

# BACKGROUND TO THE PUBLIC SPENDING NATIONAL STATISTICS

This document is intended to give background on the Public Spending National Statistics.

## DATA SOURCES

### OSCAR

The main data source for Public Spending National Statistics is OSCAR (Online System for Central Accounting and Reporting). This is the database used by the Treasury to collect financial data from across the public sector to support fiscal management, enable the production of Parliamentary Supply Estimates and public expenditure statistics and the preparation of Whole of Government Accounts (WGA) and to meet data requirements of the Office for National Statistics (ONS).

OSCAR is a consolidation system rather than an accounts application, and so it does not hold details of individual financial transactions by departments. Data are recorded on OSCAR against a complex coding structure that is used to produce the publications issued by the Treasury and the ONS. Departments supply data throughout the year to meet the internal timetables for the different data streams.

Data are provided by central government departments, who retain ownership of their data on OSCAR. They do not include individual transactions, such as invoice payments, but aggregate transactions for reporting to Treasury. The way in which individual transactions are aggregated is largely a matter for each department, as long as they meet the minimum requirements defined by the Treasury in the coding structures used to produce publications. The level of detail of the data can, therefore, vary between departments particularly in terms of the purpose of spending. Departments will generally provide the level of detail that maps most conveniently from their accounting systems, and those used by other members of the departmental family. Work continues to standardise account code level reporting across departments in line with the Common Chart of Accounts guidance.

In addition to this, the Treasury loads onto OSCAR data that cannot be directly loaded by entities because they do not have access to OSCAR, for example local government data and data relating to central funds (such as the Reserve) and other aggregates (e.g. central government debt interest) that are required for publications.

As part of the Transparency agenda the government now publishes the full details of the OSCAR database for outturn periods (currently 2010-11 to 2014-15) including both annual and monthly data. This means that users can access the underlying details of the figures contained in Public Spending

## UNCLASSIFIED

Statistics releases, however in some cases it may not be possible to recreate exactly the details of aggregates as published due to the use of a limited amount of data not contained on OSCAR.

### NON-OSCAR DATA SOURCES

Local government expenditure data are sourced from outturn statistics published by Department for Communities and Local Government and devolved spending data published by the devolved administrations.

Figures for Total Managed Expenditure and central government debt interest are sourced from the ONS.

### COVERAGE

All data in the Public Spending National Statistics relates to the UK as a whole unless otherwise stated.

### DATA QUALITY AND HOW WE PRODUCE OUR STATISTICS

As information is recorded on OSCAR it is checked according to a range of criteria to ensure compliance with various data standards. These checks are intended to ensure:

- Complies with the budgeting guidance <https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2014-to-2015>
- Is within overall control totals set out by HM Treasury;
- Has been correctly classified according to the COFOG framework and National Accounts (ESA 10) definitions; and
- Meets other statistical data quality checks for consistency.

After a deadline for departments to submit data on OSCAR, statisticians and staff within central teams in Treasury work on the data to make sure it complies with the standards in place and there have been no other errors. In cases where there is doubt statisticians in Treasury will liaise directly with departments to determine the correct classification of an item of spending. Once the data has been quality assured a “snapshot” of the data is taken and the statistical tables are prepared for publication. By using the details of a particular snapshot it is possible to recreate the details of any previous Statistical release over recent years. External users can obtain this data from the OSCAR raw data transparency release <https://www.gov.uk/government/collections/hmt-oscar-publishing-from-the-database>

## CONCEPTS AND CLASSIFICATIONS

### BUDGETING STATISTICS

There are two main presentations within this section:

- **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.

### EXPENDITURE ON SERVICES STATISTICS

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 of PESA 2015**; 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.

### PERIOD COVERED BY PUBLIC SPENDING STATISTICS TABLES

All data series in Treasury Public Spending Statistics are annual on a financial year basis. Tables in this publication normally cover the years 2010-11 to 2014-15, and some are presented over a longer historical period.

### DATA IN THE PUBLIC SPENDING NATIONAL STATISTICS (QUARTERLY)

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

- Total Managed Expenditure, by budgetary category (PESA 2015, **Table 1.1**);
- resource and capital elements of Departmental Expenditure Limits and Annually Managed Expenditure by departmental group (PESA 2015, **Tables 1.3 and 1.8**);
- public sector expenditure on services by function (PESA 2015, **Table 4.2**); and
- public sector expenditure on services by economic category (PESA 2015, **Table 5.3**).

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

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#### WHAT ARE DEPARTMENTAL GROUPS?

The departments are grouped broadly in line with ministerial responsibility. Further details are contained in Annex B of the PESA command paper.

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#### HOW ARE THE FUNCTIONS DEFINED?

The functional breakdowns of spending are intended to enable comparisons over time without distortions caused by changes in the way departments are organized.

Further details on the COFOG framework are found here:

<http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=4>

Eurostat guidance on the COFOG framework:

[http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-RA-11-013/EN/KS-RA-11-013-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-11-013/EN/KS-RA-11-013-EN.PDF)

#### RELATED DATA RELEASES

A number of related National Statistics and other data releases are published by HM Treasury and other government departments. These include:

- Public Sector Finances (ONS/HMT, Monthly)  
<https://www.gov.uk/government/publications/public-sector-finances-bulletin>
- OSCAR raw data release (HMT, annual)  
<https://www.gov.uk/government/collections/hmt-oscar-publishing-from-the-database>
- Quarterly Data summaries (each government department, quarterly)
- Estimates Publications (HM Treasury)  
<https://www.gov.uk/government/collections/hmt-main-estimates>
- Resource accounts (each government department, Annual)
- National accounts (ONS, quarterly)
- Government Expenditure and Revenue Scotland  
<http://www.scotland.gov.uk/Topics/Statistics/Browse/Economy/GERS>

## REVISIONS AND RELIABILITY

All of the data contained in the Public Spending National Statistics release is classed as outturn, however the data contained within the release at any point in time is of varying levels of completeness or finality.

**Central Government** outturn data is first recorded on OSCAR in June of each year and is published in the main PESA National Statistics release shortly after. The data may be subsequently revised in later releases throughout the year, however in the main departmental data only moves by relatively small amounts after initial publication. **Local Government data** is on a slower timetable, and in the July and October Public Spending releases much of the Local government data will still be on an estimated/forecast basis.

## STANDARDS AND POLICIES

### REVISIONS POLICY

In line with the HM Treasury revisions policy,

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/315168/Revisions\\_policy\\_May14.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/315168/Revisions_policy_May14.pdf)

in each Public Spending release all periods are open and potentially subject to revisions. Typically revisions will only affect the most recent year unless there have been classification changes or other related changes affecting the breakdowns.

### SCHEDULED REVISIONS

Some of the changes to PESA National Statistics releases are known in advance as part of pre-announced changes to the frameworks used in our publications or reclassifications of bodies. In some cases the magnitude of changes will be known well in advance of the implementation of the change. Where this is the case we will announce the details of the change in the preceding release.

## FORMATS

Public Spending National Statistics are published as PDF documents which include:

- Statistical tables setting out the detail of the latest numbers
- Charts showing visualizations of some of the key trends in the data.
- Explanatory text giving commentary on the data

Alongside each release, Excel workbooks and CSV (comma separated values) files containing the statistical tables in the release are published separately.

## SUGGESTED USES

The Public Spending National Statistics releases are intended to give a broad overview of overall trends in spending as well as information on specific areas of interest. Known users include academics, Parliament, media, financial institutions, other government departments and the general public.

Examples of the types of questions that can be answered using our National Statistics are shown below.

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#### 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 for a long run of years. This includes spending by devolved administrations, local government and public corporations (details of the departments included in this group are given in **Annex B in PESA 2015**). **Tables 4.3 and 4.4** show spending in real terms and as a percentage of GDP;
- **Table 1.3** shows the total DEL spending of each departmental group.

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#### HOW CAN I COMPARE SPENDING ON X TO PREVIOUS YEARS?

**Tables 4.2, 4.3 and 4.4** contain long run series (from 1991-92) 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.

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#### HOW DO I GET REAL TERMS NUMBERS/PROPORTION OF GDP?

Table 4.3 in this publication is 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 2014-15 prices. The most up-to-date deflators and GDP numbers are available on the HMT website<sup>1</sup>.

## CONTACT

Requests for further information or ad-hoc comments on our statistics should be should be directed to:

[statistics-enquiries@hmtreasury.gsi.gov.uk](mailto:statistics-enquiries@hmtreasury.gsi.gov.uk)

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<sup>1</sup><https://www.gov.uk/government/collections/gdp-deflators-at-market-prices-and-money-gdp>