



STATISTICAL BULLETIN: PUBLIC SPENDING STATISTICS FEBRUARY 2016

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

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

IN THIS RELEASE

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KEY POINTS IN THIS RELEASE

- Total DEL expenditure (Resource DEL excluding depreciation plus Capital DEL) was £361.3 billion in 2014-15, an increase of £3.2 billion or 0.9 per cent on the previous year in nominal terms.
- Total Managed Expenditure (TME) was £746.7 billion in 2014-15, an increase of 1.6 per cent on the previous year.
- Total expenditure on services was £677.7 billion in 2014-15, an increase of 0.7 per cent on the previous year.
- Total departmental expenditure (Total DEL plus resource and capital departmental AME) was £621.4 billion in 2014-15, a fall of 3.1 per cent on the previous year. Work and Pensions accounts for around one quarter of departmental expenditure.

KEY REVISIONS IN THIS RELEASE (SINCE NOVEMBER 2015 PUBLICATION)

- Resource Departmental AME expenditure decreased by £790 million in 2014-15 driven by a £520 downward revision to DCLG Local Government spend in respect of Business Rates. This revision was made to align spend with DCLG 2014-15 Resource Accounts. Downward revisions were also made by Department of Health, Ministry of Justice and the Department for Culture, Media and Sport of £290 million, £130 million and £110 million respectively. These were offset by an upward revision of £200 million made by HM Treasury.
- Capital Departmental AME expenditure decreased by £830 million in 2014-15. This was driven by a £670 million downward revision to HM Treasury's spend in respect of financial transactions. This revision was made to align spending with HM Treasury's 2014-15 Resource Accounts. A downward revision of £150 million was also made by the Department for Culture, Media and Sport.
- Total DEL expenditure (RDEL excluding depreciation and Capital DEL) increased by £140 million in 2014-15. This change largely reflects the Scottish Government revising data in line with 2014-15 annual accounts.
- Changes in non-departmental resource and capital expenditure in all years are mainly due to the impact of updated ONS data. In particular, the January Public Sector Finances release published on 19 February reflected revisions due to the reclassification of English housing associations from the private to the public corporation sector. A link to the January 2016 Public Sector Finances release is below.
http://www.ons.gov.uk/ons/dcp171778_433733.pdf
- This publication takes account of updated English local authority data from DCLG. In 2014-15 English local authority resource spend has been reduced by £580 million to reflect latest available outturn data.

UPCOMING REVISIONS AND CHANGES TO THE PRESENTATION IN FORTHCOMING RELEASES

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

FORTHCOMING CHANGES TO THE SPENDING FRAMEWORKS USED IN THIS RELEASE

No changes are expected for the next release.

PUBLIC SPENDING STATISTICS PUBLICATION SCHEDULE FOR THE COMING YEAR

| | |
|------------|---|
| APRIL 2016 | Contains updates to the key Public Spending Statistics series. April is the first publication in which full outturn data for the previous financial year is published, incorporating final data for all local authorities and devolved administrations. |
|------------|---|

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- JULY 2016** The July Public Spending Statistics release contains the first publication of departmental spending outturn for the 2015-16 financial year. Local authority data and much of the data from the devolved administrations are still provisional at this stage of the year. This is the main annual release.
- OCT/NOV 2016** Updates to the key series of the Public Spending Statistics are published in October. Additionally, the Country and Regional Analysis is published in October or November each year.
- FEBRUARY 2017** This release contains updates to the key Public Spending Statistics series. It includes updated data for English and Welsh local authorities for the previous financial year.

BACKGROUND

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

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

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

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

DATA IN THIS RELEASE**Spending frameworks used in HM Treasury spending publications****Budgeting**

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

Expenditure on services

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

BUDGETING STATISTICS**DEPARTMENTAL EXPENDITURE LIMITS**

- Total resource DEL was £333.6 billion in 2014-15, a fall of 1.5 per cent on the previous year.
- Total resource DEL excluding depreciation was £316.2 billion in 2014-15, a fall of 0.1 per cent on the previous year.
- Total DEL expenditure (Resource DEL excluding depreciation plus Capital DEL) was £361.3 billion in 2014-15, an increase of £3.2 billion or 0.9 per cent on the previous year in nominal terms.
- Total capital DEL was £45.1 billion in 2014-15, an increase of £3.5 billion or 8.3 per cent on the previous year.

ANNUALLY MANAGED EXPENDITURE

- Net public service pensions increased to £10.1 billion in 2014-15, from £5.4 billion in 2013-14. In 2010-11 net public service pensions was -£78.1 billion. The negative expenditure in 2010-11 was caused by the decision to use the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI) for the indexation of public service pensions and the consequent reduction in the size of future liabilities. The effect of this on the major pension schemes (teachers, NHS, civil service and armed forces) is shown in the appropriate departmental budget in Table 3. As liabilities are not included in the calculation of TME, there is an offset within the accounting adjustments to remove them (see Table 9 for details).

- Locally financed capital expenditure was £16.2 billion in 2011-12. This reflects a one-off payment to central government by local government in respect of Housing Revenue Account reform. There is an offsetting receipt in the accounting adjustments as the transaction is neutral within the public sector.

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

Compared with the previous year;

- In real terms, spending on half of the ten functions (not including EU transactions) increased during 2014-15, whilst the remaining half showed a decrease.
- The largest real terms growth in expenditure in percentage terms was on Recreation, culture and religion by 7.5 per cent, then Housing and community amenities by 3.9 per cent and Environment Protection by 2.6 per cent.
- The largest real terms fall in spending was in Education, down by 7.9 per cent. This is due to a decrease in student loan impairments, a footnote to the expenditure on services tables explains this in more detail. General public services also fell by 5.2 per cent, this was driven by a reduction of 9.9 per cent in public sector debt interest.
- There was a large fall of 33.8 per cent in EU transactions, this was driven by a larger UK abatement and higher EU receipts in 2014-15 than in 2013-14.

EXPENDITURE ON SERVICES STATISTICS

- During the recession, as GDP shrank but spending increased, TME took an increasingly large share of national income. As a result, TME as a percentage of GDP peaked at 46.1 per cent in 2009-10. In the subsequent years, TME as a percentage of GDP has been decreasing. In 2014-15 it stood at 40.8 per cent of GDP (Table 10b).
- In 2014-15 public expenditure on Health was equal to 7.3 per cent of GDP, compared to 5.2 per cent in 1994-95. Education spending has increased from 4.8 per cent in 1994-95 to 5.1 per cent of GDP in 2013-14, falling back to 4.6 per cent in 2014-15 due to the impact of student loan impairments. These changes reflect a mix of demographics and the policy priorities of successive governments.
- The share of GDP taken by public sector debt interest payments was 2.0 per cent in 2014-15. This compares with a peak of 3.4 per cent last seen in 1995-96, when interest rates were significantly higher than now.

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- In real terms (i.e. after adjusting for the effect of inflation);
 - spending on Social Protection was £258.4 billion in 2014-15, up from £255.2 billion in the previous year.
 - Health spending (including spending by central government departments and devolved administrations) was £134.0 billion in 2014-15, compared to £131.3 billion spent in 2013-14.
- Financial sector interventions are scored within Economic affairs in **tables 10 to 10b**, whereas in **Table 11** they appear as capital grants and income from sales of goods and services.¹

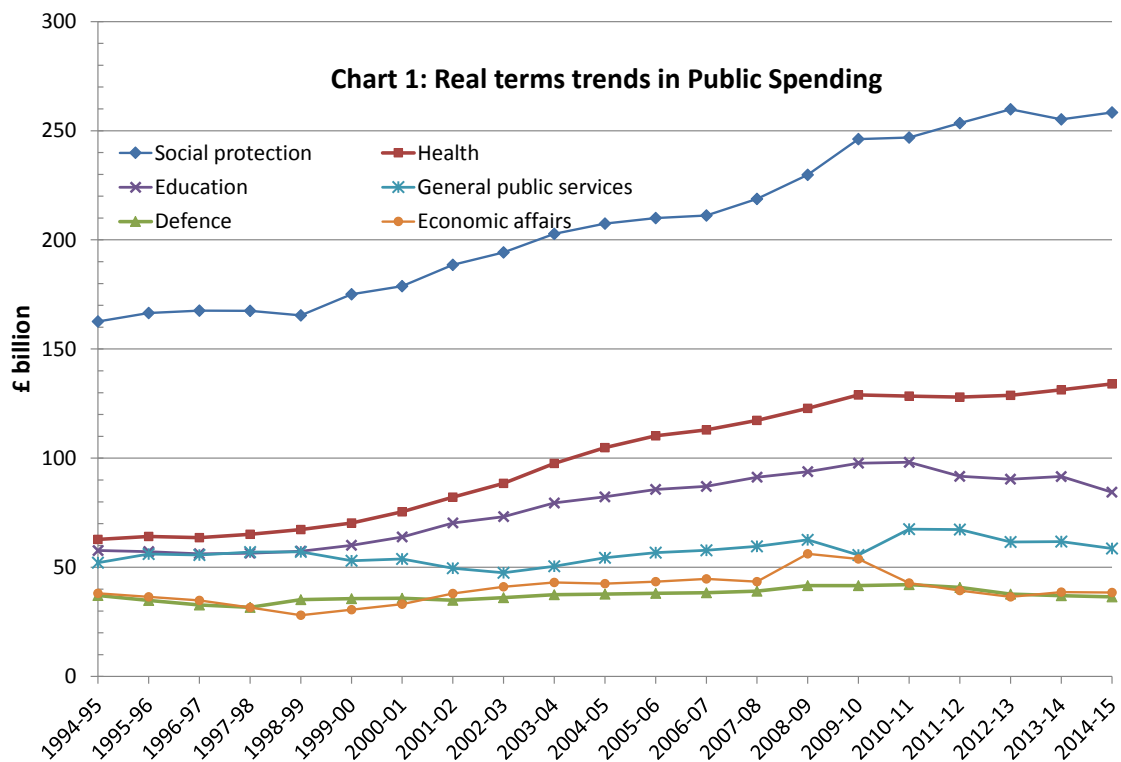
¹ Details of financial sector interventions within expenditure on services can be found in Box 5.A of PESA 2015.

CHARTS

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

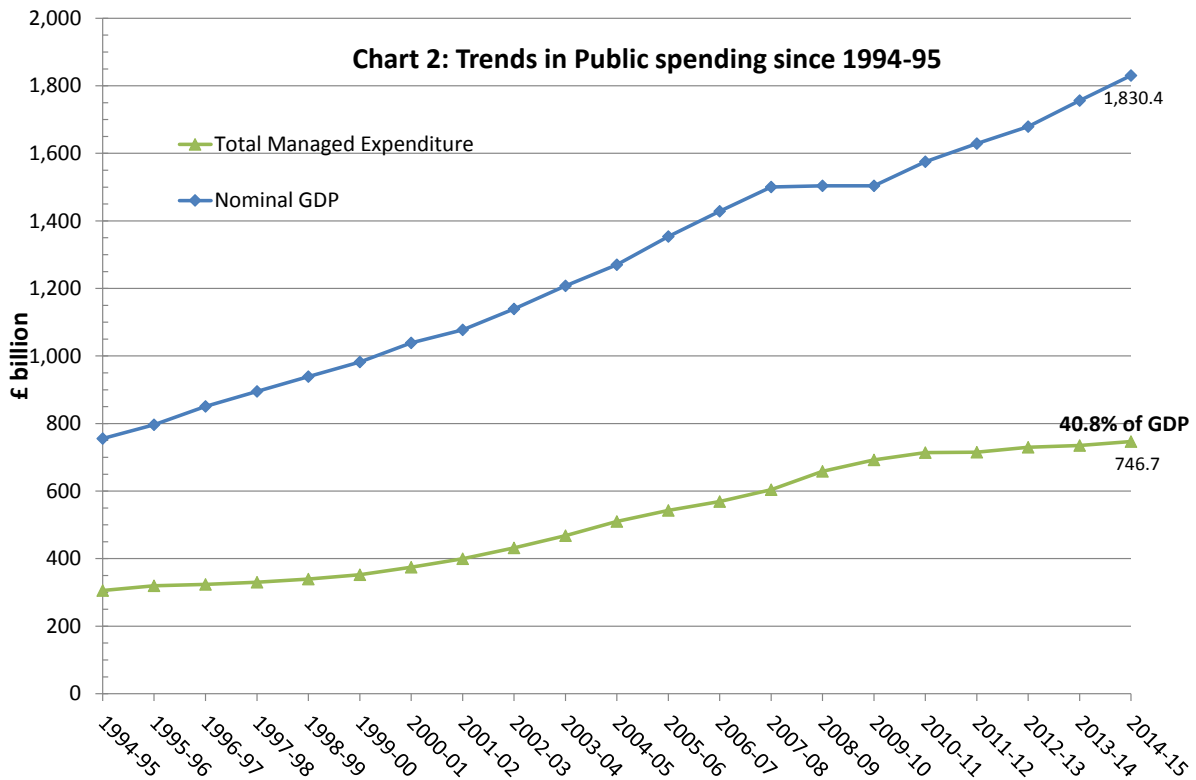
It is important to note that in most cases spending by function does not equate to spending by a single department. Spending within the health function, for example, represents expenditure by the devolved administrations as well as by the Department of Health and other central government departments.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

Between 1994-95 and 2014-15 the Health function has had the highest rate of real terms growth.



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



NATIONAL STATISTICS

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

Designation can be broadly interpreted to mean that the statistics:

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

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

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Table 1 Total Managed Expenditure, 2010-11 to 2014-15

| | £ million | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2010-11 outturn | 2011-12 outturn | 2012-13 outturn | 2013-14 outturn | 2014-15 outturn |
| CURRENT EXPENDITURE | | | | | |
| <i>Resource DEL</i> | | | | | |
| Resource DEL excluding depreciation | 325,560 | 321,715 | 317,050 | 316,436 | 316,185 |
| Depreciation in resource DEL | 20,512 | 19,269 | 21,504 | 22,300 | 17,422 |
| Total resource DEL | 346,072 | 340,984 | 338,555 | 338,735 | 333,607 |
| <i>Resource departmental AME</i> | | | | | |
| Social security benefits | 169,286 | 175,481 | 183,088 | 179,599 | 184,185 |
| Tax credits ⁽¹⁾ | 28,938 | 29,976 | 29,761 | 29,394 | 29,187 |
| Net public service pensions ⁽²⁾ | -78,073 | 6,012 | 4,958 | 5,441 | 10,072 |
| National lottery | 995 | 1,335 | 719 | 1,209 | 1,448 |
| BBC domestic services | 3,559 | 3,033 | 3,291 | 3,225 | 3,556 |
| Student loans | -301 | -642 | -763 | -1,096 | -1,579 |
| Non-cash items | 56,472 | 51,313 | 53,162 | 49,627 | 72,460 |
| Financial sector interventions | -14,247 | -16,143 | -18,384 | 8,380 | -48,516 |
| Other departmental expenditure | 613 | 264 | 4,258 | 13,525 | 4,243 |
| Total resource departmental AME | 167,242 | 250,628 | 260,090 | 289,303 | 255,055 |
| <i>Resource other AME</i> | | | | | |
| Net expenditure transfers to the EU | 8,414 | 7,702 | 9,131 | 9,716 | 8,830 |
| Locally financed expenditure | 22,969 | 22,112 | 23,442 | 23,187 | 25,667 |
| Central government gross debt interest | 46,609 | 49,704 | 48,856 | 48,668 | 45,174 |
| Accounting adjustments ⁽³⁾ | 46,278 | -25,166 | -25,374 | -44,037 | 4,968 |
| Total resource other AME | 124,270 | 54,352 | 56,055 | 37,534 | 84,638 |
| Total resource AME | 291,513 | 304,980 | 316,145 | 326,837 | 339,694 |
| Public sector current expenditure | 637,585 | 645,964 | 654,700 | 665,572 | 673,301 |
| CAPITAL EXPENDITURE | | | | | |
| <i>Capital DEL</i> | | | | | |
| Total capital DEL | 49,816 | 42,338 | 38,961 | 41,681 | 45,142 |
| <i>Capital departmental AME</i> | | | | | |
| National lottery | 597 | 380 | 513 | 492 | 584 |
| BBC domestic services | 122 | 172 | 121 | 83 | 111 |
| Student loans | 4,958 | 5,857 | 6,858 | 9,299 | 11,477 |
| Financial sector interventions | -3,015 | -4,571 | -3,601 | -4,938 | -3,030 |
| Other departmental expenditure | 1,103 | 688 | -302 | -11,147 | -4,116 |
| Total capital departmental AME | 3,764 | 2,525 | 3,589 | -6,210 | 5,026 |
| <i>Capital other AME</i> | | | | | |
| Locally financed expenditure | 5,890 | 16,154 | 5,977 | 6,941 | 6,971 |
| Public corporations' own-financed capital expenditure ⁽⁴⁾ | 15,418 | 13,131 | 13,380 | 14,843 | 16,296 |
| Accounting adjustments ⁽³⁾ | 1,549 | -4,773 | 12,936 | 12,130 | -46 |
| Total capital other AME | 22,857 | 24,511 | 32,292 | 33,914 | 23,221 |
| Total capital AME | 26,622 | 27,037 | 35,882 | 27,704 | 28,248 |
| Public sector gross investment ⁽⁵⁾ | 76,438 | 69,375 | 74,843 | 69,385 | 73,390 |
| less public sector depreciation | 32,985 | 35,007 | 36,149 | 37,542 | 38,554 |
| Public sector net investment ⁽⁵⁾ | 43,453 | 34,368 | 38,694 | 31,843 | 34,836 |
| TOTAL MANAGED EXPENDITURE ^{(4) (6)} | 714,023 | 715,339 | 729,543 | 734,957 | 746,691 |
| <i>of which:</i> | | | | | |
| Total DEL ⁽⁵⁾ | 375,377 | 364,053 | 356,012 | 358,116 | 361,328 |
| Departmental AME | 171,007 | 253,153 | 263,679 | 283,093 | 260,082 |
| Other AME | 167,640 | 98,133 | 109,852 | 93,747 | 125,282 |

(1) Tax credits include working tax credits, stakeholder pension credits and Child Tax Credits. Child allowances paid as part of Income Support and Jobseeker's Allowance are shown within social security benefits. Tax credits include elements that are treated as negative tax in National Accounts.

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

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

(4) Figures reflect the reclassification of English housing associations from the private to the public corporation sector. Revisions are set out in the January Public Sector Finances release published by ONS on 19 February.

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

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

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Table 2 Resource DEL, 2010-11 to 2014-15

| | £ million | | | | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | 2010-11 outturn | 2011-12 outturn | 2012-13 outturn | 2013-14 outturn | 2014-15 outturn |
| Resource DEL by departmental group | | | | | |
| Education | 50,383 | 50,204 | 50,850 | 51,914 | 53,804 |
| NHS (Health) | 97,469 | 100,266 | 102,571 | 106,496 | 110,554 |
| Personal Social Services (Health) ⁽¹⁾ | 1,471 | - | - | - | - |
| Transport | 5,806 | 5,578 | 5,283 | 4,791 | 3,544 |
| CLG Communities | 3,860 | 1,991 | 1,496 | 2,081 | 2,132 |
| CLG Local Government ⁽²⁾ | 24,403 | 25,389 | 23,189 | 16,481 | 13,657 |
| Business, Innovation and Skills | 21,269 | 19,988 | 19,192 | 20,570 | 15,398 |
| Home Office | 12,778 | 12,127 | 11,386 | 10,999 | 11,397 |
| Justice | 9,072 | 9,026 | 8,722 | 7,964 | 7,592 |
| Law Officers' Departments | 677 | 621 | 599 | 581 | 554 |
| Defence | 39,035 | 37,980 | 35,874 | 36,448 | 35,105 |
| Foreign and Commonwealth Office | 2,200 | 2,175 | 2,152 | 2,156 | 1,864 |
| International Development | 5,930 | 6,184 | 6,129 | 8,088 | 7,318 |
| Energy and Climate Change | 1,157 | 1,160 | 1,129 | 1,173 | 1,405 |
| Environment, Food and Rural Affairs | 2,370 | 2,193 | 2,049 | 1,948 | 1,907 |
| Culture, Media and Sport | 1,592 | 1,577 | 3,504 | 1,237 | 1,303 |
| Work and Pensions | 9,152 | 7,624 | 7,497 | 7,615 | 7,152 |
| Scotland | 25,779 | 25,440 | 25,754 | 26,132 | 26,414 |
| Wales | 13,789 | 13,660 | 13,654 | 14,466 | 14,202 |
| Northern Ireland | 9,973 | 9,862 | 10,041 | 10,175 | 10,203 |
| Chancellor's Departments | 3,966 | 3,852 | 3,468 | 3,392 | 3,589 |
| Cabinet Office | 2,354 | 2,399 | 2,546 | 2,524 | 2,837 |
| Small and Independent Bodies | 1,587 | 1,688 | 1,467 | 1,503 | 1,676 |
| Total resource DEL | 346,072 | 340,984 | 338,555 | 338,735 | 333,607 |

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

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

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Table 3 Resource departmental AME, 2010-11 to 2014-15

| | £ million | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2010-11 outturn | 2011-12 outturn | 2012-13 outturn | 2013-14 outturn | 2014-15 outturn |
| Resource departmental AME by departmental group | | | | | |
| Education ⁽¹⁾ | -10,434 | 11,783 | 10,720 | 11,050 | 13,910 |
| NHS (Health) ⁽¹⁾ | -10,976 | 19,582 | 18,878 | 18,194 | 21,952 |
| Transport | 501 | 876 | 590 | 876 | 476 |
| CLG Communities | -112 | -350 | 409 | 347 | 547 |
| CLG Local Government ⁽²⁾ | 1,107 | 732 | 144 | 11,123 | 11,662 |
| Business, Innovation and Skills | -824 | -1,157 | -92 | -102 | -688 |
| Home Office | 920 | 1,061 | 1,260 | 1,478 | 1,958 |
| Justice | 246 | -45 | 934 | -239 | -144 |
| Law Officers' Departments | -16 | 5 | 5 | 7 | 13 |
| Defence ⁽¹⁾ | -878 | 8,039 | 7,360 | 6,377 | 8,311 |
| Foreign and Commonwealth Office | 35 | 61 | 88 | 66 | -70 |
| International Development | 303 | 104 | 191 | 109 | 151 |
| Energy and Climate Change | 5,241 | 3,742 | 5,388 | 4,963 | 8,473 |
| Environment, Food and Rural Affairs | -437 | -53 | 85 | -92 | 78 |
| Culture, Media and Sport | 4,369 | 3,795 | 4,655 | 4,537 | 4,956 |
| Work and Pensions | 151,033 | 159,167 | 165,506 | 163,072 | 167,639 |
| Scotland | 3,055 | 3,073 | 2,760 | 2,669 | 3,858 |
| Wales | 53 | 72 | 141 | 0 | 32 |
| Northern Ireland | 3,178 | 7,511 | 7,764 | 7,463 | 8,285 |
| Chancellor's Departments ⁽³⁾ | 28,604 | 24,040 | 23,980 | 48,784 | -6,828 |
| Cabinet Office ⁽¹⁾ | -7,466 | 8,739 | 9,431 | 8,659 | 10,614 |
| Small and Independent Bodies | -258 | -147 | -109 | -38 | -129 |
| Total resource departmental AME | 167,242 | 250,628 | 260,090 | 289,303 | 255,055 |

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

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

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

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

| | £ million | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| | outturn | outturn | outturn | outturn | outturn |
| Capital DEL by departmental group | | | | | |
| Education | 7,127 | 5,044 | 4,260 | 3,604 | 4,468 |
| NHS (Health) | 4,159 | 3,771 | 3,783 | 4,353 | 3,951 |
| Transport | 7,299 | 7,686 | 7,828 | 8,460 | 9,363 |
| CLG Communities | 6,459 | 3,821 | 2,472 | 3,808 | 4,398 |
| CLG Local Government | -67 | -8 | 1 | - | - |
| Business, Innovation and Skills | 2,103 | 1,153 | 1,240 | 2,385 | 2,011 |
| Home Office | 739 | 493 | 442 | 397 | 411 |
| Justice | 527 | 343 | 280 | 274 | 289 |
| Law Officers' Departments | 8 | 3 | 2 | 3 | 4 |
| Defence | 9,265 | 9,014 | 7,843 | 7,572 | 7,786 |
| Foreign and Commonwealth Office | 155 | 115 | 37 | 120 | 158 |
| International Development | 1,559 | 1,646 | 1,653 | 1,946 | 2,350 |
| Energy and Climate Change | 2,014 | 1,454 | 2,038 | 2,216 | 2,241 |
| Environment, Food and Rural Affairs | 568 | 385 | 414 | 482 | 638 |
| Culture, Media and Sport | 583 | 1,257 | 342 | 5 | 228 |
| Work and Pensions | 368 | 327 | 419 | 233 | 249 |
| Scotland | 3,284 | 2,732 | 2,939 | 2,879 | 3,247 |
| Wales | 1,751 | 1,386 | 1,362 | 1,325 | 1,500 |
| Northern Ireland | 1,192 | 1,000 | 969 | 931 | 1,072 |
| Chancellor's Departments | 211 | 257 | 212 | 212 | 267 |
| Cabinet Office | 432 | 403 | 363 | 401 | 429 |
| Small and Independent Bodies | 78 | 56 | 61 | 74 | 82 |
| Total capital DEL | 49,816 | 42,338 | 38,961 | 41,681 | 45,142 |

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

| | £ million | | | | |
|---|--------------|--------------|--------------|---------------|--------------|
| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| | outturn | outturn | outturn | outturn | outturn |
| Capital departmental AME by departmental group | | | | | |
| NHS (Health) | 8 | - | - | -70 | -5 |
| Transport | - | -33 | -61 | 13 | 6,695 |
| CLG Communities | 843 | 153 | 4 | - | 121 |
| CLG Local Government | - | - | -4 | - | - |
| Business, Innovation and Skills | 4,158 | 5,469 | 6,129 | 4,675 | 9,573 |
| Law Officers' Departments | - | - | 0 | - | - |
| Defence | - | -10 | -35 | -129 | 51 |
| International Development | - | - | -6 | - | - |
| Energy and Climate Change | -78 | -58 | -20 | -497 | -601 |
| Environment, Food and Rural Affairs | 1 | 0 | -1 | -1 | 2 |
| Culture, Media and Sport | 719 | 552 | 448 | 625 | 720 |
| Work and Pensions | 132 | -12 | -17 | -134 | -124 |
| Scotland | 151 | 167 | 188 | 336 | 440 |
| Wales | 209 | 244 | 252 | 306 | 357 |
| Northern Ireland | 396 | 588 | 344 | 425 | 536 |
| Chancellor's Departments ⁽¹⁾ | -2,675 | -4,483 | -3,591 | -11,725 | -12,714 |
| Small and Independent Bodies | -100 | -52 | -40 | -34 | -23 |
| Total capital departmental AME | 3,764 | 2,525 | 3,589 | -6,210 | 5,026 |

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

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Table 6 Resource DEL excluding depreciation, 2010-11 to 2014-15

| | £ million | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2010-11 outturn | 2011-12 outturn | 2012-13 outturn | 2013-14 outturn | 2014-15 outturn |
| Resource DEL excluding depreciation by departmental group | | | | | |
| Education | 50,349 | 50,170 | 50,019 | 50,927 | 52,560 |
| NHS (Health) | 96,260 | 99,073 | 101,440 | 105,424 | 109,394 |
| Personal Social Services (Health) ⁽¹⁾ | 1,471 | - | - | - | - |
| Transport | 5,176 | 4,679 | 4,315 | 3,784 | 2,552 |
| CLG Communities | 3,799 | 1,914 | 1,456 | 2,052 | 2,139 |
| CLG Local Government ⁽²⁾ | 24,402 | 25,388 | 23,188 | 16,481 | 13,657 |
| Business, Innovation and Skills | 17,009 | 16,203 | 15,440 | 14,830 | 13,748 |
| Home Office | 12,292 | 11,908 | 11,143 | 10,740 | 11,118 |
| Justice | 8,718 | 8,585 | 8,196 | 7,515 | 7,157 |
| Law Officers' Departments | 664 | 611 | 591 | 575 | 547 |
| Defence | 28,090 | 28,142 | 26,415 | 26,968 | 26,582 |
| Foreign and Commonwealth Office | 2,097 | 2,052 | 1,989 | 1,998 | 1,715 |
| International Development | 5,909 | 6,167 | 6,105 | 8,074 | 7,300 |
| Energy and Climate Change | 1,149 | 1,147 | 1,120 | 1,166 | 1,395 |
| Environment, Food and Rural Affairs | 2,169 | 1,982 | 1,860 | 1,752 | 1,716 |
| Culture, Media and Sport | 1,481 | 1,464 | 2,060 | 1,079 | 1,198 |
| Work and Pensions | 8,990 | 7,422 | 7,248 | 7,432 | 6,976 |
| Scotland | 25,215 | 24,817 | 24,971 | 25,469 | 25,661 |
| Wales | 13,382 | 13,232 | 13,248 | 13,709 | 13,754 |
| Northern Ireland | 9,603 | 9,442 | 9,464 | 9,724 | 9,699 |
| Chancellor's Departments | 3,745 | 3,628 | 3,235 | 3,152 | 3,308 |
| Cabinet Office | 2,025 | 2,045 | 2,147 | 2,107 | 2,399 |
| Small and Independent Bodies | 1,568 | 1,643 | 1,403 | 1,477 | 1,609 |
| Total resource DEL excluding depreciation | 325,560 | 321,715 | 317,050 | 316,436 | 316,185 |

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

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

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Table 7 Total Departmental Expenditure Limits ⁽¹⁾, 2010-11 to 2014-15

| | £ million | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| | outturn | outturn | outturn | outturn | outturn |
| Total DEL by departmental group | | | | | |
| Education | 57,476 | 55,214 | 54,279 | 54,531 | 57,028 |
| NHS (Health) | 100,418 | 102,844 | 105,222 | 109,777 | 113,345 |
| Personal Social Services (Health) ⁽²⁾ | 1,471 | - | - | - | - |
| Transport | 12,474 | 12,366 | 12,143 | 12,244 | 11,915 |
| CLG Communities | 10,258 | 5,735 | 3,928 | 5,860 | 6,537 |
| CLG Local Government ⁽³⁾ | 24,335 | 25,380 | 23,189 | 16,481 | 13,657 |
| Business, Innovation and Skills | 19,112 | 17,356 | 16,680 | 17,215 | 15,760 |
| Home Office | 13,032 | 12,401 | 11,585 | 11,137 | 11,529 |
| Justice | 9,246 | 8,927 | 8,476 | 7,789 | 7,446 |
| Law Officers' Departments | 672 | 613 | 592 | 578 | 551 |
| Defence | 37,355 | 37,157 | 34,259 | 34,540 | 34,368 |
| Foreign and Commonwealth Office | 2,253 | 2,167 | 2,026 | 2,118 | 1,873 |
| International Development | 7,467 | 7,813 | 7,758 | 10,020 | 9,650 |
| Energy and Climate Change | 3,164 | 2,602 | 3,159 | 3,382 | 3,636 |
| Environment, Food and Rural Affairs | 2,737 | 2,368 | 2,274 | 2,234 | 2,354 |
| Culture, Media and Sport | 2,064 | 2,721 | 2,402 | 1,084 | 1,426 |
| Work and Pensions | 9,358 | 7,749 | 7,667 | 7,665 | 7,225 |
| Scotland | 28,498 | 27,549 | 27,910 | 28,349 | 28,909 |
| Wales | 15,133 | 14,618 | 14,609 | 15,034 | 15,254 |
| Northern Ireland | 10,795 | 10,442 | 10,433 | 10,655 | 10,771 |
| Chancellor's Departments | 3,956 | 3,884 | 3,447 | 3,364 | 3,575 |
| Cabinet Office | 2,457 | 2,448 | 2,510 | 2,508 | 2,828 |
| Small and Independent Bodies | 1,646 | 1,699 | 1,464 | 1,552 | 1,691 |
| Total DEL | 375,377 | 364,053 | 356,012 | 358,116 | 361,328 |

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

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

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

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Table 8: Total Managed Expenditure by departmental group and other expenditure, 2010-11 to 2014-15

| | £ million | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2010-11 outturn | 2011-12 outturn | 2012-13 outturn | 2013-14 outturn | 2014-15 outturn |
| Total Managed Expenditure by departmental group | | | | | |
| Education ⁽¹⁾ | 47,042 | 66,998 | 64,999 | 65,581 | 70,938 |
| NHS (Health) ⁽¹⁾ | 89,450 | 122,426 | 124,101 | 127,901 | 135,292 |
| Personal Social Services (Health) ⁽²⁾ | 1,471 | - | - | - | - |
| Transport | 12,975 | 13,208 | 12,672 | 13,133 | 19,086 |
| CLG Communities | 10,990 | 5,538 | 4,341 | 6,206 | 7,205 |
| CLG Local Government | 25,442 | 26,113 | 23,329 | 27,605 | 25,319 |
| Business, Innovation and Skills | 22,446 | 21,668 | 22,717 | 21,788 | 24,645 |
| Home Office | 13,952 | 13,462 | 12,845 | 12,615 | 13,487 |
| Justice | 9,491 | 8,882 | 9,410 | 7,550 | 7,302 |
| Law Officers' Departments | 656 | 618 | 598 | 584 | 564 |
| Defence ⁽¹⁾ | 36,477 | 45,185 | 41,584 | 40,789 | 42,729 |
| Foreign and Commonwealth Office | 2,287 | 2,228 | 2,114 | 2,183 | 1,803 |
| International Development | 7,770 | 7,917 | 7,943 | 10,129 | 9,802 |
| Energy and Climate Change | 8,327 | 6,286 | 8,526 | 7,849 | 11,508 |
| Environment, Food and Rural Affairs | 2,301 | 2,314 | 2,357 | 2,140 | 2,434 |
| Culture, Media and Sport | 7,152 | 7,067 | 7,505 | 6,247 | 7,102 |
| Work and Pensions | 160,522 | 166,904 | 173,156 | 170,603 | 174,740 |
| Scotland | 31,704 | 30,789 | 30,858 | 31,354 | 33,206 |
| Wales | 15,395 | 14,934 | 15,003 | 15,339 | 15,643 |
| Northern Ireland | 14,369 | 18,541 | 18,541 | 18,543 | 19,592 |
| Chancellor's Departments ⁽³⁾ | 29,885 | 23,441 | 23,836 | 40,424 | -15,967 |
| Cabinet Office ⁽¹⁾ | -5,009 | 11,187 | 11,941 | 11,168 | 13,442 |
| Small and Independent Bodies | 1,288 | 1,500 | 1,314 | 1,480 | 1,540 |
| Total departmental expenditure ⁽⁴⁾ | 546,383 | 617,206 | 619,691 | 641,210 | 621,409 |
| Central government gross debt interest | 46,609 | 49,704 | 48,856 | 48,668 | 45,174 |
| Locally financed expenditure | 28,859 | 38,265 | 29,418 | 30,128 | 32,638 |
| Public sector depreciation | 32,985 | 35,007 | 36,149 | 37,542 | 38,554 |
| Net expenditure transfers to the EU | 8,414 | 7,702 | 9,131 | 9,716 | 8,830 |
| Public corporations' own-financed capital expenditure | 15,418 | 13,131 | 13,380 | 14,843 | 16,296 |
| Accounting adjustments | 35,355 | -45,677 | -27,083 | -47,150 | -16,210 |
| Total other expenditure ⁽⁵⁾ | 167,640 | 98,133 | 109,852 | 93,747 | 125,282 |
| TOTAL MANAGED EXPENDITURE ⁽⁶⁾ | 714,023 | 715,339 | 729,543 | 734,957 | 746,691 |

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

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

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

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

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

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

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

| | £ billion | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2010-11 outturn | 2011-12 outturn | 2012-13 outturn | 2013-14 outturn | 2014-15 outturn |
| Remove data in budgets which form part of public sector current expenditure but where a different source is used for National Accounts | | | | | |
| Resource DEL | | | | | |
| Capital consumption (excluding NHS) | -8.5 | -15.0 | -14.9 | -17.7 | -15.2 |
| NHS capital consumption | -1.8 | -1.7 | -1.8 | -2.1 | -1.8 |
| Interest | -0.1 | -0.2 | -0.2 | -0.2 | -0.3 |
| Public corporation subsidies | -1.2 | -1.1 | -1.7 | -1.1 | -0.9 |
| Other | -0.1 | 0.0 | 0.0 | 0.1 | 0.1 |
| Total resource DEL | -11.7 | -18.0 | -18.5 | -21.0 | -18.1 |
| Resource departmental AME | | | | | |
| Capital consumption | -1.8 | -1.6 | -1.6 | -1.4 | -1.9 |
| Interest | 1.0 | 2.2 | 2.7 | 1.2 | 2.0 |
| Subsidy element of renewable obligation certificates | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Subsidy element of other environmental levies | 0.0 | 0.0 | 0.0 | -0.1 | -0.2 |
| NNDR outturn adjustment | -1.1 | -0.7 | -0.1 | -0.3 | 0.0 |
| Public corporation subsidies | -0.4 | -7.3 | 0.0 | 0.0 | 0.0 |
| Other | 0.1 | 2.4 | 0.0 | 0.2 | 0.1 |
| Total resource departmental AME | -2.2 | -5.1 | 1.0 | -0.4 | 0.1 |
| Adjustment for different data used by OBR in PSCE forecast | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| <i>of which DEL</i> | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| <i>of which AME</i> | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total resource budget data replaced by different source data | -13.9 | -23.0 | -17.6 | -21.4 | -18.1 |
| Remove data in budgets which do not form part of public sector current expenditure | | | | | |
| Resource DEL | | | | | |
| Impairments | -7.8 | -0.4 | -2.6 | 1.6 | -0.5 |
| Receipts treated as negative DEL but revenue in National Accounts | 0.7 | 0.6 | 0.8 | 1.1 | 0.7 |
| Fees, levies and charges | 0.2 | 0.2 | 0.4 | 1.6 | 1.7 |
| Grant equivalent element of student lending | -4.2 | -3.8 | -4.0 | -6.1 | -1.8 |
| Stock write-offs | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Change in pension scheme liabilities | -0.1 | 0.0 | 0.0 | 0.0 | -0.1 |
| Miscellaneous current transfers | 1.6 | 1.8 | 2.3 | 2.8 | 3.0 |
| Northern Ireland Executive transfers between DEL and AME ⁽²⁾ | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 |
| Profit or loss - sale of company securities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Profit or loss - sale of other assets (capital in National Accounts) | 0.0 | 0.1 | 0.0 | -0.8 | 0.2 |
| EU funded expenditure | -0.3 | -0.5 | -0.3 | -0.2 | 0.3 |
| Other | 0.0 | -0.5 | 0.1 | -1.2 | -1.0 |
| Total resource DEL | -9.4 | -1.9 | -2.8 | -0.6 | 3.3 |
| Resource departmental AME | | | | | |
| Impairments | 3.0 | 12.4 | 14.8 | -14.3 | 42.8 |
| Bad debts | -0.6 | -0.5 | -0.5 | -0.5 | -0.3 |
| Grant equivalent element of student lending | 0.0 | 1.6 | 0.1 | -0.6 | -0.5 |
| Provisions | -7.2 | -5.4 | -10.3 | -8.4 | -10.1 |
| Change in pension scheme liabilities | 56.8 | -27.1 | -26.9 | -28.7 | -34.7 |
| Unwinding of discount rate on pension scheme liabilities | -37.6 | -44.0 | -40.5 | -38.0 | -46.3 |
| Release of provisions covering payments of pension benefits | 25.9 | 27.7 | 30.5 | 32.2 | 34.2 |
| Fees, levies and charges | 0.2 | 0.5 | 1.2 | 1.9 | 3.0 |
| Profit or loss - sale of other assets (capital in National Accounts) | 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 |
| Imputed tax element of other environmental levies | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Tax credits | -5.6 | -4.6 | -2.8 | -2.6 | -2.6 |
| Other | 1.1 | -0.6 | -0.8 | 4.5 | 0.1 |
| Total resource departmental AME | 36.1 | -39.9 | -35.1 | -54.5 | -14.4 |
| Total resource budget data not in public sector current expenditure | 26.7 | -41.8 | -37.9 | -55.1 | -11.1 |

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

| | 2010-11 outturn | 2011-12 outturn | 2012-13 outturn | 2013-14 outturn | £ billion 2014-15 outturn |
|---|--------------------|--------------------|--------------------|--------------------|---------------------------------|
| Central government adjustments in National Accounts | | | | | |
| Expenditure on goods and services | 17.6 | 22.3 | 16.7 | 18.8 | 19.3 |
| of which: VAT refunds | 4.8 | 5.0 | 5.1 | 5.0 | 5.0 |
| of which: Single Use Military Equipment ⁽¹⁾ | 0.4 | 0.4 | 0.3 | 0.3 | 0.3 |
| of which: payment from EU for tax collection costs | -0.8 | -0.7 | -0.7 | -0.7 | -0.8 |
| of which: capital consumption | 15.8 | 16.7 | 17.1 | 17.6 | 17.9 |
| of which: Network Rail ⁽¹⁾ | 0.7 | 0.5 | 0.6 | 0.4 | 0.9 |
| of which: Capitalisation of R&D ⁽¹⁾ | -4.8 | -3.9 | -3.8 | -4.0 | -3.8 |
| of which: other | 1.4 | 4.4 | -2.0 | 0.2 | -0.3 |
| Net social benefits | 5.9 | 5.2 | 3.7 | 3.8 | 3.9 |
| of which: switch between benefits and other current grants | 0.4 | 0.6 | 0.3 | 0.3 | 0.3 |
| of which: other | 5.5 | 4.6 | 3.4 | 3.5 | 3.7 |
| Net current grants abroad | 0.0 | 0.3 | 0.3 | 0.2 | -0.1 |
| of which: attributed aid | -0.8 | -0.9 | 0.0 | 0.0 | 0.0 |
| of which: EU receipts | 4.8 | 4.9 | 0.0 | 0.0 | 0.0 |
| of which: Capitalisation of R&D ⁽¹⁾ | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 |
| of which: other | -3.6 | -3.3 | 0.6 | 0.5 | 0.1 |
| Other current grants | -2.6 | -7.2 | 0.3 | -1.9 | -1.7 |
| of which: switch between other current grants and benefits | -0.4 | -0.6 | -0.3 | -0.3 | -0.3 |
| of which: Capitalisation of R&D ⁽¹⁾ | -2.5 | -2.6 | -2.6 | -2.9 | -3.0 |
| of which: EU VAT contributions ⁽¹⁾ | 2.3 | 2.3 | 2.4 | 2.2 | 2.4 |
| of which: other | -2.0 | -6.3 | 0.8 | -0.9 | -0.8 |
| Subsidies | 3.9 | 10.8 | 4.1 | 4.1 | 5.3 |
| of which: Renewable Obligation Certificates | 1.3 | 0.5 | 1.7 | 2.5 | 3.1 |
| of which: other environmental levies | 0.0 | 0.0 | 0.5 | 0.6 | 1.0 |
| of which: company tax credits outside departmental AME | 1.3 | 1.3 | 1.4 | 1.5 | 1.9 |
| of which: other | 1.3 | 9.0 | 0.6 | -0.6 | -0.7 |
| Total central government resource adjustments | 24.8 | 31.4 | 25.0 | 25.0 | 26.6 |
| Local government adjustments in National Accounts | | | | | |
| Remove data which do not form part of public sector current expenditure | -4.5 | -5.1 | -3.8 | -3.8 | -3.3 |
| of which: Northern Ireland regional rates | -0.5 | -0.6 | -0.6 | -0.6 | -0.7 |
| of which: retirement benefits | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| of which: debt interest payments to central government | -3.0 | -4.4 | -2.8 | -3.1 | -2.5 |
| of which: other | -1.0 | -0.2 | -0.4 | -0.1 | -0.2 |
| Adjustments to reconcile use of different data sources | 1.0 | 2.4 | 0.5 | 1.6 | 0.6 |
| of which: central government support | -0.4 | 0.2 | -1.1 | -1.5 | -2.0 |
| of which: debt interest | -0.3 | 1.4 | 0.5 | 0.7 | 0.0 |
| of which: police and fire top up grants | 1.1 | 1.4 | 1.6 | 1.7 | 1.9 |
| of which: other | 0.6 | -0.6 | -0.5 | 0.7 | 0.7 |
| Expenditure on goods and services | 16.5 | 17.6 | 18.0 | 18.6 | 19.3 |
| of which: VAT refunds | 6.4 | 6.8 | 6.5 | 6.6 | 6.6 |
| of which: Local Authority Pension Scheme ⁽¹⁾ | 1.8 | 1.9 | 2.0 | 1.9 | 1.8 |
| of which: capital consumption | 8.5 | 9.0 | 9.5 | 10.0 | 10.5 |
| of which: rates | -1.2 | -1.4 | -1.4 | -1.4 | -1.4 |
| of which: other | 1.1 | 1.4 | 1.4 | 1.6 | 1.8 |
| Subsidies | 1.1 | 0.4 | 0.4 | 0.5 | 0.5 |
| of which: equity injection into Housing Revenue Account | 1.1 | 0.4 | 0.4 | 0.5 | 0.5 |
| of which: other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net social benefits | -0.5 | -0.9 | -1.0 | -0.9 | -1.0 |
| of which: housing benefits and rent rebates | 0.4 | 0.1 | 0.0 | 0.2 | 0.1 |
| of which: other | -0.9 | -1.0 | -1.0 | -1.0 | -1.1 |
| Other current grants and current grants abroad | -0.1 | -0.1 | 0.0 | 0.0 | 0.1 |
| Total local government resource adjustments | 13.4 | 14.3 | 14.1 | 16.0 | 16.1 |
| Other resource adjustments | | | | | |
| Public corporations | 2.9 | 3.0 | 3.0 | 3.1 | 2.9 |
| Asset Purchase Facility and Special Liquidity Scheme ⁽¹⁾ | -7.7 | -8.8 | -12.1 | -12.6 | -12.4 |
| Other | 0.0 | -0.2 | 0.0 | 0.9 | 0.9 |
| Total other resource adjustments | -4.8 | -5.9 | -9.0 | -8.6 | -8.6 |
| Total resource adjustments | 46.3 | -25.2 | -25.4 | -44.0 | 5.0 |
| of which: | | | | | |
| Timing adjustments ⁽³⁾ | | | | | |
| Central government | -2.0 | 5.0 | 0.4 | -0.1 | -1.0 |
| Local government | -0.5 | 0.6 | 0.7 | 0.8 | 0.8 |

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

| | 2010-11 outturn | 2011-12 outturn | 2012-13 outturn | 2013-14 outturn | 2014-15 outturn |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| £ billion | | | | | |
| Remove data in budgets which form part of public sector gross investment but where a different source is used for National Accounts | | | | | |
| Capital DEL | | | | | |
| Change in inventories | 0.1 | 0.0 | 0.0 | 0.0 | 0.1 |
| Acquisitions less disposals of valuables | 0.0 | -0.1 | -0.1 | 0.0 | 0.0 |
| Total capital DEL | 0.0 | -0.2 | -0.1 | 0.0 | 0.1 |
| Adjustment for different data used by OBR in PSGI forecast | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| of which DEL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| of which AME | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total capital budget data replaced by different source data | 0.0 | -0.2 | -0.1 | 0.0 | 0.1 |
| Remove data in budgets which do not form part of public sector gross investment | | | | | |
| Capital DEL | | | | | |
| Net lending to private sector | -1.0 | -2.1 | -1.5 | -3.0 | -3.1 |
| Capital support for public corporations | 0.2 | 0.1 | 0.0 | 0.4 | 0.9 |
| Local government supported capital expenditure | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Northern Ireland Executive transfers between DEL and AME | 0.2 | 0.4 | 0.2 | 0.2 | 0.3 |
| Other | 0.1 | 0.0 | -0.2 | 0.0 | -0.9 |
| Total Capital DEL | -0.5 | -1.7 | -1.6 | -2.4 | -2.8 |
| Capital departmental AME | | | | | |
| Net lending to private sector | -2.1 | -1.2 | -3.3 | 4.5 | 2.3 |
| Capital support for public corporations | 0.4 | -0.1 | 0.2 | 0.8 | -0.3 |
| Purchase of company securities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Sale of company securities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Northern Ireland Executive transfers between DEL and AME | -0.2 | -0.4 | -0.1 | -0.2 | -0.2 |
| Other | -0.2 | 0.1 | 0.2 | 0.6 | -6.5 |
| Total capital departmental AME | -2.1 | -1.7 | -3.0 | 5.6 | -4.7 |
| Total capital budget data not in public sector gross investment | -2.6 | -3.4 | -4.5 | 3.2 | -7.6 |
| Central government adjustments in National Accounts | | | | | |
| Gross fixed capital formation | 8.3 | 8.3 | 7.7 | 10.0 | 9.3 |
| of which: profit or loss - sale of other assets (from resource budgets) | 0.0 | -0.1 | 0.0 | 0.8 | -0.2 |
| of which: Capitalisation of R&D ⁽¹⁾ | 4.8 | 3.9 | 3.8 | 4.0 | 3.8 |
| of which: Network Rail ⁽¹⁾ | 3.9 | 4.6 | 4.9 | 6.7 | 6.9 |
| of which: Single use military equipment ⁽¹⁾ | -0.4 | -0.4 | -0.3 | -0.3 | -0.3 |
| of which: other | 0.0 | 0.3 | -0.6 | -1.1 | -0.8 |
| Capital grants to and from the private sector | -2.1 | -1.1 | 8.1 | -0.7 | -1.3 |
| of which: VAT refunds | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| of which: Royal Mail assets transfer | 0.0 | 0.0 | 9.5 | 0.0 | 0.0 |
| of which: Capitalisation of R&D ⁽¹⁾ | 2.7 | 2.9 | 2.9 | 3.2 | 3.3 |
| of which: Network Rail ⁽¹⁾ | -3.8 | -3.9 | -4.0 | -3.6 | -4.1 |
| of which: other | -1.2 | -0.1 | -0.4 | -0.3 | -0.6 |
| Total central government capital adjustments | 6.1 | 7.2 | 15.8 | 9.4 | 8.0 |
| Local government adjustments in National Accounts | | | | | |
| Adjustments to reconcile use of different data sources | -3.5 | -3.8 | -1.6 | -2.3 | -3.2 |
| of which: overhanging debt | -0.8 | -0.2 | 0.0 | 0.0 | -0.1 |
| of which: central government support | -0.5 | -1.3 | 1.2 | 0.4 | 0.6 |
| of which: financial transactions | -1.4 | -1.8 | -2.1 | -2.1 | -2.7 |
| of which: capital grants from private sector | -0.8 | -0.7 | -0.6 | -0.6 | -0.9 |
| Gross fixed capital formation | 2.0 | 3.2 | 3.5 | 3.2 | 3.3 |
| of which: VAT refunds | 2.0 | 2.1 | 2.1 | 2.1 | 2.1 |
| of which: roads de-trunking | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| of which: other | -0.1 | 1.1 | 1.4 | 1.1 | 1.2 |
| Capital grants | 0.0 | 0.0 | 0.0 | -0.1 | -0.1 |
| of which: grants to public corporations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| of which: other | 0.0 | 0.0 | 0.0 | -0.1 | -0.1 |
| Total local government capital adjustments | -1.5 | -0.6 | 1.9 | 0.8 | 0.1 |
| Other capital adjustments | | | | | |
| Public corporations | -0.5 | 0.1 | -0.2 | -1.2 | -0.7 |
| Housing Revenue Account reform receipts | 0.0 | -8.1 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.2 | 0.0 | -0.1 | 0.0 |
| Total other capital adjustments | -0.5 | -7.7 | -0.2 | -1.2 | -0.6 |
| Total capital adjustments | 1.5 | -4.7 | 13.0 | 12.2 | 0.0 |
| <i>of which:</i> | | | | | |
| Timing adjustments ⁽³⁾ | | | | | |
| Central government | -0.7 | 0.3 | -0.9 | -0.6 | -0.8 |
| Local government | -0.1 | -0.2 | -0.1 | 0.0 | -1.2 |

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

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

(3) Reflects timing difference between the latest OSCAR and other source data and the data underlying the Public Sector Finances statistical bulletin. These mainly result from revisions policy and issues with late corrections to OSCAR data in the early years.

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

| | National Statistics | | | | | | | | | | | | | | | | | | | | | £ billion |
|--|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------|
| | cash | | | | accruals | | | | | | | | | | | | | | | | | |
| | 1994-95 outturn | 1995-96 outturn | 1996-97 outturn | 1997-98 outturn | 1998-99 outturn | 1999-00 outturn | 2000-01 outturn | 2001-02 outturn | 2002-03 outturn | 2003-04 outturn | 2004-05 outturn | 2005-06 outturn | 2006-07 outturn | 2007-08 outturn | 2008-09 outturn | 2009-10 outturn | 2010-11 outturn | 2011-12 outturn | 2012-13 outturn | 2013-14 outturn | 2014-15 outturn | |
| 1. General public services | 32.7 | 36.3 | 37.4 | 39.0 | 39.8 | 37.2 | 38.7 | 36.2 | 35.5 | 38.7 | 43.0 | 46.1 | 48.5 | 51.4 | 55.4 | 50.4 | 63.0 | 63.7 | 59.4 | 60.8 | 58.6 | |
| <i>of which: public and common services</i> | 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 | 13.8 | 12.6 | 11.3 | 11.1 | 11.0 | 11.4 | |
| <i>of which: international services</i> | 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 | 6.4 | 7.1 | 8.0 | 8.0 | 8.0 | 10.1 | 10.8 | |
| <i>of which: public sector debt interest</i> | 23.5 | 26.8 | 28.1 | 29.7 | 29.4 | 25.5 | 26.6 | 22.7 | 21.2 | 22.7 | 25.4 | 27.1 | 29.5 | 32.2 | 35.0 | 29.5 | 42.4 | 44.5 | 40.4 | 39.7 | 36.3 | |
| 2. Defence | 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 | 39.3 | 38.7 | 36.4 | 36.4 | 36.5 | |
| 3. Public order and safety | 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 | 34.1 | 33.0 | 32.1 | 31.3 | 29.5 | 29.6 | |
| 4. Economic affairs | 23.9 | 23.6 | 23.4 | 21.6 | 19.6 | 21.5 | 23.8 | 27.7 | 30.7 | 33.1 | 33.6 | 35.3 | 37.5 | 37.4 | 49.7 | 48.7 | 40.0 | 37.4 | 35.2 | 38.0 | 38.5 | |
| <i>of which: enterprise and economic development⁽¹⁾</i> | 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 | 7.1 | 16.2 | 12.2 | 4.9 | 4.7 | 4.9 | 5.5 | 4.8 | |
| <i>of which: science and technology</i> | 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 | 3.6 | 3.4 | 3.8 | 3.5 | 4.4 | 4.9 | |
| <i>of which: employment policies</i> | 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 | 2.1 | 3.5 | 4.1 | 4.7 | 3.2 | 2.8 | 3.6 | 3.1 | |
| <i>of which: agriculture, fisheries and forestry</i> | 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 | 5.8 | 5.5 | 5.8 | 5.3 | 5.4 | 5.2 | |
| <i>of which: transport</i> | 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 | 20.6 | 21.0 | 23.0 | 21.5 | 19.9 | 18.6 | 19.0 | 20.5 | |
| 5. Environment protection | 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 | 9.6 | 9.2 | 10.4 | 10.9 | 10.4 | 10.6 | 11.1 | 11.6 | |
| 6. Housing and community amenities | 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 | 13.0 | 15.3 | 16.3 | 13.3 | 10.2 | 10.0 | 9.8 | 10.3 | |
| 7. Health | 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 | 101.1 | 108.7 | 116.9 | 119.9 | 121.2 | 124.3 | 129.4 | 134.0 | |
| 8. Recreation, culture and religion | 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 | 11.9 | 12.4 | 13.2 | 13.0 | 12.5 | 12.7 | 11.4 | 12.5 | |
| 9. Education ⁽²⁾ | 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 | 78.7 | 83.0 | 88.5 | 91.5 | 86.9 | 87.2 | 90.2 | 84.4 | |
| 10. Social protection | 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 | 188.6 | 203.4 | 223.0 | 230.4 | 240.2 | 250.7 | 251.4 | 258.4 | |
| EU transactions | -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 | 0.9 | 3.6 | 2.0 | 4.3 | 5.0 | 3.4 | |
| Public sector expenditure on services | 284.0 | 295.7 | 302.5 | 308.5 | 318.4 | 331.4 | 353.0 | 376.2 | 402.6 | 439.0 | 471.1 | 501.7 | 523.8 | 555.6 | 604.7 | 640.1 | 657.9 | 655.3 | 661.9 | 673.2 | 677.7 | |
| Accounting adjustments | 21.5 | 23.7 | 21.4 | 21.6 | 21.3 | 21.0 | 21.8 | 23.5 | 29.2 | 28.8 | 38.7 | 40.9 | 45.6 | 48.5 | 53.8 | 52.5 | 56.1 | 60.0 | 67.6 | 61.7 | 69.0 | |
| Total Managed Expenditure⁽³⁾ | 305.5 | 319.4 | 323.9 | 330.1 | 339.7 | 352.4 | 374.8 | 399.7 | 431.8 | 467.8 | 509.8 | 542.6 | 569.3 | 604.0 | 658.5 | 692.5 | 714.0 | 715.3 | 729.5 | 735.0 | 746.7 | |

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

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

(3) This excludes the temporary effects of banks being classified to the public sector. See Box 5.A in PESA 2015 for details.

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Table 10a Public sector expenditure on services by function in real terms ⁽¹⁾, 1994-95 to 2014-15

| | National Statistics | | | | | | | | | | | | | | | | | | | | £ billion |
|---|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | cash | | | | accruals | | | | | | | | | | | | | | | | |
| | 1994-95 outturn | 1995-96 outturn | 1996-97 outturn | 1997-98 outturn | 1998-99 outturn | 1999-00 outturn | 2000-01 outturn | 2001-02 outturn | 2002-03 outturn | 2003-04 outturn | 2004-05 outturn | 2005-06 outturn | 2006-07 outturn | 2007-08 outturn | 2008-09 outturn | 2009-10 outturn | 2010-11 outturn | 2011-12 outturn | 2012-13 outturn | 2013-14 outturn | 2014-15 outturn |
| 1. General public services | 52.1 | 56.1 | 55.6 | 57.0 | 57.1 | 53.0 | 53.8 | 49.6 | 47.5 | 50.5 | 54.4 | 56.7 | 57.8 | 59.6 | 62.6 | 55.6 | 67.5 | 67.3 | 61.6 | 61.8 | 58.6 |
| <i>of which: public and common services</i> | 9.4 | 9.4 | 9.2 | 9.1 | 10.3 | 11.4 | 11.0 | 12.6 | 13.1 | 14.2 | 15.3 | 15.7 | 15.2 | 14.5 | 15.8 | 15.2 | 13.5 | 11.9 | 11.5 | 11.2 | 11.4 |
| <i>of which: international services</i> | 5.3 | 5.3 | 4.6 | 4.5 | 4.6 | 5.3 | 5.8 | 5.9 | 6.0 | 6.6 | 7.0 | 7.6 | 7.5 | 7.8 | 7.2 | 7.8 | 8.6 | 8.4 | 8.2 | 10.2 | 10.8 |
| <i>of which: public sector debt interest</i> | 37.4 | 41.4 | 41.8 | 43.4 | 42.2 | 36.3 | 37.0 | 31.1 | 28.4 | 29.6 | 32.2 | 33.3 | 35.2 | 37.3 | 39.6 | 32.5 | 45.4 | 47.0 | 41.8 | 40.3 | 36.3 |
| 2. Defence | 37.1 | 34.8 | 32.8 | 31.7 | 35.2 | 35.7 | 35.8 | 34.9 | 36.1 | 37.5 | 37.7 | 38.1 | 38.4 | 39.1 | 41.6 | 41.6 | 42.1 | 40.8 | 37.7 | 37.0 | 36.5 |
| 3. Public order and safety | 24.9 | 24.8 | 24.4 | 25.0 | 25.8 | 26.2 | 28.4 | 31.7 | 32.6 | 34.4 | 36.0 | 36.0 | 36.3 | 36.8 | 38.1 | 37.6 | 35.4 | 33.8 | 32.4 | 30.0 | 29.6 |
| 4. Economic affairs | 38.1 | 36.5 | 34.8 | 31.6 | 28.1 | 30.6 | 33.1 | 38.0 | 41.1 | 43.1 | 42.5 | 43.4 | 44.7 | 43.4 | 56.2 | 53.8 | 42.8 | 39.4 | 36.5 | 38.6 | 38.5 |
| <i>of which: enterprise and economic development ⁽²⁾</i> | 7.5 | 7.0 | 6.4 | 6.3 | 4.4 | 6.3 | 6.8 | 7.0 | 7.9 | 7.8 | 8.2 | 7.9 | 7.5 | 8.2 | 18.3 | 13.5 | 5.2 | 4.9 | 5.1 | 5.6 | 4.8 |
| <i>of which: science and technology</i> | 1.8 | 1.9 | 2.1 | 2.0 | 2.0 | 2.0 | 1.9 | 2.3 | 2.8 | 3.0 | 3.2 | 3.7 | 3.5 | 3.8 | 3.6 | 4.0 | 3.7 | 4.0 | 3.7 | 4.5 | 4.9 |
| <i>of which: employment policies</i> | 5.1 | 4.8 | 4.2 | 3.7 | 4.2 | 5.0 | 5.3 | 4.5 | 4.0 | 4.2 | 4.0 | 4.1 | 3.9 | 2.4 | 4.0 | 4.5 | 5.0 | 3.4 | 2.9 | 3.7 | 3.1 |
| <i>of which: agriculture, fisheries and forestry</i> | 5.4 | 6.0 | 8.0 | 6.9 | 6.3 | 6.1 | 6.5 | 8.6 | 6.6 | 6.9 | 6.8 | 6.9 | 6.1 | 5.0 | 6.6 | 6.4 | 5.9 | 6.1 | 5.5 | 5.5 | 5.2 |
| <i>of which: transport</i> | 18.3 | 16.9 | 14.1 | 12.7 | 11.2 | 11.2 | 12.5 | 15.5 | 19.8 | 21.2 | 20.2 | 20.9 | 23.7 | 23.9 | 23.7 | 25.4 | 23.1 | 21.1 | 19.3 | 19.3 | 20.5 |
| 5. Environment protection | 6.1 | 6.3 | 5.5 | 5.9 | 6.2 | 7.0 | 7.1 | 7.4 | 8.0 | 8.1 | 8.8 | 10.4 | 11.2 | 11.1 | 10.4 | 11.5 | 11.7 | 11.0 | 11.0 | 11.3 | 11.6 |
| 6. Housing and community amenities | 9.9 | 9.3 | 8.5 | 7.2 | 7.9 | 6.7 | 7.7 | 8.5 | 7.2 | 8.7 | 10.1 | 13.1 | 13.7 | 15.1 | 17.3 | 18.0 | 14.2 | 10.7 | 10.3 | 10.0 | 10.3 |
| 7. Health | 62.8 | 64.1 | 63.6 | 65.1 | 67.3 | 70.3 | 75.4 | 82.1 | 88.5 | 97.6 | 104.8 | 110.3 | 113.0 | 117.3 | 122.8 | 129.0 | 128.4 | 128.0 | 128.8 | 131.3 | 134.0 |
| 8. Recreation, culture and religion | 8.3 | 8.5 | 8.5 | 9.4 | 10.3 | 11.0 | 10.9 | 11.8 | 12.4 | 12.6 | 12.6 | 13.3 | 13.6 | 13.8 | 14.0 | 14.6 | 13.9 | 13.2 | 13.2 | 11.6 | 12.5 |
| 9. Education ⁽³⁾ | 57.7 | 57.2 | 56.2 | 56.5 | 57.4 | 60.1 | 63.9 | 70.3 | 73.2 | 79.5 | 82.3 | 85.7 | 87.1 | 91.3 | 93.8 | 97.7 | 98.1 | 91.7 | 90.4 | 91.6 | 84.4 |
| 10. Social protection | 162.6 | 166.5 | 167.6 | 167.5 | 165.4 | 175.1 | 178.8 | 188.6 | 194.3 | 202.8 | 207.5 | 210.0 | 211.2 | 218.8 | 229.8 | 246.2 | 246.9 | 253.5 | 259.8 | 255.2 | 258.4 |
| EU transactions | -6.9 | -6.3 | -7.7 | -5.4 | -3.7 | -3.8 | -3.6 | -6.6 | -2.5 | -2.7 | -1.1 | -0.7 | -2.1 | -1.7 | -3.3 | 1.0 | 3.9 | 2.1 | 4.5 | 5.1 | 3.4 |
| Public sector expenditure on services | 452.7 | 457.5 | 449.4 | 451.2 | 457.0 | 471.8 | 491.1 | 516.2 | 538.4 | 572.3 | 595.6 | 616.2 | 624.9 | 644.4 | 683.3 | 706.6 | 705.1 | 691.6 | 686.0 | 683.4 | 677.7 |
| Accounting adjustments | 34.2 | 36.7 | 31.8 | 31.6 | 30.5 | 29.9 | 30.3 | 32.3 | 39.1 | 37.6 | 48.9 | 50.2 | 54.4 | 56.2 | 60.8 | 57.9 | 60.2 | 63.3 | 70.1 | 62.7 | 69.0 |
| Total Managed Expenditure ⁽⁴⁾ | 486.9 | 494.2 | 481.2 | 482.9 | 487.5 | 501.7 | 521.4 | 548.5 | 577.5 | 609.9 | 644.5 | 666.4 | 679.2 | 700.6 | 744.1 | 764.5 | 765.2 | 754.9 | 756.1 | 746.1 | 746.7 |

(1) Real terms figures are the nominal figures adjusted to 2014-15 price levels using GDP deflators from the Office for National Statistics (released 23 December 2015)

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

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

(4) This excludes the temporary effects of banks being classified to the public sector. See Box 5.A in PESA 2015

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Table 10b Public sector expenditure on services by function as a percentage of GDP ⁽¹⁾, 1994-95 to 2014-15

| | National Statistics | | | | | | | | | | | | | | | | | | | | per cent |
|---|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | cash | | | | accruals | | | | | | | | | | | | | | | | |
| | 1994-95 outturn | 1995-96 outturn | 1996-97 outturn | 1997-98 outturn | 1998-99 outturn | 1999-00 outturn | 2000-01 outturn | 2001-02 outturn | 2002-03 outturn | 2003-04 outturn | 2004-05 outturn | 2005-06 outturn | 2006-07 outturn | 2007-08 outturn | 2008-09 outturn | 2009-10 outturn | 2010-11 outturn | 2011-12 outturn | 2012-13 outturn | 2013-14 outturn | 2014-15 outturn |
| 1. General public services | 4.3 | 4.6 | 4.4 | 4.4 | 4.2 | 3.8 | 3.7 | 3.4 | 3.1 | 3.2 | 3.4 | 3.4 | 3.4 | 3.4 | 3.7 | 3.3 | 4.0 | 3.9 | 3.5 | 3.5 | 3.2 |
| <i>of which: public and common services</i> | 0.8 | 0.8 | 0.7 | 0.7 | 0.8 | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 | 1.0 | 0.9 | 0.9 | 0.8 | 0.9 | 0.9 | 0.8 | 0.7 | 0.7 | 0.6 | 0.6 |
| <i>of which: international services</i> | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.5 | 0.4 | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 |
| <i>of which: public sector debt interest</i> | 3.1 | 3.4 | 3.3 | 3.3 | 3.1 | 2.6 | 2.6 | 2.1 | 1.9 | 1.9 | 2.0 | 2.0 | 2.1 | 2.1 | 2.3 | 2.0 | 2.7 | 2.7 | 2.4 | 2.3 | 2.0 |
| 2. Defence | 3.1 | 2.8 | 2.6 | 2.4 | 2.6 | 2.6 | 2.5 | 2.4 | 2.4 | 2.4 | 2.3 | 2.3 | 2.3 | 2.2 | 2.4 | 2.5 | 2.5 | 2.4 | 2.2 | 2.1 | 2.0 |
| 3. Public order and safety | 2.1 | 2.0 | 1.9 | 1.9 | 1.9 | 1.9 | 2.0 | 2.1 | 2.1 | 2.2 | 2.2 | 2.1 | 2.1 | 2.2 | 2.3 | 2.1 | 2.0 | 1.9 | 1.7 | 1.7 | 1.6 |
| 4. Economic affairs | 3.2 | 3.0 | 2.8 | 2.4 | 2.1 | 2.2 | 2.3 | 2.6 | 2.7 | 2.7 | 2.6 | 2.6 | 2.6 | 2.5 | 3.3 | 3.2 | 2.5 | 2.3 | 2.1 | 2.2 | 2.1 |
| <i>of which: enterprise and economic development ⁽²⁾</i> | 0.6 | 0.6 | 0.5 | 0.5 | 0.3 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.4 | 0.5 | 1.1 | 0.8 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| <i>of which: science and technology</i> | 0.1 | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 |
| <i>of which: employment policies</i> | 0.4 | 0.4 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 0.1 | 0.2 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 |
| <i>of which: agriculture, fisheries and forestry</i> | 0.5 | 0.5 | 0.6 | 0.5 | 0.5 | 0.4 | 0.5 | 0.6 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.3 | 0.4 | 0.4 | 0.3 | 0.4 | 0.3 | 0.3 | 0.3 |
| <i>of which: transport</i> | 1.5 | 1.4 | 1.1 | 1.0 | 0.8 | 0.8 | 0.9 | 1.0 | 1.3 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 | 1.5 | 1.4 | 1.2 | 1.1 | 1.1 | 1.1 |
| 5. Environment protection | 0.5 | 0.5 | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 | 0.7 | 0.6 | 0.6 | 0.7 | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 |
| 6. Housing and community amenities | 0.8 | 0.8 | 0.7 | 0.5 | 0.6 | 0.5 | 0.5 | 0.6 | 0.5 | 0.6 | 0.6 | 0.8 | 0.8 | 0.9 | 1.0 | 1.1 | 0.8 | 0.6 | 0.6 | 0.6 | 0.6 |
| 7. Health | 5.2 | 5.2 | 5.0 | 5.0 | 5.0 | 5.0 | 5.2 | 5.5 | 5.8 | 6.2 | 6.5 | 6.6 | 6.6 | 6.7 | 7.2 | 7.8 | 7.6 | 7.4 | 7.4 | 7.4 | 7.3 |
| 8. Recreation, culture and religion | 0.7 | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.9 | 0.8 | 0.8 | 0.8 | 0.6 | 0.7 |
| 9. Education ⁽³⁾ | 4.8 | 4.6 | 4.4 | 4.3 | 4.3 | 4.3 | 4.4 | 4.8 | 4.8 | 5.1 | 5.1 | 5.2 | 5.1 | 5.2 | 5.5 | 5.9 | 5.8 | 5.3 | 5.2 | 5.1 | 4.6 |
| 10. Social protection | 13.5 | 13.5 | 13.3 | 12.8 | 12.3 | 12.5 | 12.4 | 12.8 | 12.8 | 12.9 | 12.9 | 12.6 | 12.4 | 12.6 | 13.5 | 14.8 | 14.6 | 14.7 | 14.9 | 14.3 | 14.1 |
| EU transactions | -0.6 | -0.5 | -0.6 | -0.4 | -0.3 | -0.3 | -0.3 | -0.4 | -0.2 | -0.2 | -0.1 | 0.0 | -0.1 | -0.1 | -0.2 | 0.1 | 0.2 | 0.1 | 0.3 | 0.3 | 0.2 |
| Public sector expenditure on services | 37.6 | 37.1 | 35.6 | 34.5 | 33.9 | 33.7 | 34.0 | 34.9 | 35.3 | 36.4 | 37.1 | 37.1 | 36.7 | 37.0 | 40.2 | 42.6 | 41.8 | 40.2 | 39.4 | 38.3 | 37.0 |
| Accounting adjustments | 2.8 | 3.0 | 2.5 | 2.4 | 2.3 | 2.1 | 2.1 | 2.2 | 2.6 | 2.4 | 3.0 | 3.0 | 3.2 | 3.2 | 3.6 | 3.5 | 3.6 | 3.7 | 4.0 | 3.5 | 3.8 |
| Total Managed Expenditure ⁽⁴⁾ | 40.4 | 40.1 | 38.1 | 36.9 | 36.2 | 35.9 | 36.1 | 37.1 | 37.9 | 38.7 | 40.1 | 40.1 | 39.9 | 40.3 | 43.8 | 46.1 | 45.3 | 43.9 | 43.5 | 41.9 | 40.8 |

(1) GDP is consistent with the latest figures from the Office for National Statistics (published 23 December 2015)

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

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

(4) This excludes the temporary effects of banks being classified to the public sector. See Box 5.A in PESA 2015.

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Table 11 Public sector expenditure on services by economic category, 2010-11 to 2014-15

| | National Statistics | | | | | £million |
|--|---------------------|----------------|----------------|----------------|----------------|----------|
| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | |
| | outturn | outturn | outturn | outturn | outturn | |
| Public sector current expenditure on services | | | | | | |
| Pay | 169,348 | 166,154 | 164,421 | 165,191 | 169,194 | |
| Gross current procurement | 188,665 | 189,071 | 193,252 | 196,913 | 202,538 | |
| Income from sales of goods and services | -47,464 | -44,962 | -46,213 | -46,832 | -48,738 | |
| Current grants to persons and non-profit bodies | 222,635 | 229,098 | 234,859 | 235,610 | 239,296 | |
| Current grants abroad | 9,427 | 7,831 | 9,953 | 12,470 | 10,030 | |
| Subsidies to private sector companies | 7,941 | 8,246 | 7,912 | 8,084 | 7,728 | |
| Subsidies to public corporations | 706 | 458 | 1,723 | 1,136 | 931 | |
| Net public service pensions | 4,627 | 6,678 | 8,620 | 9,081 | 10,211 | |
| Grant equivalent element of student lending | 4,242 | 2,215 | 3,913 | 6,773 | 2,258 | |
| Public sector debt interest | 42,386 | 44,500 | 40,360 | 39,706 | 36,320 | |
| Other | 59 | 82 | 238 | 278 | 208 | |
| Total public sector current expenditure on services | 602,569 | 609,372 | 619,038 | 628,409 | 629,977 | |
| Accounting adjustments | 35,016 | 36,592 | 35,662 | 37,163 | 43,324 | |
| Total public sector current expenditure | 637,585 | 645,964 | 654,700 | 665,572 | 673,301 | |
| Public sector capital expenditure on services | | | | | | |
| Capital grants ⁽¹⁾ | 15,754 | 12,238 | 11,134 | 10,642 | 14,188 | |
| Gross capital procurement | 42,824 | 38,014 | 35,535 | 37,868 | 39,081 | |
| Income from sales of capital assets | -3,258 | -4,309 | -3,761 | -3,692 | -5,513 | |
| Other | - | - | - | - | - | |
| Total public sector capital expenditure on services | 55,320 | 45,944 | 42,907 | 44,818 | 47,757 | |
| Accounting adjustments | 21,118 | 23,431 | 31,936 | 24,567 | 25,633 | |
| Total public sector capital expenditure | 76,438 | 69,375 | 74,843 | 69,385 | 73,390 | |
| Total public sector expenditure on services | 657,888 | 655,315 | 661,945 | 673,227 | 677,733 | |
| Accounting adjustments | 56,135 | 60,024 | 67,598 | 61,730 | 68,958 | |
| Total Managed Expenditure⁽²⁾ | 714,023 | 715,339 | 729,543 | 734,957 | 746,691 | |

(1) Transactions from 2010-11 onwards have been affected by financial sector interventions. See Box 5.A in PESA 2015 for details.

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