.0	60.4	64.2	68.8	72.0	73.6	76.0	79.0	73.2	87.0	86.6	80.7	81.7	79.5	79.9	82.9	86.8	81.1
<i>of which: public and common services</i>	9.2	10.5	11.6	11.3	13.0	13.5	14.7	15.9	16.4	15.8	15.2	16.6	16.1	14.7	13.0	12.4	12.1	12.3	12.0	13.0	12.7	12.5
<i>of which: international services</i>	4.6	4.7	5.4	6.0	6.1	6.2	6.9	7.2	8.0	7.9	8.1	7.6	8.3	8.9	8.7	8.5	10.6	11.2	10.9	11.3	10.7	12.0
<i>of which: public sector debt interest</i>	53.3	52.5	47.2	48.5	43.0	40.7	42.6	45.7	47.6	49.9	52.6	54.8	48.8	63.4	64.9	59.8	58.9	56.0	57.1	58.7	63.3	56.6
2. Defence ⁽²⁾	32.2	35.8	36.5	36.7	35.8	37.2	38.9	39.1	39.8	40.2	40.9	43.6	43.9	45.0	43.7	40.1	39.5	39.3	38.9	38.5	39.4	40.2
3. Public order and safety	25.4	26.3	26.8	29.1	32.6	33.6	35.7	37.4	37.6	37.9	38.5	39.9	39.7	37.9	36.2	34.6	32.1	32.6	32.0	31.2	32.1	32.4
4. Economic affairs	32.1	28.6	31.3	34.0	39.1	42.3	44.7	44.1	45.3	46.8	45.4	58.9	56.8	45.8	42.7	40.6	44.4	43.9	49.8	51.0	54.2	61.0
<i>of which: enterprise and economic development ⁽³⁾</i>	6.4	4.5	6.4	7.0	7.2	8.1	8.1	8.5	8.2	7.9	8.6	19.2	14.2	5.6	5.4	5.5	7.3	7.0	7.9	8.6	10.2	13.3
<i>of which: science and technology</i>	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	3.6	4.6	4.7	5.0	4.7	5.1	6.4
<i>of which: employment policies</i>	3.7	4.2	5.1	5.4	4.7	4.1	4.3	4.2	4.2	4.1	2.6	4.1	4.8	5.4	3.6	3.2	4.1	3.1	2.5	2.5	2.7	2.7
<i>of which: agriculture, fisheries and forestry</i>	7.0	6.4	6.3	6.7	8.9	6.8	7.2	7.1	7.2	6.4	5.2	6.9	6.8	6.3	6.5	5.9	5.9	5.6	4.7	5.4	5.3	5.7
<i>of which: transport ^{(4), (5)}</i>	12.9	11.4	11.5	12.8	15.9	20.4	22.0	21.0	21.8	24.8	25.0	24.9	26.8	24.6	23.0	22.3	22.6	23.5	29.6	29.9	30.9	32.9
5. Environment protection	5.9	6.3	7.1	7.3	7.6	8.3	8.4	9.2	10.9	11.7	11.7	10.9	12.1	12.5	11.8	11.8	12.1	12.4	12.3	11.4	12.0	11.1
6. Housing and community amenities	7.3	8.0	6.8	7.9	8.7	7.4	9.1	10.5	13.7	14.3	15.8	18.1	19.0	15.2	11.1	10.7	11.0	10.4	10.4	10.7	11.6	12.1
7. Health	66.0	68.5	71.9	77.4	84.3	91.2	101.2	108.9	115.2	118.1	122.8	128.8	136.2	137.4	136.9	137.4	140.4	143.4	146.9	147.7	150.1	152.9
8. Recreation, culture and religion	9.5	10.5	11.2	11.1	12.1	12.8	13.1	13.1	13.9	14.2	14.5	14.7	15.4	14.9	14.1	14.0	12.6	13.3	12.1	12.0	11.7	11.4
9. Education ⁽⁶⁾	57.3	58.4	61.4	65.5	72.2	75.4	82.4	85.5	89.5	91.0	95.6	98.3	103.1	104.8	97.6	93.0	91.9	91.0	88.0	87.7	87.9	
10. Social protection	169.9	168.3	179.0	183.5	193.7	200.2	210.2	215.6	219.3	220.7	229.1	240.9	259.9	264.0	276.3	280.2	275.7	279.4	281.0	275.0	273.8	275.1
EU transactions ⁽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	6.8	4.9	7.4	7.8	6.7	8.1	4.9	5.5	7.9
Public sector expenditure on services	467.2	474.8	492.4	514.5	541.5	566.3	605.0	631.2	656.3	666.3	688.4	729.6	760.4	771.3	762.2	751.0	748.9	752.4	761.5	753.3	764.8	773.1
Accounting adjustments	42.2	42.8	42.9	43.0	46.5	55.1	61.3	69.1	68.7	71.4	74.5	82.3	79.8	79.6	78.7	89.6	82.9	87.5	80.1	88.6	85.0	79.7
Total Managed Expenditure ⁽⁸⁾	509.4	517.6	535.3	557.5	587.9	621.5	666.3	700.4	724.9	737.7	763.0	812.0	840.2	850.9	840.9	840.6	831.8	839.9	841.6	841.9	849.8	852.8

(1) Real terms figures are the nominal figures adjusted to 2018-19 price levels using GDP deflators from the Office for National Statistics (released 30 October 2019).

(2) The 2019 Spending Round 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

(3) Transactions from 2008-09 onwards have been affected by financial sector interventions. Details are provided in PESA 2019 chapter 2 Box 2.A.

(4) Following implementation of ESA 2010, Network Rail is now classified to Central Government. The Transport analysis shown includes Network Rail spending from 2015-16 onwards.

(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 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. See PESA 2019 Box 2.A for details.

Table 10b Public sector expenditure on services by function as a per cent of GDP ⁽¹⁾, 1997-98 to 2018-19

	National Statistics																					per cent
	cash		accruals																			
	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	
1. General public services	4.7	4.6	4.2	4.2	3.8	3.6	3.7	3.9	4.0	4.0	4.0	4.2	4.0	4.7	4.6	4.2	4.2	4.0	3.9	4.0	4.1	3.7
<i>of which: public and common services</i>	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	0.6	0.6	0.6	0.6	0.6	0.6	0.6
<i>of which: international services</i>	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	0.4	0.5	0.6	0.5	0.5	0.5	0.6
<i>of which: public sector debt interest</i>	3.7	3.6	3.1	3.1	2.7	2.4	2.5	2.6	2.6	2.7	2.8	2.9	2.7	3.4	3.4	3.1	3.0	2.8	2.8	2.8	3.0	2.6
2. Defence ⁽²⁾	2.3	2.4	2.4	2.3	2.2	2.2	2.3	2.2	2.2	2.2	2.1	2.3	2.4	2.4	2.3	2.1	2.0	2.0	1.9	1.8	1.9	1.9
3. Public order and safety	1.8	1.8	1.7	1.8	2.0	2.0	2.1	2.1	2.1	2.0	2.0	2.1	2.2	2.0	1.9	1.8	1.6	1.6	1.6	1.5	1.5	1.5
4. Economic affairs	2.2	1.9	2.0	2.1	2.4	2.5	2.6	2.5	2.5	2.5	2.4	3.2	3.1	2.5	2.3	2.1	2.3	2.2	2.4	2.4	2.5	2.8
<i>of which: enterprise and economic development ⁽³⁾</i>	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	0.1	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>	0.3	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	0.4	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.3	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.2	0.3
<i>of which: transport ^{(4), (5)}</i>	0.9	0.8	0.7	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	1.4	1.4	1.5	1.5	1.5
5. Environment protection	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	0.5	0.6	0.5	0.5
6. Housing and community amenities	0.5	0.5	0.4	0.5	0.5	0.4	0.5	0.6	0.8	0.8	0.8	1.0	1.0	0.8	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.6
7. Health	4.6	4.7	4.7	4.9	5.2	5.5	5.9	6.2	6.3	6.3	6.4	6.9	7.5	7.4	7.3	7.2	7.2	7.2	7.2	7.1	7.1	7.1
8. Recreation, culture and religion	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.6	0.7	0.6	0.6	0.6	0.5
9. Education ⁽⁶⁾	4.0	4.0	4.0	4.1	4.5	4.5	4.8	4.9	4.9	4.9	5.0	5.3	5.7	5.6	5.2	4.9	4.7	4.5	4.4	4.2	4.1	4.1
10. Social protection	11.9	11.4	11.7	11.6	12.0	12.0	12.2	12.3	12.0	11.9	12.0	12.9	14.3	14.2	14.7	14.7	14.1	14.0	13.7	13.1	12.9	12.7
EU transactions ⁽⁷⁾	-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
Public sector expenditure on services	32.7	32.2	32.1	32.5	33.5	33.9	35.2	36.0	36.0	35.8	36.1	39.1	41.9	41.5	40.5	39.4	38.2	37.6	37.1	36.0	36.0	35.7
Accounting adjustments	3.0	2.9	2.8	2.7	2.9	3.3	3.6	3.9	3.8	3.8	3.9	4.4	4.4	4.3	4.2	4.7	4.2	4.4	3.9	4.2	4.0	3.7
Total Managed Expenditure ⁽⁸⁾	35.6	35.1	34.9	35.2	36.3	37.2	38.8	39.9	39.8	39.6	40.0	43.6	46.3	45.8	44.7	44.1	42.5	41.9	41.0	40.2	40.0	39.4

(1) GDP until 2018-19 is consistent with the latest figures from the Office for National Statistics (published 30 October 2019).

(2) The 2019 Spending Round 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

(3) Transactions from 2008-09 onwards have been affected by financial sector interventions. Details are provided in PESA 2019 chapter 2 Box 2.A.

(4) Following implementation of ESA 2010, Network Rail is now classified to Central Government. The Transport analysis shown includes Network Rail spending from 2015-16 onwards.

(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 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. See PESA 2019 Box 2.A for details.

Table 11 Public sector expenditure on services by economic category, 2014-15 to 2018-19

	£million				
	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
Public sector current expenditure on services					
Pay	166,621	171,602	174,952	183,425	187,915
Gross current procurement	206,034	208,799	212,834	211,901	223,433
Income from sales of goods and services	-53,035	-52,073	-56,309	-55,344	-58,172
Current grants to persons and non-profit bodies	234,881	236,656	239,715	239,580	242,955
Current grants abroad	12,402	13,694	11,381	12,317	14,616
Subsidies to private sector companies	8,820	9,972	10,904	11,376	13,846
Subsidies to public corporations	928	924	766	714	751
Net public service pensions	10,182	9,649	8,891	9,262	10,001
Public sector debt interest	52,347	53,788	56,642	62,120	56,559
Other	289	215	478	993	1,105
Total public sector current expenditure on services	639,468	653,225	660,255	676,343	693,010
Accounting adjustments	62,991	59,807	65,001	64,732	64,249
Total public sector current expenditure	702,459	713,032	725,256	741,075	757,259
Public sector capital expenditure on services					
Capital grants ⁽¹⁾	18,313	14,546	12,431	14,760	15,243
Gross capital procurement	51,305	57,296	60,514	64,854	71,443
Income from sales of capital assets	-5,765	-7,134	-6,186	-5,393	-6,576
Total public sector capital expenditure on services	63,852	64,708	66,759	74,221	80,109
Accounting adjustments	18,755	15,679	20,533	18,679	15,455
Total public sector capital expenditure	82,607	80,387	87,292	92,900	95,564
Total public sector expenditure on services	703,321	717,933	727,013	750,564	773,119
Accounting adjustments	81,745	75,486	85,535	83,411	79,704
Total Managed Expenditure ⁽²⁾	785,066	793,419	812,548	833,975	852,823

(1) Transactions have been affected by financial sector interventions. See Box 2.A in PESA 2019.

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