



HM TREASURY

Response to the Public Expenditure Statistical Analyses (PESA) National Statistics user consultation

June 2012



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ISBN 978-1-84532-983-9
PU1334

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1

Introduction

Purpose of this document

1.1 The Treasury launched a user consultation on its Public Expenditure Statistical Analyses (PESA) publication in December 2011. This document summarises the responses received to that consultation and sets out the changes to PESA that will be implemented as a result.

Background on PESA

1.2 PESA is an annual publication produced by HM Treasury in July each year. In addition to the main published PESA document, which is unique in showing departments' planned expenditure for the current spending review period, the Treasury also produces a Country and Regional Analysis (CRA) of spending in October, and releases updates to the main PESA tables in February, April and October. A timetable of these releases is shown in Box 1.A.

1.3 PESA presents analyses of Government spending in three main ways:

- **Budgeting framework breakdown**, which shows the departmental spending totals used for public spending control purposes (i.e. the Departmental Expenditure Limits and Annually Managed Expenditure totals of each departmental group).
- **Functional breakdown**, which is a purely analytical presentation of public spending by function (e.g. on health, education, etc). This is different from the Budgeting framework breakdown because not all spending on a particular function is by the government department with the same name. For example, a sizeable proportion of education spending is by local authorities and the Department for Business, Innovation and Skills, not just the Department for Education. The functional breakdown of expenditure data is more stable between years because it ignores changes in the structure of Government (e.g. the changing scope and organisation of departments, known as Machinery of Government changes).
- **Economic category breakdown**, which shows public spending by type (e.g. on pay, procurement, grants, etc).

1.4 The Treasury has brought forward the publication of the Country and Regional Analysis to October each year and this is now a separate publication in our statistical release calendar. Previously it was part of the main summer PESA publication.

Box 1.A: Treasury Spending Statistics publication timetable

Jan	
Feb	Public Spending Statistics update release (National Statistics)
Mar	
Apr	Public Spending Statistics update release (National Statistics)
May	
June	
July	Public Spending Statistics first release (National Statistics), PESA Command Paper
Aug	
Sep	
Oct	Public Spending Statistics update release, Country and Regional Analysis (National Statistics)
Nov	
Dec	

Responses to the consultation

1.5 The Treasury received 16 responses to the user consultation, the majority from the public sector. A list of respondents can be found in Annex A. Chapter 2 summarises the main issues raised by respondents under the five consultation themes and Chapter 3 outlines how we plan to respond to these.

1.6 We are very grateful to those who took the time to respond to this consultation and help the Treasury to improve PESA.

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Summary of consultation responses

Theme 1: Linkages with other publications

2.1 Nearly all respondents valued PESA very highly, commenting that the publication was the most comprehensive of its type, and was complementary to other data sources.

2.2 One respondent noted that data sets from Communities and Local Government, local authorities and CIPFA did not always match up with PESA statistics and it would be useful for the differences to be reconciled or at least explained.

2.3 Typically PESA is used alongside statistics from the Office for Budget Responsibility (OBR), the Public Sector Finances Statistical Bulletin, Budgets and Autumn Statements, and departmental annual reports.

2.4 Respondents were split between those that used the PESA command paper and those that used the quarterly PESA National Statistics releases. Some respondents were not clear about the difference between the two, probably because of the use of the PESA name for both. We plan to make the distinction between the two clearer for users in future by referring only to the command paper as PESA. Our PESA National Statistics releases will be renamed Public Spending Statistics.

Theme 2: Current uses of PESA National Statistics

2.5 Respondents typically used PESA statistics as an input into their own reports / research on public expenditure, and it was seen as essential by many.

2.6 PESA was considered fit for purpose by nearly all respondents, thanks to its wide breadth and the improvements to methodology made in recent years. However, the limited long run time series data in PESA continues to limit its use in research.

Theme 3: Country and Regional Analysis

2.7 More than half of respondents made use of the CRA tables in PESA, many commenting that it was useful in understanding spending trends and of particular importance in the context of devolution.

2.8 All respondents that commented specifically on the CRA noted that it was the only source of regional spending data and was therefore an essential element of PESA.

2.9 The breakdown of spending by English regions was seen as equally important to the breakdowns by country, and there was some demand for sub-functional breakdowns by region.

2.10 Comments on the methodology were limited. One respondent noted that some spending items were split between two functions, leading to a 50:50 allocation of spending into different sub-functions. This was considered an unrealistic simplification. There was support for more effort to go into allocating benefits to regions and avoiding use of proxies, as well as clearer explanation of the methodology used by departments to allocate each item of spending to regions.

Theme 4: Potential future developments

Changes to tables and data published

2.11 Several respondents requested longer time series.

2.12 One respondent requested interactive tables for PESA chapters 1, 2, 4 and 5, particularly if these could clearly show the link between the budgeting and TES frameworks. They also requested a version of table 5.1 with Local Authority spending broken out of the departmental groups.

2.13 One respondent requested new tables showing the Public Sector Current Expenditure (PSCE) and Public Sector Gross Investment (PSGI) components of departmental DEL and AME.

2.14 Two respondents requested sub-functional breakdown at English regional level in the CRA, which we plan to implement in October 2012.

2.15 A government department requested the addition of some “of which” sub-categories to the ‘Social protection’ function, given that it is such a large proportion of spending.

2.16 One respondent requested revenue data on a regional level.

2.17 One respondent suggested that the removal of the regional layer of Government (i.e. the closing of Government Offices for the English regions and the Regional Development Agencies) meant that regional-level statistics in the CRA were less useful, and asked whether it was possible to produce tables in the CRA showing Local Authority-level spending.

Methodological issues

2.18 One respondent questioned the methodology used for Olympic spending in the CRA.

Guidance, commentary and visualisations

2.19 Several respondents wanted better guidance aimed at users of the data, including clearer descriptions of Government accounting and budgeting terms.

2.20 Some respondents requested more graphical representation of data to aid public understanding, but it was not a major theme. One respondent suggested graphical maps of spending in the CRA.

2.21 Several respondents noted that descriptions of spending items in the underlying COINS data are often vague and difficult to understand, and requested improvements.

2.22 One respondent wanted the Departmental core tables from the individual departmental Annual Report and Accounts publications to be published centrally.

Future engagement

2.23 Half the respondents favoured the setting up of a user forum for contacting the authors of PESA and other users (some favouring an online forum).

3

Improvements to PESA 2012 in response to consultation requests

3.1 In most cases it is possible to implement the requests submitted as part of the consultation.

Changes to tables and data published

For implementation in 2012

3.2 In 2012, we will implement an improved breakdown of regional level data in the CRA, showing sub-functional data at the regional level.

3.3 We will publish interactive tables for the data in Chapters 1, 2, 4 and 5. We already publish much of this data as part of our COINS transparency release, but the interactive tables will make it easier to access. This will enable users to calculate the additional versions of tables requested (including splitting out local authority data from departmental group tables), without unduly increasing the already large number of tables contained in our annual release.

3.4 We will be able to add lines to relevant tables showing which elements of spending include PSCE and PSGI components of DEL and AME.

Changes that we will explore

3.5 We will explore options for adding further detail to the social protection sub-functional breakdown, and providing longer time series using modelled data.

Requests that we will not be able to meet

3.6 Over the years a common request has been for lower level geographical data as part of the Country and Regional Analysis. This will not be possible in the immediate future because of the systems in place used to produce our Statistics. We do not ask departments to monitor their spending at a Local Authority or lower level. To do so using current systems would impose a significant burden on departments.

3.7 Revenue data is currently outside the scope of PESA National statistics.

Methodological issues

3.8 We will continue to monitor the current methodology used to allocate spending to regions and will publish further details as appropriate in subsequent releases.

Guidance, commentary and visualisations

3.9 We will publish an expanded user guide to the PESA National Statistics, and explanatory information on related data releases. We will publish further information on how COINS is used to produce PESA National Statistics, which should make the COINS data easier to use and understand.

3.10 Our quarterly releases already include some graphical representations of data, and we will be looking to build on these for the July release.

3.11 This year we have requested that departments publish their core tables in spreadsheet form alongside their Annual Report and Accounts publications, which should ease use of the data considerably. We will explore options for producing the data centrally.

Future engagement

3.12 We will set up a mailing list and explore other options to keep users informed of upcoming PESA National Statistics releases and other relevant statistical developments.

4

List of respondents

Name	Organisation
David Heald	Aberdeen University
R J Pengelly	Calemcal Limited
Rowena Crawford	Institute for Fiscal Studies
Joseph Clease	DWP
Philippa Todd	OBR
Lisa Evans	Open Knowledge Foundation
Alasdair Barrett	Greater London Authority
David Illingworth	Oxfordshire County Council
Robert Allen	Individual
Richard Blyth	Royal Town Planning Institute
Sandy Stewart	Scottish Government
Shaun Butcher	DWP
Steve Hewitt	DfE
Tom Joss	DCLG
Jocelyn Davies	National Assembly for Wales Finance Committee
Ben Crudge	Welsh Government

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ISBN 978-1-84532-983-9



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