



HM TREASURY

# Public Expenditure

## Statistical Analyses 2011

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# Public Expenditure Statistical Analyses 2011

Presented to Parliament  
by the Chief Secretary to HM Treasury  
by Command of Her Majesty

July 2011

## HM Treasury contacts

The organisation and content of this publication are reviewed annually. Any comments on the coverage or presentation should be sent to:

PESA Branch

Floor 1/S2

HM Treasury

1 Horse Guards Road

London

SW1A 2HQ

E-mail: [pesa@hmtreasury.gov.uk](mailto:pesa@hmtreasury.gov.uk)

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# How to use PESA

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

## What is PESA?

PESA provides a range of information about public spending, using two Treasury-defined frameworks. I.e. PESA largely contains different presentations of two data sets. The key elements of these frameworks are shown in **Table 1.A**, with detailed explanations provided in **Annex C** and **Annex E** respectively.

**Table 1.A: Spending frameworks used in PESA**

Budgeting	Expenditure on services
This framework provides information on central government departmental budgets, which are the aggregates used by the Government to plan and control expenditure. It covers departmental own spending as well as support to local government and public corporations.	This framework is used in PESA for statistical analysis. It is based on National Accounts definitions and covers spending by the whole of the public sector. It therefore has wider coverage than the budgeting framework and is also more stable over time.

**Table 1.B** shows against which framework each chapter/table is presented. A short summary of each section is then provided below – the chapter text contains further details.

**Table 1.B: Frameworks against which chapters/tables are presented**

Section	Chapter	Budgeting framework	Expenditure on services framework
Budgets	1. Departmental budgets	All tables	-
	2. Economic analyses of budgets	All tables	-
	3. Changes in departmental budgets	All tables	-
Public sector spending	4. Trends in public sector expenditure	-	All tables
	5. Public sector expenditure by function, sub-function and economic category	-	All tables
Sectoral analyses	6. Central government own expenditure	Tables 6.1-6.3	Tables 6.4-6.6
	7. Local government financing and expenditure	Tables 7.1-7.3 (financing)	Tables 7.4-7.8 (expenditure)
	8. Public corporations	Tables 8.1-8.2 (CG support)	Tables 8.3-8.5 (expenditure)
Country and regional analysis	9. Public sector expenditure by country, region and function	-	All tables
	10. Public sector expenditure by country, function and sub-function	-	All tables

## Budgets

There are two main presentations within this section:

- central government departmental budgets** - the key central government departmental budgets that the Government uses to control spending. Departments have separate resource and capital budgets. Each of these is divided into Departmental Expenditure Limits (DEL) and Annually Managed

Expenditure (AME). Resource DEL is further divided into administration and programme; and

- **budgets by economic category** – this shows spending in budgets against categories such as pay, procurement and grants.

## Public sector

This section uses the expenditure on services framework to show spending by the whole of the public sector. There are two main presentations of public sector spending in this section (but also see the country and regional analysis section below):

- **by function/sub-function** – public spending is shown against ten functions (education, health, defence etc.) that are then further divided into more detailed sub-functions (education is split into primary, secondary etc.). These classifications are based on the UN's Classification Of the Functions Of Government (COFOG), which is explained further in the FAQ section below and in **Annex A**; and
- **by economic category** – as in the budgets section, spending by the public sector is divided into pay, procurement etc. The main difference between this and the budgeting breakdown is that the latter shows the grants paid to local authorities whereas this analysis shows how local authorities subsequently spend this funding.

## Sectoral analysis

The sectoral analysis splits the data shown in both of the above sections into three sectors: central government, local government and public corporations. Specifically:

- budgeting data is presented as central government own spending, plus support to the local government and public corporation sectors; and
- for the public sector data, the sectoral breakdown shows the spending of each sector.

## Country and regional analysis

The country and regional analysis takes total public sector spending (on the same basis as in the public sector section, but using data from an earlier point in the year) and asks departments to identify the country and/or region which benefit from their spending.

- **Chapter 9** shows spending by function, country and English region; and
- tables in **Chapter 10** show more detailed sub-functional analyses (explained above) at country level only.

## Period covered by PESA tables

All data series in PESA are annual and for financial years. Tables in PESA 2011 normally cover the years 2006-7 to 2010-11, although some show only the latest year (2010-11) and some are presented over a longer historical period.

## Public expenditure National Statistics updates

Key series are updated three times a year. These are:

- Total Managed Expenditure, by budgetary category (PESA 2011, **Table 1.1**);
- resource and capital elements of Departmental Expenditure Limits and Annually Managed Expenditure by departmental group (PESA 2011, **Tables 1.3 and 1.6**);



- public sector expenditure on services by function (PESA 2011, **Table 4.2**); and
- public sector expenditure on services by economic category (PESA 2011, **Table 5.3**).

Further updates will take place in October and February. Most series in PESA are only published annually.

## What's new

This section explains the main presentational changes for PESA 2011. Further information is provided within the relevant chapters, which also include information on revisions to data.

### Changes to tables in PESA 2011

A number of the tables in **Chapter 1** have been modified to present additional information on consistent basis with the presentation of numbers in the Spending Review. Further detail is included in the text for **Chapter 1**. Additionally, the accounting adjustments table (**Table 1.10**) has been expanded and now provides much more detail on the reconciliation between budgets and the National Accounts aggregates.

### Future development of PESA

The Treasury published a response to the user consultation on its website in 2006. This outlined our proposals for the future development of PESA. All development plans are subject to resources and to the resolution of practical implementation issues including the data quality.

We would be interested in readers' views on how PESA might be developed to further increase its value to users. Please write to:

The Editor, PESA  
 Government Estimates, Accounts and Reporting  
 Floor 1/W1  
 HM Treasury  
 1 Horse Guards Road  
 London  
 SW1A 2HQ

e-mail: pesa@hmtreasury.gsi.gov.uk

## Frequently asked questions

### How much did the government spend on x?

The answer varies depending on which levels of government you are interested in, and what sort of spending.

The list of tables below takes transport as an example. The chapter text gives a more precise definition of the contents of each table:

- **Table 4.2** shows the total UK public sector spending on transport for a long run of years. This includes spending by devolved administrations, local government and public corporations, as well as by the Transport departmental group (details of the departments included in this group are given in **Annex B**). **Tables 4.3 and 4.4** show spending in real terms and as a percentage of GDP;
- **Table 5.2** shows the total UK public sector spending on more detailed categories of transport, such as national and local roads;

- **Table 5.4** shows the UK public sector current and capital spending on transport, and **Tables 6.6, 7.4 and 8.4** provide a breakdown according to whether it is central government, local government or public corporations responsible for the spending;
- **Table 1.12** shows the total DEL spending of the Transport departmental group. **Tables 1.3 and 1.6** show the resource and capital spending respectively of the Transport group; and
- **Table 9.8e** presents spending on transport by country and region. **Chapter 10** tables present country spending on the more detailed categories such as national and local roads.

The second list of tables takes pay as an example:

- **Table 5.3** shows the total UK public sector spending on pay;
- **Tables 6.5** shows pay for central government and **Table 7.8** shows local government pay by country. All public corporation current spending (except debt interest) is included as part of the gross operating surplus calculation, which scores on the revenue side of the National Accounts and is not therefore included as spending within the expenditure on services framework; and
- **Table 2.1** shows central government pay (as in **Table 6.5**) split between departments' DEL and AME budgets.

## How can I compare spending on x to previous years?

**Chapter 4** contains long run series (from 1988-89) for public sector expenditure on services by function. Historic long run series of the budgeting aggregates are not available, due to the restructuring of government departments and the movement of spending programmes between departments. These changes do not impact on the expenditure on services framework.

Users are strongly advised against simply splicing data together from different editions of PESA, as data is unlikely to be directly consistent due to changes in coverage and classification. Departments and the devolved administrations maintain five years of live outturn data. Data for earlier years exist only on archived databases and are not therefore adjusted for machinery of government and classification changes. The PESA team maintain a summarised version of this historical data on a consistent basis for the production of the long-run series.

## What are departmental groups?

Departmental groups are listed in **Annex B**. The departments are grouped broadly in line with ministerial responsibility.

## How are the functions defined?

The functions are based on the United Nations' Classification Of the Functions Of Government (UN COFOG). Tables that show spending by function are consistent with UN COFOG level 1, but additionally show some HM Treasury-defined functions as 'of which' lines (see below). Tables that show spending by sub-function are broadly consistent with UN COFOG level 2. Definitions of the UN COFOG classifications are available on the United Nations Statistics Division website<sup>1</sup>. The mapping between the HM Treasury functions and UN COFOG level 2 is as follows:

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<sup>1</sup> [unstats.un.org](http://unstats.un.org)

HM Treasury functions	UN COFOG level 2
1. General public services, <b>of which: public and common services</b>	1.1 Executive and legislative organs, financial and fiscal affairs, external affairs (excluding external affairs) 1.3 General services 1.4 Basic research 1.5 R&D general public services 1.6 General public services n.e.c.
1. General public services, <b>of which: international services</b>	1.1 Executive and legislative organs, financial and fiscal affairs, external affairs (external affairs part only) 1.2 Foreign economic aid
1. General public services, <b>of which: public sector debt interest</b>	1.7 Public sector debt interest
4. Economic affairs, <b>of which: enterprise and economic development</b>	4.1 General economic, commercial and labour affairs (excluding labour affairs) 4.3 Fuel and energy 4.4 Mining, manufacturing and construction 4.6 Communication 4.7 Other industries 4.9 Economic affairs n.e.c.
4. Economic affairs, <b>of which: science and technology</b>	4.8 R&D economic affairs
4. Economic affairs, <b>of which: employment policies</b>	4.1 General economic, commercial and labour affairs (labour affairs part only)
4. Economic affairs, <b>of which: agriculture, fisheries and forestry</b>	4.2 Agriculture, forestry, fishing and hunting
4. Economic affairs, <b>of which: transport</b>	4.5 Transport

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

A number of the tables in this publication give figures in real terms. Real terms figures are the actual (known as nominal) spend adjusted to exclude the effect of general inflation, as measured by the GDP deflator at market prices. The real terms figures in this publication are given in 2010-11 prices. The GDP deflators and GDP actuals used in this publication are those given in **Annex F**. The most up-to-date deflators and GDP numbers are available on the HMT website.<sup>2</sup>

## Why are chapters 9 and 10 not consistent with the other expenditure on services tables?

Additional off-database analysis of the data is required to produce tables in **Chapters 9 and 10** and therefore the data is extracted from the database earlier to allow this to take place. **Chapter 9** contains more detail on the analysis process.

<sup>2</sup> [www.hm-treasury.gov.uk/data\\_gdp\\_index.htm](http://www.hm-treasury.gov.uk/data_gdp_index.htm)





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# 1

## Departmental budgets

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**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** The Spending Review<sup>1</sup> defined a new control total – depreciation. This is depreciation as previously presented in PESA 2010 along with the reclassified Student Loans provision which is now considered an impairment (see the Consolidated Budgeting Guidance, paragraph 7.10)<sup>2</sup>.

**1.3** Due to this new control total the definition of 'Total DEL' (**Table 1.8**) is now a simple calculation, it is resource DEL excluding depreciation (**Table 1.3a**) plus capital DEL (**Table 1.6**).

**1.4** The Budget 2011 presented expenditure by individual departments, grouping together the smaller departments and independent bodies. In contrast PESA groups departments by ministerial responsibility, see **Annex B**. To aid transparency PESA 2011 includes a set of supplementary tables that use the Budget 2011 presentation (**Tables 1.12 to 1.13**).

**1.5** As stated in the Spending Review 2010 the administration budget regime now includes Non-departmental Public Bodies and other Arms Length Bodies. This affects **Table 1.5** which will show a significant increase in all years for a number of departmental groups.

**1.6** **Table 1.10** has been expanded to give a more detailed breakdown of individual National Accounts adjustments which reconcile departmental Budgets to expenditure that enters the National Accounts. This presentation broadly aligns to the presentation of accounting adjustments used by the Office for Budget Responsibility. See Annex D for more information on the adjustments. In **Chapter 1** the presentation of the Health departmental group has been changed to align to the Budget 2011 presentation to avoid confusion, The NHS (Health) row is equivalent to the PESA 2010 'of which: NHS' row and the Personal Social Services (Health) row is the additional amount added to get to the PESA 2010 'Health' row. This reflects the decision to fund Personal Social Services through CLG Local Government in the Spending Review 2010.

### The budgeting and reporting framework

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

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

**1.9** A clear distinction is made for budgeting between current and capital spending, with departments having separate resource and capital budgets largely based on Generally Accepted Accounting Practice (GAAP) components. 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.

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<sup>1</sup> [http://www.hm-treasury.gov.uk/spend\\_sr2010\\_documents.htm](http://www.hm-treasury.gov.uk/spend_sr2010_documents.htm)

<sup>2</sup> [http://www.hm-treasury.gov.uk/d/consolidated\\_budgeting\\_guidance201112.pdf](http://www.hm-treasury.gov.uk/d/consolidated_budgeting_guidance201112.pdf)

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

#### **Box 1.A: Tax credits (negative tax) and the alignment project**

As part of the alignment project (aligning Budgets and resource accounts) and the Consolidated Budgeting Guidance all tax credits are in AME including tax credits previously scored as negative tax.

In National Accounts tax credits score within departmental AME in Total Managed Expenditure when the amount paid exceeds the tax liability of the household but as negative tax (not in TME) when the amount paid is less than or equal to the tax liability of the household.

In **Tables 1.1 and 1.2** the departmental AME tax credits row and the AME section of **Tables 1.3** (the Chancellors' Departments row) will be about £5bn higher than in PESA 2010, this is a reclassification not an increase in spending.

## **Reconciliations of budgeting and National Accounts aggregates**

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

**1.12** **Table 1.1** shows the reconciliation from the resource and capital budgets to the National Accounts measures of public sector current expenditure and public sector gross investment, respectively. With the deduction of depreciation, the latter reconciles to public sector net investment.

**1.13** A breakdown of the accounting adjustments used for this reconciliation are shown in **Table 1.10**, **Annex D** provides further details. Please note the change in presentation and greater transparency. This new presentation was first published in the February 2011 PESA National Statistics release.

## **Resource and capital budgets**

**1.14** **Table 1.3** shows the resource budget for each departmental group, with **Table 1.4** presenting the same information in real terms. Resource DEL is a control total, which means that departments must manage spending to keep within this total.

**1.15** **Table 1.3a** is a revised table that shows resource DEL excluding depreciation as used in the Spending Review 2010. The depreciation ring fence is a new control total that departments must manage. In PESA 2010 the equivalent table provided near-cash DEL, this was broadly equivalent to R DEL excluding depreciation.

**1.16** Full details of departmental groups are set out in **Annex B**. In addition to departmental allocations, these tables (as with other tables showing DEL) show unallocated amounts remaining in the central funds and in the reserves.

**1.17 Table 1.6** shows the capital budget for each departmental group, with **Table 1.7** presenting the same information in real terms. Capital DEL is a control total.

**1.18** All tables reflect changes to the budgeting system that are discussed further in **Chapter 3** and **Annex C**.

#### **Box 1.B: Scotland, Wales and Northern Ireland Offices**

The recent change in responsibilities of the Northern Ireland Office (the transfer of policing and justice powers to the Northern Ireland Executive) has highlighted the misalignment in the treatment of the Scotland, Wales and Northern Ireland Offices in PESA.

In PESA 2010 the Scotland Office and Wales Office were included in the Justice departmental group, while the Northern Ireland Office had a separate row. The Northern Ireland Office is now significantly smaller and thus has been included in the new Northern Ireland row alongside the Northern Ireland Executive.

In PESA 2011 the Scotland Office and Wales Office have been included in a departmental group alongside the relevant devolved administration to align to the Northern Ireland Office treatment. See **Annex B** for the departmental group structure.

## **Administration budgets**

**1.19 Table 1.5** sets out details of administrative expenditure in resource DEL for those central government departments that are subject to administration budgets. As part of the Spending Review Non-Departmental Public Bodies are now included in administration budgets and this table now shows an increase in all years. The departmental administration budget within resource DEL is a control total.

**1.20** 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 60% of administration costs are accounted for by civil service pay, a further 35% 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**

**1.21 Table 1.8** shows total DEL by departmental group. Total DEL is made up of resource DEL plus capital DEL less depreciation in resource DEL. **Table 1.8** is consistent with **Table 1.3a** plus **Table 1.6**. Total DEL is not a control total. **Table 1.9** presents the same information as **Table 1.8** in real terms.

## **Public expenditure by spending sector**

**1.22 Table 1.11** shows a breakdown of TME, and within it DEL and AME, between the National Accounts spending sectors (central government, local government and public corporations).

**1.23** This breakdown by sector is used in many of the analyses in this publication. In this table capital and current expenditure are added together (net of depreciation).

**1.24** 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 in the counterparty sector. The split by sector of TME presented in PESA records only the 'own' expenditure components that relate to an individual sector.

## Central government own expenditure

**1.25** 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.

**1.26** 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 NDPBs classified to central government; and
- spending of the devolved administrations in Scotland, Wales and Northern Ireland.

**1.27** Central government own expenditure is shown split into DEL, departmental AME, and other AME, including locally financed central government expenditure. This latter category is in respect of spending of the devolved administrations that is financed locally rather than from Westminster; at present it 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

**1.28** 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 devolved administration); and
- self-financed expenditure. Further analyses of local government expenditure are presented in **Chapter 7**.

## Public corporation expenditure

**1.29** The impact of public corporations on the parent department can be either in DEL or departmental AME. For most public corporations, departments' DELs include:

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

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

**1.31** Subsidies to public corporations are included in central government own expenditure as they impact on central government current expenditure in TME. The total public corporations' expenditure line in this table shows their contribution to TME, which is capital expenditure plus interest and dividends paid to the private sector. Further analyses for public corporations, including information on subsidies, are presented in **Chapter 8**.

**Table 1.1 Total Managed Expenditure, 2006-07 to 2014-15**

	£ million									
	National Statistics									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans	
<b>CURRENT EXPENDITURE</b>										
<b>Resource DEL</b>										
Resource DEL excluding depreciation <sup>(1)</sup>	272,403	288,192	300,754	319,337	325,165	326,300	327,100	331,000	328,900	
Depreciation in resource DEL <sup>(1)</sup>	11,125	12,086	12,924	14,463	20,848	16,100	17,500	18,100	19,200	
<b>Total resource DEL</b>	<b>283,528</b>	<b>300,279</b>	<b>313,678</b>	<b>333,801</b>	<b>346,013</b>	<b>342,300</b>	<b>344,600</b>	<b>349,100</b>	<b>348,200</b>	
<b>Resource departmental AME</b>										
Social security benefits	133,463	140,474	151,195	164,487	170,403	175,424	180,001	179,604	184,070	
Tax credits <sup>(2)</sup>	18,798	20,142	24,171	27,667	28,925	30,100	31,381	31,708	31,841	
Net public service pensions <sup>(3)</sup>	3,253	5,325	5,417	1,530	-74,880	5,234	6,029	1,617	1,847	
National lottery	837	882	1,011	1,001	1,090	861	799	861	861	
BBC domestic services	3,242	3,430	3,316	3,464	3,303	3,513	3,430	3,582	3,429	
Student loans	-456	-847	-976	-256	-301	-1,768	-1,695	-1,861	-2,490	
Non-cash items	40,794	47,109	42,613	44,108	56,343	52,419	54,631	49,057	51,182	
Financial sector interventions	-	-	41,551	-27,592	-14,581	-2,040	-	-	-	
Other departmental expenditure	2,392	1,001	1,412	2,301	844	1,764	2,406	2,726	2,843	
<b>Total resource departmental AME</b>	<b>202,324</b>	<b>217,516</b>	<b>269,710</b>	<b>216,711</b>	<b>171,145</b>	<b>265,506</b>	<b>276,983</b>	<b>267,293</b>	<b>273,582</b>	
<b>Resource other AME</b>										
Net expenditure transfers to the EU	4,652	5,392	3,060	6,419	8,414	8,990	8,430	9,059	9,617	
Locally financed expenditure	23,448	24,340	26,966	25,563	24,841	27,221	28,868	30,238	31,444	
Central government gross debt interest	27,581	29,961	30,507	30,864	43,682	48,635	50,857	56,628	62,361	
Accounting adjustments <sup>(4)</sup>	-34,316	-41,606	-79,579	-12,504	37,583	-36,035	-40,204	-29,953	-30,638	
<b>Total resource other AME</b>	<b>21,365</b>	<b>18,087</b>	<b>-19,046</b>	<b>50,342</b>	<b>114,519</b>	<b>48,812</b>	<b>47,950</b>	<b>65,972</b>	<b>72,784</b>	
<b>Total resource AME</b>	<b>223,689</b>	<b>235,602</b>	<b>250,664</b>	<b>267,053</b>	<b>285,664</b>	<b>314,318</b>	<b>324,933</b>	<b>333,265</b>	<b>346,366</b>	
<b>Public sector current expenditure</b>	<b>507,217</b>	<b>535,881</b>	<b>564,342</b>	<b>600,854</b>	<b>631,677</b>	<b>656,700</b>	<b>669,600</b>	<b>682,400</b>	<b>694,600</b>	
<b>CAPITAL EXPENDITURE</b>										
<b>Capital DEL</b>										
<b>Total capital DEL</b>	<b>39,482</b>	<b>44,806</b>	<b>48,510</b>	<b>56,963</b>	<b>50,005</b>	<b>44,500</b>	<b>42,600</b>	<b>39,200</b>	<b>40,300</b>	
<b>Capital departmental AME</b>										
National lottery	880	713	536	752	721	539	501	539	539	
BBC domestic services	103	85	81	123	114	168	31	295	250	
Student loans	3,207	4,481	4,475	4,601	4,959	6,366	7,088	8,674	10,450	
Financial sector interventions	-	-	85,525	38,281	-3,015	1,110	-	-	-	
Other departmental expenditure	136	696	144	3,938	1,147	1,611	1,730	1,855	2,125	
<b>Total capital departmental AME</b>	<b>4,327</b>	<b>5,975</b>	<b>90,761</b>	<b>47,694</b>	<b>3,926</b>	<b>9,794</b>	<b>9,349</b>	<b>11,363</b>	<b>13,364</b>	
<b>Capital other AME</b>										
Locally financed expenditure	3,113	4,129	7,324	6,361	6,692	13,201	5,305	4,942	4,488	
Public corporations' own-financed capital expenditure	4,728	5,505	7,189	7,735	8,541	8,266	8,304	8,326	8,646	
Accounting adjustments <sup>(4)</sup>	-8,821	-13,728	-88,526	-50,171	-9,174	-22,019	-14,923	-16,105	-17,658	
<b>Total capital other AME</b>	<b>-980</b>	<b>-4,094</b>	<b>-74,014</b>	<b>-36,075</b>	<b>6,059</b>	<b>-552</b>	<b>-1,314</b>	<b>-2,837</b>	<b>-4,525</b>	
<b>Total capital AME</b>	<b>3,346</b>	<b>1,882</b>	<b>16,747</b>	<b>11,619</b>	<b>9,984</b>	<b>9,242</b>	<b>8,035</b>	<b>8,527</b>	<b>8,839</b>	
<b>Public sector gross investment<sup>(5)</sup></b>	<b>42,828</b>	<b>46,688</b>	<b>65,257</b>	<b>68,582</b>	<b>59,989</b>	<b>53,700</b>	<b>50,700</b>	<b>47,700</b>	<b>49,100</b>	
less public sector depreciation <sup>(5)</sup>	16,976	17,744	18,675	19,326	20,273	21,871	22,900	23,901	24,887	
<b>Public sector net investment<sup>(5)</sup></b>	<b>25,852</b>	<b>28,944</b>	<b>46,582</b>	<b>49,256</b>	<b>39,716</b>	<b>31,800</b>	<b>27,800</b>	<b>23,800</b>	<b>24,200</b>	
<b>TOTAL MANAGED EXPENDITURE<sup>(6)</sup></b>	<b>550,045</b>	<b>582,569</b>	<b>629,599</b>	<b>669,436</b>	<b>691,666</b>	<b>710,400</b>	<b>720,200</b>	<b>730,100</b>	<b>743,600</b>	
of which:										
Total DEL <sup>(6)</sup>	311,885	332,999	349,264	376,300	375,170	370,700	369,700	370,200	369,200	
Departmental AME	206,650	223,491	360,471	264,405	175,070	275,300	286,332	278,656	286,946	
Other AME	31,510	26,079	-80,136	28,730	141,426	64,335	64,173	81,199	87,506	

<sup>(1)</sup> As part of the Spending Review 2010 DEL was presented less depreciation. This is continued in this table to allow comparison.

<sup>(2)</sup> Tax credits include working tax credits, stakeholder pension credits and Child Tax Credits. Child allowances paid as part of Income Support and Jobseekers' Allowance are shown within social security benefits. Tax credits include elements that are treated as negative tax in National Accounts, see Box 1.A.

<sup>(3)</sup> The main pension schemes are reported under FRS17 accounting requirements, the reconciliation to National Accounts is explained in Annex D. In the 2010 Budget Statement it was announced that the Government would use the CPI rather than the RPI for the indexation of public service pensions. This change has been recognised as a negative past service cost in 2010-11 in accordance with IAS19.

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

<sup>(5)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for in Chapter 5.

<sup>(6)</sup> Total DEL is given by resource DEL excluding depreciation plus capital DEL.

**Table 1.2 Total Managed Expenditure in real terms,<sup>(1)</sup> 2006-07 to 2014-15**

	£ million									
	National Statistics									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans	
<b>CURRENT EXPENDITURE</b>										
<b>Resource DEL</b>										
Resource DEL excluding depreciation <sup>(2)</sup>	301,327	309,913	314,714	328,807	325,165	317,000	310,000	305,500	295,700	
Depreciation in resource DEL <sup>(2)</sup>	12,306	12,997	13,524	14,892	20,848	15,600	16,600	16,700	17,300	
<b>Total resource DEL</b>	<b>313,634</b>	<b>322,911</b>	<b>328,238</b>	<b>343,700</b>	<b>346,013</b>	<b>332,500</b>	<b>326,600</b>	<b>322,200</b>	<b>313,000</b>	
<b>Resource departmental AME</b>										
Social security benefits	147,634	151,061	158,213	169,365	170,403	170,416	170,614	165,775	165,474	
Tax credits <sup>(3)</sup>	20,794	21,660	25,293	28,487	28,925	29,240	29,744	29,267	28,624	
Net public service pensions <sup>(4)</sup>	3,598	5,726	5,668	1,575	-74,880	5,085	5,715	1,492	1,660	
National lottery	926	948	1,058	1,031	1,090	836	757	795	774	
BBC domestic services	3,586	3,689	3,470	3,567	3,303	3,413	3,251	3,306	3,083	
Student loans	-504	-911	-1,021	-264	-301	-1,718	-1,607	-1,718	-2,238	
Non-cash items	45,126	50,660	44,591	45,416	56,343	50,923	51,782	45,280	46,011	
Financial sector interventions	-	-	43,480	-28,410	-14,581	-1,982	-	-	-	
Other departmental expenditure	2,646	1,076	1,478	2,369	844	1,714	2,281	2,516	2,556	
<b>Total resource departmental AME</b>	<b>223,807</b>	<b>233,910</b>	<b>282,229</b>	<b>223,137</b>	<b>171,145</b>	<b>257,927</b>	<b>262,538</b>	<b>246,713</b>	<b>245,942</b>	
<b>Resource other AME</b>										
Net expenditure transfers to the EU	5,146	5,798	3,202	6,609	8,414	8,733	7,990	8,362	8,645	
Locally financed expenditure	25,938	26,174	28,218	26,321	24,841	26,444	27,362	27,910	28,267	
Central government gross debt interest	30,510	32,219	31,923	31,779	43,682	47,247	48,205	52,268	56,061	
Accounting adjustments <sup>(5)</sup>	-37,960	-44,742	-83,273	-12,875	37,583	-35,006	-38,107	-27,647	-27,543	
<b>Total resource other AME</b>	<b>23,634</b>	<b>19,450</b>	<b>-19,930</b>	<b>51,835</b>	<b>114,519</b>	<b>47,419</b>	<b>45,449</b>	<b>60,892</b>	<b>65,431</b>	
<b>Total resource AME</b>	<b>247,441</b>	<b>253,359</b>	<b>262,299</b>	<b>274,972</b>	<b>285,664</b>	<b>305,345</b>	<b>307,987</b>	<b>307,605</b>	<b>311,373</b>	
<b>Public sector current expenditure</b>	<b>561,075</b>	<b>576,270</b>	<b>590,537</b>	<b>618,672</b>	<b>631,677</b>	<b>638,000</b>	<b>634,700</b>	<b>629,900</b>	<b>624,400</b>	
<b>CAPITAL EXPENDITURE</b>										
<b>Capital DEL</b>										
<b>Total capital DEL</b>	<b>43,674</b>	<b>48,183</b>	<b>50,762</b>	<b>58,652</b>	<b>50,005</b>	<b>43,200</b>	<b>40,400</b>	<b>36,200</b>	<b>36,200</b>	
<b>Capital departmental AME</b>										
National lottery	973	767	561	774	721	524	475	497	485	
BBC domestic services	114	91	85	127	114	163	29	272	225	
Student loans	3,548	4,819	4,683	4,737	4,959	6,184	6,718	8,006	9,394	
Financial sector interventions	-	-	89,495	39,416	-3,015	1,078	-	-	-	
Other departmental expenditure	150	748	151	4,055	1,147	1,565	1,640	1,712	1,910	
<b>Total capital departmental AME</b>	<b>4,786</b>	<b>6,425</b>	<b>94,974</b>	<b>49,108</b>	<b>3,926</b>	<b>9,514</b>	<b>8,861</b>	<b>10,488</b>	<b>12,014</b>	
<b>Capital other AME</b>										
Locally financed expenditure	3,444	4,440	7,664	6,550	6,692	12,824	5,028	4,561	4,035	
Public corporations' own-financed capital expenditure	5,230	5,920	7,523	7,964	8,541	8,030	7,871	7,685	7,773	
Accounting adjustments <sup>(5)</sup>	-9,758	-14,763	-92,635	-51,659	-9,174	-21,390	-14,145	-14,865	-15,874	
<b>Total capital other AME</b>	<b>-1,084</b>	<b>-4,403</b>	<b>-77,450</b>	<b>-37,145</b>	<b>6,059</b>	<b>-536</b>	<b>-1,245</b>	<b>-2,619</b>	<b>-4,068</b>	
<b>Total capital AME</b>	<b>3,701</b>	<b>2,024</b>	<b>17,524</b>	<b>11,964</b>	<b>9,984</b>	<b>8,978</b>	<b>7,616</b>	<b>7,870</b>	<b>7,946</b>	
<b>Public sector gross investment<sup>(6)</sup></b>	<b>47,376</b>	<b>50,207</b>	<b>68,286</b>	<b>70,616</b>	<b>59,989</b>	<b>52,200</b>	<b>48,100</b>	<b>44,000</b>	<b>44,100</b>	
less public sector depreciation <sup>(6)</sup>	18,779	19,081	19,542	19,899	20,273	21,247	21,706	22,061	22,373	
<b>Public sector net investment<sup>(6)</sup></b>	<b>28,597</b>	<b>31,125</b>	<b>48,744</b>	<b>50,717</b>	<b>39,716</b>	<b>30,900</b>	<b>26,400</b>	<b>22,000</b>	<b>21,800</b>	
<b>TOTAL MANAGED EXPENDITURE<sup>(6)</sup></b>	<b>608,450</b>	<b>626,477</b>	<b>658,823</b>	<b>689,288</b>	<b>691,666</b>	<b>690,100</b>	<b>682,600</b>	<b>673,900</b>	<b>668,500</b>	
of which:										
Total DEL <sup>(7)</sup>	345,002	358,097	365,476	387,459	375,170	360,100	350,400	341,700	331,900	
Departmental AME	228,593	240,335	377,203	272,246	175,070	267,441	271,399	257,201	257,956	
Other AME	34,856	28,045	-83,856	29,582	141,426	62,498	60,826	74,947	78,665	

<sup>(1)</sup> Real terms figures are the cash figures adjusted to 2010-11 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 28th June 2011. The forecasts are consistent with the Financial Statement and Budget 2011.

<sup>(2)</sup> As part of the Spending Review 2010 DEL was presented less depreciation. This is continued in this table to allow comparison.

<sup>(3)</sup> 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.

<sup>(4)</sup> The main pension schemes are reported under FRS17 accounting requirements, the reconciliation to National Accounts is explained in Annex D. In the 2010 Budget Statement it was announced that the Government would use the CPI rather than the RPI for the indexation of public service pensions. This change has been recognised as a negative past service cost in 2010-11 in accordance with IAS19.

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

<sup>(6)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for in Chapter 5.

<sup>(7)</sup> Total DEL is given by resource DEL excluding depreciation plus capital DEL.



**Table 1.3 Resource budgets, 2006-07 to 2014-15**

	£ million								
	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn				
<b>Resource DEL by departmental group</b>									
Education	42,111	44,923	46,840	49,604	51,461	51,495	52,570	53,105	54,041
NHS (Health) <sup>(1)</sup>	76,877	82,558	88,986	95,798	99,018	102,767	105,275	108,257	111,153
Personal Social Services (Health) <sup>(2)</sup>	1,744	1,782	1,295	1,395	1,522	0	0	0	0
Transport	6,316	6,493	5,803	6,606	5,802	6,233	6,012	5,905	5,367
CLG Communities	3,354	3,957	4,105	4,310	3,714	2,054	1,823	1,668	1,279
CLG Local Government	22,540	22,750	24,651	25,517	25,957	26,001	23,974	24,199	22,850
Business, Innovation and Skills	15,488	17,049	17,856	19,189	21,478	18,645	18,089	17,704	17,280
Home Office	8,611	8,847	9,198	9,545	9,352	9,244	8,833	8,369	8,113
Justice	8,225	8,906	9,094	9,000	9,018	8,814	8,354	8,010	7,721
Law Officers' Departments	696	714	722	709	667	659	628	600	560
Defence	30,118	31,795	32,708	34,926	39,135	35,719	33,944	33,941	34,198
Foreign and Commonwealth Office	1,771	1,808	2,027	2,127	2,200	2,141	1,573	1,547	1,291
International Development	4,114	4,461	4,758	5,250	5,936	6,486	7,216	9,415	9,433
Energy and Climate Change	918	679	293	1,228	1,159	1,511	1,406	1,350	1,044
Environment, Food and Rural Affairs	2,415	2,567	2,412	2,461	2,370	2,343	2,252	2,103	1,983
Culture, Media and Sport	1,458	1,503	1,462	1,504	1,527	1,596	2,637	1,521	1,306
Work and Pensions	7,797	8,021	7,909	8,769	8,847	7,800	7,618	7,566	7,742
Scotland	21,974	23,395	24,123	25,114	25,780	25,456	25,839	26,045	26,198
Wales	11,568	12,258	12,821	13,546	13,794	13,786	13,840	13,992	14,052
Northern Ireland	8,425	8,896	9,248	9,680	10,025	9,872	9,893	9,955	10,011
Chancellor's Departments	4,639	4,432	4,523	4,436	4,150	4,191	4,057	4,013	3,849
Cabinet Office	1,695	1,771	2,054	2,283	2,359	2,497	2,472	2,427	2,665
Independent Bodies	674	712	791	803	743	917	804	787	770
Reserve	0	0	0	0	0	2,000	2,500	2,600	2,500
Special Reserve	0	0	0	0	0	100	3,100	3,000	2,800
Green Investment Bank	0	0	0	0	0	0	0	1,000	0
<b>Total resource DEL</b>	<b>283,528</b>	<b>300,279</b>	<b>313,678</b>	<b>333,801</b>	<b>346,013</b>	<b>342,300</b>	<b>344,600</b>	<b>349,100</b>	<b>348,200</b>
<b>Resource departmental AME by departmental group</b>									
Education <sup>(3)</sup>	8,600	10,709	10,650	10,437	-10,425	11,892	12,536	13,132	13,734
NHS (Health) <sup>(3)</sup>	11,535	13,863	14,984	16,226	-11,402	19,695	20,398	21,787	23,213
Transport	143	675	603	1,085	987	1,353	1,382	1,517	1,490
CLG Communities	370	323	614	249	-145	-239	404	443	463
CLG Local Government	1,037	842	661	284	1,111	300	300	300	300
Business, Innovation and Skills	-932	-779	-435	455	-827	-1,044	-1,296	-1,367	-2,075
Home Office	313	365	714	682	920	996	1,134	1,218	1,299
Justice	-148	-62	450	624	323	230	226	238	238
Law Officers' Departments	-1	7	11	16	-12	10	11	8	7
Defence <sup>(3)</sup>	4,927	5,870	6,106	7,898	-727	9,478	9,948	10,332	10,726
Foreign and Commonwealth Office	62	24	-10	86	34	75	75	75	75
International Development	417	-11	213	327	177	279	258	124	158
Energy and Climate Change	6,853	7,274	2,403	736	5,132	556	462	421	501
Environment, Food and Rural Affairs	247	-17	-56	-72	-250	52	17	15	-57
Culture, Media and Sport	3,633	3,842	3,890	4,055	4,080	3,930	3,800	4,009	3,819
Work and Pensions	119,139	127,334	135,344	146,514	151,330	157,504	162,945	163,936	167,752
Scotland	1,521	2,170	2,495	2,331	3,381	3,057	3,218	3,389	3,568
Wales	18	-62	138	431	53	78	-6	-17	-44
Northern Ireland	9,031	6,174	6,488	7,224	6,232	7,879	8,026	8,152	8,339
Chancellor's Departments	29,463	31,320	77,257	9,581	28,601	40,723	43,519	42,139	42,520
Cabinet Office <sup>(3)</sup>	6,045	7,626	7,173	7,481	-7,467	8,688	9,612	-2,574	-2,460
Independent Bodies	52	28	15	60	38	13	13	16	17
<b>Total resource departmental AME</b>	<b>202,324</b>	<b>217,516</b>	<b>269,710</b>	<b>216,711</b>	<b>171,145</b>	<b>265,506</b>	<b>276,983</b>	<b>267,293</b>	<b>273,582</b>
<b>Total resource budget</b>	<b>485,852</b>	<b>517,794</b>	<b>583,388</b>	<b>550,512</b>	<b>517,158</b>	<b>607,900</b>	<b>621,600</b>	<b>616,400</b>	<b>621,800</b>

<sup>(1)</sup> NHS (Health) includes Food Standards Agency, see Annex B.

<sup>(2)</sup> Personal Social Services (Health) are grants previously paid by the Department of Health that are now included in CLG Local Government's budget, see paragraph 1.7.

<sup>(3)</sup> The main pension schemes are reported under FRS17 accounting requirements, the reconciliation to National Accounts is explained in Annex D. In the 2010 Budget Statement it was announced that the Government would use the CPI rather than the RPI for the indexation of public service pensions. This change has been recognised as a negative past service cost in 2010-11 in accordance with IAS19.

**Table 1.3a Resource DEL less depreciation<sup>(1)</sup>, 2006-07 to 2014-15**

	£ million									
	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans	
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn					
<b>Resource DEL less depreciation by departmental group</b>										
Education	42,092	44,903	46,819	49,575	51,424	51,463	52,538	53,072	54,008	
NHS (Health) <sup>(2)</sup>	75,899	81,838	88,033	94,611	97,785	101,625	104,092	107,032	109,884	
Personal Social Services (Health)	1,730	1,767	1,275	1,393	1,522	0	0	0	0	
Transport	6,008	6,099	5,405	5,709	5,170	5,294	5,027	4,965	4,431	
CLG Communities	3,326	3,927	4,058	4,275	3,632	2,014	1,784	1,630	1,243	
CLG Local Government	22,540	22,750	24,650	25,515	25,956	26,000	23,974	24,198	22,850	
Business, Innovation and Skills	14,669	15,863	16,540	17,530	17,229	16,717	15,815	14,844	13,809	
Home Office	8,499	8,706	9,013	9,340	8,865	8,987	8,580	8,137	7,864	
Justice	7,889	8,526	8,683	8,561	8,620	8,314	7,806	7,437	7,119	
Law Officers' Departments	687	705	712	697	658	644	614	590	552	
Defence	23,520	24,613	25,403	27,596	27,966	27,413	25,266	24,957	24,746	
Foreign and Commonwealth Office	1,689	1,735	1,946	2,022	2,097	2,022	1,463	1,429	1,167	
International Development	4,098	4,448	4,742	5,234	5,915	6,465	7,195	9,394	9,412	
Energy and Climate Change	911	672	288	1,215	1,148	1,503	1,398	1,341	1,036	
Environment, Food and Rural Affairs	2,259	2,356	2,219	2,260	2,166	2,107	2,059	1,913	1,792	
Culture, Media and Sport	1,356	1,396	1,435	1,391	1,420	1,448	2,002	1,226	1,131	
Work and Pensions	7,611	7,866	7,756	8,547	8,684	7,561	7,377	7,421	7,605	
Scotland	21,475	22,905	23,552	24,486	25,224	24,849	25,152	25,344	25,451	
Wales	11,366	11,955	12,420	13,074	13,386	13,355	13,367	13,510	13,545	
Northern Ireland	8,181	8,635	8,952	9,335	9,637	9,455	9,452	9,511	9,552	
Chancellor's Departments	4,441	4,246	4,312	4,226	3,927	3,949	3,820	3,765	3,589	
Cabinet Office	1,524	1,621	1,794	1,985	2,029	2,103	2,040	1,964	2,156	
Independent Bodies	630	661	746	760	706	862	752	735	719	
Reserve	0	0	0	0	0	2,000	2,500	2,600	2,500	
Special Reserve	0	0	0	0	0	100	3,100	3,000	2,800	
OBR Allowance for Shortfall	0	0	0	0	0	0	0	1,000	0	
<b>Total Resource DEL less depreciation</b>	<b>272,403</b>	<b>288,192</b>	<b>300,754</b>	<b>319,337</b>	<b>325,165</b>	<b>326,300</b>	<b>327,100</b>	<b>331,000</b>	<b>328,900</b>	

<sup>(1)</sup> As part of the Spending Review 2010 DEL was presented less depreciation. This is continued in this table to allow comparison.

<sup>(2)</sup> NHS (Health) includes Food Standards Agency, see Annex B.

**Table 1.4 Resource budgets in real terms<sup>(1)</sup>, 2006-07 to 2014-15**

	£ million								
	National Statistics					2011-12	2012-13	2013-14	2014-15
	2006-07	2007-08	2008-09	2009-10	2010-11				
outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans	
<b>Resource DEL by departmental group</b>									
Education	46,582	48,309	49,014	51,075	51,461	50,025	49,828	49,016	48,581
NHS (Health) <sup>(2)</sup>	85,040	88,780	93,116	98,639	99,018	99,833	99,785	99,922	99,923
Personal Social Services (Health)	1,929	1,916	1,355	1,436	1,522	0	0	0	0
Transport	6,987	6,982	6,072	6,802	5,802	6,055	5,698	5,450	4,825
CLG Communities	3,710	4,255	4,296	4,438	3,714	1,995	1,728	1,540	1,150
CLG Local Government	24,933	24,465	25,795	26,274	25,957	25,259	22,724	22,336	20,541
Business, Innovation and Skills	17,133	18,334	18,685	19,758	21,478	18,113	17,146	16,341	15,534
Home Office	9,525	9,514	9,625	9,828	9,352	8,980	8,372	7,725	7,293
Justice	9,098	9,577	9,516	9,267	9,018	8,562	7,918	7,393	6,941
Law Officers' Departments	770	768	756	730	667	640	595	554	503
Defence	33,316	34,191	34,226	35,962	39,135	34,699	32,174	31,328	30,743
Foreign and Commonwealth Office	1,959	1,944	2,121	2,190	2,200	2,080	1,491	1,428	1,161
International Development	4,551	4,797	4,979	5,406	5,936	6,301	6,840	8,690	8,480
Energy and Climate Change	1,015	730	307	1,264	1,159	1,468	1,333	1,246	939
Environment, Food and Rural Affairs	2,671	2,760	2,524	2,534	2,370	2,276	2,135	1,941	1,783
Culture, Media and Sport	1,613	1,616	1,530	1,549	1,527	1,550	2,499	1,404	1,174
Work and Pensions	8,625	8,626	8,276	9,029	8,847	7,577	7,221	6,983	6,960
Scotland	24,307	25,158	25,243	25,859	25,780	24,729	24,491	24,040	23,551
Wales	12,796	13,182	13,416	13,948	13,794	13,392	13,118	12,915	12,632
Northern Ireland	9,320	9,566	9,677	9,967	10,025	9,590	9,377	9,189	9,000
Chancellor's Departments	5,132	4,766	4,733	4,568	4,150	4,071	3,845	3,704	3,460
Cabinet Office	1,875	1,904	2,149	2,351	2,359	2,426	2,343	2,240	2,396
Independent Bodies	746	766	828	827	743	891	762	726	692
Reserve	0	0	0	0	0	1,900	2,300	2,400	2,300
Special Reserve	0	0	0	0	0	100	2,900	2,800	2,500
Green Investment Bank	0	0	0	0	0	0	0	900	0
<b>Total resource DEL</b>	<b>313,634</b>	<b>322,911</b>	<b>328,238</b>	<b>343,700</b>	<b>346,013</b>	<b>332,500</b>	<b>326,600</b>	<b>322,200</b>	<b>313,000</b>
<b>Resource departmental AME by departmental group</b>									
Education <sup>(3)</sup>	9,513	11,516	11,144	10,747	-10,425	11,553	11,882	12,121	12,346
NHS (Health) <sup>(3)</sup>	12,760	14,908	15,680	16,707	-11,402	19,133	19,334	20,110	20,868
Transport	158	726	631	1,117	987	1,314	1,310	1,400	1,339
CLG Communities	409	347	643	256	-145	-232	383	409	416
CLG Local Government	1,147	905	692	292	1,111	291	284	277	270
Business, Innovation and Skills	-1,031	-838	-455	468	-827	-1,014	-1,228	-1,262	-1,865
Home Office	346	393		702	920	968	1,075	1,124	1,168
Justice	-164	-67	471	643	323	223	214	220	214
Law Officers' Departments	-1	8	12	16	-12	10	10	7	6
Defence <sup>(3)</sup>	5,450	6,312	6,389	8,132	-727	9,207	9,429	9,536	9,642
Foreign and Commonwealth Office	69	26	-10	89	34	73	71	69	67
International Development	461	-12	223	337	177	271	245	114	142
Energy and Climate Change	7,581	7,822	2,515	758	5,132	540	438	389	450
Environment, Food and Rural Affairs	273	-18	-59	-74	-250	51	16	14	-51
Culture, Media and Sport	4,019	4,132	4,071	4,175	4,080	3,818	3,602	3,700	3,433
Work and Pensions	131,789	136,931	141,626	150,859	151,330	153,008	154,447	151,314	150,804
Scotland	1,683	2,334	2,611	2,400	3,381	2,970	3,050	3,128	3,208
Wales	20	-67	144	444	53	76	-6	-16	-40
Northern Ireland	9,990	6,639	6,789	7,438	6,232	7,654	7,607	7,524	7,497
Chancellor's Departments	32,591	33,681	80,843	9,865	28,601	39,560	41,249	38,895	38,224
Cabinet Office <sup>(3)</sup>	6,687	8,201	7,506	7,703	-7,467	8,440	9,111	-2,376	-2,211
Independent Bodies	58	30	16	62	38	13	12	15	15
<b>Total resource departmental AME</b>	<b>223,807</b>	<b>233,910</b>	<b>282,229</b>	<b>223,137</b>	<b>171,145</b>	<b>257,927</b>	<b>262,538</b>	<b>246,713</b>	<b>245,942</b>
<b>Total resource budget</b>	<b>537,441</b>	<b>556,820</b>	<b>610,467</b>	<b>566,837</b>	<b>517,158</b>	<b>590,500</b>	<b>589,200</b>	<b>568,900</b>	<b>559,000</b>

<sup>(1)</sup> Real terms figures are the cash figures adjusted to 2010-11 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 28th June 2011. The forecasts are consistent with the Financial Statement and Budget 2011.

<sup>(2)</sup> NHS (Health) includes Food Standards Agency, see Annex B.

<sup>(3)</sup> The main pension schemes are reported under FRS17 accounting requirements, the reconciliation to National Accounts is explained in Annex D. In the 2010 Budget Statement it was announced that the Government would use the CPI rather than the RPI for the indexation of public service pensions. This change has been recognised as a negative past service cost in 2010-11 in accordance with IAS19.

**Table 1.5 Administrative budgets<sup>(1)</sup>, 2006-07 to 2014-15**

	£ million									
	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans	
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn					
Education	339	352	378	391	406	509	474	442	411	
NHS (Health)	4,163	4,520	4,800	5,080	5,470	4,916	4,426	4,153	4,166	
Transport	286	283	273	275	278	285	265	246	229	
CLG Communities	478	451	503	487	437	419	380	343	309	
Business, Innovation and Skills	808	797	861	909	397	945	793	749	721	
Home Office	662	639	626	770	674	693	649	605	572	
Justice	428	448	444	419	382	712	654	609	566	
Law Officers' Departments	61	98	66	66	47	63	61	56	50	
Defence <sup>(2)</sup>	2,750	2,773	2,923	2,859	1,998	2,025	1,877	1,736	1,598	
Foreign and Commonwealth Office	268	242	269	318	352	248	230	215	202	
International Development	144	156	166	158	148	144	133	124	115	
Energy and Climate Change	149	182	199	201	199	221	204	189	175	
Environment, Food and Rural Affairs	803	790	757	739	736	729	649	609	578	
Culture, Media and Sport	50	51	53	54	50	181	166	145	132	
Work and Pensions	5,874	5,723	5,667	6,063	5,620	1,720	1,530	1,310	1,241	
Northern Ireland	28	30	31	30	28	27	26	25	22	
Chancellor's Departments	4,152	3,963	3,948	3,868	3,575	1,329	1,249	1,163	1,093	
Cabinet Office	277	264	325	304	307	294	274	245	231	
<i>of which: Security and Intelligence Agencies <sup>(2)</sup></i>	81	74	81	80	74	82	74	62	61	
<b>Total administration budgets</b>	<b>21,721</b>	<b>21,761</b>	<b>22,290</b>	<b>22,990</b>	<b>21,103</b>	<b>15,458</b>	<b>14,040</b>	<b>12,965</b>	<b>12,411</b>	
<i>of which: administration costs paybill</i>	13,769	13,999	14,059	14,632	13,101	9,073	7,346	6,779	6,360	
<b>Administration budgets as a percentage of Total Managed Expenditure <sup>(3)</sup></b>	<b>3.9%</b>	<b>3.7%</b>	<b>3.5%</b>	<b>3.4%</b>	<b>3.1%</b>	<b>2.2%</b>	<b>1.9%</b>	<b>1.8%</b>	<b>1.7%</b>	

<sup>(1)</sup> Administration budgets now include Non-Departmental Public Bodies, see paragraph 1.20.

<sup>(2)</sup> The historical data for Defence and Security and Intelligence Agencies are estimates. The former joined the administration budgets regime in the 2007 Comprehensive Spending Review, the latter have estimated the historical impact of reclassifications at the 2007 CSR.

<sup>(3)</sup> TME excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 1.6 Capital budgets, 2006-07 to 2014-15**

	£ million									
	National Statistics					2011-12	2012-13	2013-14	2014-15	
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans	
<b>Capital DEL by departmental group</b>										
Education	4,056	5,226	5,525	7,443	7,127	5,059	4,213	3,266	3,378	
NHS (Health)	2,996	3,969	4,370	5,183	4,200	4,429	4,429	4,437	4,648	
Transport	7,095	6,740	7,252	8,253	7,386	7,732	8,083	7,481	7,518	
CLG Communities	5,602	6,234	7,109	8,935	6,420	3,463	2,293	1,814	1,961	
CLG Local Government	223	32	122	260	-67	0	0	0	0	
Business, Innovation and Skills	1,939	2,109	2,131	3,031	2,073	1,182	976	750	972	
Home Office	600	744	836	999	740	503	501	366	466	
Justice	539	755	904	853	546	434	312	280	303	
Law Officers' Departments	11	11	9	12	8	6	6	6	7	
Defence	7,193	8,608	8,980	9,210	9,436	10,031	9,136	9,191	8,749	
Foreign and Commonwealth Office	161	228	227	201	156	107	102	102	98	
International Development	765	738	875	1,353	1,558	1,394	1,635	1,924	2,044	
Energy and Climate Change	1,464	1,486	1,667	1,807	2,014	1,507	2,013	2,208	2,711	
Environment, Food and Rural Affairs	584	557	610	693	570	373	382	380	412	
Culture, Media and Sport	287	537	823	519	578	1,375	565	175	69	
Work and Pensions	202	79	86	272	322	245	324	385	242	
Scotland	3,030	3,563	3,333	3,927	3,287	2,540	2,475	2,237	2,318	
Wales	1,318	1,462	1,627	1,930	1,751	1,288	1,189	1,065	1,106	
Northern Ireland	826	1,110	1,309	1,283	1,194	915	859	781	804	
Chancellor's Departments	299	240	282	290	213	339	170	137	134	
Cabinet Office	244	320	397	455	435	401	379	387	356	
Independent Bodies	51	60	37	55	57	50	68	69	76	
Reserve	-	-	-	-	-	900	1,000	1,000	1,100	
Special Reserve	-	-	-	-	-	200	800	800	800	
Green Investment Bank	-	-	-	-	-	-	800	-	-	
<b>Total capital DEL</b>	<b>39,482</b>	<b>44,806</b>	<b>48,510</b>	<b>56,963</b>	<b>50,005</b>	<b>44,500</b>	<b>42,600</b>	<b>39,200</b>	<b>40,300</b>	
<b>Capital departmental AME by departmental group</b>										
NHS (Health)	89	37	14	6	8	0	0	0	0	
CLG Communities	543	1,213	516	171	843	658	658	658	658	
Business, Innovation and Skills	2,223	3,469	3,254	4,144	4,059	6,416	7,136	8,851	10,928	
Defence	-	-	-	5	0	0	0	0	0	
Energy and Climate Change	-569	-419	-279	-337	-78	-78	-78	-78	-78	
Environment, Food and Rural Affairs	-	-	1	1	0	11	11	11	11	
Culture, Media and Sport	997	808	572	875	835	707	532	834	789	
Work and Pensions	185	140	136	171	177	86	87	88	89	
Scotland	147	149	180	160	151	202	215	218	220	
Wales	128	165	168	202	209	241	254	263	266	
Northern Ireland	325	200	378	430	397	441	535	519	481	
Chancellor's Departments <sup>(1)</sup>	256	212	85,822	41,868	-2,675	1,110	0	0	0	
Independent Bodies	2	-	-	-	0	0	0	0	0	
<b>Total capital departmental AME</b>	<b>4,327</b>	<b>5,975</b>	<b>90,761</b>	<b>47,694</b>	<b>3,926</b>	<b>9,794</b>	<b>9,349</b>	<b>11,363</b>	<b>13,364</b>	
<b>Total capital budget</b>	<b>43,808</b>	<b>50,782</b>	<b>139,271</b>	<b>104,657</b>	<b>53,930</b>	<b>54,300</b>	<b>52,000</b>	<b>50,600</b>	<b>53,600</b>	

<sup>(1)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

**Table 1.7 Capital budgets in real terms<sup>(1)</sup>, 2006-07 to 2014-15**

	£ million									
	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans	
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn					
<b>Capital DEL by departmental group</b>										
Education	4,487	5,620	5,781	7,664	7,127	4,915	3,993	3,015	3,037	
NHS (Health)	3,314	4,268	4,573	5,337	4,200	4,303	4,198	4,095	4,178	
Transport	7,848	7,248	7,589	8,498	7,386	7,511	7,661	6,905	6,758	
CLG Communities	6,197	6,704	7,439	9,200	6,420	3,364	2,173	1,674	1,763	
CLG Local Government	247	34	128	268	-67	0	0	0	0	
Business, Innovation and Skills	2,145	2,268	2,230	3,121	2,073	1,148	925	692	874	
Home Office	664	800	875	1,029	740	489	475	338	419	
Justice	596	812	946	878	546	422	296	258	272	
Law Officers' Departments	12	12	9	12	8	6	6	6	6	
Defence	7,957	9,257	9,397	9,483	9,436	9,745	8,660	8,483	7,865	
Foreign and Commonwealth Office	178	245	238	207	156	104	97	94	88	
International Development	846	794	916	1,393	1,558	1,354	1,550	1,776	1,837	
Energy and Climate Change	1,619	1,598	1,744	1,861	2,014	1,464	1,908	2,038	2,437	
Environment, Food and Rural Affairs	646	599	638	714	570	362	362	351	370	
Culture, Media and Sport	317	577	861	534	578	1,336	536	162	62	
Work and Pensions	223	85	90	280	322	238	307	355	218	
Scotland	3,352	3,832	3,488	4,043	3,287	2,467	2,346	2,065	2,084	
Wales	1,458	1,572	1,703	1,987	1,751	1,251	1,127	983	994	
Northern Ireland	914	1,194	1,370	1,321	1,194	889	814	721	723	
Chancellor's Departments	331	258	295	299	213	329	161	126	120	
Cabinet Office	270	344	415	468	435	390	359	357	320	
Independent Bodies	56	65	39	57	57	49	64	64	68	
Reserve	-	-	-	-	-	900	900	900	1,000	
Special Reserve	-	-	-	-	-	200	700	700	700	
Green Investment Bank	-	-	-	-	-	-	700	-	-	
<b>Total capital DEL</b>	<b>43,674</b>	<b>48,183</b>	<b>50,762</b>	<b>58,652</b>	<b>50,005</b>	<b>43,200</b>	<b>40,400</b>	<b>36,200</b>	<b>36,200</b>	
<b>Capital departmental AME by departmental group</b>										
NHS (Health)	98	40	15	6	8	0	0	0	0	
CLG Communities	601	1,304	540	176	843	639	624	607	592	
Business, Innovation and Skills	2,459	3,730	3,405	4,267	4,059	6,233	6,764	8,170	9,824	
Defence	-	-	-	5	0	0	0	0	0	
Energy and Climate Change	-629	-451	-292	-347	-78	-76	-74	-72	-70	
Environment, Food and Rural Affairs	-	-	1	1	0	11	10	10	10	
Culture, Media and Sport	1,103	869	599	901	835	687	504	770	709	
Work and Pensions	205	151	142	176	177	84	82	81	80	
Scotland	163	160	188	165	151	196	204	201	198	
Wales	142	177	176	208	209	234	241	243	239	
Northern Ireland	360	215	396	443	397	428	507	479	432	
Chancellor's Departments <sup>(2)</sup>	283	228	89,806	43,110	-2,675	1,078	0	0	0	
Independent Bodies	2	-	-	-	0	0	0	0	0	
<b>Total capital departmental AME</b>	<b>4,786</b>	<b>6,425</b>	<b>94,974</b>	<b>49,108</b>	<b>3,926</b>	<b>9,514</b>	<b>8,861</b>	<b>10,488</b>	<b>12,014</b>	
<b>Total capital budget</b>	<b>48,460</b>	<b>54,609</b>	<b>145,736</b>	<b>107,761</b>	<b>53,930</b>	<b>52,700</b>	<b>49,300</b>	<b>46,700</b>	<b>48,200</b>	

<sup>(1)</sup> Real terms figures are the cash figures adjusted to 2009-10 price levels using GDP deflators. The deflators are circulated from data released by the Office for National Statistics on 29th March 2011. The forecasts are consistent with the Financial Statement and Budget 2011.

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

**Table 1.8 Total Departmental Expenditure Limits <sup>(1)</sup>, 2006-07 to 2014-15**

	£ million								
	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn				
<b>Total DEL by departmental group</b>									
Education	46,148	50,129	52,344	57,018	58,552	56,522	56,751	56,339	57,386
NHS (Health) <sup>(2)</sup>	78,881	85,791	92,384	99,792	101,985	106,054	108,521	111,470	114,533
Personal Social Services (Health) <sup>(3)</sup>	1,744	1,782	1,295	1,395	1,522	0	0	0	0
Transport	13,103	12,839	12,657	13,962	12,556	13,026	13,110	12,446	11,948
CLG Communities	8,928	10,161	11,168	13,209	10,052	5,476	4,077	3,444	3,204
CLG Local Government	22,763	22,782	24,772	25,776	25,889	26,000	23,974	24,198	22,850
Business, Innovation and Skills	16,608	17,972	18,671	20,561	19,302	17,899	16,792	15,594	14,780
Home Office	9,100	9,450	9,850	10,340	9,605	9,491	9,081	8,503	8,330
Justice	8,428	9,280	9,587	9,414	9,166	8,751	8,121	7,720	7,424
Law Officers' Departments	698	716	720	709	666	650	620	595	559
Defence	30,713	33,221	34,383	36,806	37,402	37,444	34,402	34,148	33,495
Foreign and Commonwealth Office	1,850	1,963	2,173	2,223	2,253	2,129	1,565	1,531	1,265
International Development	4,863	5,186	5,617	6,587	7,473	7,859	8,830	11,318	11,456
Energy and Climate Change	2,374	2,158	1,955	3,022	3,162	3,009	3,411	3,549	3,747
Environment, Food and Rural Affairs	2,843	2,913	2,828	2,953	2,736	2,480	2,441	2,293	2,204
Culture, Media and Sport	1,643	1,933	2,258	1,910	1,998	2,823	2,567	1,401	1,199
Work and Pensions	7,813	7,944	7,842	8,819	9,006	7,806	7,701	7,806	7,847
Scotland	24,505	26,468	26,884	28,413	28,510	27,390	27,626	27,581	27,769
Wales	12,684	13,417	14,047	15,004	15,138	14,642	14,556	14,575	14,651
Northern Ireland	9,006	9,746	10,261	10,618	10,832	10,370	10,311	10,292	10,356
Chancellor's Departments	4,740	4,486	4,594	4,516	4,140	4,288	3,991	3,901	3,723
Cabinet Office	1,769	1,941	2,191	2,440	2,464	2,504	2,419	2,351	2,512
Independent Bodies	682	721	783	815	763	909	818	802	792
Reserve	0	0	0	0	0	2,900	3,500	3,600	3,600
Special Reserve	0	0	0	0	0	400	3,800	3,800	3,500
Green Investment Bank	0	0	0	0	0	0	800	1,000	0
<b>Total DEL</b>	<b>311,885</b>	<b>332,999</b>	<b>349,264</b>	<b>376,300</b>	<b>375,170</b>	<b>370,700</b>	<b>369,700</b>	<b>370,200</b>	<b>369,200</b>

<sup>(1)</sup> Total DEL is given by resource DEL excluding depreciation (Table 1.3a) plus capital DEL (Table 1.6).

<sup>(2)</sup> NHS (Health) includes Food Standards Agency, see Annex B.

<sup>(3)</sup> Personal Social Services (Health) are grants previously paid by the Department of Health that are now included in CLG Local Government's budget, see paragraph 1.7.

**Table 1.9 Total Departmental Expenditure Limits<sup>(1)</sup> in real terms,<sup>(2)</sup> 2006-07 to 2014-15**

	£ million								
	National Statistics					2011-12	2012-13	2013-14	2014-15
	2006-07	2007-08	2008-09	2009-10	2010-11				
outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans	
<b>Total DEL by departmental group<sup>(1)</sup></b>									
Education	51,048	53,907	54,774	58,709	58,552	54,908	53,791	52,001	51,588
NHS (Health) <sup>(3)</sup>	87,257	92,257	96,672	102,751	101,985	103,026	102,861	102,887	102,962
Personal Social Services (Health) <sup>(4)</sup>	1,929	1,916	1,355	1,436	1,522	0	0	0	0
Transport	14,494	13,807	13,245	14,376	12,556	12,654	12,426	11,488	10,741
CLG Communities	9,876	10,927	11,686	13,601	10,052	5,320	3,864	3,179	2,880
CLG Local Government	25,180	24,499	25,922	26,540	25,889	25,258	22,724	22,335	20,541
Business, Innovation and Skills	18,371	19,327	19,538	21,171	19,302	17,388	15,916	14,393	13,287
Home Office	10,066	10,162	10,307	10,647	9,605	9,220	8,607	7,848	7,488
Justice	9,323	9,979	10,032	9,693	9,166	8,501	7,697	7,126	6,674
Law Officers' Departments	772	770	753	730	666	631	588	549	503
Defence	33,974	35,725	35,979	37,897	37,402	36,375	32,608	31,519	30,111
Foreign and Commonwealth Office	2,046	2,111	2,274	2,289	2,253	2,068	1,483	1,413	1,137
International Development	5,379	5,577	5,878	6,782	7,473	7,635	8,369	10,447	10,299
Energy and Climate Change	2,626	2,321	2,046	3,112	3,162	2,923	3,233	3,276	3,368
Environment, Food and Rural Affairs	3,145	3,133	2,959	3,041	2,736	2,409	2,314	2,116	1,981
Culture, Media and Sport	1,817	2,079	2,363	1,967	1,998	2,742	2,433	1,293	1,078
Work and Pensions	8,643	8,543	8,206	9,081	9,006	7,583	7,299	7,205	7,054
Scotland	27,107	28,463	28,132	29,256	28,510	26,608	26,185	25,457	24,964
Wales	14,031	14,428	14,699	15,449	15,138	14,224	13,797	13,453	13,171
Northern Ireland	9,962	10,481	10,737	10,933	10,832	10,074	9,773	9,500	9,310
Chancellor's Departments	5,243	4,824	4,807	4,650	4,140	4,166	3,783	3,601	3,347
Cabinet Office	1,957	2,087	2,293	2,512	2,464	2,433	2,293	2,170	2,258
Independent Bodies	754	775	819	839	763	883	775	740	712
Reserve	0	0	0	0	0	2,800	3,300	3,300	3,200
Special reserve	0	0	0	0	0	300	3,600	3,500	3,200
Green Investment Bank	0	0	0	0	0	0	700	900	0
<b>Total DEL</b>	<b>345,002</b>	<b>358,097</b>	<b>365,476</b>	<b>387,459</b>	<b>375,170</b>	<b>360,200</b>	<b>350,500</b>	<b>341,700</b>	<b>331,900</b>

<sup>(1)</sup> Total DEL is given by resource DEL excluding depreciation (Table 1.3a) plus capital DEL (Table 1.6).

<sup>(2)</sup> Real terms figures are the cash figures adjusted to 2010-11 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 28th June 2011. The forecasts are consistent with the Financial Statement and Budget 2011.

<sup>(3)</sup> NHS (Health) includes Food Standards Agency, see Annex B.

<sup>(4)</sup> Personal Social Services (Health) are grants previously paid by the Department of Health that are now included in CLG Local Government's budget, see paragraph 1.7.



**Table 1.10 Accounting adjustments<sup>(1)</sup>, 2006-07 to 2014-15**

	£ billions								
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans
<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)	-9.5	-10.0	-10.6	-13.4	-19.1	-14.3	-15.4	-15.3	-16.0
NHS capital consumption	-1.5	-1.7	-1.8	-1.8	-1.8	-1.0	-1.9	-1.9	-2.0
Interest	0.1	0.1	0.2	-0.1	-0.2	-0.2	-0.1	-0.1	-0.1
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total resource DEL</b>	<b>-11.0</b>	<b>-11.6</b>	<b>-12.2</b>	<b>-15.3</b>	<b>-21.0</b>	<b>-15.5</b>	<b>-17.3</b>	<b>-17.3</b>	<b>-18.0</b>
<b>Resource departmental AME</b>									
Capital consumption	-0.7	-1.1	-1.9	-2.5	-7.5	-1.6	-1.6	-1.8	-1.7
Interest	0.8	1.3	2.4	1.2	1.1	2.6	1.7	1.9	2.5
Subsidy element of renewable obligation certificates	0.0	0.0	0.0	0.0	0.0	-1.7	-2.2	-2.6	-3.2
Subsidy element of other environmental levies	0.0	0.0	0.0	0.0	0.0	-0.3	-0.4	-0.6	-0.7
Other	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total resource departmental AME</b>	<b>0.2</b>	<b>0.3</b>	<b>0.6</b>	<b>-1.2</b>	<b>-6.4</b>	<b>-0.9</b>	<b>-2.5</b>	<b>-3.0</b>	<b>-3.0</b>
Adjustment for different data used by OBR in PSCE forecast	0.0	0.0	0.0	0.0	-1.6	0.5	0.5	0.2	-0.5
<i>of which DEL</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>1.0</i>	<i>-0.2</i>	<i>0.9</i>	<i>0.8</i>	<i>0.4</i>
<i>of which AME</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-2.6</i>	<i>0.7</i>	<i>-0.4</i>	<i>-0.6</i>	<i>-0.9</i>
<b>Total resource budget data replaced by different source data</b>	<b>-10.8</b>	<b>-11.3</b>	<b>-11.6</b>	<b>-16.5</b>	<b>-29.1</b>	<b>-15.8</b>	<b>-19.3</b>	<b>-20.1</b>	<b>-21.5</b>
<b>Remove data in budgets which do not form part of public sector current expenditure</b>									
<b>Resource DEL</b>									
Impairments	-0.8	-1.0	-1.0	0.5	0.0	0.0	0.0	0.0	0.0
Receipts treated as negative DEL but revenue in National Accounts	0.4	0.5	0.6	0.6	0.7	0.3	0.3	0.3	0.3
Fees, levies and charges	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Grant equivalent element of student lending	-0.8	-1.1	-1.3	-1.6	-1.7	-1.8	-2.2	-2.7	-3.3
Stock write-offs	-0.2	-0.6	0.5	-1.0	-0.1	0.0	0.0	0.0	0.0
Change in pension scheme liabilities	-0.1	-0.1	-0.2	-0.2	0.1	0.0	0.0	0.0	0.0
Miscellaneous current transfers	0.6	0.7	0.8	1.3	1.8	1.9	2.1	2.2	2.6
Northern Ireland Executive transfers between DEL and AME <sup>(2)</sup>	0.5	0.5	0.6	0.5	0.6	0.6	0.6	0.6	0.7
Profit or loss - sale of company securities	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0
Profit or loss - sale of other assets (capital in National Accounts)	0.1	0.8	0.3	0.1	0.0	0.0	0.0	0.0	0.0
Green Investment Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0
Other	0.1	0.1	0.0	0.2	-0.1	-0.3	-0.2	-0.2	-0.1
<b>Total resource DEL</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.4</b>	<b>0.9</b>	<b>1.2</b>	<b>0.9</b>	<b>0.7</b>	<b>-0.7</b>	<b>0.3</b>
<b>Resource departmental AME</b>									
Impairments	-4.1	-1.6	-19.3	-3.8	8.4	-4.0	-4.1	-4.0	-4.2
Bad debts	-0.4	-0.4	-0.5	-0.5	-0.6	-0.4	-0.4	-0.4	-0.4
Grant equivalent element of student lending	0.5	0.1	0.5	0.1	0.0	0.1	0.1	0.1	0.1
Provisions	-6.6	-11.5	-28.9	23.7	-6.9	-3.1	-3.2	-3.3	-3.3
Change in pension scheme liabilities	-21.1	-24.5	-24.8	-22.1	53.5	-26.9	-27.5	-23.1	-23.7
Unwinding of discount rate on pension scheme liabilities	-29.5	-32.8	-36.5	-39.2	-38.0	-43.6	-45.6	-39.9	-42.0
Release of provisions covering payments of pension benefits	18.9	21.3	22.5	24.3	25.8	27.3	28.8	30.1	31.6
Fees, levies and charges	0.2	0.2	0.5	0.2	0.2	0.3	0.2	0.2	0.2
Profit or loss - sale of other assets (capital in National Accounts)	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fee income treated as capital in National Accounts	0.0	0.0	0.0	3.2	0.0	0.0	0.0	0.0	0.0
Imputed tax element of renewable obligation certificates	0.0	0.0	0.0	0.0	0.0	1.7	2.2	2.6	3.2
Imputed tax element of other environmental levies	0.0	0.0	0.0	0.0	0.0	0.3	0.4	0.6	0.7
Tax credits	-4.6	-4.7	-5.6	-5.6	-5.6	-4.7	-4.3	-4.2	-4.2
Other	-0.2	-0.2	-0.1	-0.6	1.0	0.2	0.2	0.1	0.2
<b>Total resource departmental AME</b>	<b>-47.0</b>	<b>-53.4</b>	<b>-92.4</b>	<b>-20.4</b>	<b>38.0</b>	<b>-52.8</b>	<b>-53.2</b>	<b>-41.3</b>	<b>-41.8</b>
<b>Total resource budget data not in public sector current expenditure</b>	<b>-47.1</b>	<b>-53.4</b>	<b>-91.9</b>	<b>-19.5</b>	<b>39.2</b>	<b>-51.9</b>	<b>-52.5</b>	<b>-41.9</b>	<b>-41.5</b>

**Table 1.10 Accounting adjustments, 2006-07 to 2014-15 (continued)**

	£ billions								
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 estimated outturn	2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans
<b>Central government adjustments in National Accounts</b>									
Expenditure on goods and services	14.5	12.4	14.9	13.3	14.4	16.2	17.5	18.3	18.1
of which: VAT refunds	3.9	3.7	3.9	3.7	4.8	5.6	5.8	5.9	6.0
of which: Single Use Military Expenditure	6.5	5.1	5.7	5.3	5.4	6.4	5.8	5.7	5.2
of which: payment from EU for tax collection costs	-0.6	-0.6	-0.7	-0.7	-0.6	-0.6	-0.6	-0.7	-0.7
of which: capital consumption	6.0	6.2	6.5	6.7	7.2	7.6	8.0	8.4	8.8
of which: other	-1.3	-2.0	-0.6	-1.8	-2.4	-2.8	-1.4	-1.1	-1.1
Net social benefits <sup>(3)</sup>	105.2	6.8	7.0	7.5	8.0	8.1	7.2	6.2	5.9
of which: switch between benefits and other current grants	106.1	6.4	6.9	7.4	7.5	7.4	7.5	7.6	7.7
of which: public service pensions contributions uprate	0.0	0.0	0.0	0.0	0.0	0.0	-1.1	-2.1	-2.6
of which: other	-0.9	0.3	0.1	0.1	0.5	0.6	0.7	0.7	0.8
Net current grants abroad	3.6	2.3	3.1	3.5	3.0	3.7	3.8	3.8	3.9
of which: attributed aid	-0.7	-0.7	-0.8	-0.8	-0.9	-1.0	-0.9	-0.9	-0.9
of which: DfID funding for capital projects scored in resource DEL	-0.4	-0.5	-0.5	-0.5	0.0	0.0	0.0	0.0	0.0
of which: EU receipts	4.5	3.9	3.9	5.0	4.2	4.9	4.9	4.9	4.9
of which: other	0.2	-0.5	0.5	-0.1	-0.3	-0.2	-0.2	-0.2	-0.2
Other current grants <sup>(3)</sup>	-106.2	-7.1	-8.6	-9.1	-7.4	-7.6	-7.7	-7.7	-7.8
of which: switch between other current grants and benefits	-106.1	-6.4	-6.9	-7.4	-7.5	-7.4	-7.5	-7.6	-7.7
of which: other	0.0	-0.7	-1.7	-1.7	0.1	-0.2	-0.1	-0.1	-0.1
Subsidies	-1.2	-0.1	-1.0	-0.7	-0.9	-1.2	-0.7	-0.1	0.5
of which: Renewable Obligation Certificates	0.5	0.5	0.5	0.5	0.5	0.7	0.9	1.3	1.6
of which: other environmental levies	0.0	0.0	0.0	0.0	0.0	0.1	0.3	0.5	0.8
of which: company tax credits outside departmental AME	0.7	0.8	0.9	1.0	0.9	0.9	0.9	0.9	0.9
of which: other	-2.3	-1.3	-2.4	-2.2	-2.4	-2.9	-2.8	-2.8	-2.8
<b>Total central government resource adjustments</b>	<b>15.9</b>	<b>14.3</b>	<b>15.4</b>	<b>14.5</b>	<b>17.0</b>	<b>19.1</b>	<b>20.1</b>	<b>20.5</b>	<b>20.6</b>
<b>Local government adjustments in National Accounts</b>									
Remove data which do not form part of public sector current expenditure	-4.2	-4.2	-4.7	-4.1	-4.2	-4.0	-4.8	-4.6	-4.6
of which: Northern Ireland regional rates	-0.5	-0.5	-0.6	-0.5	-0.6	-0.6	-0.6	-0.6	-0.7
of which: retirement benefits	-0.5	-0.5	-0.6	-0.5	-0.5	-0.4	-0.4	-0.3	-0.3
of which: debt interest payments to central government	-3.0	-3.1	-3.2	-2.9	-2.9	-2.9	-3.8	-3.8	-3.8
of which: other	-0.3	-0.1	-0.2	-0.1	-0.2	0.0	0.0	0.1	0.1
Adjustments to reconcile use of different data sources	-1.3	-0.9	-0.7	-0.3	-0.5	-0.4	-0.4	-0.3	-0.3
of which: central government support	-1.4	-1.1	-0.8	0.2	0.0	0.0	0.0	0.0	0.0
of which: debt interest	0.0	0.3	0.1	-0.5	-0.5	-0.4	-0.3	-0.2	-0.2
of which: other	0.0	-0.1	0.0	-0.1	-0.1	-0.1	0.0	0.0	0.0
Expenditure on goods and services	11.4	12.3	12.6	12.0	13.6	15.1	15.3	15.3	15.5
of which: VAT refunds	5.5	6.0	6.1	5.6	6.2	7.4	7.2	7.0	6.9
of which: capital consumption	6.5	6.8	7.2	7.6	8.0	8.5	8.9	9.2	9.5
of which: rates	-1.1	-1.1	-1.2	-1.2	-1.2	-1.3	-1.4	-1.4	-1.5
of which: other	0.5	0.6	0.5	0.0	0.6	0.6	0.6	0.6	0.6
Subsidies	1.6	1.6	1.5	1.8	1.9	2.0	1.3	1.3	1.2
of which: equity injection into Housing Revenue Account	1.5	1.5	1.5	1.5	1.6	1.6	0.9	0.9	0.9
of which: other	0.1	0.1	0.1	0.3	0.3	0.3	0.3	0.3	0.3
Net social benefits	-0.3	-0.4	-0.6	-0.8	-0.9	-0.9	-0.9	-0.9	-0.9
of which: housing benefits and rent rebates	0.4	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0
of which: other	-0.8	-0.8	-1.0	-0.8	-0.9	-0.9	-0.9	-0.9	-0.9
Other current grants and current grants abroad	-0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0
<b>Total local government resource adjustments</b>	<b>7.0</b>	<b>8.2</b>	<b>8.1</b>	<b>8.5</b>	<b>9.9</b>	<b>11.8</b>	<b>10.6</b>	<b>10.9</b>	<b>11.0</b>
<b>Other resource adjustments</b>									
Public corporations	0.7	0.7	0.5	0.4	0.6	0.7	0.7	0.7	0.7
Other	0.0	0.0	0.0	0.0	-0.1	0.1	0.1	0.0	0.0
<b>Total other resource adjustments</b>	<b>0.6</b>	<b>0.7</b>	<b>0.5</b>	<b>0.4</b>	<b>0.5</b>	<b>0.8</b>	<b>0.8</b>	<b>0.7</b>	<b>0.7</b>
<b>Total resource adjustments</b>	<b>-34.3</b>	<b>-41.6</b>	<b>-79.6</b>	<b>-12.5</b>	<b>37.6</b>	<b>-36.0</b>	<b>-40.2</b>	<b>-30.0</b>	<b>-30.6</b>
of which:									
Timing adjustments <sup>(4)</sup>									
Central government	1.2	0.0	-0.8	-0.9	0.0	0.0	0.0	0.0	0.0
Local government	0.0	-0.1	-0.2	-0.5	0.0	0.0	0.0	0.0	0.0

**Table 1.10 Accounting adjustments, 2006-07 to 2014-15 (continued)**

	£ billions								
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans
<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	-0.3	-0.4	0.0	0.1	-0.1	-0.1	0.1	0.0
Acquisitions less disposals of valuables	0.0	-0.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total capital DEL</b>	<b>-0.1</b>	<b>-0.4</b>	<b>-0.5</b>	<b>0.0</b>	<b>0.1</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.0</b>
Adjustment for different data used by OBR in PSGI forecast	0.0	0.0	0.0	0.0	2.1	-0.6	0.1	0.1	0.3
<i>of which DEL</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>2.9</i>	<i>-0.2</i>	<i>1.4</i>	<i>0.7</i>	<i>0.8</i>
<i>of which AME</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-0.8</i>	<i>-0.5</i>	<i>-1.3</i>	<i>-0.6</i>	<i>-0.5</i>
<b>Total capital budget data replaced by different source data</b>	<b>-0.1</b>	<b>-0.4</b>	<b>-0.5</b>	<b>0.0</b>	<b>2.2</b>	<b>-0.7</b>	<b>0.1</b>	<b>0.2</b>	<b>0.3</b>
<b>Remove data in budgets which do not form part of public sector gross investment</b>									
<b>Capital DEL</b>									
Single Use Military Equipment	-6.5	-5.1	-5.7	-5.3	-5.6	-6.4	-5.8	-5.7	-5.2
Net lending to private sector	-0.5	-0.4	-0.6	-1.4	-1.1	0.0	-1.1	-1.2	-1.3
Capital support for public corporations	0.0	-0.7	-0.1	-0.1	0.2	0.1	0.1	0.1	0.1
Local government supported capital expenditure	-4.3	-3.8	-3.7	-3.7	-3.0	-0.1	-0.1	-0.1	-0.1
Northern Ireland Executive transfers between DEL and AME	0.2	0.1	0.3	0.2	0.2	0.2	0.2	0.2	0.2
Green Investment Bank	0.0	0.0	0.0	0.0	0.0	0.0	-0.8	0.0	0.0
Other	0.1	0.1	0.0	0.1	0.1	-0.1	0.1	0.1	0.0
<b>Total Capital DEL</b>	<b>-11.0</b>	<b>-9.8</b>	<b>-9.8</b>	<b>-10.2</b>	<b>-9.2</b>	<b>-6.3</b>	<b>-7.5</b>	<b>-6.7</b>	<b>-6.3</b>
<b>Capital departmental AME</b>									
Net lending to private sector	-2.9	-4.4	-49.8	-13.2	-2.1	-7.5	-7.1	-8.9	-11.0
Capital support for public corporations	1.0	0.6	0.7	-0.1	0.4	-0.7	-0.8	-0.8	-0.8
Purchase of company securities	-0.4	0.0	-30.8	-32.1	0.0	0.0	0.0	0.0	0.0
Sale of company securities	0.0	0.1	0.1	7.1	0.0	0.0	0.0	0.0	0.0
Northern Ireland Executive transfers between DEL and AME	-0.2	-0.1	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Other	0.0	0.0	0.0	-0.2	-0.2	0.0	-0.1	-0.1	0.0
<b>Total capital departmental AME</b>	<b>-2.6</b>	<b>-3.8</b>	<b>-80.0</b>	<b>-38.8</b>	<b>-2.1</b>	<b>-8.4</b>	<b>-8.1</b>	<b>-9.8</b>	<b>-11.9</b>
<b>Total capital budget data not in public sector gross investment</b>	<b>-13.5</b>	<b>-13.6</b>	<b>-89.8</b>	<b>-49.0</b>	<b>-11.3</b>	<b>-14.7</b>	<b>-15.6</b>	<b>-16.6</b>	<b>-18.2</b>
<b>Central government adjustments in National Accounts</b>									
Gross fixed capital formation	0.9	-1.6	-0.6	0.0	-0.2	-0.4	-0.4	-0.5	-0.5
<i>of which: profit or loss - sale of other assets (from resource budgets)</i>	<i>-0.1</i>	<i>-1.5</i>	<i>-0.3</i>	<i>-0.1</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>of which: other</i>	<i>1.0</i>	<i>-0.1</i>	<i>-0.3</i>	<i>0.1</i>	<i>-0.2</i>	<i>-0.4</i>	<i>-0.4</i>	<i>-0.5</i>	<i>-0.5</i>
Capital grants to and from the private sector	1.1	0.3	-0.9	-2.8	0.1	0.4	0.4	0.4	0.4
<i>of which: VAT refunds</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>
<i>of which: Nigerian debt write-off</i>	<i>1.4</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>of which: fee income (from resource budgets)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-3.2</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>of which: DfID funding for capital projects scored in resource DEL</i>	<i>0.4</i>	<i>0.5</i>	<i>0.5</i>	<i>0.5</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>of which: other</i>	<i>-0.8</i>	<i>-0.3</i>	<i>-1.5</i>	<i>-0.2</i>	<i>0.0</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>
<b>Total central government capital adjustments</b>	<b>2.0</b>	<b>-1.3</b>	<b>-1.5</b>	<b>-2.8</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.1</b>
<b>Local government adjustments in National Accounts</b>									
Adjustments to reconcile use of different data sources	1.7	0.6	-0.3	-1.7	-1.2	-1.4	-1.5	-1.6	-1.6
<i>of which: central government support</i>	<i>2.8</i>	<i>2.5</i>	<i>1.8</i>	<i>1.1</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>of which: financial transactions</i>	<i>-0.4</i>	<i>-1.1</i>	<i>-1.3</i>	<i>-1.6</i>	<i>-0.6</i>	<i>-0.6</i>	<i>-0.6</i>	<i>-0.6</i>	<i>-0.6</i>
<i>of which: capital grants from private sector</i>	<i>-0.8</i>	<i>-0.8</i>	<i>-0.8</i>	<i>-1.2</i>	<i>-0.6</i>	<i>-0.8</i>	<i>-0.9</i>	<i>-1.0</i>	<i>-1.0</i>
Gross fixed capital formation	1.5	2.5	2.8	2.7	2.1	2.0	1.8	1.6	1.6
<i>of which: VAT refunds</i>	<i>1.6</i>	<i>1.8</i>	<i>1.8</i>	<i>1.7</i>	<i>2.1</i>	<i>2.0</i>	<i>1.8</i>	<i>1.6</i>	<i>1.6</i>
<i>of which: roads de-trunking</i>	<i>0.0</i>	<i>0.8</i>	<i>1.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>of which: other</i>	<i>-0.2</i>	<i>-0.1</i>	<i>-0.1</i>	<i>0.9</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Capital grants	0.2	-1.9	0.1	0.4	-0.3	-0.3	-0.3	-0.3	-0.3
<i>of which: grants to public corporations</i>	<i>-0.3</i>	<i>-2.0</i>	<i>0.0</i>	<i>-1.2</i>	<i>-0.3</i>	<i>-0.3</i>	<i>-0.3</i>	<i>-0.3</i>	<i>-0.3</i>
<i>of which: other</i>	<i>0.5</i>	<i>0.1</i>	<i>0.1</i>	<i>1.6</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<b>Total local government capital adjustments</b>	<b>3.3</b>	<b>1.2</b>	<b>2.5</b>	<b>1.4</b>	<b>0.6</b>	<b>0.3</b>	<b>0.0</b>	<b>-0.3</b>	<b>-0.3</b>
<b>Other capital adjustments</b>									
Public corporations	-0.5	0.4	0.0	0.2	-0.5	0.6	0.7	0.7	0.7
Housing Revenue Account reform receipts	0.0	0.0	0.0	0.0	0.0	-7.5	0.0	0.0	0.0
Other	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total other capital adjustments</b>	<b>-0.5</b>	<b>0.4</b>	<b>0.8</b>	<b>0.2</b>	<b>-0.5</b>	<b>-6.9</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>
<b>Total capital adjustments</b>	<b>-8.8</b>	<b>-13.7</b>	<b>-88.5</b>	<b>-50.2</b>	<b>-9.2</b>	<b>-22.0</b>	<b>-14.9</b>	<b>-16.1</b>	<b>-17.7</b>
of which:									
Timing adjustments <sup>(4)</sup>									
Central government	-2.0	-0.4	-0.9	0.2	0.0	0.0	0.0	0.0	0.0
Local government	0.2	0.0	-0.1	1.0	0.0	0.0	0.0	0.0	0.0

<sup>(1)</sup> The accounting adjustments are described in Annex D.

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

<sup>(3)</sup> In 2005-6 and 2006-07 large amounts of expenditure have been switched from other current grants to net social benefits to correct historical misrecording on COINS. Similar switches of far smaller magnitude are also necessary in recent years.

<sup>(4)</sup> Reflects timing difference between the latest COINS 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 COINS data in the early years.

**Table 1.11 Total Managed Expenditure by spending sector, 2006-07 to 2010-11**

	£ million									
	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans	
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn					
<b>Central government own expenditure</b>										
DEL <sup>(1)</sup>	218,260	233,486	246,802	267,095	266,131	268,178	258,813	260,931	262,105	
Departmental AME <sup>(1)(2)</sup>	187,187	202,431	338,826	238,545	146,379	245,260	255,741	249,205	257,188	
Locally financed support in Northern Ireland	452	520	607	547	538	606	612	639	669	
Net expenditure transfers to the EC	4,652	5,392	3,060	6,419	8,414	8,990	8,430	9,059	9,617	
Central government debt interest	27,581	29,961	30,507	30,864	43,682	48,635	50,857	56,628	62,361	
Accounting and other adjustments <sup>(2)</sup>	-40,352	-51,280	-164,926	-55,921	39,282	-53,000	-43,900	-34,300	-36,600	
<b>Total central government own expenditure</b>	<b>397,780</b>	<b>420,510</b>	<b>454,876</b>	<b>487,548</b>	<b>504,426</b>	<b>518,200</b>	<b>530,600</b>	<b>542,100</b>	<b>555,400</b>	
<b>Local government expenditure</b>										
Central government support in DEL <sup>(1)</sup>	92,571	98,678	102,188	108,689	109,149	99,303	102,930	101,025	100,005	
Central government support in departmental AME <sup>(1)</sup>	20,832	22,093	23,115	25,961	29,143	29,507	29,995	28,856	29,164	
Locally financed support in Scotland	1,884	1,860	1,963	2,165	2,068	2,171	2,171	2,171	2,171	
Local authority self-financed expenditure	24,224	26,090	31,719	29,212	28,926	37,645	31,390	32,371	33,093	
Accounting and other adjustments	6,669	6,451	7,650	7,030	9,721	13,600	13,200	13,600	13,500	
<b>Total local government expenditure</b>	<b>146,180</b>	<b>155,172</b>	<b>166,636</b>	<b>173,056</b>	<b>179,007</b>	<b>182,200</b>	<b>179,700</b>	<b>178,000</b>	<b>177,900</b>	
<b>Public corporation expenditure</b>										
DEL <sup>(1)</sup>	1,054	835	274	517	-111	42	-57	-96	-78	
Departmental AME <sup>(1)</sup>	-1,368	-1,033	-1,471	-100	-452	533	596	595	594	
Public corporations' own-financed capital expenditure	4,728	5,505	7,189	7,735	8,541	8,266	8,304	8,326	8,646	
Accounting and other adjustments	1,672	1,581	2,096	681	254	1,100	1,100	1,100	1,200	
<b>Total public corporation expenditure</b>	<b>6,085</b>	<b>6,887</b>	<b>8,087</b>	<b>8,832</b>	<b>8,233</b>	<b>9,940</b>	<b>9,967</b>	<b>9,972</b>	<b>10,316</b>	
<b>Total Managed Expenditure</b>	<b>550,045</b>	<b>582,569</b>	<b>629,599</b>	<b>669,436</b>	<b>691,666</b>	<b>710,400</b>	<b>720,200</b>	<b>730,100</b>	<b>743,600</b>	

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

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

**Table 1.12 Spending Review 2010 presentation<sup>(1)</sup> of Departmental Expenditure Limits, 2006-07 to 2014-15**

	£ million									
	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans	
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn					
<b>Resource DEL excluding depreciation <sup>(2)</sup></b>										
Education <sup>(3)</sup>	41,883	44,690	46,622	49,378	51,410	51,287	52,371	52,913	53,865	
NHS (Health)	75,791	81,735	87,928	94,529	97,701	101,512	103,985	106,930	109,787	
Personal Social Services (Health)	1,744	1,782	1,295	1,395	1,522	0	0	0	0	
Transport	6,008	6,100	5,408	5,709	5,170	5,295	5,028	4,966	4,431	
CLG Communities	3,324	3,926	4,058	4,275	3,632	2,014	1,784	1,630	1,243	
CLG Local Government <sup>(3)</sup>	22,540	22,750	24,650	25,515	25,956	26,000	23,974	24,198	22,850	
Business, Innovation and Skills	14,479	15,675	16,368	17,354	17,063	16,555	15,661	14,696	13,668	
Home Office	8,499	8,706	9,013	9,340	8,865	8,987	8,580	8,137	7,864	
Justice	7,830	8,469	8,624	8,501	8,561	8,157	7,752	7,386	7,063	
Law Officers' Departments	687	705	712	697	658	644	614	590	552	
Defence	23,520	24,613	25,403	27,596	27,966	27,413	25,266	24,957	24,746	
Foreign and Commonwealth Office	1,689	1,735	1,946	2,022	2,097	2,022	1,463	1,429	1,167	
International Development	4,098	4,448	4,742	5,234	5,915	6,465	7,195	9,394	9,412	
Energy and Climate Change	911	672	288	1,216	1,148	1,503	1,398	1,341	1,036	
Environment, Food and Rural Affairs	2,260	2,356	2,219	2,261	2,166	2,110	2,056	1,913	1,792	
Culture, Media and Sport	1,356	1,396	1,435	1,391	1,420	1,448	2,002	1,226	1,131	
Work and Pensions	7,552	7,786	7,688	8,547	8,684	7,561	7,377	7,421	7,605	
Scotland	21,475	22,905	23,552	24,486	25,224	24,849	25,152	25,344	25,451	
Wales	11,366	11,955	12,420	13,074	13,386	13,355	13,367	13,510	13,545	
Northern Ireland	8,181	8,635	8,952	9,335	9,637	9,455	9,452	9,511	9,552	
Chancellor's Departments	4,276	4,095	4,132	4,048	3,758	3,775	3,657	3,612	3,436	
Cabinet Office	1,495	1,590	1,764	1,955	2,002	2,077	2,014	1,942	2,135	
Small and Independent Bodies	1,440	1,467	1,537	1,479	1,224	1,727	1,427	1,371	1,329	
Reserve	-	-	-	-	-	2,000	2,500	2,600	2,500	
Special Reserve	-	-	-	-	-	100	3,100	3,000	2,800	
Green Investment Bank	-	-	-	-	-	-	-	1,000	-	
<b>Total resource DEL excluding depreciation<sup>(2)</sup></b>	<b>272,403</b>	<b>288,192</b>	<b>300,754</b>	<b>319,337</b>	<b>325,165</b>	<b>326,300</b>	<b>327,100</b>	<b>331,000</b>	<b>328,900</b>	

**Table 1.12 Spending Review 2010 presentation<sup>(1)</sup> of Departmental Expenditure Limits, 2006-07 to 2014-15 (continued)**

	£ million								
	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn				
<b>Capital DEL</b>									
Education	4,056	5,226	5,524	7,442	7,124	5,059	4,213	3,266	3,378
NHS (Health)	2,996	3,967	4,369	5,183	4,200	4,429	4,429	4,437	4,648
Transport	7,093	6,739	7,252	8,253	7,386	7,731	8,082	7,480	7,517
CLG Communities	5,602	6,234	7,109	8,935	6,420	3,463	2,293	1,814	1,961
CLG Local Government	223	32	122	260	-67	0	0	0	0
Business, Innovation and Skills	1,936	2,106	2,129	3,023	2,071	1,178	973	747	970
Home Office	600	744	836	999	740	503	501	366	466
Justice	535	749	899	848	539	429	311	279	301
Law Officers' Departments	11	11	9	12	8	6	6	6	7
Defence	7,193	8,608	8,980	9,210	9,436	10,031	9,136	9,191	8,749
Foreign and Commonwealth Office	161	228	227	201	156	107	102	102	98
International Development	765	738	875	1,353	1,558	1,394	1,635	1,924	2,044
Energy and Climate Change	1,463	1,485	1,666	1,806	2,013	1,506	2,013	2,208	2,711
Environment, Food and Rural Affairs	583	557	610	693	570	373	381	379	411
Culture, Media and Sport	287	537	823	519	578	1,375	565	175	69
Work and Pensions	201	72	85	272	322	245	324	385	242
Scotland	3,030	3,563	3,333	3,927	3,287	2,540	2,475	2,237	2,318
Wales	1,318	1,462	1,627	1,930	1,751	1,288	1,189	1,065	1,106
Northern Ireland	826	1,110	1,309	1,283	1,194	915	859	781	804
Chancellor's Departments	299	240	281	285	211	339	170	136	134
Cabinet Office	243	319	396	454	433	400	379	387	357
Small and Independent Bodies	63	80	49	78	75	62	75	77	82
Reserve	-	-	-	-	-	900	1,000	1,000	1,100
Special Reserve	-	-	-	-	-	200	800	800	800
Green Investment Bank	-	-	-	-	-	-	800	-	-
<b>Total capital DEL</b>	<b>39,482</b>	<b>44,806</b>	<b>48,510</b>	<b>56,963</b>	<b>50,005</b>	<b>44,500</b>	<b>42,600</b>	<b>39,200</b>	<b>40,300</b>
<b>Total DEL<sup>(4)</sup></b>	<b>311,885</b>	<b>332,999</b>	<b>349,264</b>	<b>376,300</b>	<b>375,170</b>	<b>370,800</b>	<b>369,700</b>	<b>370,200</b>	<b>369,200</b>

<sup>(1)</sup> The departmental breakdown in this table consistent with the Budget 2011 presentation not the PESA departmental groupings in Annex B.

<sup>(2)</sup> As part of the Spending Review 2010 DEL was presented less depreciation. This is continued in this table to allow comparison.

<sup>(3)</sup> Total DEL is given by resource DEL excluding depreciation plus capital DEL.

**Table 1.13 Spending Review 2010 presentation<sup>(1)</sup> of Total DEL<sup>(2)</sup>, 2006-07 to 2014-15**

	£ million									
	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans	
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn					
<b>Total DEL</b>										
Education <sup>(3)</sup>	45,939	49,916	52,146	56,820	58,534	56,346	56,584	56,179	57,243	
NHS (Health)	78,787	85,702	92,297	99,712	101,901	105,941	108,414	111,367	114,435	
Personal Social Services (Health)	1,744	1,782	1,295	1,395	1,522	0	0	0	0	
Transport	13,101	12,839	12,660	13,962	12,556	13,026	13,110	12,446	11,948	
CLG Communities	8,926	10,160	11,167	13,210	10,052	5,477	4,077	3,444	3,204	
CLG Local Government <sup>(3)</sup>	22,763	22,782	24,772	25,775	25,889	26,000	23,974	24,198	22,850	
Business, Innovation and Skills	16,415	17,781	18,497	20,377	19,134	17,733	16,634	15,443	14,638	
Home Office	9,099	9,450	9,849	10,339	9,605	9,490	9,081	8,503	8,330	
Justice	8,365	9,218	9,523	9,349	9,100	8,586	8,063	7,665	7,364	
Law Officers' Departments	698	716	721	709	666	650	620	596	559	
Defence	30,713	33,221	34,383	36,806	37,402	37,444	34,402	34,148	33,495	
Foreign and Commonwealth Office	1,850	1,963	2,173	2,223	2,253	2,129	1,565	1,531	1,265	
International Development	4,863	5,186	5,617	6,587	7,473	7,859	8,830	11,318	11,456	
Energy and Climate Change	2,374	2,157	1,954	3,022	3,161	3,009	3,411	3,549	3,747	
Environment, Food and Rural Affairs	2,843	2,913	2,829	2,954	2,736	2,483	2,437	2,292	2,203	
Culture, Media and Sport	1,643	1,933	2,258	1,910	1,998	2,823	2,567	1,401	1,200	
Work and Pensions	7,753	7,858	7,773	8,819	9,006	7,806	7,701	7,806	7,847	
Scotland	24,505	26,468	26,885	28,413	28,511	27,389	27,627	27,581	27,769	
Wales	12,684	13,417	14,047	15,004	15,137	14,643	14,556	14,575	14,651	
Northern Ireland	9,007	9,745	10,261	10,618	10,831	10,370	10,311	10,292	10,356	
Chancellor's Departments	4,575	4,335	4,413	4,333	3,969	4,114	3,827	3,748	3,570	
Cabinet Office	1,738	1,909	2,160	2,409	2,435	2,477	2,393	2,329	2,492	
Small and Independent Bodies	1,503	1,547	1,586	1,557	1,299	1,789	1,502	1,448	1,411	
Reserve	-	-	-	-	-	2,900	3,500	3,600	3,600	
Special Reserve	-	-	-	-	-	400	3,800	3,800	3,500	
Green Investment Bank	-	-	-	-	-	-	800	1,000	-	
<b>Total DEL<sup>(2)</sup></b>	<b>311,885</b>	<b>332,999</b>	<b>349,264</b>	<b>376,300</b>	<b>375,170</b>	<b>370,800</b>	<b>369,700</b>	<b>370,200</b>	<b>369,200</b>	

<sup>(1)</sup> The departmental breakdown in this table consistent with the Budget 2011 presentation not the PESA departmental groupings in Annex B.

<sup>(2)</sup> Total DEL is given by resource DEL excluding depreciation plus capital DEL.





# 2

## Economic analyses of budgets

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**2.1** This chapter provides an economic category analysis of the budgeting aggregates presented in **Chapter 1**. All outturn data in this chapter (to 2010-11) fall within the scope of National Statistics.

### What's new

**2.2** In **Table 2.1** the grant equivalent element of student lending now forms part of depreciation. The grant equivalent element of student lending was reclassified as an impairment which is included in the depreciation row.

**2.3** **Tables 2.2 and 2.3** reflect the transfer of policing and justice powers to the Northern Ireland Executive. The Scotland, Wales and Northern Ireland Offices are now included alongside the relevant devolved administration. These changes are explained in more detail in **Box 1.B** in **Chapter 1**.

**2.4** **Table 2.4** in PESA 2010 showed the split of DEL and AME between expenditure voted by Parliament in Estimates, which accounted for about two thirds of the total, and expenditure financed by other means (e.g. the National Insurance Fund). With Estimates now aligned with budgets as part of the Clear Line of Sight reforms, this table has been removed. The data presented in PESA are now consistent with outturn presented in Main Estimates.

### Analyses of budgets by economic category of spending

**2.5** **Table 2.1** shows analyses of budgets by economic category of spending, consistent with the budgeting aggregates reported in **Chapter 1**. The breakdowns of resource DEL and resource departmental AME are consistent with **Table 1.3**; administration budgets in resource DEL with **Table 1.5**; and capital budgets with **Table 1.6**.

**2.6** 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**.

**2.7** **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, but does not include payments for contract and agency staff that are treated as procurement expenditure.

**2.8** **Gross current procurement** shows expenditure on goods and services, including hire and rentals under PFI and non-PFI operating leases, payments for contract and agency staff, and payments for consultancy and audit services. It also includes the purchase of services from GPs. Spending on Single Use Military Equipment (SUME), shown as current procurement in the National Accounts presentations in **Chapters 5 and 6**, is treated as capital procurement in budgets.

**2.9 Current grants** include all transfer payments other than subsidies (see 2.10 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 a measure of total public spending drawn from the National Accounts. 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. The 'negative tax' element of tax credits, which are included within departmental budgets, do not form part of the National Accounts presentation in **Chapters 5 and 6**. **Current grants abroad** are mainly foreign aid, such as programmes to reduce poverty.

#### **Box 2.A: Treatment of financial sector interventions in budgets**

In the pre-Budget report of December 2009 the use in fiscal policy of new aggregates excluding the temporary effects of financial interventions was introduced. In these aggregates, banks that are classified to the public sector in the National Accounts (Northern Rock, Bradford & Bingley, Dunfermline, Lloyds Banking Group and Royal Bank of Scotland) are treated as if they are outside the public sector, reflecting the Government's intention to return these banks or their assets to the private sector.

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

##### Resource budget

- Income from sales of goods and services: £1.0 billion in 2008-09, £1.3 billion in 2009-10, £1.8 billion in 2010-11 and £1.1 billion in 2011-12. This is mainly underwriting commission and credit guarantee scheme income;
- Depreciation: £18.3 billion in 2008-09, which is mainly the mark to market impairment cost of RBS and LBG shares at the end of March 2009, and -£12.0 billion in 2010-11 for the change in fair value of the Asset Protection Scheme (APS) and Bank of England Asset Purchase Facility Fund;
- Take up of provisions: £25.4 billion in 2008-09 and -£25.4 billion in 2009-10, for potential APS losses which were subsequently not realised;
- Other: income of £1.1 billion in 2008-09, £1.0 billion in 2009-10, £0.7 billion in 2010-11 and £0.9 billion in 2011-12. This is comprised mainly of interest paid to government.

##### Capital budget

- Net lending to the private sector: £48.6 billion in 2008-09, £8.5 billion in 2009-10, -£3.0 billion 2010-11 and £1.1 billion 2011-12. This is mainly lending to banks and the Financial Services Compensation Scheme and subsequent repayments;
- Other: £36.9 billion of share purchases in 2008-09 and a further £29.8 billion in 2009-10.

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

**2.10 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).

**2.11 Depreciation**, also termed capital consumption, represents the amount of capital used up in respect of fixed assets measured on the basis of Generally Accepted Accounting Practice (GAAP). 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.

**2.12 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).

**2.13 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 a UK GAAP 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 GAAP pensions in departmental AME to the National Accounts measure is given in **Table D1**.

**2.14 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 2.15 and 2.16).

**2.15 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**.

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

**2.17 Gross capital procurement** comprises the acquisition of fixed assets (such as land, buildings and machinery) as well as any net increases in stock (where included in budgets). It is measured gross of depreciation. It includes the pay of civil servants engaged in in-house capital formation that is recorded as capital expenditure, rather than as pay. It also includes expenditure on Single Use Military Equipment (SUME) that is classified as current procurement in the National Accounts. The expenditure on services presentations in **Chapters 5 and 6** follow the National Accounts treatment of SUME.

**2.18 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.

**2.19 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.

**2.20 Other** includes items that are too small or too uncommon to warrant an individual line. These include certain receipts that are usually treated as part of revenue in the National Accounts, write-offs of stock, loans written-off, and certain financial transactions.

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

**2.22 Table 2.3** shows central government own capital procurement, gross of depreciation and before deduction of sales, broken down by departmental group. It also includes asset sales by sector (central government, local government and public corporations).

**Table 2.1 Budgets by economic category of spending, 2006-07 to 2014-15**

	£ million									
	National Statistics									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans	
<b>Resource DEL</b>										
Pay	77,983	80,258	84,505	86,853	89,046	88,253	89,262	90,580	91,634	
Gross current procurement	97,592	105,543	112,908	119,780	114,733	118,719	112,341	113,562	114,119	
Income from sales of goods and services	-18,707	-20,203	-22,309	-21,392	-15,819	-14,518	-11,265	-11,666	-12,157	
Current grants to local government	82,016	86,443	89,976	93,565	96,349	89,403	93,581	93,236	92,210	
Current grants to persons and non-profit bodies	26,875	28,662	29,292	32,555	33,076	34,531	28,070	26,597	25,449	
Current grants abroad	248	1,733	1,244	1,207	1,882	1,523	1,796	3,021	3,118	
Subsidies to private sector companies	5,540	4,831	5,066	5,879	5,686	5,741	5,699	5,744	6,115	
Subsidies to public corporations	923	1,422	1,282	1,085	1,267	1,245	1,193	1,178	1,125	
Net public service pensions <sup>(1)</sup>	-85	6	12	-52	28	1	-1	-1	-1	
Depreciation <sup>(2)</sup>	11,125	12,086	12,924	14,463	20,848	16,076	17,537	18,063	19,246	
Take up of provisions	-	-	0	4	27	0	0	0	0	
Release of provisions	0	0	0	-5	31	-2	-1	-1	0	
Change in pension scheme liabilities	119	130	186	153	-56	17	19	19	19	
Unwinding of the discount rate on pension scheme liabilities	14	16	19	20	0	20	23	23	27	
Release of provisions covering payments of pensions benefits <sup>(3)</sup>	-4	0	0	-1	-	-	-	-	-	
Other <sup>(4)</sup>	-111	-648	-1,425	-313	-1,083	-781	857	2,126	2,005	
Plus unallocated funds	-	-	-	-	-	2,100	5,500	6,600	5,300	
<b>Total resource DEL</b>	<b>283,528</b>	<b>300,279</b>	<b>313,678</b>	<b>333,801</b>	<b>346,013</b>	<b>342,300</b>	<b>344,600</b>	<b>349,100</b>	<b>348,200</b>	
<b>Of which: administration budgets in resource DEL</b>										
Pay	13,769	13,999	14,059	14,632	13,101	9,073	7,346	6,779	6,360	
Gross current procurement	8,671	8,320	8,863	8,947	8,398	6,391	6,688	6,243	6,070	
Income from sales of goods and services	-1,067	-1,260	-1,348	-1,441	-1,332	-1,098	-1,097	-1,088	-1,073	
Depreciation	855	845	831	961	1,012	1,033	1,012	943	966	
Other <sup>(4)</sup>	-507	-143	-115	-109	-76	59	91	89	87	
<b>Total administration budgets in resource DEL</b>	<b>21,721</b>	<b>21,761</b>	<b>22,290</b>	<b>22,990</b>	<b>21,103</b>	<b>15,458</b>	<b>14,040</b>	<b>12,965</b>	<b>12,411</b>	
<b>Resource departmental AME</b>										
Pay	1,024	1,179	1,060	1,369	1,304	1,415	1,381	1,444	1,307	
Gross current procurement	2,602	2,663	2,718	2,567	2,475	3,123	2,831	2,930	2,797	
Income from sales of goods and services <sup>(5)</sup>	-404	-588	-1,390	-1,625	-2,088	-1,483	-392	-483	-467	
Current grants to local government	20,206	20,587	22,322	25,559	28,072	28,603	29,108	27,952	28,260	
Current grants to persons and non-profit bodies	135,738	142,734	155,777	169,109	174,253	179,526	185,000	186,311	190,695	
Current grants abroad	-55	-56	-48	-48	-	-	-	-	-	
Subsidies to private sector companies	154	268	288	273	332	2,345	3,061	3,744	4,611	
Subsidies to public corporations	45	-28	-312	-177	-579	-702	-49	-43	-43	
Net public service pensions <sup>(1)</sup>	1,044	2,190	3,115	3,677	4,464	5,675	7,292	8,587	9,732	
Depreciation <sup>(5)</sup>	4,288	2,607	20,723	6,195	-860	5,534	5,626	5,663	5,720	
Take up of provisions <sup>(5)</sup>	13,291	18,198	35,404	-17,416	12,917	9,309	9,123	8,790	8,581	
Release of provisions	-6,958	-6,529	-6,462	-6,215	-6,065	-6,170	-5,879	-5,474	-5,251	
Change in pension scheme liabilities <sup>(6)</sup>	21,118	24,462	24,779	22,124	-53,527	26,880	27,496	23,134	23,728	
Unwinding of the discount rate on pension scheme liabilities	29,545	32,805	36,510	39,154	38,048	43,586	45,596	39,911	41,966	
Release of provisions covering payments of pensions benefits <sup>(3)</sup>	-18,909	-21,327	-22,477	-24,270	-25,817	-27,321	-28,758	-30,103	-31,614	
Other <sup>(4)(5)</sup>	-406	-1,649	-2,294	-3,564	-1,784	-4,814	-4,453	-5,069	-6,442	
<b>Total resource departmental AME</b>	<b>202,324</b>	<b>217,516</b>	<b>269,710</b>	<b>216,711</b>	<b>171,145</b>	<b>265,506</b>	<b>276,983</b>	<b>267,293</b>	<b>273,582</b>	

**Table 2.1 Budgets by economic category of spending, 2006-07 to 2014-15 (continued)**

	£ million									
	National Statistics									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans	
<b>Resource budgets</b>										
Pay	79,006	81,437	85,564	88,222	90,350	89,668	90,643	92,023	92,941	
Gross current procurement	100,194	108,206	115,625	122,347	117,208	121,842	115,172	116,493	116,916	
Income from sales of goods and services <sup>(5)</sup>	-19,111	-20,791	-23,700	-23,017	-17,906	-16,001	-11,657	-12,149	-12,624	
Current grants to local government	102,222	107,030	112,298	119,123	124,420	118,007	122,689	121,188	120,470	
Current grants to persons and non-profit bodies	162,613	171,396	185,068	201,664	207,329	214,057	213,070	212,908	216,144	
Current grants abroad	193	1,677	1,196	1,159	1,882	1,523	1,796	3,021	3,118	
Subsidies to private sector companies	5,695	5,099	5,354	6,152	6,018	8,086	8,759	9,488	10,726	
Subsidies to public corporations	968	1,394	970	908	687	543	1,144	1,135	1,082	
Net public service pensions <sup>(1)</sup>	959	2,196	3,127	3,625	4,492	5,675	7,291	8,586	9,731	
Depreciation <sup>(5)</sup>	15,413	14,693	33,647	20,658	19,988	21,610	23,163	23,726	24,966	
Take up of provisions <sup>(5)</sup>	13,291	18,198	35,404	-17,412	12,945	9,309	9,123	8,790	8,581	
Release of provisions	-6,958	-6,529	-6,462	-6,220	-6,034	-6,172	-5,880	-5,475	-5,251	
Change in pension scheme liabilities <sup>(6)</sup>	21,237	24,592	24,965	22,277	-53,584	26,897	27,515	23,153	23,747	
Unwinding of the discount rate on pension scheme liabilities	29,559	32,820	36,528	39,175	38,048	43,605	45,619	39,934	41,993	
Release of provisions covering payments of pensions benefits <sup>(3)</sup>	-18,913	-21,327	-22,477	-24,272	-25,817	-27,321	-28,758	-30,103	-31,614	
Other <sup>(4)(5)</sup>	-517	-2,298	-3,719	-3,878	-2,868	-5,596	-3,596	-2,943	-4,437	
Plus unallocated funds	-	-	-	-	-	2,100	5,500	6,600	5,300	
<b>Total resource budgets</b>	<b>485,852</b>	<b>517,794</b>	<b>583,388</b>	<b>550,512</b>	<b>517,158</b>	<b>607,900</b>	<b>621,600</b>	<b>616,400</b>	<b>621,800</b>	
<b>Capital DEL</b>										
Capital support for local government	10,555	12,235	12,213	15,124	12,801	9,900	9,349	7,789	7,795	
Capital grants to persons and non-profit bodies	5,938	6,533	7,151	9,699	5,001	4,964	3,773	3,179	3,562	
Capital grants to private sector companies	5,178	5,230	5,902	5,931	7,699	4,912	5,018	4,379	4,189	
Capital grants abroad	-134	-172	8	-26	589	1,238	605	868	797	
Capital support for public corporations	1,185	979	467	675	24	191	64	45	64	
Gross capital procurement	18,658	20,886	23,161	25,113	23,890	22,944	20,668	20,520	21,378	
Income from sales of assets	-2,120	-1,066	-701	-644	-903	-679	-444	-717	-685	
Net lending to the private sector and abroad	522	372	601	1,431	1,075	-30	1,147	1,249	1,297	
Other <sup>(4)</sup>	-300	-190	-291	-340	-173	-67	-66	128	-26	
Plus unallocated funds in Capital DEL	-	-	-	-	-	1,101	2,521	1,773	1,882	
<b>Total capital DEL</b>	<b>39,482</b>	<b>44,806</b>	<b>48,510</b>	<b>56,963</b>	<b>50,005</b>	<b>44,473</b>	<b>42,632</b>	<b>39,213</b>	<b>40,253</b>	
<b>Capital departmental AME</b>										
Capital support for local government	626	1,506	793	402	1,071	904	886	904	904	
Capital grants to persons and not for profit bodies	1,001	565	554	664	595	293	273	294	294	
Capital support for public corporations	-1,027	-566	-735	97	-361	698	750	750	750	
Gross capital procurement	120	99	88	124	123	205	55	316	273	
Income from sales of assets	-	-	-45	0	-	-	-	-	-	
Net lending to the private sector and abroad <sup>(5)</sup>	2,927	4,379	53,085	13,170	2,106	7,535	7,147	8,894	10,990	
Other <sup>(4)(5)</sup>	680	-8	37,021	33,236	392	158	238	206	154	
<b>Total capital departmental AME</b>	<b>4,327</b>	<b>5,975</b>	<b>90,761</b>	<b>47,694</b>	<b>3,926</b>	<b>9,794</b>	<b>9,349</b>	<b>11,363</b>	<b>13,364</b>	

**Table 2.1 Budgets by economic category of spending, 2006-07 to 2014-15 (continued)**

	£ million									
	National Statistics									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans	
<b>Capital budgets</b>										
Capital support for local government	11,180	13,741	13,006	15,526	13,872	10,804	10,235	8,693	8,699	
Capital grants to persons and not for profit bodies	6,940	7,099	7,705	10,364	5,596	5,258	4,045	3,473	3,856	
Capital grants to private sector companies	5,178	5,230	5,902	5,931	7,699	4,912	5,018	4,379	4,189	
Capital grants abroad	-134	-172	8	-26	589	1,238	605	868	797	
Capital support for public corporations	157	412	-268	772	-336	889	814	795	814	
Gross capital procurement	18,778	20,985	23,249	25,237	24,013	23,149	20,723	20,836	21,651	
Income from sales of assets	-2,120	-1,066	-747	-644	-903	-679	-444	-717	-685	
Net lending to the private sector and abroad <sup>(5)</sup>	3,449	4,751	53,686	14,601	3,181	7,505	8,294	10,142	12,287	
Other <sup>(4)(5)</sup>	380	-199	36,730	32,896	219	91	172	334	128	
Plus unallocated funds in Capital DEL	-	-	-	-	-	1,101	2,521	1,773	1,882	
<b>Total capital budgets</b>	<b>43,808</b>	<b>50,782</b>	<b>139,271</b>	<b>104,657</b>	<b>53,930</b>	<b>54,267</b>	<b>51,981</b>	<b>50,577</b>	<b>53,617</b>	

<sup>(1)</sup> 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 public service pensions is used in Table 1.1.

<sup>(2)</sup> Excludes NHS Trusts depreciation as exceptionally this is not removed in the calculation of TDEL.

<sup>(3)</sup> Payments that release provision include bulk and individual transfers, including transfer of liabilities within government.

<sup>(4)</sup> Other includes items too small or too uncommon to warrant an individual line.

<sup>(5)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions. See Box 2.A for details.

<sup>(6)</sup> In the June 2010 Budget Statement it was announced that the Government would use the CPI rather than the RPI for the indexation of public service pensions. This change has been recognised as a negative past service cost in 2010-11 in accordance with IAS19.

**Table 2.2 Gross current procurement<sup>(1)</sup> in budgets, 2006-07 to 2014-15**

	£ million									
	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans	
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn					
<b>Gross current procurement in budgets</b>										
Education	512	602	758	1,239	791	816	738	724	749	
Health	46,995	52,832	56,680	62,109	57,249	61,628	57,679	60,104	61,309	
Transport	2,039	2,135	2,425	2,192	1,908	1,974	1,943	1,867	1,937	
CLG Communities	419	443	491	495	367	473	469	448	399	
CLG Local Government	264	266	261	262	240	327	273	253	249	
Business, Innovation and Skills	1,516	1,515	1,850	1,761	1,540	1,609	1,551	1,539	1,501	
Home Office	2,408	2,466	2,684	2,537	2,393	2,642	2,641	2,578	2,614	
Justice	5,476	5,712	5,646	5,759	6,645	5,759	5,405	5,087	4,786	
Law Officers' Departments	416	426	412	412	382	383	375	367	349	
Defence	13,478	13,947	15,590	15,716	16,234	16,064	14,018	13,937	13,891	
Foreign and Commonwealth Office	607	621	1,078	953	975	959	924	863	590	
International Development	712	641	689	595	605	942	1,130	1,308	1,314	
Energy and Climate Change	1,949	1,963	2,096	2,195	1,993	1,925	1,796	1,813	1,668	
Environment, Food and Rural Affairs	1,474	1,392	1,262	1,221	1,133	1,416	1,472	1,485	1,430	
Culture, Media and Sport	3,165	3,152	3,238	3,047	2,919	3,137	3,615	2,994	2,867	
Work and Pensions	3,403	3,494	3,643	3,945	4,092	3,428	2,973	2,818	2,767	
Scotland <sup>(2)</sup>	5,737	6,593	6,648	6,869	6,060	6,141	6,215	6,262	6,288	
Wales	3,157	3,239	3,118	3,604	4,333	4,386	4,429	4,515	4,550	
Northern Ireland	3,073	3,535	3,480	3,689	3,865	3,678	3,686	3,809	3,872	
Chancellor's Departments	2,038	1,887	2,062	2,087	1,762	2,381	2,163	2,034	1,910	
Cabinet Office	1,002	984	1,061	1,214	1,272	1,366	1,343	1,365	1,569	
Independent Bodies	352	360	453	446	450	406	336	323	309	
<b>Total gross current procurement in budgets</b>	<b>100,194</b>	<b>108,206</b>	<b>115,625</b>	<b>122,347</b>	<b>117,208</b>	<b>121,842</b>	<b>115,172</b>	<b>116,493</b>	<b>116,916</b>	

<sup>(1)</sup> Budgeting definition of current procurement so excludes Defence spending on Single Use Military Equipment (SUME). Chapter 5 presents spending according to National Accounts definitions, where SUME is classified as current procurement.

<sup>(2)</sup> The Scottish Government was unable to provide an economic breakdown of its budgeting aggregates for 2012-13 to 2014-15 in time for PESA 2011. For these years their resource and capital totals have been split using earlier years as a guide.



**Table 2.3 Gross capital procurement<sup>(1)</sup> in budgets, 2006-07 to 2014-15**

	£ million									
	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans	
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn					
<b>Gross capital procurement in budgets</b>										
Education	22	24	45	75	27	1	0	0	0	
Health	3,868	4,025	4,304	4,862	4,120	4,374	4,359	4,497	4,705	
Transport	1,208	1,175	1,203	2,003	1,654	1,398	1,115	1,043	1,203	
CLG Communities	226	322	205	208	158	116	81	36	11	
CLG Local Government	2	0	0	2	1	0	0	0	0	
Business, Innovation and Skills	284	444	473	491	463	360	291	333	290	
Home Office	397	378	489	587	338	255	246	149	185	
Justice	550	796	924	880	609	492	419	365	303	
Law Officers' Departments	11	11	9	12	8	6	6	6	7	
Defence	7,545	8,619	9,154	9,019	9,479	10,112	9,203	9,377	9,091	
Foreign and Commonwealth Office	162	192	235	162	128	77	69	71	79	
International Development	25	66	19	15	11	19	18	17	16	
Energy and Climate Change	1,054	1,077	1,141	1,198	1,326	1,373	1,618	1,777	2,445	
Environment, Food and Rural Affairs	200	200	216	212	209	176	173	163	186	
Culture, Media and Sport	385	669	1,417	1,578	1,700	1,346	343	372	313	
Work and Pensions	202	85	95	254	245	180	137	123	132	
Scotland <sup>(2)</sup>	765	843	937	1,138	1,220	941	917	829	859	
Wales	383	495	516	656	624	357	334	309	308	
Northern Ireland	875	935	1,166	1,172	1,036	781	809	812	979	
Chancellor's Departments	304	254	294	248	188	337	170	136	134	
Cabinet Office	248	317	368	411	414	399	346	354	329	
Independent Bodies	61	60	37	55	54	50	68	69	76	
<b>Total gross capital procurement in budgets</b>	<b>18,778</b>	<b>20,985</b>	<b>23,249</b>	<b>25,237</b>	<b>24,013</b>	<b>23,149</b>	<b>20,723</b>	<b>20,836</b>	<b>21,651</b>	

<sup>(1)</sup> Budgeting definition of current procurement so excludes Defence spending on Single Use Military Equipment (SUME). Chapter 5 presents spending according to National Accounts definitions, where SUME is classified as current procurement.

<sup>(2)</sup> The Scottish Government was unable to provide an economic breakdown of its budgeting aggregates for 2012-13 to 2014-15 in time for PESA 2011. For these years their resource and capital totals have been split using earlier years as a guide.



# 3

## Changes in departmental budgets

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**3.1** This chapter compares the latest budgeting aggregates in **Chapter 1** with those previously published, and sets out the main reasons for the changes. Specifically:

- for 2009-10, estimated outturn published in PESA 2010 (Cm 7890) is compared with provisional outturn published in the Public Expenditure Outturn White Paper (PEOWP Cm 7911) and the final outturn in **Chapter 1**;
- for 2010-11, the plans published in PESA 2010 are reconciled to final plans and compared to the estimated outturn in **Chapter 1**; and
- for 2011-12 to 2014-15 compares the published figures in the Spending Review 2010 (Cm 7942).

**3.2** The tables in this chapter are consequently split into three sections - **Tables 3.1, 3.2 and 3.3** show changes in 2009-10, **Tables 3.4, 3.5 and 3.6** show changes in 2010-11. Within the first two sections the three tables show, respectively, resource DEL by departmental group, capital DEL by departmental group, and Total Managed Expenditure (TME) by budgeting category. **Tables 3.7 to 3.10** show changes to plans years.

**3.3** For **Tables 3.7** onwards this chapter only compares the main Spending Review aggregates of Resource DEL excluding depreciation and Capital DEL.

### Types of changes

**3.4** The comparisons distinguish between three types of change:

- Machinery of Government changes, which are implemented in the starting position of all tables so that other changes are not obscured by departmental restructuring;
- changes that result from spending being reclassified or where financing responsibility transfers between departments, i.e. changes in the way public expenditure is measured; and
- changes that reflect policy decisions or are due to the availability of updated outturn or forecasts.

### Classification and transfer changes

**3.5** Tax credits has been aligned with resource accounts for all years as detailed in **Chapter 1 Box 1.A**

### Policy changes

**3.6** This section sets out the key spending policy decisions taken since PESA 2010. This mainly includes:

- measures announced at the Budget 2011;
- claims on the Reserve; and

- drawdown of End Year Flexibility (EYF), whereby departments (with the agreement of the Treasury) may carry forward unspent DEL provision from previous years.

## Policy changes in 2010-11

**3.7** The impact of policy decisions on resource DEL and capital DEL budgets in 2010-11 are set out in Tables 3.4 and 3.5, respectively. The main policy decisions are set out below.

**3.8** The significant claims on the resource DEL Reserve in 2010-11 were:

- BIS received £2.7bn non-cash in relation to Student Loan provisions and impairments of the value of the Student Loan book;
- MoD received £2.3bn for amortisation.

**3.9** The significant drawdowns for resource DEL EYF in 2010-11 were:

- Education drew down £0.8bn;
- BIS drew down £0.2bn.

**3.10** The main capital DEL reserve claim for 2010-11 was as follows:

- DWP drew down £0.1bn.

**3.11** The significant drawdowns of capital DEL EYF for 2010-11 were as follows:

- Education drew down £0.6bn;
- CLG communities drew down £0.3bn.

## Policy changes in 2011-12

**3.12** The impact of policy decisions on resource DEL and capital DEL budgets in 2011-12 are set out in **Tables 3.7 and 3.8**, respectively. The main policy decisions are set out below.

**3.13** The main claims on the resource DEL Reserve in 2011-12 were:

- Defence special reserve £2.4bn;
- Foreign and Commonwealth £0.4bn conflict prevention.

**3.14** The main drawdown of resource DEL EYF in 2011-12 was as follows:

- Defence special reserve £1.2bn.

**Table 3.1 Resource DEL 2009-10; changes since PESA 2010 and PEOWP July 2010**

						£ million
	Final provision adjusted for MoG	Estimated outturn in March Budget 2010 adjusted for MoG	Provisional outturn in PEOWP 2010 adjusted for MoG	Transfers and classification changes since PEOWP 2010	Other changes since PEOWP 2010	Outturn
Education	49,740	49,571	49,576	28	0	49,604
Health	100,421	99,650	98,912	-1,707	-12	97,193
Transport	7,159	6,875	6,592	16	-3	6,606
CLG Communities	4,552	4,503	4,372	-97	34	4,310
CLG Local Government	25,565	25,505	25,517	0	-1	25,517
Business, Innovation and Skills	19,865	19,546	19,262	-16	-58	19,189
Home Office	9,569	9,507	9,571	-10	-15	9,545
Justice	9,695	9,870	9,043	510	-553	9,000
Law Officers' Departments	749	718	724	-16	1	709
Defence	39,100	39,107	38,771	-3,953	108	34,926
Foreign and Commonwealth Office	2,241	2,254	2,224	-98	0	2,127
International Development	5,379	5,378	5,323	-116	44	5,250
Energy and Climate Change	1,220	1,224	1,234	-4	-2	1,228
Environment, Food and Rural Affairs	2,721	2,683	2,629	-171	3	2,461
Culture, Media and Sport	1,706	1,722	1,655	-143	-8	1,504
Work and Pensions	9,202	9,127	8,729	48	-8	8,769
Scotland	25,640	25,622	25,616	-502	0	25,114
Wales	13,903	14,004	13,730	-179	-5	13,546
Northern Ireland	10,403	10,187	10,400	-250	-470	9,680
Chancellor's Departments	4,525	4,543	4,447	-16	5	4,436
Cabinet Office	2,267	2,244	2,375	-91	0	2,283
Independent Bodies	905	889	837	-37	3	803
Allowance for Shortfall	0	-1,248	0	0	0	0
<b>Total resource DEL</b>	<b>346,530</b>	<b>343,479</b>	<b>341,540</b>	<b>-6,803</b>	<b>-936</b>	<b>333,801</b>

**Table 3.2 Capital DEL 2009-10; changes since PESA 2010 and PEOWP 2010**

						£ million
	Final provision adjusted for MOG	Estimated outturn in March Budget 2010 adjusted for MoG	Provisional outturn in PEOWP 2010 adjusted for MOG	Transfers and classification changes since PEOWP 2010	Other changes since PEOWP 2010	Outturn
Education	7,575	7,523	7,445	0	-2	7,443
Health	5,277	5,393	5,174	11	-2	5,183
Transport	8,264	8,271	8,242	11	0	8,253
CLG Communities	9,143	9,150	8,967	3	-35	8,935
CLG Local Government	227	223	260	0	0	260
Business, Innovation and Skills	3,427	3,017	3,032	13	-14	3,031
Home Office	1,007	1,018	1,000	0	0	999
Justice	913	854	843	0	10	853
Law Officers' Departments	14	14	11	0	0	12
Defence	9,228	9,238	9,071	138	0	9,210
Foreign and Commonwealth Office	203	203	200	1	0	201
International Development	1,366	1,347	1,353	0	0	1,353
Energy and Climate Change	1,889	1,874	1,808	0	0	1,807
Environment, Food and Rural Affairs	695	734	709	-4	-12	693
Culture, Media and Sport	543	560	514	7	-2	519
Work and Pensions	286	275	279	0	-7	272
Scotland	3,930	3,927	3,926	0	0	3,927
Wales	1,939	1,947	1,941	2	-13	1,930
Northern Ireland	1,287	1,275	1,266	0	17	1,283
Chancellor's Departments	402	413	294	-4	0	290
Cabinet Office	462	461	456	0	0	455
Independent Bodies	66	42	55	0	0	55
Allowance for Shortfall	0	-1,200	0	0	0	0
<b>Total capital DEL</b>	<b>58,144</b>	<b>56,600</b>	<b>56,846</b>	<b>177</b>	<b>-60</b>	<b>56,963</b>

**Table 3.3 Total Managed Expenditure 2009-10; changes since PESA 2010 and PEOWP 2010**

	Estimated outturn in PESA 2010	Provisional outturn in PEOWP 2010	Transfers and classification changes since PEOWP 2010	Other changes since PEOWP 2010	£ million Outturn
<b>CURRENT EXPENDITURE</b>					
<i>Resource DEL</i>					
<b>Total resource DEL</b>	<b>334,778</b>	<b>341,540</b>	<b>-6,803</b>	<b>-936</b>	<b>333,801</b>
<i>Resource departmental AME</i>					
Social security benefits	164,840	164,486		1	164,487
Tax credits	21,871	21,907	5,760		27,667
Net public service pensions	2,904	1,343		187	1,530
National lottery	893	971		30	1,001
BBC domestic services	3,464	3,464			3,464
Student loans	-260	-256		0	-256
Non-cash items	50,594	45,663		-1,555	44,108
Financial sector interventions	-5,690	-27,845		253	-27,592
Other departmental expenditure	2,076	2,440		-139	2,301
<b>Total resource departmental AME</b>	<b>240,692</b>	<b>212,173</b>	<b>5,760</b>	<b>-1,223</b>	<b>216,711</b>
<i>Resource other AME</i>					
Net expenditure transfers to the EU	6,419	6,419			6,419
Locally financed expenditure	26,432	26,432		-869	25,563
Central government gross debt interest	30,948	30,948		-84	30,864
Accounting adjustments	-38,714	-16,957		4,453	-12,504
<b>Total resource other AME</b>	<b>25,085</b>	<b>46,842</b>	<b>0</b>	<b>3,500</b>	<b>50,342</b>
<b>Total resource AME</b>	<b>265,777</b>	<b>259,015</b>	<b>5,760</b>	<b>2,277</b>	<b>267,053</b>
<b>Public sector current expenditure</b>	<b>600,555</b>	<b>600,555</b>	<b>-1,043</b>	<b>1,341</b>	<b>600,854</b>
<b>CAPITAL EXPENDITURE</b>					
<i>Capital DEL</i>					
<b>Total capital DEL</b>	<b>56,587</b>	<b>56,846</b>	<b>177</b>	<b>-60</b>	<b>56,963</b>
<i>Capital departmental AME</i>					
National lottery	959	782		-30	752
BBC domestic services	123	123			123
Student loans	4,744	4,601		0	4,601
Financial sector interventions	47,124	38,281			38,281
Other departmental expenditure	1,021	754		-16	738
<b>Total capital departmental AME</b>	<b>53,972</b>	<b>47,741</b>	<b>0</b>	<b>-46</b>	<b>47,694</b>
<i>Capital other AME</i>					
Locally financed expenditure	6,305	6,305		56	6,361
Public corporations' own-financed capital expenditure	7,677	7,677		58	7,735
Accounting adjustments	-55,835	-49,864		-307	-50,171
<b>Total capital other AME</b>	<b>-41,853</b>	<b>-35,882</b>		<b>-193</b>	<b>-36,075</b>
<b>Total capital AME</b>	<b>12,118</b>	<b>11,859</b>		<b>-239</b>	<b>11,619</b>
<b>Public sector gross investment</b>	<b>68,705</b>	<b>68,705</b>	<b>177</b>	<b>-299</b>	<b>68,582</b>
less public sector depreciation	19,681	19,681		-355	19,326
<b>Public sector net investment</b>	<b>49,024</b>	<b>49,024</b>	<b>177</b>	<b>55</b>	<b>49,256</b>
<b>Total Managed Expenditure</b>	<b>669,260</b>	<b>669,260</b>	<b>-866</b>	<b>1,042</b>	<b>669,436</b>

**Table 3.4 Resource DEL 2010-11; changes since PESA 2010**

					<b>£ million</b>	
	Plans in PESA 2010 adjusted for MOG	Other transfers and classification changes	Reserve allocation and other policy changes	Final provision	Provisional outturn	
Education	50,827	0	776	51,603	51,461	
Health	101,496	0	2	101,498	100,540	
Transport	6,388	0	0	6,388	5,802	
CLG Communities	3,819	0	-39	3,780	3,714	
CLG Local Government	25,981	0	-5	25,976	25,957	
Business, Innovation and Skills	19,219	1	2,762	21,982	21,478	
Home Office	9,447	0	-14	9,433	9,352	
Justice	8,868	6	171	9,046	9,018	
Law Officers' Departments	684	0	11	695	667	
Defence	35,955	0	3,452	39,407	39,135	
Foreign and Commonwealth Office	2,032	0	203	2,235	2,200	
International Development	6,084	0	-84	6,000	5,936	
Energy and Climate Change	1,264	0	28	1,292	1,159	
Environment, Food and Rural Affairs	2,386	0	47	2,433	2,370	
Culture, Media and Sport	1,544	0	71	1,615	1,527	
Work and Pensions	8,807	0	269	9,076	8,847	
Scotland	25,716	5	155	25,875	25,780	
Wales	13,869	0	21	13,890	13,794	
Northern Ireland	9,968	1	193	10,162	10,025	
Chancellor's Departments	4,078	-8	87	4,157	4,150	
Cabinet Office	2,448	0	-16	2,431	2,359	
Independent Bodies	971	0	-4	967	743	
Modernisation Funding	200	0	-200	0	0	
DEL Reserve	600	0	-600	0	0	
Allowance for Shortfall	0	0	0	0	0	
<b>Total resource DEL</b>	<b>342,700</b>	<b>4</b>	<b>7,287</b>	<b>349,942</b>	<b>346,013</b>	



**Table 3.5 Capital DEL 2010-11; changes since PESA 2010**

					<b>£ million</b>	
	Plans in PESA 2010 adjusted for MOG	Other transfers and classification changes	Reserve allocation and other policy changes	Final provision	Provisional outturn	
Education	6,661	0	601	7,262	7,127	
Health	4,897	0	0	4,897	4,200	
Transport	7,179	0	0	7,179	7,386	
CLG Communities	6,192	0	297	6,489	6,420	
CLG Local Government	13	0	2	15	-67	
Business, Innovation and Skills	2,007	0	128	2,135	2,073	
Home Office	764	0	14	778	740	
Justice	568	0	33	601	546	
Law Officers' Departments	12	0	0	12	8	
Defence	10,071	0	-453	9,618	9,436	
Foreign and Commonwealth Office	194	0	-26	168	156	
International Development	1,556	0	6	1,562	1,558	
Energy and Climate Change	1,923	0	66	1,989	2,014	
Environment, Food and Rural Affairs	548	9	21	578	570	
Culture, Media and Sport	544	0	55	599	578	
Work and Pensions	245	0	82	327	322	
Scotland	3,239	0	50	3,289	3,287	
Wales	1,673	0	82	1,755	1,751	
Northern Ireland	1,215	0	3	1,218	1,194	
Chancellor's Departments	261	0	-34	227	213	
Cabinet Office	348	0	92	440	435	
Independent Bodies	83	0	-9	74	57	
DEL Reserve	1,500	0	-1,500	0	0	
Allowance for Shortfall	0	0	0	0	0	
<b>Total capital DEL</b>	<b>51,600</b>	<b>9</b>	<b>-491</b>	<b>51,211</b>	<b>50,005</b>	

**Table 3.6 Total Managed Expenditure 2010-11; changes since PESA 2010**

	Plans in PESA 2010	Transfers and classification changes	Other Changes	£ million Provisional Outturn
<b>CURRENT EXPENDITURE</b>				
<i>Resource DEL</i>				
<b>Total resource DEL</b>	<b>342,700</b>	<b>4</b>	<b>3,309</b>	<b>346,013</b>
<i>Resource departmental AME</i>				
Social security benefits	169,878	0	525	170,403
Tax credits	23,349	5,576	0	28,925
Net public service pensions	11,633	-86,513	0	-74,880
National lottery	923	0	167	1,090
BBC domestic services	3,646	0	-343	3,303
Student loans	-1,005	0	704	-301
Non-cash items	48,801	0	7,542	56,343
Financial sector interventions	-2,281	0	-12,300	-14,581
Other departmental expenditure	1,821	0	-977	844
<b>Total resource departmental AME</b>	<b>256,766</b>	<b>-80,937</b>	<b>-4,682</b>	<b>171,145</b>
<i>Resource other AME</i>				
Net expenditure transfers to the EU	8,296	0	118	8,414
Locally financed government expenditure	27,584	0	-2,743	24,841
Central government gross debt interest	43,268	0	414	43,682
Accounting adjustments	-41,278	80,933	-2,072	37,583
<b>Total resource other AME</b>	<b>37,870</b>	<b>80,933</b>	<b>-4,283</b>	<b>114,519</b>
<b>Total resource AME</b>	<b>294,636</b>	<b>-4</b>	<b>-8,968</b>	<b>285,664</b>
<b>Public sector current expenditure</b>	<b>637,300</b>	<b>0</b>	<b>-5,623</b>	<b>631,677</b>
<b>CAPITAL EXPENDITURE</b>				
<i>Capital DEL</i>				
<b>Total capital DEL</b>	<b>51,600</b>	<b>9</b>	<b>-1,604</b>	<b>50,005</b>
<i>Capital departmental AME</i>				
National lottery	876	0	-155	721
BBC domestic services	114	0	0	114
Student loans	5,632	0	-673	4,959
Financial sector interventions	4,605	0	-7,620	-3,015
Other departmental expenditure	1,240	0	-93	1,147
<b>Total capital departmental AME</b>	<b>12,468</b>	<b>0</b>	<b>-8,541</b>	<b>3,926</b>
<i>Capital other AME</i>				
Locally financed expenditure	5,374	0	1,318	6,692
Public corporations' own-financed capital expenditure	7,405	0	1,136	8,541
Accounting adjustments	-17,417	0	8,243	-9,174
<b>Total capital other AME</b>	<b>-4,638</b>	<b>0</b>	<b>10,697</b>	<b>6,059</b>
<b>Total capital AME</b>	<b>7,829</b>	<b>0</b>	<b>2,156</b>	<b>9,984</b>
<b>Public sector gross investment</b>	<b>59,500</b>	<b>9</b>	<b>480</b>	<b>59,989</b>
less public sector depreciation	20,600	0	-327	20,273
<b>Public sector net investment</b>	<b>38,900</b>	<b>0</b>	<b>816</b>	<b>39,716</b>
<b>Total Managed Expenditure</b>	<b>696,800</b>	<b>9</b>	<b>-5,143</b>	<b>691,666</b>

**Table 3.7 Resource DEL excluding depreciation 2011-12 and 2012-13; changes since SR 2010**

	£ million							
	2011-12				2012-13			
	Plans in SR 2010 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	Plans in SR 2011 adjusted	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
<b>Resource DEL excluding depreciation</b>								
Education	51,140	148	-1	51,287	52,105	266	0	52,371
NHS (Health)	101,480	33	0	101,512	103,988	-3	0	103,985
Transport	5,299	-5	0	5,295	5,033	-5	0	5,028
CLG Communities	1,963	50	0	2,014	1,705	79	0	1,784
CLG Local Government	26,145	-145	0	26,000	24,412	-439	0	23,974
Business, Innovation and Skills	16,454	16	85	16,555	15,609	51	0	15,661
Home Office	8,994	-6	0	8,987	8,579	1	0	8,580
Justice	8,180	-23	0	8,157	7,734	18	0	7,752
Law Officers' Departments	646	-2	0	644	615	-2	0	614
Defence	24,890	81	2,442	27,413	25,225	41	0	25,266
Foreign and Commonwealth Office	1,497	151	374	2,022	1,461	2	0	1,463
International Development	6,700	-235	0	6,465	7,197	-2	0	7,195
Energy and Climate Change	1,502	1	0	1,503	1,399	-1	0	1,398
Environment, Food and Rural Affairs	2,168	-12	-46	2,110	2,061	-4	0	2,056
Culture, Media and Sport	1,440	7	0	1,448	1,886	116	0	2,002
Work and Pensions	7,553	-1	9	7,561	7,357	0	20	7,377
Scotland	24,815	18	17	24,849	25,119	10	23	25,152
Wales	13,294	4	57	13,355	13,359	8	0	13,367
Northern Ireland	9,426	0	29	9,455	9,421	0	32	9,452
Chancellor's Departments	3,708	66	0	3,775	3,592	64	0	3,657
Cabinet Office	2,120	-43	0	2,077	2,058	-44	0	2,014
Small and Independent Bodies	1,688	11	27	1,727	1,485	1	-59	1,427
Reserve	2,300	0	-300	2,000	2,500	0	0	2,500
Special Reserve	3,200	0	-3,100	100	3,100	0	0	3,100
Green Investment Bank	0	0	0	0	0	0	0	0
<b>Total resource DEL excluding depreciation</b>	<b>326,700</b>	<b>115</b>	<b>-444</b>	<b>326,300</b>	<b>326,900</b>	<b>158</b>	<b>16</b>	<b>327,100</b>

**Table 3.8 Capital DEL 2011-12 and 2012-13; changes since SR 2010**

	£ million							
	2011-12				2012-13			
	Plans in SR 2010 adjusted	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	Plans in SR 2011 adjusted	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
<b>Capital DEL</b>								
Education	4,932	0	127	5,059	4,213	0	0	4,213
NHS (Health)	4,429	0	0	4,429	4,429	0	0	4,429
Transport	7,731	0	0	7,731	8,082	0	0	8,082
CLG Communities	3,290	173	0	3,463	2,293	0	0	2,293
CLG Local Government	0	0	0	0	0	0	0	0
Business, Innovation and Skills	1,078	100	0	1,178	973	0	0	973
Home Office	502	1	0	503	501	0	0	501
Justice	429	0	0	429	310	0	0	311
Law Officers' Departments	6	0	0	6	6	0	0	6
Defence	8,861	-12	1,182	10,031	9,136	0	0	9,136
Foreign and Commonwealth Office	107	0	0	107	102	0	0	102
International Development	1,394	0	0	1,394	1,635	0	0	1,635
Energy and Climate Change	1,502	4	0	1,506	2,013	0	0	2,013
Environment, Food and Rural Affairs	373	0	0	373	381	0	0	381
Culture, Media and Sport	1,375	0	0	1,375	565	0	0	565
Work and Pensions	245	0	0	245	324	0	0	324
Scotland	2,507	34	0	2,540	2,475	0	0	2,475
Wales	1,268	0	20	1,288	1,188	1	0	1,189
Northern Ireland	903	12	0	915	859	0	0	859
Chancellor's Departments	338	0	1	339	170	0	1	170
Cabinet Office	393	7	0	400	379	0	0	379
Small and Independent Bodies	68	0	-6	62	62	0	13	75
Reserve	1,000	0	-100	900	1,000	0	0	1,000
Special Reserve	700	0	-500	200	800	0	0	800
Green Investment Bank	0	0	0	0	0	0	775	775
<b>Total capital DEL</b>	<b>43,500</b>	<b>319</b>	<b>700</b>	<b>44,500</b>	<b>41,800</b>	<b>1</b>	<b>789</b>	<b>42,600</b>

**Table 3.9 Resource DEL excluding depreciation 2013-14 and 2014-15; changes since SR 2010**

	£ million							
	2013-14				2014-15			
	Plans in SR 2010 adjusted	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	Plans in SR 2011 adjusted	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
<b>Resource DEL excluding depreciation</b>								
Education	52,912	1	0	52,913	53,865	1	0	53,865
NHS (Health)	106,946	-16	0	106,930	109,803	-16	0	109,787
Transport	4,971	-5	0	4,966	4,436	-5	0	4,431
CLG Communities	1,606	24	0	1,630	1,214	28	0	1,243
CLG Local Government	24,210	-12	0	24,198	22,860	-10	0	22,850
Business, Innovation and Skills	14,656	0	39	14,696	13,663	5	0	13,668
Home Office	8,136	1	0	8,137	7,863	1	0	7,864
Justice	7,368	18	0	7,386	7,045	18	0	7,063
Law Officers' Departments	591	-2	0	590	554	-2	0	552
Defence	24,916	41	0	24,957	24,705	41	0	24,746
Foreign and Commonwealth Office	1,427	2	0	1,429	1,165	2	0	1,167
International Development	9,395	-1	0	9,394	9,412	0	0	9,412
Energy and Climate Change	1,342	-1	0	1,341	1,037	-1	0	1,036
Environment, Food and Rural Affairs	1,918	-4	0	1,913	1,796	-4	0	1,792
Culture, Media and Sport	1,218	8	0	1,226	1,131	0	0	1,131
Work and Pensions	7,422	0	0	7,421	7,606	0	0	7,605
Scotland	25,328	16	0	25,344	25,436	15	0	25,451
Wales	13,501	8	0	13,510	13,538	6	0	13,545
Northern Ireland	9,487	25	0	9,511	9,530	23	0	9,552
Chancellor's Departments	3,550	62	0	3,612	3,377	59	0	3,436
Cabinet Office	1,987	-44	0	1,942	2,179	-44	0	2,135
Small and Independent Bodies	1,436	1	-66	1,371	1,385	1	-57	1,329
Reserve	2,500	0	28	2,600	2,500	0	25	2,500
Special Reserve	3,000	0	0	3,000	2,800	0	0	2,800
Green Investment Bank	1,000	0	0	1,000	0	0	0	0
<b>Total resource DEL</b>	<b>330,900</b>	<b>124</b>	<b>1</b>	<b>331,000</b>	<b>328,900</b>	<b>120</b>	<b>-32</b>	<b>328,900</b>

**Table 3.10 Capital DEL 2013-14 and 2014-15; changes since SR 2010**

	£ million							
	2013-14				2014-15			
	Plans in SR 2010 adjusted	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	Plans in SR 2011 adjusted	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
<b>Capital DEL</b>								
Education	3,266	0	0	3,266	3,378	0	0	3,378
NHS (Health)	4,437	0	0	4,437	4,648	0	0	4,648
Transport	7,480	0	0	7,480	7,517	0	0	7,517
CLG Communities	1,814	0	0	1,814	1,961	0	0	1,961
CLG Local Government	0	0	0	0	0	0	0	0
Business, Innovation and Skills	747	-1	0	747	970	-1	0	970
Home Office	366	0	0	366	466	0	0	466
Justice	278	0	0	279	301	0	0	301
Law Officers' Departments	5	0	0	6	7	0	0	7
Defence	9,191	0	0	9,191	8,749	0	0	8,749
Foreign and Commonwealth Office	102	0	0	102	98	0	0	98
International Development	1,924	0	0	1,924	2,044	0	0	2,044
Energy and Climate Change	2,208	0	0	2,208	2,711	0	0	2,711
Environment, Food and Rural Affairs	379	0	0	379	411	0	0	411
Culture, Media and Sport	175	0	0	175	69	0	0	69
Work and Pensions	385	0	0	385	242	0	0	242
Scotland	2,237	0	0	2,237	2,318	0	0	2,318
Wales	1,064	1	0	1,065	1,106	0	0	1,106
Northern Ireland	781	0	0	781	804	0	0	804
Chancellor's Departments	136	-1	1	136	134	0	1	134
Cabinet Office	386	0	0	387	356	0	0	357
Small and Independent Bodies	68	0	9	77	68	0	14	82
Reserve	1,000	0	0	1,000	1,100	0	0	1,100
Special Reserve	800	0	0	800	800	0	0	800
Green Investment Bank	0	0	0	0	0	0	0	0
<b>Total resource DEL excluding depreciation</b>	<b>39,200</b>	<b>-1</b>	<b>10</b>	<b>39,200</b>	<b>40,200</b>	<b>-1</b>	<b>15</b>	<b>40,300</b>

# 4

## Trends in public sector expenditure

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**4.1** The analyses in this chapter show trends in government spending over a longer time span than presented elsewhere in PESA, adjusted as far as possible so that figures for historical outturn years are based on current definitions.

**4.2** Data in this chapter are a combination of cash and accruals. Data for public sector expenditure on services are on a cash basis up until 1997-98, and on an accruals basis thereafter. All outturn data in this chapter (to 2010-11) are National Statistics.

### What's new

**4.3** In **Table 4.1** depreciation now includes the grant equivalent element of student lending. Please see paragraph 1.2 in **Chapter 1** for more information.

### Public spending aggregates

**4.4** **Table 4.1** shows trends in public spending since 1971-72 in terms of three spending aggregates: public sector current expenditure; public sector net investment; and Total Managed Expenditure (TME). All aggregates are presented in nominal and in real terms and as a per cent of Gross Domestic Product (GDP). Data for a fourth aggregate, public sector depreciation, are shown in nominal terms only.

**4.5** Data for all 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. Plans figures from 2011-12 are projections produced by the Office for Budget Responsibility.

### 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. Full details of the definition of expenditure on services and the relationship to departments' budgets are available in **Annex E**.

**4.8** **Table 4.2** shows public sector expenditure on services by United Nations Classification Of the Functions Of Government (COFOG) level 1 from 1988-89. **Tables 4.3 and 4.4** present the same information in real terms and as a per cent of GDP respectively. These tables cover outturn years up to 2010-11. They also show, in italics, additional Treasury-defined functional divisions that were used prior to the introduction of UN COFOG, but which don't correspond to COFOG level 1. The mapping between HM Treasury's functions and the UN COFOG level 2 classification is available in the **'How to use PESA'** chapter.

## Methods and data quality for long run TES series

**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 2006-07 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 £100m overstates the accuracy of the figures due to rounding. Minor differences in figures or rates of change should therefore be disregarded.



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

	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
1971-72	19.8	214.4	33.4	2.3		3.1	33.6	5.3	25.2	272.8	42.6
1972-73	22.4	223.5	33.2	2.6		3.3	32.9	4.9	28.3	282.4	41.9
1973-74	26.4	245.7	35.0	3.1		3.9	36.3	5.2	33.4	310.8	44.4
1974-75	34.8	270.7	38.7	3.9		5.1	39.7	5.6	43.7	339.9	48.6
1975-76	44.6	276.6	39.8	4.9		6.2	38.5	5.6	55.7	345.5	49.7
1976-77	52.0	284.0	39.7	5.8		5.8	31.7	4.4	63.6	347.3	48.6
1977-78	58.3	280.0	38.3	6.6		4.5	21.6	3.0	69.5	333.8	45.6
1978-79	66.7	288.7	38.3	7.5		4.4	19.0	2.5	78.6	340.2	45.1
1979-80	79.9	295.8	38.1	8.9		4.8	17.8	2.3	93.6	346.5	44.6
1980-81	97.2	304.3	40.7	10.7		4.5	14.1	1.9	112.5	352.2	47.1
1981-82	111.3	318.3	42.3	11.7		2.6	7.4	1.0	125.6	359.2	47.8
1982-83	121.7	325.7	42.4	12.1		4.5	12.0	1.6	138.3	370.2	48.2
1983-84	131.4	336.2	42.0	12.6		5.7	14.6	1.8	149.7	383.1	47.8
1984-85	142.0	345.0	42.2	12.7		5.3	12.9	1.6	159.9	388.5	47.5
1985-86	150.0	345.1	40.6	12.3		4.3	9.9	1.2	166.6	383.3	45.0
1986-87	157.3	350.6	39.7	12.7		2.7	6.0	0.7	172.7	384.9	43.6
1987-88	168.0	354.2	38.1	12.7		2.6	5.5	0.6	183.3	386.4	41.6
1988-89	175.4	346.3	35.8	13.6		1.7	3.4	0.3	190.7	376.5	38.9
1989-90	189.3	348.9	35.3	14.3		6.6	12.2	1.2	210.2	387.4	39.2
1990-91	205.6	351.2	35.6	14.1		7.8	13.3	1.3	227.5	388.6	39.4
1991-92	230.8	372.2	38.0	12.6		10.8	17.4	1.8	254.2	410.0	41.9
1992-93	249.9	391.0	39.8	12.7		11.5	18.0	1.8	274.1	428.8	43.7
1993-94	263.9	401.9	39.7	13.0		9.4	14.3	1.4	286.2	435.8	43.0
1994-95	276.3	414.3	39.3	13.1		9.8	14.7	1.4	299.1	448.5	42.5
1995-96	288.1	419.9	38.7	13.1		10.2	14.9	1.4	311.4	453.9	41.8
1996-97	298.0	418.7	37.6	12.4		5.4	7.6	0.7	315.8	443.8	39.9
1997-98	305.0	417.7	36.2	12.2		4.8	6.6	0.6	322.0	441.0	38.2
1998-99	312.8	419.5	35.1	12.1		6.0	8.0	0.7	330.9	443.8	37.2
1999-00	325.1	427.6	34.4	12.4		5.5	7.2	0.6	343.0	451.1	36.3
2000-01	346.3	449.6	35.0	12.6		5.1	6.6	0.5	364.0	472.5	36.8
2001-02	364.2	462.5	35.3	13.1		11.9	15.1	1.2	389.2	494.2	37.7
2002-03	393.4	484.0	36.0	14.0		13.8	17.0	1.3	421.2	518.1	38.6
2003-04	425.3	508.8	36.7	14.6		15.6	18.7	1.3	455.5	545.0	39.4
2004-05	456.6	531.5	37.6	15.2		20.6	24.0	1.7	492.4	573.2	40.5
2005-06	484.5	553.9	38.0	16.1		23.5	26.9	1.8	524.0	599.1	41.1
2006-07	507.2	561.1	37.6	17.0		25.8	28.5	1.9	550.0	608.4	40.8
2007-08	535.9	576.3	37.6	17.8		28.9	31.1	2.0	582.6	626.5	40.9
2008-09	564.3	590.5	39.4	18.7		46.6	48.8	3.3	629.6	658.8	44.0
2009-10	600.9	618.7	42.7	19.3		49.2	50.7	3.5	669.4	689.3	47.6
2010-11	631.7	631.7	42.9	20.3		39.7	39.7	2.7	691.7	691.7	47.0
2011-12	656.7	638.0	42.5	21.9		31.8	30.9	2.1	710.4	690.1	46.0
2012-13	669.6	634.7	41.2	22.9		27.8	26.4	1.7	720.2	682.6	44.3
2013-14	682.4	629.9	39.7	23.9		23.8	22.0	1.4	730.1	673.9	42.5
2014-15	694.6	624.4	38.3	24.9		24.2	21.8	1.3	743.6	668.5	41.0

<sup>(1)</sup> Real terms: figures are the nominal figures adjusted to 2010-11 price levels using GDP deflators from the Office for National Statistics (released 28 June 2011).

<sup>(2)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 4.2 Public sector expenditure on services by function, 1988-89 to 2010-11**

	cash, £billion											accruals, £billion												
	National Statistics																							
	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	
1. General public services	26.0	28.0	28.1	26.9	28.0	29.8	32.8	36.3	37.5	38.9	39.8	37.1	38.7	36.1	36.0	39.1	42.5	45.7	47.7	50.6	52.8	52.8	66.5	
of which:																								
public and common services	3.8	4.7	5.1	5.7	5.8	5.8	5.9	6.1	6.2	6.2	7.2	8.0	7.9	9.2	9.8	10.9	12.1	12.8	12.7	12.5	14.0	13.6	13.4	
international services	2.1	2.3	2.5	2.9	3.1	3.2	3.3	3.4	3.1	3.1	3.2	3.7	4.2	4.3	4.5	5.1	5.5	6.2	6.3	6.7	7.2	8.0	8.9	
public sector debt interest	20.2	20.9	20.5	18.3	19.0	20.8	23.5	26.8	28.1	29.7	29.4	25.4	26.6	22.7	21.7	23.0	24.9	26.7	28.7	31.4	31.6	31.3	44.1	
2. Defence	19.4	21.0	22.0	23.2	23.8	23.5	23.3	22.5	22.1	21.7	24.5	25.1	25.7	25.4	27.0	28.8	29.8	31.0	32.2	33.7	36.8	37.7	39.1	
3. Public order and safety	9.0	10.3	11.7	13.2	14.4	15.0	15.6	16.0	16.4	17.1	18.0	18.4	20.4	23.1	24.4	26.4	28.5	29.3	30.4	31.7	33.7	34.2	33.6	
4. Economic affairs	18.7	19.6	21.6	21.4	23.3	23.8	23.9	23.4	23.3	21.5	19.6	21.5	23.8	27.8	30.8	33.1	33.7	35.4	37.5	38.2	48.4	46.1	40.0	
of which:																								
enterprise and economic development <sup>(1)</sup>	6.7	7.0	6.9	5.4	5.4	5.5	4.7	4.5	4.3	4.3	3.1	4.4	4.9	5.1	5.9	6.0	6.5	6.4	6.3	6.8	15.4	10.6	4.6	
science and technology	1.1	1.1	1.2	1.3	1.4	1.5	1.1	1.2	1.4	1.4	1.4	1.4	1.4	1.7	2.1	2.3	2.5	3.0	2.9	3.3	3.2	3.7	3.5	
employment policies	2.7	2.3	2.4	2.7	2.9	3.1	3.2	3.1	2.8	2.5	2.9	3.5	3.8	3.3	3.0	3.2	3.2	3.3	3.3	3.3	3.1	3.6	3.8	
agriculture, fisheries and forestry	2.0	1.9	2.7	2.8	2.9	3.8	3.4	3.9	5.4	4.7	4.4	4.3	4.7	6.3	4.9	5.3	5.4	5.6	5.1	4.3	5.8	5.5	5.2	
transport	6.3	7.3	8.3	9.2	10.8	10.0	11.5	10.9	9.5	8.7	7.8	7.9	9.0	11.3	14.8	16.3	16.0	17.0	19.9	20.5	20.8	22.7	22.9	
5. Environment protection	2.6	2.9	3.2	3.4	3.6	3.4	3.8	4.1	3.7	4.0	4.3	4.9	5.1	5.4	6.0	6.2	7.0	8.5	9.4	9.5	9.7	10.9	12.0	
6. Housing and community amenities	3.6	5.3	6.0	6.8	7.1	6.2	6.2	6.0	5.7	4.9	5.5	4.7	5.5	6.2	5.4	6.7	8.0	10.7	11.5	12.9	15.0	16.2	13.7	
7. Health	22.4	24.2	27.1	30.9	34.2	36.6	39.4	41.4	42.8	44.5	46.9	49.4	54.2	59.8	66.2	74.9	82.9	89.8	94.7	102.3	110.1	118.3	121.3	
8. Recreation, culture and religion	3.8	4.3	4.8	5.0	5.1	5.1	5.2	5.5	5.7	6.4	7.2	7.7	7.8	8.6	9.3	9.7	10.0	10.8	11.4	12.2	13.1	13.9	14.0	
9. Education	23.1	25.9	28.1	31.3	33.2	34.7	36.2	37.0	37.8	38.6	40.0	42.2	45.9	51.2	54.7	61.0	65.1	69.8	73.0	78.2	83.1	88.6	90.6	
10. Social protection	56.8	61.3	68.2	80.2	91.1	98.3	102.0	107.6	112.8	114.5	115.2	123.0	128.5	137.4	145.3	155.6	164.1	171.0	177.0	187.4	203.7	223.4	231.6	
EU transactions	-2.5	-1.5	-2.3	-4.1	-3.4	-4.7	-4.3	-4.1	-5.2	-3.7	-2.6	-2.7	-2.6	-4.8	-1.9	-2.1	-0.9	-0.6	-1.8	-1.5	-2.9	0.1	3.1	
<b>Public sector expenditure on services</b>	<b>183.0</b>	<b>201.1</b>	<b>218.4</b>	<b>238.2</b>	<b>260.5</b>	<b>271.6</b>	<b>284.1</b>	<b>295.8</b>	<b>302.5</b>	<b>308.5</b>	<b>318.5</b>	<b>331.2</b>	<b>353.1</b>	<b>376.2</b>	<b>403.4</b>	<b>439.5</b>	<b>470.8</b>	<b>501.3</b>	<b>523.1</b>	<b>555.2</b>	<b>603.4</b>	<b>642.2</b>	<b>665.3</b>	
Accounting adjustments	7.7	9.1	9.1	16.0	13.7	14.7	15.1	15.6	13.4	13.5	12.4	11.8	10.9	13.0	17.8	16.0	21.6	22.7	27.0	27.4	26.2	27.2	26.4	
<b>Total Managed Expenditure<sup>(2)</sup></b>	<b>190.7</b>	<b>210.2</b>	<b>227.5</b>	<b>254.2</b>	<b>274.2</b>	<b>286.3</b>	<b>299.2</b>	<b>311.4</b>	<b>315.9</b>	<b>322.0</b>	<b>330.9</b>	<b>343.0</b>	<b>364.0</b>	<b>389.2</b>	<b>421.2</b>	<b>455.5</b>	<b>492.4</b>	<b>524.0</b>	<b>550.0</b>	<b>582.6</b>	<b>629.6</b>	<b>669.4</b>	<b>691.7</b>	

<sup>(1)</sup> Transactions in 2008-09 onwards have been affected by financial sector interventions. Details are provided in Box 5.A in Chapter 5.

<sup>(2)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 4.3 Public sector expenditure on services by function in real terms,<sup>(1)</sup> 1988-89 to 2010-11**

	cash, £billion												accruals, £billion										
	National Statistics																						
	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1. General public services	51.4	51.6	48.0	43.4	43.8	45.4	49.1	52.9	52.7	53.3	53.4	48.8	50.3	45.8	44.2	46.8	49.5	52.2	52.7	54.4	55.2	54.4	66.5
of which:																							
public and common services	7.4	8.7	8.7	9.2	9.1	8.8	8.9	8.9	8.8	8.4	9.7	10.5	10.3	11.6	12.0	13.1	14.1	14.6	14.0	13.4	14.6	14.0	13.4
international services	4.2	4.3	4.3	4.7	4.9	4.9	5.0	5.0	4.4	4.2	4.3	4.9	5.5	5.4	5.5	6.2	6.5	7.1	6.9	7.2	7.6	8.2	8.9
public sector debt interest	39.8	38.6	35.0	29.5	29.8	31.6	35.2	39.0	39.5	40.7	39.4	33.4	34.6	28.8	26.7	27.6	29.0	30.6	31.8	33.7	33.0	32.2	44.1
2. Defence	38.3	38.7	37.5	37.4	37.3	35.8	34.9	32.7	31.1	29.7	32.8	33.0	33.3	32.3	33.3	34.5	34.6	35.4	35.6	36.2	38.5	38.8	39.1
3. Public order and safety	17.8	18.9	19.9	21.2	22.5	22.8	23.3	23.3	23.1	23.4	24.2	24.2	26.5	29.3	30.1	31.6	33.1	33.5	33.7	34.1	35.2	35.2	33.6
4. Economic affairs	36.9	36.2	37.0	34.5	36.5	36.3	35.8	34.2	32.8	29.5	26.3	28.2	30.9	35.3	37.9	39.6	39.3	40.5	41.5	41.1	50.6	48.4	40.0
of which:																							
enterprise and economic development <sup>(2)</sup>	13.2	12.9	11.9	8.7	8.4	8.3	7.0	6.5	6.1	5.9	4.1	5.8	6.4	6.5	7.3	7.2	7.6	7.3	7.0	7.4	16.1	11.9	4.6
science and technology	2.1	2.1	2.1	2.0	2.2	2.3	1.7	1.7	1.9	1.9	1.8	1.8	1.8	2.2	2.6	2.8	3.0	3.4	3.2	3.5	3.4	3.8	3.5
employment policies	5.3	4.3	4.1	4.4	4.5	4.7	4.8	4.4	3.9	3.4	3.9	4.6	4.9	4.2	3.7	3.8	3.7	3.8	3.7	3.5	3.2	3.7	3.8
agriculture, fisheries and forestry	3.9	3.5	4.7	4.5	4.5	5.7	5.1	5.6	7.6	6.5	5.9	5.6	6.1	8.0	6.1	6.3	6.3	6.4	5.6	4.6	6.1	5.7	5.2
transport	12.4	13.4	14.3	14.9	16.9	15.3	17.2	15.9	13.3	11.9	10.5	10.4	11.7	14.4	18.2	19.5	18.7	19.5	22.0	22.1	21.8	23.3	22.9
5. Environment protection	5.2	5.4	5.5	5.6	5.6	5.1	5.7	6.0	5.1	5.5	5.8	6.5	6.6	6.9	7.4	7.4	8.2	9.7	10.4	10.2	10.1	11.3	12.0
6. Housing and community amenities	7.0	9.7	10.2	10.9	11.1	9.5	9.3	8.8	8.1	6.7	7.4	6.1	7.1	7.9	6.7	8.0	9.3	12.2	12.8	13.9	15.7	16.6	13.7
7. Health	44.2	44.6	46.2	49.9	53.5	55.7	59.1	60.4	60.1	61.0	63.0	65.0	70.4	75.9	81.4	89.6	96.5	102.6	104.7	110.1	115.2	121.8	121.3
8. Recreation, culture and religion	7.6	7.9	8.2	8.0	8.0	7.7	7.9	8.0	8.0	8.7	9.7	10.2	10.1	10.9	11.5	11.5	11.6	12.3	12.6	13.1	13.7	14.3	14.0
9. Education	45.7	47.7	48.0	50.5	51.9	52.8	54.3	53.9	53.0	52.9	53.7	55.5	59.6	65.0	67.3	73.0	75.8	79.8	80.8	84.1	87.0	91.2	90.6
10. Social protection	112.2	112.9	116.5	129.3	142.6	149.6	152.9	156.9	158.4	156.8	154.5	161.8	166.9	174.5	178.7	186.2	191.1	195.5	195.8	201.6	213.2	230.0	231.6
EU transactions	-5.0	-2.9	-3.9	-6.6	-5.3	-7.1	-6.4	-6.0	-7.3	-5.1	-3.5	-3.6	-3.3	-6.2	-2.3	-2.5	-1.0	-0.7	-2.0	-1.6	-3.1	0.1	3.1
<b>Public sector expenditure on services</b>	<b>361.3</b>	<b>370.6</b>	<b>373.0</b>	<b>384.2</b>	<b>407.5</b>	<b>413.6</b>	<b>426.0</b>	<b>431.2</b>	<b>425.1</b>	<b>422.4</b>	<b>427.1</b>	<b>435.6</b>	<b>458.4</b>	<b>477.7</b>	<b>496.2</b>	<b>525.8</b>	<b>548.0</b>	<b>573.1</b>	<b>578.6</b>	<b>597.1</b>	<b>631.4</b>	<b>662.2</b>	<b>665.3</b>
Accounting adjustments	15.1	16.8	15.6	25.8	21.5	22.3	22.7	22.7	18.8	18.5	16.6	15.5	14.1	16.5	21.9	19.1	25.2	26.0	29.8	29.4	27.5	27.1	26.4
<b>Total Managed Expenditure<sup>(3)</sup></b>	<b>376.5</b>	<b>387.4</b>	<b>388.6</b>	<b>410.0</b>	<b>429.0</b>	<b>436.0</b>	<b>448.6</b>	<b>453.9</b>	<b>443.8</b>	<b>441.0</b>	<b>443.7</b>	<b>451.1</b>	<b>472.6</b>	<b>494.2</b>	<b>518.1</b>	<b>544.9</b>	<b>573.2</b>	<b>599.1</b>	<b>608.5</b>	<b>626.5</b>	<b>658.8</b>	<b>689.3</b>	<b>691.7</b>

<sup>(1)</sup> Real terms figures are the nominal figures adjusted to 2010-11 price levels using outturn GDP deflators from the Office for National Statistics (released 28 June 2011), and using the 2010-11 GDP deflator forecast by the Office for Budget Responsibility.

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

<sup>(3)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 4.4 Public sector expenditure on services by function as a per cent of GDP,<sup>(1)</sup> 1988-89 to 2010-11**

	cash, £billion																						
	National Statistics																						
	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1. General public services	5.3	5.2	4.9	4.9	4.4	4.5	4.5	4.7	4.7	4.6	4.5	3.9	3.9	3.5	3.3	3.4	3.5	3.6	3.5	3.6	3.7	3.8	4.5
of which:																							
public and common services	0.8	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0	0.9	0.9	1.0	1.0	0.9
international services	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.6
public sector debt interest	4.1	3.9	3.5	3.0	3.0	3.1	3.3	3.6	3.5	3.5	3.3	2.7	2.7	2.2	2.0	2.0	2.0	2.1	2.1	2.2	2.2	2.2	3.0
2. Defence	4.0	3.9	3.8	3.8	3.8	3.5	3.3	3.0	2.8	2.6	2.7	2.7	2.6	2.5	2.5	2.5	2.4	2.4	2.4	2.4	2.6	2.7	2.7
3. Public order and safety	1.8	1.9	2.0	2.2	2.3	2.3	2.2	2.1	2.1	2.0	2.0	1.9	2.1	2.2	2.2	2.3	2.3	2.3	2.3	2.2	2.4	2.4	2.3
4. Economic affairs	3.8	3.7	3.8	3.5	3.7	3.6	3.4	3.1	2.9	2.6	2.2	2.3	2.4	2.7	2.8	2.9	2.8	2.8	2.8	2.7	3.4	3.3	2.7
of which:																							
enterprise and economic development <sup>(2)</sup>	1.4	1.3	1.2	0.9	0.9	0.8	0.7	0.6	0.5	0.5	0.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1.1	0.8	0.3
science and technology	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
employment policies	0.6	0.4	0.4	0.5	0.5	0.5	0.5	0.4	0.3	0.3	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.3	0.3
agriculture, fisheries and forestry	0.4	0.4	0.5	0.5	0.5	0.6	0.5	0.5	0.7	0.6	0.5	0.5	0.5	0.6	0.5	0.5	0.4	0.4	0.4	0.3	0.4	0.4	0.4
transport	1.3	1.4	1.4	1.5	1.7	1.5	1.6	1.5	1.2	1.0	0.9	0.8	0.9	1.1	1.4	1.4	1.3	1.3	1.5	1.4	1.5	1.6	1.6
5. Environment protection	0.5	0.5	0.6	0.6	0.6	0.5	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.7	0.7	0.7	0.7	0.8	0.8
6. Housing and community amenities	0.7	1.0	1.0	1.1	1.1	0.9	0.9	0.8	0.7	0.6	0.6	0.5	0.6	0.6	0.5	0.6	0.7	0.8	0.9	0.9	1.0	1.1	0.9
7. Health	4.6	4.5	4.7	5.1	5.1	5.5	5.6	5.6	5.4	5.3	5.3	5.2	5.5	5.8	6.1	6.5	6.8	7.0	7.0	7.2	7.7	8.4	8.2
8. Recreation, culture and religion	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.8	0.8	0.9	0.9	1.0	0.9
9. Education	4.7	4.8	4.9	5.2	5.3	5.2	5.2	5.0	4.8	4.6	4.5	4.5	4.6	5.0	5.0	5.3	5.4	5.5	5.4	5.5	5.8	6.3	6.2
10. Social protection	11.6	11.4	11.8	13.2	14.5	14.8	14.5	14.5	14.2	13.6	12.9	13.0	13.0	13.3	13.3	13.4	13.5	13.4	13.1	13.2	14.2	15.9	15.7
EU transactions	-0.5	-0.3	-0.4	-0.7	-0.5	-0.7	-0.6	-0.5	-0.7	-0.4	-0.3	-0.3	-0.3	-0.5	-0.2	-0.2	-0.1	0.0	-0.1	-0.1	-0.2	0.0	0.2
<b>Public sector expenditure on services</b>	<b>37.3</b>	<b>37.5</b>	<b>37.9</b>	<b>39.2</b>	<b>41.5</b>	<b>40.8</b>	<b>40.4</b>	<b>39.8</b>	<b>38.2</b>	<b>36.6</b>	<b>35.8</b>	<b>35.1</b>	<b>35.7</b>	<b>36.5</b>	<b>36.9</b>	<b>38.0</b>	<b>38.8</b>	<b>39.4</b>	<b>38.8</b>	<b>39.0</b>	<b>42.1</b>	<b>45.7</b>	<b>45.2</b>
Accounting adjustments	1.6	1.7	1.6	2.6	2.2	2.2	2.1	2.1	1.7	1.6	1.4	1.2	1.1	1.3	1.6	1.4	1.8	1.8	2.0	1.9	1.8	1.9	1.8
<b>Total Managed Expenditure<sup>(3)</sup></b>	<b>38.9</b>	<b>39.2</b>	<b>39.4</b>	<b>41.9</b>	<b>43.7</b>	<b>43.0</b>	<b>42.5</b>	<b>41.8</b>	<b>39.9</b>	<b>38.2</b>	<b>37.2</b>	<b>36.3</b>	<b>36.8</b>	<b>37.7</b>	<b>38.6</b>	<b>39.4</b>	<b>40.5</b>	<b>41.1</b>	<b>40.8</b>	<b>40.9</b>	<b>44.0</b>	<b>47.6</b>	<b>47.0</b>

<sup>(1)</sup> GDP until 2010-11 is consistent with the latest figures from the Office for National Statistics (published 28 June 2011).

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

<sup>(3)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

# 5

## Public sector expenditure by function, sub-function and economic category

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**5.1** The analyses in this chapter present public sector expenditure for the years 2006-07 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 Table 5.1** reflects the transfer of policing and justice powers to the Northern Ireland Executive. The Scotland, Wales and Northern Ireland Offices are now included alongside the relevant devolved administration. These changes are explained in more detail in **Box 1.B** in **Chapter 1**.

### Classification changes

**5.3** A number of departments have carried out a restructuring of the way they organise their data. In addition, there has been ongoing work to improve the classification of items of spending against level 2 of the UN Classification of the Functions Of Government (COFOG). As a result of these changes there have been revisions to some of the sub-functional data in **Chapters 5, 6, 9 and 10**.

### Relationship between functional series and departments

**5.4** Expenditure has been reclassified from general public services to economic affairs. While Machinery of Government changes do not usually affect the functional series (as the nature of the spending remains unchanged), on this occasion the transfer highlighted the previous misclassification.

### Public sector expenditure on services by sub-function

**5.5** Table 5.2 provides the most detailed functional analysis of public sector expenditure on services. The tables are presented in a format generally consistent with the level 2 breakdown of the United Nations' Classification Of the Functions Of Government (UN COFOG). The table also shows, in italics, additional Treasury-defined sub-functional divisions that were prior to the introduction of UN COFOG, but which do not map directly to COFOG level 2. Further information on UN COFOG is available from the Treasury website.<sup>1</sup>

**5.6** The sub-function analysis of health is presented against HM Treasury's own sub-functional classification. This is because the NHS is neither financed nor organised along the lines of COFOG level 2, so capturing the required additional information is not currently possible.

### 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.

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<sup>1</sup> [http://www.hm-treasury.gov.uk/pes\\_function.htm](http://www.hm-treasury.gov.uk/pes_function.htm)

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

In December 2009 the ONS created an alternative measure of Public Sector Net Borrowing (PSNBex). This treated the classification of banks to the public sector (Northern Rock, Bradford & Bingley, Dunfermline, Lloyds Banking Group and Royal Bank of Scotland) as temporary, reflecting the Government's intention to return these banks to the private sector. As a result, these institutions are treated as if they are outside the public sector.

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

#### Current expenditure on services

- income from sales of goods and services: £1 billion in 2008-09, £1.3 billion in 2009-10 and £1.8 billion in 2010-11, made up mainly of underwriting commission and credit guarantee scheme income.

#### Capital expenditure on services

- net capital grants: £9.4 billion in 2008-09 and £4.5 billion in 2009-10. This is support for depositors and purchases of equity in banks that the ONS have classified as capital grants in the National Accounts.

The other transactions shown in **Box 2.A** do not have an impact on the expenditure on services framework because they either take the form of financial transactions which do not constitute spending (as one asset is exchanged for another), or they are offset by imputed recoveries in the National Accounts (such as the liabilities borne by the Financial Services Compensation Scheme).

**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, but does not include payments for contract and agency staff that are treated as procurement;
- **gross current procurement** includes expenditure on goods and services, including hire and rentals under Private Finance Initiative (PFI) and non-PFI operating leases, payments for contract and agency staff, and payments for consultancy and audit services. It also includes spending on Single Use Military Equipment (SUME) following the treatment in the National Accounts. SUME is part of capital procurement in the budgeting presentation. **Income from the sales of goods and services** is now shown separately;
- **current grants to persons and non-profit bodies** are payments to these recipients that do not fund capital formation. They are mainly social security payments but also comprise grants to further and higher education institutions and other non-profit private sector bodies. The expenditure on services presentation excludes the 'negative tax' element of tax credits which form part of departmental budgets within **Table 2.1**. See **Box 1.A** in **Chapter 1** for more information.
- **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**; , that are not included within departmental budgets in **Table C.1**;

- **subsidies** are payments by government to trading businesses (both private sector and public corporations) to provide support for current costs, including payments to farmers under the EU's Common Agricultural Policy as well as subsidies to rail and bus operators. They are given with the objective of influencing their levels of production, their prices, or other factors;
- **net public service pensions** are the costs of pensions on a National Accounts basis; that is, payments to pensioners less receipts of contributions by employers and employees. More information on pensions is included in **Annex D**;
- **grant equivalent element of student lending** is the subsidy implied in student loans being issued at the inflation rate rather than the market interest rate;
- **public sector debt interest** reflects the debt interest payments to the private sector, so it excludes intra-public sector payments. These payments do not form part of departmental budgets so are not included within **Table 2.1**;
- **capital grants** are transfer payments to the private sector that are usually made on the condition that the recipient uses the funds for capital projects;
- **gross capital procurement** comprises the acquisition of fixed assets (such as land, buildings and machinery) as well as any increases in stock. It is measured gross of depreciation. In **Table 5.3** SUME forms part of gross current procurement (see above) but in **Table 2.1** it is included in capital procurement; and
- **income from sales of capital assets** is the sale value of any assets, such as land, buildings and machinery, disposed of.

## Public sector expenditure on services split by current and capital spending

**5.9 Table 5.4** gives a functional (COFOG level 1) breakdown of the current and capital expenditure of the public sector for the years from 2006-07. A functional split by sector is available in **Chapter 6** (central government), **Chapter 7** (local government) and **Chapter 8** (public corporations). The split between capital and current follows the National Accounts definition.

## Public sector gross procurement by function

**5.10 Table 5.5** shows public sector gross current procurement by COFOG level 1 function. This is a breakdown of the figure shown in **Table 5.3** and is defined on a National Accounts basis, as described above. Procurement of goods and services by one public sector body from another are included in this table.

**5.11 Table 5.6** shows public sector gross capital procurement by COFOG level 1 function, and receipts from sales of fixed assets. These are defined on a National Accounts basis, as described above. Figures for asset sales are shown separately for central government, local government and public corporations, as well as for general government, which comprises central government and local government. Receipts, which are at sales value (i.e. book value plus profit or loss), are split between land and building and other asset classes, excluding receipts from sales of financial assets, which are not included within expenditure on services. Sales of assets between public sector bodies are included in this table

**Table 5.1 Public sector expenditure on services by departmental group<sup>(1)</sup> and function, 2010-11**

Departmental Grouping	Function	National Statistics										Public sector expenditure on services for each department									
		1. General public services	of which: public and community services	of which: international services	of which: public sector debt interest	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies		of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	EU transactions
Education		-	-	-	-	106	-	-	-	-	-	-	-	-	-	-	-	59,808	9,335	-	69,249
Health		-	-	-	-	-	201	-	-	-	-	84	-	-	-	99,846	-	-	13,463	-	113,509
Transport		4	4	-	-	224	18,562	1	50	-	-	-	18,510	-	589	-	234	-	1,133	-	20,749
Communities and Local Government		4,821	4,819	2	-	2,707	1,718	1,718	-	-	-	-	-	122	9,298	-	430	-	2,260	-	21,368
Business, Innovation and Skills		0	0	0	-	-	5,086	1,942	3,077	65	63	3	0	549	0	811	140	15,733	619	-	22,938
Home Office		-	-	-	-	16,905	212	-	-	-	-	150	-	-	326	-	-6	-	-	-	17,437
Justice		159	159	-	-	9,094	-	-	-	-	-	-	-	-	-	-	-	-	16	-	9,269
Law Officers' Departments		-	-	-	-	671	-	-	-	-	-	-	-	-	-	-	-	-	-	-	671
Defence		60	-	60	-	-	34	34	-	-	-	-	-	-	-	-	22	-	2,692	-	39,959
Foreign and Commonwealth Office		2,263	-	2,263	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,263
International Development		6,504	-	6,504	-	-	-	-	-	-	-	-	-	-	-	-	-	-	92	-	6,597
Energy and Climate Change		73	-	73	-	2	542	518	23	0	-	-	2,664	-	-	-	-	-	-	-	3,280
Environment, Food and Rural Affairs		-	-	-	-	-	3,540	89	10	-	-	3,442	-	6,748	7	1,047	-	1	0	-	11,344
Culture, Media and Sport		50	50	-	-	-	171	171	-	-	-	-	82	35	40	10,072	-	49	-214	-	10,284
Work and Pensions		328	328	-	-	-	3,462	-	-1	3,463	-	-	-	-	-	-	-	-	153,616	-	157,406
Scotland		1,064	1,064	-	-	2,443	4,278	584	68	3	954	2,669	1,052	1,773	10,772	1,177	8,030	3,510	-	34,107	
Wales		710	709	1	-	18	1,967	801	16	-	232	918	530	705	6,050	478	4,223	1,720	-	16,401	
Northern Ireland		458	458	-	-	1,443	1,719	314	46	213	515	632	240	973	3,786	369	2,709	6,012	-	17,710	
Chancellor's Departments		48,512	4,376	-	-	-	-1,508	-1,710	201	-	-	-	10	-	-	-	-	-	35,878	3,076	85,968
Cabinet Office		589	589	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1,439	-	3,921
Independent Bodies		856	856	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	858
<b>Public sector expenditure on services for each function</b>		<b>66,451</b>	<b>13,412</b>	<b>8,903</b>	<b>44,136</b>	<b>39,065</b>	<b>33,614</b>	<b>39,983</b>	<b>4,580</b>	<b>3,490</b>	<b>3,806</b>	<b>5,228</b>	<b>22,879</b>	<b>11,998</b>	<b>13,706</b>	<b>121,305</b>	<b>13,962</b>	<b>90,553</b>	<b>231,573</b>	<b>3,076</b>	<b>665,287</b>

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



**Table 5.2 Public sector expenditure on services by sub-function, 2006-07 to 2010-11**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	11,267	11,154	12,132	11,808	11,450	
1.2 Foreign economic aid	4,297	4,638	4,951	5,662	6,483	
1.3 General services	1,213	1,155	1,291	1,394	1,407	
1.4 Basic research <sup>(1)</sup>	-	-	-	-	-	
1.5 R&D general public services	30	21	21	21	18	
1.6 General public services n.e.c.	2,109	2,222	2,806	2,684	2,958	
1.7 Public debt transactions <sup>(2)</sup>	28,749	31,363	31,555	31,281	44,136	
<i>of which: central government debt interest</i>	27,581	29,961	30,507	30,864	43,682	
<i>of which: local government debt interest</i>	518	692	514	6	3	
<i>of which: public corporation debt interest</i>	650	710	534	411	451	
<b>Total general public services</b>	<b>47,665</b>	<b>50,552</b>	<b>52,756</b>	<b>52,850</b>	<b>66,451</b>	
<b>2. Defence</b>						
2.1 Military defence	29,394	29,771	31,652	32,375	32,731	
2.2 Civil defence	90	91	82	82	85	
2.3 Foreign military aid	1,731	2,748	3,697	3,781	3,570	
2.4 R&D defence	889	943	1,318	1,200	2,645	
2.5 Defence n.e.c.	119	119	47	258	34	
<b>Total defence</b>	<b>32,223</b>	<b>33,672</b>	<b>36,796</b>	<b>37,696</b>	<b>39,065</b>	
<b>3. Public order and safety</b>						
3.1 Police services	17,164	17,513	18,733	19,311	18,967	
<i>of which: immigration and citizenship</i>	2,006	2,068	2,089	2,197	1,813	
<i>of which: other police services</i>	15,157	15,445	16,644	17,114	17,154	
3.2 Fire-protection services	2,701	2,887	3,053	3,118	3,129	
3.3 Law courts	6,398	6,631	6,828	6,652	6,505	
3.4 Prisons	3,833	4,313	4,697	4,741	4,693	
3.5 R&D public order and safety	14	26	25	30	14	
3.6 Public order and safety n.e.c.	333	334	334	349	306	
<b>Total public order and safety</b>	<b>30,442</b>	<b>31,705</b>	<b>33,670</b>	<b>34,200</b>	<b>33,614</b>	
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs <sup>(3)</sup>	6,652	7,110	15,470	10,995	5,627	
4.2 Agriculture, forestry, fishing and hunting	5,080	4,263	5,806	5,523	5,228	
<i>of which: market support under CAP</i>	3,521	2,565	3,983	3,689	3,491	
<i>of which: other agriculture, food and fisheries policy</i>	1,370	1,527	1,611	1,542	1,560	
<i>of which: forestry</i>	189	171	212	293	177	
4.3 Fuel and energy	1,382	1,141	898	492	392	
4.4 Mining, manufacturing and construction	12	-98	359	734	417	
4.5 Transport	19,885	20,526	20,820	22,680	22,879	
<i>of which: national roads</i>	3,313	3,231	3,510	4,157	3,573	
<i>of which: local roads</i>	4,946	5,120	5,572	5,776	5,689	
<i>of which: local public transport</i>	2,909	3,205	3,579	3,944	4,914	
<i>of which: railway</i>	7,826	7,897	7,011	7,600	7,584	
<i>of which: other transport</i>	891	1,073	1,148	1,203	1,119	
4.6 Communication	467	858	890	687	579	
4.7 Other industries	315	300	304	331	312	
4.8 R&D economic affairs	2,865	3,275	3,238	3,675	3,490	
4.9 Economic affairs n.e.c.	841	809	607	946	1,059	
<b>Total economic affairs</b>	<b>37,499</b>	<b>38,184</b>	<b>48,392</b>	<b>46,063</b>	<b>39,983</b>	
<b>5. Environment protection</b>						
5.1 Waste management	5,637	5,808	5,653	6,569	7,113	
5.2 Waste water management	71	35	50	59	47	
5.3 Pollution abatement	289	232	269	336	414	
5.4 Protection of biodiversity and landscape <sup>(1)</sup>	558	494	537	501	525	
5.5 R&D environment protection	321	346	377	412	437	
5.6 Environment protection n.e.c.	2,501	2,594	2,812	3,072	3,461	
<b>Total environment protection</b>	<b>9,377</b>	<b>9,509</b>	<b>9,698</b>	<b>10,948</b>	<b>11,998</b>	

**Table 5.2 Public sector expenditure on services by sub-function, 2006-07 to 2010-11 (continued)**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
<b>6. Housing and community amenities</b>						
6.1 Housing development	6,877	7,727	9,234	10,726	8,662	
<i>of which: local authority housing</i>	4,055	4,706	5,787	5,996	5,201	
<i>of which: other social housing</i>	2,822	3,022	3,446	4,731	3,461	
6.2 Community development	2,956	3,361	3,625	3,536	3,268	
6.3 Water supply	990	993	1,241	1,042	871	
6.4 Street lighting	521	573	647	631	662	
6.5 R&D housing and community amenities	9	8	5	4	8	
6.6 Housing and community amenities n.e.c.	191	248	209	216	235	
<b>Total housing and community amenities</b>	<b>11,543</b>	<b>12,910</b>	<b>14,961</b>	<b>16,156</b>	<b>13,706</b>	
<b>7. Health<sup>(4)</sup></b>						
Medical services	92,612	100,093	107,710	115,512	118,580	
Medical research	576	551	773	833	983	
Central and other health services	1,505	1,697	1,577	1,992	1,742	
<b>Total health</b>	<b>94,693</b>	<b>102,341</b>	<b>110,059</b>	<b>118,338</b>	<b>121,305</b>	
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	3,493	4,037	4,921	5,412	5,498	
8.2 Cultural services	3,972	4,154	4,227	4,389	4,432	
8.3 Broadcasting and publishing services	3,566	3,669	3,589	3,762	3,679	
8.4 Religious and other community services	107	116	111	118	109	
8.5 R&D recreation, culture and religion	109	125	143	139	144	
8.6 Recreation, culture and religion n.e.c.	110	111	110	106	101	
<b>Total recreation, culture and religion</b>	<b>11,358</b>	<b>12,213</b>	<b>13,102</b>	<b>13,925</b>	<b>13,962</b>	
<b>9. Education</b>						
9.1 Pre-primary and primary education	24,174	25,807	27,272	28,404	29,548	
<i>of which: under fives</i>	4,107	4,425	4,609	4,805	4,866	
<i>of which: primary education</i>	20,067	21,381	22,663	23,598	24,682	
9.2 Secondary education	31,653	33,272	35,234	37,999	40,234	
9.3 Post-secondary non-tertiary education	297	318	516	501	527	
9.4 Tertiary education	10,018	11,378	11,544	12,944	13,146	
9.5 Education not definable by level	582	575	521	634	596	
9.6 Subsidiary services to education	3,279	3,497	4,532	4,205	4,192	
9.7 R&D education	38	33	15	16	0	
9.8 Education n.e.c.	2,989	3,344	3,491	3,856	2,311	
<b>Total education</b>	<b>73,029</b>	<b>78,224</b>	<b>83,124</b>	<b>88,558</b>	<b>90,553</b>	
<b>10. Social protection</b>						
<i>of which: personal social services</i>	26,044	27,553	29,187	30,385	30,860	
10.1 Sickness and disability	34,544	36,268	38,301	40,764	42,371	
<i>of which: personal social services</i>	7,305	7,956	8,469	8,952	8,861	
<i>of which: incapacity, disability and injury benefits</i>	27,239	28,312	29,832	31,812	33,510	
10.2 Old age	73,539	79,391	87,292	93,570	97,482	
<i>of which: personal social services</i>	8,892	9,368	9,929	10,290	10,358	
<i>of which: pensions</i>	64,647	70,023	77,364	83,280	87,124	
10.3 Survivors	1,564	1,549	1,536	1,059	1,065	
10.4 Family and children	26,204	27,433	28,186	29,435	28,898	
<i>of which: personal social services</i>	6,654	7,024	7,481	8,082	8,108	
<i>of which: family benefits, income support and tax credits</i>	19,550	20,409	20,705	21,352	20,790	
10.5 Unemployment	4,173	3,879	4,903	6,634	6,623	
<i>of which: personal social services</i>	1,424	1,391	1,384	1,105	1,394	
<i>of which: other unemployment benefits</i>	2,749	2,488	3,519	5,529	5,229	
10.6 Housing	17,355	18,293	19,663	22,768	24,522	
10.7 Social exclusion n.e.c.	16,123	17,450	20,776	24,430	26,083	
<i>of which: personal social services</i>	1,769	1,814	1,924	1,956	2,138	
<i>of which: family benefits, income support and tax credits<sup>(5)</sup></i>	14,354	15,635	18,851	22,475	23,944	
10.8 R&D social protection	0	0	1	-	-	
10.9 Social protection n.e.c.	3,532	3,168	3,067	4,745	4,530	
<b>Total social protection</b>	<b>177,035</b>	<b>187,431</b>	<b>203,726</b>	<b>223,404</b>	<b>231,573</b>	

**Table 5.2 Public sector expenditure on services by sub-function, 2006-07 to 2010-11 (continued)**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
<b>EU transactions<sup>(6)</sup></b>						
GNI-based contribution (net of abatement and collection costs)	4,071	4,785	2,378	5,760	7,669	
derived as:						
<i>EC gross contribution pre-abatement and after deduction of collection costs</i>	12,245	13,746	13,155	13,733	15,593	
<i>Traditional Own Resources (without deduction of collection costs) and VAT contributions</i>	-4,614	-5,001	-5,183	-3,754	-5,246	
<i>UK abatement</i>	-3,560	-3,960	-5,595	-4,218	-2,678	
EC receipts	-5,164	-5,601	-4,558	-4,789	-3,693	
Attributed aid and Common Foreign and Security Policy	-709	-715	-751	-899	-899	
<b>Total unallocated</b>	<b>-1,802</b>	<b>-1,531</b>	<b>-2,931</b>	<b>73</b>	<b>3,076</b>	
<b>Public sector expenditure on services</b>	<b>523,062</b>	<b>555,210</b>	<b>603,354</b>	<b>642,210</b>	<b>665,287</b>	
Accounting adjustments	26,983	27,359	26,245	27,226	26,379	
<b>Total Managed Expenditure<sup>(7)</sup></b>	<b>550,045</b>	<b>582,569</b>	<b>629,599</b>	<b>669,436</b>	<b>691,666</b>	

<sup>(1)</sup> Spending for Marine Scotland Science has been moved from General Public Services to Environment Protection to mirror the classification of its sister organisation CEFAS (Centre for Environment, Fisheries and Aquaculture Science), which operates in England only.

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

<sup>(3)</sup> Transactions in 2008-09 onwards have been affected by financial sector interventions. Details are provided in Box 5.A in Chapter 5.

<sup>(4)</sup> The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

<sup>(5)</sup> Social exclusion n.e.c. includes Child and Working Tax Credits

<sup>(6)</sup> 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 EC are shown in Table C.1.

<sup>(7)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 5.3 Public sector expenditure on services by economic category, 2006-07 to 2010-11**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
<b>Public sector current expenditure on services</b>						
Pay	147,375	152,300	159,921	164,730	167,978	
Gross current procurement	164,584	174,505	187,751	195,916	191,633	
Income from sales of goods and services	-45,269	-47,636	-52,875	-52,669	-48,512	
Current grants to persons and non-profit bodies	174,106	183,805	198,038	217,581	224,847	
Current grants abroad	2,544	3,254	2,392	5,968	9,730	
Subsidies to private sector companies	7,803	7,349	7,204	8,280	8,532	
Subsidies to public corporations	1,072	1,509	1,086	1,044	832	
Net public service pensions	959	2,196	3,127	3,625	4,492	
Grant equivalent element of student lending	305	1,045	814	1,466	1,746	
Public sector debt interest	28,749	31,363	31,555	31,281	44,136	
Other	-52	89	27	-119	153	
<b>Total public sector current expenditure on services</b>	<b>482,175</b>	<b>509,780</b>	<b>539,041</b>	<b>577,102</b>	<b>605,568</b>	
Accounting adjustments	25,042	26,101	25,301	23,752	26,109	
<b>Total public sector current expenditure</b>	<b>507,217</b>	<b>535,881</b>	<b>564,342</b>	<b>600,854</b>	<b>631,677</b>	
<b>Public sector capital expenditure on services</b>						
Capital grants <sup>(1)</sup>	13,677	14,443	25,106	23,220	16,271	
Gross capital procurement	34,205	39,134	42,267	44,739	46,456	
Income from sales of capital assets	-6,979	-8,102	-3,049	-2,893	-3,036	
Other	-16	-44	-11	42	29	
<b>Total public sector capital expenditure on services</b>	<b>40,887</b>	<b>45,430</b>	<b>64,313</b>	<b>65,109</b>	<b>59,719</b>	
Accounting adjustments	1,941	1,258	944	3,473	270	
<b>Total public sector capital expenditure</b>	<b>42,828</b>	<b>46,688</b>	<b>65,257</b>	<b>68,582</b>	<b>59,989</b>	
<b>Total public sector expenditure on services</b>	<b>523,062</b>	<b>555,210</b>	<b>603,354</b>	<b>642,210</b>	<b>665,287</b>	
Accounting adjustments	26,983	27,359	26,245	27,226	26,379	
<b>Total Managed Expenditure<sup>(2)</sup></b>	<b>550,045</b>	<b>582,569</b>	<b>629,599</b>	<b>669,436</b>	<b>691,666</b>	

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

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

**Table 5.4 Public sector current and capital expenditure on services by function,<sup>(1)</sup> 2006-07 to 2010-11**

	National Statistics					£ million
	2006-07	2007-08	2008-09	2009-10	2010-11	
	outturn	outturn	outturn	outturn	outturn	
<b>Public sector current expenditure on services</b>						
1. General public services	46,083	48,995	50,271	50,575	63,672	
<i>of which: public and common services</i>	11,471	11,361	11,946	11,944	11,403	
<i>of which: international services</i>	5,863	6,272	6,769	7,350	8,133	
<i>of which: public sector debt interest</i>	28,749	31,363	31,555	31,281	44,136	
2. Defence	31,324	31,133	33,328	33,671	34,819	
3. Public order and safety	28,625	29,683	30,924	31,503	31,306	
4. Economic affairs	24,307	24,970	24,096	25,619	24,000	
<i>of which: enterprise and economic development</i>	4,786	5,423	4,018	4,178	2,983	
<i>of which: science and technology</i>	2,190	2,490	2,613	2,942	2,975	
<i>of which: employment policies</i>	3,155	3,210	3,017	3,445	3,736	
<i>of which: agriculture, fisheries and forestry</i>	4,758	3,974	5,429	5,236	4,867	
<i>of which: transport</i>	9,417	9,872	9,019	9,818	9,439	
5. Environment protection	7,127	7,224	7,090	8,188	8,468	
6. Housing and community amenities	3,595	3,873	3,753	4,027	3,529	
7. Health	90,804	97,623	104,713	112,156	115,855	
8. Recreation, culture and religion	9,516	9,867	10,019	10,357	10,283	
9. Education	66,369	71,302	74,818	78,638	80,311	
10. Social protection	176,227	186,642	202,960	222,295	230,248	
EU transactions	-1,802	-1,531	-2,931	73	3,076	
<b>Total public sector current expenditure on services</b>	<b>482,175</b>	<b>509,780</b>	<b>539,041</b>	<b>577,102</b>	<b>605,568</b>	
Accounting adjustments	25,042	26,101	25,301	23,752	26,109	
<b>Public sector current expenditure</b>	<b>507,217</b>	<b>535,881</b>	<b>564,342</b>	<b>600,854</b>	<b>631,677</b>	
<b>Public sector capital expenditure on services</b>						
1. General public services	1,582	1,557	2,486	2,275	2,779	
<i>of which: public and common services</i>	1,194	1,102	2,014	1,650	2,009	
<i>of which: international services</i>	388	455	472	625	770	
<i>of which: public sector debt interest</i>	-	-	-	-	-	
2. Defence	899	2,539	3,468	4,025	4,246	
3. Public order and safety	1,817	2,022	2,746	2,698	2,309	
4. Economic affairs	13,192	13,214	24,297	20,444	15,984	
<i>of which: enterprise and economic development<sup>(2)</sup></i>	1,534	1,414	11,409	6,450	1,597	
<i>of which: science and technology</i>	675	785	625	733	515	
<i>of which: employment policies</i>	195	72	85	112	71	
<i>of which: agriculture, fisheries and forestry</i>	321	289	377	287	361	
<i>of which: transport</i>	10,467	10,655	11,801	12,862	13,440	
5. Environment protection	2,250	2,285	2,608	2,760	3,530	
6. Housing and community amenities	7,948	9,038	11,207	12,129	10,177	
7. Health	3,889	4,719	5,346	6,181	5,450	
8. Recreation, culture and religion	1,842	2,346	3,083	3,567	3,680	
9. Education	6,660	6,922	8,306	9,921	10,242	
10. Social protection	807	789	766	1,109	1,324	
<b>Total public sector capital expenditure on services</b>	<b>40,887</b>	<b>45,430</b>	<b>64,313</b>	<b>65,109</b>	<b>59,719</b>	
Accounting adjustments	1,941	1,258	944	3,473	270	
<b>Public sector capital expenditure</b>	<b>42,828</b>	<b>46,688</b>	<b>65,257</b>	<b>68,582</b>	<b>59,989</b>	
<b>Total public sector expenditure on services</b>	<b>523,062</b>	<b>555,210</b>	<b>603,354</b>	<b>642,210</b>	<b>665,287</b>	
Accounting adjustments	26,983	27,359	26,245	27,226	26,379	
<b>Total Managed Expenditure<sup>(3)</sup></b>	<b>550,045</b>	<b>582,569</b>	<b>629,599</b>	<b>669,436</b>	<b>691,666</b>	

<sup>(1)</sup> 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.

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

<sup>(3)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 5.5 Public sector current procurement<sup>(1)</sup> expenditure on services by function, 2006-07 to 2010-11**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
<b>Public sector gross current procurement expenditure on services</b>						
1. General public services	13,075	13,084	14,889	14,374	14,191	
<i>of which: public and common services</i>	11,752	11,818	13,118	12,814	12,557	
<i>of which: international services</i>	1,323	1,266	1,771	1,560	1,634	
2. Defence	20,828	19,879	22,171	21,993	22,765	
3. Public order and safety	12,158	12,626	13,331	13,202	13,938	
4. Economic affairs	11,609	12,400	13,227	13,299	12,416	
<i>of which: enterprise and economic development</i>	2,414	2,817	3,098	3,076	2,647	
<i>of which: science and technology</i>	647	616	404	532	418	
<i>of which: employment policies</i>	1,274	1,358	1,515	1,613	1,659	
<i>of which: agriculture, fisheries and forestry</i>	995	1,002	983	1,056	989	
<i>of which: transport</i>	6,278	6,606	7,226	7,022	6,702	
5. Environment protection	7,462	7,540	8,083	8,130	8,139	
6. Housing and community amenities	2,806	3,020	3,288	3,470	3,245	
7. Health	54,994	61,829	65,793	71,841	66,706	
8. Recreation, culture and religion	6,742	6,893	7,272	7,267	7,063	
9. Education	10,182	11,141	12,130	12,659	12,840	
10. Social protection	24,727	26,094	27,567	29,682	30,330	
<b>Total public sector gross current procurement expenditure on services</b>	<b>164,584</b>	<b>174,505</b>	<b>187,751</b>	<b>195,916</b>	<b>191,633</b>	

<sup>(1)</sup> National Accounts definition of current procurement, so includes Defence spending on Single Use Military Equipment (SUME). Chapter 2 presents spending according to departmental budgeting definitions, where SUME is classified as capital procurement.

**Table 5.6 Public sector capital procurement<sup>(1)</sup> expenditure on services by function, 2006-07 to 2010-11**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	
<b>Public sector gross capital procurement expenditure on services</b>						
1. General public services	2,550	3,002	2,881	2,638	2,893	
<i>of which: public and common services</i>	2,226	2,655	2,477	2,328	2,710	
<i>of which: international services</i>	324	347	404	310	184	
2. Defence	1,391	3,939	3,846	4,149	4,350	
3. Public order and safety	1,930	2,258	2,830	2,748	2,528	
4. Economic affairs	8,392	8,698	9,310	10,424	10,265	
<i>of which: enterprise and economic development</i>	988	1,186	1,490	1,206	1,161	
<i>of which: science and technology</i>	166	216	160	198	87	
<i>of which: employment policies</i>	119	26	31	72	70	
<i>of which: agriculture, fisheries and forestry</i>	308	303	304	260	279	
<i>of which: transport</i>	6,812	6,967	7,325	8,688	8,669	
5. Environment protection	1,609	1,708	1,878	1,930	2,461	
6. Housing and community amenities	6,698	6,854	6,839	6,497	6,243	
7. Health	4,667	5,020	5,406	6,087	5,513	
8. Recreation, culture and religion	1,614	2,071	2,905	3,144	3,435	
9. Education	4,909	5,097	5,970	6,646	8,128	
10. Social protection	446	487	403	475	639	
<b>Total public sector gross capital procurement expenditure on services</b>	<b>34,205</b>	<b>39,134</b>	<b>42,267</b>	<b>44,739</b>	<b>46,456</b>	
<b>Plus public sector receipts from sales of assets</b>						
Central government						
Receipts from sale of land and existing buildings	-1,572	-2,112	-659	-436	-513	
Other	-636	-496	-340	-259	-372	
<b>Total central government receipts</b>	<b>-2,208</b>	<b>-2,608</b>	<b>-999</b>	<b>-695</b>	<b>-886</b>	
Local government						
Receipts from sale of land and existing buildings	-2,108	-2,404	-970	-1,095	-1,114	
Other	-47	-15	-36	-43	-36	
<b>Total local government receipts</b>	<b>-2,154</b>	<b>-2,419</b>	<b>-1,006</b>	<b>-1,138</b>	<b>-1,151</b>	
<b>Total general government receipts</b>	<b>-4,362</b>	<b>-5,027</b>	<b>-2,005</b>	<b>-1,832</b>	<b>-2,036</b>	
Public corporations						
Receipts from sale of land and existing buildings	-2,698	-3,047	-958	-1,043	-991	
Other	82	-28	-87	-18	-9	
<b>Total public corporations receipts</b>	<b>-2,616</b>	<b>-3,075</b>	<b>-1,045</b>	<b>-1,061</b>	<b>-1,000</b>	
<b>Total public sector income from sales of capital assets</b>	<b>-6,979</b>	<b>-8,102</b>	<b>-3,049</b>	<b>-2,893</b>	<b>-3,036</b>	

<sup>(1)</sup> National Accounts definition of capital procurement so excludes Defence spending on Single Use Military Equipment (SUME). Chapter 2 presents spending according to departmental budgeting definitions, where SUME is classified as capital procurement.





# 6

## Central government own expenditure

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**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 Non-Departmental Public Bodies (NDPBs), and health trusts.

**6.2** In addition to staff pay and procurement, central government own expenditure includes grants and subsidies paid to individuals and enterprises in the private sector and subsidies to public corporations. It excludes central government support for local government and support for the capital expenditure of public corporations. These data are shown in **Chapters 7** and **8** respectively.

**6.3** Central government own expenditure accounts for about 70 per cent of Departmental Expenditure Limits (DEL) and about 90 per cent of departmental Annually Managed Expenditure (AME).

**6.4** **Tables 6.1 to 6.3** are presented against the budgeting framework, **Tables 6.4 to 6.6** are presented against the expenditure on services framework. All outturn data (to 2010-11) in this chapter are National Statistics.

### What's new

**6.5** **Tables 6.1 to 6.3** reflect the transfer of policing and justice powers to the Northern Ireland Executive. The Scotland, Wales and Northern Ireland Offices are now included alongside the relevant devolved administration. These changes are explained in more detail in **Box 1.B** in **Chapter 1**.

### Central government own expenditure by department

**6.6** **Table 6.1** gives a departmental breakdown of central government own expenditure. Expenditure in DEL is shown separately from expenditure in departmental AME. DEL expenditure in this table is shown on a full resource budgeting basis, which is given by resource DEL plus capital DEL less depreciation (including impairments) in DEL. In a number of areas, for example education, transport, and law and order, a relatively large proportion of expenditure is by local government, with only a relatively small proportion spent directly by central government - some of which will be recorded by Scotland, Wales or Northern Ireland. Other AME includes locally financed expenditure in Northern Ireland that by convention is classified as central government spending.

### Central government own resource and capital expenditure by department

**6.7** **Tables 6.2 and 6.3** show the resource and capital elements of **Table 6.1**, respectively. Expenditure for each departmental group is therefore shown on a budgeting basis, while the final line in each table shows total central government own expenditure on a National Accounts basis. The lower section of each table shows the adjustments required to move from the budgeting framework to the National Accounts framework.

**6.8** The higher capital spending in 2008-09 and 2009-10 relates to the support given to financial institutions. See **Box 5.A** in **Chapter 5** for further details.

## Central government own expenditure on services by sub-function

**6.9 Table 6.4** shows central government own expenditure by sub-function, within the expenditure on services framework. Expenditure on services is an overall measure of public spending that is close to TME, and so broadly represents total current and capital expenditure as in the National Accounts. Full details are available in **Annex E**.

## Central government own expenditure on services by economic category

**6.10 1.10 Table 6.5** shows central government own expenditure by economic category, set within the framework of expenditure on services. An explanation of the different economic categories is available in **Chapter 5**.

## Central government own current and capital expenditure on services by function

**6.11 Table 6.6** shows central government own current and capital expenditure on services by function. This shows the capital and current split on a National Accounts basis so spending on Single Use Military Equipment (SUME) is classified as current and non-cash items such as depreciation and provisions are excluded.

**Table 6.1 Central government own expenditure in budgets<sup>(1)</sup> by departmental group, 2006-07 to 2014-15**

£ million

	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn				
<b>Within DEL</b>									
Education	10,675	11,715	11,518	12,722	11,027	13,558	8,493	7,950	8,244
Health	78,649	85,580	92,281	99,672	101,894	104,589	107,037	111,470	114,533
Transport	7,479	7,284	7,434	8,269	6,914	7,156	6,629	6,216	6,201
CLG Communities	3,969	3,545	5,837	7,205	5,363	4,155	2,689	2,246	1,839
CLG Local Government	286	296	289	300	273	335	284	262	258
Business, Innovation and Skills	13,710	15,002	15,816	17,594	18,801	17,538	16,660	15,493	14,722
Home Office	3,098	3,065	3,269	3,607	2,901	3,225	3,029	2,740	2,649
Justice	8,303	9,153	9,584	9,414	9,166	8,751	8,121	7,720	7,424
Law Officers' Departments	698	716	720	709	666	650	620	595	559
Defence	30,770	33,275	34,483	36,826	37,454	37,440	34,402	34,148	33,495
Foreign and Commonwealth Office	1,814	1,927	2,135	2,186	2,220	2,100	1,543	1,510	1,260
International Development	4,862	5,185	5,617	6,587	7,473	7,859	8,830	11,318	11,456
Energy and Climate Change	2,374	2,158	1,955	3,022	3,162	3,009	3,411	3,549	3,747
Environment, Food and Rural Affairs	2,660	2,825	2,612	2,753	2,589	2,410	2,345	2,199	2,111
Culture, Media and Sport	1,623	1,948	2,256	1,958	2,129	2,823	2,567	1,401	1,199
Work and Pensions	7,079	7,187	7,182	8,071	8,318	7,290	7,217	7,349	7,429
Scotland	16,248	17,547	17,511	18,606	18,552	18,117	18,268	18,224	18,353
Wales	7,787	8,326	8,636	9,337	9,134	9,240	9,174	9,203	9,280
Northern Ireland	8,993	9,607	10,111	10,498	10,727	10,231	10,263	10,282	10,316
Chancellor's Departments	4,743	4,490	4,594	4,516	4,140	4,288	3,991	3,901	3,723
Cabinet Office	1,759	1,936	2,176	2,426	2,465	2,506	2,421	2,353	2,514
Independent Bodies	682	721	783	815	763	909	818	802	792
<b>Total CG own expenditure within DEL</b>	<b>218,260</b>	<b>233,486</b>	<b>246,802</b>	<b>267,095</b>	<b>266,131</b>	<b>268,178</b>	<b>258,813</b>	<b>260,931</b>	<b>262,105</b>
<b>Within departmental AME</b>									
Education	8,600	10,709	10,650	10,437	-10,425	11,892	12,536	13,132	13,734
Health	11,623	13,900	14,998	16,233	-11,394	19,695	20,398	21,787	23,213
Transport	-105	799	665	1,147	987	1,353	1,382	1,517	1,490
CLG Communities	198	172	404	-35	-529	-562	64	65	67
CLG Local Government	0	0	1	0	0	0	0	0	0
Business, Innovation and Skills	2,574	3,636	3,671	4,577	3,592	4,690	5,094	6,738	8,109
Home Office	14	6	171	-82	192	8	8	8	10
Justice	-148	-62	450	624	323	230	226	238	238
Law Officers' Departments	-1	7	11	16	-12	10	11	8	7
Defence	4,927	5,870	6,106	7,903	-727	9,478	9,948	10,332	10,726
Foreign and Commonwealth Office	62	24	-10	86	34	75	75	75	75
International Development	417	-11	213	327	177	279	258	124	158
Energy and Climate Change	6,284	6,855	2,156	421	5,076	478	384	343	423
Environment, Food and Rural Affairs	248	-16	-55	-71	-250	62	28	26	-46
Culture, Media and Sport	4,499	4,313	4,082	4,618	4,598	4,307	4,024	4,513	4,278
Work and Pensions	100,960	108,172	114,622	122,487	125,681	130,691	135,778	138,053	141,661
Scotland	1,668	2,319	2,666	2,483	3,523	3,250	3,423	3,598	3,778
Wales	110	92	306	633	341	319	248	245	222
Northern Ireland	9,356	6,374	6,866	7,653	6,629	8,320	8,561	8,671	8,820
Chancellor's Departments <sup>(2)</sup>	29,802	31,617	163,665	51,545	25,993	41,983	43,669	42,289	42,670
Cabinet Office	6,045	7,626	7,173	7,481	-7,467	8,688	9,612	-2,574	-2,460
Independent Bodies	53	28	15	60	38	13	13	16	17
<b>Total CG own expenditure within dept AME</b>	<b>187,187</b>	<b>202,431</b>	<b>338,826</b>	<b>238,545</b>	<b>146,379</b>	<b>245,260</b>	<b>255,741</b>	<b>249,205</b>	<b>257,188</b>
Locally financed expenditure in Northern Ireland	452	520	607	547	538	606	612	639	669
Net expenditure transfers to the EU	4,652	5,392	3,060	6,419	8,414	8,990	8,430	9,059	9,617
Central government debt interest	27,581	29,961	30,507	30,864	43,682	48,635	50,857	56,628	62,361
Accounting and other adjustments	-40,352	-51,280	-164,926	-55,921	39,282	-53,500	-43,900	-34,300	-36,600
<b>Total CG own expenditure<sup>(3)</sup></b>	<b>397,780</b>	<b>420,510</b>	<b>454,876</b>	<b>487,548</b>	<b>504,426</b>	<b>518,200</b>	<b>530,600</b>	<b>542,100</b>	<b>555,400</b>

<sup>(1)</sup> Shown on a full resource budgeting basis, i.e. resource plus capital less depreciation.<sup>(2)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions. See Box2.A for details.<sup>(3)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 6.2 Central government own resource expenditure in budgets by departmental group, 2006-07 to 2014-15**

	£ million									
	National Statistics					2011-12	2012-13	2013-14	2014-15	
	2006-07	2007-08	2008-09	2009-10	2010-11	plans	plans	plans	plans	
	outturn	outturn	outturn	outturn	outturn					
<b>Within resource DEL</b>										
Education	10,194	11,197	10,839	11,949	10,210	13,105	8,058	7,631	7,629	
Health	75,856	81,810	88,094	94,747	97,812	100,299	102,735	107,032	109,884	
Transport	3,163	3,006	2,137	2,377	1,348	2,127	1,760	1,471	1,478	
CLG Communities	731	102	1,357	1,389	1,206	1,503	1,127	1,204	807	
CLG Local Government	284	296	288	298	272	335	284	262	258	
Business, Innovation and Skills	12,348	13,476	14,137	15,071	16,971	16,575	15,763	14,818	13,779	
Home Office	2,676	2,647	2,772	2,925	2,476	2,852	2,678	2,498	2,307	
Justice	7,766	8,398	8,683	8,561	8,620	8,317	7,809	7,440	7,121	
Law Officers' Departments	687	705	712	697	658	644	614	590	552	
Defence	23,573	24,657	25,464	27,624	28,007	27,413	25,266	24,957	24,746	
Foreign and Commonwealth Office	1,689	1,735	1,946	2,022	2,097	2,022	1,463	1,429	1,167	
International Development	4,098	4,448	4,742	5,234	5,915	6,465	7,195	9,394	9,412	
Energy and Climate Change	911	672	288	1,215	1,148	1,503	1,398	1,341	1,036	
Environment, Food and Rural Affairs	2,224	2,351	2,201	2,254	2,159	2,088	2,016	1,874	1,756	
Culture, Media and Sport	1,331	1,355	1,344	1,352	1,380	1,448	2,002	1,226	1,131	
Work and Pensions	6,882	7,112	7,096	7,806	7,998	7,046	6,893	6,964	7,187	
Scotland	14,218	15,229	15,359	15,977	16,259	16,290	16,489	16,615	16,686	
Wales	7,155	7,586	7,764	8,181	8,169	8,551	8,557	8,637	8,673	
Northern Ireland	8,131	8,582	8,898	9,282	9,585	9,400	9,397	9,477	9,519	
Chancellor's Departments	4,441	4,247	4,312	4,226	3,927	3,949	3,820	3,765	3,589	
Cabinet Office	1,526	1,621	1,792	1,983	2,030	2,105	2,042	1,966	2,158	
Independent Bodies	630	661	746	760	706	859	749	733	717	
<b>Total within resource DEL</b>	<b>190,517</b>	<b>201,893</b>	<b>210,972</b>	<b>225,930</b>	<b>228,952</b>	<b>234,896</b>	<b>228,114</b>	<b>231,325</b>	<b>231,593</b>	
<b>Within resource departmental AME</b>										
Education	8,600	10,709	10,650	10,437	-10,425	11,892	12,536	13,132	13,734	
Health	11,535	13,863	14,984	16,226	-11,402	19,695	20,398	21,787	23,213	
Transport	-105	799	665	1,147	987	1,353	1,382	1,517	1,490	
CLG Communities	198	172	404	-35	-529	-562	64	65	67	
CLG Local Government	0	0	1	0	0	0	0	0	0	
Business, Innovation and Skills	-677	-399	-318	531	-827	-1,028	-1,292	-1,362	-2,069	
Home Office	14	6	171	-82	192	8	8	8	10	
Justice	-148	-62	450	624	323	230	226	238	238	
Law Officers' Departments	-1	7	11	16	-12	10	11	8	7	
Defence	4,927	5,870	6,106	7,898	-727	9,478	9,948	10,332	10,726	
Foreign and Commonwealth Office	62	24	-10	86	34	75	75	75	75	
International Development	417	-11	213	327	177	279	258	124	158	
Energy and Climate Change	6,853	7,274	2,435	758	5,154	556	462	421	501	
Environment, Food and Rural Affairs	247	-17	-56	-72	-250	52	17	15	-57	
Culture, Media and Sport	3,584	3,798	3,788	3,975	3,991	3,845	3,721	3,924	3,734	
Work and Pensions	100,775	108,032	114,486	122,316	125,504	130,605	135,691	137,965	141,572	
Scotland	1,521	2,170	2,487	2,323	3,372	3,048	3,208	3,380	3,558	
Wales	-18	-73	138	431	132	78	-6	-17	-44	
Northern Ireland	9,031	6,174	6,488	7,224	6,232	7,879	8,026	8,152	8,339	
Chancellor's Departments <sup>(1)</sup>	29,546	31,405	77,843	9,678	28,667	40,873	43,669	42,289	42,670	
Cabinet Office	6,045	7,626	7,173	7,481	-7,467	8,688	9,612	-2,574	-2,460	
Independent Bodies	52	28	15	60	38	13	13	16	17	
<b>Total within resource departmental AME</b>	<b>182,458</b>	<b>197,396</b>	<b>248,124</b>	<b>191,350</b>	<b>143,164</b>	<b>237,069</b>	<b>248,028</b>	<b>239,495</b>	<b>245,478</b>	
<b>Within resource other AME</b>										
Locally financed expenditure in Northern Ireland	452	520	607	547	538	606	612	639	669	
Net expenditure transfers to the EU	4,652	5,392	3,060	6,419	8,414	8,990	8,430	9,059	9,617	
Central government debt interest	27,581	29,961	30,507	30,864	43,682	48,635	50,857	56,628	62,361	
Remove items classified as capital in National Accounts	89	1,545	302	3,254	14	2	-2	-4	-6	
Add items classified as current in National Accounts	6,506	5,095	5,666	5,317	5,553	6,381	5,784	5,719	5,156	
Accounting and other adjustments	-38,303	-46,426	-82,885	-16,529	42,857	-45,900	-37,600	-26,300	-26,300	
<b>Total CG own current expenditure</b>	<b>373,954</b>	<b>395,375</b>	<b>416,353</b>	<b>447,152</b>	<b>473,173</b>	<b>490,700</b>	<b>504,200</b>	<b>516,600</b>	<b>528,600</b>	

<sup>(1)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions. See Box 2.A for details.

**Table 6.3 Central government own capital expenditure by departmental group, 2006-07 to 2014-15**

£ million

	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn				
<b>Within capital DEL</b>									
Education	480	518	679	772	817	453	435	319	615
Health	2,793	3,769	4,188	4,926	4,082	4,290	4,302	4,437	4,648
Transport	4,316	4,278	5,297	5,892	5,567	5,029	4,869	4,745	4,722
CLG Communities	3,238	3,442	4,479	5,817	4,157	2,652	1,563	1,042	1,032
CLG Local Government	2	0	0	2	1	0	0	0	0
Business, Innovation and Skills	1,362	1,526	1,680	2,524	1,830	963	898	675	943
Home Office	422	418	497	682	425	373	351	242	342
Justice	537	755	901	853	546	434	312	280	303
Law Officers' Departments	11	11	9	12	8	6	6	6	7
Defence	7,197	8,618	9,019	9,203	9,447	10,027	9,136	9,191	8,749
Foreign and Commonwealth Office	125	192	190	164	123	78	80	81	93
International Development	764	737	875	1,353	1,558	1,394	1,635	1,924	2,044
Energy and Climate Change	1,464	1,486	1,667	1,807	2,014	1,507	2,013	2,208	2,711
Environment, Food and Rural Affairs	436	474	411	499	429	323	329	325	355
Culture, Media and Sport	291	593	912	606	750	1,375	565	175	69
Work and Pensions	196	75	86	265	319	244	324	385	242
Scotland	2,029	2,318	2,152	2,629	2,293	1,827	1,779	1,608	1,667
Wales	631	741	872	1,156	966	689	617	566	607
Northern Ireland	862	1,025	1,213	1,216	1,142	830	867	805	797
Chancellor's Departments	302	242	282	290	213	339	170	137	134
Cabinet Office	234	315	384	443	435	401	379	387	356
Independent Bodies	51	60	37	55	57	50	68	69	76
<b>Total within capital DEL</b>	<b>27,742</b>	<b>31,593</b>	<b>35,831</b>	<b>41,164</b>	<b>37,180</b>	<b>33,282</b>	<b>30,699</b>	<b>29,606</b>	<b>30,512</b>
<b>Within capital departmental AME</b>									
Health	89	37	14	7	8	0	0	0	0
Business, Innovation and Skills	3,251	4,035	3,988	4,046	4,419	5,718	6,386	8,101	10,178
Defence	0	0	0	5	0	0	0	0	0
Energy and Climate Change	-569	-419	-279	-337	-78	-78	-78	-78	-78
Environment, Food and Rural Affairs	0	0	1	1	0	11	11	11	11
Culture, Media and Sport	915	515	295	643	607	461	303	589	544
Work and Pensions	185	140	136	171	177	86	87	88	89
Scotland	147	149	180	160	151	202	215	218	220
Wales	128	165	168	202	209	241	254	263	266
Northern Ireland	325	200	378	430	397	441	535	519	481
Chancellor's Departments <sup>(1)</sup>	256	212	85,822	41,868	-2,675	1,110	0	0	0
Independent Bodies	2	0	0	0	0	0	0	0	0
<b>Total within capital departmental AME</b>	<b>4,729</b>	<b>5,035</b>	<b>90,702</b>	<b>47,195</b>	<b>3,215</b>	<b>8,192</b>	<b>7,713</b>	<b>9,709</b>	<b>11,710</b>
<b>Within capital other AME</b>									
Add items classified as capital in National Accounts	-89	-1,545	-302	-3,254	-14	-2	2	4	6
Remove items classified as current in National Accounts	-6,506	-5,095	-5,666	-5,317	-5,553	-6,381	-5,784	-5,719	-5,156
Accounting and other adjustments	-2,049	-4,853	-82,041	-39,392	-3,575	-7,600	-6,300	-8,000	-10,300
<b>Total CG own capital expenditure<sup>(2)</sup></b>	<b>23,826</b>	<b>25,135</b>	<b>38,523</b>	<b>40,396</b>	<b>31,253</b>	<b>27,500</b>	<b>26,400</b>	<b>25,600</b>	<b>26,800</b>

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

<sup>(2)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 6.4 Central government own expenditure on services by sub-function, 2006-07 to 2014-15**
**£ million**

	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans
	2006-7 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn				
<b>1. General public services</b>									
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	9,162	9,047	9,415	9,340	8,851	8,813	7,912	7,751	7,244
1.2 Foreign economic aid	4,174	4,596	4,865	5,583	6,483	7,760	7,082	8,549	8,778
1.3 General services	569	600	720	781	862	885	673	579	578
1.4 Basic research <sup>(1)</sup>	-	-	-	-	-	-	-	-	-
1.5 R&D general public services	30	21	21	21	18	21	21	21	21
1.6 General public services n.e.c.	203	248	290	351	394	292	152	135	332
1.7 Public sector debt interest <sup>(2)</sup>	27,581	29,961	30,507	30,864	43,682	48,635	50,857	56,628	62,361
<i>of which: central government debt interest</i>	<i>27,581</i>	<i>29,961</i>	<i>30,507</i>	<i>30,864</i>	<i>43,682</i>	<i>48,635</i>	<i>50,857</i>	<i>56,628</i>	<i>62,361</i>
<b>Total general public services</b>	<b>41,719</b>	<b>44,473</b>	<b>45,817</b>	<b>46,940</b>	<b>60,289</b>	<b>66,406</b>	<b>66,697</b>	<b>73,664</b>	<b>79,314</b>
<b>2. Defence</b>									
2.1 Military defence	29,384	29,761	31,642	32,365	32,721	32,985	33,587	33,376	32,725
2.2 Civil defence	32	26	19	18	17	75	50	37	33
2.3 Foreign military aid	1,731	2,748	3,697	3,781	3,570	3,621	-	-	-
2.4 R&D defence	797	854	1,277	1,159	2,604	2,525	2,707	2,691	2,680
2.5 Defence n.e.c.	119	119	47	258	34	138	-	-	-
<b>Total defence</b>	<b>32,062</b>	<b>33,508</b>	<b>36,682</b>	<b>37,580</b>	<b>38,945</b>	<b>39,344</b>	<b>36,344</b>	<b>36,105</b>	<b>35,437</b>
<b>3. Public order and safety</b>									
3.1 Police services	4,275	4,359	4,771	5,009	4,299	4,096	3,997	3,681	3,684
<i>of which: immigration and citizenship</i>	<i>2,006</i>	<i>2,068</i>	<i>2,089</i>	<i>2,197</i>	<i>1,813</i>	<i>1,883</i>	<i>1,852</i>	<i>1,710</i>	<i>1,672</i>
<i>of which: other police services</i>	<i>2,269</i>	<i>2,291</i>	<i>2,682</i>	<i>2,812</i>	<i>2,486</i>	<i>2,212</i>	<i>2,145</i>	<i>1,971</i>	<i>2,012</i>
3.2 Fire-protection services	145	219	292	315	180	229	189	151	155
3.3 Law courts	6,323	6,551	6,744	6,570	6,424	5,885	5,560	5,198	4,882
3.4 Prisons	3,833	4,313	4,697	4,741	4,693	4,639	4,377	4,316	4,310
3.5 R&D public order and safety	14	26	25	30	14	-	-	-	-
3.6 Public order and safety n.e.c.	333	334	334	349	306	456	472	432	340
<b>Total public order and safety</b>	<b>14,923</b>	<b>15,803</b>	<b>16,862</b>	<b>17,013</b>	<b>15,916</b>	<b>15,305</b>	<b>14,595</b>	<b>13,777</b>	<b>13,371</b>
<b>4. Economic affairs</b>									
4.1 General economic, commercial and labour affairs <sup>(3)</sup>	5,555	5,711	13,780	9,426	4,326	4,611	6,140	5,229	4,821
4.2 Agriculture, forestry, fishing and hunting	5,004	4,177	5,673	5,386	5,057	4,977	4,988	4,890	4,828
<i>of which: market support under CAP</i>	<i>3,521</i>	<i>2,565</i>	<i>3,983</i>	<i>3,689</i>	<i>3,491</i>	<i>3,376</i>	<i>3,416</i>	<i>3,399</i>	<i>3,392</i>
<i>of which: other agriculture, food and fisheries policy</i>	<i>1,296</i>	<i>1,447</i>	<i>1,480</i>	<i>1,410</i>	<i>1,391</i>	<i>1,441</i>	<i>1,421</i>	<i>1,344</i>	<i>1,295</i>
<i>of which: forestry</i>	<i>187</i>	<i>165</i>	<i>210</i>	<i>288</i>	<i>176</i>	<i>160</i>	<i>151</i>	<i>146</i>	<i>141</i>
4.3 Fuel and energy	1,121	915	654	492	392	2,110	2,681	3,222	3,891
4.4 Mining, manufacturing and construction	24	26	32	416	25	6	5	6	6
4.5 Transport	9,877	10,184	10,190	11,394	10,358	10,872	10,364	10,197	10,359
<i>of which: national roads</i>	<i>3,286</i>	<i>3,205</i>	<i>3,492</i>	<i>4,147</i>	<i>3,573</i>	<i>3,224</i>	<i>2,797</i>	<i>2,672</i>	<i>2,801</i>
<i>of which: local roads</i>	<i>239</i>	<i>295</i>	<i>343</i>	<i>396</i>	<i>460</i>	<i>277</i>	<i>392</i>	<i>501</i>	<i>255</i>
<i>of which: local public transport</i>	<i>759</i>	<i>843</i>	<i>780</i>	<i>825</i>	<i>775</i>	<i>814</i>	<i>728</i>	<i>729</i>	<i>740</i>
<i>of which: railway</i>	<i>4,972</i>	<i>5,181</i>	<i>4,942</i>	<i>5,309</i>	<i>4,921</i>	<i>5,865</i>	<i>5,812</i>	<i>5,693</i>	<i>5,963</i>
<i>of which: other transport</i>	<i>621</i>	<i>659</i>	<i>635</i>	<i>718</i>	<i>629</i>	<i>693</i>	<i>635</i>	<i>601</i>	<i>601</i>
4.6 Communication	232	605	446	340	313	253	511	533	450
4.7 Other industries	116	119	116	129	120	95	93	90	88
4.8 R&D economic affairs	2,865	3,275	3,238	3,675	3,490	3,613	3,703	3,685	4,131
4.9 Economic affairs n.e.c.	841	809	607	946	1,059	1,687	1,075	1,027	998
<b>Total economic affairs</b>	<b>25,635</b>	<b>25,821</b>	<b>34,735</b>	<b>32,205</b>	<b>25,140</b>	<b>28,224</b>	<b>29,559</b>	<b>28,878</b>	<b>29,573</b>
<b>5. Environment protection</b>									
5.1 Waste management	1,593	1,402	887	1,695	1,866	2,209	2,423	2,386	2,340
5.2 Waste water management	44	4	18	23	10	37	42	42	43
5.3 Pollution abatement	289	232	269	336	414	235	356	470	913
5.4 Protection of biodiversity and landscape <sup>(1)</sup>	552	475	517	481	506	475	428	409	409
5.5 R&D environment protection	321	346	377	412	437	361	338	334	319
5.6 Environment protection n.e.c.	1,496	1,489	1,608	1,794	1,884	1,651	1,714	1,765	1,586
<b>Total environment protection</b>	<b>4,294</b>	<b>3,947</b>	<b>3,676</b>	<b>4,741</b>	<b>5,117</b>	<b>4,968</b>	<b>5,301</b>	<b>5,406</b>	<b>5,610</b>

**Table 6.4 Central government own expenditure on services by sub-function, 2006-07 to 2014-15  
(continued)**

	£ million									
	National Statistics					2011-12	2012-13	2013-14	2014-15	
	2006-7	2007-08	2008-09	2009-10	2010-11	plans	plans	plans	plans	
	outturn	outturn	outturn	outturn	outturn					
<b>6. Housing and community amenities</b>										
6.1 Housing development	3,242	3,391	3,473	5,226	3,364	1,998	1,672	1,606	1,578	
<i>of which: local authority housing</i>	423	372	26	495	-97	-327	219	204	179	
<i>of which: other social housing</i>	2,818	3,019	3,446	4,731	3,461	2,324	1,453	1,402	1,398	
6.2 Community development	378	510	635	745	595	575	538	334	380	
6.3 Water supply	330	377	542	393	291	340	289	290	319	
6.4 Street lighting	15	19	23	22	21	19	16	16	22	
6.5 R&D housing and community amenities	9	8	5	4	8	4	4	4	5	
6.6 Housing and community amenities n.e.c	116	146	119	126	140	147	116	114	102	
<b>Total housing and community amenities</b>	<b>4,089</b>	<b>4,451</b>	<b>4,797</b>	<b>6,517</b>	<b>4,420</b>	<b>3,083</b>	<b>2,635</b>	<b>2,365</b>	<b>2,404</b>	
<b>7. Health<sup>(4)</sup></b>										
Medical services	92,335	99,865	107,514	115,425	118,494	121,189	122,934	127,174	130,337	
Medical research	576	551	773	833	983	783	759	775	790	
Central and other health services	1,440	1,608	1,496	1,914	1,688	1,686	1,646	1,681	1,716	
<b>Total health</b>	<b>94,350</b>	<b>102,024</b>	<b>109,782</b>	<b>118,173</b>	<b>121,165</b>	<b>123,658</b>	<b>125,339</b>	<b>129,631</b>	<b>132,843</b>	
<b>8. Recreation, culture and religion</b>										
8.1 Recreational and sporting services	661	1,035	1,698	1,986	2,126	1,640	1,392	471	428	
8.2 Cultural services	1,938	2,017	1,954	2,033	2,025	1,976	1,862	1,822	1,756	
8.3 Broadcasting and publishing services	3,554	3,663	3,580	3,766	3,679	4,070	3,828	4,099	3,830	
8.4 Religious and other community services	14	15	16	15	23	7	12	13	13	
8.5 R&D recreation, culture and religion	109	125	143	139	144	129	128	127	127	
8.6 Recreation, culture and religion n.e.c.	109	109	109	106	100	100	93	78	76	
<b>Total recreation, culture and religion</b>	<b>6,384</b>	<b>6,964</b>	<b>7,500</b>	<b>8,044</b>	<b>8,098</b>	<b>7,923</b>	<b>7,315</b>	<b>6,610</b>	<b>6,231</b>	
<b>9. Education</b>										
9.1 Pre-primary and primary education	641	730	695	789	772	808	797	755	745	
<i>of which: under fives</i>	88	144	111	149	120	134	131	87	86	
<i>of which: primary education</i>	552	586	584	641	653	674	666	668	658	
9.2 Secondary education	11,332	11,944	12,609	14,327	15,581	17,924	12,765	12,409	12,667	
9.3 Post-secondary non-tertiary education	-4	-	116	3	5	-	-	-	-	
9.4 Tertiary education	10,009	11,373	11,541	12,942	13,143	12,001	11,728	11,512	11,326	
9.5 Education not definable by level	494	480	416	539	497	504	466	480	507	
9.6 Subsidiary services to education	558	644	1,009	1,010	929	672	641	590	574	
9.7 R&D education	38	33	15	16	0	17	17	14	12	
9.8 Education n.e.c.	2,927	3,287	3,436	3,799	2,253	2,236	2,182	1,892	1,988	
<b>Total education</b>	<b>25,994</b>	<b>28,492</b>	<b>29,835</b>	<b>33,426</b>	<b>33,180</b>	<b>34,161</b>	<b>28,596</b>	<b>27,652</b>	<b>27,819</b>	
<b>10. Social protection</b>										
<i>of which: personal social services</i>	4,302	4,638	4,725	4,591	4,606	5,581	4,601	4,966	5,023	
10.1 Sickness and disability	28,174	29,411	30,951	32,888	34,339	36,232	37,773	38,796	39,090	
<i>of which: personal social services</i>	935	1,099	1,119	1,076	829	1,677	1,822	1,981	1,941	
<i>of which: incapacity, disability and injury benefits</i>	27,239	28,312	29,832	31,812	33,510	34,555	35,951	36,815	37,148	
10.2 Old age	64,203	69,588	76,775	82,766	86,685	91,963	98,617	103,429	108,675	
<i>of which: personal social services</i>	3	3	3	3	21	2	2	2	2	
<i>of which: pensions</i>	64,200	69,585	76,772	82,763	86,664	91,961	98,615	103,428	108,674	
10.3 Survivors	1,564	1,549	1,536	1,059	1,065	1,062	1,069	1,069	1,058	
10.4 Family and children	20,276	21,221	21,539	22,187	21,499	19,681	17,372	14,268	14,114	
<i>of which: personal social services</i>	726	812	834	835	709	720	768	832	789	
<i>of which: Family benefits, income support and tax credits</i>	19,550	20,409	20,705	21,352	20,790	18,961	16,604	13,436	13,324	
10.5 Unemployment	4,113	3,816	4,844	6,634	6,623	6,982	5,771	5,406	5,046	
<i>of which: personal social services</i>	1,363	1,328	1,325	1,105	1,394	1,345	12	0	0	
<i>of which: other unemployment benefits</i>	2,749	2,488	3,519	5,529	5,229	5,636	5,759	5,406	5,046	
10.6 Housing	439	450	537	618	787	785	753	715	688	
10.7 Social exclusion n.e.c. <sup>(5)</sup>	15,629	17,031	20,296	24,047	25,597	27,500	29,345	29,867	30,147	
<i>of which: personal social services</i>	1,275	1,396	1,445	1,572	1,653	1,837	1,998	2,152	2,291	
<i>of which: Family benefits, income support and tax credits</i>	14,354	15,635	18,851	22,475	23,944	25,663	27,347	27,716	27,856	
10.8 R&D Social protection	0	0	1	-	-	-	-	-	-	
10.9 Social protection n.e.c.	2,849	2,401	2,319	3,453	3,403	2,624	1,678	1,574	1,528	
<b>Total social protection</b>	<b>137,247</b>	<b>145,467</b>	<b>158,798</b>	<b>173,652</b>	<b>179,997</b>	<b>186,829</b>	<b>192,377</b>	<b>195,124</b>	<b>200,345</b>	

**Table 6.4 Central government own expenditure on services by sub-function, 2006-07 to 2014-15 (continued)**

	£ million									
	National Statistics									
	2006-7 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans	
<b>EU transactions<sup>(6)</sup></b>										
GNI-based contribution (net of abatement and collection costs) derived as										
<i>EC gross contribution pre-abatement and after deduction of collection costs</i>	4,071	4,785	2,378	5,760	7,669	8,359	7,785	8,397	8,937	
<i>Traditional Own Resources (without deduction of collection costs) and VAT contributions</i>	12,245	13,746	13,155	13,733	15,593	16,097	16,384	17,560	18,601	
<i>UK abatement</i>	-4,614	-5,001	-5,183	-3,754	-5,246	-4,935	-5,005	-5,190	-5,379	
EC receipts	-3,560	-3,960	-5,595	-4,218	-2,678	-2,803	-3,593	-3,973	-4,285	
Attributed aid and CFSP	-5,164	-5,601	-4,558	-4,789	-3,693	-4,808	-5,120	-5,256	-5,412	
	-709	-715	-751	-899	-899	-1,019	-938	-936	-856	
<b>Total EU transactions</b>	<b>-1,802</b>	<b>-1,531</b>	<b>-2,931</b>	<b>73</b>	<b>3,076</b>	<b>2,533</b>	<b>1,727</b>	<b>2,205</b>	<b>2,669</b>	
<b>Total central government own expenditure on services</b>	<b>384,896</b>	<b>409,419</b>	<b>445,553</b>	<b>478,363</b>	<b>495,343</b>	<b>512,432</b>	<b>510,486</b>	<b>521,417</b>	<b>535,619</b>	
Accounting adjustments	12,884	11,091	9,323	9,185	9,083	5,800	20,000	20,700	19,800	
<b>Total central government own expenditure<sup>(7)</sup></b>	<b>397,780</b>	<b>420,510</b>	<b>454,876</b>	<b>487,548</b>	<b>504,426</b>	<b>518,200</b>	<b>530,600</b>	<b>542,100</b>	<b>555,400</b>	

<sup>(1)</sup> Spending for Marine Scotland Science has been moved from General Public Services to Environment Protection to mirror the classification of its sister organisation CEFAS (Centre for Environment, Fisheries and Aquaculture Science), which operates in England only.

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

<sup>(3)</sup> Transactions in 2008-09 onwards have been affected by financial sector interventions. Details are provided in Box 5.A in Chapter 5.

<sup>(4)</sup> The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

<sup>(5)</sup> Social exclusion n.e.c. includes Child and Working Tax Credits.

<sup>(6)</sup> 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 EC are shown in Table C.1.

<sup>(7)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.



**Table 6.5 Central government own expenditure on services by economic category, 2006-07 to 2014-15**

	£ million									
	National Statistics									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans	
<b>Central government current expenditure on services</b>										
Pay	79,006	81,437	85,564	88,222	90,350	89,668	90,643	92,023	92,941	
Gross current procurement	106,702	113,303	121,341	127,666	122,792	127,917	120,623	121,798	121,623	
Income from sales of goods and services	-19,112	-20,794	-23,749	-23,020	-17,938	-16,001	-11,657	-12,149	-12,624	
Current grants to persons and non-profit bodies	158,000	166,711	179,465	196,047	201,799	209,365	208,782	208,667	211,916	
Current grants abroad	2,544	3,254	2,392	5,968	9,730	8,780	7,630	9,334	9,892	
Subsidies to private sector companies	5,695	5,099	5,354	6,152	6,018	8,086	8,759	9,488	10,726	
Subsidies to public corporations	968	1,394	970	908	687	543	1,144	1,135	1,082	
Net public service pensions	959	2,196	3,127	3,625	4,492	5,675	7,291	8,586	9,731	
Grant equivalent element of student lending	305	1,045	814	1,466	1,746	1,631	2,025	2,583	3,077	
Central government debt interest	27,581	29,961	30,507	30,864	43,682	48,635	50,857	56,628	62,361	
Other	-52	89	27	-119	153	90	21	26	0	
<b>Total central government own current expenditure on services</b>	<b>362,596</b>	<b>383,696</b>	<b>405,813</b>	<b>437,780</b>	<b>463,512</b>	<b>484,389</b>	<b>486,119</b>	<b>498,119</b>	<b>510,725</b>	
Accounting adjustments	11,358	11,679	10,540	9,372	9,661	6,300	18,100	18,400	17,900	
<b>Total central government own current expenditure</b>	<b>373,954</b>	<b>395,375</b>	<b>416,353</b>	<b>447,152</b>	<b>473,173</b>	<b>490,700</b>	<b>504,200</b>	<b>516,500</b>	<b>528,600</b>	
<b>Central government capital expenditure on services</b>										
Capital grants to persons and non-profit bodies	6,940	7,099	7,705	10,364	5,596	5,258	4,045	3,473	3,856	
Capital grants to private sector companies <sup>(1)</sup>	5,178	5,230	15,263	10,455	7,699	4,912	5,018	4,379	4,189	
Capital grants abroad	136	158	249	500	964	1,638	756	1,013	940	
Gross capital procurement	12,270	15,887	17,533	19,917	18,429	16,830	15,052	15,244	16,641	
Income from sales of capital assets	-2,208	-2,608	-999	-695	-886	-681	-442	-713	-680	
Other	-16	-44	-11	42	29	86	-62	-97	-52	
<b>Total central government own capital expenditure on services</b>	<b>22,300</b>	<b>25,722</b>	<b>39,740</b>	<b>40,583</b>	<b>31,832</b>	<b>28,043</b>	<b>24,367</b>	<b>23,299</b>	<b>24,894</b>	
Accounting adjustments	1,526	-587	-1,217	-187	-579	-500	2,000	2,300	1,900	
<b>Total central government own capital expenditure</b>	<b>23,826</b>	<b>25,135</b>	<b>38,523</b>	<b>40,396</b>	<b>31,253</b>	<b>27,500</b>	<b>26,400</b>	<b>25,600</b>	<b>26,800</b>	
<b>Total central government own expenditure on services</b>	<b>384,896</b>	<b>409,419</b>	<b>445,553</b>	<b>478,363</b>	<b>495,343</b>	<b>512,432</b>	<b>510,486</b>	<b>521,417</b>	<b>535,619</b>	
Accounting adjustments	12,884	11,091	9,323	9,185	9,083	5,800	20,000	20,700	19,800	
<b>Total central government own expenditure<sup>(2)</sup></b>	<b>397,780</b>	<b>420,510</b>	<b>454,876</b>	<b>487,548</b>	<b>504,426</b>	<b>518,200</b>	<b>530,600</b>	<b>542,100</b>	<b>555,400</b>	

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

<sup>(2)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 6.6 Central government own current and capital expenditure on services by function, 2006-07 to 2014-15**

	£ million								
	National Statistics								
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans
<b>Central government own current expenditure on services</b>									
1. General public services	40,985	43,634	44,985	45,874	59,129	64,473	65,884	72,778	78,301
<i>of which: public and common services</i>	7,541	7,401	7,709	7,661	7,314	7,396	6,790	6,552	6,508
<i>of which: international services</i>	5,863	6,272	6,769	7,350	8,133	8,442	8,237	9,597	9,432
<i>of which: public sector debt interest</i>	27,581	29,961	30,507	30,864	43,682	48,635	50,857	56,628	62,361
2. Defence	31,265	31,068	33,265	33,607	34,750	35,318	32,612	32,264	31,497
3. Public order and safety	13,739	14,461	15,136	15,247	14,735	14,364	13,790	13,164	12,643
4. Economic affairs	18,340	18,412	17,245	18,535	17,006	20,631	22,422	22,316	23,063
<i>of which: enterprise and economic development<sup>(1)</sup></i>	3,577	3,885	2,188	2,476	1,554	5,012	6,001	6,341	6,616
<i>of which: science and technology</i>	2,190	2,490	2,613	2,942	2,975	3,043	3,206	3,261	3,564
<i>of which: employment policies</i>	3,155	3,210	3,017	3,445	3,736	2,866	3,855	3,462	3,402
<i>of which: agriculture, fisheries and forestry</i>	4,748	3,961	5,412	5,216	4,853	4,796	4,783	4,706	4,614
<i>of which: transport</i>	4,670	4,866	4,015	4,456	3,889	4,914	4,577	4,545	4,868
5. Environment protection	2,355	2,092	1,589	2,525	2,505	3,052	2,920	2,827	2,542
6. Housing and community amenities	1,075	1,094	648	778	454	309	919	885	823
7. Health	90,573	97,395	104,518	112,075	115,779	118,366	120,020	124,339	127,329
8. Recreation, culture and religion	5,626	5,852	5,814	6,019	6,022	6,052	6,413	5,853	5,577
9. Education	23,732	26,198	27,236	30,126	30,886	32,792	27,303	26,585	26,116
10. Social protection	136,708	145,022	158,308	172,921	179,168	186,500	192,109	194,901	200,163
EU transactions	-1,802	-1,531	-2,931	73	3,076	2,533	1,727	2,205	2,669
<b>Total central government own current expenditure on services</b>	<b>362,596</b>	<b>383,696</b>	<b>405,813</b>	<b>437,780</b>	<b>463,512</b>	<b>484,389</b>	<b>486,119</b>	<b>498,119</b>	<b>510,725</b>
Accounting adjustments	11,358	11,679	10,540	9,372	9,661	6,300	18,100	18,400	17,900
<b>Total central government own current expenditure</b>	<b>373,954</b>	<b>395,375</b>	<b>416,353</b>	<b>447,152</b>	<b>473,173</b>	<b>490,700</b>	<b>504,200</b>	<b>516,500</b>	<b>528,600</b>
<b>Central government own capital expenditure on services</b>									
1. General public services	735	839	831	1,066	1,160	1,934	813	886	1,013
<i>of which: public and common services</i>	512	473	487	556	433	447	316	291	313
<i>of which: international services</i>	223	366	345	510	727	1,487	498	595	700
2. Defence	797	2,440	3,416	3,974	4,195	4,026	3,732	3,841	3,940
3. Public order and safety	1,184	1,342	1,726	1,766	1,181	940	805	613	728
4. Economic affairs	7,295	7,409	17,490	13,669	8,134	7,593	7,137	6,562	6,510
<i>of which: enterprise and economic development<sup>(1)</sup></i>	966	1,005	10,338	5,730	879	828	644	299	233
<i>of which: science and technology</i>	675	785	625	733	515	570	497	423	566
<i>of which: employment policies</i>	191	85	92	98	66	55	4	5	4
<i>of which: agriculture, fisheries and forestry</i>	256	216	260	170	204	181	206	183	214
<i>of which: transport</i>	5,207	5,317	6,175	6,938	6,469	5,959	5,787	5,652	5,492
5. Environment protection	1,939	1,855	2,087	2,216	2,612	1,916	2,381	2,578	3,069
6. Housing and community amenities	3,013	3,356	4,149	5,738	3,966	2,774	1,716	1,480	1,581
7. Health	3,777	4,630	5,264	6,098	5,386	5,292	5,318	5,292	5,514
8. Recreation, culture and religion	758	1,112	1,686	2,026	2,076	1,871	903	757	654
9. Education	2,262	2,294	2,600	3,299	2,294	1,370	1,293	1,067	1,703
10. Social protection	539	445	490	731	828	328	269	223	182
<b>Total central government own capital expenditure on services</b>	<b>22,300</b>	<b>25,722</b>	<b>39,740</b>	<b>40,583</b>	<b>31,832</b>	<b>28,043</b>	<b>24,367</b>	<b>23,299</b>	<b>24,894</b>
Accounting adjustments	1,526	-587	-1,217	-187	-579	-500	2,000	2,300	1,900
<b>Total central government own capital expenditure<sup>(2)</sup></b>	<b>23,826</b>	<b>25,135</b>	<b>38,523</b>	<b>40,396</b>	<b>31,253</b>	<b>27,500</b>	<b>26,400</b>	<b>25,600</b>	<b>26,800</b>

<sup>(1)</sup> Transactions from 2008-09 onwards have been affected by the financial sector interventions. Details are provided in Box 5.A.

<sup>(2)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

# 7

## Local government financing and expenditure

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**7.1** This chapter describes central government support for local government within budgets (**Tables 7.1 to 7.3**) and local government expenditure on services (**Tables 7.4 to 7.8**). It deals primarily with Great Britain – most equivalent spending in Northern Ireland is central government spending carried out by Northern Ireland departments. Where relevant, district council spending in Northern Ireland is included in this chapter.

**7.2** Data for outturn years (to 2010-11) are covered by National Statistics protocols.

**7.3** Central government support data for all years up to 2010-11 are final outturn figures and data from 2011-12 onwards are latest plans.

**7.4** Local government spending data for all years up to 2009-10 are final outturn. Data for 2010-11 are based on budget plans.

### What's new

**7.5** There have been no significant changes to the presentation of data within this chapter since PESA 2010.

### The financing of local government expenditure

**7.6** Central government support for local government expenditure is provided in three forms: capital and current grants; non-domestic rate payments; and Supported Capital Expenditure (Revenue), equivalent to supported borrowing in Scotland. Support may be non-specific, e.g. Revenue Support Grant, or related to specific services, e.g. schools grant.

**7.7** Local authorities also raise finance locally, largely through council tax, receipts from sales of assets, contributions from developers and unsupported borrowing. By convention, Scottish Non-Domestic Rates Income (NDRI) is shown in PESA as locally financed central government support in other AME, as it is raised in Scotland rather than funded by Whitehall.

**7.8** Funding provided to local government by the EU is channelled through departmental budgets but is not treated as central government support in PESA. This is because the receipts from the EU offset in budgets against the subsequent payment to local government, so this funding forms part of the accounting and other adjustments that are required to reconcile the departmental budgeting data to an aggregate drawn from the National Accounts.

**7.9** **Table 7.1** shows current and capital support provided to local government within each country in the UK, according to whether support is in DEL or AME. As noted above, further adjustments are made to these budgeting aggregates to reconcile with total local government expenditure in the National Accounts.

### Support for local government current spending

**7.10** Central government support for current expenditure on local services is largely provided through:

- Revenue Support Grant (RSG) – a non ring-fenced grant paid to local government in England, Scotland and Wales;

- non-domestic (business) rate payments – the proceeds of National Non-Domestic Rates (NDR) 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; 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, department 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), equivalent to supported borrowing in Scotland. The latter enables local authorities to borrow or use other forms of credit to finance capital expenditure, with central government providing a revenue stream to support repayment of principal and interest. This is distinct from prudential borrowing where local authorities finance any additional borrowing from their own available resources. **Table 7.3** shows the components of central government capital support within the United Kingdom by country and department.

## Data sources and data quality

**7.13** The central government support for local government shown in **Tables 7.1 to 7.3** is taken from finance data loaded onto the Treasury spending database by departments, consistent with their resource accounts.

## Local government expenditure

**7.14** Total local government expenditure is defined as the contribution of local government to Total Managed Expenditure (TME). TME is a consolidated measure in the sense that most transactions between parts of the public sector are excluded. For example, total local government expenditure defined here excludes capital grants paid to public corporations and interest paid to central government. Local government expenditure accounts for around one quarter of TME.

**7.15** Local government have considerable discretion to determine the level, pattern, and standard of the main services – subject to the financial resources available, including the implications for local taxation, and in some cases subject also to central government regulation and inspection of the service provided.

## Local government expenditure on services

**7.16** The measure of local government spending that is analysed by function and economic category in PESA is local government expenditure on services. It is largely equivalent to the National Accounts measure of local government expenditure, which is also shown in the tables. **Annex E** gives more information on expenditure on services.

**7.17** The functional categories in **Tables 7.4 to 7.7** are based on the UN Classification Of the Functions Of Government (COFOG) and are consistent with the functional categories used in other PESA chapters:

- **Table 7.4** presents total local government expenditure by function;
- **Table 7.5** shows local government current expenditure by country and function;
- **Table 7.6** shows gross capital expenditure, split by country and function. Gross indicates that it is before sales of capital assets and depreciation; and

- **Table 7.7** shows local government capital receipts within the United Kingdom, again by country and function.

**7.18 Table 7.8** shows local government expenditure by country and economic category. The economic categories are broadly consistent with those used by the ONS for the National Accounts. These are described in **Chapter 5**.

## Data sources and data quality

**7.19** The local government expenditure shown in **Tables 7.4 to 7.8** is based on revenue (current) and capital data collections completed by local authorities and sent to the Department for Communities and Local Government (CLG) and devolved administrations. These departments carry out quality assurance on the data received, produce aggregate results for publication, and supply this information to the Treasury.

**7.20** Information is sought from all local authorities, who derive the material from the accounting records used to produce audited accounts. However, detailed expenditure breakdowns may be of lower quality because of inconsistencies of classification by respondents and resource constraints on quality assurance.

**7.21** Spending information received from local government is described in terms of local authority services (education, roads etc). The Treasury assign spending to the COFOG functional categories used in PESA. In general the 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 PESA is good enough to provide a broad picture of local government spending, the quality is likely to be lower than the quality of the central government data in PESA. Figures are shown to the nearest £1m so that users performing calculations on the numbers do not introduce errors due to working on rounded numbers.

**7.23** The Treasury are working with CLG and the ONS to improve the quality and timeliness of local government spending data.

**7.24** More information on local government finance and spending is available from the following sources:

- England – CLG publication Local Government Financial Statistics  
<http://www.communities.gov.uk/localgovernment/localgovernmentfinance/localgovernmentfinance/statistics>
- Scotland – Scottish Executive publication  
<http://www.Scotland.gov.uk/topics/statistics>
- Wales – National Assembly for Wales publication  
<http://www.wales.gov.uk/statistics>

**Table 7.1 Financing of local government in the United Kingdom by country, 2006-07 to 2014-15**

£ million

	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn				
<b>Current finance in DEL</b>									
England	70,104	73,878	76,621	79,659	81,717	75,620	79,718	79,239	78,183
Scotland	7,396	7,818	8,329	8,650	9,055	8,648	8,753	8,820	8,856
Wales	4,465	4,693	4,971	5,202	5,523	5,079	5,054	5,122	5,117
Northern Ireland	50	54	54	54	53	56	56	55	54
<b>Total current finance in DEL</b>	<b>82,016</b>	<b>86,443</b>	<b>89,976</b>	<b>93,565</b>	<b>96,349</b>	<b>89,403</b>	<b>93,581</b>	<b>93,236</b>	<b>92,210</b>
<b>Capital support in DEL</b>									
England	8,898	10,515	10,490	13,380	11,134	8,606	8,100	6,678	6,662
Scotland	961	976	951	1,057	863	692	674	609	631
Wales	687	735	769	684	788	599	572	499	499
Northern Ireland	9	10	3	3	16	3	3	3	3
<b>Total capital support in DEL</b>	<b>10,555</b>	<b>12,235</b>	<b>12,213</b>	<b>15,124</b>	<b>12,801</b>	<b>9,900</b>	<b>9,349</b>	<b>7,789</b>	<b>7,795</b>
<b>Total central government support in DEL<sup>(1)</sup></b>	<b>92,571</b>	<b>98,678</b>	<b>102,188</b>	<b>108,689</b>	<b>109,149</b>	<b>99,303</b>	<b>102,930</b>	<b>101,025</b>	<b>100,005</b>
<b>Current finance in departmental AME</b>									
England	17,807	18,116	19,703	22,632	25,021	25,345	25,792	24,783	25,059
Scotland	1,583	1,622	1,718	1,890	2,009	1,736	1,762	1,674	1,685
Wales	814	848	900	1,034	1,041	1,521	1,553	1,493	1,515
Northern Ireland	2	1	1	2	1	2	1	2	2
<b>Total current finance in departmental AME</b>	<b>20,206</b>	<b>20,587</b>	<b>22,322</b>	<b>25,559</b>	<b>28,072</b>	<b>28,603</b>	<b>29,108</b>	<b>27,952</b>	<b>28,260</b>
<b>Capital support in departmental AME</b>									
England	617	1,495	783	399	1,062	892	875	892	892
Scotland	0	7	6	3	7	9	9	9	9
Wales	7	3	3	1	2	2	2	2	2
Northern Ireland	1	1	1	0	1	1	1	1	1
<b>Total capital support in departmental AME</b>	<b>626</b>	<b>1,506</b>	<b>793</b>	<b>402</b>	<b>1,071</b>	<b>904</b>	<b>886</b>	<b>904</b>	<b>904</b>
<b>Total central government support in departmental AME<sup>(2)</sup></b>	<b>20,832</b>	<b>22,093</b>	<b>23,115</b>	<b>25,961</b>	<b>29,143</b>	<b>29,507</b>	<b>29,995</b>	<b>28,856</b>	<b>29,164</b>
<b>Locally financed expenditure</b>									
Local authority self-financed expenditure	24,224	26,090	31,719	29,212	28,926	37,645	31,390	32,371	33,093
Locally financed support in Scotland <sup>(3)</sup>	1,884	1,860	1,963	2,165	2,068	2,171	2,171	2,171	2,171
<b>Total locally financed expenditure</b>	<b>26,108</b>	<b>27,949</b>	<b>33,682</b>	<b>31,377</b>	<b>30,994</b>	<b>39,816</b>	<b>33,560</b>	<b>34,542</b>	<b>35,263</b>
<b>Total financing of local government expenditure</b>	<b>139,511</b>	<b>148,721</b>	<b>158,986</b>	<b>166,026</b>	<b>169,286</b>	<b>168,626</b>	<b>166,484</b>	<b>164,423</b>	<b>164,432</b>
Accounting and other adjustments	6,669	6,451	7,650	7,030	9,721	13,600	13,200	13,600	13,500
<b>Total local government expenditure</b>	<b>146,180</b>	<b>155,172</b>	<b>166,636</b>	<b>173,056</b>	<b>179,007</b>	<b>182,200</b>	<b>179,700</b>	<b>178,000</b>	<b>177,900</b>

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

<sup>(2)</sup> Includes lottery grants.

<sup>(3)</sup> By convention, Non-Domestic rates Income (NDRI) in Scotland (equivalent to non-domestic rate payment in England and Wales) is shown in PESA as locally raised central government support. i.e. It is finance raised in Scotland rather than funding from Whitehall.

**Table 7.2 Central government current grants for local government in the United Kingdom by department group, 2006-07 to 2014-15**

	£ million									
	National Statistics					2011-12	2012-13	2013-14	2014-15	
	2006-07	2007-08	2008-09	2009-10	2010-11	plans	plans	plans	plans	
	outturn	outturn	outturn	outturn	outturn					
<b>England</b>										
<b>Education</b>										
Schools Grant <sup>(1)</sup>	29,532	30,824	33,065	34,274	35,318	32,386	37,745	38,158	38,577	
Schools standard grant	1,217	1,530	1,545	1,556	1,571	-	-	-	-	
Sure start	817	927	1,242	1,433	1,603	-	-	-	-	
Early intervention grant	-	-	-	-	-	2,211	2,298	2,207	2,163	
Pupil Premium	-	-	-	-	-	625	1,250	1,875	2,500	
Maintained sixth forms grant	-	-	-	-	2,184	2,426	2,371	2,307	2,208	
Private Finance Initiative grant	-	-	-	-	-	596	719	796	827	
Other	332	426	128	362	539	114	97	99	105	
<b>Total Education</b>	<b>31,898</b>	<b>33,706</b>	<b>35,980</b>	<b>37,625</b>	<b>41,214</b>	<b>38,358</b>	<b>44,480</b>	<b>45,442</b>	<b>46,379</b>	
<b>Health</b>										
Health	194	186	141	30	180	-	-	-	-	
Social Care	1,579	1,609	131	260	-	-	-	-	-	
Area Based Grants	-	-	943	968	988	-	-	-	-	
Other	-	-	-	-	329	1,326	1,357	-	-	
<b>Total Health<sup>(2)</sup></b>	<b>1,773</b>	<b>1,795</b>	<b>1,215</b>	<b>1,258</b>	<b>1,496</b>	<b>1,326</b>	<b>1,357</b>	-	-	
<b>Transport</b>										
GLA transport	2,390	2,521	2,467	2,555	2,772	2,804	2,803	2,699	2,404	
Strategic rail authority	234	219	206	204	205	-	-	-	-	
Area Based Grants	-	-	181	184	169	-	-	-	-	
Other	472	237	359	334	685	370	471	802	555	
<b>Total Transport</b>	<b>3,096</b>	<b>2,976</b>	<b>3,213</b>	<b>3,278</b>	<b>3,831</b>	<b>3,174</b>	<b>3,274</b>	<b>3,501</b>	<b>2,959</b>	
<b>CLG Communities</b>										
Supporting people	1,726	1,735	1,686	1,666	-	-	-	-	-	
New deal for communities	144	131	102	72	32	-	-	-	-	
Local area agreements	456	1,707	-	-	-	-	-	-	-	
Area Based Grants	-	-	645	676	2,166	-	-	-	-	
Other	447	409	488	764	620	843	1,005	811	838	
<b>Total CLG Communities</b>	<b>2,773</b>	<b>3,981</b>	<b>2,921</b>	<b>3,178</b>	<b>2,818</b>	<b>843</b>	<b>1,005</b>	<b>811</b>	<b>838</b>	
<b>CLG Local Government</b>										
Non-domestic rate payments	18,207	18,953	21,058	19,784	22,611	19,300	23,243	23,503	22,164	
Revenue Support Grant	3,443	3,163	2,909	4,547	3,167	5,905				
Neighbourhood renewal fund	525	-	-	-	-	-	-	-	-	
PFI special grant	513	594	677	773	908	-	-	-	-	
LA business growth incentive scheme	329	389	102	49	-	-	-	-	-	
Other	274	197	275	347	109	759	747	733	728	
<b>Total CLG Local Government</b>	<b>23,292</b>	<b>23,296</b>	<b>25,023</b>	<b>25,501</b>	<b>26,795</b>	<b>25,965</b>	<b>23,990</b>	<b>24,237</b>	<b>22,892</b>	
<b>Business, Innovation and Skills</b>										
LSC grants	1,944	2,039	2,113	2,201	-	-	-	-	-	
RDA development fund	380	346	294	263	254	144	55	27	32	
Other	6	7	8	3	4	-	-	-	-	
<b>Total Business, Innovation and Skills</b>	<b>2,330</b>	<b>2,392</b>	<b>2,415</b>	<b>2,467</b>	<b>258</b>	<b>144</b>	<b>55</b>	<b>27</b>	<b>32</b>	
<b>Home Office</b>										
Police	5,749	5,991	6,240	6,637	6,622	6,645	6,631	6,479	6,484	
Area Based Grants	-	-	61	81	71	57	29	0	0	
Other	155	147	200	181	146	145	123	121	118	
<b>Total Home Office</b>	<b>5,904</b>	<b>6,138</b>	<b>6,502</b>	<b>6,898</b>	<b>6,840</b>	<b>6,847</b>	<b>6,783</b>	<b>6,600</b>	<b>6,602</b>	
<b>Environment, Food and Rural Affairs</b>										
Environment Agency	-58	-27	-22	-38	-31	-	-	-	-	
Area Based Grants	-	-	3	3	3	-	-	-	-	
Other	93	51	68	69	75	59	56	52	48	
<b>Total Environment, Food and Rural Affairs</b>	<b>35</b>	<b>24</b>	<b>49</b>	<b>34</b>	<b>47</b>	<b>59</b>	<b>56</b>	<b>52</b>	<b>48</b>	
<b>Work and Pensions</b>										
Rent rebates	4,399	4,439	4,373	4,475	4,401	4,465	4,593	4,448	4,497	
Rent allowances	8,308	9,021	10,278	12,799	14,109	14,990	15,098	14,549	14,673	
Council tax benefits	3,278	3,370	3,583	3,994	4,184	4,170	4,201	3,761	3,765	
Area Based Grants	-	-	33	51	44	-	-	-	-	
Other	630	649	549	621	579	545	544	517	479	
<b>Total Work and Pensions</b>	<b>16,615</b>	<b>17,480</b>	<b>18,817</b>	<b>21,940</b>	<b>23,317</b>	<b>24,171</b>	<b>24,437</b>	<b>23,275</b>	<b>23,413</b>	
<b>Other government departments</b>										
	195	206	189	113	123	79	73	79	79	
<b>Total England</b>	<b>87,912</b>	<b>91,994</b>	<b>96,324</b>	<b>102,291</b>	<b>106,738</b>	<b>100,965</b>	<b>105,509</b>	<b>104,023</b>	<b>103,242</b>	

**Table 7.2 Central government current grants for local government in the United Kingdom by department group, 2006-07 to 2014-15 (continued)**

	£ million									
	National Statistics									
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans	
<b>Scotland</b>										
<b>Work and Pensions</b>										
Rent allowance	670	707	786	905	978	1,048	1,061	1,043	1,053	
Rent rebates	554	556	572	609	643	653	664	634	635	
Council tax benefits	358	356	350	365	376	374	376	336	335	
Other	81	80	63	59	54	0	0	0	0	
<b>Total Work and Pensions</b>	<b>1,663</b>	<b>1,699</b>	<b>1,770</b>	<b>1,939</b>	<b>2,050</b>	<b>2,075</b>	<b>2,101</b>	<b>2,013</b>	<b>2,023</b>	
<b>Scottish Government</b>										
Revenue Support Grant	5,778	6,170	7,433	7,750	8,395	8,058	8,156	8,218	8,252	
Non-domestic rate income <sup>(3)</sup>	1,884	1,860	1,963	2,165	2,068	2,171	2,171	2,171	2,171	
Police	530	550	552	570	496	480	486	490	492	
Other	1,009	1,019	289	279	119	119	121	122	123	
<b>Total Scottish Government</b>	<b>9,200</b>	<b>9,598</b>	<b>10,237</b>	<b>10,764</b>	<b>11,078</b>	<b>10,828</b>	<b>10,933</b>	<b>11,000</b>	<b>11,037</b>	
<b>Other government departments</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	
<b>Total Scotland</b>	<b>10,863</b>	<b>11,300</b>	<b>12,010</b>	<b>12,705</b>	<b>13,132</b>	<b>12,905</b>	<b>13,036</b>	<b>13,014</b>	<b>13,062</b>	
<b>Wales</b>										
<b>Home Office</b>										
Police	218	268	270	280	278	263	244	249	245	
Other	0	12	12	0	0	13	0	0	0	
<b>Total Home Office</b>	<b>218</b>	<b>280</b>	<b>282</b>	<b>280</b>	<b>278</b>	<b>276</b>	<b>244</b>	<b>249</b>	<b>245</b>	
<b>Work and Pensions</b>										
Rent allowance	317	356	442	574	649	701	722	695	712	
Rent rebates	284	294	260	241	235	229	235	226	228	
Council tax benefits	177	184	195	216	233	239	243	220	222	
Other	37	43	34	29	28	0	0	0	0	
<b>Total Work and Pensions</b>	<b>815</b>	<b>876</b>	<b>931</b>	<b>1,060</b>	<b>1,145</b>	<b>1,169</b>	<b>1,200</b>	<b>1,141</b>	<b>1,162</b>	
<b>Welsh Assembly Government</b>										
Revenue Support Grant	2,899	3,011	3,055	3,148	3,218	3,283	3,293	3,336	3,336	
Non-domestic rate payments	844	902	976	1,005	1,044	913	912	921	921	
Other	503	468	624	740	877	607	605	616	616	
<b>Total Welsh Assembly Government</b>	<b>4,246</b>	<b>4,380</b>	<b>4,656</b>	<b>4,893</b>	<b>5,139</b>	<b>4,803</b>	<b>4,810</b>	<b>4,873</b>	<b>4,873</b>	
<b>Other government departments</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	
<b>Total Wales</b>	<b>5,279</b>	<b>5,540</b>	<b>5,871</b>	<b>6,235</b>	<b>6,565</b>	<b>6,250</b>	<b>6,257</b>	<b>6,265</b>	<b>6,282</b>	
<b>Northern Ireland</b>										
<b>Culture, Media and Sport</b>										
	2	1	1	2	1	2	1	2	2	
<b>Northern Ireland Executive</b>										
	50	54	54	54	53	56	56	55	54	
<b>Total Northern Ireland</b>	<b>53</b>	<b>56</b>	<b>56</b>	<b>57</b>	<b>54</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>55</b>	
<b>Total current finance</b>	<b>104,106</b>	<b>108,890</b>	<b>114,260</b>	<b>121,288</b>	<b>126,488</b>	<b>120,177</b>	<b>124,860</b>	<b>123,359</b>	<b>122,641</b>	

<sup>(1)</sup> The Department for Education has yet to settle the nature of the funding streams for education institutions from 2012-13.

<sup>(2)</sup> The Department of Health has not settled its local government grants beyond 2012-13.

<sup>(3)</sup> 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 department group, 2006-07 to 2014-15**

	£ million								
	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn				
<b>England</b>									
<b>Supported Capital Expenditure (Revenue)<sup>(1)</sup></b>									
Education	1,031	1,050	1,045	942	539	-	-	-	-
Health	50	50	0	0	0	-	-	-	-
Transport	1,368	854	856	902	972	-	-	-	-
CLG Communities	1,181	1,295	1,230	1,265	946	-	-	-	-
Home Office	123	67	67	73	73	-	-	-	-
<b>Total Supported Capital Expenditure (Revenue)<sup>(1)</sup></b>	<b>3,754</b>	<b>3,317</b>	<b>3,198</b>	<b>3,182</b>	<b>2,530</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital grants</b>									
Education	2,544	3,658	3,800	5,729	5,772	4,606	3,778	2,947	2,763
Health <sup>(2)</sup>	131	108	164	257	118	124	127	-	-
Transport	291	1,077	1,014	1,268	1,089	2,696	3,197	2,720	2,780
CLG Communities	1,719	2,706	1,916	2,022	2,136	1,454	1,389	1,431	1,588
CLG Local Government	222	32	122	258	-68	0	0	0	0
Business, Innovation and Skills	578	567	447	503	243	218	79	76	28
Home Office	55	246	249	236	206	129	150	124	124
Justice	2	0	3	0	0	0	0	0	0
Environment, Food and Rural Affairs	140	68	170	169	123	38	38	38	38
Culture, Media and Sport	69	226	177	141	47	234	217	234	234
Work and Pensions	0	0	0	0	0	0	0	0	0
Cabinet Office	11	5	13	12	0	0	0	0	0
<b>Total capital grants</b>	<b>5,762</b>	<b>8,694</b>	<b>8,076</b>	<b>10,598</b>	<b>9,666</b>	<b>9,498</b>	<b>8,975</b>	<b>7,570</b>	<b>7,554</b>
<b>Total England</b>	<b>9,516</b>	<b>12,010</b>	<b>11,273</b>	<b>13,779</b>	<b>12,196</b>	<b>9,498</b>	<b>8,975</b>	<b>7,570</b>	<b>7,554</b>
<b>Scotland</b>									
<b>Supported borrowing</b>									
Scottish Government	352	358	330	328	330	20	20	18	18
<b>Total supported borrowing</b>	<b>352</b>	<b>358</b>	<b>330</b>	<b>328</b>	<b>330</b>	<b>20</b>	<b>20</b>	<b>18</b>	<b>18</b>
<b>Capital grants</b>									
Culture, Media and Sport	0	7	6	3	7	9	9	9	9
Scottish Government	609	617	621	729	533	672	655	592	613
<b>Total capital grants</b>	<b>609</b>	<b>624</b>	<b>628</b>	<b>732</b>	<b>540</b>	<b>681</b>	<b>663</b>	<b>600</b>	<b>622</b>
<b>Total Scotland</b>	<b>961</b>	<b>982</b>	<b>957</b>	<b>1,060</b>	<b>870</b>	<b>701</b>	<b>683</b>	<b>618</b>	<b>640</b>
<b>Wales</b>									
<b>Supported Capital Expenditure (Revenue)<sup>(1)</sup></b>									
Home Office	0	7	7	0	0	0	0	0	0
Welsh Assembly Government	163	163	163	162	163	131	120	113	113
<b>Total Supported Capital Expenditure (Revenue)<sup>(1)</sup></b>	<b>163</b>	<b>170</b>	<b>170</b>	<b>162</b>	<b>163</b>	<b>131</b>	<b>120</b>	<b>113</b>	<b>113</b>
<b>Capital grants</b>									
Home Office	0	7	7	8	7	0	0	0	0
Culture, Media and Sport	7	3	3	1	2	2	2	2	2
Welsh Assembly Government	523	558	592	513	617	468	452	385	385
<b>Total capital grants</b>	<b>530</b>	<b>568</b>	<b>602</b>	<b>522</b>	<b>626</b>	<b>469</b>	<b>454</b>	<b>387</b>	<b>387</b>
<b>Total Wales</b>	<b>694</b>	<b>738</b>	<b>772</b>	<b>684</b>	<b>790</b>	<b>600</b>	<b>574</b>	<b>500</b>	<b>500</b>
<b>Northern Ireland</b>									
<b>Northern Ireland capital grants</b>									
Culture, Media and Sport	1	1	1	0	1	1	1	1	1
Northern Ireland Executive	9	10	3	3	16	3	3	3	3
<b>Total Northern Ireland</b>	<b>10</b>	<b>11</b>	<b>4</b>	<b>3</b>	<b>16</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Total United Kingdom</b>	<b>11,180</b>	<b>13,741</b>	<b>13,006</b>	<b>15,526</b>	<b>13,872</b>	<b>10,804</b>	<b>10,235</b>	<b>8,693</b>	<b>8,699</b>

<sup>(1)</sup> A full definition of Supported Capital Expenditure (SCR) is given in Appendix G. This is equivalent to supported borrowing in Scotland.

<sup>(2)</sup> The Department of Health has not settled its local government grants beyond 2012-13

**Table 7.4 Local government current and capital expenditure on services in the United Kingdom by function, 2006-07 to 2010-11**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 estimated outturn	
<b>Current</b>						
1. General public services	4,448	4,651	4,751	4,290	4,092	
<i>of which: public and common services</i>	3,930	3,959	4,237	4,284	4,089	
<i>of which: public sector debt interest<sup>(1)</sup></i>	518	692	514	6	3	
2. Defence	59	65	63	64	69	
3. Public order and safety	14,886	15,222	15,788	16,256	16,571	
4. Economic affairs	5,967	6,557	6,851	7,084	6,994	
<i>of which: enterprise and economic development</i>	1,209	1,539	1,830	1,702	1,429	
<i>of which: agriculture, fisheries and forestry</i>	11	13	17	20	14	
<i>of which: transport</i>	4,747	5,005	5,004	5,362	5,551	
5. Environment protection	4,772	5,132	5,501	5,663	5,963	
6. Housing and community amenities	2,520	2,779	3,105	3,249	3,075	
7. Health	231	228	195	82	76	
8. Recreation, culture and religion	3,890	4,016	4,206	4,339	4,261	
9. Education	42,637	45,104	47,583	48,512	49,425	
10. Social protection	39,519	41,620	44,652	49,374	51,080	
<b>Total local government current expenditure on services</b>	<b>118,929</b>	<b>125,374</b>	<b>132,694</b>	<b>138,911</b>	<b>141,605</b>	
Accounting adjustments	13,684	14,422	14,761	14,380	16,448	
<b>Total local government current expenditure</b>	<b>132,613</b>	<b>139,796</b>	<b>147,455</b>	<b>153,291</b>	<b>158,053</b>	
<b>Capital</b>						
1. General public services	854	858	1,297	1,067	1,485	
<i>of which: public and common services</i>	854	858	1,297	1,067	1,485	
3. Public order and safety	629	677	1,013	928	1,127	
4. Economic affairs	3,434	3,490	4,368	4,774	5,710	
<i>of which: enterprise and economic development</i>	-3	-114	335	326	407	
<i>of which: employment policies</i>	0	1	3	4	2	
<i>of which: agriculture, fisheries and forestry</i>	63	66	115	112	156	
<i>of which: transport</i>	3,373	3,537	3,916	4,332	5,146	
5. Environment protection	330	450	572	563	912	
6. Housing and community amenities	1,840	2,519	2,509	1,814	1,646	
7. Health	86	52	57	58	64	
8. Recreation, culture and religion	1,053	1,208	1,370	1,530	1,604	
9. Education	4,398	4,627	5,706	6,621	7,948	
10. Social protection	266	342	274	376	496	
<b>Total local government capital expenditure on services</b>	<b>12,889</b>	<b>14,222</b>	<b>17,168</b>	<b>17,731</b>	<b>20,993</b>	
Accounting adjustments	678	1,154	2,013	2,034	-39	
<b>Total local government capital expenditure</b>	<b>13,567</b>	<b>15,376</b>	<b>19,181</b>	<b>19,765</b>	<b>20,954</b>	
<b>Total local government expenditure</b>	<b>146,180</b>	<b>155,172</b>	<b>166,636</b>	<b>173,056</b>	<b>179,007</b>	

<sup>(1)</sup> 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, 2006-07 to 2010-11**

	National Statistics				
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 estimated outturn
<b>£ million</b>					
<b>England</b>					
1. General public services	3,336	3,297	3,566	3,451	3,397
<i>of which: public and common services</i>	3,336	3,297	3,566	3,451	3,397
2. Defence	51	57	54	56	59
3. Public order and safety	13,019	13,342	13,873	14,280	14,523
4. Economic affairs	5,075	5,622	5,792	6,003	5,874
<i>of which: enterprise and economic development</i>	967	1,285	1,497	1,349	1,020
<i>of which: agriculture, fisheries and forestry</i>	8	10	13	16	11
<i>of which: transport</i>	4,100	4,327	4,282	4,638	4,843
5. Environment protection	3,833	4,153	4,422	4,530	4,771
6. Housing and community amenities	2,299	2,398	2,589	2,748	2,628
7. Health	194	186	141	30	29
8. Recreation, culture and religion	2,921	3,017	3,133	3,254	3,193
9. Education	36,040	38,249	40,456	41,323	42,048
10. Social protection	33,871	35,444	38,051	42,268	43,755
<b>Total England</b>	<b>100,639</b>	<b>105,765</b>	<b>112,077</b>	<b>117,942</b>	<b>120,277</b>
<b>Scotland</b>					
1. General public services	389	439	444	613	409
<i>of which: public and common services</i>	389	439	444	613	409
2. Defence	5	4	5	5	5
3. Public order and safety	1,132	1,148	1,141	1,175	1,245
4. Economic affairs	588	618	679	721	784
<i>of which: enterprise and economic development</i>	142	150	190	222	295
<i>of which: agriculture, fisheries and forestry</i>	1	1	1	1	1
<i>of which: transport</i>	445	466	487	498	488
5. Environment protection	511	532	590	620	660
6. Housing and community amenities	2	131	186	179	145
8. Recreation, culture and religion	556	562	573	604	625
9. Education	4,371	4,514	4,673	4,636	4,803
10. Social protection	3,635	4,049	4,353	4,693	4,836
<b>Total Scotland</b>	<b>11,189</b>	<b>11,997</b>	<b>12,645</b>	<b>13,246</b>	<b>13,511</b>
<b>Wales</b>					
1. General public services	206	224	228	220	282
<i>of which: public and common services</i>	206	224	228	220	282
2. Defence	3	3	3	3	4
3. Public order and safety	735	732	774	800	803
4. Economic affairs	290	302	359	339	318
<i>of which: enterprise and economic development</i>	86	88	122	110	96
<i>of which: agriculture, fisheries and forestry</i>	2	2	3	3	2
<i>of which: transport</i>	202	212	234	226	220
5. Environment protection	298	296	330	343	365
6. Housing and community amenities	139	148	232	221	199
8. Recreation, culture and religion	263	274	293	294	274
9. Education	2,226	2,341	2,454	2,553	2,574
10. Social protection	2,014	2,126	2,248	2,414	2,489
<b>Total Wales</b>	<b>6,175</b>	<b>6,447</b>	<b>6,919</b>	<b>7,187</b>	<b>7,309</b>
<b>Total Great Britain</b>	<b>118,003</b>	<b>124,209</b>	<b>131,641</b>	<b>138,376</b>	<b>141,097</b>
<b>Northern Ireland</b>					
4. Economic affairs	14	16	21	21	18
<i>of which: enterprise and economic development</i>	14	16	21	21	18
5. Environment protection	129	150	159	170	168
6. Housing and community amenities	79	101	98	100	102
7. Health	37	42	54	52	47
8. Recreation, culture and religion	150	163	207	187	169
<b>Total Northern Ireland</b>	<b>409</b>	<b>473</b>	<b>539</b>	<b>529</b>	<b>505</b>
Debt interest <sup>(1)</sup>	518	692	514	6	3
<b>Total local government current expenditure on services</b>	<b>118,929</b>	<b>125,374</b>	<b>132,694</b>	<b>138,911</b>	<b>141,605</b>
Accounting adjustments	13,684	14,422	14,761	14,380	16,448
<b>Total local government current expenditure</b>	<b>132,613</b>	<b>139,796</b>	<b>147,455</b>	<b>153,291</b>	<b>158,053</b>

<sup>(1)</sup> Debt interest is not allocated to individual countries so is only included in the total UK figures. These figures exclude 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, 2006-07 to 2010-11**

	National Statistics				
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 estimated outturn
<b>£ million</b>					
<b>England</b>					
1. General public services	1,168	1,286	1,261	1,222	1,549
<i>of which: public and common services</i>	1,168	1,286	1,261	1,222	1,549
3. Public order and safety	652	717	960	893	1,058
4. Economic affairs	3,108	3,302	3,716	4,119	4,866
<i>of which: enterprise and economic development</i>	252	276	349	292	340
<i>of which: employment policies</i>	0	1	3	4	2
<i>of which: agriculture, fisheries and forestry</i>	96	85	80	69	80
<i>of which: transport</i>	2,760	2,940	3,284	3,754	4,444
5. Environment protection	284	346	447	469	816
6. Housing and community amenities	1,846	2,447	2,352	1,725	1,548
7. Health	84	42	55	57	58
8. Recreation, culture and religion	898	963	1,051	1,265	1,331
9. Education	4,077	4,319	5,159	6,164	7,231
10. Social protection	279	363	240	335	440
<b>Total England</b>	<b>12,395</b>	<b>13,785</b>	<b>15,241</b>	<b>16,249</b>	<b>18,897</b>
<b>Scotland</b>					
1. General public services	283	180	268	166	237
<i>of which: public and common services</i>	283	180	268	166	237
3. Public order and safety	67	69	79	63	66
4. Economic affairs	526	636	600	681	735
<i>of which: enterprise and economic development</i>	24	87	95	133	131
<i>of which: agriculture, fisheries and forestry</i>	30	42	61	64	84
<i>of which: transport</i>	472	507	444	484	520
5. Environment protection	40	75	69	66	81
6. Housing and community amenities	130	72	63	68	31
8. Recreation, culture and religion	137	167	210	223	270
9. Education	415	465	479	416	631
10. Social protection	59	65	63	59	95
<b>Total Scotland</b>	<b>1,658</b>	<b>1,729</b>	<b>1,831</b>	<b>1,742</b>	<b>2,147</b>
<b>Wales</b>					
1. General public services	79	73	67	51	35
<i>of which: public and common services</i>	79	73	67	51	35
3. Public order and safety	37	43	62	45	84
4. Economic affairs	249	258	259	228	281
<i>of which: enterprise and economic development</i>	30	13	17	15	14
<i>of which: agriculture, fisheries and forestry</i>	9	11	14	14	18
<i>of which: transport</i>	211	234	227	199	249
5. Environment protection	34	30	54	31	21
6. Housing and community amenities	182	213	200	153	191
8. Recreation, culture and religion	104	151	117	55	50
9. Education	185	190	203	214	260
10. Social protection	19	19	22	22	27
<b>Total Wales</b>	<b>889</b>	<b>975</b>	<b>984</b>	<b>799</b>	<b>950</b>
<b>Total Great Britain</b>	<b>14,942</b>	<b>16,489</b>	<b>18,057</b>	<b>18,789</b>	<b>21,993</b>
<b>Northern Ireland</b>					
4. Economic affairs	2	8	4	0	6
<i>of which: enterprise and economic development</i>	2	8	4	0	6
5. Environment protection	15	24	15	8	17
6. Housing and community amenities	27	35	32	30	33
7. Health	2	10	2	1	6
8. Recreation, culture and religion	56	75	64	40	88
<b>Total Northern Ireland</b>	<b>102</b>	<b>151</b>	<b>116</b>	<b>79</b>	<b>150</b>
<b>Total United Kingdom</b>	<b>15,044</b>	<b>16,641</b>	<b>18,173</b>	<b>18,869</b>	<b>22,143</b>
<b>Memorandum</b>					
United Kingdom gross capital expenditure, from above	15,044	16,641	18,173	18,869	22,143
United Kingdom capital receipts (see table 7.7)	-2,154	-2,419	-1,006	-1,138	-1,151
<b>Total local government net capital expenditure on services</b>	<b>12,889</b>	<b>14,222</b>	<b>17,168</b>	<b>17,731</b>	<b>20,993</b>
Accounting adjustments	678	1,154	2,013	2,034	-39
<b>Total local government net capital expenditure</b>	<b>13,567</b>	<b>15,376</b>	<b>19,181</b>	<b>19,765</b>	<b>20,954</b>

<sup>(1)</sup> '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, 2006-07 to 2010-11**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 estimated outturn	
<b>England</b>						
1. General public services	430	462	244	227	300	
<i>of which: public and common services</i>	430	462	244	227	300	
3. Public order and safety	121	144	80	67	70	
4. Economic affairs	412	673	194	229	118	
<i>of which: enterprise and economic development</i>	283	467	118	101	71	
<i>of which: employment policies</i>	0	0	0	0	0	
<i>of which: agriculture, fisheries and forestry</i>	65	69	39	23	15	
<i>of which: transport</i>	63	137	37	104	32	
5. Environment protection	38	14	9	6	19	
6. Housing and community amenities	294	211	109	129	132	
8. Recreation, culture and religion	97	120	44	22	94	
9. Education	261	271	102	166	146	
10. Social protection	85	100	45	37	63	
<b>Total England</b>	<b>1,737</b>	<b>1,995</b>	<b>828</b>	<b>883</b>	<b>940</b>	
<b>Scotland</b>						
1. General public services	179	168	44	142	29	
<i>of which: public and common services</i>	179	168	44	142	29	
3. Public order and safety	5	4	5	4	8	
4. Economic affairs	22	29	8	10	40	
<i>of which: enterprise and economic development</i>	16	23	6	9	6	
<i>of which: agriculture, fisheries and forestry</i>	0	0	0	0	0	
<i>of which: transport</i>	5	6	2	1	34	
5. Environment protection	1	4	1	1	3	
6. Housing and community amenities	3	1	4	1	2	
8. Recreation, culture and religion	3	13	3	2	13	
9. Education	12	63	30	4	18	
10. Social protection	2	3	1	0	1	
<b>Total Scotland</b>	<b>226</b>	<b>285</b>	<b>94</b>	<b>164</b>	<b>114</b>	
<b>Wales</b>						
1. General public services	68	50	11	4	8	
<i>of which: public and common services</i>	68	50	11	4	8	
3. Public order and safety	1	4	3	1	4	
4. Economic affairs	17	10	5	16	18	
<i>of which: enterprise and economic development</i>	11	7	2	4	7	
<i>of which: agriculture, fisheries and forestry</i>	6	3	3	12	10	
<i>of which: transport</i>	1	0	0	1	1	
5. Environment protection	0	3	0	0	0	
6. Housing and community amenities	39	34	14	20	17	
8. Recreation, culture and religion	9	8	5	1	0	
9. Education	6	12	4	3	10	
10. Social protection	4	2	5	2	3	
<b>Total Wales</b>	<b>144</b>	<b>123</b>	<b>47</b>	<b>48</b>	<b>60</b>	
<b>Total Great Britain</b>	<b>2,108</b>	<b>2,404</b>	<b>970</b>	<b>1,095</b>	<b>1,114</b>	
<b>Northern Ireland</b>						
4. Economic affairs	0	1	3	0	1	
<i>of which: enterprise and economic development</i>	0	1	3	0	1	
5. Environment protection	4	4	2	4	0	
6. Housing and community amenities	8	2	11	11	7	
7. Health	0	0	0	0	0	
8. Recreation, culture and religion	34	9	19	27	29	
<b>Total Northern Ireland</b>	<b>47</b>	<b>15</b>	<b>36</b>	<b>43</b>	<b>36</b>	
<b>Total United Kingdom capital receipts</b>	<b>2,154</b>	<b>2,419</b>	<b>1,006</b>	<b>1,138</b>	<b>1,151</b>	

**Table 7.8 Local government expenditure on services in the United Kingdom by country and economic category, 2006-07 to 2010-11**

	National Statistics					£ million
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 estimated outturn	
<b>England</b>						
Pay	58,333	60,208	63,053	64,836	65,952	
Gross current procurement	48,221	51,208	55,260	57,483	57,952	
Income from sales of goods and services	-22,273	-23,062	-24,576	-25,680	-26,696	
Subsidies to private sector companies	2,108	2,251	1,850	2,127	2,513	
Subsidies to public corporations	18	18	20	33	29	
Current grants to persons and non-profit bodies	14,231	15,143	16,469	19,144	20,527	
Gross capital procurement	11,206	12,035	13,526	14,531	17,036	
Income from sales of capital assets	-1,737	-1,995	-828	-883	-940	
Capital grants	1,189	1,750	1,715	1,718	1,861	
<b>Total England</b>	<b>111,296</b>	<b>117,554</b>	<b>126,490</b>	<b>133,309</b>	<b>138,233</b>	
<b>Scotland</b>						
Pay	6,645	6,820	7,091	7,472	7,385	
Gross current procurement	5,763	6,305	6,781	6,639	6,708	
Income from sales of goods and services	-2,565	-2,520	-2,714	-2,525	-2,336	
Subsidies to public corporations	86	96	96	103	116	
Current grants to persons and non-profit bodies	1,259	1,296	1,392	1,556	1,638	
Gross capital procurement	1,588	1,686	1,790	1,693	2,131	
Income from sales of capital assets	-226	-285	-94	-164	-114	
Capital grants	69	43	42	48	16	
<b>Total Scotland</b>	<b>12,621</b>	<b>13,442</b>	<b>14,382</b>	<b>14,824</b>	<b>15,544</b>	
<b>Wales</b>						
Pay	3,148	3,578	3,931	3,905	3,989	
Gross current procurement	3,590	3,357	3,961	3,738	3,812	
Income from sales of goods and services	-1,178	-1,144	-1,684	-1,290	-1,376	
Current grants to persons and non-profit bodies	615	656	712	834	883	
Gross capital procurement	773	861	891	708	839	
Income from sales of capital assets	-144	-123	-47	-48	-60	
Capital grants	116	114	93	91	111	
<b>Total Wales</b>	<b>6,920</b>	<b>7,299</b>	<b>7,856</b>	<b>7,938</b>	<b>8,198</b>	
<b>Great Britain</b>						
Pay	68,126	70,606	74,074	76,213	77,326	
Gross current procurement	57,574	60,869	66,002	67,861	68,472	
Income from sales of goods and services	-26,016	-26,726	-28,974	-29,495	-30,408	
Subsidies to private sector companies	2,108	2,251	1,850	2,127	2,513	
Subsidies to public corporations	104	114	116	136	145	
Current grants to persons and non-profit bodies	16,106	17,095	18,573	21,533	23,048	
Gross capital procurement	13,567	14,582	16,207	16,932	20,005	
Income from sales of capital assets	-2,108	-2,404	-970	-1,095	-1,114	
Capital grants	1,375	1,907	1,850	1,857	1,988	
<b>Total Great Britain</b>	<b>130,836</b>	<b>138,295</b>	<b>148,728</b>	<b>156,070</b>	<b>161,976</b>	
<b>Northern Ireland</b>						
Pay	242	256	283	294	303	
Gross current procurement	308	333	407	389	369	
Income from sales of goods and services	-141	-117	-151	-154	-166	
Gross capital procurement	102	151	116	79	150	
Income from sales of capital assets	-47	-15	-36	-43	-36	
<b>Total Northern Ireland</b>	<b>464</b>	<b>609</b>	<b>620</b>	<b>565</b>	<b>619</b>	
<b>United Kingdom</b>						
Pay	68,368	70,863	74,357	76,507	77,629	
Gross current procurement	57,882	61,202	66,410	68,250	68,841	
Income from sales of goods and services	-26,157	-26,843	-29,125	-29,649	-30,574	
Subsidies to private sector companies	2,108	2,251	1,850	2,127	2,513	
Subsidies to public corporations	104	114	116	136	145	
Current grants to persons and non-profit bodies	16,106	17,095	18,573	21,533	23,048	
Local government debt interest <sup>(1)</sup>	518	692	514	6	3	
Gross capital procurement	13,669	14,734	16,324	17,012	20,155	
Income from sales of capital assets	-2,154	-2,419	-1,006	-1,138	-1,151	
Capital grants	1,375	1,907	1,850	1,857	1,988	
<b>Total local government expenditure on services</b>	<b>131,819</b>	<b>139,596</b>	<b>149,862</b>	<b>156,641</b>	<b>162,598</b>	
Accounting adjustments	14,361	15,576	16,774	16,415	16,409	
<b>Total local government expenditure</b>	<b>146,180</b>	<b>155,172</b>	<b>166,636</b>	<b>173,056</b>	<b>179,007</b>	

<sup>(1)</sup> Debt interest is not allocated to individual countries so is only included in the total UK figures. These figures exclude all intra-public sector debt interest payments.

# 8

## Public corporations

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**8.1** This chapter sets out what public corporations are, recent developments affecting them, how they are controlled, and how they are scored in public expenditure.

**8.2** Outturn data in this chapter up to 2010-11 are National Statistics.

### What's new

**8.3 Tables 8.2 and 8.3** reflect the transfer of policing and justice powers to the Northern Ireland Executive. The Scotland, Wales and Northern Ireland Offices are now included alongside the relevant devolved administration. These changes are explained in more detail in **Box 1.B** in **Chapter 1**.

### Definition of public corporations

**8.4** Public corporation is a term from National Accounts, which are based on the European System of Accounts (ESA95). The Office for National Statistics (ONS) therefore determines which bodies are public corporations. A body will be classified as a public corporation where:

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

### Self financing public corporations (SFPCs)

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

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

### Trading funds

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

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

**8.9** Trading funds are not directly subject to central government administration costs controls. The budgeting treatment of trading funds that are public corporations is normally the same as that of other public corporations.

## The budgeting control framework

**8.10** The following transactions with and in respect of public corporations accountable to Ministers are normally included in departmental budgets:

- subsidies paid to the public corporation by the department (in resource DEL);
- capital grants paid to the public corporation by the department (in capital DEL);
- interest and dividends received from the public corporation (resource DEL, or resource AME if a self financing public corporation (SFPC));
- equity purchase in and withdrawals from public corporations (capital DEL, or capital AME if an SFPC) – included with net lending in **Table 8.1**;
- loans and public dividend capital (PDC) invested in the public corporation (capital DEL, or capital AME if an SFPC) – also included with net lending in **Table 8.1**; and
- public corporations' market and overseas borrowing (PCMOB) where, exceptionally, it is permitted (capital DEL, or capital AME if an SFPC).

**8.11** The **Crown Estate** is an SFPC. Uniquely the routine subsidy that is paid to it to cover administration costs is in AME rather than DEL, and the dividends that the Treasury receives from it are recorded outside budgets.

**8.12** When PCs are government departments in their own right, as is the case for some trading funds, they will normally be assigned a parent department for budgeting purposes, and the budgetary scoring described above will apply.

**8.13 Public corporations controlled by local government** include the businesses reporting to Transport for London and local authority airports such as Manchester. DEL and departmental AME include central government support to local government (in **Chapter 7**), some of which may be used by them to support public corporations. However, this is not identified in PESA as relating to public corporations. Therefore the whole of their capital expenditure is included in the public corporations' own-financed capital expenditure line in other AME. They are also included in the bottom line of **Tables 8.1, 8.3, 8.4 and 8.5**, which show the total contribution of all public corporations' own expenditure to Total Managed Expenditure (TME).

**8.14 Table 8.1** shows the impact on departmental budgets (DEL and departmental AME) of public corporations accountable to Ministers. It also shows a reconciliation to the impact of all public corporations, including those accountable to local government, on TME. In this presentation PC gross investment in TME is shown to be the sum of:

- government capital support in budgets (investment grants and net lending to PCs);
- PCMOB in budgets; and
- public corporations' own-financed capital expenditure (PCOFCE).



**8.15** Grants and subsidies in budgets also include those paid to public corporations under schemes that are generally available to the private sector. Any loans between departments and their PCs that are written off by mutual consent will also be shown here.

**8.16** **1.15 Table 8.2** shows the budgetary information in **Table 8.1** split by department group.

## The National Accounts

**8.17** TME measures the current and capital expenditure of the public sector as a whole. It is taken from National Accounts compiled by the ONS. In relation to public corporations, TME includes:

- subsidies paid to public corporations;
- the capital expenditure of public corporations, net of sales of assets;
- changes in public corporations' stocks; and
- interest and dividends paid by public corporations to the private sector and abroad.

**8.18** TME is a consolidated measure of public expenditure and so most transfers between different sectors are excluded. This applies to capital grants and net lending paid by central government to public corporations, and interest and dividend flows between general government and public corporations. However, payments of subsidies to, and purchases of goods and services from, public corporations form part of TME as the use of this funding feeds into the calculation of public corporations' gross trading surplus, which scores as an income (or revenue) item in the public sector accounts.

**8.19** Grants and subsidies given by public corporations to the private sector and overseas, including debt write-offs by mutual consent, are imputed to general government expenditure in National Accounts, as grant-giving is not held to be a normal function of a commercial body.

**8.20** Note that the impact of public corporations on departmental budgets differs from their impact on TME. Accounting adjustments are used to move from DEL plus departmental AME plus own-financed capital expenditure (other AME) to TME (see **Annex D** for a full explanation of the accounting adjustments).

**8.21** **Table 8.3** shows the capital expenditure of each major public corporation sponsored by a central government department, and of the biggest public corporations accountable to local government. It also identifies those that are self-financing public corporations or trading funds. The table does not identify separately small public corporations controlled by central government departments nor most public corporations under local authority control – their capital expenditure is included in the accounting adjustments. The figures include the purchase of assets, less sales, plus any capital grants paid by a public corporation net of any received from the private sector or abroad.

**8.22** **Tables 8.4 and 8.5** show the capital expenditure from **Table 8.3** broken down by function and economic category respectively. They also include the debt interest payments to the private sector, which is the only public corporation current spending that forms part of TME.

## Sources of data and data quality

**8.23** Information in **Tables 8.1 and 8.2** forms part of departments' budgets and so should be of good quality. **Annex A** has more information.

**8.24** Information on public corporations' capital expenditure is largely sourced from public corporations by departments who in turn supply the data to the Treasury. Our aim is to publish capital spending data for all public corporations accountable to Ministers. However, information is provided by departments primarily for PESA and does not form part of a control total. The only appearance in a departmental publication will normally be within the regional expenditure tables in departmental reports. Information in **Tables 8.3 to 8.5** may therefore not be as up to date or accurate as the information in the other tables in this chapter.

## Further Information

**8.25** More information is available in the departmental reports of government departments and in the annual reports and accounts of individual public corporations. A fuller list of public corporations is available on the ONS website<sup>1</sup> in *Sector classification for the National Accounts*.

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<sup>1</sup> [http://www.statistics.gov.uk/downloads/theme\\_economy/MA23.xls](http://www.statistics.gov.uk/downloads/theme_economy/MA23.xls)

**Table 8.1 Public corporations' contribution to budgets and Total Managed Expenditure, 2006-07 to 2014-15**

£ million

	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn				
<b>Resource DEL</b>									
CG dividends from PCs (-)	-62	-70	-108	-64	-89	-52	-23	-43	-43
CG interest from PCs (-)	-69	-74	-85	-94	-51	-96	-98	-98	-99
Subsidies to PCs	923	1,422	1,282	1,085	1,267	1,245	1,193	1,178	1,125
Loan write off – mutual consent	-	-	-	5	-	-	-	-	-
<b>Total resource DEL</b>	<b>793</b>	<b>1,279</b>	<b>1,088</b>	<b>927</b>	<b>1,132</b>	<b>1,097</b>	<b>1,073</b>	<b>1,037</b>	<b>983</b>
<b>Resource departmental AME</b>									
CG dividends from PCs (-)	-83	-85	-452	-119	-88	-150	-150	-150	-150
CG interest from PCs (-)	-258	-382	-284	-79	-3	-15	-4	-5	-6
Subsidies to PCs	45	-28	-312	-177	-579	-702	-49	-43	-43
<b>Total resource departmental AME</b>	<b>-296</b>	<b>-495</b>	<b>-1,048</b>	<b>-374</b>	<b>-670</b>	<b>-867</b>	<b>-203</b>	<b>-198</b>	<b>-199</b>
<b>Total public corporations' contribution to resource budget<sup>(1)</sup></b>	<b>497</b>	<b>784</b>	<b>41</b>	<b>553</b>	<b>462</b>	<b>230</b>	<b>870</b>	<b>839</b>	<b>784</b>
<b>Capital DEL</b>									
CG investment grants to PCs	1,225	307	356	581	229	244	132	110	123
Net lending to PCs	-57	187	112	180	-200	-54	-70	-65	-59
Market and overseas borrowing	17	485	-1	-86	-5	1	1	0	0
<b>Total capital DEL</b>	<b>1,185</b>	<b>979</b>	<b>467</b>	<b>675</b>	<b>24</b>	<b>191</b>	<b>64</b>	<b>45</b>	<b>64</b>
<b>Capital departmental AME</b>									
Net lending to PCs	-1,027	-566	-735	97	-361	698	750	750	750
<b>Total capital departmental AME</b>	<b>-1,027</b>	<b>-566</b>	<b>-735</b>	<b>97</b>	<b>-361</b>	<b>698</b>	<b>750</b>	<b>750</b>	<b>750</b>
<b>Total public corporations' contribution to capital budget</b>	<b>157</b>	<b>412</b>	<b>-268</b>	<b>772</b>	<b>-336</b>	<b>889</b>	<b>814</b>	<b>795</b>	<b>814</b>
<b>Other AME</b>									
PC own-financed capital expenditure <sup>(2)</sup>	4,728	5,505	7,189	7,735	8,541	8,266	8,304	8,326	8,646
Accounting adjustments	703	186	1,125	-228	-434	600	0	0	100
<b>Public corporations' expenditure in TME<sup>(3)</sup></b>	<b>6,085</b>	<b>6,887</b>	<b>8,087</b>	<b>8,832</b>	<b>8,233</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,300</b>
of which:									
PC current expenditure in TME	650	710	534	411	451	700	700	700	700
PC gross investment in TME	5,435	6,177	7,553	8,421	7,782	9,200	9,200	9,200	9,600

<sup>(1)</sup> Data in this table differ from those shown for public corporations in Table 1.11. Central government subsidies to public corporations are classified as central government own spending in National Accounts, and are shown as such in Table 1.11. 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.

<sup>(2)</sup> Includes capital expenditure by local authority public corporations

<sup>(3)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 8.2 Public corporations' contribution to budgets<sup>(1)</sup> by departmental group, 2006-07 to 2014-15**

	£ million									
	National Statistics					2011-12	2012-13	2013-14	2014-15	
	2006-07	2007-08	2008-09	2009-10	2010-11	plans	plans	plans	plans	
	outturn	outturn	outturn	outturn	outturn					
<b>Resource DEL</b>										
Health	53	41	51	-1	-2	60	0	0	0	
Transport	14	28	12	72	46	21	21	17	17	
Communities and Local Government	14	15	10	32	14	123	-7	-7	-7	
Business, Innovation and Skills	74	455	293	152	250	192	360	369	349	
Defence	-53	-42	-61	-28	-41	0	0	0	0	
Foreign and Commonwealth Office	183	186	195	193	185	173	165	157	149	
Environment, Food and Rural Affairs	68	57	53	49	37	35	32	29	27	
Culture, Media and Sport	0	0	0	0	83	72	73	64	64	
Work and Pensions	129	192	174	117	174	117	120	123	126	
Scotland	36	39	49	25	80	27	27	28	28	
Wales	-19	0	0	3	0	1	1	1	1	
Northern Ireland	294	310	313	313	307	277	282	258	230	
Chancellor's Departments	0	-1	0	0	0	0	0	0	0	
Cabinet Office	-2	-1	0	0	-2	-2	-2	-2	-2	
<b>Total resource DEL</b>	<b>793</b>	<b>1,279</b>	<b>1,088</b>	<b>927</b>	<b>1,132</b>	<b>1,097</b>	<b>1,073</b>	<b>1,037</b>	<b>983</b>	
<b>Resource departmental AME</b>										
Communities and Local Government	131	66	-221	-86	-581	-632	10	10	10	
Business, Innovation and Skills	-258	-382	-119	-79	-3	-15	-4	-5	-6	
Energy and Climate Change	0	0	-31	-22	-22	-	-	-	-	
Scotland	8	7	0	-	-	-	-	-	-	
Wales	-96	-103	-93	-93	0	-72	-61	-55	-55	
Chancellor's Departments	-81	-83	-583	-94	-64	-148	-148	-148	-148	
<b>Total resource departmental AME</b>	<b>-296</b>	<b>-495</b>	<b>-1,048</b>	<b>-374</b>	<b>-670</b>	<b>-867</b>	<b>-203</b>	<b>-198</b>	<b>-199</b>	
<b>Total public corporations' contribution to resource budget</b>	<b>497</b>	<b>784</b>	<b>41</b>	<b>553</b>	<b>462</b>	<b>230</b>	<b>870</b>	<b>839</b>	<b>784</b>	
<b>Capital DEL</b>										
Health	22	41	19	0	0	16	0	0	0	
Transport	1,120	531	85	191	-242	7	17	16	15	
Communities and Local Government	6	3	0	2	23	15	0	0	0	
Business, Innovation and Skills	-1	15	4	4	0	1	-1	-1	1	
Home Office	0	0	10	0	29	1	0	0	0	
Defence	-4	-10	-39	7	-11	4	0	0	0	
Foreign and Commonwealth Office	36	36	37	36	33	29	22	21	5	
International Development	1	1	0	0	0	0	0	0	0	
Environment, Food and Rural Affairs	8	16	28	25	18	13	15	17	19	
Culture, Media and Sport	0	0	0	0	0	0	0	0	0	
Work and Pensions	5	4	0	7	2	1	0	0	0	
Scotland	40	269	230	240	131	22	21	19	20	
Wales	0	0	0	99	5	0	0	0	0	
Northern Ireland	-46	75	93	64	36	82	-11	-27	4	
Chancellor's Departments	-3	-3	0	0	0	0	0	0	0	
<b>Total capital DEL</b>	<b>1,185</b>	<b>979</b>	<b>467</b>	<b>675</b>	<b>24</b>	<b>191</b>	<b>64</b>	<b>45</b>	<b>64</b>	
<b>Capital departmental AME</b>										
Health	0	0	0	-1	0	0	0	0	0	
Business, Innovation and Skills	-1,027	-566	-735	98	-361	698	750	750	750	
<b>Total capital departmental AME</b>	<b>-1,027</b>	<b>-566</b>	<b>-735</b>	<b>97</b>	<b>-361</b>	<b>698</b>	<b>750</b>	<b>750</b>	<b>750</b>	
<b>Total public corporations' contribution to capital budget</b>	<b>157</b>	<b>412</b>	<b>-268</b>	<b>772</b>	<b>-336</b>	<b>889</b>	<b>814</b>	<b>795</b>	<b>814</b>	
<b>Total public corporations' contribution to budgets</b>	<b>654</b>	<b>1,196</b>	<b>-227</b>	<b>1,325</b>	<b>125</b>	<b>1,119</b>	<b>1,684</b>	<b>1,634</b>	<b>1,598</b>	

<sup>(1)</sup> Data in this table differ from those shown for public corporations in Table 1.11. Central government subsidies to public corporations are classified as central government own spending in National Accounts, and are shown as such in Table 1.11. In table 8.2 subsidies are shown as part of public corporations' contribution to the resource budget.

**Table 8.3 Public corporations' capital expenditure on services, 2006-07 to 2014-15**

	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn				
<b>Health</b>									
Medicines and Healthcare Products Regulatory Agency <sup>(1)</sup>	6	2	6	8	#	#	#	#	#
NHS Estates <sup>(1)</sup>	1	1	0	0	#	#	#	#	#
NHS Blood and Transplant	19	34	19	17	#	#	#	#	#
<b>Total Health</b>	<b>26</b>	<b>37</b>	<b>25</b>	<b>25</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
<b>Transport</b>									
Civil Aviation Authority	5	4	4	4	#	#	#	#	#
Driving Standards Agency <sup>(1)</sup>	15	2	3	0	#	#	#	#	#
Vehicle and Operator Services Agency <sup>(1)</sup>	12	24	15	10	#	#	#	#	#
London and Continental Railways	474	312	-70	0	#	#	#	#	#
GNER <sup>(1)</sup>	-8	-25	0	0	#	#	#	#	#
<b>Total Transport</b>	<b>498</b>	<b>318</b>	<b>-48</b>	<b>14</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
<b>Communities and Local Government</b>									
Fire Service College <sup>(1)</sup>	1	0	1	0	1	2	2	2	2
Housing Action Trusts <sup>(2)</sup>	4	3	-	-	-	-	-	-	-
Housing Revenue Account	2,057	2,122	3,226	3,276	3,219	3,229	3,208	3,188	3,194
Ordnance Survey <sup>(1)</sup>	14	10	22	39	26	13	15	20	20
QEII Conference Centre <sup>(1)</sup>	0	1	1	1	0	1	1	1	1
<b>Total Department for Communities and Local Government</b>	<b>2,076</b>	<b>2,137</b>	<b>3,250</b>	<b>3,315</b>	<b>3,246</b>	<b>3,245</b>	<b>3,226</b>	<b>3,212</b>	<b>3,217</b>
<b>Business, Innovation and Skills</b>									
UK Intellectual Property Office <sup>(1)</sup>	4	0	1	4	2	1	1	1	1
British Nuclear Fuels Limited(S)	26	2	-	-	-	-	-	-	-
Companies House <sup>(1)</sup>	23	10	14	8	9	9	9	9	9
Royal Mail Holdings <sup>(5)</sup>	235	253	444	347	266	*	*	*	*
<b>Total Business, Innovation and Skills</b>	<b>288</b>	<b>265</b>	<b>458</b>	<b>359</b>	<b>277</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Home Office</b>									
Forensic Science Service <sup>(1)</sup>	4	4	6	4	#	#	#	#	#
<b>Total Home Office</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
<b>Justice</b>									
Land Registry <sup>(1)</sup>	51	40	27	15	-29	6	2	6	-4
<b>Total Justice</b>	<b>51</b>	<b>40</b>	<b>27</b>	<b>15</b>	<b>-29</b>	<b>6</b>	<b>2</b>	<b>6</b>	<b>-4</b>
<b>Defence</b>									
Army Base Repair Organisation <sup>(1)</sup>	4	4	-	-	-	-	-	-	-
Defence Aviation Repair Agency <sup>(1)</sup>	3	3	7	7	7	7	7	7	7
Defence Science and Technology Laboratory <sup>(1)</sup>	45	41	41	41	41	42	41	41	41
Hydrographic Office <sup>(1)</sup>	14	8	8	8	8	8	8	8	8
Meteorological Office <sup>(1)</sup>	34	26	26	26	26	27	27	27	27
Navy, Army and Air Force Institute	3	3	3	3	3	3	3	3	3
QinetiQ <sup>(5)</sup>	48	48	-	-	-	-	-	-	-
<b>Total Defence</b>	<b>150</b>	<b>133</b>	<b>85</b>	<b>85</b>	<b>85</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>
<b>Foreign and Commonwealth Office</b>									
BBC World Service	31	33	31	29	27	22	16	16	16
British Council	11	14	9	7	16	12	11	10	10
<b>Total Foreign and Commonwealth Office</b>	<b>42</b>	<b>47</b>	<b>40</b>	<b>35</b>	<b>43</b>	<b>34</b>	<b>27</b>	<b>26</b>	<b>26</b>
<b>International Development</b>									
CDC Group <sup>(5)</sup>	121	41	86	79	#	*	*	*	*
Actis <sup>(5)</sup>	2	1	1	1	#	*	*	*	*
<b>Total International Development</b>	<b>123</b>	<b>42</b>	<b>87</b>	<b>80</b>	<b>#</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Energy and Climate Change</b>									
British Energy <sup>(3)</sup>	235	224	244	-	-	-	-	-	-
<b>Total Energy and Climate Change</b>	<b>235</b>	<b>224</b>	<b>244</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 8.3 Public corporations' capital expenditure on services, 2006-07 to 2014-15 (continued)**

	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn				
<b>Environment Food and Rural Affairs</b>									
British Waterways	-20	-19	-51	-19	5	29	#	#	#
Forest Enterprise	-4	0	0	0	0	0	#	#	#
<b>Total Environment Food and Rural Affairs</b>	<b>-24</b>	<b>-20</b>	<b>-51</b>	<b>-19</b>	<b>5</b>	<b>29</b>	<b>#</b>	<b>#</b>	<b>#</b>
<b>Culture Media and Sport</b>									
Channel Four Television Corporation <sup>(5)</sup>	12	6	9	-4	#	*	*	*	*
Historic Royal Palaces Trust	4	3	1	0	#	#	#	#	#
Tote <sup>(5)</sup>	15	17	17	16	#	*	*	*	*
<b>Total Culture Media and Sport</b>	<b>31</b>	<b>26</b>	<b>27</b>	<b>12</b>	<b>#</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Work and Pensions</b>									
Remploy	3	-14	-10	10	2	#	#	#	#
Pension Protection Fund	2	1	1	2	1	#	#	#	#
<b>Total Work and Pensions</b>	<b>5</b>	<b>-13</b>	<b>-9</b>	<b>12</b>	<b>3</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
<b>Scotland</b>									
Caledonian MacBrayne	10	7	8	6	6	6	0	0	0
Forest Enterprise	6	7	2	5	1	1	0	0	0
Highlands and Islands Airports	19	10	10	4	4	0	0	0	0
Housing Revenue Account	264	224	353	430	578	579	576	572	573
Scottish Water	660	616	699	648	580	519	0	0	0
<b>Total Scotland</b>	<b>959</b>	<b>864</b>	<b>1,073</b>	<b>1,093</b>	<b>1,168</b>	<b>1,105</b>	<b>576</b>	<b>572</b>	<b>573</b>
<b>Wales</b>									
Housing Revenue Account	95	105	125	120	127	127	126	126	126
<b>Total Wales</b>	<b>95</b>	<b>105</b>	<b>125</b>	<b>120</b>	<b>127</b>	<b>127</b>	<b>126</b>	<b>126</b>	<b>126</b>
<b>Northern Ireland Executive</b>									
Northern Ireland Driver and Vehicle Testing Agency(T)	0	2	2	1	3	2	4	2	1
Northern Ireland Housing Executive	15	93	147	103	61	65	46	34	38
Northern Ireland Public Trust Port Authority	20	48	37	14	7	35	43	22	27
Northern Ireland Transport Holding Company	34	82	47	39	64	126	115	71	79
<b>Total Northern Ireland Executive</b>	<b>69</b>	<b>225</b>	<b>233</b>	<b>157</b>	<b>135</b>	<b>228</b>	<b>209</b>	<b>129</b>	<b>145</b>
<b>Chancellor's Departments</b>									
Crown Estate <sup>(5)</sup>	-239	-280	180	-28	93	*	*	*	*
Royal Mint <sup>(5)(7)</sup>	1	0	-	-	-	*	*	*	*
<b>Total Chancellor's Departments</b>	<b>-237</b>	<b>-280</b>	<b>180</b>	<b>-28</b>	<b>93</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Local Government</b>									
London Underground Limited <sup>(4)</sup>	1,306	1,333	1,653	1,515	1,742	*	*	*	*
<b>Total Local Government</b>	<b>1,306</b>	<b>1,333</b>	<b>1,653</b>	<b>1,515</b>	<b>1,742</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Total public corporations' capital expenditure on services</b>	<b>5,698</b>	<b>5,486</b>	<b>7,405</b>	<b>6,795</b>	<b>6,895</b>	<b>6,764</b>	<b>6,485</b>	<b>6,558</b>	<b>6,876</b>
Accounting Adjustments	-263	691	148	1,626	887	2,500	2,800	2,700	2,700
<b>Total public corporations' capital expenditure(5)</b>	<b>5,435</b>	<b>6,177</b>	<b>7,553</b>	<b>8,421</b>	<b>7,782</b>	<b>9,200</b>	<b>9,200</b>	<b>9,200</b>	<b>9,600</b>

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

<sup>(7)</sup> Denotes public corporation with trading fund status.

<sup>(5)</sup> Denotes self-financing public corporation (SFPC). The estimated outturn and plans for capital expenditure by SFPCs are not shown individually in this table but are represented by \*. The figures are included in the overall total.

<sup>(1)</sup> Great North Eastern Railways (GNER) is classified to the public corporation sector from December 2006 to December 2007, during which time GNER operated under an amended version of the Franchise Agreement signed in May 2005.

<sup>(2)</sup> Housing Action Trusts are central government bodies in National Accounts but treated as public corporations in PESA.

<sup>(3)</sup> The Government sold shares in British Energy in January 2009, but it is still currently classified by the ONS as a public corporation.

<sup>(4)</sup> Includes capital spending by Infracos (Metronet and Tubelines).

<sup>(5)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 8.4 Public corporations' current and capital expenditure on services by function, 2006-07 to 2014-15**

£ million

	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn				
<b>Public corporations' current expenditure on services</b>									
1. General public services	650	710	534	411	451	700	700	700	700
<i>of which: public sector debt interest</i>	650	710	534	411	451	700	700	700	700
<b>Total public corporations' current expenditure on services</b>	<b>650</b>	<b>710</b>	<b>534</b>	<b>411</b>	<b>451</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>
Accounting adjustments	-	-	-	-	-	-	-	-	-
<b>Total public corporations' current expenditure</b>	<b>650</b>	<b>710</b>	<b>534</b>	<b>411</b>	<b>451</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>
<b>Public corporations' capital expenditure on services</b>									
1. General public services	-6	-140	358	142	134	54	45	53	43
<i>of which: public and common services</i>	-171	-228	231	28	91	20	18	27	17
<i>of which: international services</i>	165	89	127	115	43	34	27	26	26
<i>of which: public sector debt interest</i>	-	-	-	-	-	-	-	-	-
2. Defence	103	99	51	51	51	51	51	51	51
3. Public order and safety	5	4	7	4	1	2	2	2	2
4. Economic affairs	2,463	2,315	2,438	2,000	2,139	2,110	2,432	2,532	2,849
<i>of which: enterprise and economic development</i>	571	523	736	393	311	231	288	258	258
<i>of which: science and technology</i>									
<i>of which: employment policies</i>	3	-14	-10	10	2	-	-	-	-
<i>of which: agriculture, fisheries and forestry</i>	2	6	2	5	1	1	-	-	-
<i>of which: transport</i>	1,887	1,800	1,710	1,592	1,824	1,877	2,144	2,274	2,591
5. Environment protection	-20	-19	-51	-19	5	29	-	-	-
6. Housing and community amenities	3,095	3,163	4,549	4,577	4,564	4,519	3,956	3,920	3,931
7. Health	26	37	25	25	-	-	-	-	-
8. Recreation, culture and religion	31	26	27	12	-	-	-	-	-
10. Social protection	2	1	1	2	0	-	-	-	-
<b>Total public corporations' capital expenditure on services</b>	<b>5,698</b>	<b>5,486</b>	<b>7,405</b>	<b>6,795</b>	<b>6,895</b>	<b>6,764</b>	<b>6,485</b>	<b>6,558</b>	<b>6,876</b>
Accounting adjustments	-263	691	148	1,626	887	2,500	2,800	2,700	2,700
<b>Total public corporations' capital expenditure</b>	<b>5,435</b>	<b>6,177</b>	<b>7,553</b>	<b>8,421</b>	<b>7,782</b>	<b>9,200</b>	<b>9,200</b>	<b>9,200</b>	<b>9,600</b>

<sup>(1)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 8.5 Public corporations' current and capital expenditure by economic category, 2006-07 to 2014-15**

£ million

	National Statistics					2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn				
<b>Public corporations' current expenditure on services</b>									
Public corporations' debt interest	650	710	534	411	451	700	700	700	700
<b>Total public corporations' current expenditure on services</b>	<b>650</b>	<b>710</b>	<b>534</b>	<b>411</b>	<b>451</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>
Accounting adjustments	-	-	-	-	-	-	-	-	-
<b>Total public corporations' current expenditure</b>	<b>650</b>	<b>710</b>	<b>534</b>	<b>411</b>	<b>451</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>
<b>Public corporations' capital expenditure on services</b>									
Gross capital procurement	8,266	8,512	8,409	7,811	7,872	6,912	6,571	6,653	6,981
Income from sales of assets	-2,616	-3,075	-1,045	-1,061	-1,000	-174	-107	-115	-125
Capital grants	49	49	41	45	23	26	22	20	20
<b>Total public corporations' capital expenditure on services</b>	<b>5,698</b>	<b>5,486</b>	<b>7,405</b>	<b>6,795</b>	<b>6,895</b>	<b>6,764</b>	<b>6,485</b>	<b>6,558</b>	<b>6,876</b>
Accounting adjustments	-263	691	148	1,626	887	2,500	2,800	2,700	2,700
<b>Total public corporations' capital expenditure</b>	<b>5,435</b>	<b>6,177</b>	<b>7,553</b>	<b>8,421</b>	<b>7,782</b>	<b>9,200</b>	<b>9,200</b>	<b>9,200</b>	<b>9,600</b>
<b>Total public corporations' expenditure on services</b>	<b>6,348</b>	<b>6,196</b>	<b>7,939</b>	<b>7,206</b>	<b>7,346</b>	<b>7,484</b>	<b>7,210</b>	<b>7,288</b>	<b>7,611</b>
Accounting adjustments	-263	691	148	1,626	887	2,500	2,800	2,700	2,700
<b>Total public corporations' expenditure</b>	<b>6,085</b>	<b>6,887</b>	<b>8,087</b>	<b>8,832</b>	<b>8,233</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,300</b>

<sup>(1)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.



# 9

## Public expenditure by country, region and function

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**9.1** This chapter presents analyses of public expenditure by country, region and function. Data in this chapter for all years up to and including 2009-10 are National Statistics. Readers need to bear in mind two points about this chapter:

- most public spending is planned to benefit categories of individuals and enterprises irrespective of location, or where locations are prioritised using national criteria. The regional analyses presented in this chapter show where the individuals and enterprises that benefited from public spending were located. It does not mean that all such spending was planned to benefit a particular region, though a proportion of public spending is planned on a regional basis; and
- the information in **Chapters 9 and 10** was gathered in a separate data collection exercise during the winter of 2010-11. Therefore, the figures in these chapters are not entirely consistent with the figures in other PESA chapters. In particular, the 2010-11 figures used for the country and regional analysis are plans whereas the other chapters in PESA use provisional outturn.

### How public expenditure is planned and controlled

**9.2** Public expenditure is planned and controlled on a departmental basis, except where devolved responsibility lies with the Scottish Government, Welsh Assembly Government or Northern Ireland Assembly, or with local government. This means that in several areas expenditure is planned on a UK-wide or GB-wide basis rather than by reference to a single country. For example the Department for Work and Pensions (DWP) is responsible for the operation of the social security benefit system throughout Great Britain.

**9.3** The Country and Regional Analysis (CRA) exercise is a statistical analysis. It plays no direct part in resource allocation.

### The tables

**9.4** Most of the tables in this chapter provide an analysis of spending for the period 2005-06 to 2010-11. Information on methods and data quality is provided in the sections below.

**9.5 Table 9.1** shows identifiable public sector expenditure on services by country and region. **Table 9.2** shows this spending on a per head basis. **Table 9.3** is in real terms and **Table 9.4** shows this real terms spending on a per head basis.

**9.6 Tables 9.5 to 9.14** each focus on a particular function, showing current, capital and total public sector expenditure by country and region.

**9.7 Table 9.15** shows identifiable public sector spending by function, country and region on a per head basis. **Table 9.16** shows these per head figures as percentages of the UK totals.

**9.8 Tables 9.17 to 9.20** provide a sectoral breakdown of **Tables 9.1 and 9.2**. **Table 9.17** shows the country and regional allocations of local government expenditure, and **Table 9.18** shows this on a per head basis. **Tables 9.19 and 9.20** show the equivalent presentations for combined central government and public corporation spending.

**9.9** For Scotland, Wales and Northern Ireland, **Table 9.21** shows the relative contributions of the devolved administrations, Whitehall departments and local government under each functional heading. This table covers 2009-10 only.

**9.10** Shortly after the publication of PESA, Treasury will publish supplementary tables on its website. This will include the information in **Table 9.21** for earlier years, as well as interactive tables that allow users to choose how they view the data.

## Methods

### The process of apportionment of expenditure by country and region

**9.11** In order to provide information on the allocation of expenditure by country and region, the Treasury asks the UK government departments and devolved administrations to undertake an annual statistical exercise. The exercise is based on devolved administration spending and the subset of departmental spending that can be identified as benefiting the population of individual regions. It asks departments and devolved administrations to apportion that spending between countries and regions following guidance issued by the Treasury. The Treasury then collates departments' returns and combines these with the known spending of local government to produce the analysis of public expenditure by country and region that is published in this chapter and in Departmental Reports.

**9.12** The figures in this chapter include a wider coverage of expenditure for Scotland, Wales and Northern Ireland than that for which the devolved administrations and the Secretaries of State for Scotland, Wales and Northern Ireland are directly responsible.

### How to attribute expenditure to countries and regions

**9.13** Expenditure is attributed to a specific country or region using the 'for' basis, which records the regions that benefited from the spending, or whom the spending was for, rather than the location where the spending took place (the 'in' basis). For most spending the 'in' and 'for' bases would in practice offer the same result.

**9.14** A number of limitations can be identified limiting the ability to offer a complete picture of 'who benefits':

- **practical difficulties:** for example, schools are not used solely by the residents of the region in which the facility is located. Definitional and border problems become increasingly significant the smaller the geographical unit considered;
- **conceptual problems:** for example, agricultural support is treated as benefiting the farmers who receive subsidies rather than the final consumers of food; and
- **data collection issues:** departments are encouraged but not required to allocate all expenditure on the basis of 'who benefits'. If spending is not significant (less than £20m annually on capital or current) and/or relevant data for allocating this to regions are not available, departments may use some statistical proxy instead. This might include using straight population shares, or using the same regional allocation proportions as other related spending. It is not considered practical or cost effective to collect local government spending data on the basis of 'who benefits'. Instead, local government spending is assumed to benefit the area where the expenditure is incurred.

**9.15** The other main limitation of the 'for' basis is that this can only cover the amount of spending (currently approximately 83 per cent of TME)<sup>1</sup> that can be identified as benefiting individual regions. The remainder cannot be attributed as benefiting specific regions (such as most defence spending) and so is considered to benefit the UK as a whole.

## Identifiable expenditure on services

**9.16** The country and regional analyses are set within the overall framework of expenditure on services (TES), which broadly represents total current and capital spending of the public sector. See **Annex E** for further information on this framework. For the country and regional analyses, expenditure on services is divided into identifiable and non-identifiable expenditure:

- **identifiable** expenditure is that which can be recognised as having been incurred for the benefit of individuals, enterprises or communities within particular regions. Examples are most health, education, and social protection spending;
- **non-identifiable** expenditure cannot be classified as benefiting particular regions or countries and is deemed to be incurred on behalf of the United Kingdom as a whole. Examples include the majority of expenditure on defence, overseas representation, and tax collection.

**9.17** Where precise accounting data on the recipients' location are not available, allocation is based on other available information, following rules set down in the Treasury's guidance for departments. For example, administration costs incurred centrally in support of regional spending are attributed to regions in the same proportions as the spending that they support. In other cases, departments approximate regional benefits where the immediate beneficiaries' head office locations mask the final recipients' location.

**9.18** Expenditure financed by EU receipts can be classified as identifiable or non-identifiable depending on the characteristics of the expenditure itself. Receipts from the EU are treated as non-identifiable within TES. Consequently, regional expenditure includes the expenditure financed by EU receipts. Payments to the EU are attributed to 'outside UK' as these are transfer payments that the EU then spends.

## Data on public expenditure by country and region

**9.19** The tables present the spending attributed to the English regions alongside the spending attributed to Scotland, Wales and Northern Ireland. Although the figures are comparable, care is still needed when making comparisons because of the different scope of public sector activities in different countries. For example, water supply is a public sector function in Scotland and Northern Ireland, but is in the private sector in England and Wales.

**9.20** The data cover central government, local government and public corporations. While most data are outturn, data for 2010-11 are based on plans data.

**9.21** The plans data includes unallocated provision, which departments have not yet allocated to programmes of expenditure. It is not possible to establish an accurate regional distribution for these data and it is therefore classified as non-identifiable.

**9.22** The information in this chapter on the spending of Whitehall departments and devolved administrations is based on aggregate data recorded on the Treasury's public spending database for the National Statistics release in October 2010. This is to allow departments and devolved administrations sufficient time to complete the regional allocation exercise.

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<sup>1</sup> TME outturn are consistent with the joint ONS/HMT Monthly Public Sector Finance Statistics release of 21 June 2011.

**9.23** Subsequent inconsistencies between the CRA and earlier chapters in PESA reflect updates that have been made by departments since October.

**9.24** Information on local government spending in the CRA is based on data supplied by the departments for Communities and Local Government (CLG), Education (DFE), and Work and Pensions (DWP), as well as the devolved administrations. English local government spending is attributed to regions by the Treasury using information supplied by CLG.

## Data quality

**9.25** The CRA is intended to give a broad picture of relative spending for the benefit of different regions and countries. Small differences in regional spending should not be treated as significant. Figures are presented un-rounded in this chapter to provide readers with precise figures for use in calculations without introducing rounding errors.

**9.26** The presentation of un-rounded figures can overstate the accuracy of the numbers provided. The CRA will be subject to imprecision because:

- the concept of who benefits is open to interpretation;
- simplifying assumptions are made in order to reduce the reporting burden for government bodies;
- the robustness of allocation methods varies according to the availability of data. Public service pension spending can be allocated on the basis of the postcodes of recipients, giving a very accurate regional allocation. Other apportionments require a higher degree of estimation; and
- Treasury asks the largest departments to allocate their spending by country and region. Whereas spending for the remaining departments (*de minimis*) are pro-rated using the total expenditure of the larger departments.

**9.27** Some of the steps that departments and the Treasury undertake to ensure that data is of sufficient quality to be used in the CRA include:

- the issuance of clear guidance by ONS and the Treasury to departments in order to obtain consistency where possible;
- meetings between departments and the Treasury to discuss methods of allocation;
- considerable resources devoted by departments to the work, including the involvement of statisticians in preparing their returns to the Treasury. The return is signed off by a statistician, finance director, or a senior accountant in the department as being produced in accordance with the CRA guidance, and where applicable accompanied by a statement on data quality (see below); and
- for many departments, an extract from the CRA appears in their Departmental Report, providing them with a direct interest in the quality of the data that they supply.

**9.28** With the exceptions of the Department for Transport and the Department for Culture, Media and Sport, who have marked some of their statistics as insufficiently robust, all other departments have formally signed off their return as meeting National Statistics standards. In their accompanying statements on data quality some departments have identified areas of their CRA return where methods have been used that are either provisional or do not fully meet the methodology set out in the CRA guidance. Specific comments made by departments on data quality are:

- **Department for Transport** – a robust methodology is not available to allocate all expenditure to regions on a ‘who benefits’ basis. This is particularly a problem for spending on motorways and trunk roads (by the Highways Agency) and on the rail network, which in total comprises the majority of DfT expenditure. This expenditure is therefore allocated on an ‘in’ basis;
- **Department for Culture, Media and Sport** – despite attempts this year to improve the data quality of their return and to obtain more detailed information from Non-Departmental Public Bodies (NDPBs) about their allocation methods, DCMS’ methodology still shows a number of weaknesses. Firstly, several requested returns were never provided. Secondly, allocation methods used by NDPBs with similar underlying information have been inconsistent, particularly for capital spending. While some NDPBs allocated the spending to the region where it took place, others used visitor survey data to estimate regional allocations. Inconsistencies also occurred in the treatment of survey data for visitors from ‘outside UK’. This mostly affects the recreation, culture and religion function;
- **Department for Work and Pensions** – has continued to implement methodological improvements since PESA 2008. DWP now allocate all administrative expenditure to the region of residence of the ultimate beneficiary.

**Table 9.1 Total identifiable expenditure on services by country and region, 2005-06 to 2010-11**

	£ million						As a percentage of identifiable expenditure					
	National Statistics			National Statistics			National Statistics			National Statistics		
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
North East	19,330	20,007	21,120	22,824	24,378	24,620	4	4	4	4	4	4
North West	49,672	52,333	55,665	59,262	63,663	64,689	11	12	12	11	11	11
Yorkshire and the Humber	34,678	36,166	38,084	41,013	44,427	44,836	8	8	8	8	8	8
East Midlands	27,408	28,512	30,347	32,626	35,238	35,782	6	6	6	6	6	6
West Midlands	36,389	38,071	40,491	43,289	46,591	47,055	8	8	8	8	8	8
East	33,415	34,918	37,089	40,358	44,098	44,816	8	8	8	8	8	8
London	60,632	63,270	67,162	72,059	78,957	79,985	14	14	14	14	14	14
South East	48,952	51,105	54,252	59,141	63,109	64,009	11	11	11	11	11	11
South West	32,247	33,538	35,917	38,889	41,546	42,479	7	7	7	8	7	7
<b>Total England</b>	<b>342,723</b>	<b>357,920</b>	<b>380,128</b>	<b>409,461</b>	<b>442,007</b>	<b>448,271</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>
Scotland	41,913	43,849	46,428	48,645	51,629	53,220	10	10	10	9	9	9
Wales	23,269	24,403	25,575	27,320	29,121	29,591	5	5	5	5	5	5
Northern Ireland	15,030	15,616	16,790	17,832	18,898	19,294	3	3	3	3	3	3
<b>UK identifiable expenditure</b>	<b>422,936</b>	<b>441,788</b>	<b>468,921</b>	<b>503,258</b>	<b>541,655</b>	<b>550,375</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>98</b>	<b>97</b>	<b>97</b>
Outside UK	11,695	12,288	13,823	12,192	16,341	18,748	3	3	3	2	3	3
<b>Total identifiable expenditure</b>	<b>434,631</b>	<b>454,076</b>	<b>482,744</b>	<b>515,449</b>	<b>557,996</b>	<b>569,123</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

  

	£ million						As a percentage of Total Managed Expenditure					
	National Statistics			National Statistics			National Statistics			National Statistics		
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
Identifiable expenditure	434,631	454,076	482,744	515,449	557,996	569,123	83	83	83	82	83	82
Non-identifiable expenditure <sup>(1)</sup>	66,577	68,778	72,875	86,653	81,242	99,704	13	13	13	14	12	14
<b>Public sector expenditure on services</b>	<b>501,208</b>	<b>522,853</b>	<b>555,619</b>	<b>602,102</b>	<b>639,238</b>	<b>668,827</b>	<b>96</b>	<b>95</b>	<b>95</b>	<b>96</b>	<b>95</b>	<b>97</b>
Accounting adjustments	22,799	27,192	26,950	27,497	30,423	22,839	4	5	5	4	5	3
<b>Total Managed Expenditure<sup>(2)</sup></b>	<b>524,007</b>	<b>550,045</b>	<b>582,569</b>	<b>629,599</b>	<b>669,661</b>	<b>691,666</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

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

<sup>(2)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 9.2 Total identifiable expenditure on services by country and region, per head 2005-06 to 2010-11**

	£ per head						Index (UK identifiable expenditure = 100)					
	National Statistics			National Statistics			National Statistics					
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
North East	7,581	7,828	8,235	8,864	9,433	9,503	108	107	107	108	108	107
North West	7,262	7,636	8,109	8,619	9,229	9,349	103	105	105	105	105	106
Yorkshire and the Humber	6,790	7,033	7,356	7,867	8,449	8,450	97	96	96	96	96	96
East Midlands	6,333	6,533	6,898	7,360	7,917	7,949	90	90	90	90	90	90
West Midlands	6,801	7,094	7,524	8,000	8,579	8,618	97	97	98	98	98	97
East	6,007	6,228	6,552	7,044	7,647	7,691	86	85	85	86	87	87
London	8,132	8,422	8,888	9,457	10,183	10,256	116	116	116	115	116	116
South East	5,981	6,204	6,530	7,057	7,481	7,533	85	85	85	86	85	85
South West	6,339	6,545	6,937	7,466	7,942	8,020	90	90	90	91	91	91
<b>England</b>	<b>6,791</b>	<b>7,051</b>	<b>7,440</b>	<b>7,959</b>	<b>8,531</b>	<b>8,588</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>
Scotland	8,227	8,569	9,035	9,411	9,940	10,212	117	118	117	115	113	115
Wales	7,878	8,228	8,582	9,128	9,709	9,829	112	113	112	111	111	111
Northern Ireland	8,716	8,966	9,536	10,046	10,564	10,706	124	123	124	123	121	121
<b>UK identifiable expenditure</b>	<b>7,021</b>	<b>7,292</b>	<b>7,691</b>	<b>8,199</b>	<b>8,766</b>	<b>8,845</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table 9.3 Table 9.3 Total identifiable expenditure on services by country and region in real terms,<sup>(1)</sup> 2005-06 to 2010-11**

	National Statistics					£ million
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
North East	22,341	21,842	21,837	23,455	25,506	24,620
North West	57,408	57,131	57,556	60,899	66,610	64,689
Yorkshire and the Humber	40,079	39,481	39,378	42,146	46,483	44,836
East Midlands	31,677	31,126	31,378	33,528	36,869	35,782
West Midlands	42,056	41,562	41,866	44,485	48,747	47,055
East	38,620	38,120	38,349	41,473	46,139	44,816
London	70,075	69,071	69,444	74,050	82,611	79,985
South East	56,576	55,791	56,094	60,775	66,030	64,009
South West	37,269	36,613	37,137	39,964	43,469	42,479
<b>England</b>	<b>396,100</b>	<b>390,737</b>	<b>393,039</b>	<b>420,777</b>	<b>462,464</b>	<b>448,271</b>
Scotland	48,441	47,869	48,005	49,989	54,018	53,220
Wales	26,894	26,641	26,443	28,075	30,469	29,591
Northern Ireland	17,371	17,048	17,361	18,325	19,772	19,294
<b>UK identifiable expenditure</b>	<b>488,806</b>	<b>482,294</b>	<b>484,848</b>	<b>517,166</b>	<b>566,724</b>	<b>550,375</b>
Outside UK	13,517	13,414	14,292	12,529	17,097	18,748
<b>Total identifiable expenditure</b>	<b>502,323</b>	<b>495,708</b>	<b>499,141</b>	<b>529,694</b>	<b>583,821</b>	<b>569,123</b>
Non-identifiable expenditure <sup>(2)</sup>	76,946	75,084	75,350	89,048	85,002	99,704
<b>Total Expenditure on Services</b>	<b>579,269</b>	<b>570,792</b>	<b>574,491</b>	<b>618,742</b>	<b>668,824</b>	<b>668,827</b>
Accounting adjustments	26,350	29,685	27,865	28,257	31,831	22,839
<b>Total Managed Expenditure<sup>(3)</sup></b>	<b>605,618</b>	<b>600,476</b>	<b>602,356</b>	<b>646,998</b>	<b>700,654</b>	<b>691,666</b>

<sup>(1)</sup> Real terms figures are the nominal figures adjusted to 2010-11 price levels using GDP deflators from the Office for National Statistics (released 28 June 2011).

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

<sup>(3)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.



**Table 9.4 Total identifiable expenditure on services by country and region per head in real terms,<sup>(1)</sup> 2005-06 to 2010-11**

	National Statistics					£ per head
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
North East	8,762	8,546	8,515	9,109	9,870	9,503
North West	8,393	8,336	8,385	8,857	9,657	9,349
Yorkshire and the Humber	7,847	7,678	7,606	8,085	8,840	8,450
East Midlands	7,320	7,132	7,132	7,563	8,283	7,949
West Midlands	7,860	7,744	7,779	8,221	8,976	8,618
East	6,942	6,799	6,774	7,239	8,001	7,691
London	9,398	9,194	9,189	9,718	10,655	10,256
South East	6,912	6,773	6,751	7,252	7,827	7,533
South West	7,327	7,145	7,172	7,672	8,310	8,020
<b>England</b>	<b>7,849</b>	<b>7,697</b>	<b>7,693</b>	<b>8,179</b>	<b>8,926</b>	<b>8,588</b>
Scotland	9,508	9,355	9,342	9,671	10,400	10,212
Wales	9,106	8,982	8,874	9,380	10,159	9,829
Northern Ireland	10,074	9,788	9,860	10,324	11,053	10,706
<b>UK identifiable expenditure</b>	<b>8,115</b>	<b>7,960</b>	<b>7,952</b>	<b>8,425</b>	<b>9,171</b>	<b>8,845</b>

<sup>(1)</sup> Real terms figures are the nominal figures adjusted to 2010-11 price levels using GDP deflators from the Office for National Statistics (released 28 June 2011).



**Table 9.5a Identifiable expenditure on general public services (of which: public and common services) by country and region, 2005-06 to 2010-11**

£ million

	Total public and common services												of which: current						of which: capital					
	National Statistics						National Statistics						National Statistics			National Statistics			National Statistics					
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans						
North East	299	253	253	355	310	315	261	229	237	312	260	258	38	24	16	43	51	58						
North West	738	766	671	798	778	797	630	672	599	701	652	653	108	94	72	97	127	144						
Yorkshire and the Humber	402	466	447	472	534	547	351	383	404	407	447	449	51	84	43	65	87	98						
East Midlands	443	440	484	475	552	576	345	337	370	362	431	432	98	102	115	113	122	145						
West Midlands	622	625	677	721	713	758	510	483	465	501	498	498	111	142	212	221	215	260						
East	586	585	595	711	637	660	471	473	506	588	506	507	115	112	89	123	131	153						
London	923	1,106	1,000	1,132	1,097	1,122	729	933	813	896	889	883	194	174	187	237	207	239						
South East	836	763	775	833	834	847	677	663	656	709	711	710	160	99	119	124	123	137						
South West	518	495	536	622	615	640	455	438	448	502	482	483	63	58	87	120	133	157						
<b>England</b>	<b>5,367</b>	<b>5,500</b>	<b>5,438</b>	<b>6,120</b>	<b>6,070</b>	<b>6,262</b>	<b>4,430</b>	<b>4,611</b>	<b>4,498</b>	<b>4,978</b>	<b>4,875</b>	<b>4,871</b>	<b>937</b>	<b>889</b>	<b>940</b>	<b>1,142</b>	<b>1,195</b>	<b>1,391</b>						
Scotland <sup>(1)</sup>	1,136	963	945	1,140	1,136	1,116	993	829	904	884	1,081	881	143	134	40	256	56	234						
Wales	593	634	693	754	789	793	510	594	646	662	690	745	83	40	47	92	99	48						
Northern Ireland	359	404	412	438	438	403	339	351	353	393	376	370	20	53	59	45	62	33						
<b>UK identifiable expenditure</b>	<b>7,455</b>	<b>7,500</b>	<b>7,488</b>	<b>8,451</b>	<b>8,434</b>	<b>8,574</b>	<b>6,271</b>	<b>6,385</b>	<b>6,401</b>	<b>6,916</b>	<b>7,022</b>	<b>6,867</b>	<b>1,184</b>	<b>1,116</b>	<b>1,087</b>	<b>1,535</b>	<b>1,412</b>	<b>1,706</b>						
Outside the UK	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
<b>Total identifiable expenditure</b>	<b>7,455</b>	<b>7,500</b>	<b>7,488</b>	<b>8,451</b>	<b>8,434</b>	<b>8,574</b>	<b>6,271</b>	<b>6,385</b>	<b>6,401</b>	<b>6,916</b>	<b>7,022</b>	<b>6,867</b>	<b>1,184</b>	<b>1,116</b>	<b>1,087</b>	<b>1,535</b>	<b>1,412</b>	<b>1,706</b>						
Non-identifiable spending	5,224	5,082	5,126	5,372	5,195	5,056	4,804	5,004	4,885	4,894	4,881	4,690	419	78	242	478	314	366						
<b>Total Expenditure on Services</b>	<b>12,678</b>	<b>12,582</b>	<b>12,615</b>	<b>13,823</b>	<b>13,629</b>	<b>13,630</b>	<b>11,076</b>	<b>11,389</b>	<b>11,286</b>	<b>11,810</b>	<b>11,903</b>	<b>11,558</b>	<b>1,603</b>	<b>1,193</b>	<b>1,329</b>	<b>2,013</b>	<b>1,726</b>	<b>2,073</b>						

<sup>(1)</sup> Spending for the AFF Fishery Research Services was moved from General Public Services to Environment Protection to mirror the classification of its sister organisation "CEFAS" which operates only in England.

**Table 9.5b Identifiable expenditure on general public services (of which: international services) by country and region, 2005-06 to 2010-11**

£ million

	International services												of which: current						of which: capital					
	National Statistics						National Statistics						National Statistics			National Statistics								
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans						
North East	11	9	11	10	10	8	9	8	8	10	10	8	2	1	2	0	0	0						
North West	25	24	30	28	26	22	24	21	22	27	26	21	1	3	7	1	0	1						
Yorkshire and the Humber	23	18	22	21	20	17	19	16	17	21	19	16	3	2	5	0	0	1						
East Midlands	16	14	16	18	17	14	15	13	14	18	16	13	1	1	2	0	0	1						
West Midlands	20	18	20	22	20	17	19	16	17	22	20	16	1	1	3	0	0	1						
East	20	18	20	23	22	18	19	17	17	23	21	17	1	1	3	0	0	1						
London	26	23	25	31	29	24	26	23	24	30	29	23	1	1	1	1	0	1						
South East	29	26	27	40	34	30	28	25	25	36	34	29	1	1	2	4	1	1						
South West	18	16	17	21	20	17	18	15	16	21	19	16	1	1	1	0	0	1						
<b>England</b>	<b>188</b>	<b>165</b>	<b>188</b>	<b>215</b>	<b>198</b>	<b>166</b>	<b>177</b>	<b>153</b>	<b>161</b>	<b>208</b>	<b>195</b>	<b>160</b>	<b>11</b>	<b>12</b>	<b>27</b>	<b>7</b>	<b>3</b>	<b>7</b>						
Scotland	18	16	16	21	20	16	17	15	16	21	19	16	1	0	1	0	0	1						
Wales	10	9	9	13	12	10	10	9	9	13	12	10	0	0	0	0	0	0						
Northern Ireland	6	5	6	7	7	6	6	5	5	7	7	5	0	0	0	0	0	0						
<b>UK identifiable expenditure</b>	<b>223</b>	<b>196</b>	<b>219</b>	<b>256</b>	<b>236</b>	<b>198</b>	<b>211</b>	<b>182</b>	<b>191</b>	<b>248</b>	<b>232</b>	<b>190</b>	<b>12</b>	<b>13</b>	<b>28</b>	<b>8</b>	<b>4</b>	<b>8</b>						
Outside the UK	4,759	4,849	5,216	5,685	6,365	7,317	4,554	4,630	5,013	5,443	5,935	6,594	205	219	203	242	430	723						
<b>Total identifiable expenditure</b>	<b>4,982</b>	<b>5,045</b>	<b>5,436</b>	<b>5,941</b>	<b>6,601</b>	<b>7,516</b>	<b>4,765</b>	<b>4,812</b>	<b>5,204</b>	<b>5,691</b>	<b>6,168</b>	<b>6,784</b>	<b>217</b>	<b>233</b>	<b>231</b>	<b>250</b>	<b>434</b>	<b>731</b>						
Non-identifiable spending	1,224	1,227	1,310	1,330	1,406	1,426	1,101	1,072	1,099	1,107	1,213	1,263	124	155	211	223	193	163						
<b>Total Expenditure on Services</b>	<b>6,206</b>	<b>6,272</b>	<b>6,745</b>	<b>7,271</b>	<b>8,007</b>	<b>8,942</b>	<b>5,865</b>	<b>5,884</b>	<b>6,303</b>	<b>6,798</b>	<b>7,380</b>	<b>8,048</b>	<b>341</b>	<b>388</b>	<b>443</b>	<b>473</b>	<b>627</b>	<b>895</b>						

**Table 9.5c Identifiable expenditure on general public services (of which: public sector debt interest) by country and region, 2005-06 to 2010-11**

	Public sector debt interest										of which: current										of which: capital										£ million
	National Statistics					National Statistics					National Statistics					National Statistics					National Statistics										
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11							
North East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
North West	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
Yorkshire and the Humber	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
East Midlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
West Midlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
London	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
South East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
South West	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
<b>England</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
Scotland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
Wales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
Northern Ireland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
<b>UK identifiable expenditure</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
Outside the UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
<b>Total identifiable expenditure</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
Non-identifiable spending	26,746	28,749	31,363	31,555	31,363	43,624	26,746	28,749	31,363	31,555	31,363	43,624	26,746	28,749	31,363	31,555	31,363	43,624	26,746	28,749	31,363	31,555	31,363	43,624	26,746						
<b>Total Expenditure on Services</b>	<b>26,746</b>	<b>28,749</b>	<b>31,363</b>	<b>31,555</b>	<b>31,363</b>	<b>43,624</b>	<b>26,746</b>	<b>28,749</b>	<b>31,363</b>	<b>31,555</b>	<b>31,363</b>	<b>43,624</b>	<b>26,746</b>	<b>28,749</b>	<b>31,363</b>	<b>31,555</b>	<b>31,363</b>	<b>43,624</b>	<b>26,746</b>	<b>28,749</b>	<b>31,363</b>	<b>31,555</b>	<b>31,363</b>	<b>43,624</b>	<b>26,746</b>						

**Table 9.6 Identifiable expenditure on defence by country and region, 2005-06 to 2010-11**

	Defence												of which: current						of which: capital						£ million
	National Statistics						National Statistics						National Statistics			National Statistics									
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans							
North East	3	5	3	3	3	4	4	4	3	3	3	4	0	1	0	0	0	0							
North West	7	9	9	8	8	9	7	8	9	8	8	9	1	1	0	0	0	0							
Yorkshire and the Humber	4	6	9	6	5	6	5	5	9	6	6	6	0	0	0	0	0	0							
East Midlands	5	7	7	7	6	7	4	6	7	7	6	6	1	1	0	0	0	0							
West Midlands	7	8	8	7	7	8	6	7	7	7	7	8	1	1	0	0	0	0							
East	9	10	10	10	10	11	8	9	10	10	10	11	1	0	0	0	0	0							
London	12	13	12	11	11	14	10	12	12	11	11	13	2	1	0	0	0	0							
South East	11	13	13	12	12	14	10	11	12	12	12	14	1	2	0	0	0	0							
South West	9	9	9	8	7	8	7	8	8	8	6	7	2	1	0	0	0	0							
<b>England</b>	<b>67</b>	<b>80</b>	<b>80</b>	<b>74</b>	<b>69</b>	<b>80</b>	<b>61</b>	<b>71</b>	<b>77</b>	<b>72</b>	<b>68</b>	<b>78</b>	<b>7</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>							
Scotland	6	7	7	5	9	10	6	7	7	5	9	10	-	-	-	-	-	0							
Wales	3	3	3	3	3	5	3	3	3	3	3	5	-	-	-	-	-	0							
Northern Ireland	0	0	0	0	0	1	0	0	0	0	0	1	0	-	-	-	-	0							
<b>UK identifiable expenditure</b>	<b>77</b>	<b>90</b>	<b>91</b>	<b>82</b>	<b>82</b>	<b>96</b>	<b>70</b>	<b>82</b>	<b>88</b>	<b>81</b>	<b>80</b>	<b>94</b>	<b>7</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>							
Outside the UK	-	-	0	1	1	1	-	-	0	1	1	1	-	-	-	-	-	-							
<b>Total identifiable expenditure</b>	<b>77</b>	<b>90</b>	<b>91</b>	<b>83</b>	<b>83</b>	<b>97</b>	<b>70</b>	<b>82</b>	<b>88</b>	<b>81</b>	<b>81</b>	<b>95</b>	<b>7</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>							
Non-identifiable spending	30,841	32,058	33,504	36,628	37,502	39,237	29,776	31,168	30,968	33,161	33,480	36,127	1,066	891	2,536	3,466	4,022	3,110							
<b>Total Expenditure on Services</b>	<b>30,918</b>	<b>32,149</b>	<b>33,595</b>	<b>36,710</b>	<b>37,585</b>	<b>39,333</b>	<b>29,846</b>	<b>31,250</b>	<b>31,056</b>	<b>33,243</b>	<b>33,561</b>	<b>36,222</b>	<b>1,072</b>	<b>899</b>	<b>2,539</b>	<b>3,468</b>	<b>4,024</b>	<b>3,112</b>							

**Table 9.7 Identifiable expenditure on public order and safety by country and region, 2005-06 to 2010-11**

	Public order and safety												of which: current												of which: capital											
	National Statistics						National Statistics						National Statistics						National Statistics																	
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11												
North East	1,181	1,257	1,338	1,421	1,393	1,373	1,134	1,193	1,273	1,327	1,284	1,267	47	64	66	94	109	105	105	105	105	105	105	105												
North West	3,284	3,412	3,582	3,829	3,816	3,755	3,121	3,223	3,338	3,527	3,531	3,505	163	189	245	302	285	250	250	250	250	250	250	250												
Yorkshire and the Humber	2,187	2,280	2,405	2,474	2,618	2,536	2,061	2,137	2,243	2,275	2,423	2,382	126	143	162	200	195	155	155	155	155	155	155	155												
East Midlands	1,574	1,647	1,730	1,884	1,903	1,866	1,490	1,550	1,618	1,738	1,752	1,742	84	98	113	146	151	124	124	124	124	124	124	124												
West Midlands	2,228	2,372	2,448	2,583	2,690	2,637	2,098	2,213	2,265	2,355	2,453	2,424	130	159	182	228	237	212	212	212	212	212	212	212												
East	1,833	1,941	2,062	2,159	2,192	2,165	1,744	1,821	1,897	1,993	2,035	2,025	89	120	165	166	157	140	140	140	140	140	140	140												
London	5,729	5,892	6,150	6,698	6,656	6,526	5,378	5,582	5,815	6,109	6,189	6,131	351	310	335	589	468	394	394	394	394	394	394	394												
South East	2,929	3,018	3,097	3,350	3,483	3,440	2,792	2,867	2,914	3,105	3,259	3,242	137	151	183	245	224	198	198	198	198	198	198	198												
South West	1,699	1,776	1,889	2,002	2,106	2,072	1,621	1,671	1,750	1,863	1,953	1,933	79	105	139	139	153	139	139	139	139	139	139	139												
<b>England</b>	<b>22,645</b>	<b>23,595</b>	<b>24,702</b>	<b>26,400</b>	<b>26,857</b>	<b>26,370</b>	<b>21,440</b>	<b>22,257</b>	<b>23,113</b>	<b>24,293</b>	<b>24,877</b>	<b>24,651</b>	<b>1,205</b>	<b>1,338</b>	<b>1,590</b>	<b>2,107</b>	<b>1,979</b>	<b>1,718</b>	<b>1,718</b>	<b>1,718</b>	<b>1,718</b>	<b>1,718</b>	<b>1,718</b>	<b>1,718</b>												
Scotland	2,149	2,182	2,253	2,404	2,523	2,644	1,983	1,995	2,092	2,188	2,290	2,377	166	186	161	216	233	268	268	268	268	268	268	268												
Wales	1,277	1,340	1,386	1,485	1,527	1,499	1,191	1,240	1,269	1,358	1,412	1,367	87	100	117	127	116	132	132	132	132	132	132	132												
Northern Ireland	1,272	1,304	1,249	1,295	1,398	1,430	1,199	1,220	1,233	1,212	1,327	1,318	73	84	16	83	71	112	112	112	112	112	112	112												
<b>UK identifiable expenditure</b>	<b>27,343</b>	<b>28,420</b>	<b>29,591</b>	<b>31,583</b>	<b>32,305</b>	<b>31,944</b>	<b>25,813</b>	<b>26,711</b>	<b>27,707</b>	<b>29,050</b>	<b>29,906</b>	<b>29,713</b>	<b>1,530</b>	<b>1,708</b>	<b>1,884</b>	<b>2,533</b>	<b>2,399</b>	<b>2,231</b>	<b>2,231</b>	<b>2,231</b>	<b>2,231</b>	<b>2,231</b>	<b>2,231</b>	<b>2,231</b>												
Outside the UK	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—												
<b>Total identifiable expenditure</b>	<b>27,343</b>	<b>28,420</b>	<b>29,591</b>	<b>31,583</b>	<b>32,305</b>	<b>31,944</b>	<b>25,813</b>	<b>26,711</b>	<b>27,707</b>	<b>29,050</b>	<b>29,906</b>	<b>29,713</b>	<b>1,530</b>	<b>1,708</b>	<b>1,884</b>	<b>2,533</b>	<b>2,399</b>	<b>2,231</b>	<b>2,231</b>	<b>2,231</b>	<b>2,231</b>	<b>2,231</b>	<b>2,231</b>	<b>2,231</b>												
Non-identifiable spending	1,938	2,018	2,069	2,070	2,185	1,953	1,860	1,909	1,930	1,857	1,890	1,686	78	109	139	213	295	267	267	267	267	267	267	267												
<b>Total Expenditure on Services</b>	<b>29,281</b>	<b>30,438</b>	<b>31,659</b>	<b>33,653</b>	<b>34,490</b>	<b>33,897</b>	<b>27,673</b>	<b>28,621</b>	<b>29,637</b>	<b>30,907</b>	<b>31,796</b>	<b>31,399</b>	<b>1,608</b>	<b>1,817</b>	<b>2,022</b>	<b>2,746</b>	<b>2,694</b>	<b>2,498</b>	<b>2,498</b>	<b>2,498</b>	<b>2,498</b>	<b>2,498</b>	<b>2,498</b>	<b>2,498</b>												

£ million

**Table 9.8 Identifiable expenditure on economic affairs by country and region, 2005-06 to 2010-11**

	£ million																	
	Economic affairs						of which: current						of which: capital					
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics					
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	outturn	outturn	outturn	outturn	outturn	plans	outturn	outturn	outturn	outturn	outturn	plans	outturn	outturn	outturn	outturn	outturn	plans
North East	1,545	1,595	1,652	1,586	1,634	1,472	1,118	1,120	1,209	1,088	1,177	1,070	427	475	443	499	458	402
North West	3,287	3,676	3,808	3,813	4,251	4,129	2,334	2,440	2,501	2,441	2,858	2,801	953	1,235	1,307	1,372	1,393	1,328
Yorkshire and the Humber	2,684	2,775	2,783	2,766	3,103	2,800	1,956	2,007	1,913	1,868	2,099	1,899	728	768	870	898	1,004	901
East Midlands	2,257	2,213	2,285	2,167	2,434	2,153	1,721	1,587	1,567	1,453	1,623	1,452	536	626	719	714	811	701
West Midlands	2,647	2,719	2,814	2,841	2,961	2,677	1,855	1,784	1,836	1,810	1,904	1,702	792	935	978	1,031	1,057	975
East	2,501	2,535	2,688	2,892	3,251	2,889	1,712	1,633	1,771	1,738	2,000	1,732	789	902	917	1,155	1,252	1,156
London	5,974	6,348	6,388	6,479	7,996	8,303	3,467	3,567	3,980	3,249	3,858	3,823	2,508	2,781	2,408	3,230	4,138	4,479
South East	3,372	3,614	3,802	4,346	3,804	3,563	2,003	1,978	2,193	2,395	2,245	2,145	1,369	1,636	1,609	1,951	1,560	1,417
South West	2,496	2,562	2,552	2,674	2,601	2,584	1,811	1,746	1,781	1,773	1,865	1,840	685	816	771	901	736	744
<b>England</b>	<b>26,764</b>	<b>28,036</b>	<b>28,773</b>	<b>29,564</b>	<b>32,036</b>	<b>30,568</b>	<b>17,977</b>	<b>17,862</b>	<b>18,752</b>	<b>17,815</b>	<b>19,629</b>	<b>18,464</b>	<b>8,787</b>	<b>10,174</b>	<b>10,021</b>	<b>11,749</b>	<b>12,407</b>	<b>12,104</b>
Scotland	3,978	4,816	5,289	5,063	5,358	5,383	2,772	3,206	3,554	3,374	3,493	3,589	1,205	1,610	1,734	1,689	1,865	1,794
Wales	2,324	2,311	2,274	2,334	2,642	2,464	1,691	1,604	1,559	1,587	1,829	1,663	633	706	716	747	813	800
Northern Ireland	1,366	1,293	1,462	1,619	1,727	1,625	1,148	1,054	1,103	1,187	1,246	1,284	218	239	359	433	482	341
<b>UK identifiable expenditure</b>	<b>34,431</b>	<b>36,455</b>	<b>37,798</b>	<b>38,580</b>	<b>41,763</b>	<b>40,040</b>	<b>23,588</b>	<b>23,726</b>	<b>24,967</b>	<b>23,964</b>	<b>26,197</b>	<b>25,001</b>	<b>10,843</b>	<b>12,729</b>	<b>12,830</b>	<b>14,617</b>	<b>15,566</b>	<b>15,039</b>
Outside the UK	439	450	427	475	433	437	201	205	232	315	274	274	238	245	195	160	159	163
<b>Total identifiable expenditure</b>	<b>34,871</b>	<b>36,905</b>	<b>38,225</b>	<b>39,055</b>	<b>42,196</b>	<b>40,477</b>	<b>23,789</b>	<b>23,931</b>	<b>25,199</b>	<b>24,279</b>	<b>26,471</b>	<b>25,275</b>	<b>11,081</b>	<b>12,974</b>	<b>13,025</b>	<b>14,777</b>	<b>15,725</b>	<b>15,202</b>
Non-identifiable spending <sup>(1)</sup>	676	784	681	9,002	2,974	60	461	573	517	-518	-1,690	1,200	215	211	164	9,520	4,664	-1,140
<b>Total Expenditure on Services</b>	<b>35,547</b>	<b>37,690</b>	<b>38,906</b>	<b>48,057</b>	<b>45,171</b>	<b>40,537</b>	<b>24,251</b>	<b>24,505</b>	<b>25,717</b>	<b>23,760</b>	<b>24,781</b>	<b>26,475</b>	<b>11,296</b>	<b>13,185</b>	<b>13,189</b>	<b>24,297</b>	<b>20,389</b>	<b>14,063</b>

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



**Table 9.8a Identifiable expenditure on economic affairs (of which: enterprise and economic development) by country and region, 2005-06 to 2010-11**

	Enterprise and economic development										of which: current					of which: capital					£ million
	National Statistics					National Statistics					National Statistics										
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans			
North East	569	563	617	541	485	348	444	418	511	389	373	293	125	145	105	152	113	55			
North West	526	789	829	890	872	706	477	512	597	615	666	585	50	277	231	275	206	121			
Yorkshire and the Humber	779	719	772	672	691	455	611	582	587	487	485	350	169	137	186	185	206	105			
East Midlands	436	422	453	451	430	310	349	336	346	341	338	254	87	87	108	110	92	57			
West Midlands	571	532	591	652	652	433	410	385	413	434	457	332	161	147	178	219	195	101			
East	322	283	320	461	407	311	256	227	234	330	307	235	66	56	87	130	100	76			
London	615	588	518	710	717	673	562	534	664	555	593	514	52	54	-146	155	124	158			
South East	380	333	404	539	469	393	277	249	311	382	347	279	103	84	94	158	121	114			
South West	308	305	358	425	414	340	234	238	274	283	324	276	75	67	84	142	90	64			
<b>England</b>	<b>4,506</b>	<b>4,535</b>	<b>4,863</b>	<b>5,341</b>	<b>5,137</b>	<b>3,969</b>	<b>3,620</b>	<b>3,481</b>	<b>3,936</b>	<b>3,814</b>	<b>3,889</b>	<b>3,119</b>	<b>887</b>	<b>1,054</b>	<b>927</b>	<b>1,527</b>	<b>1,248</b>	<b>850</b>			
Scotland	904	917	1,041	892	908	952	735	710	800	631	638	714	169	208	241	261	270	238			
Wales	781	682	607	521	644	788	611	525	447	383	479	639	170	156	160	138	165	150			
Northern Ireland	236	225	235	290	388	371	197	203	209	251	262	258	39	22	26	39	126	113			
<b>UK identifiable expenditure</b>	<b>6,427</b>	<b>6,359</b>	<b>6,746</b>	<b>7,044</b>	<b>7,077</b>	<b>6,081</b>	<b>5,162</b>	<b>4,919</b>	<b>5,392</b>	<b>5,080</b>	<b>5,268</b>	<b>4,730</b>	<b>1,265</b>	<b>1,440</b>	<b>1,354</b>	<b>1,964</b>	<b>1,809</b>	<b>1,351</b>			
Outside the UK	33	70	84	100	85	36	17	28	58	52	47	26	16	41	26	48	38	11			
<b>Total identifiable expenditure</b>	<b>6,461</b>	<b>6,429</b>	<b>6,830</b>	<b>7,145</b>	<b>7,162</b>	<b>6,117</b>	<b>5,179</b>	<b>4,947</b>	<b>5,450</b>	<b>5,132</b>	<b>5,315</b>	<b>4,755</b>	<b>1,281</b>	<b>1,482</b>	<b>1,380</b>	<b>2,013</b>	<b>1,847</b>	<b>1,362</b>			
Non-identifiable spending <sup>(1)</sup>	106	108	92	8,410	2,361	-1,161	65	56	58	-986	-2,204	103	41	52	34	9,396	4,565	-1,264			
<b>Total Expenditure on Services</b>	<b>6,566</b>	<b>6,537</b>	<b>6,922</b>	<b>15,555</b>	<b>9,524</b>	<b>4,956</b>	<b>5,244</b>	<b>5,003</b>	<b>5,508</b>	<b>4,146</b>	<b>3,112</b>	<b>4,858</b>	<b>1,322</b>	<b>1,534</b>	<b>1,414</b>	<b>11,409</b>	<b>6,412</b>	<b>98</b>			

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

**Table 9.8b Identifiable expenditure on economic affairs (of which: science and technology) by country and region, 2005-06 to 2010-11**

	£ million																	
	Science and technology						of which: current						of which: capital					
	National Statistics						National Statistics						National Statistics					
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	outturn	outturn	outturn	outturn	outturn	plans	outturn	outturn	outturn	outturn	outturn	plans	outturn	outturn	outturn	outturn	outturn	plans
North East	87	78	95	86	113	109	60	55	66	69	88	92	27	23	29	17	25	17
North West	216	187	226	216	265	261	157	138	171	174	209	221	59	50	55	42	56	40
Yorkshire and the Humber	181	157	192	178	208	200	128	112	145	143	162	166	53	45	48	35	46	33
East Midlands	141	125	154	144	179	176	101	90	114	118	141	150	39	34	40	26	39	26
West Midlands	138	122	158	143	173	170	96	86	118	116	136	143	42	36	39	26	37	27
East	320	245	261	291	339	325	277	209	222	235	258	269	43	36	39	56	81	56
London	395	380	455	459	549	543	295	297	357	381	447	468	100	82	99	78	102	75
South East	333	311	378	361	411	400	245	225	261	284	318	336	88	86	117	77	93	65
South West	140	136	161	135	174	172	92	92	117	110	142	147	49	44	44	24	33	25
<b>England</b>	<b>1,952</b>	<b>1,741</b>	<b>2,081</b>	<b>2,013</b>	<b>2,414</b>	<b>2,357</b>	<b>1,451</b>	<b>1,304</b>	<b>1,571</b>	<b>1,631</b>	<b>1,900</b>	<b>1,993</b>	<b>501</b>	<b>437</b>	<b>511</b>	<b>382</b>	<b>513</b>	<b>364</b>
Scotland	324	266	407	368	388	363	271	221	298	273	319	326	53	45	108	94	69	36
Wales	69	61	79	74	92	112	61	52	70	68	72	102	8	10	9	6	20	10
Northern Ireland	72	63	77	66	81	71	57	54	66	63	72	67	14	8	11	3	10	5
<b>UK identifiable expenditure</b>	<b>2,417</b>	<b>2,131</b>	<b>2,644</b>	<b>2,520</b>	<b>2,975</b>	<b>2,903</b>	<b>1,840</b>	<b>1,631</b>	<b>2,004</b>	<b>2,035</b>	<b>2,363</b>	<b>2,487</b>	<b>577</b>	<b>500</b>	<b>640</b>	<b>485</b>	<b>612</b>	<b>415</b>
Outside the UK	179	174	151	239	229	286	155	146	122	209	195	225	24	28	30	29	34	61
<b>Total identifiable expenditure</b>	<b>2,596</b>	<b>2,306</b>	<b>2,795</b>	<b>2,759</b>	<b>3,204</b>	<b>3,188</b>	<b>1,995</b>	<b>1,777</b>	<b>2,126</b>	<b>2,244</b>	<b>2,558</b>	<b>2,712</b>	<b>601</b>	<b>529</b>	<b>669</b>	<b>515</b>	<b>646</b>	<b>476</b>
Non-identifiable spending	403	515	416	406	425	364	247	369	300	297	338	256	156	146	116	110	87	108
<b>Total Expenditure on Services</b>	<b>2,999</b>	<b>2,821</b>	<b>3,211</b>	<b>3,165</b>	<b>3,629</b>	<b>3,552</b>	<b>2,242</b>	<b>2,146</b>	<b>2,426</b>	<b>2,541</b>	<b>2,896</b>	<b>2,968</b>	<b>757</b>	<b>675</b>	<b>785</b>	<b>625</b>	<b>733</b>	<b>584</b>

**Table 9.8c Identifiable expenditure on economic affairs (of which: employment policies) by country and region, 2005-06 to 2010-11**

	£ million																	
	Employment policies						of which: current						of which: capital					
	National Statistics						National Statistics						National Statistics					
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	outturn	outturn	outturn	outturn	outturn	plans	outturn	outturn	outturn	outturn	outturn	plans	outturn	outturn	outturn	outturn	outturn	plans
North East	181	182	179	164	181	187	163	175	179	163	177	184	18	7	0	0	4	3
North West	431	443	435	399	444	466	388	425	434	398	435	458	44	18	1	1	9	7
Yorkshire and the Humber	287	291	286	270	313	321	261	280	285	269	307	316	27	11	2	1	6	5
East Midlands	213	217	212	202	234	240	193	209	212	202	230	236	20	8	1	1	5	4
West Midlands	322	323	320	301	347	347	293	311	320	298	339	341	29	12	1	2	8	6
East	223	228	223	215	250	257	203	220	222	214	245	253	20	8	1	1	5	4
London	481	469	452	401	454	472	439	452	450	398	444	464	42	17	2	3	10	8
South East	295	300	288	283	334	341	269	288	287	281	327	336	26	11	1	2	7	6
South West	201	208	200	193	221	231	181	200	199	192	216	227	20	8	1	1	5	4
<b>England</b>	<b>2,633</b>	<b>2,661</b>	<b>2,596</b>	<b>2,428</b>	<b>2,778</b>	<b>2,862</b>	<b>2,389</b>	<b>2,560</b>	<b>2,587</b>	<b>2,416</b>	<b>2,719</b>	<b>2,816</b>	<b>244</b>	<b>101</b>	<b>8</b>	<b>12</b>	<b>59</b>	<b>46</b>
Scotland	273	258	253	260	278	276	240	245	252	259	271	271	33	13	1	1	7	5
Wales	254	267	256	249	237	201	177	189	195	178	193	198	77	78	62	71	44	3
Northern Ireland	167	146	164	148	170	239	166	144	163	147	169	238	0	2	1	0	1	1
<b>UK identifiable expenditure</b>	<b>3,327</b>	<b>3,332</b>	<b>3,269</b>	<b>3,084</b>	<b>3,464</b>	<b>3,578</b>	<b>2,973</b>	<b>3,138</b>	<b>3,197</b>	<b>3,000</b>	<b>3,353</b>	<b>3,522</b>	<b>354</b>	<b>194</b>	<b>72</b>	<b>85</b>	<b>111</b>	<b>56</b>
Outside the UK	15	18	13	17	25	21	14	17	13	17	25	21	1	0	0	0	0	0
<b>Total identifiable expenditure</b>	<b>3,342</b>	<b>3,349</b>	<b>3,282</b>	<b>3,102</b>	<b>3,489</b>	<b>3,599</b>	<b>2,987</b>	<b>3,155</b>	<b>3,210</b>	<b>3,017</b>	<b>3,377</b>	<b>3,543</b>	<b>355</b>	<b>195</b>	<b>72</b>	<b>85</b>	<b>111</b>	<b>56</b>
Non-identifiable spending	—	—	—	—	—	670	—	—	—	—	—	670	—	—	—	—	—	—
<b>Total Expenditure on Services</b>	<b>3,342</b>	<b>3,349</b>	<b>3,282</b>	<b>3,102</b>	<b>3,489</b>	<b>4,268</b>	<b>2,987</b>	<b>3,155</b>	<b>3,210</b>	<b>3,017</b>	<b>3,377</b>	<b>4,212</b>	<b>355</b>	<b>195</b>	<b>72</b>	<b>85</b>	<b>111</b>	<b>56</b>

**Table 9.8d Identifiable expenditure on economic affairs (of which: agriculture, fisheries and forestry) by country and region, 2005-06 to 2010-11**

	£ million																	
	Agriculture, fisheries and forestry						of which: current						of which: capital					
	National Statistics						National Statistics						National Statistics					
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	outturn	outturn	outturn	outturn	outturn	plans	outturn	outturn	outturn	outturn	outturn	plans	outturn	outturn	outturn	outturn	outturn	plans
North East	212	204	192	180	213	207	204	197	175	173	208	202	8	7	17	8	6	5
North West	409	379	345	354	370	383	376	328	315	324	344	355	32	52	30	30	26	28
Yorkshire and the Humber	467	417	382	359	459	422	443	401	361	349	450	413	24	16	20	10	9	9
East Midlands	603	480	409	404	504	446	590	465	395	394	495	438	13	15	13	10	9	7
West Midlands	400	374	347	338	392	392	398	361	328	332	381	381	2	13	18	6	10	11
East	579	502	549	517	761	558	555	492	543	510	745	546	23	10	7	8	16	12
London	94	76	67	77	60	44	90	72	62	75	58	42	3	4	5	3	2	3
South East	458	434	459	668	468	463	437	412	448	653	456	451	22	21	11	15	11	11
South West	831	692	634	678	734	785	774	652	613	643	700	747	57	40	21	34	34	39
<b>England</b>	<b>4,052</b>	<b>3,559</b>	<b>3,384</b>	<b>3,575</b>	<b>3,960</b>	<b>3,700</b>	<b>3,868</b>	<b>3,382</b>	<b>3,241</b>	<b>3,452</b>	<b>3,837</b>	<b>3,576</b>	<b>184</b>	<b>177</b>	<b>143</b>	<b>123</b>	<b>123</b>	<b>125</b>
Scotland	650	666	748	800	858	979	605	592	677	700	765	784	45	73	71	100	94	195
Wales	365	407	393	464	508	257	348	387	370	429	477	201	17	20	24	35	31	56
Northern Ireland	534	473	464	574	517	291	497	422	413	456	495	449	37	51	51	118	22	-158
<b>UK identifiable expenditure</b>	<b>5,600</b>	<b>5,105</b>	<b>4,989</b>	<b>5,413</b>	<b>5,844</b>	<b>5,228</b>	<b>5,318</b>	<b>4,783</b>	<b>4,700</b>	<b>5,036</b>	<b>5,574</b>	<b>5,010</b>	<b>282</b>	<b>321</b>	<b>289</b>	<b>377</b>	<b>270</b>	<b>218</b>
Outside the UK	1	0	1	1	-	0	1	0	1	1	-	0	0	-	0	-	-	0
<b>Total identifiable expenditure</b>	<b>5,601</b>	<b>5,105</b>	<b>4,990</b>	<b>5,415</b>	<b>5,844</b>	<b>5,228</b>	<b>5,319</b>	<b>4,783</b>	<b>4,701</b>	<b>5,037</b>	<b>5,574</b>	<b>5,011</b>	<b>282</b>	<b>321</b>	<b>289</b>	<b>377</b>	<b>270</b>	<b>218</b>
Non-identifiable spending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure on Services</b>	<b>5,601</b>	<b>5,105</b>	<b>4,990</b>	<b>5,415</b>	<b>5,844</b>	<b>5,228</b>	<b>5,319</b>	<b>4,783</b>	<b>4,701</b>	<b>5,037</b>	<b>5,574</b>	<b>5,011</b>	<b>282</b>	<b>321</b>	<b>289</b>	<b>377</b>	<b>270</b>	<b>218</b>

**Table 9.8e Identifiable expenditure on economic affairs (of which: transport) by country and region, 2005-06 to 2010-11**

£ million

	Transport												of which: current												of which: capital											
	National Statistics						National Statistics						National Statistics						National Statistics																	
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11												
North East	496	566	568	615	642	620	246	273	278	294	331	299	250	293	291	321	310	321	250	293	291	321	310	321												
North West	1,705	1,877	1,973	1,954	2,300	2,313	937	1,037	985	931	1,204	1,182	769	840	989	1,023	1,096	1,132	769	840	989	1,023	1,096	1,132												
Yorkshire and the Humber	969	1,191	1,150	1,287	1,432	1,402	514	632	535	620	696	653	455	559	615	667	736	750	455	559	615	667	736	750												
East Midlands	865	969	1,057	965	1,086	981	487	487	500	399	421	373	378	482	557	567	665	608	378	482	557	567	665	608												
West Midlands	1,216	1,367	1,398	1,407	1,397	1,334	657	641	657	630	591	504	559	726	741	777	806	830	559	726	741	777	806	830												
East	1,057	1,276	1,335	1,408	1,494	1,438	421	485	551	449	444	429	636	791	784	960	1,050	1,009	636	791	784	960	1,050	1,009												
London	4,390	4,836	4,896	4,832	6,216	6,570	2,080	2,212	2,447	1,840	2,317	2,334	2,310	2,624	2,449	2,991	3,899	4,236	2,310	2,624	2,449	2,991	3,899	4,236												
South East	1,906	2,237	2,272	2,495	2,123	1,965	776	803	886	795	796	743	1,130	1,434	1,386	1,700	1,327	1,222	1,130	1,434	1,386	1,700	1,327	1,222												
South West	1,016	1,220	1,199	1,243	1,058	1,056	531	563	578	544	483	444	485	656	621	699	574	612	485	656	621	699	574	612												
<b>England</b>	<b>13,621</b>	<b>15,539</b>	<b>15,849</b>	<b>16,207</b>	<b>17,747</b>	<b>17,680</b>	<b>6,649</b>	<b>7,135</b>	<b>7,417</b>	<b>6,502</b>	<b>7,284</b>	<b>6,961</b>	<b>6,972</b>	<b>8,404</b>	<b>8,432</b>	<b>9,704</b>	<b>10,463</b>	<b>10,719</b>	<b>6,972</b>	<b>8,404</b>	<b>8,432</b>	<b>9,704</b>	<b>10,463</b>	<b>10,719</b>												
Scotland	1,827	2,709	2,841	2,744	2,925	2,813	921	1,439	1,528	1,511	1,500	1,494	905	1,271	1,313	1,232	1,425	1,319	905	1,271	1,313	1,232	1,425	1,319												
Wales	855	893	939	1,026	1,161	1,106	494	451	478	530	608	525	361	442	461	496	553	581	361	442	461	496	553	581												
Northern Ireland	357	386	521	542	571	652	230	231	251	270	247	272	127	156	271	272	323	380	127	156	271	272	323	380												
<b>UK identifiable expenditure</b>	<b>16,660</b>	<b>19,528</b>	<b>20,150</b>	<b>20,518</b>	<b>22,403</b>	<b>22,251</b>	<b>8,295</b>	<b>9,256</b>	<b>9,673</b>	<b>8,813</b>	<b>9,639</b>	<b>9,252</b>	<b>8,365</b>	<b>10,273</b>	<b>10,476</b>	<b>11,705</b>	<b>12,764</b>	<b>12,999</b>	<b>8,365</b>	<b>10,273</b>	<b>10,476</b>	<b>11,705</b>	<b>12,764</b>	<b>12,999</b>												
Outside the UK	211	188	178	118	94	94	14	13	39	35	7	2	197	175	139	82	87	92	197	175	139	82	87	92												
<b>Total identifiable expenditure</b>	<b>16,871</b>	<b>19,717</b>	<b>20,328</b>	<b>20,635</b>	<b>22,498</b>	<b>22,345</b>	<b>8,309</b>	<b>9,269</b>	<b>9,713</b>	<b>8,848</b>	<b>9,646</b>	<b>9,254</b>	<b>8,562</b>	<b>10,447</b>	<b>10,615</b>	<b>11,787</b>	<b>12,851</b>	<b>13,091</b>	<b>8,562</b>	<b>10,447</b>	<b>10,615</b>	<b>11,787</b>	<b>12,851</b>	<b>13,091</b>												
Non-identifiable spending	168	161	173	185	188	188	150	148	159	171	176	172	18	13	14	14	12	16	18	13	14	14	12	16												
<b>Total Expenditure on Services</b>	<b>17,039</b>	<b>19,878</b>	<b>20,501</b>	<b>20,820</b>	<b>22,686</b>	<b>22,533</b>	<b>8,459</b>	<b>9,417</b>	<b>9,872</b>	<b>9,019</b>	<b>9,822</b>	<b>9,426</b>	<b>8,580</b>	<b>10,460</b>	<b>10,630</b>	<b>11,801</b>	<b>12,863</b>	<b>13,107</b>	<b>8,580</b>	<b>10,460</b>	<b>10,630</b>	<b>11,801</b>	<b>12,863</b>	<b>13,107</b>												

**Table 9.9 Identifiable expenditure on environment protection by country and region, 2005-06 to 2010-11**

	£ million																	
	Environment protection						of which: current						of which: capital					
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics			National Statistics		
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	outturn	outturn	outturn	outturn	outturn	plans	outturn	outturn	outturn	outturn	outturn	plans	outturn	outturn	outturn	outturn	outturn	plans
North East	268	304	314	322	346	356	231	246	262	264	280	287	38	58	52	58	65	68
North West	1,029	1,762	1,583	1,469	1,963	2,107	683	940	805	549	1,130	1,153	346	822	778	920	834	955
Yorkshire and the Humber	541	596	630	677	740	802	428	472	516	542	554	588	114	124	114	135	186	214
East Midlands	462	515	519	545	610	694	379	422	424	443	477	531	83	93	96	103	132	164
West Midlands	558	606	613	631	692	759	476	496	514	520	536	561	82	110	98	112	156	198
East	631	737	721	775	844	938	521	596	589	623	649	688	109	140	132	152	194	249
London	896	902	994	1,025	1,116	1,251	793	808	905	932	975	1,045	103	94	89	93	141	206
South East	1,267	1,132	1,218	1,168	1,314	1,426	817	880	913	871	980	1,027	450	252	306	297	334	398
South West	684	681	864	855	956	1,041	506	582	611	597	703	744	177	100	253	258	252	298
<b>England</b>	<b>6,336</b>	<b>7,235</b>	<b>7,456</b>	<b>7,468</b>	<b>8,580</b>	<b>9,375</b>	<b>4,834</b>	<b>5,442</b>	<b>5,539</b>	<b>5,340</b>	<b>6,285</b>	<b>6,624</b>	<b>1,502</b>	<b>1,792</b>	<b>1,917</b>	<b>2,128</b>	<b>2,295</b>	<b>2,751</b>
Scotland <sup>(1)</sup>	1,305	1,073	1,105	1,077	1,268	1,387	744	847	828	818	1,000	1,069	561	226	277	259	268	318
Wales	429	580	460	531	574	613	380	444	429	440	466	501	49	135	31	91	108	112
Northern Ireland	233	247	231	232	238	254	166	184	208	216	232	232	67	63	24	16	6	23
<b>UK identifiable expenditure</b>	<b>8,303</b>	<b>9,134</b>	<b>9,252</b>	<b>9,308</b>	<b>10,660</b>	<b>11,630</b>	<b>6,124</b>	<b>6,918</b>	<b>7,003</b>	<b>6,813</b>	<b>7,983</b>	<b>8,426</b>	<b>2,178</b>	<b>2,216</b>	<b>2,249</b>	<b>2,495</b>	<b>2,676</b>	<b>3,204</b>
Outside the UK	44	30	31	83	65	84	44	30	31	72	54	70	—	—	—	11	10	15
<b>Total identifiable expenditure</b>	<b>8,347</b>	<b>9,163</b>	<b>9,283</b>	<b>9,391</b>	<b>10,724</b>	<b>11,714</b>	<b>6,169</b>	<b>6,947</b>	<b>7,035</b>	<b>6,885</b>	<b>8,038</b>	<b>8,495</b>	<b>2,178</b>	<b>2,216</b>	<b>2,249</b>	<b>2,506</b>	<b>2,687</b>	<b>3,218</b>
Non-identifiable spending	190	228	243	322	328	392	155	194	208	220	179	105	34	34	35	103	149	287
<b>Total Expenditure on Services</b>	<b>8,537</b>	<b>9,392</b>	<b>9,526</b>	<b>9,713</b>	<b>11,052</b>	<b>12,106</b>	<b>6,324</b>	<b>7,142</b>	<b>7,243</b>	<b>7,105</b>	<b>8,217</b>	<b>8,600</b>	<b>2,213</b>	<b>2,250</b>	<b>2,284</b>	<b>2,608</b>	<b>2,835</b>	<b>3,506</b>

<sup>(1)</sup> Spending for the AFF Fishery Research Services was moved from General Public Services to Environment Protection to mirror the classification of its sister organisation "CEFAS" which operates only in England.

**Table 9.10 Identifiable expenditure on housing and community amenities by country and region, 2005-06 to 2010-11**

	Housing and community amenities												of which: current						of which: capital						£ million
	National Statistics						National Statistics						National Statistics			National Statistics									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11							
	outturn	outturn	outturn	outturn	outturn	plans	outturn	outturn	outturn	outturn	outturn	plans	outturn	outturn	outturn	outturn	outturn	plans							
North East	475	508	547	666	804	671	185	183	158	170	199	170	290	324	389	496	605	501							
North West	1,212	1,196	1,756	1,859	1,498	1,295	440	403	410	442	443	384	771	793	1,346	1,417	1,055	912							
Yorkshire and the Humber	724	950	973	1,083	1,126	981	256	298	278	276	324	281	468	652	694	807	802	699							
East Midlands	454	527	503	647	746	660	217	229	222	229	251	215	238	298	280	419	494	445							
West Midlands	666	735	810	973	1,074	896	250	273	296	238	265	222	417	462	514	734	809	675							
East	630	614	628	770	971	806	254	266	281	262	312	270	376	348	347	508	659	536							
London	2,149	2,632	2,732	3,291	3,674	3,026	547	494	578	493	562	489	1,602	2,138	2,154	2,798	3,113	2,537							
South East	1,040	852	929	1,205	1,478	1,256	423	439	395	403	454	406	617	412	534	802	1,023	849							
South West	458	497	649	739	901	726	233	228	249	251	286	255	224	269	400	488	615	472							
<b>England</b>	<b>7,807</b>	<b>8,510</b>	<b>9,526</b>	<b>11,232</b>	<b>12,273</b>	<b>10,318</b>	<b>2,804</b>	<b>2,813</b>	<b>2,867</b>	<b>2,763</b>	<b>3,098</b>	<b>2,693</b>	<b>5,003</b>	<b>5,697</b>	<b>6,659</b>	<b>8,469</b>	<b>9,176</b>	<b>7,625</b>							
Scotland	1,526	1,679	1,746	1,802	1,920	1,843	162	182	333	281	260	255	1,363	1,497	1,413	1,521	1,660	1,588							
Wales	409	471	512	624	627	646	108	113	119	150	145	183	301	358	392	474	482	462							
Northern Ireland	956	889	1,132	1,308	1,119	877	485	493	559	565	529	312	471	395	573	743	590	565							
<b>UK identifiable expenditure</b>	<b>10,697</b>	<b>11,549</b>	<b>12,916</b>	<b>14,967</b>	<b>15,939</b>	<b>13,684</b>	<b>3,559</b>	<b>3,601</b>	<b>3,879</b>	<b>3,760</b>	<b>4,032</b>	<b>3,443</b>	<b>7,138</b>	<b>7,948</b>	<b>9,037</b>	<b>11,207</b>	<b>11,907</b>	<b>10,240</b>							
Outside the UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
<b>Total identifiable expenditure</b>	<b>10,697</b>	<b>11,549</b>	<b>12,916</b>	<b>14,967</b>	<b>15,939</b>	<b>13,684</b>	<b>3,559</b>	<b>3,601</b>	<b>3,879</b>	<b>3,760</b>	<b>4,032</b>	<b>3,443</b>	<b>7,138</b>	<b>7,948</b>	<b>9,037</b>	<b>11,207</b>	<b>11,907</b>	<b>10,240</b>							
Non-identifiable spending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
<b>Total Expenditure on Services</b>	<b>10,697</b>	<b>11,549</b>	<b>12,916</b>	<b>14,967</b>	<b>15,939</b>	<b>13,684</b>	<b>3,559</b>	<b>3,601</b>	<b>3,879</b>	<b>3,760</b>	<b>4,032</b>	<b>3,443</b>	<b>7,138</b>	<b>7,948</b>	<b>9,037</b>	<b>11,207</b>	<b>11,907</b>	<b>10,240</b>							

**Table 9.11 Identifiable expenditure on health by country and region, 2005-06 to 2010-11**

	£ million																	
	Health						of which: current						of which: capital					
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics					
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	outturn	outturn	outturn	outturn	outturn	plans	outturn	outturn	outturn	outturn	outturn	plans	outturn	outturn	outturn	outturn	outturn	plans
North East	4,059	4,290	4,600	5,019	5,302	5,583	3,904	4,116	4,434	4,778	5,062	5,347	155	174	166	240	240	236
North West	10,781	11,339	12,290	13,103	14,074	14,522	10,386	10,903	11,724	12,592	13,417	13,940	395	436	567	511	657	582
Yorkshire and the Humber	7,595	7,874	8,454	9,234	9,838	10,316	7,333	7,573	8,149	8,877	9,378	9,759	261	301	305	357	460	557
East Midlands	5,688	6,018	6,616	7,181	7,571	7,958	5,476	5,828	6,323	6,782	7,238	7,589	211	191	293	399	333	369
West Midlands	7,565	8,213	8,823	9,475	10,190	10,536	7,342	7,855	8,394	9,024	9,613	10,066	222	357	429	451	576	470
East	7,229	7,651	8,099	8,892	9,716	10,194	6,979	7,433	7,821	8,548	9,250	9,733	251	218	278	343	467	461
London	12,606	12,665	14,146	15,173	16,951	17,541	12,093	12,147	13,384	14,404	16,068	16,653	514	518	761	769	882	888
South East	10,658	11,528	12,286	13,288	14,406	14,737	10,377	10,842	11,660	12,543	13,496	14,066	282	686	626	745	911	671
South West	7,022	7,252	7,910	8,563	9,082	9,467	6,732	6,961	7,562	8,112	8,612	9,039	290	291	347	451	470	428
<b>England</b>	<b>73,203</b>	<b>76,831</b>	<b>83,223</b>	<b>89,927</b>	<b>97,130</b>	<b>100,853</b>	<b>70,622</b>	<b>73,659</b>	<b>79,451</b>	<b>85,660</b>	<b>92,134</b>	<b>96,191</b>	<b>2,581</b>	<b>3,173</b>	<b>3,772</b>	<b>4,267</b>	<b>4,997</b>	<b>4,662</b>
Scotland	8,562	9,035	9,727	10,179	10,616	10,887	8,308	8,742	9,285	9,672	10,039	10,306	255	293	442	507	576	581
Wales	4,649	4,984	5,255	5,545	5,922	6,069	4,494	4,807	4,986	5,232	5,520	5,670	156	177	268	313	402	399
Northern Ireland	2,630	2,858	2,955	3,299	3,959	3,522	2,470	2,663	2,773	3,106	3,767	3,331	160	196	182	193	192	191
<b>UK identifiable expenditure</b>	<b>89,045</b>	<b>93,708</b>	<b>101,160</b>	<b>108,949</b>	<b>117,627</b>	<b>121,332</b>	<b>85,893</b>	<b>89,870</b>	<b>96,495</b>	<b>103,670</b>	<b>111,461</b>	<b>115,498</b>	<b>3,151</b>	<b>3,838</b>	<b>4,665</b>	<b>5,279</b>	<b>6,167</b>	<b>5,833</b>
Outside the UK	362	545	762	660	815	975	361	545	762	660	815	975	1	0	0	—	—	—
<b>Total identifiable expenditure</b>	<b>89,406</b>	<b>94,253</b>	<b>101,922</b>	<b>109,609</b>	<b>118,442</b>	<b>122,307</b>	<b>86,254</b>	<b>90,415</b>	<b>97,257</b>	<b>104,330</b>	<b>112,276</b>	<b>116,473</b>	<b>3,152</b>	<b>3,839</b>	<b>4,665</b>	<b>5,279</b>	<b>6,167</b>	<b>5,833</b>
Non-identifiable spending	176	259	229	363	338	194	214	209	175	296	301	52	-38	50	54	67	37	142
<b>Total Expenditure on Services</b>	<b>89,582</b>	<b>94,512</b>	<b>102,151</b>	<b>109,972</b>	<b>118,780</b>	<b>122,501</b>	<b>86,467</b>	<b>90,623</b>	<b>97,432</b>	<b>104,626</b>	<b>112,577</b>	<b>116,526</b>	<b>3,115</b>	<b>3,889</b>	<b>4,719</b>	<b>5,346</b>	<b>6,203</b>	<b>5,975</b>



**Table 9.12 Identifiable expenditure on recreation, culture and religion by country and region, 2005-06 to 2010-11**

	Recreation, culture and religion												of which: current						of which: capital					
	National Statistics						National Statistics						National Statistics			National Statistics								
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans						
North East	371	355	369	370	424	418	268	273	285	299	326	322	103	82	84	71	98	96						
North West	702	754	752	813	807	783	568	594	597	637	617	602	134	160	155	176	190	182						
Yorkshire and the Humber	567	610	597	619	649	630	447	460	453	471	482	465	120	149	144	148	168	165						
East Midlands	425	437	473	462	509	477	321	344	359	365	375	360	104	93	113	97	135	118						
West Midlands	546	537	582	597	568	581	406	435	442	468	443	438	140	102	140	129	125	142						
East	489	490	545	562	612	595	380	387	415	436	419	404	109	104	131	126	193	190						
London	1,113	1,110	1,074	1,142	1,369	1,343	875	909	894	911	1,031	1,008	238	201	180	231	338	335						
South East	737	785	828	881	874	854	599	630	642	658	644	634	138	155	186	223	230	220						
South West	510	513	490	534	590	571	382	394	385	415	450	432	129	119	104	119	141	139						
<b>England</b>	<b>5,460</b>	<b>5,589</b>	<b>5,709</b>	<b>5,979</b>	<b>6,403</b>	<b>6,252</b>	<b>4,245</b>	<b>4,424</b>	<b>4,471</b>	<b>4,660</b>	<b>4,786</b>	<b>4,666</b>	<b>1,215</b>	<b>1,165</b>	<b>1,238</b>	<b>1,320</b>	<b>1,617</b>	<b>1,587</b>						
Scotland	953	992	1,031	1,083	1,140	1,205	775	801	801	817	868	879	178	190	230	265	272	327						
Wales	563	618	694	688	626	600	450	472	498	544	544	519	113	146	196	144	82	81						
Northern Ireland	331	310	386	416	388	443	279	264	280	323	310	284	51	46	106	93	77	159						
<b>UK identifiable expenditure</b>	<b>7,306</b>	<b>7,509</b>	<b>7,820</b>	<b>8,165</b>	<b>8,557</b>	<b>8,500</b>	<b>5,749</b>	<b>5,962</b>	<b>6,051</b>	<b>6,344</b>	<b>6,508</b>	<b>6,347</b>	<b>1,557</b>	<b>1,547</b>	<b>1,770</b>	<b>1,822</b>	<b>2,049</b>	<b>2,153</b>						
Outside the UK	192	203	267	280	236	227	143	166	227	227	204	203	48	37	40	53	32	25						
<b>Total identifiable expenditure</b>	<b>7,498</b>	<b>7,712</b>	<b>8,087</b>	<b>8,445</b>	<b>8,793</b>	<b>8,727</b>	<b>5,893</b>	<b>6,128</b>	<b>6,278</b>	<b>6,571</b>	<b>6,713</b>	<b>6,550</b>	<b>1,605</b>	<b>1,585</b>	<b>1,809</b>	<b>1,874</b>	<b>2,081</b>	<b>2,177</b>						
Non-identifiable spending	3,311	3,536	3,950	4,569	4,740	4,893	3,217	3,334	3,482	3,362	3,533	3,726	94	201	468	1,208	1,207	1,167						
<b>Total Expenditure on Services</b>	<b>10,809</b>	<b>11,248</b>	<b>12,038</b>	<b>13,014</b>	<b>13,533</b>	<b>13,620</b>	<b>9,110</b>	<b>9,462</b>	<b>9,760</b>	<b>9,932</b>	<b>10,246</b>	<b>10,276</b>	<b>1,699</b>	<b>1,786</b>	<b>2,278</b>	<b>3,082</b>	<b>3,288</b>	<b>3,344</b>						

£ million

**Table 9.13 Identifiable expenditure on education by country and region, 2005-06 to 2010-11**

	£ million																	
	Education						of which: current						of which: capital					
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics					
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	outturn	outturn	outturn	outturn	outturn	plans	outturn	outturn	outturn	outturn	outturn	plans	outturn	outturn	outturn	outturn	outturn	plans
North East	3,184	3,259	3,443	3,778	3,902	3,751	2,853	2,962	3,109	3,284	3,357	3,213	330	297	333	494	546	538
North West	7,973	8,192	8,896	9,339	10,019	9,728	7,320	7,540	8,196	8,495	8,843	8,591	654	652	700	845	1,176	1,137
Yorkshire and the Humber	5,870	6,054	6,437	6,925	7,431	7,054	5,295	5,515	5,900	6,186	6,588	6,250	575	539	537	739	842	804
East Midlands	4,765	4,961	5,319	5,674	6,018	5,843	4,264	4,488	4,822	5,071	5,314	5,163	500	473	497	603	703	680
West Midlands	6,273	6,546	7,063	7,342	7,811	7,500	5,660	5,909	6,427	6,684	7,036	6,780	613	637	635	658	775	720
East	5,636	5,908	6,490	6,801	7,336	7,199	5,080	5,330	5,821	6,082	6,460	6,338	556	579	669	719	876	861
London	10,010	10,572	11,374	12,188	13,080	12,688	9,074	9,642	10,364	10,904	11,520	11,176	937	930	1,010	1,284	1,560	1,512
South East	8,481	8,793	9,451	10,114	10,722	10,457	7,598	7,951	8,541	9,000	9,406	9,173	883	841	910	1,114	1,315	1,285
South West	5,195	5,478	5,851	6,258	6,687	6,554	4,663	4,929	5,339	5,553	5,804	5,679	532	549	512	704	883	875
<b>England</b>	<b>57,387</b>	<b>59,763</b>	<b>64,324</b>	<b>68,419</b>	<b>73,006</b>	<b>70,774</b>	<b>51,806</b>	<b>54,265</b>	<b>58,520</b>	<b>61,259</b>	<b>64,329</b>	<b>62,362</b>	<b>5,581</b>	<b>5,498</b>	<b>5,804</b>	<b>7,160</b>	<b>8,677</b>	<b>8,412</b>
Scotland	6,566	7,131	7,354	7,555	7,736	8,064	6,086	6,408	6,658	6,906	7,072	7,239	480	724	696	649	664	826
Wales	3,485	3,690	3,945	4,160	4,337	4,323	3,290	3,451	3,721	3,887	4,015	4,040	195	238	223	273	323	283
Northern Ireland	2,238	2,311	2,434	2,527	2,678	2,750	2,043	2,106	2,221	2,294	2,396	2,505	195	205	213	233	282	245
<b>UK identifiable expenditure</b>	<b>69,675</b>	<b>72,895</b>	<b>78,056</b>	<b>82,661</b>	<b>87,757</b>	<b>85,912</b>	<b>63,225</b>	<b>66,231</b>	<b>71,120</b>	<b>74,346</b>	<b>77,812</b>	<b>76,146</b>	<b>6,450</b>	<b>6,665</b>	<b>6,936</b>	<b>8,315</b>	<b>9,945</b>	<b>9,766</b>
Outside the UK	29	36	42	41	40	46	29	36	42	41	40	46	0	0	0	0	0	0
<b>Total identifiable expenditure</b>	<b>69,704</b>	<b>72,931</b>	<b>78,098</b>	<b>82,702</b>	<b>87,797</b>	<b>85,958</b>	<b>63,254</b>	<b>66,266</b>	<b>71,162</b>	<b>74,387</b>	<b>77,853</b>	<b>76,192</b>	<b>6,450</b>	<b>6,665</b>	<b>6,936</b>	<b>8,315</b>	<b>9,945</b>	<b>9,766</b>
Non-identifiable spending	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Expenditure on Services</b>	<b>69,704</b>	<b>72,931</b>	<b>78,098</b>	<b>82,702</b>	<b>87,797</b>	<b>85,958</b>	<b>63,254</b>	<b>66,266</b>	<b>71,162</b>	<b>74,387</b>	<b>77,853</b>	<b>76,192</b>	<b>6,450</b>	<b>6,665</b>	<b>6,936</b>	<b>8,315</b>	<b>9,945</b>	<b>9,766</b>

**Table 9.14 Identifiable expenditure on social protection by country and region, 2005-06 to 2010-11**

	£ million																	
	Social protection						of which: current						of which: capital					
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics					
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	outturn	outturn	outturn	outturn	outturn	plans	outturn	outturn	outturn	outturn	outturn	plans	outturn	outturn	outturn	outturn	outturn	plans
North East	7,935	8,173	8,590	9,294	10,250	10,670	7,888	8,128	8,549	9,261	10,193	10,611	47	45	41	33	57	58
North West	20,634	21,204	22,288	24,203	26,422	27,542	20,528	21,124	22,212	24,119	26,286	27,416	106	80	77	84	136	126
Yorkshire and the Humber	14,081	14,537	15,328	16,736	18,362	19,146	13,986	14,479	15,260	16,671	18,278	19,064	94	58	68	65	84	83
East Midlands	11,318	11,733	12,395	13,566	14,874	15,533	11,250	11,689	12,337	13,523	14,786	15,441	68	45	58	43	88	91
West Midlands	15,256	15,693	16,633	18,096	19,864	20,686	15,170	15,598	16,541	18,026	19,777	20,612	86	95	92	70	87	74
East	13,852	14,429	15,231	16,763	18,507	19,341	13,781	14,387	15,174	16,710	18,418	19,261	71	43	57	53	89	80
London	21,194	22,006	23,267	24,889	26,977	28,147	21,065	21,903	23,180	24,775	26,828	28,015	128	103	86	114	149	132
South East	19,592	20,583	21,826	23,903	26,147	27,387	19,478	20,486	21,740	23,817	26,011	27,259	114	97	86	86	135	128
South West	13,638	14,259	15,150	16,614	17,982	18,799	13,565	14,198	15,092	16,561	17,903	18,723	74	61	59	53	79	76
<b>England</b>	<b>137,499</b>	<b>142,617</b>	<b>150,708</b>	<b>164,063</b>	<b>179,385</b>	<b>187,252</b>	<b>136,712</b>	<b>141,990</b>	<b>150,083</b>	<b>163,463</b>	<b>178,480</b>	<b>186,403</b>	<b>788</b>	<b>626</b>	<b>624</b>	<b>600</b>	<b>905</b>	<b>849</b>
Scotland	15,715	15,955	16,956	18,317	19,903	20,663	15,615	15,853	16,865	18,221	19,789	20,537	100	102	91	96	114	126
Wales	9,528	9,764	10,343	11,183	12,061	12,569	9,474	9,717	10,306	11,146	12,030	12,524	54	47	36	38	31	45
Northern Ireland	5,640	5,995	6,524	6,691	6,945	7,982	5,612	5,975	6,506	6,674	6,919	7,961	28	19	18	16	26	21
<b>UK identifiable expenditure</b>	<b>168,382</b>	<b>174,331</b>	<b>184,530</b>	<b>200,254</b>	<b>218,295</b>	<b>228,466</b>	<b>167,413</b>	<b>173,536</b>	<b>183,761</b>	<b>199,504</b>	<b>217,218</b>	<b>227,426</b>	<b>969</b>	<b>795</b>	<b>769</b>	<b>750</b>	<b>1,077</b>	<b>1,040</b>
Outside the UK	2,718	2,813	3,008	3,341	3,524	3,684	2,711	2,804	3,001	3,336	3,511	3,674	7	9	6	5	12	10
<b>Total identifiable expenditure</b>	<b>171,100</b>	<b>177,144</b>	<b>187,537</b>	<b>203,596</b>	<b>221,818</b>	<b>232,151</b>	<b>170,124</b>	<b>176,340</b>	<b>186,762</b>	<b>202,840</b>	<b>220,729</b>	<b>231,101</b>	<b>976</b>	<b>804</b>	<b>775</b>	<b>755</b>	<b>1,089</b>	<b>1,050</b>
Non-identifiable spending	—	—	—	—	0	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Expenditure on Services</b>	<b>171,100</b>	<b>177,144</b>	<b>187,537</b>	<b>203,596</b>	<b>221,818</b>	<b>232,151</b>	<b>170,124</b>	<b>176,340</b>	<b>186,762</b>	<b>202,840</b>	<b>220,729</b>	<b>231,101</b>	<b>976</b>	<b>804</b>	<b>775</b>	<b>755</b>	<b>1,089</b>	<b>1,050</b>

**Table 9.15 UK identifiable expenditure on services by function, country and region, per head, 2005-06 to 2010-11**

Data in this table from 2005-06 to 2009-10 are National Statistics

	£ per head																		
	1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	Total Expenditure on Services	
<b>2005-06</b>																			
North East	121	117	4	1	463	606	223	34	71	83	194	105	186	1,592	145	1,249	3,112	7,581	
North West	111	108	4	1	480	481	77	32	63	60	249	150	177	1,576	103	1,166	3,017	7,262	
Yorkshire and the Humber	83	79	4	1	428	525	153	35	56	91	190	106	142	1,487	111	1,149	2,757	6,790	
East Midlands	106	102	4	1	364	522	101	33	49	139	200	107	105	1,314	98	1,101	2,615	6,333	
West Midlands	120	116	4	1	416	495	107	26	60	75	227	104	125	1,414	102	1,172	2,851	6,801	
East	109	105	4	2	329	450	58	58	40	104	190	113	113	1,300	88	1,013	2,490	6,007	
London	127	124	4	2	768	801	82	53	64	13	589	120	288	1,691	149	1,343	2,843	8,132	
South East	106	102	4	1	358	412	46	41	36	56	233	155	127	1,302	90	1,036	2,394	5,981	
South West	105	102	4	2	334	491	61	28	39	163	200	134	90	1,380	100	1,021	2,681	6,339	
<b>England</b>	<b>110</b>	<b>106</b>	<b>4</b>	<b>1</b>	<b>449</b>	<b>530</b>	<b>89</b>	<b>39</b>	<b>52</b>	<b>80</b>	<b>270</b>	<b>126</b>	<b>155</b>	<b>1,451</b>	<b>108</b>	<b>1,137</b>	<b>2,725</b>	<b>6,791</b>	
Scotland	227	223	4	1	422	781	178	64	54	128	359	256	299	1,681	187	1,289	3,085	8,227	
Wales	204	201	4	1	432	787	264	23	86	123	290	145	138	1,574	190	1,180	3,226	7,878	
Northern Ireland	212	208	4	0	738	792	137	42	97	310	207	135	554	1,525	192	1,298	3,271	8,716	
<b>UK identifiable expenditure</b>	<b>127</b>	<b>124</b>	<b>4</b>	<b>1</b>	<b>454</b>	<b>572</b>	<b>107</b>	<b>40</b>	<b>55</b>	<b>93</b>	<b>277</b>	<b>138</b>	<b>178</b>	<b>1,478</b>	<b>121</b>	<b>1,157</b>	<b>2,795</b>	<b>7,021</b>	
<b>2006-07</b>																			
North East	102	99	3	2	492	624	220	31	71	80	222	119	199	1,678	139	1,275	3,198	7,828	
North West	115	112	3	1	498	536	115	27	65	55	274	257	174	1,655	110	1,195	3,094	7,636	
Yorkshire and the Humber	94	91	3	1	443	540	140	31	57	81	232	116	185	1,531	119	1,177	2,827	7,033	
East Midlands	104	101	3	2	377	507	97	29	50	110	222	118	121	1,379	100	1,137	2,689	6,533	
West Midlands	120	116	3	2	442	507	99	23	60	70	255	113	137	1,530	100	1,220	2,924	7,094	
East	108	104	3	2	346	452	50	44	41	90	228	131	110	1,365	87	1,054	2,574	6,228	
London	150	147	3	2	784	845	78	51	62	10	644	120	350	1,686	148	1,407	2,929	8,422	
South East	96	93	3	2	366	439	40	38	36	53	272	137	103	1,399	95	1,067	2,499	6,204	
South West	100	97	3	2	347	500	60	27	41	135	238	133	97	1,415	100	1,069	2,783	6,545	
<b>England</b>	<b>112</b>	<b>108</b>	<b>3</b>	<b>2</b>	<b>465</b>	<b>552</b>	<b>89</b>	<b>34</b>	<b>52</b>	<b>70</b>	<b>306</b>	<b>143</b>	<b>168</b>	<b>1,514</b>	<b>110</b>	<b>1,177</b>	<b>2,809</b>	<b>7,051</b>	
Scotland	191	188	3	1	426	941	179	52	50	130	529	210	328	1,766	194	1,394	3,118	8,569	
Wales	217	214	3	1	452	779	230	21	90	137	301	195	159	1,680	208	1,244	3,292	8,228	
Northern Ireland	235	232	3	0	749	742	129	36	84	272	222	142	510	1,641	178	1,327	3,442	8,966	
<b>UK identifiable expenditure</b>	<b>127</b>	<b>124</b>	<b>3</b>	<b>1</b>	<b>469</b>	<b>602</b>	<b>105</b>	<b>35</b>	<b>55</b>	<b>84</b>	<b>322</b>	<b>151</b>	<b>191</b>	<b>1,547</b>	<b>124</b>	<b>1,203</b>	<b>2,877</b>	<b>7,292</b>	

**Table 9.15 UK identifiable expenditure on services by function, country and region, per head, 2005-06 to 2010-11 (continued)**

		Data in this table from 2005-06 to 2009-10 are National Statistics										£ per head							
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	Total Expenditure on Services
<b>2007-08</b>																			
North East	103	99	4	1	522	644	241	37	70	75	222	122	213	1,794	144	1,342	3,349	8,235	
North West	102	98	4	1	522	555	121	33	63	50	287	231	256	1,790	110	1,296	3,247	8,109	
Yorkshire and the Humber	91	86	4	2	465	537	149	37	55	74	222	122	188	1,633	115	1,243	2,961	7,356	
East Midlands	114	110	4	2	393	519	103	35	48	93	240	118	114	1,504	107	1,209	2,817	6,898	
West Midlands	130	126	4	1	455	523	110	29	60	64	260	114	151	1,639	108	1,312	3,091	7,524	
East	109	105	4	2	364	475	57	46	39	97	236	127	111	1,431	96	1,146	2,690	6,552	
London	136	132	3	2	814	845	69	60	60	9	648	132	362	1,872	142	1,505	3,079	8,888	
South East	97	93	3	2	373	458	49	46	35	55	273	147	112	1,479	100	1,137	2,627	6,530	
South West	107	103	3	2	365	493	69	31	39	123	232	167	125	1,528	95	1,130	2,926	6,937	
<b>England</b>	<b>110</b>	<b>106</b>	<b>4</b>	<b>2</b>	<b>483</b>	<b>563</b>	<b>95</b>	<b>41</b>	<b>51</b>	<b>66</b>	<b>310</b>	<b>146</b>	<b>186</b>	<b>1,629</b>	<b>112</b>	<b>1,259</b>	<b>2,950</b>	<b>7,440</b>	
Scotland	187	184	3	1	438	1,029	203	79	49	146	553	215	340	1,893	201	1,431	3,300	9,035	
Wales	236	233	3	1	465	763	204	27	86	132	315	154	172	1,763	233	1,324	3,471	8,582	
Northern Ireland	237	234	3	0	709	830	134	44	93	263	296	131	643	1,678	219	1,382	3,705	9,536	
<b>UK identifiable expenditure</b>	<b>126</b>	<b>123</b>	<b>4</b>	<b>1</b>	<b>485</b>	<b>620</b>	<b>111</b>	<b>43</b>	<b>54</b>	<b>82</b>	<b>330</b>	<b>152</b>	<b>212</b>	<b>1,659</b>	<b>128</b>	<b>1,280</b>	<b>3,027</b>	<b>7,691</b>	
<b>2008-09</b>																			
North East	142	138	4	1	552	616	210	34	64	70	239	125	259	1,949	144	1,467	3,609	8,864	
North West	120	116	4	1	557	555	129	31	58	51	284	214	270	1,906	118	1,358	3,520	8,619	
Yorkshire and the Humber	95	91	4	1	475	531	129	34	52	69	247	130	208	1,771	119	1,328	3,210	7,867	
East Midlands	111	107	4	2	425	489	102	32	46	91	218	123	146	1,620	104	1,280	3,060	7,360	
West Midlands	137	133	4	1	477	525	121	26	56	63	260	117	180	1,751	110	1,357	3,344	8,000	
East	128	124	4	2	377	505	80	51	38	90	246	135	134	1,552	98	1,187	2,926	7,044	
London	153	149	4	1	879	850	93	60	53	10	634	135	432	1,991	150	1,600	3,266	9,457	
South East	104	99	5	1	400	519	64	43	34	80	298	139	144	1,586	105	1,207	2,852	7,057	
South West	124	119	4	2	384	513	82	26	37	130	239	164	142	1,644	103	1,201	3,189	7,466	
<b>England</b>	<b>123</b>	<b>119</b>	<b>4</b>	<b>1</b>	<b>513</b>	<b>575</b>	<b>104</b>	<b>39</b>	<b>47</b>	<b>69</b>	<b>315</b>	<b>145</b>	<b>218</b>	<b>1,748</b>	<b>116</b>	<b>1,330</b>	<b>3,189</b>	<b>7,959</b>	
Scotland	225	221	4	1	465	979	173	71	50	155	531	208	349	1,969	209	1,462	3,544	9,411	
Wales	256	252	4	1	496	780	174	25	83	155	343	178	209	1,853	230	1,390	3,737	9,128	
Northern Ireland	251	247	4	0	730	912	163	37	83	323	305	131	737	1,859	234	1,424	3,769	10,046	
<b>UK identifiable expenditure</b>	<b>142</b>	<b>138</b>	<b>4</b>	<b>1</b>	<b>515</b>	<b>629</b>	<b>115</b>	<b>41</b>	<b>50</b>	<b>88</b>	<b>334</b>	<b>152</b>	<b>244</b>	<b>1,775</b>	<b>133</b>	<b>1,347</b>	<b>3,262</b>	<b>8,199</b>	



**Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2005-06 to 2010-11**

		Index (UK identifiable expenditure = 100)										Total Expenditure on Services							
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry		of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection
<b>2005-06</b>																			
North East		95	95	115	101	102	106	209	85	129	89	70	76	105	108	120	108	111	108
North West		87	87	98	82	106	84	72	79	114	64	90	109	100	107	85	101	108	103
Yorkshire and the Humber		65	64	121	69	94	92	143	88	102	98	69	77	80	101	91	99	99	97
East Midlands		83	83	98	91	80	91	94	81	89	150	72	78	59	89	81	95	94	90
West Midlands		94	94	104	97	92	87	100	64	109	80	82	76	70	96	84	101	102	97
East		85	85	97	126	73	79	54	144	73	112	69	82	64	88	72	88	89	86
London		100	100	96	126	169	140	77	132	117	13	213	87	162	114	123	116	102	116
South East		83	83	96	107	79	72	44	101	65	60	84	112	72	88	74	90	86	85
South West		83	82	97	137	74	86	57	69	71	176	72	97	51	93	83	88	96	90
<b>England</b>		<b>86</b>	<b>86</b>	<b>101</b>	<b>105</b>	<b>99</b>	<b>93</b>	<b>84</b>	<b>96</b>	<b>94</b>	<b>86</b>	<b>98</b>	<b>91</b>	<b>87</b>	<b>98</b>	<b>89</b>	<b>98</b>	<b>97</b>	<b>97</b>
Scotland		178	180	95	95	93	137	166	159	97	137	130	186	169	114	154	111	110	117
Wales		160	162	95	81	95	138	248	59	156	133	105	105	78	106	157	102	115	112
Northern Ireland		166	168	95	0	163	139	128	104	175	333	75	98	312	103	158	112	117	124
<b>UK identifiable expenditure</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>2006-07</b>																			
North East		81	80	106	135	105	104	210	87	130	95	69	79	104	109	112	106	111	107
North West		91	90	108	86	106	89	110	78	118	66	85	171	92	107	89	99	108	105
Yorkshire and the Humber		74	73	107	72	95	90	133	87	103	96	72	77	97	99	96	98	98	96
East Midlands		82	81	100	107	80	84	92	81	90	130	69	78	63	89	81	94	93	90
West Midlands		94	94	102	103	94	84	94	65	110	83	79	75	72	99	81	101	102	97
East		85	84	99	115	74	75	48	124	74	106	71	87	57	88	71	88	89	85
London		118	119	97	118	167	140	75	144	114	12	200	80	184	109	119	117	102	116
South East		75	75	97	104	78	73	39	107	66	62	84	91	54	90	77	89	87	85
South West		79	78	97	121	74	83	57	76	74	160	74	88	51	92	81	89	97	90
<b>England</b>		<b>88</b>	<b>88</b>	<b>101</b>	<b>105</b>	<b>99</b>	<b>92</b>	<b>85</b>	<b>98</b>	<b>95</b>	<b>83</b>	<b>95</b>	<b>95</b>	<b>88</b>	<b>98</b>	<b>89</b>	<b>98</b>	<b>98</b>	<b>97</b>
Scotland		151	152	95	95	91	156	171	148	92	154	164	139	172	114	156	116	108	118
Wales		171	173	97	76	96	129	219	59	164	163	93	130	83	109	168	103	114	113
Northern Ireland		185	187	95	6	160	123	123	102	152	322	69	94	268	106	144	110	120	123
<b>UK identifiable expenditure</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2005-06 to 2010-11 (continued)**

		Index (UK identifiable expenditure = 100)										Total Expenditure on Services							
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry		of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection
<b>2007-08</b>		81	80	117	91	108	104	217	86	130	92	67	81	101	108	112	105	111	107
North East																			
North West		81	80	120	89	108	89	109	76	118	61	87	152	121	108	85	101	107	105
Yorkshire and the Humber		72	70	119	122	96	87	135	86	103	90	67	80	89	98	90	97	98	96
East Midlands		90	90	99	109	81	84	93	81	90	113	73	78	54	91	84	94	93	90
West Midlands		103	102	105	96	94	84	99	68	111	79	79	75	71	99	84	103	102	98
East		86	86	97	119	75	77	51	106	73	119	71	84	52	86	75	90	89	85
London		107	108	92	107	168	136	62	139	112	11	196	87	171	113	111	118	102	116
South East		76	76	91	102	77	74	44	105	65	68	83	97	53	89	78	89	87	85
South West		84	84	92	112	75	80	62	72	72	150	70	110	59	92	74	88	97	90
<b>England</b>		<b>87</b>	<b>87</b>	<b>102</b>	<b>105</b>	<b>100</b>	<b>91</b>	<b>86</b>	<b>94</b>	<b>95</b>	<b>81</b>	<b>94</b>	<b>96</b>	<b>88</b>	<b>98</b>	<b>87</b>	<b>98</b>	<b>97</b>	<b>97</b>
Scotland		148	150	88	91	90	166	183	182	92	178	167	142	160	114	156	112	109	117
Wales		187	189	88	78	96	123	184	61	161	161	95	102	81	106	182	103	115	112
Northern Ireland		188	191	88	6	146	134	121	101	174	322	90	87	303	101	171	108	122	124
<b>UK identifiable expenditure</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>2008-09</b>																			
North East		100	100	97	89	107	98	183	82	126	79	71	82	106	110	108	109	111	108
North West		85	84	97	89	108	88	113	76	115	58	85	141	111	107	89	101	108	105
Yorkshire and the Humber		67	66	97	85	92	84	112	83	103	78	74	86	85	100	89	99	98	96
East Midlands		78	78	97	122	83	78	89	79	91	103	65	81	60	91	78	95	94	90
West Midlands		97	97	97	102	93	84	105	64	111	71	78	77	74	99	83	101	103	98
East		90	90	97	135	73	80	70	124	75	102	74	89	55	87	74	88	90	86
London		108	108	97	110	171	135	81	147	105	11	190	89	177	112	113	119	100	115
South East		73	72	114	109	78	83	56	105	67	90	89	92	59	89	79	90	87	86
South West		87	87	97	117	75	82	71	63	74	148	71	108	58	93	77	89	98	91
<b>England</b>		<b>87</b>	<b>86</b>	<b>100</b>	<b>107</b>	<b>100</b>	<b>91</b>	<b>90</b>	<b>95</b>	<b>94</b>	<b>79</b>	<b>94</b>	<b>96</b>	<b>90</b>	<b>98</b>	<b>87</b>	<b>99</b>	<b>98</b>	<b>97</b>
Scotland		158	160	97	72	90	156	150	173	100	175	159	137	143	111	157	109	109	115
Wales		181	183	104	84	96	124	152	60	166	176	103	117	86	104	173	103	115	111
Northern Ireland		177	179	97	2	142	145	142	91	166	367	91	86	302	105	176	106	116	123
<b>UK identifiable expenditure</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>



**Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2005-06 to 2010-11 (continued)**

		Index (UK identifiable expenditure = 100)										Total Expenditure on Services										
		1. General public services		2. Defence		3. Public order and safety		4. Economic affairs		5. Environment protection			6. Housing and community amenities		7. Health		8. Recreation, culture and religion		9. Education		10. Social protection	
<b>2009-10</b>																						
North East	88	99	91	103	94	164	91	125	87	68	78	121	108	118	106	112						108
North West	83	99	91	106	91	110	80	115	57	92	165	84	107	84	102	108						105
Yorkshire and the Humber	75	99	74	95	87	115	82	106	92	75	82	83	98	89	100	99						96
East Midlands	91	99	97	82	81	84	84	94	120	67	79	65	89	83	95	95						90
West Midlands	96	99	94	95	81	105	66	114	76	71	74	77	99	76	101	104						98
East	81	99	130	73	83	62	122	77	140	71	85	65	89	77	90	91						87
London	103	99	109	164	153	81	147	104	8	221	83	184	115	128	119	98						116
South East	73	107	112	79	67	49	101	71	59	69	90	68	90	75	89	88						85
South West	86	99	95	77	74	69	69	75	148	56	106	67	91	81	90	97						91
<b>England</b>	<b>86</b>	<b>100</b>	<b>101</b>	<b>99</b>	<b>91</b>	<b>87</b>	<b>97</b>	<b>96</b>	<b>81</b>	<b>94</b>	<b>96</b>	<b>92</b>	<b>98</b>	<b>89</b>	<b>99</b>	<b>98</b>						<b>97</b>
Scotland	159	99	130	93	153	153	155	95	175	155	141	143	107	159	105	108						113
Wales	190	105	87	97	130	187	64	141	179	107	111	81	104	151	102	114						111
Northern Ireland	177	99	2	149	143	190	94	170	305	88	77	243	116	157	105	110						121
<b>UK identifiable expenditure</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>						<b>100</b>
<b>Data in this section do not form part of National Statistics</b>																						
<b>2010-11</b>																						
North East	89	98	97	103	88	137	90	126	95	67	73	118	111	118	105	112						107
North West	84	98	89	106	93	104	81	117	66	93	163	85	108	83	102	108						106
Yorkshire and the Humber	75	98	73	93	82	88	81	105	95	74	81	84	100	87	96	98						96
East Midlands	93	98	96	81	74	71	84	93	118	61	83	67	91	78	94	94						90
West Midlands	101	98	92	94	76	81	67	111	86	68	74	75	99	78	99	103						97
East	83	98	124	72	77	55	119	77	114	69	86	63	90	75	89	90						87
London	104	98	114	163	165	88	149	105	7	236	86	176	115	126	118	98						116
South East	73	109	106	79	65	47	101	70	65	65	90	67	89	74	89	88						85
South West	88	98	93	76	76	66	70	76	177	56	105	62	92	79	90	97						91
<b>England</b>	<b>87</b>	<b>100</b>	<b>99</b>	<b>98</b>	<b>91</b>	<b>78</b>	<b>97</b>	<b>95</b>	<b>84</b>	<b>95</b>	<b>96</b>	<b>90</b>	<b>99</b>	<b>88</b>	<b>98</b>	<b>98</b>						<b>97</b>
Scotland	154	98	129	99	161	187	149	92	224	151	142	161	107	169	112	108						115
Wales	189	191	107	97	127	268	80	116	102	103	109	98	103	146	104	114						111
Northern Ireland	161	162	98	21	155	140	85	231	192	101	76	221	100	180	111	121						121
<b>UK identifiable expenditure</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>						<b>100</b>

**Table 9.17 Total local government identifiable expenditure on services by country and region, 2005-06 to 2010-11**

	As a percentage of total spending in that region (from Table 9.1)											
	National Statistics					National Statistics						
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
	£ million											
North East	5,777	5,812	6,164	6,729	7,055	7,287	30	29	29	29	29	30
North West	14,958	15,417	16,530	17,740	18,393	18,999	30	29	30	30	29	29
Yorkshire and the Humber	10,068	10,618	11,068	11,877	12,445	12,847	29	29	29	29	28	29
East Midlands	7,889	8,257	8,761	9,361	9,907	10,242	29	29	29	29	28	29
West Midlands	11,029	11,539	12,227	12,830	13,330	13,795	30	30	30	30	29	29
East	10,175	10,531	11,333	12,198	13,039	13,521	30	30	31	30	30	30
London	23,365	24,519	25,402	27,253	29,361	30,658	39	39	38	38	37	38
South East	14,714	15,160	15,997	17,374	18,185	18,842	30	30	29	29	29	29
South West	9,071	9,444	10,074	11,127	11,593	12,042	28	28	28	29	28	28
<b>Total England</b>	<b>107,046</b>	<b>111,296</b>	<b>117,554</b>	<b>126,490</b>	<b>133,309</b>	<b>138,233</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>30</b>	<b>31</b>
Scotland	12,638	12,621	13,442	14,382	14,824	15,544	30	29	29	30	29	29
Wales	6,594	6,920	7,299	7,856	7,938	8,198	28	28	29	29	27	28
Northern Ireland <sup>(1)</sup>	483	464	609	620	565	619	3	3	4	3	3	3
<b>UK local government identifiable expenditure</b>	<b>126,762</b>	<b>131,301</b>	<b>138,904</b>	<b>149,348</b>	<b>156,635</b>	<b>162,595</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>29</b>	<b>30</b>
Non-identifiable expenditure	440	518	692	514	6	3	1	1	1	1	0	0
<b>Total local government expenditure on services</b>	<b>127,202</b>	<b>131,819</b>	<b>139,596</b>	<b>149,862</b>	<b>156,641</b>	<b>162,598</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>24</b>
Accounting adjustments	13,593	14,361	15,576	16,774	16,640	16,409	60	53	58	61	55	72
<b>Total local government expenditure</b>	<b>140,795</b>	<b>146,180</b>	<b>155,172</b>	<b>166,636</b>	<b>173,281</b>	<b>179,007</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>26</b>	<b>26</b>	<b>26</b>

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

**Table 9.18 Total local government identifiable expenditure on services by country and region, per head 2005-06 to 2010-11**

	£ per head										Index (UK identifiable expenditure = 100)								
	National Statistics					National Statistics					National Statistics								
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	
North East	2,266	2,274	2,403	2,613	2,730	2,813	108	105	105	107	108	108	108	105	106	106	105	105	108
North West	2,187	2,250	2,408	2,580	2,666	2,746	104	104	106	106	105	105	104	104	106	106	105	105	105
Yorkshire and the Humber	1,971	2,065	2,138	2,278	2,367	2,421	94	95	94	94	93	93	94	95	94	94	93	93	93
East Midlands	1,823	1,892	1,991	2,112	2,226	2,275	87	87	87	87	87	87	87	87	87	87	87	88	87
West Midlands	2,061	2,150	2,272	2,371	2,454	2,526	98	99	100	100	97	97	97	99	99	97	97	97	97
East	1,829	1,878	2,002	2,129	2,261	2,320	87	87	88	88	88	89	89	87	87	88	88	89	89
London	3,134	3,264	3,361	3,577	3,787	3,931	149	151	148	147	149	150	149	151	148	147	149	149	150
South East	1,798	1,840	1,925	2,073	2,156	2,217	85	85	85	85	85	85	85	85	85	85	85	85	85
South West	1,783	1,843	1,945	2,136	2,216	2,274	85	85	85	85	85	87	87	85	85	88	87	87	87
<b>Total England</b>	<b>2,121</b>	<b>2,192</b>	<b>2,301</b>	<b>2,459</b>	<b>2,573</b>	<b>2,648</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>102</b>	<b>101</b>	<b>101</b>
Scotland	2,481	2,466	2,616	2,782	2,854	2,983	118	114	115	114	113	114	114	114	115	114	113	113	114
Wales	2,233	2,333	2,449	2,625	2,647	2,723	106	108	108	108	104	104	104	108	108	108	104	104	104
Northern Ireland <sup>(1)</sup>	280	267	346	349	316	344	13	12	15	14	12	13	13	12	15	14	12	12	13
<b>UK local government identifiable expenditure</b>	<b>2,104</b>	<b>2,167</b>	<b>2,278</b>	<b>2,433</b>	<b>2,535</b>	<b>2,613</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

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

**Table 9.19 Total central government and public corporations' identifiable expenditure on services by country and region, 2005-06 to 2010-11**

	As a percentage of total spending in that region from 9.1											
	National Statistics					National Statistics						
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
	£ million											
North East	13,554	14,195	14,956	16,095	17,322	17,333	70	71	71	71	71	70
North West	34,715	36,916	39,136	41,522	45,271	45,690	70	71	70	70	71	71
Yorkshire and the Humber	24,610	25,548	27,016	29,136	31,983	31,988	71	71	71	71	72	71
East Midlands	19,519	20,255	21,587	23,265	25,331	25,539	71	71	71	71	72	71
West Midlands	25,360	26,532	28,264	30,458	33,261	33,261	70	70	70	70	71	71
East	23,240	24,387	25,756	28,160	31,059	31,295	70	70	69	70	70	70
London	37,267	38,751	41,760	44,806	49,595	49,327	61	61	62	62	63	62
South East	34,238	35,945	38,255	41,766	44,924	45,166	70	70	71	71	71	71
South West	23,176	24,094	25,843	27,762	29,953	30,437	72	72	72	71	72	72
<b>Total England</b>	<b>235,677</b>	<b>246,624</b>	<b>262,573</b>	<b>282,971</b>	<b>308,699</b>	<b>310,038</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>70</b>	<b>69</b>
Scotland	29,275	31,228	32,987	34,263	36,805	37,676	70	71	71	70	71	71
Wales	16,675	17,484	18,276	19,464	21,183	21,392	72	72	71	71	73	72
Northern Ireland <sup>(1)</sup>	14,547	15,152	16,182	17,212	18,333	18,675	97	97	96	97	97	97
<b>UK central government and public corporations' identifiable expenditure</b>	<b>296,174</b>	<b>310,487</b>	<b>330,017</b>	<b>353,910</b>	<b>385,020</b>	<b>387,780</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>71</b>	<b>70</b>
Outside UK	11,695	12,288	13,823	12,192	16,341	18,748	100	100	100	100	100	100
<b>Total central government and public corporations' identifiable expenditure</b>	<b>307,870</b>	<b>322,775</b>	<b>343,840</b>	<b>366,101</b>	<b>401,361</b>	<b>406,529</b>	<b>71</b>	<b>71</b>	<b>71</b>	<b>71</b>	<b>72</b>	<b>71</b>
Non-identifiable expenditure <sup>(2)</sup>	66,137	68,260	72,183	86,139	81,236	99,701	99	99	99	99	100	100
<b>Total central government and public corporations' expenditure on services</b>	<b>374,006</b>	<b>391,035</b>	<b>416,023</b>	<b>452,240</b>	<b>482,597</b>	<b>506,230</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>76</b>
Accounting adjustments	9,206	12,830	11,374	10,723	13,783	6,429	40	47	42	39	45	28
<b>Total central government and public corporations' expenditure <sup>(3)</sup></b>	<b>383,212</b>	<b>403,865</b>	<b>427,397</b>	<b>462,963</b>	<b>496,380</b>	<b>512,659</b>	<b>73</b>	<b>73</b>	<b>73</b>	<b>74</b>	<b>74</b>	<b>74</b>

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

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

<sup>(3)</sup>This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

**Table 9.20 Total central government and public corporations' identifiable expenditure on services by country and region per head, 2005-06 to 2010-11**

	National Statistics					£ per head
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
North East	5,316	5,554	5,832	6,250	6,703	6,690
North West	5,075	5,387	5,701	6,039	6,563	6,603
Yorkshire and the Humber	4,818	4,968	5,218	5,589	6,083	6,029
East Midlands	4,510	4,641	4,906	5,248	5,691	5,674
West Midlands	4,740	4,944	5,252	5,629	6,124	6,091
East	4,178	4,350	4,550	4,915	5,386	5,370
London	4,998	5,158	5,526	5,880	6,396	6,325
South East	4,183	4,363	4,604	4,984	5,325	5,315
South West	4,556	4,702	4,991	5,330	5,726	5,747
<b>Total England</b>	<b>4,670</b>	<b>4,858</b>	<b>5,139</b>	<b>5,500</b>	<b>5,958</b>	<b>5,940</b>
Scotland	5,746	6,103	6,420	6,629	7,086	7,229
Wales	5,646	5,895	6,133	6,503	7,063	7,106
Northern Ireland <sup>(1)</sup>	8,436	8,700	9,190	9,697	10,248	10,362
<b>UK central government and public corporations' identifiable expenditure</b>	<b>4,917</b>	<b>5,125</b>	<b>5,413</b>	<b>5,766</b>	<b>6,231</b>	<b>6,232</b>

	National Statistics					Index (UK identifiable expenditure = 100)
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
North East	108	108	108	108	108	107
North West	103	105	105	105	105	106
Yorkshire and the Humber	98	97	96	97	98	97
East Midlands	92	91	91	91	91	91
West Midlands	96	96	97	98	98	98
East	85	85	84	85	86	86
London	102	101	102	102	103	101
South East	85	85	85	86	85	85
South West	93	92	92	92	92	92
<b>Total England</b>	<b>95</b>	<b>95</b>	<b>95</b>	<b>95</b>	<b>96</b>	<b>95</b>
Scotland	117	119	119	115	114	116
Wales	115	115	113	113	113	114
Northern Ireland <sup>(1)</sup>	172	170	170	168	164	166
<b>UK central government and public corporations' identifiable expenditure</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

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

**Table 9.21 Identifiable expenditure on services for Scotland, Wales and Northern Ireland in 2009-10**

Departmental grouping		National Statistics										Total Expenditure on Services							
		Function																	
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	
<b>Scotland</b>		447	447	-	4	1,133	3,068	388	110	3	780	1,787	295	1,674	10,567	234	2,666	113	20,202
Scottish Executive		8	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8
Scotland Office <sup>(1)</sup>		637	637	-	5	1,234	1,392	346	-	-	65	981	686	246	-	824	5,048	4,752	14,824
Local government public corporations		-	-	-	-	-	5	-	-	-	-	5	-	-	-	-	-	-	5
UK government departments		64	44	20	0	156	894	174	278	275	13	153	286	-	48	82	22	15,039	16,591
<b>Total identifiable expenditure in Scotland</b>		<b>1,156</b>	<b>1,136</b>	<b>20</b>	<b>9</b>	<b>2,523</b>	<b>5,358</b>	<b>908</b>	<b>388</b>	<b>278</b>	<b>858</b>	<b>2,925</b>	<b>1,268</b>	<b>1,920</b>	<b>10,616</b>	<b>1,140</b>	<b>7,736</b>	<b>19,903</b>	<b>51,629</b>
<b>Wales</b>		471	471	1	-	34	1,405	418	9	45	496	437	137	271	5,910	126	1,545	97	9,995
Welsh Assembly Government		6	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6
Wales Office <sup>(1)</sup>		267	267	-	3	843	551	121	-	-	5	425	374	354	-	348	2,764	2,433	7,938
Local government public corporations		-	-	-	-	-	3	-	-	-	-	3	-	-	-	-	-	-	3
UK government departments		56	45	11	0	650	682	104	83	192	8	296	63	2	13	153	28	9,531	11,179
<b>Total identifiable expenditure in Wales</b>		<b>800</b>	<b>789</b>	<b>12</b>	<b>3</b>	<b>1,527</b>	<b>2,642</b>	<b>644</b>	<b>92</b>	<b>237</b>	<b>508</b>	<b>1,161</b>	<b>574</b>	<b>627</b>	<b>5,922</b>	<b>626</b>	<b>4,337</b>	<b>12,061</b>	<b>29,121</b>
<b>Northern Ireland</b> <sup>(2)</sup>		388	388	-	-	1,365	1,614	339	42	169	514	551	60	1,000	3,901	142	2,672	5,688	16,830
Northern Ireland Executive		37	37	-	-	7	-	-	-	-	-	-	-	-	-	-	-	-	43
Northern Ireland Office		-	-	-	-	-	21	21	-	-	-	-	173	119	53	200	-	-	565
Northern Irish local government		21	14	7	0	26	93	29	40	2	3	19	5	0	5	46	6	1,258	1,459
UK government departments		445	438	7	0	1,398	1,727	388	81	170	517	571	238	1,119	3,959	388	2,678	6,945	18,898

<sup>(1)</sup>This includes public corporations sponsored by central government departments.

# 10 Public expenditure by country and sub-function

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**10.1** This chapter presents public expenditure by country and sub-function. In this chapter, data for all years up to and including 2009-10 are National Statistics. The figures in this chapter are consistent with **Chapter 9**, with the English local government data reported at England rather than English regional level to allow sub-functional analyses and country comparisons of spending. See **Chapter 9** for further details on the data used in this chapter.

**10.2** Readers need to bear in mind two points about this chapter:

- most public spending is planned to benefit categories of individuals and enterprises irrespective of location, or where locations are prioritised using national criteria. The regional analyses presented in this chapter show where the individuals and enterprises that benefited from public spending were located. It does not mean that all such spending was planned to benefit a particular region, though a proportion of public spending is planned on a regional basis; and
- the information in **Chapters 9 and 10** was gathered in a separate data collection exercise during the winter of 2010-11. Therefore, the figures in these chapters are not entirely consistent with the figures in other PESA chapters.

**10.3** Tables 10.5 to 10.8 in this chapter present the total identifiable expenditure on services for each country per head. While this makes figures more easily comparable, it draws attention to any inconsistencies in the sub-functional classification of spending across countries. The Treasury has worked closely with departments and devolved administrations to improve the sub-functional Education classification since PESA 2009, and work is still ongoing in this area.

**10.4** The tables in this chapter present public sector expenditure on services by country and sub-function:

- **Table 10.1** shows total identifiable expenditure on services for England by sub-function;
- **Table 10.2** shows total identifiable expenditure on services for Scotland by sub-function;
- **Table 10.3** shows total identifiable expenditure on services for Wales by sub-function;
- **Table 10.4** shows total identifiable expenditure on services for Northern Ireland by sub-function;
- **Table 10.5** shows total identifiable expenditure on services for England by sub-function per head;
- **Table 10.6** shows total identifiable expenditure on services for Scotland by sub-function per head;
- **Table 10.7** shows total identifiable expenditure on services for Wales by sub-function per head; and
- **Table 10.8** shows total identifiable expenditure on services for Northern Ireland by sub-function per head

**Table 10.1 Total identifiable expenditure on services in England by sub-function, 2005-06 to 2010-11**

	National Statistics					£ million
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	3,029	3,022	2,913	3,162	3,002	2,894
1.2 Foreign economic aid	11	9	26	6	3	3
1.3 General services	815	980	923	1,020	1,123	1,100
1.4 Basic research	–	–	–	–	–	–
1.5 R&D general public services	11	11	11	9	11	11
1.6 General public services n.e.c.	1,688	1,643	1,753	2,137	2,129	2,420
<b>Total general public services</b>	<b>5,555</b>	<b>5,665</b>	<b>5,626</b>	<b>6,335</b>	<b>6,268</b>	<b>6,429</b>
<b>2. Defence</b>						
2.1 Military defence	–	–	–	–	–	–
2.2 Civil defence	67	80	80	74	69	80
2.3 Foreign military aid	–	–	–	–	–	–
2.4 R&D defence	–	–	–	–	–	–
2.5 Defence n.e.c.	–	–	–	–	–	–
<b>Total defence</b>	<b>67</b>	<b>80</b>	<b>80</b>	<b>74</b>	<b>69</b>	<b>80</b>
<b>3. Public order and safety</b>						
3.1 Police services	11,958	12,583	12,792	13,909	14,196	14,226
<i>of which: immigration and citizenship</i>	4	4	3	16	12	24
<i>of which: other police services</i>	11,954	12,579	12,789	13,893	14,184	14,202
3.2 Fire-protection services	2,186	2,182	2,365	2,478	2,495	2,550
3.3 Law courts	5,273	5,383	5,616	5,781	6,012	5,346
3.4 Prisons	2,967	3,195	3,648	3,947	3,852	3,948
3.5 R&D public order and safety	21	13	23	22	26	–
3.6 Public order and safety n.e.c.	240	239	259	263	275	299
<b>Total public order and safety</b>	<b>22,645</b>	<b>23,595</b>	<b>24,702</b>	<b>26,400</b>	<b>26,857</b>	<b>26,370</b>
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	5,343	5,225	5,488	5,669	5,833	4,935
4.2 Agriculture, forestry, fishing and hunting	4,052	3,559	3,384	3,575	3,960	3,700
<i>of which: market support under CAP</i>	2,901	2,520	2,325	2,576	2,974	2,809
<i>of which: other agriculture, food and fisheries policy</i>	1,093	1,000	1,009	956	942	846
<i>of which: forestry</i>	58	39	50	43	45	45
4.3 Fuel and energy	923	1,054	878	649	336	285
4.4 Mining, manufacturing and construction	72	-24	-184	236	528	273
4.5 Transport	13,621	15,539	15,849	16,207	17,747	17,680
<i>of which: national roads</i>	2,201	2,687	2,635	2,908	3,447	2,992
<i>of which: local roads</i>	3,801	3,721	3,871	4,219	4,366	4,189
<i>of which: local public transport</i>	2,347	2,500	2,686	3,096	3,460	4,469
<i>of which: railway</i>	4,989	6,300	6,269	5,622	6,118	5,661
<i>of which: other transport</i>	283	332	388	361	355	369
4.6 Communication	215	296	628	646	470	480
4.7 Other industries	180	208	188	190	202	185
4.8 R&D economic affairs	1,952	1,741	2,081	2,013	2,414	2,357
4.9 Economic affairs n.e.c.	406	438	461	380	545	673
<b>Total economic affairs</b>	<b>26,764</b>	<b>28,036</b>	<b>28,773</b>	<b>29,564</b>	<b>32,036</b>	<b>30,568</b>
<b>5. Environment protection</b>						
5.1 Waste management	3,781	4,442	4,632	4,508	5,217	5,611
5.2 Waste water management	38	38	34	49	58	24
5.3 Pollution abatement	268	243	172	207	347	455
5.4 Protection of biodiversity and landscape	208	322	303	314	304	362
5.5 R&D environment protection	100	105	123	104	135	199
5.6 Environment protection n.e.c.	1,940	2,085	2,192	2,286	2,519	2,723
<b>Total environment protection</b>	<b>6,336</b>	<b>7,235</b>	<b>7,456</b>	<b>7,468</b>	<b>8,580</b>	<b>9,375</b>



**Table 10.1 Total identifiable expenditure on services in England by sub-function, 2005-06 to 2010-11 (continued)**

	National Statistics					£ million
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
<b>6. Housing and community amenities</b>						
6.1 Housing development	4,695	5,368	6,024	7,463	8,616	6,816
<i>of which: local authority housing</i>	2,955	3,256	3,744	4,588	4,294	3,881
<i>of which: other social housing</i>	1,739	2,112	2,281	2,874	4,322	2,935
6.2 Community development	2,598	2,582	2,899	3,101	2,988	2,797
6.3 Water supply	2	3	2	4	4	4
6.4 Street lighting	424	466	513	577	563	589
6.5 R&D housing and community amenities	–	–	–	–	–	–
6.6 Housing and community amenities n.e.c	89	90	88	88	102	113
<b>Total housing and community amenities</b>	<b>7,807</b>	<b>8,510</b>	<b>9,526</b>	<b>11,232</b>	<b>12,273</b>	<b>10,318</b>
<b>7. Health<sup>(1)</sup></b>						
Medical services	72,065	75,620	82,012	88,640	95,717	99,401
Health research	198	230	231	295	327	455
Central and other health services	941	981	981	991	1,086	998
<b>Total health</b>	<b>73,203</b>	<b>76,831</b>	<b>83,223</b>	<b>89,927</b>	<b>97,130</b>	<b>100,853</b>
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	2,271	2,354	2,406	2,623	2,863	2,762
8.2 Cultural services	2,995	3,001	3,048	3,094	3,271	3,244
8.3 Broadcasting and publishing services	1	1	1	1	1	0
8.4 Religious and other community services	78	79	91	84	88	71
8.5 R&D recreation, culture and religion	74	98	111	125	122	123
8.6 Recreation, culture and religion n.e.c	41	57	52	53	58	52
<b>Total recreation, culture and religion</b>	<b>5,460</b>	<b>5,589</b>	<b>5,709</b>	<b>5,979</b>	<b>6,403</b>	<b>6,252</b>
<b>9. Education<sup>(2)</sup></b>						
9.1 Pre-primary and primary education	20,549	21,076	22,541	23,858	24,967	25,913
<i>of which: under fives</i>	3,958	3,746	4,012	4,180	4,347	4,429
<i>of which: primary education</i>	16,590	17,330	18,529	19,678	20,620	21,485
9.2 Secondary education	24,110	25,444	26,998	28,212	31,769	27,082
9.3 Post-secondary non-tertiary education	203	164	178	364	364	383
9.4 Tertiary education	7,849	8,112	9,366	9,256	10,147	10,703
9.5 Education not definable by level	317	312	344	315	406	334
9.6 Subsidiary services to education	2,820	2,965	3,135	3,963	3,691	4,823
9.7 R&D education	12	13	12	11	12	158
9.8 Education n.e.c	1,527	1,678	1,751	2,440	1,649	1,377
<b>Total education</b>	<b>57,387</b>	<b>59,763</b>	<b>64,324</b>	<b>68,419</b>	<b>73,006</b>	<b>70,774</b>
<b>10. Social protection</b>						
<i>of which: personal social services</i>	20,136	21,422	22,541	23,940	25,117	25,696
10.1 Sickness and disability	24,238	25,152	26,429	29,078	31,181	33,040
<i>of which: personal social services</i>	5,196	5,429	6,011	6,437	6,967	7,064
<i>of which: incapacity, disability and injury benefits</i>	19,042	19,723	20,418	22,641	24,214	25,976
10.2 Old age	56,775	59,091	63,518	69,881	73,437	77,291
<i>of which: personal social services</i>	7,086	7,438	7,712	8,141	8,516	8,524
<i>of which: pensions</i>	49,689	51,653	55,807	61,741	64,921	68,768
10.3 Survivors	1,481	1,443	1,434	1,436	1,438	1,450
10.4 Family and children	22,764	22,976	24,048	23,597	24,701	24,693
<i>of which: personal social services</i>	5,204	5,488	5,797	6,234	6,657	7,139
<i>of which: family benefits, income support and tax credits</i>	17,560	17,488	18,251	17,363	18,044	17,554
10.5 Unemployment	3,392	3,849	3,606	4,445	5,957	6,144
<i>of which: personal social services</i>	1,202	1,551	1,518	1,488	1,309	1,066
<i>of which: other unemployment benefits</i>	2,190	2,298	2,088	2,957	4,648	5,078
10.6 Housing	13,803	14,646	15,490	16,693	19,604	21,054
10.7 Social exclusion n.e.c	12,160	13,305	14,334	17,136	20,181	21,188
<i>of which: personal social services</i>	1,448	1,516	1,502	1,641	1,668	1,904
<i>of which: family benefits, income support and tax credits</i>	10,712	11,789	12,832	15,495	18,513	19,284
10.8 R&D social protection	1	0	–	–	–	–
10.9 Social protection n.e.c.	2,886	2,155	1,848	1,797	2,887	2,393
<b>Total social protection</b>	<b>137,499</b>	<b>142,617</b>	<b>150,708</b>	<b>164,063</b>	<b>179,385</b>	<b>187,252</b>
<b>Total Expenditure on Services in England</b>	<b>342,723</b>	<b>357,920</b>	<b>380,128</b>	<b>409,461</b>	<b>442,007</b>	<b>448,271</b>

<sup>(1)</sup> The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

<sup>(2)</sup> The sub-functional classification of Education has been reviewed since PESA 2009 and work on this continues. For more details see the text in Chapter 10.

**Table 10.2 Total identifiable expenditure on services in Scotland by sub-function, 2005-06 to 2010-11**

	National Statistics					£ million
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	651	675	716	710	766	728
1.2 Foreign economic aid	–	–	–	–	–	–
1.3 General services	26	22	23	17	13	12
1.4 Basic research <sup>(1)</sup>	–	–	–	–	–	–
1.5 R&D general public services	18	18	9	10	10	10
1.6 General public services n.e.c.	459	263	213	424	367	382
<b>Total general public services</b>	<b>1,154</b>	<b>978</b>	<b>961</b>	<b>1,161</b>	<b>1,156</b>	<b>1,132</b>
<b>2. Defence</b>						
2.1 Military defence	–	–	–	–	–	–
2.2 Civil defence	6	7	7	5	9	10
2.3 Foreign military aid	–	–	–	–	–	–
2.4 R&D defence	–	–	–	–	–	–
2.5 Defence n.e.c.	–	–	–	–	–	–
<b>Total defence</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>5</b>	<b>9</b>	<b>10</b>
<b>3. Public order and safety</b>						
3.1 Police services	1,168	1,120	1,180	1,252	1,321	1,331
<i>of which: immigration and citizenship</i>	0	0	0	2	1	2
<i>of which: other police services</i>	1,168	1,120	1,179	1,250	1,320	1,328
3.2 Fire-protection services	265	273	282	299	339	325
3.3 Law courts	401	424	454	462	512	508
3.4 Prisons	297	323	289	347	305	436
3.5 R&D public order and safety	1	1	1	1	1	–
3.6 Public order and safety n.e.c.	16	41	47	43	44	45
<b>Total public order and safety</b>	<b>2,149</b>	<b>2,182</b>	<b>2,253</b>	<b>2,404</b>	<b>2,523</b>	<b>2,644</b>
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	677	693	722	623	665	754
4.2 Agriculture, forestry, fishing and hunting	650	666	748	800	858	979
<i>of which: market support under CAP</i>	443	449	479	515	540	486
<i>of which: other agriculture, food and fisheries policy</i>	147	129	184	204	257	400
<i>of which: forestry</i>	60	87	85	80	62	93
4.3 Fuel and energy	179	158	127	116	58	48
4.4 Mining, manufacturing and construction	40	21	81	114	168	135
4.5 Transport	1,827	2,709	2,841	2,744	2,925	2,813
<i>of which: national roads</i>	390	484	457	506	612	519
<i>of which: local roads</i>	598	651	626	654	684	655
<i>of which: local public transport</i>	79	239	247	266	275	271
<i>of which: railway</i>	452	1,069	1,158	924	940	948
<i>of which: other transport</i>	307	266	353	393	414	419
4.6 Communication	45	41	75	79	57	57
4.7 Other industries	81	79	86	87	87	79
4.8 R&D economic affairs	324	266	407	368	388	363
4.9 Economic affairs n.e.c.	157	184	203	133	151	153
<b>Total economic affairs</b>	<b>3,978</b>	<b>4,816</b>	<b>5,289</b>	<b>5,063</b>	<b>5,358</b>	<b>5,383</b>
<b>5. Environment protection</b>						
5.1 Waste management	937	682	697	648	813	896
5.2 Waste water management	–	–	–	–	–	–
5.3 Pollution abatement	7	7	9	12	17	40
5.4 Protection of biodiversity and landscape <sup>(1)</sup>	150	225	177	203	196	188
5.5 R&D environment protection	17	17	19	23	21	31
5.6 Environment protection n.e.c.	194	142	203	191	221	232
<b>Total environment protection</b>	<b>1,305</b>	<b>1,073</b>	<b>1,105</b>	<b>1,077</b>	<b>1,268</b>	<b>1,387</b>

**Table 10.2 Total identifiable expenditure on services in Scotland by sub-function, 2005-06 to 2010-11 (continued)**

	National Statistics					£ million
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
<b>6. Housing and community amenities</b>						
6.1 Housing development	715	874	950	953	1,089	1,080
<i>of which: local authority housing</i>	323	292	357	501	569	658
<i>of which: other social housing</i>	392	581	593	452	521	422
6.2 Community development	104	116	119	123	209	137
6.3 Water supply	667	661	619	701	607	585
6.4 Street lighting	9	8	8	10	8	11
6.5 R&D housing and community amenities	14	9	8	5	4	8
6.6 Housing and community amenities n.e.c.	17	12	43	10	1	22
<b>Total housing and community amenities</b>	<b>1,526</b>	<b>1,679</b>	<b>1,746</b>	<b>1,802</b>	<b>1,920</b>	<b>1,843</b>
<b>7. Health<sup>(2)</sup></b>						
Medical services	8,438	8,906	9,603	10,045	10,242	10,517
Health research	32	37	43	58	109	135
Central and other health services	92	92	81	76	264	235
<b>Total health</b>	<b>8,562</b>	<b>9,035</b>	<b>9,727</b>	<b>10,179</b>	<b>10,616</b>	<b>10,887</b>
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	461	497	523	558	600	634
8.2 Cultural services	446	441	468	482	495	534
8.3 Broadcasting and publishing services	21	24	11	12	10	5
8.4 Religious and other community services	20	21	19	21	24	23
8.5 R&D recreation, culture and religion	5	7	8	10	10	9
8.6 Recreation, culture and religion n.e.c.	1	1	1	1	1	1
<b>Total recreation, culture and religion</b>	<b>953</b>	<b>992</b>	<b>1,031</b>	<b>1,083</b>	<b>1,140</b>	<b>1,205</b>
<b>9. Education<sup>(3)</sup></b>						
9.1 Pre-primary and primary education	2,428	2,584	2,731	2,834	2,809	3,031
<i>of which: under fives</i>	276	289	307	309	307	320
<i>of which: primary education</i>	2,152	2,294	2,423	2,525	2,502	2,711
9.2 Secondary education	2,395	2,629	2,660	2,731	2,774	2,918
9.3 Post-secondary non-tertiary education	129	133	140	148	137	142
9.4 Tertiary education	1,165	1,378	1,454	1,411	1,582	1,516
9.5 Education not definable by level	168	127	83	43	25	25
9.6 Subsidiary services to education	22	14	15	197	209	219
9.7 R&D education	19	23	19	0	–	0
9.8 Education n.e.c.	240	243	254	191	200	214
<b>Total education</b>	<b>6,566</b>	<b>7,131</b>	<b>7,354</b>	<b>7,555</b>	<b>7,736</b>	<b>8,064</b>
<b>10. Social protection</b>						
<i>of which: personal social services</i>	2,516	2,420	2,834	3,051	3,180	3,258
10.1 Sickness and disability	3,128	3,121	3,334	3,696	3,950	4,204
<i>of which: personal social services</i>	589	524	675	747	789	833
<i>of which: incapacity, disability and injury benefits</i>	2,539	2,598	2,659	2,949	3,162	3,371
10.2 Old age	6,296	6,422	6,998	7,781	8,281	8,668
<i>of which: personal social services</i>	1,049	949	1,132	1,246	1,295	1,313
<i>of which: pensions</i>	5,248	5,473	5,866	6,535	6,986	7,356
10.3 Survivors	191	187	193	194	194	194
10.4 Family and children	2,444	2,442	2,587	2,519	2,607	2,581
<i>of which: personal social services</i>	616	634	714	747	796	830
<i>of which: family benefits, income support and tax credits</i>	1,829	1,808	1,873	1,772	1,811	1,751
10.5 Unemployment	393	451	405	471	604	651
<i>of which: personal social services</i>	153	200	192	184	163	134
<i>of which: other unemployment benefits</i>	241	251	213	287	441	518
10.6 Housing	1,543	1,570	1,609	1,682	1,844	2,006
10.7 Social exclusion n.e.c.	1,306	1,422	1,523	1,643	1,981	2,046
<i>of which: personal social services</i>	110	114	121	127	137	149
<i>of which: family benefits, income support and tax credits</i>	1,195	1,308	1,403	1,516	1,844	1,897
10.8 R&D social protection	0	0	0	1	–	–
10.9 Social protection n.e.c.	413	340	305	330	440	314
<b>Total social protection</b>	<b>15,715</b>	<b>15,955</b>	<b>16,956</b>	<b>18,317</b>	<b>19,903</b>	<b>20,663</b>
<b>Total Expenditure on Services in England</b>	<b>41,913</b>	<b>43,849</b>	<b>46,428</b>	<b>48,645</b>	<b>51,629</b>	<b>53,220</b>

<sup>(1)</sup> Spending for Marine Scotland Science has been moved from General Public Services to Environment Protection to mirror the classification of its sister organisation CEFAS (Centre for Environment, Fisheries and Aquaculture Science), which operates in England only.

<sup>(2)</sup> The sub-functional classification of Education has been reviewed since PESA 2009 and work on this continues. For more details see the text in Chapter 10.

<sup>(3)</sup> The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

**Table 10.3 Total identifiable expenditure on services in Wales by sub-function, 2005-06 to 2010-11**

	National Statistics					£ million
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	417	524	546	582	615	616
1.2 Foreign economic aid	–	0	–	1	1	1
1.3 General services	21	23	29	30	31	36
1.4 Basic research	–	–	–	–	–	–
1.5 R&D general public services	0	0	0	0	1	2
1.6 General public services n.e.c.	164	96	127	154	154	148
<b>Total general public services</b>	<b>603</b>	<b>643</b>	<b>703</b>	<b>767</b>	<b>800</b>	<b>803</b>
<b>2. Defence</b>						
2.1 Military defence	–	–	–	–	–	–
2.2 Civil defence	3	3	3	3	3	5
2.3 Foreign military aid	–	–	–	–	–	–
2.4 R&D defence	–	–	–	–	–	–
2.5 Defence n.e.c.	–	–	–	–	–	–
<b>Total defence</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>5</b>
<b>3. Public order and safety</b>						
3.1 Police services	636	686	701	744	762	783
<i>of which: immigration and citizenship</i>	0	0	0	1	1	1
<i>of which: other police services</i>	635	686	701	743	762	782
3.2 Fire-protection services	160	172	167	196	195	185
3.3 Law courts	303	304	310	312	325	284
3.4 Prisons	165	164	193	217	228	231
3.5 R&D public order and safety	1	1	1	1	1	–
3.6 Public order and safety n.e.c.	13	13	14	14	15	16
<b>Total public order and safety</b>	<b>1,277</b>	<b>1,340</b>	<b>1,386</b>	<b>1,485</b>	<b>1,527</b>	<b>1,499</b>
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	460	488	525	504	488	721
4.2 Agriculture, forestry, fishing and hunting	365	407	393	464	508	257
<i>of which: market support under CAP</i>	276	305	222	262	312	2
<i>of which: other agriculture, food and fisheries policy</i>	42	53	148	178	176	232
<i>of which: forestry</i>	46	49	23	24	21	23
4.3 Fuel and energy	192	160	119	98	51	31
4.4 Mining, manufacturing and construction	24	14	5	9	26	-1
4.5 Transport	855	893	939	1,026	1,161	1,106
<i>of which: national roads</i>	157	187	192	192	238	252
<i>of which: local roads</i>	310	338	329	358	334	384
<i>of which: local public transport</i>	81	69	114	92	84	66
<i>of which: railway</i>	271	262	267	339	452	367
<i>of which: other transport</i>	36	38	37	45	53	36
4.6 Communication	130	67	64	62	54	29
4.7 Other industries	34	27	26	26	40	27
4.8 R&D economic affairs	69	61	79	74	92	112
4.9 Economic affairs n.e.c.	195	191	124	71	222	183
<b>Total economic affairs</b>	<b>2,324</b>	<b>2,311</b>	<b>2,274</b>	<b>2,334</b>	<b>2,642</b>	<b>2,464</b>
<b>5. Environment protection</b>						
5.1 Waste management	233	372	306	325	365	387
5.2 Waste water management	1	1	1	1	1	1
5.3 Pollution abatement	1	0	1	1	2	8
5.4 Protection of biodiversity and landscape	10	5	7	9	6	7
5.5 R&D environment protection	4	4	6	2	6	9
5.6 Environment protection n.e.c.	181	197	139	193	193	202
<b>Total environment protection</b>	<b>429</b>	<b>580</b>	<b>460</b>	<b>531</b>	<b>574</b>	<b>613</b>

**Table 10.3 Total identifiable expenditure on services in Wales by sub-function, 2005-06 to 2010-11 (continued)**

	National Statistics					£ million
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
<b>6. Housing and community amenities</b>						
6.1 Housing development	194	220	200	340	378	342
<i>of which: local authority housing</i>	200	225	232	324	329	342
<i>of which: other social housing</i>	-5	-5	-32	16	49	0
6.2 Community development	184	200	257	220	183	255
6.3 Water supply	-	-	-	-	-	-
6.4 Street lighting	30	31	34	37	37	40
6.5 R&D housing and community amenities	-	-	-	-	-	-
6.6 Housing and community amenities n.e.c	0	21	21	27	28	9
<b>Total housing and community amenities</b>	<b>409</b>	<b>471</b>	<b>512</b>	<b>624</b>	<b>627</b>	<b>646</b>
<b>7. Health<sup>(1)</sup></b>						
Medical services	4,575	4,914	5,178	5,470	5,841	5,936
Health research	29	34	36	39	48	62
Central and other health services	45	35	40	35	33	70
<b>Total health</b>	<b>4,649</b>	<b>4,984</b>	<b>5,255</b>	<b>5,545</b>	<b>5,922</b>	<b>6,069</b>
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	231	268	326	312	260	246
8.2 Cultural services	209	213	238	235	234	226
8.3 Broadcasting and publishing services	98	105	99	111	104	98
8.4 Religious and other community services	6	7	6	6	6	6
8.5 R&D recreation, culture and religion	2	3	2	3	4	3
8.6 Recreation, culture and religion n.e.c	16	22	23	20	19	21
<b>Total recreation, culture and religion</b>	<b>563</b>	<b>618</b>	<b>694</b>	<b>688</b>	<b>626</b>	<b>600</b>
<b>9. Education<sup>(2)</sup></b>						
9.1 Pre-primary and primary education	1,100	1,243	1,338	1,408	1,476	1,500
<i>of which: under fives</i>	46	46	78	93	74	75
<i>of which: primary education</i>	1,055	1,197	1,259	1,315	1,402	1,424
9.2 Secondary education	1,509	1,440	1,499	1,510	1,571	1,607
9.3 Post-secondary non-tertiary education	-	-	-	-	-	-
9.4 Tertiary education	481	508	537	545	566	570
9.5 Education not definable by level	134	169	186	206	261	153
9.6 Subsidiary services to education	237	239	305	399	419	452
9.7 R&D education	-	-	-	-	-	-
9.8 Education n.e.c	23	91	80	92	45	42
<b>Total education</b>	<b>3,485</b>	<b>3,690</b>	<b>3,945</b>	<b>4,160</b>	<b>4,337</b>	<b>4,323</b>
<b>10. Social protection</b>						
<i>of which: personal social services</i>	1,606	1,627	1,763	1,785	1,811	1,838
10.1 Sickness and disability	2,349	2,424	2,515	2,743	2,935	3,093
<i>of which: personal social services</i>	400	430	485	511	544	555
<i>of which: incapacity, disability and injury benefits</i>	1,949	1,994	2,030	2,232	2,390	2,538
10.2 Old age	3,596	3,751	4,058	4,455	4,657	4,941
<i>of which: personal social services</i>	494	518	537	560	566	587
<i>of which: pensions</i>	3,102	3,233	3,521	3,895	4,091	4,354
10.3 Survivors	102	100	100	101	102	103
10.4 Family and children	1,482	1,495	1,543	1,498	1,538	1,500
<i>of which: personal social services</i>	382	406	420	434	443	437
<i>of which: family benefits, income support and tax credits</i>	1,100	1,089	1,124	1,064	1,095	1,063
10.5 Unemployment	227	258	249	305	379	387
<i>of which: personal social services</i>	104	135	131	126	104	84
<i>of which: other unemployment benefits</i>	123	123	118	178	275	302
10.6 Housing	668	708	747	805	929	987
10.7 Social exclusion n.e.c	934	900	1,015	1,137	1,332	1,400
<i>of which: personal social services</i>	225	139	191	153	153	175
<i>of which: family benefits, income support and tax credits</i>	708	762	824	984	1,179	1,226
10.8 R&D social protection	-	-	-	-	-	-
10.9 Social protection n.e.c.	170	128	115	139	190	158
<b>Total social protection</b>	<b>9,528</b>	<b>9,764</b>	<b>10,343</b>	<b>11,183</b>	<b>12,061</b>	<b>12,569</b>
<b>Total Expenditure on Services in England</b>	<b>23,269</b>	<b>24,403</b>	<b>25,575</b>	<b>27,320</b>	<b>29,121</b>	<b>29,591</b>

<sup>(1)</sup> The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

<sup>(2)</sup> The sub-functional classification of Education has been reviewed since PESA 2009 and work on this continues. For more details see the text in Chapter 10.

**Table 10.4 Total identifiable expenditure on services in Northern Ireland by sub-function, 2005-06 to 2010-11**

	National Statistics					£ million
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	155	177	197	204	206	203
1.2 Foreign economic aid	–	–	–	–	–	–
1.3 General services	193	212	204	215	210	184
1.4 Basic research	–	–	–	–	–	–
1.5 R&D general public services	0	0	0	0	0	0
1.6 General public services n.e.c.	17	20	16	25	29	21
<b>Total general public services</b>	<b>365</b>	<b>409</b>	<b>418</b>	<b>445</b>	<b>445</b>	<b>409</b>
<b>2. Defence</b>						
2.1 Military defence	–	–	–	–	–	–
2.2 Civil defence	0	0	0	0	0	1
2.3 Foreign military aid	–	–	–	–	–	–
2.4 R&D defence	–	–	–	–	–	–
2.5 Defence n.e.c.	–	–	–	–	–	–
<b>Total defence</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>3. Public order and safety</b>						
3.1 Police services	784	773	776	759	857	809
<i>of which: immigration and citizenship</i>	0	0	0	1	0	1
<i>of which: other police services</i>	784	773	776	758	857	809
3.2 Fire-protection services	64	74	74	80	87	107
3.3 Law courts	233	283	223	282	288	333
3.4 Prisons	172	151	161	160	149	169
3.5 R&D public order and safety	0	0	0	0	0	–
3.6 Public order and safety n.e.c.	20	23	14	15	15	11
<b>Total public order and safety</b>	<b>1,272</b>	<b>1,304</b>	<b>1,249</b>	<b>1,295</b>	<b>1,398</b>	<b>1,430</b>
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	361	334	350	367	464	555
4.2 Agriculture, forestry, fishing and hunting	534	473	464	574	517	291
<i>of which: market support under CAP</i>	329	251	246	275	335	259
<i>of which: other agriculture, food and fisheries policy</i>	199	216	214	295	177	24
<i>of which: forestry</i>	6	5	4	3	4	8
4.3 Fuel and energy	13	9	17	35	7	13
4.4 Mining, manufacturing and construction	0	0	0	0	12	0
4.5 Transport	357	386	521	542	571	652
<i>of which: national roads</i>	12	12	13	18	12	15
<i>of which: local roads</i>	254	236	294	341	406	446
<i>of which: local public transport</i>	62	98	156	124	123	151
<i>of which: railway</i>	2	3	2	12	3	13
<i>of which: other transport</i>	27	37	56	47	27	27
4.6 Communication	7	10	19	22	57	23
4.7 Other industries	0	0	0	0	0	0
4.8 R&D economic affairs	72	63	77	66	81	71
4.9 Economic affairs n.e.c.	20	18	12	13	18	18
<b>Total economic affairs</b>	<b>1,366</b>	<b>1,293</b>	<b>1,462</b>	<b>1,619</b>	<b>1,727</b>	<b>1,625</b>
<b>5. Environment protection</b>						
5.1 Waste management	125	140	170	172	173	185
5.2 Waste water management	31	32	–	–	–	–
5.3 Pollution abatement	2	–	–	–	0	4
5.4 Protection of biodiversity and landscape	4	5	6	8	6	7
5.5 R&D environment protection	0	0	0	-4	0	0
5.6 Environment protection n.e.c.	71	69	54	56	59	59
<b>Total environment protection</b>	<b>233</b>	<b>247</b>	<b>231</b>	<b>232</b>	<b>238</b>	<b>254</b>

**Table 10.4 Total identifiable expenditure on services in Northern Ireland by sub-function, 2005-06 to 2010-11 (continued)**

	National Statistics					£ million
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
<b>6. Housing and community amenities</b>						
6.1 Housing development	425	370	500	520	496	536
<i>of which: local authority housing</i>	296	236	320	374	322	332
<i>of which: other social housing</i>	130	134	180	147	174	204
6.2 Community development	86	104	139	139	122	87
6.3 Water supply	350	326	372	536	388	140
6.4 Street lighting	19	15	19	23	22	20
6.5 R&D housing and community amenities	–	–	–	–	–	–
6.6 Housing and community amenities n.e.c	76	74	102	90	90	95
<b>Total housing and community amenities</b>	<b>956</b>	<b>889</b>	<b>1,132</b>	<b>1,308</b>	<b>1,119</b>	<b>877</b>
<b>7. Health<sup>(1)</sup></b>						
Medical services	2,503	2,733	2,832	3,164	3,839	3,351
Health research	43	42	43	52	43	88
Central and other health services	84	83	80	83	77	83
<b>Total health</b>	<b>2,630</b>	<b>2,858</b>	<b>2,955</b>	<b>3,299</b>	<b>3,959</b>	<b>3,522</b>
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	156	140	193	215	203	236
8.2 Cultural services	155	146	166	170	160	182
8.3 Broadcasting and publishing services	0	0	0	0	0	–
8.4 Religious and other community services	0	1	1	1	1	1
8.5 R&D recreation, culture and religion	1	1	1	2	2	1
8.6 Recreation, culture and religion n.e.c	18	23	26	28	22	22
<b>Total recreation, culture and religion</b>	<b>331</b>	<b>310</b>	<b>386</b>	<b>416</b>	<b>388</b>	<b>443</b>
<b>9. Education<sup>(2)</sup></b>						
9.1 Pre-primary and primary education	533	539	563	610	629	712
<i>of which: under fives</i>	25	25	28	27	31	31
<i>of which: primary education</i>	508	514	535	583	598	681
9.2 Secondary education	878	900	922	921	956	1,034
9.3 Post-secondary non-tertiary education	–	–	–	4	–	–
9.4 Tertiary education	293	332	342	352	401	382
9.5 Education not definable by level	4	3	-5	-1	1	-8
9.6 Subsidiary services to education	130	136	144	167	170	148
9.7 R&D education	–	–	–	–	–	–
9.8 Education n.e.c	401	401	468	475	520	482
<b>Total education</b>	<b>2,238</b>	<b>2,311</b>	<b>2,434</b>	<b>2,527</b>	<b>2,678</b>	<b>2,750</b>
<b>10. Social protection</b>						
<i>of which: personal social services</i>	724	771	817	834	898	981
10.1 Sickness and disability	2,423	2,500	2,633	2,728	2,852	3,044
<i>of which: personal social services</i>	710	741	782	820	879	947
<i>of which: incapacity, disability and injury benefits</i>	1,714	1,759	1,851	1,908	1,973	2,097
10.2 Old age	1,882	1,999	2,304	2,188	2,010	2,737
<i>of which: personal social services</i>	–	–	–	–	–	–
<i>of which: pensions</i>	1,882	1,999	2,304	2,188	2,010	2,737
10.3 Survivors	35	41	39	40	40	45
10.4 Family and children	433	457	501	510	553	554
<i>of which: personal social services</i>	15	31	35	14	19	34
<i>of which: family benefits, income support and tax credits</i>	418	427	466	496	534	520
10.5 Unemployment	86	78	69	96	163	207
<i>of which: personal social services</i>	–	–	–	–	–	–
<i>of which: other unemployment benefits</i>	86	78	69	96	163	207
10.6 Housing	334	432	446	483	551	588
10.7 Social exclusion n.e.c	436	473	526	631	753	793
<i>of which: personal social services</i>	–	–	–	–	–	–
<i>of which: family benefits, income support and tax credits</i>	436	473	526	631	753	793
10.8 R&D social protection	–	–	–	–	–	–
10.9 Social protection n.e.c.	11	15	6	15	23	13
<b>Total social protection</b>	<b>5,640</b>	<b>5,995</b>	<b>6,524</b>	<b>6,691</b>	<b>6,945</b>	<b>7,982</b>
<b>Total Expenditure on Services in England</b>	<b>15,030</b>	<b>15,616</b>	<b>16,790</b>	<b>17,832</b>	<b>18,898</b>	<b>19,294</b>

<sup>(1)</sup> The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

<sup>(2)</sup> The sub-functional classification of Education has been reviewed since PESA 2009 and work on this continues. For more details see the text in Chapter 10.

**Table 10.5 Total identifiable expenditure on services in England by sub-function, per head, 2005-06 to 2010-11**

	National Statistics					£ per head
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	60	60	57	61	58	55
1.2 Foreign economic aid	0	0	1	0	0	0
1.3 General services	16	19	18	20	22	21
1.4 Basic research	–	–	–	–	–	–
1.5 R&D general public services	0	0	0	0	0	0
1.6 General public services n.e.c.	33	32	34	42	41	46
<b>Total general public services</b>	<b>110</b>	<b>112</b>	<b>110</b>	<b>123</b>	<b>121</b>	<b>123</b>
<b>2. Defence</b>						
2.1 Military defence	–	–	–	–	–	–
2.2 Civil defence	1	2	2	1	1	2
2.3 Foreign military aid	–	–	–	–	–	–
2.4 R&D defence	–	–	–	–	–	–
2.5 Defence n.e.c.	–	–	–	–	–	–
<b>Total defence</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>3. Public order and safety</b>						
3.1 Police services	237	248	250	270	274	273
<i>of which: immigration and citizenship</i>	0	0	0	0	0	0
<i>of which: other police services</i>	237	248	250	270	274	272
3.2 Fire-protection services	43	43	46	48	48	49
3.3 Law courts	104	106	110	112	116	102
3.4 Prisons	59	63	71	77	74	76
3.5 R&D public order and safety	0	0	0	0	1	–
3.6 Public order and safety n.e.c.	5	5	5	5	5	6
<b>Total public order and safety</b>	<b>449</b>	<b>465</b>	<b>483</b>	<b>513</b>	<b>518</b>	<b>505</b>
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	106	103	107	110	113	95
4.2 Agriculture, forestry, fishing and hunting	80	70	66	69	76	71
<i>of which: market support under CAP</i>	57	50	46	50	57	54
<i>of which: other agriculture, food and fisheries policy</i>	22	20	20	19	18	16
<i>of which: forestry</i>	1	1	1	1	1	1
4.3 Fuel and energy	18	21	17	13	6	5
4.4 Mining, manufacturing and construction	1	0	-4	5	10	5
4.5 Transport	270	306	310	315	343	339
<i>of which: national roads</i>	44	53	52	57	67	57
<i>of which: local roads</i>	75	73	76	82	84	80
<i>of which: local public transport</i>	47	49	53	60	67	86
<i>of which: railway</i>	99	124	123	109	118	108
<i>of which: other transport</i>	6	7	8	7	7	7
4.6 Communication	4	6	12	13	9	9
4.7 Other industries	4	4	4	4	4	4
4.8 R&D economic affairs	39	34	41	39	47	45
4.9 Economic affairs n.e.c.	8	9	9	7	11	13
<b>Total economic affairs</b>	<b>530</b>	<b>552</b>	<b>563</b>	<b>575</b>	<b>618</b>	<b>586</b>
<b>5. Environment protection</b>						
5.1 Waste management	75	88	91	88	101	107
5.2 Waste water management	1	1	1	1	1	0
5.3 Pollution abatement	5	5	3	4	7	9
5.4 Protection of biodiversity and landscape	4	6	6	6	6	7
5.5 R&D environment protection	2	2	2	2	3	4
5.6 Environment protection n.e.c.	38	41	43	44	49	52
<b>Total environment protection</b>	<b>126</b>	<b>143</b>	<b>146</b>	<b>145</b>	<b>166</b>	<b>180</b>



**Table 10.5 Total identifiable expenditure on services in England by sub-function, per head, 2005-06 to 2010-11 (continued)**

	National Statistics					£ per head
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
<b>6. Housing and community amenities</b>						
6.1 Housing development	93	106	118	145	166	131
<i>of which: local authority housing</i>	59	64	73	89	83	74
<i>of which: other social housing</i>	34	42	45	56	83	56
6.2 Community development	51	51	57	60	58	54
6.3 Water supply	0	0	0	0	0	0
6.4 Street lighting	8	9	10	11	11	11
6.5 R&D housing and community amenities	—	—	—	—	—	—
6.6 Housing and community amenities n.e.c	2	2	2	2	2	2
<b>Total housing and community amenities</b>	<b>155</b>	<b>168</b>	<b>186</b>	<b>218</b>	<b>237</b>	<b>198</b>
<b>7. Health<sup>(1)</sup></b>						
Medical services	1,428	1,490	1,605	1,723	1,847	1,904
Health research	4	5	5	6	6	9
Central and other health services	19	19	19	19	21	19
<b>Total health</b>	<b>1,451</b>	<b>1,514</b>	<b>1,629</b>	<b>1,748</b>	<b>1,875</b>	<b>1,932</b>
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	45	46	47	51	55	53
8.2 Cultural services	59	59	60	60	63	62
8.3 Broadcasting and publishing services	0	0	0	0	0	0
8.4 Religious and other community services	2	2	2	2	2	1
8.5 R&D recreation, culture and religion	1	2	2	2	2	2
8.6 Recreation, culture and religion n.e.c	1	1	1	1	1	1
<b>Total recreation, culture and religion</b>	<b>108</b>	<b>110</b>	<b>112</b>	<b>116</b>	<b>124</b>	<b>120</b>
<b>9. Education<sup>(2)</sup></b>						
9.1 Pre-primary and primary education	407	415	441	464	482	496
<i>of which: under fives</i>	78	74	79	81	84	85
<i>of which: primary education</i>	329	341	363	382	398	412
9.2 Secondary education	478	501	528	548	613	519
9.3 Post-secondary non-tertiary education	4	3	3	7	7	7
9.4 Tertiary education	156	160	183	180	196	205
9.5 Education not definable by level	6	6	7	6	8	6
9.6 Subsidiary services to education	56	58	61	77	71	92
9.7 R&D education	0	0	0	0	0	3
9.8 Education n.e.c	30	33	34	47	32	26
<b>Total education</b>	<b>1,137</b>	<b>1,177</b>	<b>1,259</b>	<b>1,330</b>	<b>1,409</b>	<b>1,356</b>
<b>10. Social protection</b>						
<i>of which: personal social services</i>	399	422	441	465	485	492
10.1 Sickness and disability	480	495	517	565	602	633
<i>of which: personal social services</i>	103	107	118	125	134	135
<i>of which: incapacity, disability and injury benefits</i>	377	389	400	440	467	498
10.2 Old age	1,125	1,164	1,243	1,358	1,417	1,481
<i>of which: personal social services</i>	140	147	151	158	164	163
<i>of which: pensions</i>	985	1,018	1,092	1,200	1,253	1,317
10.3 Survivors	29	28	28	28	28	28
10.4 Family and children	451	453	471	459	477	473
<i>of which: personal social services</i>	103	108	113	121	128	137
<i>of which: family benefits, income support and tax credits</i>	348	345	357	338	348	336
10.5 Unemployment	67	76	71	86	115	118
<i>of which: personal social services</i>	24	31	30	29	25	20
<i>of which: other unemployment benefits</i>	43	45	41	57	90	97
10.6 Housing	274	289	303	324	378	403
10.7 Social exclusion n.e.c	241	262	281	333	390	406
<i>of which: personal social services</i>	29	30	29	32	32	36
<i>of which: family benefits, income support and tax credits</i>	212	232	251	301	357	369
10.8 R&D social protection	0	0	—	—	—	—
10.9 Social protection n.e.c.	57	42	36	35	56	46
<b>Total social protection</b>	<b>2,725</b>	<b>2,809</b>	<b>2,950</b>	<b>3,189</b>	<b>3,462</b>	<b>3,587</b>
<b>Total Expenditure on Services in England</b>	<b>6,791</b>	<b>7,051</b>	<b>7,440</b>	<b>7,959</b>	<b>8,531</b>	<b>8,588</b>

<sup>(1)</sup> The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

<sup>(2)</sup> The sub-functional classification of Education has been reviewed since PESA 2009 and work on this continues. For more details see the text in Chapter 10.

**Table 10.6 Total identifiable expenditure on services in Scotland by sub-function, per head, 2005-06 to 2010-11**

	National Statistics					£ per head
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	128	132	139	137	147	140
1.2 Foreign economic aid	—	—	—	—	—	—
1.3 General services	5	4	4	3	3	2
1.4 Basic research <sup>(1)</sup>	—	—	—	—	—	—
1.5 R&D general public services	4	4	2	2	2	2
1.6 General public services n.e.c.	90	51	41	82	71	73
<b>Total general public services</b>	<b>227</b>	<b>191</b>	<b>187</b>	<b>225</b>	<b>223</b>	<b>217</b>
<b>2. Defence</b>						
2.1 Military defence	—	—	—	—	—	—
2.2 Civil defence	1	1	1	1	2	2
2.3 Foreign military aid	—	—	—	—	—	—
2.4 R&D defence	—	—	—	—	—	—
2.5 Defence n.e.c.	—	—	—	—	—	—
<b>Total defence</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>
<b>3. Public order and safety</b>						
3.1 Police services	229	219	230	242	254	255
<i>of which: immigration and citizenship</i>	0	0	0	0	0	0
<i>of which: other police services</i>	229	219	230	242	254	255
3.2 Fire-protection services	52	53	55	58	65	62
3.3 Law courts	79	83	88	89	99	97
3.4 Prisons	58	63	56	67	59	84
3.5 R&D public order and safety	0	0	0	0	0	—
3.6 Public order and safety n.e.c.	3	8	9	8	9	9
<b>Total public order and safety</b>	<b>422</b>	<b>426</b>	<b>438</b>	<b>465</b>	<b>486</b>	<b>507</b>
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	133	135	141	121	128	145
4.2 Agriculture, forestry, fishing and hunting	128	130	146	155	165	188
<i>of which: market support under CAP</i>	87	88	93	100	104	93
<i>of which: other agriculture, food and fisheries policy</i>	29	25	36	40	49	77
<i>of which: forestry</i>	12	17	17	16	12	18
4.3 Fuel and energy	35	31	25	22	11	9
4.4 Mining, manufacturing and construction	8	4	16	22	32	26
4.5 Transport	359	529	553	531	563	540
<i>of which: national roads</i>	77	95	89	98	118	100
<i>of which: local roads</i>	117	127	122	127	132	126
<i>of which: local public transport</i>	16	47	48	51	53	52
<i>of which: railway</i>	89	209	225	179	181	182
<i>of which: other transport</i>	60	52	69	76	80	80
4.6 Communication	9	8	15	15	11	11
4.7 Other industries	16	15	17	17	17	15
4.8 R&D economic affairs	64	52	79	71	75	70
4.9 Economic affairs n.e.c.	31	36	39	26	29	29
<b>Total economic affairs</b>	<b>781</b>	<b>941</b>	<b>1,029</b>	<b>979</b>	<b>1,032</b>	<b>1,033</b>
<b>5. Environment protection</b>						
5.1 Waste management	184	133	136	125	157	172
5.2 Waste water management	—	—	—	—	—	—
5.3 Pollution abatement	1	1	2	2	3	8
5.4 Protection of biodiversity and landscape <sup>(1)</sup>	29	44	34	39	38	36
5.5 R&D environment protection	3	3	4	4	4	6
5.6 Environment protection n.e.c.	38	28	40	37	43	44
<b>Total environment protection</b>	<b>256</b>	<b>210</b>	<b>215</b>	<b>208</b>	<b>244</b>	<b>266</b>

**Table 10.6 Total identifiable expenditure on services in Scotland by sub-function, per head, 2005-06 to 2010-11 (continued)**

	National Statistics					£ per head
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
<b>6. Housing and community amenities</b>						
6.1 Housing development	140	171	185	184	210	207
<i>of which: local authority housing</i>	63	57	69	97	109	126
<i>of which: other social housing</i>	77	114	115	87	100	81
6.2 Community development	20	23	23	24	40	26
6.3 Water supply	131	129	120	136	117	112
6.4 Street lighting	2	2	1	2	2	2
6.5 R&D housing and community amenities	3	2	2	1	1	2
6.6 Housing and community amenities n.e.c	3	2	8	2	0	4
<b>Total housing and community amenities</b>	<b>299</b>	<b>328</b>	<b>340</b>	<b>349</b>	<b>370</b>	<b>354</b>
<b>7. Health<sup>(2)</sup></b>						
Medical services	1,656	1,741	1,869	1,943	1,972	2,018
Health research	6	7	8	11	21	26
Central and other health services	18	18	16	15	51	45
<b>Total health</b>	<b>1,681</b>	<b>1,766</b>	<b>1,893</b>	<b>1,969</b>	<b>2,044</b>	<b>2,089</b>
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	90	97	102	108	115	122
8.2 Cultural services	88	86	91	93	95	102
8.3 Broadcasting and publishing services	4	5	2	2	2	1
8.4 Religious and other community services	4	4	4	4	5	5
8.5 R&D recreation, culture and religion	1	1	2	2	2	2
8.6 Recreation, culture and religion n.e.c	0	0	0	0	0	0
<b>Total recreation, culture and religion</b>	<b>187</b>	<b>194</b>	<b>201</b>	<b>209</b>	<b>220</b>	<b>231</b>
<b>9. Education<sup>(3)</sup></b>						
9.1 Pre-primary and primary education	477	505	531	548	541	582
<i>of which: under fives</i>	54	57	60	60	59	61
<i>of which: primary education</i>	422	448	472	489	482	520
9.2 Secondary education	470	514	518	528	534	560
9.3 Post-secondary non-tertiary education	25	26	27	29	26	27
9.4 Tertiary education	229	269	283	273	305	291
9.5 Education not definable by level	33	25	16	8	5	5
9.6 Subsidiary services to education	4	3	3	38	40	42
9.7 R&D education	4	4	4	0	-	0
9.8 Education n.e.c	47	48	49	37	38	41
<b>Total education</b>	<b>1,289</b>	<b>1,394</b>	<b>1,431</b>	<b>1,462</b>	<b>1,489</b>	<b>1,547</b>
<b>10. Social protection</b>						
<i>of which: personal social services</i>	494	473	552	590	612	625
10.1 Sickness and disability	614	610	649	715	761	807
<i>of which: personal social services</i>	116	102	131	145	152	160
<i>of which: incapacity, disability and injury benefits</i>	498	508	517	571	609	647
10.2 Old age	1,236	1,255	1,362	1,505	1,594	1,663
<i>of which: personal social services</i>	206	185	220	241	249	252
<i>of which: pensions</i>	1,030	1,070	1,142	1,264	1,345	1,411
10.3 Survivors	38	37	38	38	37	37
10.4 Family and children	480	477	503	487	502	495
<i>of which: personal social services</i>	121	124	139	145	153	159
<i>of which: family benefits, income support and tax credits</i>	359	353	365	343	349	336
10.5 Unemployment	77	88	79	91	116	125
<i>of which: personal social services</i>	30	39	37	36	31	26
<i>of which: other unemployment benefits</i>	47	49	41	56	85	99
10.6 Housing	303	307	313	325	355	385
10.7 Social exclusion n.e.c	256	278	296	318	381	393
<i>of which: personal social services</i>	22	22	23	25	26	29
<i>of which: family benefits, income support and tax credits</i>	235	256	273	293	355	364
10.8 R&D social protection	0	0	0	0	-	-
10.9 Social protection n.e.c.	81	66	59	64	85	60
<b>Total social protection</b>	<b>3,085</b>	<b>3,118</b>	<b>3,300</b>	<b>3,544</b>	<b>3,832</b>	<b>3,965</b>
<b>Total Expenditure on Services in England</b>	<b>8,227</b>	<b>8,569</b>	<b>9,035</b>	<b>9,411</b>	<b>9,940</b>	<b>10,212</b>

<sup>(1)</sup> Spending for Marine Scotland Science has been moved from General Public Services to Environment Protection to mirror the classification of its sister organisation CEFAS (Centre for Environment, Fisheries and Aquaculture Science), which operates in England only.

<sup>(2)</sup> The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

<sup>(3)</sup> The sub-functional classification of Education has been reviewed since PESA 2009 and work on this continues. For more details see the text in Chapter 10.

**Table 10.7 Total identifiable expenditure on services in Wales by sub-function, per head, 2005-06 to 2010-11**

	National Statistics					£ per head
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	141	177	183	194	205	205
1.2 Foreign economic aid	–	0	–	0	0	0
1.3 General services	7	8	10	10	10	12
1.4 Basic research	–	–	–	–	–	–
1.5 R&D general public services	0	0	0	0	0	1
1.6 General public services n.e.c.	56	32	43	51	51	49
<b>Total general public services</b>	<b>204</b>	<b>217</b>	<b>236</b>	<b>256</b>	<b>267</b>	<b>267</b>
<b>2. Defence</b>						
2.1 Military defence	–	–	–	–	–	–
2.2 Civil defence	1	1	1	1	1	2
2.3 Foreign military aid	–	–	–	–	–	–
2.4 R&D defence	–	–	–	–	–	–
2.5 Defence n.e.c.	–	–	–	–	–	–
<b>Total defence</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>3. Public order and safety</b>						
3.1 Police services	215	231	235	249	254	260
<i>of which: immigration and citizenship</i>	0	0	0	0	0	0
<i>of which: other police services</i>	215	231	235	248	254	260
3.2 Fire-protection services	54	58	56	66	65	61
3.3 Law courts	102	102	104	104	108	94
3.4 Prisons	56	55	65	72	76	77
3.5 R&D public order and safety	0	0	0	0	0	–
3.6 Public order and safety n.e.c.	4	4	5	5	5	5
<b>Total public order and safety</b>	<b>432</b>	<b>452</b>	<b>465</b>	<b>496</b>	<b>509</b>	<b>498</b>
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	156	165	176	168	163	239
4.2 Agriculture, forestry, fishing and hunting	123	137	132	155	169	85
<i>of which: market support under CAP</i>	94	103	75	88	104	1
<i>of which: other agriculture, food and fisheries policy</i>	14	18	50	60	59	77
<i>of which: forestry</i>	16	16	8	8	7	8
4.3 Fuel and energy	65	54	40	33	17	10
4.4 Mining, manufacturing and construction	8	5	2	3	9	0
4.5 Transport	290	301	315	343	387	367
<i>of which: national roads</i>	53	63	64	64	79	84
<i>of which: local roads</i>	105	114	110	120	111	128
<i>of which: local public transport</i>	28	23	38	31	28	22
<i>of which: railway</i>	92	88	90	113	151	122
<i>of which: other transport</i>	12	13	12	15	18	12
4.6 Communication	44	23	21	21	18	10
4.7 Other industries	12	9	9	9	13	9
4.8 R&D economic affairs	23	21	27	25	31	37
4.9 Economic affairs n.e.c.	66	65	42	24	74	61
<b>Total economic affairs</b>	<b>787</b>	<b>779</b>	<b>763</b>	<b>780</b>	<b>881</b>	<b>818</b>
<b>5. Environment protection</b>						
5.1 Waste management	79	126	103	109	122	128
5.2 Waste water management	0	0	0	0	0	0
5.3 Pollution abatement	0	0	0	0	1	3
5.4 Protection of biodiversity and landscape	3	2	2	3	2	2
5.5 R&D environment protection	1	1	2	1	2	3
5.6 Environment protection n.e.c.	61	66	47	65	64	67
<b>Total environment protection</b>	<b>145</b>	<b>195</b>	<b>154</b>	<b>178</b>	<b>191</b>	<b>204</b>

**Table 10.7 Total identifiable expenditure on services in Wales by sub-function, per head, 2005-06 to 2010-11 (continued)**

	National Statistics					£ per head
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
<b>6. Housing and community amenities</b>						
6.1 Housing development	66	74	67	114	126	114
<i>of which: local authority housing</i>	68	76	78	108	110	114
<i>of which: other social housing</i>	-2	-2	-11	5	16	0
6.2 Community development	62	67	86	74	61	85
6.3 Water supply	–	–	–	–	–	–
6.4 Street lighting	10	10	11	12	12	13
6.5 R&D housing and community amenities	–	–	–	–	–	–
6.6 Housing and community amenities n.e.c	0	7	7	9	9	3
<b>Total housing and community amenities</b>	<b>138</b>	<b>159</b>	<b>172</b>	<b>209</b>	<b>209</b>	<b>215</b>
<b>7. Health<sup>(1)</sup></b>						
Medical services	1,549	1,657	1,738	1,828	1,947	1,972
Health research	10	12	12	13	16	21
Central and other health services	15	12	13	12	11	23
<b>Total health</b>	<b>1,574</b>	<b>1,680</b>	<b>1,763</b>	<b>1,853</b>	<b>1,975</b>	<b>2,016</b>
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	78	90	109	104	87	82
8.2 Cultural services	71	72	80	79	78	75
8.3 Broadcasting and publishing services	33	35	33	37	35	33
8.4 Religious and other community services	2	2	2	2	2	2
8.5 R&D recreation, culture and religion	1	1	1	1	1	1
8.6 Recreation, culture and religion n.e.c	5	8	8	7	6	7
<b>Total recreation, culture and religion</b>	<b>190</b>	<b>208</b>	<b>233</b>	<b>230</b>	<b>209</b>	<b>199</b>
<b>9. Education<sup>(2)</sup></b>						
9.1 Pre-primary and primary education	373	419	449	470	492	498
<i>of which: under fives</i>	15	15	26	31	25	25
<i>of which: primary education</i>	357	404	423	439	467	473
9.2 Secondary education	511	485	503	505	524	534
9.3 Post-secondary non-tertiary education	–	–	–	–	–	–
9.4 Tertiary education	163	171	180	182	189	189
9.5 Education not definable by level	46	57	62	69	87	51
9.6 Subsidiary services to education	80	80	102	133	140	150
9.7 R&D education	–	–	–	–	–	–
9.8 Education n.e.c	8	31	27	31	15	14
<b>Total education</b>	<b>1,180</b>	<b>1,244</b>	<b>1,324</b>	<b>1,390</b>	<b>1,446</b>	<b>1,436</b>
<b>10. Social protection</b>						
<i>of which: personal social services</i>	544	549	592	597	604	611
10.1 Sickness and disability	795	817	844	917	978	1,027
<i>of which: personal social services</i>	136	145	163	171	181	184
<i>of which: incapacity, disability and injury benefits</i>	660	672	681	746	797	843
10.2 Old age	1,218	1,265	1,362	1,488	1,553	1,641
<i>of which: personal social services</i>	167	175	180	187	189	195
<i>of which: pensions</i>	1,050	1,090	1,182	1,301	1,364	1,446
10.3 Survivors	34	34	34	34	34	34
10.4 Family and children	502	504	518	501	513	498
<i>of which: personal social services</i>	129	137	141	145	148	145
<i>of which: family benefits, income support and tax credits</i>	373	367	377	355	365	353
10.5 Unemployment	77	87	84	102	126	128
<i>of which: personal social services</i>	35	45	44	42	35	28
<i>of which: other unemployment benefits</i>	42	42	40	60	92	100
10.6 Housing	226	239	251	269	310	328
10.7 Social exclusion n.e.c	316	304	341	380	444	465
<i>of which: personal social services</i>	76	47	64	51	51	58
<i>of which: family benefits, income support and tax credits</i>	240	257	276	329	393	407
10.8 R&D social protection	–	–	–	–	–	–
10.9 Social protection n.e.c.	57	43	38	46	63	52
<b>Total social protection</b>	<b>3,226</b>	<b>3,292</b>	<b>3,471</b>	<b>3,737</b>	<b>4,021</b>	<b>4,175</b>
<b>Total Expenditure on Services in England</b>	<b>7,878</b>	<b>8,228</b>	<b>8,582</b>	<b>9,128</b>	<b>9,709</b>	<b>9,829</b>

<sup>(1)</sup> The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

<sup>(2)</sup> The sub-functional classification of Education has been reviewed since PESA 2009 and work on this continues. For more details see the text in Chapter 10.

**Table 10.8 Total identifiable expenditure on services in Northern Ireland by sub-function, per head, 2005-06 to 2010-11**

	National Statistics					£ per head
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	90	102	112	115	115	113
1.2 Foreign economic aid	—	—	—	—	—	—
1.3 General services	112	122	116	121	117	102
1.4 Basic research	—	—	—	—	—	—
1.5 R&D general public services	0	0	0	0	0	0
1.6 General public services n.e.c.	10	11	9	14	16	12
<b>Total general public services</b>	<b>212</b>	<b>235</b>	<b>237</b>	<b>251</b>	<b>249</b>	<b>227</b>
<b>2. Defence</b>						
2.1 Military defence	—	—	—	—	—	—
2.2 Civil defence	0	0	0	0	0	0
2.3 Foreign military aid	—	—	—	—	—	—
2.4 R&D defence	—	—	—	—	—	—
2.5 Defence n.e.c.	—	—	—	—	—	—
<b>Total defence</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3. Public order and safety</b>						
3.1 Police services	455	444	441	427	479	449
<i>of which: immigration and citizenship</i>	0	0	0	0	0	0
<i>of which: other police services</i>	455	444	440	427	479	449
3.2 Fire-protection services	37	43	42	45	49	60
3.3 Law courts	135	162	127	159	161	185
3.4 Prisons	99	87	92	90	83	94
3.5 R&D public order and safety	0	0	0	0	0	—
3.6 Public order and safety n.e.c.	11	13	8	8	9	6
<b>Total public order and safety</b>	<b>738</b>	<b>749</b>	<b>709</b>	<b>730</b>	<b>781</b>	<b>794</b>
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	209	192	199	207	260	308
4.2 Agriculture, forestry, fishing and hunting	310	272	263	323	289	162
<i>of which: market support under CAP</i>	191	144	140	155	187	143
<i>of which: other agriculture, food and fisheries policy</i>	115	124	121	166	99	14
<i>of which: forestry</i>	4	3	2	2	2	5
4.3 Fuel and energy	8	5	10	20	4	7
4.4 Mining, manufacturing and construction	0	0	0	0	7	0
4.5 Transport	207	222	296	305	319	362
<i>of which: national roads</i>	7	7	7	10	7	8
<i>of which: local roads</i>	147	136	167	192	227	248
<i>of which: local public transport</i>	36	56	89	70	69	84
<i>of which: railway</i>	1	2	1	7	2	7
<i>of which: other transport</i>	16	21	32	27	15	15
4.6 Communication	4	6	11	13	32	13
4.7 Other industries	0	0	0	0	0	0
4.8 R&D economic affairs	42	36	44	37	45	40
4.9 Economic affairs n.e.c.	12	10	7	7	10	10
<b>Total economic affairs</b>	<b>792</b>	<b>742</b>	<b>830</b>	<b>912</b>	<b>966</b>	<b>902</b>
<b>5. Environment protection</b>						
5.1 Waste management	73	80	97	97	97	103
5.2 Waste water management	18	18	—	—	—	—
5.3 Pollution abatement	1	—	—	—	0	2
5.4 Protection of biodiversity and landscape	2	3	4	4	4	4
5.5 R&D environment protection	0	0	0	-2	0	0
5.6 Environment protection n.e.c.	41	40	31	32	33	33
<b>Total environment protection</b>	<b>135</b>	<b>142</b>	<b>131</b>	<b>131</b>	<b>133</b>	<b>141</b>

**Table 10.8 Total identifiable expenditure on services in Northern Ireland by sub-function, per head, 2005-06 to 2010-11 (continued)**

	National Statistics					£ per head
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
<b>6. Housing and community amenities</b>						
6.1 Housing development	247	213	284	293	277	297
<i>of which: local authority housing</i>	171	136	182	211	180	184
<i>of which: other social housing</i>	75	77	102	83	97	113
6.2 Community development	50	60	79	78	68	48
6.3 Water supply	203	187	211	302	217	78
6.4 Street lighting	11	8	11	13	12	11
6.5 R&D housing and community amenities	–	–	–	–	–	–
6.6 Housing and community amenities n.e.c	44	43	58	51	51	52
<b>Total housing and community amenities</b>	<b>554</b>	<b>510</b>	<b>643</b>	<b>737</b>	<b>626</b>	<b>487</b>
<b>7. Health<sup>(1)</sup></b>						
Medical services	1,452	1,569	1,608	1,782	2,146	1,860
Health research	25	24	24	29	24	49
Central and other health services	49	48	46	47	43	46
<b>Total health</b>	<b>1,525</b>	<b>1,641</b>	<b>1,678</b>	<b>1,859</b>	<b>2,213</b>	<b>1,955</b>
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	91	80	109	121	114	131
8.2 Cultural services	90	84	94	96	89	101
8.3 Broadcasting and publishing services	0	0	0	0	0	–
8.4 Religious and other community services	0	0	0	0	0	0
8.5 R&D recreation, culture and religion	0	1	1	1	1	1
8.6 Recreation, culture and religion n.e.c	11	13	15	16	12	12
<b>Total recreation, culture and religion</b>	<b>192</b>	<b>178</b>	<b>219</b>	<b>234</b>	<b>217</b>	<b>246</b>
<b>9. Education<sup>(2)</sup></b>						
9.1 Pre-primary and primary education	309	309	320	344	352	395
<i>of which: under fives</i>	14	14	16	15	17	17
<i>of which: primary education</i>	294	295	304	329	335	378
9.2 Secondary education	509	517	524	519	534	574
9.3 Post-secondary non-tertiary education	–	–	–	2	–	–
9.4 Tertiary education	170	191	194	198	224	212
9.5 Education not definable by level	2	2	-3	0	1	-5
9.6 Subsidiary services to education	75	78	82	94	95	82
9.7 R&D education	–	–	–	–	–	–
9.8 Education n.e.c	233	230	266	268	291	268
<b>Total education</b>	<b>1,298</b>	<b>1,327</b>	<b>1,382</b>	<b>1,424</b>	<b>1,497</b>	<b>1,526</b>
<b>10. Social protection</b>						
<i>of which: personal social services</i>	420	443	464	470	502	544
10.1 Sickness and disability	1,405	1,435	1,496	1,537	1,595	1,689
<i>of which: personal social services</i>	412	425	444	462	491	525
<i>of which: incapacity, disability and injury benefits</i>	994	1,010	1,051	1,075	1,103	1,164
10.2 Old age	1,091	1,148	1,308	1,233	1,123	1,519
<i>of which: personal social services</i>	–	–	–	–	–	–
<i>of which: pensions</i>	1,091	1,148	1,308	1,233	1,123	1,519
10.3 Survivors	20	23	22	23	22	25
10.4 Family and children	251	263	285	287	309	307
<i>of which: personal social services</i>	9	18	20	8	11	19
<i>of which: family benefits, income support and tax credits</i>	243	245	265	279	298	288
10.5 Unemployment	50	45	39	54	91	115
<i>of which: personal social services</i>	–	–	–	–	–	–
<i>of which: other unemployment benefits</i>	50	45	39	54	91	115
10.6 Housing	194	248	253	272	308	326
10.7 Social exclusion n.e.c	253	271	299	356	421	440
<i>of which: personal social services</i>	–	–	–	–	–	–
<i>of which: family benefits, income support and tax credits</i>	253	271	299	356	421	440
10.8 R&D social protection	–	–	–	–	–	–
10.9 Social protection n.e.c.	6	9	3	8	13	7
<b>Total social protection</b>	<b>3,271</b>	<b>3,442</b>	<b>3,705</b>	<b>3,769</b>	<b>3,883</b>	<b>4,429</b>
<b>Total Expenditure on Services in England</b>	<b>8,716</b>	<b>8,966</b>	<b>9,536</b>	<b>10,046</b>	<b>10,564</b>	<b>10,706</b>

<sup>(1)</sup> The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

<sup>(2)</sup> The sub-functional classification of Education has been reviewed since PESA 2009 and work on this continues. For more details see the text in Chapter 10.





# A

## Sources, data quality and conventions

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**A.1** This annex outlines the main sources used in producing PESA and provides information on:

- data quality;
- our revisions policy;
- coverage of public bodies;
- the treatment of certain transactions;
- consistency with other publications; and
- main conventions used throughout the publication.

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

### Sources of data

#### Central government and public corporation data

**A.3** Most expenditure data in PESA are taken directly from the Treasury's public expenditure database, the Combined Online Information System (COINS). COINS is a reporting system rather than an accounting system and so contains aggregate spending information rather than any transactional detail.

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

- their own expenditure;
- the expenditure of agencies and Non-Departmental Public Bodies (NDPBs);
- support for local government and public corporations; and
- capital expenditure of the public corporations that they sponsor<sup>1</sup>.

**A.5** Departments and devolved administrations can maintain up to nine years of live data depending on the year of the latest Spending Review. For PESA 2011 departments maintained the years 2006-07 to 2014-15. This involves:

- updating values in the light of better or new information, ensuring final outturns are consistent with information in published audited accounts (normally available in the summer after the end of the financial year); and
- implementing classification changes across all live years to ensure data are consistent.

**A.6** Data are extracted from COINS approximately one week prior to publication, with the following two exceptions:

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<sup>1</sup> The departmental reporting requirements in relation to public corporations result from the fact that only PC capital expenditure is treated as spending in the National Accounts. The current spending (except debt interest paid to the private sector) is included in the calculation of the gross operating surplus, which scores on the revenue side of the account.

- the historical information that extends back beyond the live outturn years is maintained off-database; and
- data for the country and regional analysis are extracted from COINS in winter, and allocated to countries/regions off COINS.

## Local government data

**A.7** The Department for Education (DfE) supplies data on local government education spending in England. The Department for Work and Pensions (DWP) supplies data on local government housing benefit payments in all countries except Northern Ireland. All other data on local government spending in England are supplied by the Department for Communities and Local Government (CLG). The devolved administrations provide local government spending data for Scotland, Wales and Northern Ireland.

## National Accounts aggregates

**A.8** The Office for National Statistics (ONS) supplies outturn numbers for the following National Accounts aggregates used in PESA:

- Total Managed Expenditure (TME);
- public sector current expenditure, gross investment and net investment;
- public sector, central and local government, and public corporations' depreciation;
- central government own expenditure (total, current and capital);
- local government expenditure (total, current, capital); and
- public corporations expenditure (total, current and capital).

**A.9** Two points worth noting are:

- the public sector or total expenditure on services (TES) aggregate used in PESA is a Treasury aggregate that broadly follows the National Accounts framework and so is broadly consistent with TME. **Annex E** provides a detailed definition of TES; and
- depreciation in budgets is a number sourced from departments consistent with their resource accounts. The depreciation numbers used in the National Accounts are derived by the ONS.

## Classification Of the Functions Of Government (COFOG)

**A.10** The Treasury assigns level 2 United Nations COFOG categories to departmental and local government data in consultation with departments and the devolved administrations. Where data streams cover more than one sub-functional category, departments are asked to change their reporting (if at all possible) so that spending on each sub-function is recorded separately. We do not ask departments to make changes where the amounts involved would be less than £10m.

**A.11** With the exception of the Department of Health, all departments and the devolved administrations are reporting data against COFOG level 2. The Department of Health is currently unable to report on this basis as the NHS is neither financed nor organised along the lines of COFOG level 2. The health sub-functional analysis is therefore presented against Treasury defined sub-functions.

## Data quality

**A.12** Departments (including agencies and NDPBs) and devolved administrations aim to produce good quality data for internal management and control, as well as for external reporting via audited accounts. They also seek to ensure that the data they feed into COINS are of high quality. Several outputs directly relevant to Whitehall departments' operations and reporting are produced straight from COINS, including Supply Estimates, tables published in Departmental Reports, and Supplementary Budgetary Information.

**A.13** While Whitehall departments have clear incentives to ensure accurate data is reported on COINS, a number of factors can adversely affect data quality:

- complexity of the public expenditure system: data need to be coded so that a wide range of outputs can be produced against a number of frameworks. Some data will be miscoded;
- although comprehensive guidance is made available, those recording data sometimes need to apply judgement to determine the right coding. Views on the right judgement to make may differ;
- while the budget-based numbers in PESA (for example in **Chapter 1**) are key control totals for departments and devolved administrations that are closely monitored, some of the economic category and sub-functional analyses do not appear in departmental outputs so may be less robust. The devolved administrations do not draw outputs direct from the Treasury's database; and
- the need to keep compliance costs down means that some data disaggregation is not justifiable.

**A.14** The aim of PESA is to provide a broad picture of where public expenditure goes. As a general rule, the more detailed the presentation, the less accurate the attribution to lower level categories. Small differences in numbers should not be taken as significant. We present many figures to the nearest £m to prevent users from introducing rounding errors.

## Revisions policy

**A.15** The data in all PESA tables are open for revision to ensure that the latest data are published. Long-run data are published on a consistent classification basis, as far back as possible. The main data updates that will be included through the year are as follows:

- PESA (comprising National Statistics release of outturn in April, with forecasts/plans added shortly afterwards) – updated Country and Regional Analysis (CRA) and revised spending plans consistent with the Budget;
- July – provisional outturn for central government (Whitehall) departments;
- October – final outturn for central government (Whitehall) departments and provisional outturn for local government; and
- February – final outturn for local government and Devolved Administrations;

**A.16** Further information on significant revisions since PESA 2010 is provided in chapter text.

**A.17** Where we discover errors after the production of PESA 2011 we will take the following action:

- minor errors will be corrected at the next National Statistics update or the next edition of PESA; and

- larger errors will lead to the publication of revised tables on the Treasury's website together with an explanatory note.

## Coverage of public bodies

**A.18** PESA generally aims to include the expenditure of all bodies classified to the public sector by the Office for National Statistics (ONS). However, when new public bodies are set up, or when bodies are reclassified to, or within, the public sector, there may be a delay before data are recorded in a way that allows their inclusion in PESA. The following explains where the PESA 2011 treatment differs from the ONS classification:

- The **Financial Services Compensation Scheme (FSCS)** and **Financial Services Authority (FSA)** are classified by the ONS to the public sector but are not currently incorporated within the budgeting framework. While the spending of these bodies is not included within PESA 2011, the Treasury loans to the FSCS are shown as payments to the private sector to reflect their ultimate destination;
- **City Academies** and **Technology Colleges** are both classified by ONS as part of the public sector, but are treated in DfE accounts and budgets as private sector bodies. PESA reflects this private sector classification, presenting DfE payments to these bodies rather than their subsequent spending.
- Banks recently classified to the public sector by the ONS (**Northern Rock, Bradford & Bingley, Dunfermline, Royal Bank of Scotland and Lloyds Banking Group**) are treated in PESA 2011 as part of the private sector. More detail on the treatment of this support in the budgeting and expenditure on services frameworks is set out in **Chapters 2 and 5** respectively.

## Treatment of certain transactions in PESA

### The Private Finance Initiative

**A.19** The private finance initiative (PFI) is a means of procuring capital-intensive services. Instead of the public sector being responsible, for example, for building and maintaining a school building, the public sector contracts with the private sector for the provision of serviced school premises. The government entity that is purchasing services pays a single unitary charge to the PFI provider for as long as the services are provided to the required standard.

**A.20** PFI deals may be on or off the Government's balance sheet depending on where the balance of risks in the project lies. For the period that this publication covers, independent public sector auditors take the balance sheet decision based on GAAP principles, and this decision is also normally used by the ONS for the National Accounts. If the project is on the Government's balance sheet, the capital expenditure is treated as part of public sector capital expenditure. If the project is off the Government's balance sheet then the capital expenditure is considered to be undertaken by the private sector, with the unitary charge adding to public sector current expenditure.

**A.21** For on-balance sheet projects, PESA includes:

- the capital expenditure imputed to the public sector;
- the service and debt interest elements of the unitary charge; and
- the depreciation on the imputed asset.

**A.22** For off-balance sheet projects, where the asset economically as well as legally belongs to the private sector, PESA includes the whole general government payment of unitary charges as payments for services.

## Financial sector interventions

**A.23** In December 2009 the ONS created an alternative measure of Public Sector Net Borrowing (PSNBex). This treated the classification of banks to the public sector (Northern Rock, Bradford & Bingley, Dunfermline, Lloyds Banking Group and Royal Bank of Scotland) as temporary, reflecting the Government's intention to return these banks to the private sector. As a result, these institutions are treated as if they are outside the public sector.

**A.24** In the budgeting tables, the support still scores within the HM Treasury Annually Managed Expenditure (AME) budget, which is presented as part of the Chancellor's Departments group in PESA. All support to financial sector institutions is central government own spending.

**A.25** The expenditure on services tables reflects the impact of this support on public spending in the National Accounts, i.e. on Total Managed Expenditure within PSNBex. The only transactions that are treated as spending within this measure are:

- the element of the share purchase that the ONS have classified as a capital grant;
- the element of depositor compensation over and above their statutory entitlements; and
- fees received from underwriting commission and credit guarantee scheme income.

**A.26** Other transactions do not generally have an impact on Total Managed Expenditure, nor therefore on the expenditure on services tables, because:

- they take the form of financial transactions, such as loans or share purchases, which do not constitute spending (as one asset is exchanged for another); or
- they are offset by recoveries imputed in the National Accounts, such as for liabilities borne by the FSCS.

## Consistency with other publications

### Previous editions of PESA

**A.27** Data in previous editions of PESA may not be directly consistent with PESA 2011 due to changes in data coverage and classification changes. Details of the main budgetary classification changes are shown in **Annex C**. Readers are therefore strongly advised against simply splicing together data in different editions of PESA. The summary analysis in **Chapter 4** incorporates historical data adjusted to current definitions in order to show trends over a longer period.

### Public Sector Finance Statistics

**A.28** For 2010-11 and earlier years Total Managed Expenditure (TME) and its sectoral components are consistent with the joint ONS/Treasury Public Sector Finance Statistics monthly release published on 21 June 2011. For 2011-12 to 2014-15 these aggregates are consistent with the *Economic and Fiscal Outlook – March 2011* published by the Office for Budget Responsibility.

## Conventions

### Rounding

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

**A.30** In all chapters dashes in the tables show that there are no data, while zeros show that there are data that round to 0.

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

## **Real terms figures**

**A.32** A number of the tables in this publication give figures in real terms or as a per cent of GDP. Real terms figures are the current price outturns or plans adjusted to a constant price level by excluding the effect of general inflation as measured by the GDP deflator at market prices. The real terms figures in this publication are given in 2010-11 prices. The GDP data used in this publication are those given in **Annex F**.

## **Use of accruals data in tables**

**A.33** All data are presented on an accruals basis except in the long run tables covering years before 1998-99 (which contain some cash data).

# B

## Departmental groups

**B.1** A number of tables in this publication present analyses by department. Rather than showing figures for all individual government departments separately, departments are grouped together broadly on the basis of Ministerial responsibilities. These groupings are set out below.

**B.2** Note that this presentation is not consistent with the Budget 2011 or the Spending Review 2010. The supplementary tables in **Chapter 1 (Tables 1.12 and 1.13)** are consistent with the Budget 2011 presentation.

Title	Departments included
Education	Department for Education Office for Standards in Education, Children's Services and Skills (Ofsted)
NHS (Health)	Department of Health Food Standards Agency
Transport	Department for Transport Office of the Rail Regulator
CLG Communities	Communities part of Communities and Local Government
CLG Local Government	Local Government part of Communities and Local Government (mainly grants to English local authorities, the Greater London Authority, and Regional Development Agencies)
Business, Innovation and Skills	Business, Innovation and Skills UK Trade and Investment Office of Fair Trading Office of Communications Postal Services Commission Export Credits Guarantee Department
Home Office	Home Office Assets Recovery Agency Government Equalities Office
Justice	Ministry of Justice The National Archives: Public Record Office and Historical Manuscripts Commission Electoral Commission The Supreme Court Land Registry
Law Officers' Departments	The Crown Prosecution Service Serious Fraud Office HM Procurator General and Treasury Solicitor Revenue and Customs Prosecution Office
Defence	Ministry of Defence
Foreign and Commonwealth Office	Foreign and Commonwealth Office
International Development	Department for International Development
Energy and Climate Change	Department for Energy and Climate Change Office of Gas and Electricity Markets

Environment, Food and Rural Affairs	Department for Environment, Food and Rural Affairs Forestry Commission Water Services Regulatory Authority
Culture, Media and Sport	Department for Culture, Media and Sport
Work and Pensions	Department for Work and Pensions
Scotland	Scottish Executive and its departments Scotland Office
Wales	Welsh Assembly Government Wales Office
Northern Ireland	Northern Ireland departments Northern Ireland Office
Chancellor's Departments	HM Treasury National Savings and Investments Government Actuary's Department HM Revenue and Customs National Investment and Loans Office Royal Mint Crown Estate Office
Cabinet Office	Cabinet Office Central Office of Information Charity Commission Office of Government Commerce National School of Government Security and Intelligence Agencies
Independent Bodies	House of Commons House of Lords National Audit Office Statistics Board Office of the Parliamentary Commissioner for Administration and Health Service Commissioners for England Independent Parliamentary Standards Authority Local Government Boundary Commission for England





# Public expenditure budgeting and control aggregates

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**C.1** This annex describes the budgeting and control regime under the current resource budgeting framework that was first introduced for the 2002 Spending Review (full resource budgeting) and that has been modified since then.

**C.2** Departments have separate resource and capital budgets. These are split into Departmental Expenditure Limits (DEL) and departmental Annually Managed Expenditure (AME). Within DEL there are separate control totals for capital and resource DEL budgets; and within resource DEL there is a further control total for administration budgets and a ring-fence for depreciation. In addition to departmental AME, other AME covers spending that is not tied to a departmental budget. DEL plus AME, including accounting adjustments, sum to Total Managed Expenditure (TME), an aggregate that is drawn from National Accounts.

## What's new

**C.3** Student Loan provisions have been reclassified as impairments and will be in the departments' depreciation ring fence.

**C.4** NDPB's are now included in departmental budgets, administration budgets increase considerable under this framework revision. In the forward years (2011-12 onwards) this is offset by reduced administration budgets departments received in the Spending Review 2010.

**C.5** Tax credits now includes tax credits previously recorded as negative tax, this element of tax credits is still not included in National Accounts (further explained in **Box 1.A** and paragraph C.31 below).

## Resource budgeting

**C.6** In 2003-04 the Government completed its staged move to a full resource basis for financial reporting and control. Since this point, budgets have been set and monitored in resource terms, as described below, and Supply Estimates vote resource requirements as well as cash.

**C.7** There are separate departmental budgets for resource (i.e. current) and capital expenditure. These are also laid out in more detail below and are summarised in C.20.

## Resource budget

**C.8** The **resource budget** controls the current expenditure of a department and largely follows the contents of resource accounts. Resource accounts are prepared in accordance with the Government Financial Reporting Manual, which follows International Financial Reporting Standards (IFRS) with such adaptations as are necessary for the public sector.

**C.9 Resource budgets** measure expenditure when it accrues rather than when the cash is spent. They do not include, as an in-year cost, prepayments for goods and services not consumed in that year but they will include resources consumed but paid for in later years or where pre-financed in earlier periods. Stock consumption scores in the resource budget while spending on adding to stocks does not. They include non-cash costs such as movements in provisions and charges for bad debts. Resource budgets record the cost of lending to students on the basis of an assessment of the subsidy implied in the low interest rate charged and the bad debt provision that is required. The annual resource cost to departments of the assets they use to deliver services is also included in resource budgets. This cost is in the form of charges for capital consumed in that year (depreciation).

**C.10** The resource (DEL) budget includes all administration costs of central government departments such as pay and employer pension contributions or superannuation charges paid to unfunded public service pensions schemes. It also includes most of departments' other purchases of services. It includes current grants and subsidies paid to the private sector.

**C.11** The resource budgets for the Department for International Development (DfID) and the Foreign and Commonwealth Office (FCO) include an attributed share of the EC's expenditure on overseas aid and the Common Foreign and Security Policy.

**C.12 Non-Departmental Public Bodies** - resource and capital budgets include the expenditure of most non-departmental public bodies (NDPBs) classified to the central government sector.

**C.13 Public Corporations** are budgeted for on an external finance basis. Resource budgets include subsidies paid to, and dividends and interest received from, all public corporations sponsored by a department. Capital grants, lending to public corporations, and private sector borrowing by public corporations are in the capital budget.

**C.14 Central government support for local government** - the resource budget scores current grants to local government. Capital support scores in capital budgets. More information on local government is in **Chapter 7**.

## Capital budget

**C.15 Capital budgets** include expenditure on fixed capital assets, capital grants and the acquisition of certain financial assets acquired or sold for policy reasons. Capital budgets include capital expenditure financed by finance leases and on balance sheet Private Finance Initiative transactions. Capital budgets are set net of the sale value of receipts from the sale of capital assets.

**C.16** In resource accounts proceeds from sales of assets are split between the book value and any profit/loss on disposal. Receipts relating to the book value are recorded in capital budgets. The profit/loss on disposal is recorded in the resource budget.

**C.17** Capital budgets generally include loans on a net basis. I.e. new loans issued less repayments of loan principal. Large (over £20m) prepayments and debtors score in capital budgets if they last more than 12 months.

**C.18** Long-lasting defence fighting equipment with no civilian use (sometimes called Single Use Military or Fighting Equipment) is treated as capital expenditure in budgets and departmental resource accounts, but National Accounts treat it as current.

**C.19 Central government support for local government** - current grants score in resource budgets. Capital grants (also called Supported Capital Expenditure (Capital) in England and Wales) score in capital budgets. Capital budgets also include amounts for local authority borrowing where central government has agreed to fund the resultant loan charges. These credit approvals are known as Supported Capital Expenditure (Revenue) in England and Wales, and supported borrowing in Scotland. More information on local government is in **Chapter 7**.

## Resource and capital budgets – summary table

**C.20** This table summarises the main standard contents of resource and capital budgets:

	Resource budget	Capital budget
<b>Department's own transactions</b>	Pay, current purchases, grants to individuals, subsidies	Expenditure on new fixed assets
	Depreciation and impairments on the department's assets	<i>Less</i> book value sale proceeds of fixed assets
	Take-up of provisions, movement in value of provisions and utilisation of provisions	Net lending to the private sector
	Bad debts	Investment grants to the private sector
	Loss on sale of fixed assets	
	<i>Less</i> income from sales of goods and services	
	<i>Less</i> release of provisions	
	<i>Less</i> profit on sale of fixed assets	
<b>NDPB transactions</b>	As the department	As the department
<b>Local government</b>	Current grants to local government	Capital grants to local government
		Credit approvals
<b>Public corporations on an external finance basis</b>	Subsidies paid to public corporations	Investment grants paid to public corporations
	<i>Less</i> interest and dividends received from public corporations	Net lending to public corporations (including equity withdrawals from public corporations)
		Public corporations' market and overseas borrowing

## Departmental Expenditure Limits

**C.21** Around half of public expenditure (TME) by value is in DEL. But because AME includes a small number of large programmes, by far the majority of public expenditure programmes are in DEL. The main programmes in AME are set out later in this section.

**C.22** DELs are set for three years in a Spending Review. They represent firm plans for departmental spending that may only be increased in exceptional circumstances with the Treasury's agreement through a claim on the DEL Reserve. Departments may carry forward unspent DEL from one year to the next.

**C.23** DEL is net of certain receipts, mainly from sales of goods and services, asset sales, dividends, interest, rent of land and income from the European Union. It is also net of certain taxes, levies and fines where exceptionally the Chief Secretary to the Treasury has given specific agreement for a department to retain them in their DEL.

**C.24** DEL includes a Reserve to meet unexpected needs, and the unallocated provision from the Modernisation Fund, which is a challenge fund. When sums are allocated from either the Reserve or the Modernisation Fund, individual departments' DELs are increased and the Reserve/Modernisation Fund lines reduced by the same amounts.

**C.25 Public corporations** - most transactions in respect of public corporations score in DEL but those in respect of self-financing public corporations score in departmental AME (except where they receive grants and subsidies, which would score in DEL).

**C.26 Total DEL** is not a control total but a standard way of presenting the sum of current and capital spending in DEL. Total DEL is defined as resource budget DEL plus capital budget DEL less depreciation. Depreciation here includes impairments (including Student Loan provisions) and the release of the donated assets and government grant reserves.

## Annually Managed Expenditure

**C.27** The following text describes the components of AME, which for the purposes of PESA is divided into departmental AME and other AME. The items in bold correspond to the row names of **Table 1.1**.

### Departmental Annually Managed Expenditure

**C.28** Departmental AME programmes are set out in departmental reports. A programme is included in AME if it cannot reasonably be subject to firm three-year limits as for DEL. Typically this is where the programme expenditure is demand-led, volatile, and large in relation to the size of the department. But those are neither necessary nor sufficient conditions for inclusion in AME. Discretionary new spending programmes are always in DEL except where a special case can be made to demonstrate that treatment as AME is likely to deliver better control of expenditure.

**C.29** The main programmes in departmental AME are:

- social security benefits;
- tax credits for individuals;
- net lending to students;
- BBC domestic services;
- net public service pensions; and
- expenditure financed by the proceeds of the national lottery.

**C.30 Social security benefits** - includes payments of social security and National Insurance benefits by the Department for Work and Pensions (DWP) and the DSS (Northern Ireland). It includes central government support for certain social security benefits paid by local government, such as Housing Benefit, Council Tax Benefit and Rent Rebates. It includes payments by DWP to the BBC in respect of free television licences for the over 75s.

**C.31 Tax credits** – Previously tax credits in HMRC's AME did not include negative tax (i.e. where the amount paid is less than or equal to the tax liability of the household). In PESA 2011 all tax credits are included in departmental AME increasing dept AME by approximately £5bn to £6bn per year, this aligns to the way tax credits appears in resource accounts.

**C.32 Student loans** - the transactions of loan principal score in capital departmental AME while resource departmental AME contains interest receivable and certain non-cash transactions. Resource DEL scores the changes in the impairment recognised by the issuing departments in their resource accounts.

**C.33 BBC domestic services** - the expenditure of the BBC on domestic broadcasting scores in departmental AME. The BBC World Service scores in the Foreign and Commonwealth Office DEL. The BBC Monitoring Service also scores in DEL. Certain trading operations of the BBC are treated as self-financing public corporations in AME.

**C.34 Net public service pensions** - this line scores the majority of the operating costs, net of income, for the main public service unfunded pension schemes. Operating costs are measured under International Accounting Standard 19 (IAS 19) as amended for the public sector. The main schemes are those for NHS staff, the civil service, teachers and the armed forces. This line comprises an assessment of the increase in the liability relating to current employees less relevant receipts. It does not include an amount for the unwinding of the discount rate, which is shown as part of the non-cash items in AME.

**C.35** All the major unfunded pension schemes follow IAS 19 to report any increase (or decrease) in liabilities accrued in the period. In broad terms, there is a charge (or benefit) shown in this row equal to the gross increase in the provision that impacts on the operating statement of the scheme (excluding the unwinding of the discount rate) less pension contributions receivable from employers and employees, and less other income.

**C.36** Note that there may be several reasons for a difference in the level of contributions and the IAS 19 charge. In particular, calculations of contributions and of the IAS 19 charge use different discount rates and different actuarial methodologies. In addition, contribution rates are revised only every three or four years, after full actuarial valuations, so the contribution rate is set to reflect previous over- and under-assessment of contributions due to scheme-specific experience on issues such as pay and demography.

**C.37** Cash payments of members' continuing pensions, lump sums, spouses' benefits and similar payments, and bulk and individual transfers out are all normally charged directly to the pension provision shown on the balance sheet. That means that they do not impact on the cost of the scheme as measured in this line, because the obligation to pay the pension had been recognised as adding to liabilities by an increase in the pension provision when the right to the pension accrued. However, if any cash payment is made that is not covered by a previously recognised liability then that payment would score in this AME line.

**C.38** Relevant receipts include employers' contributions (including accruing superannuation liability charges such as those paid by departments to the Principal Civil Service Pension Scheme), employees' contributions for ordinary pensions (including widows'/widowers' pensions) and for added years, and receipts of bulk and individual transfers in.

**C.39** This line does not reflect changes to the pension provision on the balance sheet resulting from changes in the actuarial assumptions made about the future (for example life expectancy, pay growth, inflation etc). Such changes result in the cost of providing already accrued pensions being higher (or lower) than previously thought. So if, for example, pensioners are living longer than previously thought then the overall liability of a scheme will rise. The effects of these changes are shown in a separate statement (Statement of Recognised Gains and Losses) in the pension schemes' resource accounts and do not score in budgets.

**C.40** For simplicity, and because of the immateriality of the amounts, some small unfunded schemes may report the difference between the cash paid out during the year and any contributions received.

**C.41** Note that this line does not cover:

- pension schemes with a real pensions fund, such as local government and most public corporations' pension schemes;
- the schemes for police officers and fire-fighters, which although unfunded are run by local government, and whose costs are therefore in local government expenditure; and
- pensions of some NDPBs and other offices in the central government sector which operate their own pay-as-you-go pensions schemes and which are in DEL, generally on an IAS 19 basis.

**C.42** Future payments of pensions are discounted in order to obtain the value of the liability in today's terms. Each year, future payments come a year closer and so the effects of discounting are reduced. That unwinding of the discount rate is a cost that is recognised in the accounts. In budgets, the amount for the unwinding of the discount rate on the liability is part of the **non-cash items** row (see C.49 below).

**C.43** The amount for the unwinding of the discount rate can be seen as loosely equivalent to the amount of interest the government would have had to pay if the schemes had been funded, and is sometimes referred to as interest on scheme liabilities (note that the discount rate is set in accordance with IFRS principles as endorsed by the Financial Reporting Advisory Board and is not automatically a gilt rate). So this item reflects the fact that the schemes are unfunded. Showing this item in the non-cash items row separates out the costs that the government bears as employer from guaranteeing the schemes (which are the costs in the net public service pensions row) from the notional costs that result because the schemes are unfunded.

**C.44** The cost of pension schemes as measured on a GAAP basis does not impact directly on TME or the other fiscal aggregates. **Annex D** explains how the GAAP measures for the main public service pension schemes in departmental AME can be reconciled to their impact on TME, and this is shown in detail in **Table D.1**.

**C.45** The overall change over the year in the schemes' balance sheet pensions liability measured on a GAAP basis is normally given by:

- current service cost and other pension costs (e.g. liabilities transferred in);
- *plus* unwinding of the discount rate;
- *less* pensions paid out;
- *plus* or *less* changes in actuarial assumptions and other balance sheet adjustments.

**C.46** With the exception of the last item, which is not an expenditure or budget item, figures for the components listed above are shown in **Table D.1**.

**C.47** Expenditure on services includes the cost of public service pensions on a TME basis in the social protection function.

**C.48 National lottery** - expenditure on good causes funded from the proceeds of the national lottery is in this line. The Big Lottery Fund was officially established by Parliament on 1 December 2006 and at the same time assumed the residual responsibilities of the dissolved National Lottery Charities Board (Community Fund), the New Opportunities Fund and the Millennium Commission. The Big Lottery Fund rolls out grants to health, education, environment and charitable causes across the UK.

**C.49 Non-cash items** include:

- large, demand led non-cash items that could not reasonably be included in DEL budgets, such as provisions for nuclear decommissioning liabilities and the increase in the liability of public service pensions schemes due to the unwinding of the discount rate; and
- non-cash items in respect of departmental AME programmes.

**C.50 Financial sector interventions** – includes all transactions that relate to the support provided by the Treasury to financial institutions since 2008-09. The underlying components are set out in **Box 2.A** in **Chapter 2**.

**C.51 Other departmental expenditure** includes:

- transactions in respect of Self-Financing Public Corporations;
- Export Credits Guarantee Department (part);
- expenditure on tax credits for companies (research and development for Small and Medium Enterprises, contaminated land clearance) and charities calculated on an OECD basis, which reflects payments in excess of tax liability;
- HM Revenue and Customs (HMRC) payments in respect of Child Trust Funds;
- rates paid on behalf of embassies, net of beneficial portion receipts;
- Housing Subsidy in England and Wales, and Housing Support Grant in Scotland;
- Redundancy Payments Scheme;
- coal health liabilities;
- adjustments to prior years National Non-Domestic Rates (NNDR) collection;
- support to local government in respect of police officers and fire-fighters pension schemes;
- debt repayment grants to local authorities;
- expenditure of certain levy-funded bodies; and
- acceptances of artworks in lieu of Inheritance Tax.

## Other Annually Managed Expenditure

**C.52 Locally Financed Expenditure (LFE)** - this line comprises the following items:

- Local Authority Self-Financed Expenditure (LASFE) in the UK;
- expenditure financed from the product of the Scottish Non-Domestic Rate; and
- central government expenditure financed from the product of Northern Ireland Regional Rates (NIRR) and from borrowing from the National Loans Fund under the Re-investment & Reform Initiative (RRI).

**C.53** LASFE is that part of total local authority expenditure not met by central government support. Its largest single financing component is the product of the Council Tax. Other components include the surpluses of trading activities, interest receipts, unsupported borrowing and the use of reserves.

**C.54** NIRR are set by the central government in Northern Ireland and can be used to finance any public sector expenditure within Northern Ireland. By convention it is treated in PESA as locally financed central government expenditure. The product of NIRR is treated as a transfer from AME into DEL, so this means that DEL is set net of the product of the NIRR.

**C.55** Expenditure financed by borrowing from the National Loans Fund under the RRI is shown under LFE because the loans will be serviced and repaid out of the product of the NIRR.

**C.56 Net expenditure transfers to the European Union** - transactions with the institutions of the European Union are shown in **Table C.1** and comprise the following concepts:

- net expenditure transfers to the European Union, which reflects the main TME impact of membership of the European Union;
- net payments to EU institutions; and
- the net contribution to the EU budget.

**C.57** The TME effect of EU membership is therefore given by:

- GNI-based contributions;
- *less* the UK's abatement; and
- *less* an amount in respect of the cost of collecting TOR.

**C.58 Public Corporations' Own-Financed Capital Expenditure** - this line comprises the capital expenditure of public corporations net of any capital grants or loans given by its parent department and net of public corporations' market and overseas borrowing where that scores to departmental budgets.

**C.59** This line also includes the whole amount of capital expenditure of public corporations accountable to local government, whether own-financed or supported by local government: an accounting adjustment removes local government support to public corporations to avoid this spending being double counted.

**C.60 Central government debt interest** - this line includes interest paid to the private sector and overseas, but not interest paid to other parts of the public sector. The capital uplift on index-linked gilts is scored as interest at the time it accrues. This line includes the amortisation of discounts/premia on gilts at issue.

**C.61 Accounting adjustments** are described in **Annex D**.



**Table C.1 Transactions with the institutions of the EU, 2006-07 to 2014-15**

	National Statistics									
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 plans	2012-13 plans	2013-14 plans	2014-15 plans	2014-15 plans
GNI based contribution	8,213	9,352	8,654	10,637	11,092	11,793	12,023	13,033	13,902	13,902
UK abatement	-3,560	-3,960	-5,595	-4,218	-2,678	-2,803	-3,593	-3,973	-4,285	-4,285
<b>Net expenditure transfers to the EU</b>	<b>4,652</b>	<b>5,392</b>	<b>3,060</b>	<b>6,419</b>	<b>8,414</b>	<b>8,990</b>	<b>8,430</b>	<b>9,059</b>	<b>9,617</b>	<b>9,617</b>
Receipts to cover collection costs in respect of collecting Traditional Own Resources (TOR) <sup>(1)</sup>	-581	-607	-682	-658	-745	-631	-644	-663	-680	-680
<b>to give contribution to TME</b>	<b>4,071</b>	<b>4,785</b>	<b>2,378</b>	<b>5,760</b>	<b>7,669</b>	<b>8,359</b>	<b>7,785</b>	<b>8,397</b>	<b>8,937</b>	<b>8,937</b>
TOR <sup>(1)</sup>	2,326	2,430	2,728	2,633	2,979	2,523	2,578	2,650	2,721	2,721
VAT-based contribution	2,287	2,571	2,455	1,121	2,266	2,413	2,427	2,540	2,658	2,658
<b>Gross contribution to the EU budget</b>	<b>8,685</b>	<b>9,786</b>	<b>7,561</b>	<b>9,515</b>	<b>12,915</b>	<b>13,294</b>	<b>12,790</b>	<b>13,587</b>	<b>14,316</b>	<b>14,316</b>
Public Sector EU receipts <sup>(2)</sup>	-5,164	-5,601	-4,558	-4,789	-3,693	-4,808	-5,120	-5,256	-5,412	-5,412
<b>Net contributions to the EU budget</b>	<b>3,521</b>	<b>4,185</b>	<b>3,002</b>	<b>4,726</b>	<b>9,221</b>	<b>8,487</b>	<b>7,670</b>	<b>8,331</b>	<b>8,905</b>	<b>8,905</b>
less Attributed Aid <sup>(3)</sup>	706	711	728	801	822	822	822	822	822	822
less Common Foreign and Security Policy <sup>(3)</sup>	3	4	23	29	34	34	34	34	34	34
less other attributed costs <sup>(3)</sup>	-	-	-	69	43	163	82	79	-	-
<b>Net payments to EU institutions</b>	<b>2,812</b>	<b>3,470</b>	<b>2,252</b>	<b>3,827</b>	<b>8,322</b>	<b>7,468</b>	<b>6,732</b>	<b>7,395</b>	<b>8,048</b>	<b>8,048</b>

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

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

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

## Total Managed Expenditure

**C.62** TME is an aggregate drawn from National Accounts. It covers the current and capital expenditure of the public sector, net of some receipts. It therefore includes expenditure of central and local government and also the capital expenditure of public corporations. TME excludes grants and interest payments between parts of the public sector (as it is a consolidated measure) as well as all financial transactions (such as lending). So TME is the expenditure side of the equation that gives public sector net borrowing, a measure of the fiscal stance.

**C.63** As in **Table 1.1**, TME can be shown to equal Total DEL + AME (including accounting adjustments).

**C.64** In addition, TME may be expressed as the sum of:

- public sector current expenditure;
- public sector net investment; and
- public sector depreciation.

**C.65** In this presentation, depreciation represents the amount of capital expenditure required to make good the depreciation of assets, and net investment represents the amount of capital expenditure that adds to the overall stock of assets.

# D

# Accounting adjustments in budgeting presentation of TME

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## The need for accounting adjustments

**D.1** The National Accounts, produced by the Office for National Statistics (ONS), follow international guidelines and provide a widely accepted framework for analysing the economic activity of the country. Total Managed Expenditure (TME) is an aggregate drawn from National Accounts that measures the sum of public sector current and capital spending.

**D.2** Government departments budget and account for their spending in resource terms. From 2009-10 onwards this was based on International Financial Reporting Standards (IFRS) and prior to that was based on UK's Generally Accepted Accounting Practise. Both accounting frameworks differ in a numbers of ways from National Accounts, which are based on the European System of Accounts 1995 (ESA 95). The main difference is that ESA95, in the main, recognises liabilities and assets only when they crystallise.

**D.3** As a consequence of this, a number of adjustments are needed to reconcile budgets to the component parts of TME – these are known as accounting adjustments. **Table 1.1** shows resource DEL plus resource AME equalling public sector current expenditure, and capital DEL plus capital AME equalling public sector gross investment. Public sector current expenditure (PSCE) plus public sector gross investment (PSGI) then equals TME. In this presentation the AME totals include the accounting adjustments.

**D.4** **Table 1.10** shows further details of these accounting adjustments. This replaces the previous presentation of accounting adjustments and shows them more transparently and in a format consistent with the presentation in the Office for Budget Responsibility's (OBR) supplementary information to the Economic and Fiscal Outlook (EFO) ([http://budgetresponsibility.independent.gov.uk/pubs/obr\\_fiscal\\_supplementary\\_tables1.xls](http://budgetresponsibility.independent.gov.uk/pubs/obr_fiscal_supplementary_tables1.xls))

**D.5** The accounting adjustments are shown separately for resource and capital in **Table 1.10**, the former shows the breakdown of those adjustments necessary to reconcile to PSCE and the latter those adjustments necessary to reconcile to PSGI. In each table the accounting adjustments are broken down into three categories;

- a data that are removed from budgets because the National Accounts uses a different data source;
- b data that are removed from budgets because they are not part of spending as defined by the National Accounts; and
- c accounting adjustments that are made to budgets to move them to a basis and economic categorisation consistent with spending as defined by the National Accounts.

**D.6** The accounting adjustments in the first two categories above are shown separately according to whether they are in DEL or AME. The main accounting adjustments within the third category are shown separately for the Central Government and Local Government sectors arranged by the economic categories within TME. The section below goes through the main adjustments giving a description of the nature of the adjustment and the reason that it needs to be made. For each economic category there are a large number of smaller adjustments that are not shown separately - the total for these is in the "other" category. These adjustments include the part of the timing adjustments published at the bottom of **Table 1.10** that is applicable to each economic category and a number of less significant accounting adjustments, including those that switch misreported data on COINS between economic categories.

## List of the accounting adjustments in Table 1.10

### Resource Accounting Adjustments

#### Remove data in budgets which form part of public sector current expenditure but where a different source is used for National Accounts

##### Capital Consumption and NHS Capital Consumption

**D.7** These items are removed from both DEL and AME because, as is common international practise, estimates of capital consumption in the National Accounts are produced using a Permanent Inventory Model (PIM) rather than the data reported by departments as part of their budgets.

##### Interest

**D.8** This item is removed from both DEL and AME as the ONS sources its Central Government interest transaction from a variety of sources with none being the data in budgets reported by departments. In **Table 1.1** Gross Debt Interest is shown separately from accounting adjustments under other AME. This is far larger than the interest items deducted from budgets as it includes the interest the Debt Management Office pays on its Gilts as well as interest paid by departments.

##### Subsidy element of Renewable Obligation Certificates and other environmental levies

**D.9** Where there is a compulsory and unrequited payment imposed by Government, even if the payment is not to a public sector body, National Accounts sometimes require the payment to be imputed in the public finances as offsetting taxation and subsidy spending. This is the case with renewable obligations certificates (ROCS), where companies not meeting their renewable obligations have to purchase ROCs from companies who have exceeded their obligations. The Department of energy and Climate Change (DECC) have already included estimates in their AME forecast for the subsidy elements, however ONS and the OBR are currently using a different source for their estimates of the value of this subsidy so the DECC estimates are removed from AME. This also applies for other environmental levies such as Feed-in Tariffs and the Renewable Heat Initiative so these are also removed.

##### Other

**D.10** The items deducted from both DEL and AME under this category include Dividends and Rent. In both cases ONS use sources other than the data reported by departments as part of their budgets.

## **Adjustment for different data used by OBR in PSCE forecast**

**D.11** The forecast data for departments' DEL and AME budgets for the period of the 2010 Spending Review used in this publication are taken from the data submitted by departments on COINS. The OBR did not use COINS data for their forecast in the March EFO because of concerns over the accuracy of the detailed spending breakdowns available at that time. These adjustments are to reconcile the data used by the OBR with that on COINS. For AME, the OBR used the forecasts provided to them by departments, which should in the main be consistent with COINS. For DEL the OBR used modelled estimates based on the Spending Review settlement and the detailed breakdown of spending in 2010-11.

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

### **Impairments**

**D.12** Impairments as defined in budgets, in both DEL and AME, can result from a number of factors which do not affect PSCE as defined in the National Accounts. Examples of these are impairments resulting from the revaluation of assets or from unexpected losses which are treated as balance sheet movements only in National Accounts. Impairments from wear and tear in the course of normal business are treated as part of PSCE capital consumption in the National Accounts and are accounted for as part of the PIM discussed in D.6 above. As a result all impairments as reported in budgets by departments are removed from both DEL and AME as they do not form part of public expenditure.

### **Fees, levies and charges, Receipts treated as negative DEL but revenue in National Accounts, and Miscellaneous current transfers.**

**D.13** Some receipts included under these categories benefit resource budgets, in both DEL and AME, even where they are included on the revenue side of the National Accounts. The deduction of such receipts in budgets needs to be reversed in the calculation of TME.

**D.14** The central government receipts that are removed in the adjustment are:

1. certain taxes collected, including licences issued by the utility regulators;
2. certain fines;
3. current donations;
4. current compensation;
5. rent of land; and
6. dividends and interest from the private sector and overseas.

### **Change in pension scheme liabilities, unwinding of discount rate on pension scheme liabilities and Release of provisions covering payments of pension benefits.**

**D.15** Pension costs are measured differently in resource accounts (and predominantly AME budgets) and National Accounts due to the different way these frameworks deal with provision liabilities.

**D.16** In the National Accounts, the following transactions are included within TME:

- payments to pensioners, surviving spouses etc and transfers out to other schemes;
- less receipts of contributions by employees and employers, and transfers in from other schemes.

**D.17** In resource accounts a provision liability is recognised on the balance sheet equal to the net present value of the expected future cash benefits to be paid. Broadly speaking, changes in this liability impact on the operating cost statement. The net public service pensions line in departmental AME presents expenditure on this basis. The line consists of the following:

- the gross change in the liability that scores in the operating statement of the schemes;
- plus payments of pensions or transfers out that are not covered by a previously recognised liability;
- less receipts of contributions by employees and employers, and transfers in from other schemes.

**D.18** The unwinding of the discount rate that is applied to the future cash flows is also a cost in the operating statement in accounts. This cost is recorded separately in the non-cash items in departmental AME. See **Annex C** for further details.

**D.19 Table D.1** reconciles pensions expenditure as presented in **Table 1.1**, in resource accounts and in TME. So the table presents:

- the three main contributions to the net public service pensions line in **Table 1.1** (as in D.18 above);
- the pensions element of the non-cash items line in **Table 1.1** (i.e. the unwinding of the discount on the liability);
- the sum of these elements, which is the contribution of pension schemes to departmental AME;
- the accounting adjustments required to reach the contribution to TME (see D.21 below); and
- the contribution of the main public service pensions schemes to TME.

**D.20** The adjustments are as follows:

1. remove changes in liabilities scored in the net public service pensions line;
2. remove changes in liabilities arising from the unwinding of the discount rate that are scored in the non-cash items line in AME; and
3. add cash payments to pensioners, surviving spouses etc and transfers out to other schemes.

**Table D.1 Pay as you go public service pensions schemes in AME and in TME, 2006-07 to 2014-15**

	National Statistics						2014-15 plans
	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 plans	
<b>Departmental AME (GAAP basis)</b>							
Change in liability	21,118	24,462	24,779	22,124	-53,527	26,880	23,134
Contributions received *	-18,037	-19,166	-19,439	-20,673	-21,411	-21,747	-21,636
Cash payments in OCS not covered by release of provision **	172	29	77	80	58	101	120
<b>Net public service pensions (GAAP basis)</b>	<b>3,253</b>	<b>5,325</b>	<b>5,417</b>	<b>1,530</b>	<b>-74,880</b>	<b>5,234</b>	<b>1,617</b>
Unwinding of discount rate (= contribution to non-cash items)	29,545	32,805	36,510	39,154	38,048	43,586	39,911
<b>Total departmental AME (GAAP basis)</b>	<b>32,798</b>	<b>38,130</b>	<b>41,927</b>	<b>40,684</b>	<b>-36,832</b>	<b>48,820</b>	<b>41,528</b>
<b>Accounting adjustments</b>							
Remove change in liability	-21,118	-24,462	-24,779	-22,124	53,527	-26,880	-23,134
Remove increased liability due to unwinding of discount rate	-29,545	-32,805	-36,510	-39,154	-38,048	-43,586	-39,911
Add pensions in payment covered by release of provision **	18,909	21,327	22,477	24,270	25,817	27,321	30,103
<b>Accounting adjustments (pensions)</b>	<b>-31,754</b>	<b>-35,940</b>	<b>-38,811</b>	<b>-37,007</b>	<b>41,296</b>	<b>-43,145</b>	<b>-32,942</b>
<b>Contribution to TME (National Accounts basis)</b>	<b>1,044</b>	<b>2,190</b>	<b>3,115</b>	<b>3,677</b>	<b>4,464</b>	<b>5,675</b>	<b>8,587</b>
<i>of which:</i>							
Pensions in payment *	19,080	21,356	22,554	24,350	25,875	27,422	30,223
Employer/employee contributions *	-18,037	-19,166	-19,439	-20,673	-21,411	-21,747	-21,636

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

+ Offsets change in gross liability.

## **Grant Equivalent Element of Student Lending**

**D.21** In budgets this is the provision that represents the net present value of the interest support element of student loans that scores in DEL and AME as the loans are issued. In the National Accounts the impact on the current balance is determined by the difference between interest payments made on government debt and interest income receivable from students. These values therefore need to be removed from DEL and AME as an accounting adjustment.

## **Stock write-offs**

**D.22** In budgets the write-off of stocks covers items such as military expenditure and medical stocks that are treated as being consumed at the point of purchase in National Accounts. This adjustment therefore removes the value of these stocks from DEL.

## **Northern Ireland Executive Transfers between DEL and AME**

**D.23** As explained in Annex C, expenditure financed by Northern Ireland Rates is treated as a transfer from AME into DEL and by convention treated as part of locally financed expenditure in **Table 1.1**. This is removed from DEL and added back in the section which removes data from Local Government expenditure.

## **Profit or loss – sale of company securities**

**D.24** Departmental resource DEL and AME budgets include the profit or loss on the sale of company securities. These are removed as an adjustment as they are scored as financial transactions in the National Accounts.

## **Profit or loss – sale of other assets**

**D.25** Departmental resource DEL and AME budgets include the profit or loss on sales on tangible and intangible fixed assets. In the National Accounts, these are treated as capital transactions rather than resource transactions and so this adjustment is necessary to remove them from PSCE.

## **Green Investment Bank**

**D.26** Resource transactions involving the Green Investment Bank have been included in PSGI in CDEL and then removed as an accounting adjustment in the OBR's forecast. In PESA they are removed as an item in budgets which does not form part of PSGI.

## **Tax Credits**

**D.27** Following the Alignment Project, all personal tax credits are treated as part of AME. This adjustment removes tax credits that are treated as negative taxation in the National Accounts.

## **Fee income treated as capital in National Accounts**

**D.28** The Government announced the intention to instigate the Asset Protection Scheme for Lloyds Banking Group (LBG) and RBS in February 2009. In December 2009, RBS signed the contract to participate in the scheme and LBG announced it would not take part in the scheme. The Government received an exit fee from LBG and a fee from RBS for the implicit guarantee provided between February and December 2009. These fees were treated as capital receipts in the National Accounts but as negative resource AME (receipts) in HM Treasury's budget. This adjustment removes the receipts from PSCE.



## **Imputed tax element of renewable obligation certificates and other environmental levies**

**D.29** As explained above, National Accounts requires payments of ROCS and other environmental levies to be imputed in the public finances as offsetting taxation and subsidy spending. DECC have already included estimates in their AME forecast for the tax elements, however these are treated as part of receipts rather than spending in the National Accounts and so are removed in this adjustment.

### **Other**

**D.30** There are a number of other items that are removed from DEL and AME because they do not score as part of TME in the National Accounts. These include:

**D.31** notional audit fees, which are not scored in TME as no money flows,

**D.32** some other miscellaneous transactions that are scored in budgets but treated as financial transactions in the National Accounts,

**D.33** and some transfers between different parts of central government that are excluded from the National Accounts as they are within the same sector in the National Accounts.

## **Central Government Adjustments in the National Accounts**

### **Expenditure on goods and services**

#### **VAT refunds**

**D.34** VAT is a tax that is paid by final consumers, i.e. government and households. Producers pay VAT on materials that they use in the course of production, but are able to claim those VAT payments back from HMRC. Producers then charge VAT on sales and pass these monies to HMRC. Where a public sector body is engaged in production and receives such a VAT refund, this refund would not add to TME, nor would it be included in their spending data, which is measured net of recoverable VAT. Therefore in these cases no adjustment is needed to reconcile to TME.

**D.35** However, some public sector bodies additionally receive refunds of VAT that they have paid in respect of contracted out services for non-business purposes, including the free-to-enter public museums. These VAT payments by general government bodies form part of the prices paid as a final consumer, and therefore form part of final government consumption within TME (as well as part of current receipts). However, departmental budgets, and other spending data, are net of all recoverable VAT. This adjustment therefore adds back VAT refunded to central government departments in respect of contracted out services for non-business purposes and VAT refunds to free public museums in respect of non-business activities.

#### **Single Use Military Equipment**

**D.36** Expenditure on Single Use Military Equipment (fighting equipment with no non-military use) that is capital under IFRS is recorded as capital expenditure in departmental budgets but treated as current expenditure in National Accounts and therefore in PSCE. This adjustment adds it to PSCE.

#### **EU tax collection costs**

**D.37** The UK receives a payment from the EU for collecting Traditional Own Resources (customs duties, agricultural and sugar levies) on behalf of the EU. This receipt (which is actually netted off the payment made to the EU) is treated as a government receipt and reduces TME. This income is recorded here.

## Capital consumption

**D.38** As explained above, departmental estimates for capital consumption are removed from both DEL and AME because, as is common international practice, estimates of capital consumption in the National Accounts are produced using a Permanent Inventory Model (PIM). This adjustment adds in the PIM estimates.

## Net Social Benefits

### Switch between net social benefits and other current grants

**D.39** When COINS was first set up, departments misclassified net social payments as other current grants due to issues with the mapping of codes to the previous reporting systems. These misclassifications continue on a smaller scale today and this adjustment corrects this misclassification.

### Public service pensions contributions update

**D.40** This adjustment accounts for the additional receipts from the increase in contribution rates from 2012-13 announced in the 2010 Spending Review. The receipts were included in the OBR forecast in the March EFO at a global level since details about how it will impact across pension schemes had not yet been announced.

## Net Current Grants Abroad

### Attributed aid

**D.41** This adjustment removes the attributed share of the EU's aid (and Common Foreign and Security Policy expenditure). Departmental budgets include this attributed expenditure, but it doesn't increase TME as it is actually part of EU spending financed by UK's budgetary contributions.

### DfID funding for capital projects scored in resource DEL

**D.42** A proportion of the Department for International Development's (DFID) bilateral aid budget is deemed to be a capital grant to the rest of the world in the National Accounts, although all bilateral aid grants are shown in resource DEL budgets. This adjustment removes the part that is deemed to be capital spending so that it is not included in PSCE. This is not reflected in the forecast years as the composition of the DFID aid budget has changed.

### EU receipts and EU funded expenditure

**D.43** EU grant expenditure routed through government departments is treated as in the National Accounts as a transaction between the EU and the end-recipient of the grant. Both the receipt from the EU and the spending funded by the EU are included in departments DEL budgets. This adjustment therefore removes the receipt of the EU finance by departments, which is scored as part of their DEL budget. There are adjustments within the "other" category in Other Current Grants and in Subsidies that remove the spending.

## Subsidies

### Renewable Obligation Certificates and other environmental levies

**D.44** As mentioned above, ROCS and some other environmental levies are treated as imputed subsidies (and tax) in the National Accounts. This adjustment adds in ONS's and OBR's valuation of the imputed subsidy (DECC's COINS data having been removed in the first section of the table).

## **Company tax credits outside departmental AME**

**D.45** Currently ONS treat all company tax credits payments as part of TME. These include Research and Development tax credits, transitional relief to charities formerly entitled to receive tax credits on dividends, film tax credits and tax relief on clearing contaminated land. This adjustment adds the part of the payments of these tax credits that are not in HMRC's AME budget.

## **Local Government Adjustments in the National Accounts**

**D.46** As explained in Annex C, the contribution to AME from the Local Government sector is locally financed expenditure. This comprises the parts of local authority expenditure not met by central government support in the UK (known as LASFE), expenditure financed by Scottish NNDR and expenditure financed by Northern Ireland Regional Rates. LASFE is calculated as total Local Government expenditure, sourced from Local Government data (as outlined in Annex A), adjusted to a National Accounts basis, less CG support, based on data in Central Government departments' budgets. The accounting adjustments listed below are therefore the main adjustments to Local Government source data needed to transform it to a National Accounts basis and to reconcile Central and Local Government sources for PSCE.

### **Remove data which do not form part of public sector current expenditure**

#### **Retirement benefits**

**D.47** An adjustment is required here to remove items in the local government source data which do not reflect actual payments.

#### **Debt interest payments to central government**

**D.48** Interest payments to central government are removed as they represent flows between two parts of the public sector and so do not score towards TME.

### **Adjustments to reconcile use of different data sources**

#### **Central Government Support**

**D.49** As mentioned above, the data for Central Government support used in the calculation of LASFE is based on data in Central Government departments' budgets and the total spending is from the Local Government sources. This adjustment is therefore necessary to reconcile Central Government and Local Government sources of information for current Central Government support. The data based on Central Government departments' budgets are the data deducted in the calculation of LASFE as these are felt to be more reliable and are available at a more detailed level for quality assurance.

#### **Debt interest**

**D.50** This adjustment reconciles differences between the data source used for the calculation of debt interest payments to the private sector by Local Authorities in the National Accounts and that used in Local Government sources.

## Expenditure on goods and services

### VAT Refunds

**D.51** As mentioned in the section on Central Government adjustments to expenditure on goods and services above, public sector bodies, including Local Authorities receive refunds of VAT that they have paid in respect of contracted out services for non-business purposes. Central government support in resource DEL (and AME) and current LASFE are measured net of these VAT refunds, but in TME the expenditure is recorded including the VAT paid and therefore an adjustment is made to add back these refunds.

### Capital Consumption

**D.52** As also mentioned above, in the section on Central Government adjustments to expenditure on goods and services, estimates of capital consumption in the National Accounts are sourced from the ONS's PIM model. This adjustment adds in these estimates for the Local Government sector.

### Rates

**D.53** This deducts payments of National Non-domestic Rates (NNDR) paid by local government which are in locally financed expenditure but do not form part of TME.

### Subsidies

#### Equity injection into Housing Revenue Account

**D.54** The HRA is treated as a Public Corporation in National Accounts. This means that the regular deficit resulting from its operations is treated in National Accounts as an imputed subsidy (if a regular profit were made it would be treated as an imputed dividend). The deficit (or profit) is calculated as the gross operating surplus less gross capital expenditure. Gross, rather than net, capital expenditure is used as sales of housing stock are treated as financial transactions which reduce LG equity in the HRA. Since 2004-05 the HRA have had a regular deficit so a subsidy is imputed from Local Government to the PC sector. This adjustment adds in the subsidy to Local Government spending. (Unlike grants subsidies from one part of the public sector to another are included in TME).

### Net Social Benefits

#### Housing benefits and rent rebates

**D.55** ONS use data from DWP in respect of housing benefits and rent rebates. An adjustment is necessary to bring data from Local Government sources into line with that from DWP.

### Public Corporations

**D.56** The main adjustment in relation to Public Corporations data is their payment of debt interest to the private sector. This is the only part of Public Corporation own expenditure other than Public Corporations Own Financed Capital Expenditure (see Annex C) that scores in TME. This adjustment adds in the data used in the National Accounts for their debt interest payments to the private sector.

## Capital Accounting Adjustments

### Remove data in budgets which form part of public sector gross investment but where a different source is used for National Accounts

#### Change in Inventories and Acquisitions less disposals of valuables

**D.57** The data in the National Accounts for both of these are sourced from ONS surveys and administrative sources other than COINS.

#### Adjustment for different data used by OBR in PSGI forecast

**D.58** As explained above for resource spending, the forecast data for departments' DEL and AME budgets for the period of the 2010 Spending Review used in this PESA publication differ from those used by the OBR in their March EFO. These adjustments are to reconcile the data used by the OBR with those on COINS used in PESA.

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

#### Single Use Military equipment

**D.59** Expenditure on Single Use Military Equipment is recorded as capital expenditure in departmental budgets but treated as current expenditure in National Accounts and therefore included in PSCE. This adjustment removes it from PSGI so that it is not double-counted in TME.

#### Net lending to private sector and Purchase and Sale of Company Securities

**D.60** These types of transactions are treated as financial transactions which do not score as spending in the National Accounts, because they involve a swap of financial assets and so are excluded from PSGI and TME. However they are included in DEL and AME in order to have control over departments' impact on Public Sector Net Debt (PSND) so this adjustment is necessary to exclude them from TME.

#### Capital support for public corporations and local government supported capital expenditure

**D.61** These transactions are excluded from TME as they are lending from central government to support capital expenditure by other parts of the public sector.

#### Northern Ireland Executive transfers between DEL and AME

**D.62** This is the capital equivalent of the transfers described in D.24 above

#### Green Investment Bank

**D.63** As with resource spending, it is assumed that capital transactions involving the Green Investment Bank, which have been included in the OBR's forecast, will be treated as financial transactions that do not affect PSGI. This adjustment removes them.

#### Other

**D.64** There are a number of other items that are removed from DEL and AME because they do not score as part of PSGI in the National Accounts. These include:

- some capital provisions,
- some other miscellaneous transactions that are scored in budgets but treated as financial transactions in the National Accounts,
- and some transfers between different parts of central government that are excluded from the National Accounts as they are within the same sector in the National Accounts.

## Central Government adjustments in National Accounts

### Gross Fixed Capital Formation

#### Profit or loss - sale of other assets (from resource budgets)

**D.65** As mentioned in the section on resource accounting adjustments, in National Accounts the profit or loss on sales on tangible and intangible fixed assets are treated as capital expenditure and therefore as part of PSGI. However they are treated as part of resource DEL and AME. This adjustment is necessary to add them to PSGI.

### Capital grants to and from the private sector

#### VAT refunds

**D.66** Refunds of VAT are also available on certain items to householders who are building their own home or converting a non-residential building into a home for them to live in. As mentioned above, spending in National Accounts is recorded inclusive of refunded VAT and therefore the value of these refunds is included in PSGI as a capital grant to the household sector (and also included in total VAT receipts) but not in Budgets. This adjustment adds the value of these refunds to PSGI.

#### Nigerian debt write-offs

**D.67** In 2005 and 2006, the Paris Club wrote-off large amounts of Nigerian debt. Mutually agreed write-offs, such as these, are scored as capital transfers in the National Accounts, as a gift is being made to the recipient. They are therefore included in the calculation of PSGI. This adjustment is necessary as these write-offs were not include in any department's budget.

#### Fee income treated as capital in National Accounts

**D.68** As outlined in the section on resource accounting adjustments, certain fees received from RBS and LBG in respect of the Asset Protection Scheme were treated as capital receipts in the National Accounts and resource receipts in HM Treasury's AME. This adjustment ensures that these receipts are included in PSGI.

#### DfID funding for capital projects scored in resource DEL

**D.69** As also stated above, in the section on resource accounting adjustments a proportion of the DFID's bilateral aid budget is deemed to be a capital grant to the rest of the world in the National Accounts, although all bilateral aid grants are shown in their resource DEL budgets. This adjustment adds the part deemed to be capital so that it scores in PSGI.

## Local Government Adjustments in the National Accounts

**D.70** The overall rationale behind the accounting adjustments for Local Government is explained in the section on resource accounting adjustments. The accounting adjustments listed below are the main adjustments to Local Government source data needed to transform it to a National Accounts basis and to reconcile Central and Local Government sources for PSGI.

### Adjustments to reconcile use of different data sources

#### Central Government Support

**D.71** As mentioned above, the data for Central Government support used in the calculation of LASFE is based on data in Central Government departments' budgets and the total spending is from the Local Government sources. This adjustment is therefore necessary to reconcile Central Government and Local Government sources of information for Central Government support via capital grants. The data based on Central Government departments' budgets are the data deducted in the calculation of LASFE as these are felt to more reliable and are available at a detailed level for quality assurance.

## Financial transactions

**D.72** Financial transactions, which do not score as spending in the National Accounts because they involve a swap of financial assets, are excluded from PSGI and TME. This adjustment removes the parts of capital LASFE that need to be excluded as they are financial transactions.

## Capital grants from private sector

**D.73** In some cases receipts are treated as financing expenditure in AME when National Accounts treat them as reducing expenditure. The value of the receipts needs to be included in TME. An adjustment is therefore made to add to public sector net investment the local authority receipts of investment grants from private sector developers.

## Gross Fixed Capital Formation

### VAT Refunds

**D.74** As mentioned above, Local Authorities receive refunds of VAT that they have paid in respect of contracted out services for non-business purposes, including on capital expenditure. Central government capital grants to Local Authorities in resource DEL (and AME) and capital LASFE are measured net of these VAT refunds, but in TME the expenditure is recorded including the VAT paid. This adjustment therefore adds the value of the refunds to PSGI.

### Roads detrunking

**D.75** Detrunking of roads involves transferring the ownership and control of roads from the Highways Agency (part of central government) to Local Authorities. In National Accounts this involves recording the payment for the receipts of an asset by Local Authorities. As this is not recorded in LASFE an adjustment is necessary to add this in to PSGI.

## Capital grants to public corporations

**D.76** Local government capital expenditure includes grants paid to public corporations. The capital expenditure that this finances is included as part of Public Corporations' Own-Financed Capital Expenditure (PCOFCE), as this contains capital spending other than that financed by central government. An adjustment is therefore required to avoid double counting this spending in TME. This mainly concerns payments by Transport for London to London Underground.

## Other capital adjustments

### Public corporations

**D.77** The Public Corporation element of TME is effectively composed of P plus central government support for public corporations. This adjustment adds back an element of the net lending subtracted above, to ensure that the level of PC spend is properly reflected.

**D.78** Housing Revenue Account reform receipts.

**D.79** This represents a receipt by central government of net capital grants from local authorities that implement the reform of council house financing announced in the Spending Review. This net receipt is completely offset by a net payment included within capital LASFE, so this has no impact on the overall public finances.





# E

## Expenditure on services framework

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**E.1** Tables in **Chapters 4 to 8**, showing public expenditure by function and/or economic category, and tables in **Chapters 9 and 10**, showing public expenditure by country and region, are all based on the public sector expenditure on services framework.

**E.2** Public sector or total expenditure on services (TES) broadly represents the current and capital expenditure of the public sector, and so is similar to the National Accounts measure of Total Managed Expenditure (TME). The definition of expenditure on services in PESA 2011 is almost identical to that presented in PESA 2010. For the avoidance of doubt, expenditure on services is the spending required to deliver services, not just the purchasing of services.

**E.3** Expenditure on services is a more stable measure of public spending than departments' budgets, as it is not affected by the creation or amalgamation of departments or by programmes of work moving between departments.

### Expenditure on services and TME

**E.4** TME is the current and capital expenditure of the public sector on a National Accounts basis. Public sector expenditure on services is similar, but with minor divergences. The divergences mainly reflect the difficulty of attributing certain types of spending to the correct functions in all cases, which, if attempted, would result in a lack of consistency between functions. The main difference from TME is that expenditure on services does not include general government capital consumption (depreciation) and does not reverse the deduction of certain VAT refunds in the budget-based expenditure data. It also includes a small number of items that are in budgets but not in TME, for example the grant-equivalent element of student loans. Public sector expenditure on services is worth about 95% of TME.

### EU transactions in expenditure on services

**E.5** EU transactions score in their entirety within public sector expenditure on services in the same way as in TME. However, expenditure on services scores EU funded payments, for instance on agriculture, as UK government spending within the appropriate function, whereas the National Accounts score these as direct payments from the EU to enterprises and households. The EU transactions line within expenditure on services includes EU receipts, thus bringing the total into line with TME. Similarly, expenditure on services scores attributed EU expenditure on aid and the Common Foreign and Security Policy under international services and deducts an appropriate amount under EU transactions. Numbers are given in **Table C.1**.

### Expenditure on services and budgets

**E.6** Expenditure on services can be built up from departmental budgets (resource DEL, capital DEL and departmental AME). The majority of transfers to other parts of the public sector are removed, as are transactions that do not score as spending in the National Accounts. Spending by local government and public corporations is then added.

**Table E.1 Derivation of public sector expenditure on services from departmental groups' budgets, 2010-11**

Departmental budgets (resource Departmental Expenditure Limits + capital Departmental Expenditure Limits + departmental Annually Managed Expenditure)	
Less	<p>grants to local government;</p> <p>capital grants to public corporations;</p> <p>depreciation;</p> <p>provisions;</p> <p>spending classified as financial transactions in the National Accounts;</p> <p>interest and dividends;</p> <p>items classified as revenue in the National Accounts which are netted off spending in budgets;</p> <p>EU receipts;</p> <p>other items that are not classified as spending in National Accounts (e.g. transfers between central government departments); and</p> <p>most intra-public sector transfers, the main exceptions being subsidies to public corporations and trading bodies.</p>
Plus	<p>local government current and capital expenditure;</p> <p>Northern Ireland locally financed expenditure;</p> <p>public corporations' capital expenditure;</p> <p>public sector debt interest; and</p> <p>EU transactions.</p>

**E.7 Table E.1** shows the derivation of expenditure on services from departmental groups' budgets.

## Classification changes

**E.8** Classification changes since PESA 2010 are detailed in **Chapter 4**, where they affect expenditure on services or the functional split, and **Chapter 5**, where they affect expenditure on services, the sub-functional split or the economic breakdown.

# F

## Population numbers and GDP deflators

**F.1** This annex presents the population numbers and GDP deflators used in this release.

### Population numbers by country and region

**F.2** The population numbers used in **Chapter 9** and **Chapter 10** are in the table below. The mid year numbers are then directly applied to the relevant financial year (e.g. mid 2005 to financial data for 2005-06).

**Table F.1 Population by country and region**

	Thousands					
	mid-2005	mid-2006	mid-2007	mid-2008	mid-2009	mid-2010
North East	2,550	2,556	2,564	2,575	2,584	2,591
North West	6,840	6,853	6,864	6,876	6,898	6,919
Yorkshire and the Humber	5,108	5,142	5,177	5,213	5,258	5,306
East Midlands	4,328	4,364	4,400	4,433	4,451	4,501
West Midlands	5,351	5,367	5,382	5,411	5,431	5,460
East	5,563	5,607	5,661	5,729	5,767	5,827
London	7,456	7,512	7,557	7,620	7,754	7,799
South East	8,185	8,238	8,309	8,380	8,436	8,498
South West	5,087	5,124	5,178	5,209	5,231	5,297
England	50,466	50,763	51,092	51,446	51,810	52,198
Scotland	5,095	5,117	5,138	5,169	5,194	5,211
Wales	2,954	2,966	2,980	2,993	2,999	3,011
Northern Ireland	1,724	1,742	1,761	1,775	1,789	1,802
<b>United Kingdom</b>	<b>60,238</b>	<b>60,587</b>	<b>60,971</b>	<b>61,383</b>	<b>61,792</b>	<b>62,222</b>

Source: mid-2005 to mid-2009 estimates were supplied by the Population Estimates Unit. Population projections mid-2010 for Scotland, Wales and Northern Ireland are on a 2008 basis. Population projections mid-2010 for the English regions are 2008-based subnational population projections

All population data were produced by the Office for National Statistics <http://www.statistics.gov.uk/>.

### GDP deflators

**F.3** A number of the tables in this publication give figures in real terms. Real terms figures are the current price outturns or plans adjusted to a constant price level by excluding the effect of general inflation as measured by the GDP deflator at market prices. The real terms figures in this publication are given in 2010-11 prices. The GDP deflators used in this publication are those given below. The most up to date deflators can be found on the Treasury website<sup>1</sup>.

<sup>1</sup> [http://www.hm-treasury.gov.uk/data\\_gdp\\_fig.htm](http://www.hm-treasury.gov.uk/data_gdp_fig.htm)

**Table F.2 GDP deflators and money GDP**

**Outturn data are based on the 28 June 2011 National Accounts figures from ONS  
Forecast data are consistent with the 2011 Budget**

Financial year	GDP deflator at market prices		Money GDP £ million
	2010-11 = 100	Per cent change on previous year	
1967-68	7.086	2.86	40,978
1968-69	7.426	4.80	44,503
1969-70	7.830	5.45	47,749
1970-71	8.480	8.30	53,074
1971-72	9.236	8.92	59,319
1972-73	10.023	8.51	67,468
1973-74	10.747	7.22	75,338
1974-75	12.856	19.63	89,941
1975-76	16.123	25.41	112,089
1976-77	18.312	13.58	130,947
1977-78	20.819	13.69	152,386
1978-79	23.107	10.99	174,249
1979-80	27.013	16.91	209,606
1980-81	31.940	18.24	238,960
1981-82	34.970	9.49	262,838
1982-83	37.362	6.84	287,158
1983-84	39.079	4.60	312,875
1984-85	41.159	5.32	336,591
1985-86	43.470	5.61	369,912
1986-87	44.864	3.21	396,146
1987-88	47.433	5.73	440,760
1988-89	50.652	6.79	490,080
1989-90	54.260	7.12	536,859
1990-91	58.536	7.88	576,798
1991-92	62.003	5.92	607,333
1992-93	63.916	3.08	627,222
1993-94	65.665	2.74	664,978
1994-95	66.691	1.56	703,113
1995-96	68.604	2.87	744,099
1996-97	71.164	3.73	792,360
1997-98	73.024	2.61	843,146
1998-99	74.565	2.11	890,272
1999-00	76.032	1.97	944,630
2000-01	77.030	1.31	989,551
2001-02	78.753	2.24	1,031,457
2002-03	81.289	3.22	1,092,066
2003-04	83.583	2.82	1,157,400
2004-05	85.907	2.78	1,214,699
2005-06	87.465	1.81	1,273,641
2006-07	90.401	3.36	1,348,377
2007-08	92.991	2.87	1,423,649
2008-09	95.564	2.77	1,432,418
2009-10	97.120	1.63	1,406,890
2010-11	100.000	2.97	1,472,004
2011-12	-	2.9	1,544,000
2012-13	-	2.5	1,625,000
2013-14	-	2.7	1,717,000
2014-15	-	2.7	1,814,000

GDP Deflator: For years 1967-68 to 2010-11: calculated from ONS data for seasonally adjusted current and constant price GDP (YBHA and ABMI)  
For years 2011-12 to 2014-15: derived from Office for Budget Responsibility (OBR) forecasts for GDP deflator increases at the Budget Report 2011

Cash GDP: For years 1967-68 to 2010-11: ONS data for money GDP (not seasonally adjusted, BKTL)  
For years 2011-12 to 2014-15: derived from OBR forecasts for money GDP at the Budget Report 2011

# G

## Glossary of terms

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

### Acronyms

AME	<b>Annually Managed Expenditure</b>
ASLCs	<b>Accruing Superannuation Liability Charges</b>
CAP	<b>Common Agricultural Policy</b>
COINS	<b>Combined On-line Information System</b>
CRA	<b>Country and Region Analysis</b>
DEL	<b>Departmental Expenditure Limits</b>
GAAP	<b>Generally Accepted Accounting Practice</b>
GDP	<b>Gross Domestic Product</b>
LASFE	<b>Local Authority Self-Financed Expenditure</b>
NDPBs	<b>Non-Departmental Public Bodies</b>
PCOFCE	<b>Public Corporations' Own-Financed Capital Expenditure</b>
PSCE	<b>Public sector current expenditure</b>
PSNB	<b>Public sector net borrowing</b>
PSND	<b>Public sector net debt</b>
PSNI	<b>Public sector net investment</b>
RAB	<b>Resource Accounting and Budgeting</b>
SUME	<b>Single Use Military Equipment</b>
TES	<b>Expenditure on services</b>
TME	<b>Total Managed Expenditure</b>

### Terms

**Accounting adjustments** shown in, for example, **Table 1.1** are certain items of expenditure that account for the difference between the **National Accounts** aggregate **TME** and the sum of the **resource budgeting** items **DEL**, **departmental AME** and **other AME**. Accounting adjustments are required because there are certain components in TME that are not included in the **resource** and **capital budgets** that form the basis of planning and control of departmental spending under resource budgeting, and there are some items in resource budgeting aggregates that are not part of TME. **Annex D** has full details.

**Accruals** – apart from some of the older data in the historical tables in **Chapter 4**, all the data in PESA are based on accruals. Accruals accounting recognises when costs occur rather than when the payment is made. I.e. having the heating on is a cost that accrues each day whereas the bill might be paid quarterly.

**Accruing Superannuation Liability Charges (ASLCs)** are employer pension contributions paid to the bodies responsible for paying and accounting for unfunded public service occupational pensions. For example, government departments pay ASLCs in respect of serving civil servants. The payments represent an actuarial assessment of the accruing discounted future cost of public expenditure on pensions arising from the current employment of staff. ASLCs are included within **DEL**.

**Administration budget** – the costs of running a central government department (includes their NDPBs) that do not relate to the delivery of frontline services; it includes the pay of most of the civil servants who work in the department, and associated expenditure such as **ASLCs**, accommodation, travel and training. Administration budgets are a subset of resource **DEL** that are set net of income arising from departments' administrative activities.

**Alignment (or 'Clear Line of Sight') project** – in order to simplify public spending reporting, this project aims to align more closely the treatment of spending in departmental budgets, **Estimates** and **Resource Accounts**. More information is available on the Treasury's website<sup>1</sup>.

**Annually Managed Expenditure (AME)** is spending included in **TME** that does not fall within **DELS**. Expenditure in AME is generally less predictable and more difficult to control than expenditure in DEL. AME is split into **departmental AME** and **other AME**.

**AME margin** – in previous editions of PESA this was an unallocated margin on total AME spending included as an allowance for estimating changes. The forecasts made by the Office for Budget Responsibility no longer include such a margin.

**Area Based Grant**, introduced in 2008-09, is a general non ring-fenced grant from central government to local authorities. It replaces the Local Area Agreement grant, but unlike that grant it is unhypothecated (i.e. available to support any local outcome). It is a pooled revenue grant that is paid by Communities and Local Government (CLG) to local authorities, and so they will receive a single payment of Area Based Grant from CLG, acting as agent for other contributing departments. The Area Based Grant ended in 2010-11.

**Assets** can be either financial or non-financial:

- financial assets include monetary gold, bank deposits, IMF Special Drawing Rights, loans granted, bonds, shares, accounts receivable, and the value of the government's stake in public corporations; and
- non-financial assets consist of fixed capital (such as buildings and vehicles); stocks; land and valuables.

**Billion** – a thousand million.

**Capital budget** – a department's capital budget covers **capital expenditure**. The capital budget is divided into **DEL** and **departmental AME**. The capital budget is not a control total; capital DEL is a control total and capital AME is a planning total. The capital budget includes:

- **capital formation** and the acquisition of assets (including under finance leases) such as land, buildings, machinery and vehicles. In both capital budgets and **National Accounts**, acquisition of assets is recorded net of the sale value of any assets disposed of (where sale value is the aggregate of the net book value and any profit or loss on disposal);
- **Single Use Military Equipment** that is treated as capital in **resource** accounts (although it is treated as current expenditure in **National Accounts**);

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<sup>1</sup> [http://www.hm-treasury.gov.uk/psr\\_clear\\_line\\_of\\_sight\\_intro.htm](http://www.hm-treasury.gov.uk/psr_clear_line_of_sight_intro.htm)

- **net lending** undertaken for policy purposes; net means after the repayment of debt principal;
- in-house development of assets such as computer software and databases. This can be capitalised in government accounts provided certain conditions are met. It is sometimes called “own account capital formation”;
- large (over £20m) **debtors** or **prepayments** that are long term (over 12 months). These are included in capital budgets on the same basis as **net lending**, i.e. on an additions less reductions basis; and
- **capital grants**.

**Capital consumption** – see **depreciation**.

**Capital expenditure** can be understood in several ways:

- in **National Accounts**, capital expenditure is usually understood to mean **capital formation**, net acquisition of land, and expenditure on **capital grants**. Certain types of significant computer software development are treated as capital expenditure. The **pay** of civil servants engaged in in-house capital formation is also recorded as capital expenditure, not as pay. **Public sector net investment** is given by capital expenditure as defined above (also known as public sector gross investment) less **depreciation**;
- under **resource accounting**, capital expenditure also includes loans that are given and the net acquisition of shares. In other words, it includes the net acquisition of financial assets that are acquired for policy reasons rather than for managing the government’s funds. Such policy lending also generally scores in **DEL**, in the **capital budget**, but is removed by the **accounting adjustments**, as it does not score in **TME**; and
- some presentations of central government capital expenditure include **Supported Capital Expenditure** (Revenue) allocations given to local authorities in England and Wales (the equivalent in Scotland is supported borrowing). Northern Ireland does not have an equivalent concept as their local government sector is much smaller.

**Capital formation** is expenditure, net of sales, on fixed assets (such as buildings, vehicles and machinery) and net stock building, and can be measured gross or net of **depreciation**. Fixed assets are assets that can be used repeatedly to produce goods and services and generally last more than one year. Sometimes a minimum cost threshold (say £1,000) is applied to further define capital assets. There are some borderline cases: for example in **National Accounts**, **Single Use Military Equipment** is defined as current but assets that can be used for both civil and military purposes count as capital. Under **resource accounting**, both single and dual use military equipment are treated as capital.

**Capital grants** (also called investment grants) are payments made by government on the condition that the recipient uses the funds for **capital formation** (for example building a school or factory or buying a machine). Capital grants are also used in **National Accounts** to record debt write-offs made by government for policy reasons, and some other transfers of accumulated wealth. In the case of debt write-offs, two transactions are recorded: a capital grant from government to the debtor; and the repayment of debt by the debtor. Capital grants are treated as resource expenditure in resource accounts and **Estimates** but are included in the **capital budget**.

**Central government** is a sector in **National Accounts**. It comprises Parliament; government departments and their executive agencies; the devolved assemblies of Scotland, Wales and

Northern Ireland; government funds such as the **National Loans Fund**; the foreign exchange official reserves; most **NDPBs**; and various other non-market public bodies that are controlled by central government. Central government does not include **public corporations**, nor those non-profit institutions that receive significant government funding but are not controlled by government and so belong in the private sector (for example universities, further education colleges, and housing associations).

**Central government own expenditure** is expenditure that central government makes to the private sector plus subsidies to **public corporations**. It excludes central government support to **local government** and capital support to public corporations.

**Classification changes** are changes in the way public expenditure is recorded, rather than an actual change in the amount of cash spent or resources consumed. Classification changes can increase or decrease the recorded level of public expenditure. When there is a classification change the data are normally restated for all years in order to provide a consistent series.

**Classification Of the Functions Of Government (COFOG)** – a UN-defined system for functional analysis of government spending. The PESA analysis is consistent with UN COFOG at level 2, with the exception of the health function, which continues to be presented against the HM Treasury's own sub-functional classification. Further information on COFOG is available within the 'How to use PESA' chapter and on the UN website<sup>2</sup>.

**Combined On-line Information System (COINS)** – the Treasury's database that holds public expenditure data.

**Common Foreign and Security Policy (CFSP)** is an EU programme. Its costs are attributed to the Foreign and Commonwealth Office's DEL.

**Control total – resource budget DEL, depreciation in DEL, administration budget in DEL and capital budget DEL** are control totals. This means that departments have to manage spending within set limits.

**Cost of capital charge** used to be a notional charge that was applied to each department's budget in order to make departments aware of the full cost of holding assets. As part of the **alignment project** this charge has been removed from budgets.

**Country and Regional Analysis (CRA)** – the CRA presents statistical estimates for the allocation of **identifiable expenditure** between the UK countries and nine English regions. See **Chapters 9 and 10** for more information.

**Current expenditure** – this is spending on items that are consumed in the process of providing public services or, in other words, is recurring spending. This includes, for example, wages and salaries, benefits, and purchasing goods and services.

**Current grants** are unrequited payments to individuals or bodies, which means that no specific goods or services are received in return. In **National Accounts** current grants to persons are called **social benefits** and those to trading businesses are called **subsidies**.

**Debtors** are **assets** on the balance sheet. They are recognised where a transaction has accrued, but cash is yet to be received. For example where a public sector body sells an asset but defers cash receipts – the fact that cash is yet to be received means that **PSND** has not benefited from the accrued transaction. Where a department or its **NDPB** has a large (over £20m), long term (over 12 months) debtor, this is included in their **capital budget** on the same basis as net lending.

**Dedicated Schools Grants (DSG)** is a hypothecated (ring-fenced) **current grant** from central

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



government to local authorities, paid by the Department of Children, Schools and Families (DCSF) and allocated to schools on a formula basis. This was introduced from 2006-07 replacing part of the **Revenue Support Grant (RSG)** paid by Communities and Local Government (CLG).

**Departmental AME** is spending that is outside **DEL** but included in departmental budgets. Main categories include social security benefits and tax credits for individuals.

**Departmental Expenditure Limits (DELs)** are firm plans for three years for a specific part of a department's expenditure. DEL covers all administration costs and programme expenditure except where:

- some programme spending cannot reasonably be subject to close control over a three-year period; or
- spending relates to non-cash costs other than depreciation and impairments.

Departmental spending not in DEL is included in **departmental AME**. Both **resource** and **capital budgets** are divided into DEL and departmental AME.

**Departmental Unallocated Provision (DUP)** is an amount that a department keeps within its budget to meet unplanned increases in spending, and which is not allocated to any particular programme at the start of a year.

**Depreciation** is also termed capital consumption. It is a measure of the reduction in value of an asset due to the effects of wear and tear. **TME** includes depreciation as an item of **current expenditure**. **Public sector net investment** is given by deducting depreciation from gross **capital expenditure**. The depreciation ring fence includes depreciation, **impairments** and student loans **provisions** recently classified as **impairments**.

**Economic categories** – these represent broad classifications of the economic impact of transactions. Examples of economic categories are **pay**, **social benefits** and **subsidies**. The main categories in expenditure on services, based on **National Accounts** definitions, are set out in **Table 5.3** and described in **Chapter 5**. The equivalent budgeting presentation, based on resource accounting, is shown in **Table 2.1** and described in **Chapter 2**.

**End-year flexibility (EYF)** is the set of rules by which departments are allowed to carry forward unspent DEL provision from one year to the next. As announced in the Budget 2011 EYF is being replaced by the Budget Exchange, the "Budget Exchange mechanism which allows departments to surrender an underspend in advance of the end of the financial year in return for a corresponding increase in the following year, subject to a prudent limit."

**Estimated outturn** is a forecast of spending incurred on the basis of actual expenditure to date.

**Estimates** – see **Supply Expenditure**.

**European System of Accounts 1995 (ESA95)** – This is the system used by the **Office for National Statistics** for measuring and presenting UK **National Accounts**. The system is compulsory for EU member states reporting economic statistics to the EU Commission. ESA95 is consistent with the earlier System of National Accounts 1993 (SNA93), which was developed by a number of international organisations.

**Expenditure on services** (known as TES) is an aggregate used in PESA to analyse the capital and current spending of the public sector. The current and capital elements of expenditure on services are sometimes shown separately as current expenditure on services and capital expenditure on services. Note that TES and its components represent the overall cost of providing services, rather than just the cost of purchasing services from third parties, and includes expenditure on **assets**. See **Annex E** for a full definition.

**Financial Reporting Standard 17 (FRS17)** sets out the **GAAP** basis for recording pensions.

**Financial Statement and Budget Report (FSBR)** – the FSBR is published each year by the Treasury on Budget day. It has been known as the Red Book. Since 1999 it has been published alongside the Economic and Fiscal Strategy Report in a single Budget document.

**Financial transactions** are payments and receipts relating to changes in holdings of financial assets or liabilities. Financial assets entitle their owners to unconditional financial claims on the units that have the liability (except for gold where there is no liability on another unit). Government departments' financial assets include bank deposits; foreign currency held; bonds and shares owned; loans given; accounts receivable in respect of, for example, income accrued but not yet paid; and **public dividend capital** and the value of government's other stakes in **public corporations**. Physical assets such as buildings and land are not financial assets. Transactions in some financial assets are undertaken to manage cash flows, for example movements in bank deposits, but some are undertaken to further a policy such as lending to students. These types of financial transactions are sometimes called policy lending and are normally included in a department's **DEL capital budget**.

**General Government** is the consolidated combination of the **central government** and **local government** sectors in **National Accounts**.

**Generally accepted accounting practice (GAAP)** – there is no statutory definition of GAAP, but it is taken to be the accounting and disclosure requirements of the Companies Act, pronouncements by the Accounting Standards Board (e.g. financial reporting standards), and the body of accounting knowledge built up over time. GAAP is used for **resource accounting**. GAAP is a different accounting framework from the **National Accounts** framework that is used for **TME**. **Public sector** bodies are in the process of moving from GAAP to **International Financial Reporting Standards (IFRS)**.

**Grants** – see **current grants** and **capital grants**.

**Gross Domestic Product (GDP)** (at market prices) is the value of goods and services produced in the UK. "Gross" means there is no deduction for **depreciation**. Economic data are often quoted as a per cent of GDP to give an indication of trends through time and to make international comparisons easier.

**Housing Revenue Account (HRA)** – the HRA represents the current income and expenditure of local authority social housing provision. The HRA is treated as a quasi-corporation in **National Accounts**. The surplus of income (which includes rent rebates and subsidies paid by other parts of government) over expenditure is treated as being paid over to local authorities as a notional dividend. This net amount is then included as revenue rather than spending in the **National Accounts**, which means that the current expenditure of local authority housing departments is not included in **TME**. The cost of rent rebates and subsidies is included in TME; these items are within the **AME** lines for social security benefits and other departmental expenditure in AME. Local authority **capital expenditure** on housing associated with the HRA scores as capital spending in the **public corporation** sector, following the implementation of **ONS's** reclassification decision in June 2006. PESA had previously shown this spending in the local government sector. Payments of interest on housing related debt will continue to be treated as part of local government expenditure.

**Identifiable expenditure** is expenditure that can be recognised as having been incurred for the benefit of individuals, enterprises or communities within a particular country or region. Examples are most health and education services, and spending on social security and pensions. See **Chapter 9** for further details.

**Impairments** are recorded where there is the permanent loss or write-off of the recoverable value of a fixed or current asset below the value recorded on the balance sheet in accounts.

Impairments are a non-cash charge in the **resource budget** alongside the **depreciation** charge, but are separately identified. In order to provide support for departments' management decisions, impairments are split into six different categories, some of which are scored in **AME** and others in **DEL**. See **Annex C** for further details. In the PESA budgeting-based presentations impairments are included in the depreciation line, and it is the combined total that is used in the calculation of **Total DEL**. In the **National Accounts**, impairments resulting from accidental damage are included alongside depreciation; other sorts of impairment are not counted in the main expenditure measures.

**International Financial Reporting Standards (IFRS)** are being implemented by **public sector** bodies to replace **GAAP**-based **resource accounting**. Departments have reported 2009-10 resource accounts against IFRS, with local authorities moving onto this basis for 2010-11.

**Local Authority Self-Financed Expenditure (LASFE)** is aggregate **local government** expenditure less its receipts of **central government** current and capital support including distribution of **National Non-Domestic Rates** in England and Wales. It represents local government expenditure financed from local resources such as council tax, trading surpluses, investment income, capital receipts, self-financed borrowing, and use of reserves. LASFE does not include **depreciation**.

**Locally Financed Expenditure (LFE)** is LASFE plus expenditure financed by non-domestic rates in Scotland and Northern Ireland Regional Rates (NIRR).

**Local government** is a sector in **National Accounts**. It comprises all local authorities in the UK including county councils, metropolitan districts, parish councils, police and fire authorities, residuary bodies, passenger transport authorities, Transport for London, London boroughs, and the Greater London Assembly.

**National Accounts** – this is a statistical system that represents the UK's economic transactions. The system provides a number of key economic statistics including **Gross Domestic Product (GDP)**, consumers' expenditure, the balance of payments with the rest of the world, and the public sector balances. The National Accounts is presented by the ONS in the Blue Book.

**National Loans Fund (NLF)** – the NLF is a government account with the Bank of England set up under the National Loans Fund Act 1968. All government borrowing transactions are handled through this fund.

**National Lottery Distribution Fund (NLDF)** – the NLDF is a central government fund, administered by the Department for Culture, Media and Sport (DCMS). The Fund receives a proportion of the proceeds from national lottery ticket sales (receipt of that proportion is treated as a tax in **National Accounts**). The Fund passes it to the Lottery Distributors, independent public sector bodies responsible for awarding national lottery grants to good causes. Payments by the Distributors are treated in the National Accounts as **central government** expenditure in **AME**.

**National Non-Domestic Rates (NNDR)** in England is a tax paid by the occupiers of non-domestic property, principally businesses. Most NNDR is collected from businesses by local authorities and then paid into a **central government** pool. Some large businesses with national activity (such as utility companies) pay directly into the pool (the Central List). The pool is distributed back to local authorities in the form of central government grants. Similar systems apply in Wales and Scotland. The grant is in **DEL** for England and Wales, but in the **AME** line for **Locally Financed Expenditure** in Scotland. NNDR payments by **central government** or **local government** in respect of the occupation of property are consolidated out through the **accounting adjustments** to arrive at **TME**.

**Net lending** has two meanings:

- in **National Accounts** it is the balance of the current and capital accounts and is often quoted with sign reversed as “net borrowing”, which is sometimes called the government deficit; and
- in this publication net lending is more likely to mean lending by government net of any repayments of previous lending. It includes transactions in shares – so, for example, privatisation receipts count as negative net lending. Government lends to students, some industries, **public corporations**, **local government**, some overseas governments and some international bodies that supply foreign aid.

**Non-budget** income and expenditure normally refers to income and expenditure that pass through a government department’s books and that are not included in **DEL** or departmental **AME**. For example, the grant-in-aid paid to **NDPBs** is normally a non-budget transfer – it is the NDPB’s income and expenditure that scores in budgets.

**Non-cash** refers to various transactions that appear in the **operating cost statement** under **resource accounting**, but are not directly included in the **National Accounts** measure of Surplus on the Current Budget. The major non-cash transactions are **depreciation**, **impairments** and the taking and release of **provisions**. Most depreciation and impairments are in **DEL** but following changes to the budgeting framework as part of the **alignment project**, most other non-cash items are in **AME**.

**Non-Departmental Public Bodies (NDPBs)** are public bodies with day-to-day autonomy in their management and financial matters. NDPBs are funded by a sponsor department through a non-budget grant in aid payment, with the subsequent NDPB expenditure (and any further income they generate themselves) scoring in the sponsor department’s budget. A list of NDPBs can be found on the Civil Service website<sup>3</sup>.

**Non-identifiable expenditure** is expenditure that cannot be recognised as benefiting a particular country or region, so is deemed to be incurred on behalf of the United Kingdom as a whole. E.g. most defence expenditure, overseas representation and tax collection.

**Non-voted** expenditure is expenditure that is not voted by Parliament through the Supply procedure. It includes spending funded from various funds, such as the National Insurance Fund, as well as spending by **Non-Departmental Public Bodies (NDPBs)** as Parliament have previously voted the payment of funding to these bodies.

**Office for Budget Responsibility (OBR)** the OBR was created in 2010 to provide independent and authoritative analysis of the UK’s public finances. It is one of a growing number of official independent fiscal watchdogs around the world. In particular, the OBR produce forecasts for the economy and public finances used in the Budget.

**Office for National Statistics (ONS)** – the ONS is an independent public sector body that produces many official statistics such as the **National Accounts**. ONS decisions about the classification of bodies are the basis for determining which bodies are included within PESA and as part of which sector.

**Operating Cost Statement** – this is the statement in departmental resource accounts that shows the current income and expenditure of the department on an accruals basis. It is similar to the profit and loss statement in commercial accounts.

**Other AME** is public spending that is outside both **DEL** and **departmental AME**. It includes net transfers to the EU, **locally financed expenditure**, debt interest, **public corporations’** own-financed capital expenditure and **accounting adjustments**.

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<sup>3</sup> [www.civilservice.gov.uk/about/public/bodies.asp](http://www.civilservice.gov.uk/about/public/bodies.asp)

**Outturn** describes expenditure actually incurred and will generally have been included in the resource accounts of the relevant body.

**Pay** includes salaries, employers' National Insurance Contributions, and accruing pension costs, such as **ASLCs**. The pay of staff engaged in own-account **capital formation** is treated as **capital expenditure**.

**Prepayments** are assets on the balance sheet. They are recognised where cash payments are made to suppliers of services in advance of those services being delivered. In resource accounts these are cash movements on the balance sheet and do not score as expenditure in **TME**. The reduction in cash held by the public sector increases **PSND**. Where a department or its **NDPB** makes a large (over £20m) prepayment that is long term (over 12 months) this is included in the **capital budget** on the same basis as **net lending**. When the service is delivered this is scored as appropriate, e.g. as the consumption of goods and services in **resource DEL** within **TME**.

**Private Finance Initiative (PFI)** is a system for purchasing capital intensive services for the public sector. Typically, the private sector designs, finances, builds, and maintains infrastructure, and other fixed capital **assets**, and then operates those assets to sell services to the **public sector**. In a proportion of cases the capital assets are accounted for on the balance sheet of the private sector operator; in other cases they are on the public sector's books. Annex A has more information on the treatment of PFI in PESA.

**Privatisation receipts** are the receipts from the sale of shares, other securities and debt in **public corporations** that were sold as part of the privatisation programme. The proceeds are recorded as negative **net lending**. A corporation is said to be privatised when it is no longer controlled by government.

**Procurement** spending is now shown gross throughout PESA, rather than net of sales as was previously the case within certain tables. It is shown as current or capital procurement as follows:

- current procurement is expenditure on goods and services, including hire and rentals under PFI and non-PFI operating leases, payments for contract and agency staff and payments for consultancy and audit services. It also includes the purchase of services from GPs. Purchase of minor maintenance and minor pieces of equipment and IT systems that are not treated as capital would be counted as current procurement;
- capital procurement is expenditure on the purchase of fixed **assets** such as buildings, machinery and large-scale IT projects; and
- Expenditure on **Single Use Military Equipment (SUME)** is treated as current procurement within **National Accounts** and **expenditure on services**, but capital procurement in budgets.

**Provider Trusts** sell health services in England and Wales. In England they can either be classified as NHS or Foundation Trusts, the latter having more financial and operational independence. In Wales they are known as Health Trusts. In Scotland trusts have been re-absorbed back into Health Boards. All Provider Trusts throughout the UK are in the **central government** sector.

**Provisions** – departments take provisions in accounts and budgets when a past event means that they should recognise a future liability of uncertain amount or timing. Budgets also score the release of the provision and the expenditure that the release finances. Provisions score as part of the resource budget, usually in **AME** unless they relate to pensions or are scored by independent bodies exceptionally allowed to score provisions in **DEL**.

**Public corporations** are publicly controlled **trading bodies** with substantial financial and operational independence from **central** and **local government** – they are legally separate institutional units responsible for their own day-to-day operations and producing their own accounts. To be classed as trading they must receive the majority of their income from sales into a market, rather than grant funding from government. They include Royal Mail Holdings, and most **trading funds** such as the Meteorological Office and Companies House.

**Public Corporations' Own-Financed Capital Expenditure (PCOFCE)** is aggregate **public corporation capital expenditure** less its receipts of **central government** capital support in budgets.

**Public Dividend Capital (PDC)** is a form of long-term government finance for some **public corporations**. The government receives a return in the form of dividends rather than fixed interest payments.

**Public expenditure** is spending by public bodies. The definition of aggregate public expenditure most frequently used in this publication is **Total Managed Expenditure (TME)**.

**Public sector** – the public sector comprises **central government, local government** and **public corporations**.

**Public sector current expenditure (PSCE):**

- is the sum of the **current expenditure** of **central government** and **local government**, plus certain transactions (interest and rent) paid by **public corporations** to the private sector and abroad;
- does not include expenditure incurred in producing goods and services for sale where undertaken by **public corporations** – rather the surplus of sale receipts over operating costs for public corporations is scored as a public sector receipt and does not affect expenditure measures;
- is net of certain receipts such as: receipts of contributions to public sector occupational pension schemes; receipts of grants from abroad including the EC abatement; sales of goods and services; and income from rent of buildings; and
- includes non-trading capital consumption. This is the **depreciation** of the fixed **assets** held by **central government** and **local government**. It excludes depreciation on assets used to produce goods and services for sale including the assets of **public corporations** and local authority housing.

For PESA 2011, PSCE is presented consistent with a measure of **public sector net borrowing** excluding the temporary effects of the financial sector interventions (PSNBex).

**Public sector net borrowing (PSNB)** is the difference between **public sector** receipts and expenditure as measured by **National Accounts**. It also equals the net balance of the public sector's net acquisition of financial liabilities less its acquisition of financial assets. Data imprecision means that the different ways of measuring net borrowing never give exactly the same answer – the difference is called the statistical discrepancy in **ESA95**. In December 2009 the ONS defined an alternative measure of PSNB excluding the temporary effects of the financial sector interventions (PSNBex). Spending aggregates consistent with PSNBex are used throughout PESA 2011.

**Public sector net debt (PSND)** is the sum of the public sector's financial liabilities at nominal value, less its liquid financial assets.

**Public sector net investment (PSNI)** is all **capital expenditure** by the **public sector** less an amount representing public sector **depreciation**. Broadly, the amount of capital expenditure

that equals the depreciation charge could be seen as keeping the stock of assets stable. Net investment therefore represents the increase in the asset base after allowing for depreciation. For PESA 2011, PSNI is presented consistent with a measure of **public sector net borrowing** excluding the temporary effects of the financial sector interventions (PSNBex).

**Public sector gross investment (PSGI)** – see **capital expenditure**

**Quasi-corporations** are entities that meet the economic definition of a public corporation (i.e. trading income covers at least half their costs) but that do not take a separate legal form. Examples are Export Credits Guarantee Department and local authority housing. They score in the **National Accounts** like public corporations (although interest on housing related debt is treated as local authority expenditure).

**RAB** – see **resource accounting** and **resource budgeting**.

**Real terms** figures are amounts adjusted for the effect of general price inflation as measured by the **GDP** market price deflator.

**Reserve** – an amount within **DEL** not allocated to departmental programmes, which provides a margin to cover emergencies and genuinely unforeseen contingencies.

**Resource accounting** is the accounting system used to record expenditure in departmental accounts. It applies **generally accepted accounting practice** (GAAP) to departmental transactions.

**Resource budget** is the budget for **current expenditure** on an accruals basis. It is divided into resource **DEL** (which is a **control total**) and resource **departmental AME** (a planning total).

**Resource budgeting** is the budgeting regime based on **resource accounting** introduced for the spending plans set in the 2000 Spending Review and which has been used for in-year spending control from 2001-02. Under RAB Stage I (2001-02 to 2002-03) resource **DEL** included **near-cash** transactions measured on an **accruals** basis while **non-cash** transactions were in Departmental **AME**. Under RAB Stage II (from 2003-04) most non-cash transactions were included in resource DEL. Near-cash controls were introduced in 2003-04 and clarified in 2005-06 such that near-cash in resource DEL was a control total. However, under the 2010-11 framework on which PESA is based, the near-cash control within resource DEL has been removed as part of the **alignment project**. Resource budgeting is largely derived from resource accounting rules, but there are a number of differences in treatment between resource accounts and resource budgets. For example, **capital grants** are capital in budgets (and in the **National Accounts**), but current in departmental resource accounts. See **Annex C** for further information.

**Revenue Support Grant** is an unencumbered (i.e. non ring-fenced) current grant from **central government** to local authorities, paid by Communities and Local Government (CLG).

**Single Use Military Equipment (SUME)** is equipment that can only be used for military purposes (e.g. a tank). By contrast, dual use military equipment (e.g. an army lorry) can be used for civilian or military purposes. In the **National Accounts** and **expenditure on services** frameworks all expenditure on SUME is treated as **current expenditure**. In **resource accounts** and **resource budgeting**, expenditure on SUME that is of a capital nature is treated as capital. Dual use military equipment is treated as capital in all presentations.

**Social benefits** include social security, tax credits and similar payments to individuals. They also include unrequited grants to not-for-profit non-market bodies such as charities (although purchases of services from charities count as **procurement**). Public service pension payments are included in social benefits.

**Special reserve** is **reserve** specifically set aside to cover military operation.

**Spending Reviews** set **DELS** for the following three years. The first was the Comprehensive Spending Review in 1998 with further SRs held every two years until 2004. A second Comprehensive Spending Review reported in autumn 2007 and set budgets for 2008-09 to 2010-11. A further Comprehensive Spending Review in Autumn 2010 set budgets for 2011-12 to 2014-15.

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

**Stock building** (also known as the net acquisition of inventories) is the value of the physical increase in stocks. In government accounts it relates mainly to buildings within urban regeneration areas.

**Subsidies** are payments by government and the EU to trading businesses to help pay for current costs. These include payments to farmers under the EU's Common Agricultural Policy. Subsidies may be paid to **public corporations** as well as to private sector firms.

**Supply expenditure** is expenditure that is voted by Parliament either in the annual Main Estimates (at the start of the year) or in Supplementary Estimates in-year.

**Supported borrowing** – this is the equivalent of **Supported Capital Expenditure** (Revenue) in Scotland.

**Supported Capital Expenditure (SCE)** – Supported Capital Expenditure (Revenue) (SCE[R]) is the amount of borrowing by a local authority in England and Wales (to fund capital expenditure) towards which central government is prepared to provide revenue grant. This support is provided either through **Revenue Support Grant** (RSG) or **Housing Revenue Account** (HRA) subsidy. It is known as **supported borrowing** in Scotland but there is no equivalent in Northern Ireland as their local government sector is much smaller. Supported Capital Expenditure (Capital) (SCE[C]) is sometimes used to refer to central government **capital grants** paid to local authorities, although capital grants remains the more commonly used terminology.

**Tax credits** are the Working Tax Credit and Child Tax Credit. They replaced former personal tax credits in 2003-04. In budgets tax credits score in departmental AME including negative tax, this is aligned with resource accounts. Tax credits score in **TME** (within departmental **AME**) when the amount paid exceeds the tax liability of the household but as negative tax when the amount paid is less than or equal to the tax liability of the household.

**Total DEL** is the sum of the **resource budget DEL** and the **capital budget DEL**, less **depreciation**. Depreciation is excluded from Total DEL as scoring both **capital expenditure** and depreciation may be seen as double counting. In the calculation of Total DEL, depreciation includes **impairments**, release from donated asset reserve and release from government grant reserve. Total DEL is not a **control total**: it is purely used for presentation.

**Total Expenditure on Services (TES)** – see **Expenditure on services**.

**Total Managed Expenditure (TME)** is a definition of aggregate public spending derived from **National Accounts**. It is the consolidated sum of **current** and **capital expenditure** of **central** and **local government**, and **public corporations**. TME can also be presented as the sum of **DEL** and **AME**. For PESA 2011, TME and its components are presented consistent with **public sector net borrowing** excluding the temporary effects of the financial sector interventions (PSNBex).

**Trading bodies** are publicly owned or controlled trading businesses. **Public corporations** and **quasi-corporations** are trading bodies. There may also be some trading activities that are closely integrated within **central government** or **local government** and do not have enough independence to be classified as a public corporation or quasi-corporation. **Capital**



**expenditure** of trading bodies is included in public expenditure measures, but the surplus of current income over **current expenditure** is included as a revenue item called gross trading surplus. There are examples in the **local government** sector such as some theatres and sports facilities.

**Trading Funds** are government departments or parts of government departments. They have financing frameworks that allow them to meet outgoings without the cash flows passing through **Supply Estimates**. Generally they cover their costs from trading receipts. In **National Accounts** they are normally treated as **public corporations**.

**Traditional Own Resources (TOR)** – the European Communities' Traditional Own Resources are customs duties, including those on agricultural products and sugar levies.

**VAT refunds** are given to departments in relation to payments for contracted-out services to remove a disincentive to contracting out services that might otherwise have been performed in-house.



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If you require this information in another language, format or have general enquiries about HM Treasury and its work, contact:

Correspondence Team  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

Tel: 020 7270 4558

Fax: 020 7270 4861

E-mail: [public.enquiries@hm-treasury.gov.uk](mailto:public.enquiries@hm-treasury.gov.uk)

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