



STATISTICAL BULLETIN: PUBLIC SPENDING STATISTICS NOVEMBER 2015

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

- ◆ *Background: Page 3*
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KEY POINTS IN THIS RELEASE

- Total DEL expenditure (Resource DEL excluding depreciation plus Capital DEL) was £361.2 billion in 2014-15, an increase of £3.1 billion or 0.9 per cent on the previous year in nominal terms.
- Total Managed Expenditure was £738.0 billion in 2014-15, an increase of 1.8 per cent on the previous year.
- Total expenditure on services was £675.9 billion in 2014-15, an increase of 0.8 per cent on the previous year.
- Total departmental expenditure (Total DEL plus resource and capital departmental AME) was £622.9 billion in 2014-15, a fall of 2.9 per cent on the previous year. Work and Pensions accounts for around one quarter of departmental expenditure.

KEY REVISIONS IN THIS RELEASE (SINCE JULY 2015 PUBLICATION)

- Resource Departmental AME expenditure increased by £2.2 billion to £255.8 billion in 2014-15 driven by revisions to Department of Energy and Climate Change (DECC) spend in respect of Contracts for Difference signed under the Electricity Market Reform Programme. This revision was made to align spend with DECC 2014-15 Resource Accounts that were finalised after the July spending statistics bulletin. Other revisions to departmental budgets (DEL and AME) are small.
- Changes in non-departmental expenditure are mainly due to the impact of updated ONS data. In particular, the August Public Sector Finances release published on 22 September reflected revisions due to an ONS methodological change to the calculation of the depreciation of roads that affects both central and local government spend. A link to the August Public Sector Finances release is below.

http://www.ons.gov.uk/ons/dcp171778_417103.pdf

- This publication takes account of updated England, Scotland and Wales local authority data from DCLG and devolved bodies. In 2014-15 total local authority resource and capital spend has been reduced by £200 million to reflect latest available outturn data. In addition Scotland local authority data has also been corrected due to further work to align reporting methodologies across the United Kingdom. Capital expenditure in 2010-11, 2011-12, 2012-13 and 2013-14 has been revised upwards to include grants financed from the capital budget by £190 million, £170 million, £150 million and £170 million; while current expenditure in 2011-12, 2012-13 and 2013-14 has been revised downwards to exclude inter- and intra-authority charges from sector totals by £500 million, £600 million and £590 million respectively.

UPCOMING REVISIONS AND CHANGE TO THE PRESENTATION IN FORTHCOMING RELEASES

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

FEBRUARY 2016 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.

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

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published, incorporating final data for all local authorities and devolved administrations.

- 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.

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 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 £361.2 billion in 2014-15, an increase of £3.1 billion or 0.9 per cent on the previous year in nominal terms.
- Total capital DEL was £44.9 billion in 2014-15, an increase of £3.3 billion or 7.8 per cent on the previous year.

ANNUALLY MANAGED EXPENDITURE

- Net public service pensions increased to £10.2 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

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calculation of TME, there is an offset within the accounting adjustments to remove them (see Table 9 for details).

- Locally capital financed expenditure was £16.3 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 six of the ten functions (not including EU transactions) increased during 2014-15, whilst the remaining four showed a decrease.
- The largest real terms growth in expenditure was in Recreation, culture and religion by 9.1 per cent, Housing and community amenities by 4.7 per cent and on Environment Protection by 4.2 per cent.
- The largest real terms fall in spending was in Education, down by 7.8 per cent. This is due to a decreased impact of student loan impairments, a footnote to the expenditure on services tables explains this in more detail. General public services also fell by 5.3 per cent, this was driven by a reduction of 11.2 per cent in public sector debt interest.
- There was a large fall of 27.3 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 45.7 per cent in 2009-10. In the subsequent years, TME as a percentage of GDP has been decreasing. In 2014-15 it stood at 40.3 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 is 1.8 per cent in 2014-15, a level last seen in 2009-10. This is below the 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 £257.9 billion in 2014-15, up from £255.0 billion in the previous year.
 - Health spending (including spending by central government departments and devolved administrations) was £134.1 billion in 2014-15, compared to £131.2 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

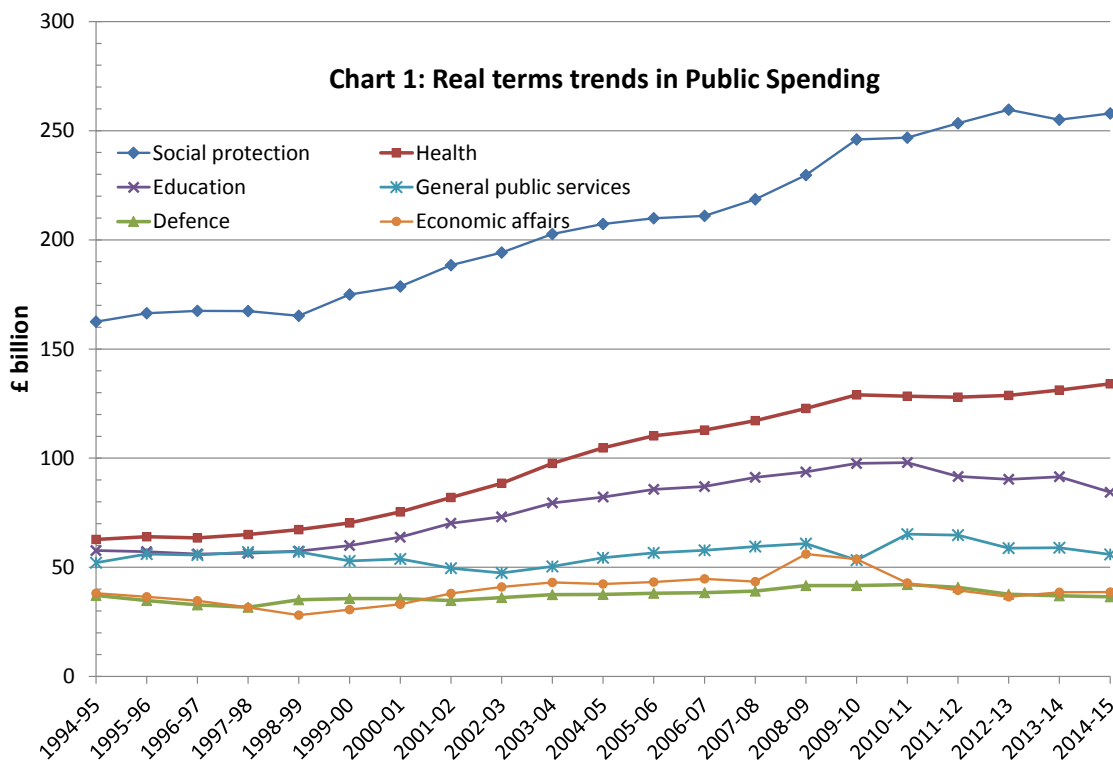
¹ Details of financial sector interventions within expenditure on services can be found in Box 5.A of PESA 2015.

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.

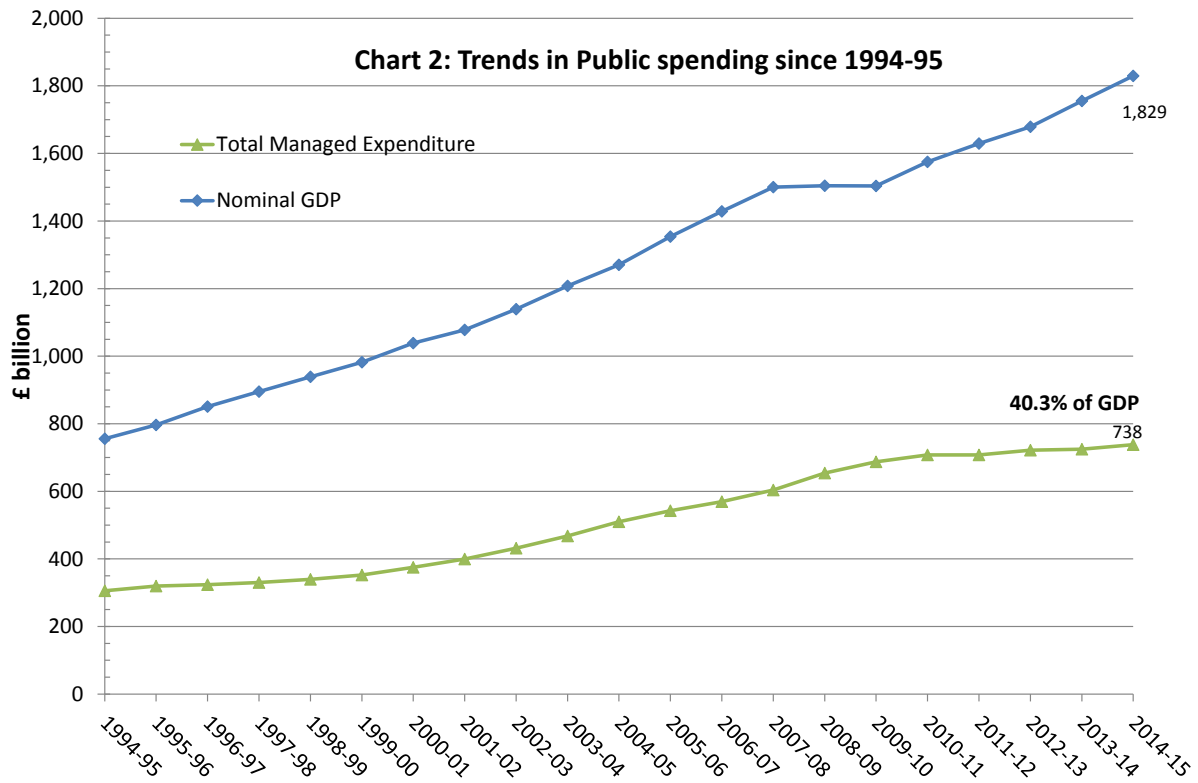
It is important to note that in most cases spending by function does not equate to spending by a single department. Spending within the health function, for example, represents expenditure by the devolved administrations as well as by the Department of Health and other central government departments. 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 1994-94 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

	2010-11	2011-12	2012-13	2013-14	2014-15
	outturn	outturn	outturn	outturn	outturn
£ million					
CURRENT EXPENDITURE					
<i>Resource DEL</i>					
Resource DEL excluding depreciation	325,560	321,715	317,050	316,436	316,241
Depreciation in resource DEL	20,512	19,269	21,504	22,300	17,383
Total resource DEL	346,072	340,984	338,555	338,735	333,624
<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	10,233
National lottery	995	1,335	719	1,209	1,562
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	51,311	53,161	49,626	73,141
Financial sector interventions	-14,247	-16,143	-18,384	8,380	-48,717
Other departmental expenditure	613	266	4,260	13,526	4,281
Total resource departmental AME	167,242	250,628	260,090	289,303	255,848
<i>Resource other AME</i>					
Net expenditure transfers to the EU	8,414	7,702	9,131	9,716	8,881
Locally financed expenditure	22,969	22,104	23,433	23,226	28,814
Central government gross debt interest	46,609	49,704	48,856	48,668	45,180
Accounting adjustments ⁽³⁾	44,359	-27,403	-27,711	-47,018	-1,711
Total resource other AME	122,351	52,107	53,709	34,592	81,164
Total resource AME	289,594	302,735	313,799	323,895	337,012
Public sector current expenditure	635,666	643,719	652,354	662,630	670,636
CAPITAL EXPENDITURE					
<i>Capital DEL</i>					
Total capital DEL	49,816	42,338	38,961	41,681	44,944
<i>Capital departmental AME</i>					
National lottery	597	380	513	492	600
BBC domestic services	122	172	121	83	248
Student loans	4,958	5,857	6,858	9,299	11,477
Financial sector interventions	-3,015	-4,571	-3,601	-4,938	-2,943
Other departmental expenditure	1,103	688	-302	-11,147	-3,522
Total capital departmental AME	3,764	2,525	3,589	-6,210	5,860
<i>Capital other AME</i>					
Locally financed expenditure	5,715	16,343	6,130	6,857	5,685
Public corporations' own-financed capital expenditure	8,603	6,045	7,183	7,568	7,596
Accounting adjustments ⁽³⁾	4,199	-3,493	13,683	12,319	3,300
Total capital other AME	18,518	18,895	26,995	26,745	16,581
Total capital AME	22,283	21,421	30,585	20,535	22,442
Public sector gross investment ⁽⁴⁾	72,099	63,759	69,546	62,216	67,386
less public sector depreciation	32,303	33,714	34,739	36,030	36,961
Public sector net investment ⁽⁴⁾	39,796	30,045	34,807	26,186	30,425
TOTAL MANAGED EXPENDITURE ⁽⁴⁾	707,765	707,478	721,900	724,846	738,022
<i>of which:</i>					
Total DEL ⁽⁵⁾	375,377	364,053	356,012	358,116	361,185
Departmental AME	171,007	253,153	263,679	283,093	261,708
Other AME	161,382	90,272	102,209	83,636	115,129

(1) 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.

(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 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.

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

(5) 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	2011-12	2012-13	2013-14	2014-15
	outturn	outturn	outturn	outturn	outturn
Resource DEL by departmental group					
Education	50,383	50,154	50,808	51,887	53,773
NHS (Health)	97,469	100,266	102,571	106,496	110,555
Personal Social Services (Health) ⁽¹⁾	1,471	-	-	-	-
Transport	5,806	5,578	5,283	4,791	3,544
CLG Communities	3,860	1,990	1,496	2,080	2,131
CLG Local Government ⁽²⁾	24,403	25,389	23,189	16,481	13,657
Business, Innovation and Skills	21,271	19,993	19,195	20,576	15,405
Home Office	12,778	12,127	11,386	10,999	11,397
Justice	9,078	9,032	8,728	7,970	7,597
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	1,584	1,618	3,537	1,251	1,323
Work and Pensions	9,152	7,624	7,497	7,615	7,152
Scotland	25,776	25,437	25,751	26,129	26,420
Wales	13,789	13,660	13,654	14,466	14,203
Northern Ireland	9,973	9,862	10,041	10,175	10,202
Chancellor's Departments	3,966	3,852	3,468	3,392	3,596
Cabinet Office	2,354	2,399	2,547	2,525	2,837
Small and Independent Bodies	1,591	1,692	1,470	1,506	1,679
Total resource DEL	346,072	340,984	338,555	338,735	333,624

(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	11,785	10,722	11,051	13,910
NHS (Health) ⁽¹⁾	-10,976	19,582	18,878	18,194	22,240
Transport	501	876	590	876	476
CLG Communities	-112	-350	409	347	547
CLG Local Government ⁽²⁾	1,107	732	144	11,123	12,181
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	-11
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	156
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	3,793	4,653	4,536	5,070
Work and Pensions	151,033	159,167	165,506	163,072	167,639
Scotland	3,055	3,073	2,760	2,669	3,838
Wales	53	72	141	-	32
Northern Ireland	3,178	7,511	7,764	7,463	8,239
Chancellor's Departments ⁽³⁾	28,604	24,040	23,980	48,784	-7,026
Cabinet Office ⁽¹⁾	-7,466	8,739	9,431	8,659	10,614
Small and Independent Bodies	-259	-147	-109	-38	-129
Total resource departmental AME	167,242	250,628	260,090	289,303	255,848

(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 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.

(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	5,043	4,260	3,604	4,468
NHS (Health)	4,159	3,771	3,783	4,353	3,863
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	530	344	281	275	290
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	580	1,257	342	5	224
Work and Pensions	368	327	419	233	249
Scotland	3,284	2,732	2,939	2,879	3,143
Wales	1,751	1,386	1,362	1,325	1,500
Northern Ireland	1,192	1,000	969	931	1,069
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	44,944

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
Defence	-	-10	-35	-129	51
International Development	-	-	-6	-	-
Energy and Climate Change	-78	-58	-20	-497	-601
Environment, Food and Rural Affairs	1	-	-1	-1	2
Culture, Media and Sport	719	552	448	625	873
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	542
Chancellor's Departments ⁽¹⁾	-2,675	-4,483	-3,591	-11,725	-12,040
Small and Independent Bodies	-100	-52	-40	-34	-23
Total capital departmental AME	3,764	2,525	3,589	-6,210	5,860

(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	50,122	49,977	50,902	52,529
NHS (Health)	96,260	99,073	101,440	105,424	109,437
Personal Social Services (Health) ⁽¹⁾	1,471	-	-	-	-
Transport	5,176	4,679	4,315	3,784	2,552
CLG Communities	3,799	1,914	1,455	2,051	2,138
CLG Local Government ⁽²⁾	24,402	25,388	23,188	16,481	13,657
Business, Innovation and Skills	17,010	16,208	15,443	14,836	13,756
Home Office	12,292	11,908	11,143	10,740	11,118
Justice	8,723	8,589	8,201	7,519	7,160
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	1,475	1,504	2,093	1,094	1,219
Work and Pensions	8,990	7,422	7,248	7,432	6,976
Scotland	25,211	24,814	24,968	25,466	25,660
Wales	13,382	13,232	13,248	13,709	13,757
Northern Ireland	9,603	9,442	9,464	9,724	9,700
Chancellor's Departments	3,745	3,628	3,235	3,152	3,315
Cabinet Office	2,025	2,045	2,147	2,108	2,400
Small and Independent Bodies	1,571	1,646	1,406	1,481	1,613
Total resource DEL excluding depreciation	325,560	321,715	317,050	316,436	316,241

(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	55,165	54,237	54,505	56,997
NHS (Health)	100,418	102,844	105,222	109,777	113,300
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	5,859	6,536
CLG Local Government ⁽³⁾	24,335	25,380	23,189	16,481	13,657
Business, Innovation and Skills	19,113	17,360	16,684	17,222	15,767
Home Office	13,032	12,401	11,585	11,137	11,529
Justice	9,253	8,933	8,482	7,794	7,450
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	2,055	2,761	2,435	1,099	1,442
Work and Pensions	9,358	7,749	7,667	7,665	7,225
Scotland	28,495	27,546	27,907	28,345	28,803
Wales	15,133	14,618	14,609	15,034	15,257
Northern Ireland	10,795	10,442	10,433	10,655	10,769
Chancellor's Departments	3,956	3,884	3,447	3,364	3,582
Cabinet Office	2,457	2,448	2,510	2,509	2,829
Small and Independent Bodies	1,650	1,702	1,467	1,555	1,695
Total DEL	375,377	364,053	356,012	358,116	361,185

(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	66,951	64,958	65,556	70,907
NHS (Health) ⁽¹⁾	89,450	122,426	124,101	127,901	135,535
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	6,205	7,204
CLG Local Government	25,442	26,113	23,329	27,605	25,837
Business, Innovation and Skills	22,448	21,672	22,720	21,794	24,652
Home Office	13,952	13,462	12,845	12,615	13,487
Justice	9,499	8,888	9,416	7,555	7,439
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	9,806
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	7,143	7,105	7,536	6,260	7,385
Work and Pensions	160,522	166,904	173,156	170,603	174,740
Scotland	31,701	30,786	30,855	31,350	33,081
Wales	15,395	14,934	15,003	15,339	15,645
Northern Ireland	14,369	18,541	18,541	18,543	19,550
Chancellor's Departments ⁽³⁾	29,885	23,441	23,836	40,424	-15,484
Cabinet Office ⁽¹⁾	-5,009	11,187	11,941	11,168	13,443
Small and Independent Bodies	1,291	1,503	1,318	1,484	1,543
Total departmental expenditure ⁽⁴⁾	546,383	617,206	619,691	641,210	622,893
Central government gross debt interest	46,609	49,704	48,856	48,668	45,180
Locally financed expenditure	28,685	38,447	29,563	30,083	34,499
Public sector depreciation	32,303	33,714	34,739	36,030	36,961
Net expenditure transfers to the EU	8,414	7,702	9,131	9,716	8,881
Public corporations' own-financed capital expenditure	8,603	6,045	7,183	7,568	7,596
Accounting adjustments	36,768	-45,340	-27,263	-48,428	-17,989
Total other expenditure ⁽⁵⁾	161,382	90,272	102,209	83,636	115,129
TOTAL MANAGED EXPENDITURE ⁽⁶⁾	707,765	707,478	721,900	724,846	738,022

(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 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.

(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	-2.0
Interest	1.0	2.2	2.7	1.2	2.1
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	-18.0
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	-10.4
Change in pension scheme liabilities	56.8	-27.1	-26.9	-28.7	-34.8
Unwinding of discount rate on pension scheme liabilities	-37.6	-44.0	-40.5	-38.0	-46.2
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	0.2
Total resource departmental AME	36.1	-39.9	-35.1	-54.5	-14.6
Total resource budget data not in public sector current expenditure	26.7	-41.8	-37.9	-55.1	-11.2

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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	17.8	22.5	17.0	18.6	18.8
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	1.7	4.6	-1.7	0.0	-0.8
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	0.1	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	0.2
Other current grants	-2.6	-7.2	0.3	-1.9	-1.3
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	-0.4
Subsidies	3.9	10.8	4.1	4.1	5.4
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	2.0
of which: other	1.3	9.0	0.6	-0.6	-0.7
Total central government resource adjustments	25.1	31.6	25.3	24.8	26.8
Local government adjustments in National Accounts					
Remove data which do not form part of public sector current expenditure	-4.5	-5.1	-3.8	-3.9	-7.1
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	-3.2
of which: other	-1.0	-0.2	-0.4	-0.2	-3.2
Adjustments to reconcile use of different data sources	1.0	2.6	0.0	-0.3	-1.8
of which: central government support	-0.4	0.2	-1.1	-0.8	-2.9
of which: debt interest	-0.3	0.6	-0.3	-0.1	-0.1
of which: police and fire top up grants	1.1	1.4	1.6	1.7	1.9
of which: other	0.6	0.5	-0.2	-1.1	-0.8
Expenditure on goods and services	16.5	17.3	18.5	20.6	21.8
of which: VAT refunds	6.4	6.8	6.5	6.6	6.7
of which: Local Authority Pension Scheme ⁽¹⁾	1.8	1.9	2.0	1.9	1.8
of which: capital consumption	8.0	8.5	9.0	9.5	10.0
of which: rates	-1.2	-1.4	-1.4	-1.4	-1.4
of which: other	1.5	1.5	2.4	4.1	4.7
Subsidies	1.1	0.4	0.4	0.5	0.3
of which: equity injection into Housing Revenue Account	1.1	0.5	0.3	0.5	0.3
of which: other	0.0	0.0	0.1	0.0	0.0
Net social benefits	-0.5	-0.9	-1.0	-0.9	-0.9
of which: housing benefits and rent rebates	0.4	0.1	0.0	0.2	0.4
of which: other	-0.9	-1.0	-1.0	-1.0	-1.3
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	12.5
Other resource adjustments					
Public corporations	0.7	0.5	0.4	0.3	-0.1
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	0.8
Total other resource adjustments	-7.0	-8.4	-11.6	-11.4	-11.7
Total resource adjustments	44.4	-27.4	-27.7	-47.0	-1.7
of which:					
Timing adjustments ⁽³⁾					
Central government	-8.6	-0.1	-1.5	-2.3	-4.3
Local government	1.1	0.5	1.3	2.9	3.2

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

	2010-11	2011-12	2012-13	2013-14	£ billion 2014-15
	outturn	outturn	outturn	outturn	outturn
Remove data in budgets which form part of public sector gross investment but where a different source is used for National Accounts					
Capital DEL					
Change in inventories	0.1	0.0	0.0	0.0	0.2
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	0.2
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	0.2
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	-3.0
Capital support for public corporations	0.2	0.1	0.0	0.4	0.5
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	-0.5
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	1.6
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	-5.4
Total capital budget data not in public sector gross investment	-2.6	-3.4	-4.5	3.2	-8.2
Central government adjustments in National Accounts					
Gross fixed capital formation	8.3	8.3	7.7	8.5	9.2
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 expenditure (1)	-0.4	-0.4	-0.3	-0.3	-0.3
of which: other	0.0	0.3	-0.6	-2.6	-0.9
Capital grants to and from the private sector	0.3	0.4	9.0	0.9	-0.3
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	1.3	1.3	0.5	1.2	0.4
Total central government capital adjustments	8.6	8.7	16.7	9.4	8.9

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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	£ billion 2014-15 outturn
Local government adjustments in National Accounts					
Adjustments to reconcile use of different data sources	-3.5	-3.8	-1.6	-2.3	-3.3
<i>of which: overhanging debt</i>	-0.8	-0.2	0.0	0.0	-0.1
<i>of which: central government support</i>	-0.5	-1.3	1.2	0.4	0.3
<i>of which: financial transactions</i>	-1.4	-1.8	-2.1	-2.1	-2.6
<i>of which: capital grants from private sector</i>	-0.8	-0.7	-0.6	-0.6	-1.0
Gross fixed capital formation	2.0	3.2	3.4	3.1	1.9
<i>of which: VAT refunds</i>	2.0	2.1	2.1	2.1	2.1
<i>of which: roads de-trunking</i>	0.1	0.0	0.0	0.0	0.0
<i>of which: other</i>	-0.1	1.0	1.3	1.0	-0.2
Capital grants	0.2	-0.1	0.0	0.1	4.0
<i>of which: grants to public corporations</i>	0.0	0.0	0.0	0.0	0.0
<i>of which: other</i>	0.2	-0.1	0.0	0.1	4.0
Total local government capital adjustments	-1.3	-0.8	1.8	0.9	2.5
Other capital adjustments					
Public corporations	-0.5	0.1	-0.2	-1.2	-0.3
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	-0.2
Total capital adjustments	4.2	-3.5	13.7	12.3	3.3
<i>of which:</i>					
Timing adjustments ⁽³⁾					
Central government	0.4	0.3	-12.6	-4.8	-3.1
Local government	2.0	2.1	2.1	2.1	2.1

(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	53.9	48.3	60.8	61.3	56.8	58.1	55.9	
<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	11.8	
<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	33.5	27.4	40.2	42.1	37.7	37.0	33.3	
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	29.9	
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	35.3	38.1	38.7	
<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	3.3	2.9	3.7	3.2	
<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	20.6	
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	11.7	
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	10.4	
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	134.1	
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	12.6	
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	257.9	
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	3.7	
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	603.2	638.0	655.7	652.9	659.4	670.5	675.9	
Accounting adjustments	21.5	23.7	21.4	21.6	21.3	21.0	21.8	23.5	29.2	28.8	38.5	40.7	45.4	48.3	50.5	49.5	52.0	54.5	62.5	54.3	62.1	
Total Managed Expenditure ⁽³⁾	305.5	319.4	323.9	330.1	339.7	352.4	374.8	399.7	431.8	467.8	509.7	542.4	569.2	603.8	653.7	687.5	707.8	707.5	721.9	724.8	738.0	

(1) Transactions in 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	52.9	53.8	49.6	47.4	50.4	54.4	56.6	57.8	59.5	60.9	53.3	65.2	64.7	58.8	59.0	55.9
<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	15.1	14.5	15.8	15.2	13.5	11.9	11.5	11.2	11.8
<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	6.9	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	28.3	29.6	32.1	33.3	35.1	37.3	37.9	30.2	43.1	44.4	39.1	37.5	33.3
2. Defence	37.1	34.8	32.8	31.7	35.1	35.7	35.7	34.8	36.1	37.5	37.6	38.1	38.4	39.1	41.6	41.6	42.1	40.8	37.7	36.9	36.5
3. Public order and safety	24.9	24.7	24.3	25.0	25.8	26.2	28.4	31.7	32.6	34.4	36.0	36.0	36.2	36.7	38.1	37.6	35.4	33.8	32.4	30.0	29.9
4. Economic affairs	38.1	36.5	34.7	31.6	28.1	30.6	33.1	38.0	41.0	43.1	42.4	43.3	44.7	43.4	56.1	53.7	42.8	39.5	36.5	38.6	38.7
<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	3.6	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	3.0	3.7	3.2
<i>of which: agriculture, fisheries and forestry</i>	5.4	6.0	8.0	6.9	6.3	6.1	6.5	8.6	6.5	6.9	6.8	6.9	6.1	5.0	6.5	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	23.0	21.0	19.3	19.3	20.6
5. Environment protection	6.1	6.3	5.5	5.8	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	11.7
6. Housing and community amenities	9.9	9.3	8.5	7.2	7.9	6.7	7.6	8.5	7.2	8.7	10.1	13.1	13.7	15.1	17.3	18.0	14.2	10.7	10.3	9.9	10.4
7. Health	62.8	64.0	63.5	65.0	67.3	70.3	75.4	82.0	88.5	97.6	104.7	110.2	112.9	117.2	122.8	129.0	128.4	127.9	128.7	131.2	134.1
8. Recreation, culture and religion	8.3	8.5	8.5	9.4	10.3	11.0	10.8	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	12.6
9. Education ⁽³⁾	57.7	57.2	56.1	56.4	57.4	60.0	63.8	70.2	73.1	79.5	82.2	85.7	87.0	91.2	93.7	97.6	98.0	91.6	90.3	91.5	84.4
10. Social protection	162.5	166.4	167.5	167.4	165.2	175.0	178.7	188.4	194.2	202.7	207.3	209.9	211.0	218.6	229.7	246.0	246.8	253.4	259.6	255.0	257.9
EU transactions	-6.8	-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	3.7
Public sector expenditure on services	452.4	457.2	449.1	450.9	456.7	471.5	490.8	515.9	538.1	571.9	595.2	615.8	624.5	644.0	681.2	703.8	702.3	688.6	682.9	680.1	675.9
Accounting adjustments	34.2	36.7	31.8	31.6	30.5	29.9	30.3	32.3	39.0	37.5	48.7	50.0	54.1	56.0	57.0	54.6	55.7	57.5	64.8	55.1	62.1
Total Managed Expenditure ⁽⁴⁾	486.6	493.9	480.9	482.6	487.2	501.4	521.1	548.2	577.1	609.5	643.9	665.8	678.6	699.9	738.2	758.4	758.0	746.1	747.7	735.2	738.0

(1) Real terms figures are the nominal figures adjusted to 2014-15 price levels using GDP deflators from the Office for National Statistics (released 30 September 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 decreased impact of 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 improvements 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 per cent 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	3.6	3.2	3.9	3.8	3.4	3.3	3.1
<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	2.2	1.8	2.6	2.6	2.2	2.1	1.8
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	2.2	2.1	2.1	2.2	2.3	2.1	2.0	1.9	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	40.1	42.4	41.6	40.1	39.3	38.2	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	3.4	3.3	3.3	3.3	3.7	3.1	3.4
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	39.8	40.2	43.5	45.7	44.9	43.4	43.0	41.3	40.3

(1) GDP is consistent with the latest figures from the Office for National Statistics (published 30 September 2015 with additional changes 30 October 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 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.

(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	166,184	164,445	165,209	169,481	
Gross current procurement	188,665	189,085	193,265	196,920	202,456	
Income from sales of goods and services	-47,464	-44,963	-46,213	-46,832	-48,246	
Current grants to persons and non-profit bodies	222,635	229,103	234,861	235,611	239,279	
Current grants abroad	9,427	7,831	9,953	12,470	10,361	
Subsidies to private sector companies	7,941	8,246	7,912	8,084	7,872	
Subsidies to public corporations	706	458	1,723	1,136	951	
Net public service pensions	4,627	6,678	8,620	9,081	10,203	
Grant equivalent element of student lending	4,242	2,215	3,913	6,773	2,258	
Public sector debt interest	40,227	42,065	37,746	36,999	33,328	
Other	59	82	238	278	208	
Total public sector current expenditure on services	600,410	606,985	616,463	625,728	628,152	
Accounting adjustments	35,256	36,734	35,891	36,902	42,484	
Total public sector current expenditure	635,666	643,719	652,354	662,630	670,636	
Public sector capital expenditure on services						
Capital grants ⁽¹⁾	15,754	12,238	11,134	10,642	14,230	
Gross capital procurement	42,824	38,016	35,535	37,869	39,067	
Income from sales of capital assets	-3,258	-4,309	-3,761	-3,692	-5,550	
Other	-	-	-	-	-	
Total public sector capital expenditure on services	55,320	45,945	42,908	44,818	47,747	
Accounting adjustments	16,779	17,814	26,638	17,398	19,639	
Total public sector capital expenditure	72,099	63,759	69,546	62,216	67,386	
Total public sector expenditure on services	655,729	652,930	659,370	670,546	675,899	
Accounting adjustments	52,036	54,548	62,530	54,300	62,123	
Total Managed Expenditure⁽²⁾	707,765	707,478	721,900	724,846	738,022	

(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.