



HM Treasury

Public Expenditure Statistical Analyses 2017

Public Expenditure Statistical Analyses 2017

July 2017

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Statistical Analyses 2017

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by Command of Her Majesty

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How to use PESA

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

What is PESA?

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

Table i.1 Spending frameworks used in PESA

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

Table i.2 shows which framework each chapter or table is presented under. A short summary of each section is then provided below. The chapter text contains further details.

Table i.2 Frameworks against which chapters/tables are presented

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

Budgets

There are two main presentations within this section:

- **departmental budgets** – the key central government departmental budgets that the Government uses to control spending. Departments have separate resource and capital budgets. Each of these is divided into Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME). Resource DEL is further divided into administration and programme; and
- **budgets by economic category** – this shows spending in budgets against categories such as pay, procurement and grants.

Public sector

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

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

Sectoral analysis

This analysis splits the data from the above sections by sector of government (central government, local government and public corporations). Specifically:

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

Country and regional analysis

The country and regional analysis (CRA) shows identifiable public sector expenditure by country and region. The CRA is presented in Chapters 9 and 10 of PESA and the information for these tables was gathered in a separate data collection exercise during the summer of 2016. Therefore, the figures in these chapters are not entirely consistent with the figures in other PESA chapters. Chapter 9 contains more detail on the analysis process.

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

Period covered by PESA tables

All data series in PESA are annual and for financial years. Tables in PESA 2017 normally cover the years 2012-13 to 2019-20, although some show only the latest year (2016-17) and some are presented over a longer historical period.

Public expenditure National Statistics updates

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

- Total Managed Expenditure, by budgetary category (PESA 2017, **Table 1.1**);
- resource and capital elements of Departmental Expenditure Limits and Annually Managed Expenditure by departmental group (PESA 2017, **Tables 1.3** and **1.8**);
- public sector expenditure on services by function (PESA 2017, **Table 4.2**); and

- public sector expenditure on services by economic category (PESA 2017, **Table 5.3**).

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

Future development of PESA

Feedback – Total expenditure on services framework

Public sector or total expenditure on services (TES) broadly represents the current and capital expenditure of the public sector, and is similar to the Total Managed Expenditure (TME), which is the measure used for spending control and fully based on National Accounts concepts. The TES framework forms the basis of numerous tables in PESA including the analysis of functional expenditure and the Country and Regional Analysis.

TME is the current and capital expenditure of the public sector on a National Accounts basis. TES is similar, but diverges from TME in the treatment of accounting adjustments, which are mostly excluded from TES. This is due to the difficulty of attributing accounting adjustments that are not sourced from departmental data on OSCAR to the correct functions, as the main methodology for functional allocation is departments' allocations on OSCAR. The greatest numerical differences between the two aggregates are that expenditure on services does not include general government capital consumption (depreciation), and does not reverse the deduction of certain VAT refunds in the budget-based expenditure data. TES also includes a small number of low-value items that are in budgets but not in TME.

In May 2017, ONS produced a release called 'Country and regional public sector finances'. This can be found through the link below:

<https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicsectorfinance/articles/countryandregionalpublicsectorfinances/2015to2016>

For this publication, a key source of information on spending was HM Treasury TES data. However the ONS had to make several assumptions on how accounting adjustments not sourced from OSCAR could be allocated to country and region. Although TES has significant strengths in ensuring functional categories are accurate and comparable over time, HM Treasury would welcome feedback on whether a move to using TME rather than TES would be beneficial for users in the analysis of data at a functional level and for country and regional analysis.

Please contact us using the e-mail address below.

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

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Frequently asked questions

How much did the government spend on x?

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

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

- **Table 4.2** shows the total UK public sector spending on transport for a long run of years. This includes spending by devolved administrations, local government and public corporations, as well as by the Transport departmental group (details of the departments included in this group are given in **Annex B**). **Tables 4.3** and **4.4** show spending in real terms and as a percentage of GDP;
- **Table 5.2** shows the total UK public sector spending on more detailed categories of transport, such as national and local roads;
- **Table 5.4** shows the total UK public sector current and capital spending on transport, and **Tables 6.6, 7.4** and **8.4** provide a breakdown according to whether it is central government, local government or public corporations responsible for the spending;
- **Table 1.10** shows the total DEL spending of the Transport departmental group. **Tables 1.3** and **1.8** show the resource and capital spending respectively of the Transport group; and
- **Table 9.8e** presents spending on transport by country and region. **Chapter 10** tables present country spending on the more detailed categories such as national and local roads.

The second list of tables takes pay as an example:

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

How can I compare spending on x to previous years?

Chapter 4 contains long-run series (from 1993-94) for public sector expenditure on services by function. Historic long-run series of the budgeting aggregates are not available, due to the restructuring of government departments and the movement of spending programmes between departments. These changes do not impact on the expenditure on services framework.

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

What are departmental groups?

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

How are the functions defined?

The functions are based on the United Nations' Classification Of the Functions Of Government (UN COFOG). Tables that show spending by function are consistent with UN COFOG level 1, but additionally show some HM Treasury-defined functions as 'of which' lines (see below). Tables that show spending by sub-function are broadly consistent with UN COFOG level 2. Definitions of the UN COFOG classifications are available on the United Nations Statistics Division website¹. The mapping between the HM Treasury functions and UN COFOG level 2 is as follows:

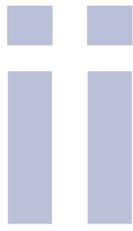
HM Treasury functions	UN COFOG level 2
1. General public services, of which: public and common services	1.1 Executive and legislative organs, financial and fiscal affairs, external affairs (excluding external affairs) 1.3 General services 1.4 Basic research 1.5 R&D general public services 1.6 General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

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

A number of the tables in this publication give figures in real terms. Real terms figures are the actual (known as nominal) spend adjusted to exclude the effect of general inflation, as measured by the GDP deflator at market prices. The real terms figures in this publication are given in 2016-17 prices. The GDP deflators and GDP actuals used in this publication are those given in **Annex F**. The most up-to-date deflators and GDP numbers are available on the gov.uk website².

¹ [https://unstats.un.org/unsd/cr/registry/regcst.asp? Cl=4](https://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=4)

² <https://www.gov.uk/government/collections/gdp-deflators-at-market-prices-and-money-gdp>



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1

Departmental budgets

1.1 This chapter brings together information on public expenditure within the current budgeting and control framework. This comprises departmental budgets, including all control totals, as well as reconciling from the budgetary framework to the fiscal aggregates in the National Accounts.

What's new

1.2 In 2016 the Government announced the creation of three new departments: the Department for Exiting the European Union (DExEU), the Department for International Trade (DIT) and the Department for Business, Energy and Industrial Strategy (BEIS).

1.3 DExEU was set up on 14 July 2016 to co-ordinate the United Kingdom's withdrawal from the European Union. Some of the responsibilities of the European and Global Issues Secretariat were transferred from the Cabinet Office. DExEU also took responsibility for European Union functions from the FCO.

1.4 As usual with Machinery of Government changes the transfer of these functions is reflected in the budgets of the transferring and recipient department for all outturn and plans years. Some £7 million of spend is therefore shown in all outturn years from 2012-13 in respect of the transferred functions.

1.5 DIT took over the functions previously undertaken by the UK Trade & Investment department. DIT also took policy responsibility for the GREAT campaign which was transferred from the Cabinet Office and for the Trade Policy Group which transferred from BEIS.

1.6 BEIS took over the functions of energy and climate change from the former Department of Energy and Climate Change. BEIS transferred responsibility for Apprenticeships, Further Education and Higher Education to the Department for Education on 14 July 2016. The function of offender learning was transferred to the Ministry of Justice on 1 October 2016. More details of the composition of departmental groupings can be found in **Annex B**.

The budgeting and reporting framework

1.7 **Table 1.1** summarises public expenditure both in terms of the Treasury's budgeting and control framework,¹ and in terms of the National Accounts aggregate Total Managed Expenditure (TME) and its components. **Table 1.2** presents the same information in real terms.

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

1.9 A clear distinction is made for budgeting between current and capital spending, with departments having separate resource and capital budgets largely based on International Financial Reporting Standards (IFRS). For part of their resource and capital budgets, departments are given firm multi-year spending limits called Departmental Expenditure Limits (DELs), within which they prioritise resources and plan ahead.

1.10 Spending that cannot reasonably be subject to firm multi-year limits, or that relates to certain non-cash transactions, is included in Annually Managed Expenditure (AME). **Table 1.1** sets out the main elements of AME. Departmental AME (which is contained in departments'

¹ <https://www.gov.uk/government/publications/consolidated-budgeting-guidance>

budgets) includes social security spending. Outside departments' budgets, other AME consists of net expenditure transfers to the EU, locally financed expenditure, debt interest, public corporations' own-financed capital expenditure, and accounting adjustments.

Reconciliation of budgeting and National Accounts aggregates

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

1.12 **Table 1.1** shows the reconciliation from the resource and capital budgets to the National Accounts measures of public sector current expenditure and public sector gross investment, respectively. With the deduction of depreciation, the latter reconciles to public sector net investment. **Table 1.2** presents the same information in real terms.

1.13 A breakdown of the accounting adjustments used for this reconciliation is shown in **Table 1.14** and **Annex D** resource and capital budgets.

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

1.15 **Table 1.5** shows resource DEL excluding depreciation as first presented in the Spending Reviews of 2010 (to 2015-16) and 2015 (from 2016-17). The depreciation ringfence is a control total that departments must manage. **Table 1.6** presents the same information in real terms.

1.16 **Table 1.8** shows the capital budget for each departmental group, with **Table 1.9** presenting the same information in real terms. Capital DEL is a control total.

Administration budgets

1.17 **Table 1.7** sets out details of administration expenditure in resource DEL for those central government departments that are subject to administration budgets. Administration budgets are set for most civil service departments and are designed to contain most back-office functions. These budgets therefore help to drive economy and efficiency in the running of government. Around 65 per cent of administration costs are accounted for by civil service pay, a further 30 per cent is accounted for by procurement of goods and services (e.g. accommodation, equipment, travel). An analysis of administration budgets by economic category is shown in **Table 2.1**.

Total DEL

1.18 **Table 1.10** shows Total DEL by departmental group. Total DEL is made up of resource DEL excluding depreciation plus capital DEL. **Table 1.10** is consistent with **Table 1.5** plus **Table 1.8**. Note that Total DEL is not a control total. **Table 1.11** presents the same information as **Table 1.10** in real terms.

1.19 **Table 1.12** presents total expenditure, ie the sum of Total DEL and departmental AME, by departmental group. **Table 1.13** presents the same information as **Table 1.12** in real terms.

Public expenditure by spending sector

1.20 **Table 1.15** shows a breakdown of TME, and within it DEL and AME, between the National Accounts public spending sectors (central government, local government and public corporations).

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

1.22 TME is a consolidated measure of public expenditure (payments from one sector that are used to finance the expenditure of another sector are excluded from TME, as are the corresponding receipts of the counterparty sector). The split by sector of TME presented in PESA records only the 'own' expenditure components that relate to an individual sector.

Central government own expenditure

1.23 Central government own expenditure excludes central government spending in support of local government. Loans and capital grants in support of public corporations are also excluded.

1.24 However, subsidies to public corporations are included here, as exceptionally these intra-public sector flows are not consolidated out in the calculation of TME. Central government expenditure includes:

- departments' own spending;
- spending of agencies and Arms Length Bodies (ALBs) classified to central government; and
- spending of the devolved administrations in Scotland, Wales and Northern Ireland.

1.25 Central government own expenditure is shown split into DEL, departmental AME, and other AME, including locally financed central government expenditure. This latter category at present only includes expenditure of the Northern Ireland departments financed from regional rates. Further analyses of central government own expenditure are presented in **Chapter 6**.

Local government expenditure

1.26 Local government expenditure is split according to how it is financed:

- central government support (which can be in either DEL or AME);
- locally financed support in Scotland and Wales (the proceeds of non-domestic rates that are collected and distributed to local authorities by the devolved administrations); and
- self-financed expenditure. Further analyses of local government expenditure are presented in **Chapter 7**.

Public corporations' expenditure

1.27 The impact of public corporations on the parent department can be either in DEL or departmental AME. For most public corporations, DEL includes:

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

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

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

Table 1.1 Total Managed Expenditure, 2012-13 to 2019-20

	National Statistics					£ million		
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
CURRENT EXPENDITURE								
Resource DEL								
Resource DEL excluding depreciation	309,660	308,361	307,844	306,674	303,559	305,500	307,300	308,400
Depreciation in resource DEL	21,504	22,298	17,169	18,742	25,052	22,000	22,800	23,300
Total resource DEL	331,165	330,659	325,013	325,416	328,610	327,500	330,100	331,700
Resource departmental AME								
Social security benefits	183,088	179,599	184,185	187,585	189,297	193,828	193,790	197,194
Tax credits ⁽¹⁾	29,761	29,394	29,187	28,482	27,393	26,761	26,488	26,171
Net public service pensions ⁽⁵⁾	4,958	5,441	9,605	11,410	8,554	24,363	21,715	21,956
National lottery	727	1,209	1,440	904	1,274	1,145	1,050	1,050
BBC domestic services	3,271	3,204	3,533	3,531	3,669	3,812	3,662	3,604
Student loans	-763	-1,096	-1,579	-1,683	-1,968	-3,055	-3,883	-5,361
Non-cash items	53,273	43,888	61,615	185,900	63,820	71,071	64,192	66,848
Financial sector interventions	-18,384	8,380	-48,669	-12,492	-24,832	-184	-84	-84
Other departmental expenditure	4,140	13,180	14,987	14,228	25,546	37,310	34,708	38,075
Total resource departmental AME	260,070	283,199	254,303	417,863	292,753	355,052	341,638	349,454
Resource other AME								
Net expenditure transfers to the EU	11,529	11,879	11,658	11,253	9,160	12,226	13,267	13,368
Locally financed expenditure	23,442	23,187	25,559	30,783	34,249	35,743	36,812	36,649
Central government gross debt interest	48,982	48,796	45,369	45,125	48,380	55,779	52,281	52,193
Accounting adjustments ⁽²⁾	-18,717	-30,946	14,356	-148,121	-21,723	-66,795	-43,260	-44,117
Total resource other AME	65,236	52,916	96,942	-60,960	70,066	36,953	59,101	58,092
Total resource AME	325,305	336,115	351,245	356,903	362,819	392,005	400,739	407,546
Public sector current expenditure	656,470	666,774	676,258	682,319	691,429	719,500	730,900	739,200
CAPITAL EXPENDITURE								
Capital DEL								
Total capital DEL	46,367	49,742	53,195	48,602	51,866	56,100	58,600	61,800
Capital departmental AME								
National lottery	513	492	584	407	434	496	407	407
BBC domestic services	121	83	111	130	124	153	197	170
Student loans	6,858	9,291	11,477	12,597	14,629	16,761	19,887	22,924
Financial sector interventions	-3,601	-4,938	-3,030	-11,315	-3,514	30	-	-
Other departmental expenditure	-282	-11,118	-4,118	-11,076	-8,307	-4,036	7,327	7,970
Total capital departmental AME	3,610	-6,189	5,024	-9,257	3,365	13,404	27,818	31,472
Capital other AME								
Locally financed expenditure	5,949	6,787	6,559	8,099	8,142	7,223	6,410	5,828
Public corporations' own-financed capital expenditure	14,709	15,926	17,512	14,161	16,977	18,175	18,950	18,020
Accounting adjustments ⁽²⁾	4,888	3,846	-6,561	9,992	-1,203	-11,982	-25,464	-28,389
Total capital other AME	25,546	26,559	17,511	32,252	23,916	13,415	-104	-4,540
Total capital AME	29,156	20,370	22,535	22,995	27,281	26,820	27,714	26,932
Public sector gross investment⁽³⁾	75,523	70,112	75,730	71,597	79,147	82,900	86,300	88,700
<i>less public sector depreciation</i>	<i>36,405</i>	<i>37,801</i>	<i>38,782</i>	<i>39,970</i>	<i>41,001</i>	<i>42,818</i>	<i>44,371</i>	<i>46,031</i>
Public sector net investment⁽³⁾	39,118	32,311	36,948	31,627	38,146	40,100	41,900	42,700
TOTAL MANAGED EXPENDITURE^{(3) (4)}	731,993	736,886	751,988	753,916	770,576	802,400	817,200	827,900
<i>of which:</i>								
Total DEL ⁽⁴⁾	356,028	358,104	361,039	355,276	355,425	361,600	365,900	370,100
Departmental AME	263,679	277,009	259,327	408,606	296,118	368,456	369,456	380,926
Other AME	112,286	101,773	131,622	-9,966	119,034	72,339	81,793	76,851

⁽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⁾ Transactions from 2012-13 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

⁽³⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 2.A in Chapter 2.

⁽⁴⁾ Total DEL is given by resource DEL excluding depreciation plus capital DEL.

⁽⁵⁾ The change from 2017-18 is due to the reduction in the "discount rate net of CPI" used to measure the costs of public service pensions accruing over the year on an accounting basis.

Table 1.2 Total Managed Expenditure in real terms⁽¹⁾, 2012-13 to 2019-20

	National Statistics					£ million		
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
CURRENT EXPENDITURE								
Resource DEL								
Resource DEL excluding depreciation	328,001	321,326	316,143	312,797	303,559	300,600	297,700	293,900
Depreciation in resource DEL	22,778	23,235	17,631	19,117	25,052	21,600	22,100	22,200
Total resource DEL	350,779	344,561	333,775	331,914	328,610	322,300	319,800	316,100
Resource departmental AME								
Social security benefits	193,932	187,149	189,151	191,330	189,297	190,722	187,748	187,927
Tax credits ⁽²⁾	31,523	30,629	29,974	29,050	27,393	26,332	25,662	24,941
Net public service pensions ⁽⁶⁾	5,252	5,669	9,864	11,638	8,554	23,972	21,038	20,924
National lottery	770	1,260	1,479	922	1,274	1,127	1,017	1,001
BBC domestic services	3,465	3,339	3,628	3,601	3,669	3,751	3,547	3,435
Student loans	-809	-1,142	-1,622	-1,716	-1,968	-3,006	-3,762	-5,109
Non-cash items	56,428	45,733	63,276	189,611	63,820	69,932	62,191	63,707
Financial sector interventions	-19,473	8,733	-49,981	-12,742	-24,832	-181	-81	-80
Other departmental expenditure	4,385	13,734	15,391	14,512	25,546	36,712	33,626	36,286
Total resource departmental AME	275,473	295,105	261,158	426,206	292,753	349,361	330,987	333,032
Resource other AME								
Net expenditure transfers to the EU	12,212	12,378	11,972	11,477	9,160	12,030	12,854	12,740
Locally financed expenditure	24,830	24,162	26,248	31,398	34,249	35,171	35,665	34,926
Central government gross debt interest	51,883	50,847	46,592	46,026	48,380	54,885	50,651	49,740
Accounting adjustments ⁽³⁾	-19,825	-32,247	14,743	-151,078	-21,723	-65,724	-41,911	-42,044
Total resource other AME	69,100	55,141	99,556	-62,177	70,066	36,361	57,258	55,363
Total resource AME	344,573	350,246	360,714	364,029	362,819	385,723	388,245	388,395
Public sector current expenditure	695,352	694,807	694,489	695,942	691,429	708,000	708,100	704,500
CAPITAL EXPENDITURE								
Capital DEL								
Total capital DEL	49,114	51,834	54,629	49,573	51,866	55,200	56,800	58,900
Capital departmental AME								
National lottery	543	513	600	415	434	488	395	388
BBC domestic services	129	87	114	132	124	151	191	162
Student loans	7,264	9,682	11,786	12,848	14,629	16,492	19,267	21,847
Financial sector interventions	-3,814	-5,145	-3,112	-11,541	-3,514	30	0	0
Other departmental expenditure	-298	-11,586	-4,229	-11,297	-8,307	-3,972	7,099	7,595
Total capital departmental AME	3,823	-6,450	5,160	-9,442	3,365	13,189	26,951	29,993
Capital other AME								
Locally financed expenditure	6,301	7,072	6,736	8,261	8,142	7,107	6,210	5,555
Public corporations' own-financed capital expenditure	15,581	16,596	17,985	14,444	16,977	17,883	18,359	17,173
Accounting adjustments ⁽³⁾	5,177	4,008	-6,738	10,191	-1,203	-11,790	-24,670	-27,055
Total capital other AME	27,059	27,675	17,983	32,896	23,916	13,200	-101	-4,327
Total capital AME	30,882	21,226	23,143	23,454	27,281	26,390	26,850	25,666
Public sector gross investment⁽⁴⁾	79,996	73,060	77,772	73,027	79,147	81,600	83,600	84,500
<i>less public sector depreciation</i>	38,561	39,390	39,827	40,768	41,001	42,132	42,988	43,868
Public sector net investment⁽⁴⁾	41,435	33,669	37,944	32,258	38,146	39,400	40,600	40,700
TOTAL MANAGED EXPENDITURE^{(4) (5)}	775,348	767,866	772,260	768,969	770,576	789,600	791,700	789,000
<i>of which:</i>								
Total DEL ⁽⁵⁾	377,115	373,159	370,772	362,370	355,425	355,800	354,500	352,700
Departmental AME	279,296	288,655	266,318	416,764	296,118	362,551	357,938	363,025
Other AME	118,937	106,052	135,170	-10,165	119,034	71,179	79,243	73,239

⁽¹⁾ Real terms figures are the cash figures adjusted to 2016-17 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National Statistics on 30 June 2017. The forecasts are consistent with the March 2017 Budget.

⁽²⁾ 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.

⁽³⁾ Transactions from 2012-13 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

⁽⁴⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 2.A in Chapter 2.

⁽⁵⁾ Total DEL is given by resource DEL excluding depreciation plus capital DEL.

⁽⁶⁾ The change from 2017-18 is due to the reduction in the "discount rate net of CPI" used to measure the costs of public service pensions accruing over the year on an accounting basis.

Table 1.3 Resource budgets, 2012-13 to 2019-20

	£ million							
	National Statistics					2017-18 plans	2018-19 plans	2019-20 plans
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn			
Resource DEL by departmental group								
Defence	34,987	35,536	34,155	34,424	35,237	36,035	36,701	37,452
Single Intelligence Account	1,945	1,967	2,032	2,174	2,268	2,401	2,276	2,398
Home Office	11,447	11,052	11,443	10,757	10,930	10,952	11,069	10,988
Foreign and Commonwealth Office	2,150	2,153	1,861	1,953	2,058	2,138	1,344	1,358
International Development	5,899	7,783	7,017	6,829	7,456	7,604	9,138	9,145
Health	101,646	105,478	109,534	113,710	116,909	119,244	121,788	124,781
Work and Pensions	7,496	7,606	7,145	6,473	6,161	6,410	6,083	5,550
Education	63,324	65,611	62,222	63,978	69,288	66,568	67,978	69,096
Business, Energy and Industrial Strategy	2,697	2,417	2,450	2,499	1,972	1,983	2,019	1,822
Transport	5,191	4,702	3,460	3,029	2,931	3,589	3,724	3,327
Exiting the European Union	7	7	7	7	23	101	100	95
Culture, Media and Sport	3,624	1,386	1,512	1,389	1,567	1,578	1,647	1,660
DCLG Communities	1,393	1,985	2,043	2,174	2,493	2,910	2,433	2,178
DCLG Local Government ⁽¹⁾	23,189	16,481	13,657	10,758	8,229	6,728	5,454	5,360
Scotland ⁽²⁾	25,712	26,091	26,373	26,334	21,391	15,374	14,784	14,473
Wales	13,654	14,466	14,202	13,328	13,288	14,002	14,067	14,163
Northern Ireland	10,027	10,161	10,189	10,161	10,484	10,524	10,533	10,556
Justice	8,870	8,110	7,728	7,347	7,339	7,173	6,754	6,573
Law Officers' Departments	599	581	554	553	530	564	563	563
Environment, Food and Rural Affairs	1,978	1,883	1,856	1,737	1,764	1,873	1,732	1,663
HM Revenue and Customs	3,660	3,650	3,468	3,576	3,836	3,947	3,673	3,417
HM Treasury	-190	-249	129	130	159	169	160	154
Cabinet Office	339	255	421	407	447	502	279	256
International Trade	150	206	279	341	345	364	338	337
Small and Independent Bodies	1,371	1,342	1,276	1,350	1,507	1,495	1,414	1,399
Reserves	–	–	–	–	–	4,400	4,800	7,100
OBR allowance for shortfall	–	–	–	–	–	-800	-800	-800
Adjustment for Budget Exchange ⁽³⁾	–	–	–	–	–	-400	–	–
Adjustment for planned efficiency savings	–	–	–	–	–	–	–	-3,500
Total resource DEL	331,165	330,659	325,013	325,416	328,610	327,500	330,100	331,700
Resource departmental AME by departmental group								
Defence	7,360	6,377	8,311	12,020	4,749	8,183	7,001	7,197
Single Intelligence Account	41	19	41	135	13	39	39	39
Home Office	1,659	1,872	2,457	1,551	2,529	2,548	2,747	2,912
Foreign and Commonwealth Office	88	66	-70	39	-53	100	100	100
International Development	191	109	151	206	143	479	182	181
Health ⁽⁴⁾	18,878	18,194	21,952	48,530	27,697	40,511	35,695	37,254
Work and Pensions	165,506	163,072	167,639	173,400	172,921	176,901	176,800	179,754
Education	9,798	10,563	12,908	5,296	11,348	14,443	12,629	12,632
Business, Energy and Industrial Strategy ⁽⁴⁾	6,218	5,347	8,949	102,217	5,501	3,113	2,183	2,261
Transport ⁽⁵⁾	590	-5,207	-264	5,680	6,459	8,661	7,185	8,618
Exiting the European Union	–	–	–	–	–	1	1	1
Culture, Media and Sport	4,635	4,517	4,935	4,248	4,812	4,676	4,851	4,793
DCLG Communities	10	-48	47	56	113	542	653	720
DCLG Local Government ⁽¹⁾	144	11,123	11,662	12,174	12,399	15,038	13,000	13,422
Scotland ⁽²⁾	2,760	2,669	3,858	3,951	9,235	16,991	16,507	17,094
Wales	141	0	32	-311	239	241	115	178
Northern Ireland	7,764	7,463	8,285	8,370	8,285	9,216	9,314	9,609
Justice	934	-239	-144	483	454	702	503	503
Law Officers' Departments	5	7	13	-15	-1	4	4	4
Environment, Food and Rural Affairs	85	-92	78	391	11	105	149	168
HM Revenue and Customs	42,690	42,574	42,931	43,194	42,329	42,388	42,620	42,529
HM Treasury ⁽⁶⁾	-18,710	6,210	-49,912	-13,781	-25,458	-629	-197	-197
Cabinet Office	9,390	8,641	10,573	10,366	9,171	10,688	9,539	9,663
International Trade	–	0	–	0	–	3	3	3
Small and Independent Bodies	-109	-39	-129	-336	-144	109	16	16
Total resource departmental AME	260,070	283,199	254,303	417,863	292,753	355,052	341,638	349,454
Total resource budget	591,234	613,858	579,316	743,279	621,363	682,558	671,763	681,100

⁽¹⁾ Figures from 2013-14 reflect adjustment to departmental DEL and AME budgets for changes to local government funding relating to the localisation of business rates and council tax benefit.

⁽²⁾ The Scottish Government's DEL block grant has been adjusted to reflect the devolution of taxes using the methodology set out in the Scottish Government's fiscal framework agreement. The fiscal framework determines the Scottish Government's DEL adjustments, while the Scottish Government's AME includes all self-financed spending (resulting from their tax policy choices and borrowing). The Scottish Government's DEL block grant will also be adjusted to reflect welfare devolution, using the methodology set out in the fiscal framework, when the Scottish Government take on executive competency for these powers.

⁽³⁾ Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽⁴⁾ 2015-16 figure reflects a change to the long-term discount rate used for provisions to maintain compliance with International Financial Reporting Standards.

⁽⁵⁾ Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown. However, the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. Figures in 2013-14 and 2014-15 reflect a change in accounting policy for recognising impairment on the roads network.

⁽⁶⁾ Transactions from 2012-13 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

Table 1.4 Resource budgets in real terms,⁽¹⁾ 2012-13 to 2019-20

	£ million							
	National Statistics					2017-18 plans	2018-19 plans	2019-20 plans
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn			
Resource DEL by departmental group								
Defence	37,059	37,030	35,076	35,111	35,237	35,458	35,557	35,692
Single Intelligence Account	2,060	2,049	2,086	2,217	2,268	2,363	2,206	2,286
Home Office	12,125	11,517	11,751	10,972	10,930	10,776	10,724	10,472
Foreign and Commonwealth Office	2,277	2,243	1,911	1,992	2,058	2,104	1,302	1,294
International Development	6,249	8,110	7,207	6,965	7,456	7,482	8,854	8,716
Health	107,666	109,912	112,487	115,980	116,909	117,333	117,991	118,917
Work and Pensions	7,940	7,926	7,337	6,602	6,161	6,307	5,893	5,289
Education	67,075	68,369	63,899	65,255	69,288	65,501	65,858	65,849
Business, Energy and Industrial Strategy	2,857	2,519	2,516	2,549	1,972	1,951	1,956	1,736
Transport	5,499	4,899	3,553	3,089	2,931	3,532	3,608	3,171
Exiting the European Union	7	7	7	8	23	99	97	91
Culture, Media and Sport	3,838	1,444	1,553	1,417	1,567	1,553	1,596	1,582
DCLG Communities	1,476	2,068	2,098	2,217	2,493	2,864	2,357	2,076
DCLG Local Government ⁽²⁾	24,563	17,174	14,025	10,973	8,229	6,620	5,284	5,108
Scotland ⁽³⁾	27,235	27,188	27,083	26,860	21,391	15,128	14,323	13,793
Wales	14,462	15,075	14,585	13,594	13,288	13,777	13,628	13,498
Northern Ireland	10,621	10,588	10,464	10,364	10,484	10,355	10,205	10,060
Justice	9,395	8,451	7,936	7,493	7,339	7,058	6,544	6,264
Law Officers' Departments	635	606	568	564	530	555	545	537
Environment, Food and Rural Affairs	2,095	1,962	1,906	1,771	1,764	1,843	1,678	1,585
HM Revenue and Customs	3,877	3,804	3,561	3,647	3,836	3,884	3,558	3,256
HM Treasury	-202	-260	133	132	159	166	155	147
Cabinet Office	359	266	433	415	447	494	270	244
International Trade	159	215	287	348	345	358	327	322
Small and Independent Bodies	1,452	1,398	1,310	1,376	1,507	1,471	1,370	1,333
Reserves	–	–	–	–	–	4,400	4,700	6,800
OBR allowance for shortfall	–	–	–	–	–	-700	-700	-700
Adjustment for Budget Exchange ⁽⁴⁾	–	–	–	–	–	-400	–	–
Adjustment for planned efficiency savings	–	–	–	–	–	–	–	-3,300
Total resource DEL	350,779	344,561	333,775	331,914	328,610	322,300	319,800	316,100
Resource departmental AME by departmental group								
Defence	7,796	6,646	8,535	12,260	4,749	8,051	6,783	6,858
Single Intelligence Account	43	20	42	138	13	38	38	37
Home Office	1,758	1,951	2,524	1,582	2,529	2,507	2,661	2,775
Foreign and Commonwealth Office	93	68	-72	39	-53	98	97	95
International Development	202	114	155	210	143	471	176	172
Health ⁽⁵⁾	19,997	18,959	22,544	49,499	27,697	39,862	34,583	35,504
Work and Pensions	175,308	169,928	172,158	176,862	172,921	174,066	171,288	171,307
Education	10,378	11,007	13,256	5,402	11,348	14,211	12,235	12,039
Business, Energy and Industrial Strategy ⁽⁵⁾	6,586	5,572	9,190	104,258	5,501	3,064	2,114	2,155
Transport ⁽⁶⁾	625	-5,426	-271	5,793	6,459	8,522	6,961	8,213
Exiting the European Union	–	–	–	–	–	0	0	0
Culture, Media and Sport	4,909	4,707	5,068	4,333	4,812	4,601	4,700	4,568
DCLG Communities	10	-50	49	57	113	533	633	687
DCLG Local Government ⁽²⁾	153	11,591	11,976	12,417	12,399	14,797	12,595	12,791
Scotland ⁽³⁾	2,924	2,782	3,962	4,030	9,235	16,719	15,992	16,291
Wales	149	0	33	-317	239	237	111	169
Northern Ireland	8,224	7,777	8,509	8,537	8,285	9,068	9,023	9,157
Justice	989	-249	-148	493	454	690	487	479
Law Officers' Departments	6	7	13	-16	-1	4	4	4
Environment, Food and Rural Affairs	90	-96	80	399	11	104	144	160
HM Revenue and Customs	45,218	44,364	44,089	44,056	42,329	41,709	41,292	40,530
HM Treasury ⁽⁷⁾	-19,818	6,471	-51,258	-14,056	-25,458	-619	-191	-188
Cabinet Office	9,946	9,004	10,858	10,573	9,171	10,516	9,242	9,209
International Trade	–	0	0	0	–	3	3	3
Small and Independent Bodies	-116	-40	-132	-343	-144	107	16	15
Total resource departmental AME	275,473	295,105	261,158	426,206	292,753	349,361	330,987	333,032
Total resource budget	626,252	639,666	594,933	758,120	621,363	671,600	650,800	649,100

⁽¹⁾ Real terms figures are the cash figures adjusted to 2016-17 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National Statistics on 30 June 2017. The forecasts are consistent with the March 2017 Budget.

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

⁽³⁾ The Scottish Government's DEL block grant has been adjusted to reflect the devolution of taxes using the methodology set out in the Scottish Government's fiscal framework agreement. The fiscal framework determines the Scottish Government's DEL adjustments, while the Scottish Government's AME includes all self-financed spending (resulting from their tax policy choices and borrowing). The Scottish Government's DEL block grant will also be adjusted to reflect welfare devolution, using the methodology set out in the fiscal framework, when the Scottish Government take on executive competency for these powers.

⁽⁴⁾ Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽⁵⁾ 2015-16 figure reflects a change to the long-term discount rate used for provisions to maintain compliance with International Financial Reporting Standards.

⁽⁶⁾ Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown. However, the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. Figures in 2013-14 and 2014-15 reflect a change in accounting policy for recognising impairment on the roads network.

⁽⁷⁾ Transactions from 2012-13 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

Table 1.5 Resource DEL excluding depreciation, 2012-13 to 2019-20

	National Statistics					£ million		
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Resource DEL excluding depreciation by departmental group								
Defence	25,528	26,055	25,632	26,696	26,563	27,535	28,201	28,952
Single Intelligence Account	1,556	1,564	1,606	1,768	1,920	2,047	1,911	2,021
Home Office	11,191	10,792	11,163	10,510	10,664	10,621	10,716	10,678
Foreign and Commonwealth Office	1,986	1,995	1,713	1,762	1,934	2,026	1,233	1,246
International Development	5,875	7,769	7,000	6,817	7,448	7,586	9,120	9,126
Health	100,514	104,408	108,373	112,592	115,908	117,733	120,257	123,250
Work and Pensions	7,248	7,424	6,969	6,290	6,004	6,231	5,918	5,395
Education	59,036	59,182	59,860	59,180	59,328	61,340	62,129	62,707
Business, Energy and Industrial Strategy	2,393	2,112	2,157	2,230	1,617	1,703	1,740	1,538
Transport	4,224	3,695	2,468	1,913	1,589	1,968	2,090	1,693
Exiting the European Union	7	7	7	7	23	101	100	95
Culture, Media and Sport	2,179	1,227	1,407	1,262	1,419	1,406	1,461	1,461
DCLG Communities	1,366	1,957	2,050	2,173	2,481	2,793	2,274	2,153
DCLG Local Government ⁽¹⁾	23,188	16,481	13,657	10,758	8,229	6,728	5,454	5,360
Scotland ⁽²⁾	24,929	25,428	25,620	25,563	20,608	14,317	13,678	13,328
Wales	13,248	13,709	13,754	12,814	13,035	13,365	13,404	13,476
Northern Ireland	9,450	9,710	9,686	9,906	9,891	9,966	9,959	9,969
Justice	8,344	7,661	7,293	6,893	6,893	6,584	6,165	5,970
Law Officers' Departments	591	575	547	546	524	553	548	548
Environment, Food and Rural Affairs	1,789	1,687	1,666	1,568	1,575	1,629	1,491	1,424
HM Revenue and Customs	3,433	3,416	3,191	3,302	3,557	3,622	3,321	3,037
HM Treasury	-198	-255	123	122	152	162	155	148
Cabinet Office	327	241	409	388	426	467	264	241
International Trade	148	204	277	339	343	362	335	335
Small and Independent Bodies	1,308	1,319	1,217	1,276	1,430	1,412	1,331	1,315
Reserves	–	–	–	–	–	4,400	4,800	7,100
OBR allowance for shortfall	–	–	–	–	–	-800	-800	-800
Adjustment for Budget Exchange ⁽³⁾	–	–	–	–	–	-400	–	–
Adjustment for planned efficiency savings	–	–	–	–	–	–	–	-3,500
Total Resource DEL excluding depreciation	309,660	308,361	307,844	306,674	303,559	305,500	307,300	308,400

⁽¹⁾ Figures from 2013-14 reflect adjustment to departmental DEL and AME budgets for changes to local government funding relating to the localisation of business rates and council tax benefit.

⁽²⁾ The Scottish Government's DEL block grant has been adjusted to reflect the devolution of taxes using the methodology set out in the Scottish Government's fiscal framework agreement. The fiscal framework determines the Scottish Government's DEL adjustments, while the Scottish Government's AME includes all self-financed spending (resulting from their tax policy choices and borrowing). The Scottish Government's DEL block grant will also be adjusted to reflect welfare devolution, using the methodology set out in the fiscal framework, when the Scottish Government take on executive competency for these powers.

⁽³⁾ Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 1.6 Resource DEL excluding depreciation in real terms,⁽¹⁾ 2012-13 to 2019-20

	National Statistics					£ million		
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Resource DEL excluding depreciation by departmental group								
Defence	27,040	27,151	26,323	27,229	26,563	27,094	27,322	27,591
Single Intelligence Account	1,648	1,629	1,650	1,803	1,920	2,014	1,852	1,926
Home Office	11,854	11,245	11,464	10,720	10,664	10,451	10,382	10,176
Foreign and Commonwealth Office	2,104	2,079	1,759	1,797	1,934	1,994	1,194	1,188
International Development	6,223	8,096	7,188	6,953	7,448	7,464	8,836	8,697
Health	106,468	108,797	111,295	114,840	115,908	115,846	116,507	117,458
Work and Pensions	7,677	7,736	7,157	6,415	6,004	6,132	5,734	5,142
Education	62,533	61,670	61,474	60,361	59,328	60,356	60,192	59,760
Business, Energy and Industrial Strategy	2,535	2,201	2,215	2,275	1,617	1,676	1,686	1,466
Transport	4,474	3,850	2,535	1,951	1,589	1,937	2,025	1,613
Exiting the European Union	7	7	7	8	23	99	97	91
Culture, Media and Sport	2,308	1,279	1,444	1,287	1,419	1,384	1,416	1,392
DCLG Communities	1,447	2,040	2,106	2,216	2,481	2,749	2,203	2,052
DCLG Local Government ⁽²⁾	24,562	17,174	14,025	10,973	8,229	6,620	5,284	5,108
Scotland ⁽³⁾	26,406	26,497	26,310	26,073	20,608	14,088	13,252	12,702
Wales	14,032	14,286	14,124	13,070	13,035	13,151	12,986	12,843
Northern Ireland	10,010	10,118	9,947	10,104	9,891	9,806	9,649	9,501
Justice	8,838	7,983	7,490	7,031	6,893	6,479	5,972	5,689
Law Officers' Departments	625	599	562	557	524	544	531	522
Environment, Food and Rural Affairs	1,895	1,757	1,711	1,600	1,575	1,603	1,444	1,357
HM Revenue and Customs	3,636	3,559	3,277	3,368	3,557	3,564	3,218	2,895
HM Treasury	-210	-266	127	124	152	160	150	141
Cabinet Office	347	251	420	396	426	459	256	230
International Trade	157	212	285	346	343	356	325	320
Small and Independent Bodies	1,386	1,374	1,250	1,301	1,430	1,389	1,290	1,253
Reserves	–	–	–	–	–	4,400	4,700	6,800
OBR allowance for shortfall	–	–	–	–	–	-700	-700	-700
Adjustment for Budget Exchange ⁽⁴⁾	–	–	–	–	–	-400	–	–
Adjustment for planned efficiency savings	–	–	–	–	–	–	–	-3,300
Total Resource DEL excluding depreciation	328,001	321,326	316,143	312,797	303,559	300,600	297,700	293,900

⁽¹⁾ Real terms figures are the cash figures adjusted to 2016-17 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National Statistics on 30 June 2017. The forecasts are consistent with the March 2017 Budget.

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

⁽³⁾ The Scottish Government's DEL block grant has been adjusted to reflect the devolution of taxes using the methodology set out in the Scottish Government's fiscal framework agreement. The fiscal framework determines the Scottish Government's DEL adjustments, while the Scottish Government's AME includes all self-financed spending (resulting from their tax policy choices and borrowing). The Scottish Government's DEL block grant will also be adjusted to reflect welfare devolution, using the methodology set out in the fiscal framework, when the Scottish Government take on executive competency for these powers.

⁽⁴⁾ Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 1.7 Administration budgets, 2012-13 to 2019-20

	National Statistics					£ million		
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Defence	2,179	2,129	1,474	1,505	1,407	1,541	1,473	1,525
Single Intelligence Account	66	59	58	63	67	74	75	76
Home Office	473	501	525	384	373	378	349	309
Foreign and Commonwealth Office	121	167	178	111	116	183	183	183
International Development	128	116	110	104	101	114	115	117
Health	3,670	3,122	2,873	2,554	2,392	2,939	2,846	2,767
Work and Pensions	1,180	1,084	888	835	880	901	826	796
Education	628	587	560	499	508	534	512	497
Business, Energy and Industrial Strategy	473	475	475	435	392	404	491	480
Transport	243	240	271	267	259	268	265	262
Exiting the European Union	7	7	7	7	23	101	100	95
Culture, Media and Sport	186	139	148	159	148	157	164	148
DCLG Communities	281	363	252	275	242	266	254	239
Justice	590	530	552	571	511	555	392	317
Law Officers' Departments	44	42	45	43	44	47	51	55
Environment, Food and Rural Affairs	550	527	487	497	447	477	460	455
HM Revenue and Customs	945	869	801	792	757	895	896	892
HM Treasury	140	131	146	134	160	152	144	138
Cabinet Office	194	155	156	152	195	161	147	148
International Trade	47	42	20	27	30	71	69	67
Small and Independent Bodies	331	304	366	281	256	278	264	252
Adjustment for Budget Exchange ⁽¹⁾	–	–	–	–	–	-10	–	–
Total administration budgets	12,476	11,589	10,394	9,695	9,310	10,487	10,077	9,818
<i>of which: administration costs paybill</i>	<i>8,463</i>	<i>7,497</i>	<i>6,680</i>	<i>6,609</i>	<i>6,425</i>	<i>6,012</i>	<i>5,714</i>	<i>5,551</i>
Administration budgets as a percentage of Total Managed Expenditure ⁽²⁾	1.7	1.6	1.4	1.3	1.2	1.3	1.2	1.2

⁽¹⁾ Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽²⁾ TME excludes the temporary effects of banks being classified to the public sector. See Box 2.A for details.

Table 1.8 Capital budgets 2012-13 to 2019-20

	National Statistics					£ million		
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Capital DEL by departmental group								
Defence	8,731	8,485	8,736	8,402	8,665	8,530	8,745	8,994
Single Intelligence Account	476	499	550	575	603	610	585	655
Home Office	555	519	520	476	508	566	496	482
Foreign and Commonwealth Office	37	120	158	131	60	134	98	98
International Development	1,883	2,251	2,650	2,433	2,590	2,888	3,207	3,527
Health	4,708	5,367	4,971	4,652	4,605	6,084	6,012	6,027
Work and Pensions	421	237	251	188	292	378	255	227
Education	4,635	4,120	4,764	5,414	5,598	5,182	6,075	4,753
Business, Energy and Industrial Strategy	7,840	9,510	9,360	10,199	10,835	10,896	10,595	11,245
Transport ⁽¹⁾	7,934	8,537	9,389	6,001	5,467	6,410	8,042	11,345
Exiting the European Union	–	–	–	–	–	0	0	0
Culture, Media and Sport	357	33	264	348	288	449	529	581
DCLG Communities	2,402	3,729	4,332	3,849	5,114	6,512	6,584	6,015
DCLG Local Government	1	–	–	–	–	–	–	–
Scotland ⁽²⁾	2,981	2,921	3,289	3,164	3,240	3,389	3,537	3,720
Wales	1,362	1,325	1,500	1,543	1,485	1,604	1,688	1,798
Northern Ireland	983	945	1,085	766	1,005	1,210	1,252	1,311
Justice	280	274	295	266	364	742	692	417
Law Officers' Departments	2	3	4	3	14	15	16	8
Environment, Food and Rural Affairs	487	550	692	570	648	685	674	518
HM Revenue and Customs	196	218	234	228	326	247	234	216
HM Treasury	18	-6	36	-660	-2	187	184	182
Cabinet Office	14	30	30	-37	48	97	25	15
International Trade	2	3	2	2	6	7	4	4
Small and Independent Bodies	64	76	83	90	105	249	230	101
Reserves	–	–	–	–	–	1,000	600	1,200
Capital spending not yet in budgets	–	–	–	–	–	–	–	400
OBR allowance for shortfall	–	–	–	–	–	-1500	-1800	-2100
Adjustment for Budget Exchange ⁽³⁾	–	–	–	–	–	-500	0	0
Total capital DEL	46,367	49,742	53,195	48,602	51,866	56,100	58,600	61,800
Capital departmental AME by departmental group								
Defence	-35	-129	51	29	–	–	–	–
Home Office	–	–	–	437	–	–	–	–
International Development	-6	–	–	450	285	267	–	–
Health	–	-70	-5	9	13	15	15	15
Work and Pensions	-17	-134	-124	-148	-87	–	–	–
Education	6,248	8,483	10,563	11,642	13,450	15,679	18,705	21,538
Business, Energy and Industrial Strategy	-139	-4,305	-1,616	-1,630	-15	-166	-114	-83
Transport ⁽⁴⁾	-61	13	6,695	6,544	6,854	6,718	5,837	6,368
Culture, Media and Sport	468	646	743	497	614	668	645	618
DCLG Communities	4	–	121	207	–	–	–	–
DCLG Local Government	-4	–	–	–	–	–	–	–
Scotland ⁽²⁾	188	336	440	744	811	1,010	1,010	1,010
Wales	252	306	357	388	422	513	647	815
Northern Ireland	344	425	536	605	498	652	675	652
Law Officers' Departments	0	–	–	–	–	–	–	–
Environment, Food and Rural Affairs	-1	-1	2	0	1	1	1	1
HM Revenue and Customs	1	0	0	–	–	0	0	0
HM Treasury ⁽⁵⁾	-3,592	-11,725	-12,714	-29,066	-19,731	-13,241	398	539
Small and Independent Bodies	-40	-34	-23	34	251	1,289	–	–
Total capital departmental AME	3,610	-6,189	5,024	-9,257	3,365	13,404	27,818	31,472
Total capital budget	49,977	43,553	58,219	39,345	55,231	69,500	86,400	93,200

⁽¹⁾ Following implementation of ESA10, Network rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail. The actual expenditure of Network rail appears in the Department for Transport departmental AME budget.

⁽²⁾ The Scottish Government's DEL block grant has been adjusted to reflect the devolution of taxes using the methodology set out in the Scottish Government's fiscal framework agreement. The fiscal framework determines the Scottish Government's DEL adjustments, while the Scottish Government's AME includes all self-financed spending (resulting from their tax policy choices and borrowing). The Scottish Government's DEL block grant will also be adjusted to reflect welfare devolution, using the methodology set out in the fiscal framework, when the Scottish Government take on executive competency for these powers.

⁽³⁾ Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽⁴⁾ In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. This is included in Capital departmental AME as lending to the private sector.

⁽⁵⁾ Transactions from 2012-13 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

Table 1.9 Capital budgets in real terms,⁽¹⁾ 2012-13 to 2019-20

	National Statistics					£ million		
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Capital DEL by departmental group								
Defence	9,248	8,841	8,971	8,570	8,665	8,393	8,472	8,571
Single Intelligence Account	504	519	565	586	603	600	567	624
Home Office	588	541	534	485	508	557	481	460
Foreign and Commonwealth Office	39	125	162	134	60	132	95	93
International Development	1,995	2,345	2,722	2,482	2,590	2,842	3,107	3,361
Health	4,987	5,593	5,105	4,745	4,605	5,986	5,825	5,744
Work and Pensions	446	247	257	191	292	372	247	216
Education	4,909	4,293	4,892	5,523	5,598	5,099	5,886	4,530
Business, Energy and Industrial Strategy	8,305	9,910	9,612	10,402	10,835	10,721	10,265	10,717
Transport ⁽²⁾	8,404	8,896	9,642	6,121	5,467	6,307	7,792	10,811
Exiting the European Union	–	–	–	–	–	0	0	0
Culture, Media and Sport	379	34	271	355	288	442	513	553
DCLG Communities	2,544	3,886	4,449	3,926	5,114	6,408	6,378	5,733
DCLG Local Government	1	–	–	–	–	–	–	–
Scotland ⁽³⁾	3,157	3,044	3,378	3,227	3,240	3,335	3,426	3,545
Wales	1,442	1,380	1,541	1,573	1,485	1,578	1,635	1,714
Northern Ireland	1,041	984	1,115	781	1,005	1,190	1,213	1,250
Justice	297	286	303	271	364	730	671	398
Law Officers' Departments	2	3	4	3	14	15	16	8
Environment, Food and Rural Affairs	516	573	710	581	648	674	653	494
HM Revenue and Customs	207	227	240	232	326	243	227	206
HM Treasury	19	-6	37	-673	-2	184	178	173
Cabinet Office	15	31	31	-38	48	95	24	14
International Trade	2	3	2	2	6	7	4	4
Small and Independent Bodies	68	79	85	92	105	245	222	96
Reserves	–	–	–	–	–	1,000	600	1,200
Capital spending not yet in budgets	–	–	–	–	–	–	–	400
OBR allowance for shortfall	–	–	–	–	–	-1,500	-1,700	-2,000
Adjustment for Budget Exchange ⁽⁴⁾	–	–	–	–	–	-500	–	–
Total capital DEL	49,114	51,834	54,629	49,573	51,866	55,200	56,800	58,900
Capital departmental AME by departmental group								
Defence	-37	-134	52	30	–	–	–	–
Home Office	–	–	–	445	–	–	–	–
International Development	-6	–	–	459	285	263	–	–
Health	–	-73	-5	9	13	15	15	14
Work and Pensions	-18	-140	-128	-151	-87	–	–	–
Education	6,618	8,839	10,847	11,875	13,450	15,428	18,122	20,525
Business, Energy and Industrial Strategy	-148	-4,486	-1,659	-1,663	-15	-164	-110	-79
Transport ⁽⁵⁾	-64	13	6,876	6,675	6,854	6,610	5,655	6,069
Culture, Media and Sport	496	673	763	507	614	657	624	589
DCLG Communities	4	–	124	211	–	–	–	–
DCLG Local Government	-4	–	–	–	–	–	–	–
Scotland ⁽³⁾	199	350	452	759	811	994	979	963
Wales	267	319	367	395	422	505	627	777
Northern Ireland	365	442	550	617	498	642	654	621
Law Officers' Departments	0	–	–	–	–	–	–	–
Environment, Food and Rural Affairs	-1	-1	2	0	1	0	0	0
HM Revenue and Customs	1	0	0	–	–	0	0	0
HM Treasury ⁽⁶⁾	-3,805	-12,218	-13,057	-29,646	-19,731	-13,028	386	514
Small and Independent Bodies	-43	-35	-23	35	251	1,268	–	–
Total capital departmental AME	3,823	-6,450	5,160	-9,442	3,365	13,189	26,951	29,993
Total capital budget	52,937	45,384	59,788	40,131	55,231	68,400	83,700	88,900

⁽¹⁾ Real terms figures are the cash figures adjusted to 2016-17 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National Statistics on 30 June 2017. The forecasts are consistent with the March 2017 Budget.

⁽²⁾ Following implementation of ESA10, Network rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail. The actual expenditure of Network rail appears in the Department for Transport departmental AME budget.

⁽³⁾ The Scottish Government's DEL block grant has been adjusted to reflect the devolution of taxes using the methodology set out in the Scottish Government's fiscal framework agreement. The fiscal framework determines the Scottish Government's DEL adjustments, while the Scottish Government's AME includes all self-financed spending (resulting from their tax policy choices and borrowing). The Scottish Government's DEL block grant will also be adjusted to reflect welfare devolution, using the methodology set out in the fiscal framework, when the Scottish Government take on executive competency for these powers.

⁽⁴⁾ Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽⁵⁾ In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. This is included in Capital departmental AME as lending to the private sector.

⁽⁶⁾ Transactions from 2012-13 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

Table 1.10 Total Departmental Expenditure Limits,⁽¹⁾ 2012-13 to 2019-20

	National Statistics					£ million		
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Total DEL by departmental group								
Defence	34,259	34,540	34,368	35,099	35,228	36,065	36,946	37,946
Single Intelligence Account	2,032	2,062	2,156	2,343	2,524	2,656	2,496	2,676
Home Office	11,746	11,311	11,683	10,986	11,172	11,187	11,212	11,160
Foreign and Commonwealth Office	2,023	2,115	1,870	1,893	1,994	2,161	1,331	1,344
International Development	7,758	10,020	9,650	9,250	10,038	10,474	12,328	12,653
Health	105,222	109,775	113,345	117,245	120,512	123,817	126,269	129,277
Work and Pensions	7,669	7,661	7,220	6,477	6,296	6,609	6,173	5,622
Education	63,671	63,302	64,624	64,594	64,926	66,522	68,204	67,460
Business, Energy and Industrial Strategy	10,233	11,623	11,517	12,429	12,452	12,599	12,335	12,783
Transport ⁽²⁾	12,157	12,231	11,857	7,914	7,055	8,378	10,133	13,037
Exiting the European Union	7	7	7	7	23	101	100	95
Culture, Media and Sport	2,536	1,260	1,670	1,610	1,707	1,856	1,990	2,042
DCLG Communities	3,767	5,687	6,383	6,022	7,595	9,306	8,858	8,168
DCLG Local Government ⁽³⁾	23,189	16,481	13,657	10,758	8,229	6,728	5,454	5,360
Scotland ⁽⁴⁾	27,910	28,349	28,909	28,726	23,848	17,707	17,215	17,048
Wales	14,609	15,034	15,254	14,357	14,520	14,969	15,092	15,274
Northern Ireland	10,433	10,655	10,771	10,672	10,896	11,176	11,211	11,281
Justice	8,624	7,935	7,588	7,159	7,257	7,326	6,857	6,387
Law Officers' Departments	592	578	551	548	538	568	564	556
Environment, Food and Rural Affairs	2,276	2,236	2,358	2,138	2,224	2,314	2,165	1,942
HM Revenue and Customs	3,629	3,634	3,425	3,530	3,884	3,869	3,555	3,253
HM Treasury	-180	-261	159	-539	150	349	339	330
Cabinet Office	341	271	439	351	474	564	289	256
International Trade	149	206	279	341	349	369	339	339
Small and Independent Bodies	1,372	1,395	1,300	1,366	1,536	1,661	1,561	1,416
Reserves	–	–	–	–	–	5,400	5,400	8,400
Capital spending not yet in budgets	–	–	–	–	–	–	–	400
OBR allowance for shortfall	–	–	–	–	–	-2,300	-2,500	-2,800
Adjustment for Budget Exchange ⁽⁵⁾	–	–	–	–	–	-900	–	–
Adjustment for planned efficiency savings	–	–	–	–	–	–	–	-3,500
Total DEL by departmental group	356,028	358,104	361,039	355,276	355,425	361,600	365,900	370,100

⁽¹⁾ Total DEL is given by Resource DEL excluding depreciation (Table 1.5) plus Capital DEL (Table 1.8).

⁽²⁾ Following implementation of ESA10, Network rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail. The actual expenditure of Network rail appears in the Department for Transport departmental AME budget.

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

⁽⁴⁾ The Scottish Government's DEL block grant has been adjusted to reflect the devolution of taxes using the methodology set out in the Scottish Government's fiscal framework agreement. The fiscal framework determines the Scottish Government's DEL adjustments, while the Scottish Government's AME includes all self-financed spending (resulting from their tax policy choices and borrowing). The Scottish Government's DEL block grant will also be adjusted to reflect welfare devolution, using the methodology set out in the fiscal framework, when the Scottish Government take on executive competency for these powers.

⁽⁵⁾ Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 1.11 Total Departmental Expenditure Limits⁽¹⁾ in real terms,⁽²⁾ 2012-13 to 2019-20

	National Statistics					£ million		
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Total DEL by departmental group								
Defence	36,288	35,992	35,294	35,799	35,228	35,487	35,794	36,163
Single Intelligence Account	2,153	2,149	2,215	2,390	2,524	2,614	2,418	2,550
Home Office	12,442	11,786	11,998	11,205	11,172	11,007	10,863	10,636
Foreign and Commonwealth Office	2,143	2,204	1,921	1,931	1,994	2,126	1,289	1,281
International Development	8,217	10,441	9,910	9,434	10,038	10,306	11,943	12,058
Health	111,455	114,390	116,400	119,586	120,512	121,833	122,333	123,202
Work and Pensions	8,123	7,983	7,414	6,606	6,296	6,503	5,980	5,358
Education	67,442	65,963	66,366	65,884	64,926	65,455	66,078	64,290
Business, Energy and Industrial Strategy	10,839	12,111	11,827	12,677	12,452	12,397	11,950	12,183
Transport ⁽³⁾	12,877	12,746	12,177	8,072	7,055	8,244	9,817	12,425
Exiting the European Union	7	7	7	8	23	100	97	91
Culture, Media and Sport	2,686	1,313	1,715	1,642	1,707	1,826	1,928	1,946
DCLG Communities	3,991	5,926	6,555	6,142	7,595	9,157	8,582	7,785
DCLG Local Government ⁽⁴⁾	24,563	17,174	14,025	10,973	8,229	6,620	5,284	5,108
Scotland ⁽⁵⁾	29,563	29,541	29,688	29,300	23,848	17,423	16,678	16,247
Wales	15,475	15,666	15,665	14,644	14,520	14,729	14,621	14,556
Northern Ireland	11,051	11,103	11,061	10,885	10,896	10,997	10,862	10,750
Justice	9,134	8,268	7,793	7,302	7,257	7,209	6,643	6,087
Law Officers' Departments	627	602	566	559	538	559	547	530
Environment, Food and Rural Affairs	2,411	2,330	2,421	2,181	2,224	2,277	2,097	1,851
HM Revenue and Customs	3,844	3,786	3,518	3,600	3,884	3,807	3,444	3,101
HM Treasury	-191	-272	163	-549	150	344	328	315
Cabinet Office	362	282	451	358	474	555	280	244
International Trade	158	215	286	348	349	363	329	323
Small and Independent Bodies	1,453	1,453	1,335	1,393	1,536	1,634	1,512	1,349
Reserves	–	–	–	–	–	5,300	5,300	8,000
Capital spending not yet in budgets	–	–	–	–	–	–	–	400
OBR allowance for shortfall	–	–	–	–	–	-2,200	-2,400	-2,700
Adjustment for Budget Exchange ⁽⁶⁾	–	–	–	–	–	-900	–	–
Adjustment for planned efficiency savings	–	–	–	–	–	–	–	-3,300
Total DEL by departmental group	377,115	373,159	370,772	362,370	355,425	355,800	354,500	352,700

⁽¹⁾ Total DEL is given by Resource DEL excluding depreciation (Table 1.5) plus Capital DEL (Table 1.8).

⁽²⁾ Real terms figures are the cash figures adjusted to 2016-17 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National Statistics on 30 June 2017. The forecasts are consistent with the March 2017 Budget.

⁽³⁾ Following implementation of ESA10, Network rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail. The actual expenditure of Network rail appears in the Department for Transport departmental AME budget.

⁽⁴⁾ Figures from 2013-14 reflect adjustment to budgets for changes to local government funding relating to the localisation of business rates and council tax benefit.

⁽⁵⁾ The Scottish Government's DEL block grant has been adjusted to reflect the devolution of taxes using the methodology set out in the Scottish Government's fiscal framework agreement. The fiscal framework determines the Scottish Government's DEL adjustments, while the Scottish Government's AME includes all self-financed spending (resulting from their tax policy choices and borrowing). The Scottish Government's DEL block grant will also be adjusted to reflect welfare devolution, using the methodology set out in the fiscal framework, when the Scottish Government take on executive competency for these powers.

⁽⁶⁾ Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 1.12 Total Managed Expenditure by departmental group and other expenditure, 2012-13 to 2019-20

	National Statistics					£ million		
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Total Managed Expenditure by departmental group								
Defence	41,584	40,789	42,729	47,148	39,977	44,248	43,947	45,143
Single Intelligence Account	2,073	2,081	2,198	2,478	2,537	2,695	2,535	2,715
Home Office	13,405	13,183	14,141	12,973	13,701	13,735	13,959	14,072
Foreign and Commonwealth Office	2,111	2,181	1,800	1,932	1,941	2,261	1,431	1,444
International Development	7,943	10,129	9,801	9,906	10,465	11,220	12,509	12,833
Health ⁽¹⁾	124,101	127,899	135,292	165,784	148,223	164,343	161,980	166,546
Work and Pensions	173,158	170,598	174,734	179,729	179,129	183,510	182,973	185,376
Education	79,717	82,347	88,095	81,532	89,723	96,643	99,538	101,630
Business, Energy and Industrial Strategy ⁽¹⁾	16,312	12,665	18,850	113,017	17,938	15,546	14,403	14,962
Transport ⁽²⁾	12,687	7,037	18,289	20,138	20,369	23,757	23,154	28,023
Exiting the European Union	7	7	7	7	23	102	101	96
Culture, Media and Sport	7,640	6,423	7,348	6,355	7,132	7,200	7,486	7,453
DCLG Communities	3,781	5,638	6,551	6,285	7,709	9,848	9,511	8,889
DCLG Local Government	23,329	27,605	25,319	22,932	20,628	21,766	18,454	18,782
Scotland ⁽³⁾	30,858	31,354	33,206	33,421	33,894	35,707	34,732	35,152
Wales	15,003	15,339	15,643	14,434	15,181	15,723	15,853	16,267
Northern Ireland	18,541	18,543	19,592	19,647	19,679	21,044	21,200	21,541
Justice	9,558	7,695	7,444	7,642	7,711	8,028	7,360	6,890
Law Officers' Departments	598	584	564	533	537	572	568	560
Environment, Food and Rural Affairs	2,360	2,143	2,437	2,529	2,235	2,420	2,314	2,110
HM Revenue and Customs	46,319	46,208	46,357	46,723	46,213	46,257	46,176	45,782
HM Treasury ⁽⁴⁾	-22,482	-5,776	-62,468	-43,385	-45,040	-13,521	540	672
Cabinet Office	9,732	8,912	11,011	10,717	9,645	11,251	9,828	9,920
International Trade	149	207	279	340	349	372	342	342
Small and Independent Bodies	1,222	1,322	1,148	1,064	1,642	3,059	1,577	1,432
Total departmental expenditure⁽⁵⁾	619,707	635,113	620,366	763,882	651,542	727,786	732,471	748,633
Central government gross debt interest	48,982	48,796	45,369	45,125	48,380	55,779	52,281	52,193
Locally financed expenditure	29,391	29,974	32,119	38,882	42,391	42,966	43,223	42,477
Public sector depreciation	36,405	37,801	38,782	39,970	41,001	42,818	44,371	46,031
Net expenditure transfers to the EU	11,529	11,879	11,658	11,253	9,160	12,226	13,267	13,368
Public corporations' own-financed capital expenditure	14,709	15,926	17,512	14,161	16,977	18,175	18,950	18,020
Accounting adjustments	-28,730	-42,603	-13,818	-159,357	-38,875	-99,625	-90,299	-95,239
Reserves	-	-	-	-	-	5,400	5,400	8,400
Capital spending not yet in budgets	-	-	-	-	-	-	-	400
OBR allowance for shortfall	-	-	-	-	-	-2,300	-2,500	-2,800
Adjustment for Budget Exchange ⁽⁶⁾	-	-	-	-	-	-900	-	-
Adjustment for planned efficiency savings	-	-	-	-	-	-	-	-3,500
Total other expenditure⁽⁷⁾	112,286	101,773	131,622	-9,966	119,034	74,625	84,695	79,274
Total Managed Expenditure⁽⁸⁾	731,993	736,886	751,988	753,916	770,576	802,400	817,200	827,900

⁽¹⁾ 2015-16 figure reflects a change to the long-term discount rate used for provisions to maintain compliance with International Financial Reporting Standards.

⁽²⁾ Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown. However, the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. This is included in Capital departmental AME as lending to the private sector. Figures in 2013-14 and 2014-15 reflect a change in accounting policy for recognising impairment on the roads network.

⁽³⁾ The Scottish Government's DEL block grant has been adjusted to reflect the devolution of taxes using the methodology set out in the Scottish Government's fiscal framework agreement. The fiscal framework determines the Scottish Government's DEL adjustments, while the Scottish Government's AME includes all self-financed spending (resulting from their tax policy choices and borrowing). The Scottish Government's DEL block grant will also be adjusted to reflect welfare devolution, using the methodology set out in the fiscal framework, when the Scottish Government take on executive competency for these powers.

⁽⁴⁾ Transactions from 2012-13 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

⁽⁵⁾ Total departmental expenditure is given by Resource DEL excluding depreciation plus capital DEL plus resource and capital departmental AME.

⁽⁶⁾ Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽⁷⁾ Total other expenditure is other AME spend within total managed expenditure.

⁽⁸⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 2.A in Chapter 2.

Table 1.13 Total Managed Expenditure by departmental group and other expenditure in real terms,⁽¹⁾ 2012-13 to 2019-20

	£ million							
	National Statistics					2017-18	2018-19	2019-20
	2012-13	2013-14	2014-15	2015-16	2016-17	plans	plans	plans
	outturn	outturn	outturn	outturn	outturn			
Total Managed Expenditure by departmental group								
Defence	44,047	42,504	43,881	48,089	39,977	43,538	42,577	43,021
Single Intelligence Account	2,196	2,168	2,257	2,527	2,537	2,652	2,456	2,588
Home Office	14,199	13,737	14,522	13,232	13,701	13,514	13,524	13,411
Foreign and Commonwealth Office	2,236	2,272	1,848	1,971	1,941	2,225	1,386	1,377
International Development	8,414	10,555	10,066	10,103	10,465	11,040	12,119	12,230
Health ⁽²⁾	131,451	133,276	138,939	169,094	148,223	161,709	156,930	158,720
Work and Pensions	183,414	177,771	179,445	183,318	179,129	180,569	177,268	176,665
Education	84,438	85,809	90,470	83,160	89,723	95,094	96,434	96,854
Business, Energy and Industrial Strategy ⁽²⁾	17,278	13,198	19,358	115,273	17,938	15,297	13,954	14,258
Transport ⁽³⁾	13,438	7,332	18,782	20,540	20,369	23,376	22,432	26,706
Exiting the European Union	7	7	7	8	23	100	97	91
Culture, Media and Sport	8,092	6,693	7,546	6,482	7,132	7,084	7,252	7,102
DCLG Communities	4,005	5,875	6,728	6,410	7,709	9,690	9,215	8,471
DCLG Local Government	24,711	28,765	26,001	23,390	20,628	21,418	17,879	17,899
Scotland ⁽⁴⁾	32,686	32,672	34,101	34,089	33,894	35,135	33,649	33,500
Wales	15,891	15,984	16,064	14,722	15,181	15,471	15,359	15,502
Northern Ireland	19,640	19,322	20,120	20,040	19,679	20,707	20,539	20,529
Justice	10,124	8,019	7,645	7,794	7,711	7,899	7,130	6,566
Law Officers' Departments	633	609	579	544	537	563	551	534
Environment, Food and Rural Affairs	2,500	2,233	2,503	2,580	2,235	2,381	2,242	2,011
HM Revenue and Customs	49,063	48,151	47,606	47,656	46,213	45,516	44,736	43,631
HM Treasury ⁽⁵⁾	-23,813	-6,019	-64,152	-44,251	-45,040	-13,304	523	641
Cabinet Office	10,308	9,286	11,308	10,931	9,645	11,071	9,521	9,453
International Trade	158	215	286	347	349	366	332	326
Small and Independent Bodies	1,295	1,378	1,179	1,085	1,642	3,010	1,528	1,365
Total departmental expenditure⁽⁶⁾	656,411	661,815	637,090	779,134	651,542	716,121	709,635	713,453
Central government gross debt interest	51,883	50,847	46,592	46,026	48,380	54,885	50,651	49,740
Locally financed expenditure	31,132	31,234	32,985	39,658	42,391	42,278	41,875	40,481
Public sector depreciation	38,561	39,390	39,827	40,768	41,001	42,132	42,988	43,868
Net expenditure transfers to the EU	12,212	12,378	11,972	11,477	9,160	12,030	12,854	12,740
Public corporations' own-financed capital expenditure	15,581	16,596	17,985	14,444	16,977	17,883	18,359	17,173
Accounting adjustments	-30,432	-44,394	-14,191	-162,539	-38,875	-98,028	-87,484	-90,763
Reserves	-	-	-	-	-	5,300	5,300	8,000
Capital spending not yet in budgets	-	-	-	-	-	-	-	400
OBR allowance for shortfall	-	-	-	-	-	-2,200	-2,400	-2,700
Adjustment for Budget Exchange ⁽⁷⁾	-	-	-	-	-	-900	-	-
Adjustment for planned efficiency savings	-	-	-	-	-	-	-	-3,300
Total other expenditure⁽⁸⁾	118,937	106,052	135,170	-10,165	119,034	73,429	82,054	75,549
Total Managed Expenditure⁽⁹⁾	775,348	767,866	772,260	768,969	770,576	789,600	791,700	789,000

⁽¹⁾ Real terms figures are the cash figures adjusted to 2016-17 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National Statistics on 30 June 2017. The forecasts are consistent with the March 2017 Budget.

⁽²⁾ 2015-16 figure reflects a change to the long-term discount rate used for provisions to maintain compliance with International Financial Reporting Standards.

⁽³⁾ Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown. However, the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. This is included in Capital departmental AME as lending to the private sector. Figures in 2013-14 and 2014-15 reflect a change in accounting policy for recognising impairment on the roads network.

⁽⁴⁾ The Scottish Government's DEL block grant has been adjusted to reflect the devolution of taxes using the methodology set out in the Scottish Government's fiscal framework agreement. The fiscal framework determines the Scottish Government's DEL adjustments, while the Scottish Government's AME includes all self-financed spending (resulting from their tax policy choices and borrowing). The Scottish Government's DEL block grant will also be adjusted to reflect welfare devolution, using the methodology set out in the fiscal framework, when the Scottish Government take on executive competency for these powers.

⁽⁵⁾ Transactions from 2012-13 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

⁽⁶⁾ Total departmental expenditure is given by Resource DEL excluding depreciation plus capital DEL plus resource and capital departmental AME.

⁽⁷⁾ Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽⁸⁾ Total other expenditure is other AME spend within total managed expenditure.

⁽⁹⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 2.A in Chapter 2.

Table 1.14 Accounting adjustments,⁽¹⁾ 2012-13 to 2019-20

	£ billion							
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans
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)	-14.9	-17.7	-15.0	-14.6	-15.1	-18.0	-18.4	-18.6
NHS capital consumption	-1.8	-2.1	-1.8	-1.9	-1.9	-1.8	-1.8	-1.8
Interest	-0.2	-0.2	-0.1	0.0	-0.1	-0.2	0.0	0.0
Public corporation subsidies	-1.7	-1.1	-0.9	-0.8	-0.6	-0.6	-0.6	-0.6
Other	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Total resource DEL	-18.6	-21.1	-17.7	-17.4	-17.7	-20.6	-20.8	-21.0
Resource departmental AME								
Capital consumption	-1.6	4.7	-1.2	-6.3	-6.7	-7.5	-6.6	-7.0
Interest	2.7	1.2	2.0	3.2	1.5	2.1	3.4	4.9
Subsidy element of renewable obligation certificates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subsidy element of other environmental levies	0.0	-0.1	-0.2	-0.4	-0.5	-0.8	-0.9	-1.0
NNDR outturn adjustment	-0.1	-0.3	0.0	0.0	0.0	-0.3	0.0	0.0
Public corporation subsidies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.2	0.1	0.0	0.3	0.2	0.1	0.1
Total resource departmental AME	1.0	5.7	0.8	-3.4	-5.4	-6.3	-4.0	-3.0
Adjustment for different data used by OBR in PSCE forecast	0.0	0.0	0.0	0.0	0.0	-0.2	6.3	3.6
<i>of which DEL</i>	0.0	0.0	0.0	0.0	0.0	0.7	0.3	0.4
<i>of which AME</i>	0.0	0.0	0.0	0.0	0.0	-0.9	6.0	3.2
Total resource budget data replaced by different source data	-17.6	-15.3	-16.9	-20.8	-23.1	-27.1	-18.5	-20.3
Remove data in budgets which do not form part of public sector current expenditure								
Resource DEL								
Impairments	-2.6	1.6	-0.5	-0.4	-0.7	0.0	0.0	0.0
Receipts treated as negative DEL but revenue in National Accounts	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Fees, levies and charges	0.3	1.4	2.4	2.9	2.6	0.3	1.6	1.6
Grant equivalent element of student lending	-4.0	-6.1	-1.8	-3.7	-9.3	-3.9	-4.3	-4.7
Stock write-offs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in pension scheme liabilities	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
Miscellaneous current transfers	1.8	2.5	2.7	2.5	4.3	1.6	1.7	1.9
Northern Ireland Executive transfers between DEL and AME ⁽²⁾	0.6	0.6	0.7	1.1	6.1	13.1	13.5	14.0
Profit or loss – sale of company securities	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Profit or loss – sale of other assets (capital in National Accounts)	0.0	-0.8	0.2	0.3	0.4	0.0	0.0	0.0
EU funded expenditure	-0.3	-0.2	0.2	0.0	-0.5	0.4	0.5	0.6
Other	-0.1	-1.2	-0.9	-0.5	-1.0	-1.0	-2.3	-2.4
Total resource DEL	-4.4	-2.1	3.1	2.3	2.1	10.4	10.7	11.0
Resource departmental AME								
Impairments	15.1	-14.4	43.9	-5.1	20.8	-4.7	-4.1	-4.0
Bad debts	-0.5	-0.5	-0.3	-0.3	-0.2	-0.4	-0.4	-0.4
Grant equivalent element of student lending	0.1	-0.6	-0.5	7.5	0.2	0.1	0.1	0.1
Provisions	-10.7	-8.7	-10.5	-127.9	-13.4	-16.1	-8.5	-9.1
Change in pension scheme liabilities	-26.9	-28.7	-34.2	-37.2	-35.2	-51.1	-48.7	-49.3
Unwinding of discount rate on pension scheme liabilities	-40.5	-38.0	-46.3	-42.9	-41.8	-42.8	-45.2	-46.8
Release of provisions covering payments of pension benefits	30.5	32.2	34.2	35.3	35.5	36.8	38.3	40.1
Fees, levies and charges	0.9	0.9	1.0	2.2	1.6	1.8	2.5	2.9
Profit or loss - sale of other assets (capital in National Accounts)	0.0	0.0	0.0	0.1	0.1	0.1	1.3	0.0
Imputed tax element of renewable obligation certificates	0.0	0.0	0.0	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	0.0	0.0	0.0
Tax credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-0.8	4.5	-1.0	3.5	-5.9	-13.0	-14.3	-15.7
Total resource departmental AME	-32.8	-53.3	-13.7	-164.8	-38.5	-89.3	-78.9	-82.3
Total resource budget data not in public sector current expenditure	-37.2	-55.4	-10.6	-162.5	-36.4	-78.8	-68.2	-71.2

Table 1.14 Accounting adjustments,⁽¹⁾ 2012-13 to 2019-20 (continued)

	£ billion							
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Central government adjustments in National Accounts								
Expenditure on goods and services	21.1	24.6	25.1	17.8	19.0	23.4	24.4	25.5
<i>of which: VAT refunds</i>	5.1	5.0	5.0	5.0	5.0	5.1	5.1	5.1
<i>of which: Single use military expenditure</i>	0.3	0.3	0.3	0.0	0.0	0.0	0.0	0.0
<i>of which: payment from EU for tax collection costs</i>	-0.7	-0.7	-0.8	-0.8	-0.3	-0.7	-0.7	-0.7
<i>of which: capital consumption</i>	17.1	17.6	17.9	18.3	18.7	19.8	20.8	21.9
<i>of which: ONS R&D Adjustment</i>	–	–	–	-2.7	–	–	–	–
<i>of which: Network Rail</i>	0.6	0.4	1.0	0.0	0.0	0.0	0.0	0.0
<i>of which: other</i>	-1.3	2.0	1.6	-2.1	-4.4	-0.8	-0.8	-0.8
Net social benefits	0.9	1.2	1.4	0.0	0.9	0.6	0.6	0.6
<i>of which: switch between benefits and other current grants</i>	0.3	0.3	0.3	0.1	0.0	0.0	0.0	0.0
<i>of which: other</i>	0.6	0.9	1.1	0.0	0.9	0.6	0.6	0.6
Net current grants abroad	0.8	0.8	0.8	1.0	0.8	0.7	0.7	0.7
<i>of which: attributed aid</i>	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which: EU receipts</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which: other</i>	0.8	0.9	0.8	1.0	0.8	0.7	0.7	0.7
Other current grants	2.6	1.6	1.0	0.6	-0.1	-0.1	-0.1	-0.2
<i>of which: switch between other current grants and benefits</i>	-0.3	-0.3	-0.3	-0.1	0.0	0.0	0.0	0.0
<i>of which: other</i>	2.9	1.9	1.2	0.7	-0.1	-0.1	-0.1	-0.2
Subsidies	4.0	4.1	5.3	6.3	8.2	10.0	11.7	12.8
<i>of which: Renewable Obligation Certificates</i>	1.7	2.5	3.1	4.0	4.7	6.2	7.6	8.5
<i>of which: other environmental levies</i>	0.5	0.6	1.0	1.3	1.9	2.1	2.3	2.5
<i>of which: company tax credits outside departmental AME</i>	1.4	1.5	1.9	0.8	1.1	1.1	1.1	1.2
<i>of which: other</i>	0.5	-0.6	-0.7	0.2	0.6	0.7	0.6	0.6
VAT and GNI based EU contributions	0.0	0.0	0.1	0.0	0.4	0.0	0.0	0.0
<i>of which: other</i>	0.0	0.0	0.1	0.0	0.4	0.0	0.0	0.0
Total central government resource adjustments	29.5	32.3	33.6	25.7	29.2	34.6	37.3	39.5
Local government adjustments in National Accounts								
Remove data which do not form part of public sector current expenditure	-3.5	-3.7	-3.8	-3.5	-3.9	-3.6	-3.6	-3.6
<i>of which: Northern Ireland regional rates</i>	-0.6	-0.6	-0.7	-0.7	-0.6	-0.6	-0.6	-0.6
<i>of which: retirement benefits</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which: debt interest payments to central government</i>	-2.8	-3.1	-2.5	-2.9	-2.9	-3.0	-3.0	-3.0
<i>of which: other</i>	-0.1	0.1	-0.7	0.0	-0.4	0.0	0.0	0.0
Adjustments to reconcile use of different data sources	1.2	1.6	1.1	0.3	2.0	-3.7	-3.8	-3.9
<i>of which: central government support</i>	-1.8	-1.6	-1.3	-1.6	-1.3	-3.7	-3.8	-3.9
<i>of which: debt interest</i>	0.4	0.7	0.0	0.4	0.3	0.0	0.0	0.0
<i>of which: police and fire top up grants</i>	1.6	1.7	1.9	2.0	2.4	0.0	0.0	0.0
<i>of which: other</i>	0.9	0.8	0.6	-0.5	0.6	0.0	0.0	0.0
Expenditure on goods and services	18.3	19.2	20.7	21.6	20.7	22.2	22.7	23.2
<i>of which: VAT refunds</i>	6.4	6.6	6.6	6.9	6.8	7.1	7.2	7.2
<i>of which: Local Authority Pension Scheme</i>	1.9	2.0	1.9	2.0	2.3	2.2	2.3	2.4
<i>of which: capital consumption</i>	9.5	10.1	10.6	11.1	11.6	12.1	12.6	13.0
<i>of which: rates</i>	-1.4	-1.4	-1.4	-1.4	-1.4	-1.4	-1.5	-1.6
<i>of which: other</i>	1.8	1.9	3.0	3.0	1.3	2.2	2.2	2.2
Subsidies	0.4	0.5	1.1	0.7	1.9	1.1	1.2	1.3
<i>of which: equity injection into Housing Revenue Account</i>	0.4	0.5	0.8	0.7	1.5	1.1	1.2	1.3
<i>of which: other</i>	0.0	0.0	0.3	0.0	0.4	0.0	0.0	0.0
Net social benefits	-1.0	-1.0	-1.6	-1.2	-2.5	-1.2	-1.2	-1.2
<i>of which: housing benefits and rent rebates</i>	0.1	0.1	0.0	0.0	-0.4	0.0	0.0	0.0
<i>of which: other</i>	-1.0	-1.1	-1.6	-1.2	-2.1	-1.2	-1.2	-1.2
Other current grants and current grants abroad	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Total local government resource adjustments	15.4	16.8	17.5	17.9	18.3	14.9	15.4	15.9
Other resource adjustments								
Public corporations	3.3	3.3	3.2	3.3	3.4	3.9	4.1	4.2
Asset Purchase Facility and Special Liquidity Scheme	-12.1	-12.6	-12.4	-11.7	-13.2	-14.3	-13.2	-12.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total other resource adjustments	-8.8	-9.3	-9.2	-8.4	-9.7	-10.4	-9.2	-7.9
Total resource adjustments	-18.7	-30.9	14.4	-148.1	-21.7	-66.8	-43.3	-44.1
<i>of which:</i>								
Timing adjustments ⁽³⁾								
Central government	3.7	4.9	4.0	-0.4	-2.9	0.0	0.0	0.0
Local government	1.0	1.0	1.7	1.9	-0.3	0.0	0.0	0.0

Table 1.14 Accounting adjustments,⁽¹⁾ 2012-13 to 2019-20 (continued)

	£ billion							
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans
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	0.0	0.0	0.1	0.0	-0.3	-0.8	-0.9	-0.8
Acquisitions less disposals of valuables	-0.1	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Total capital DEL	-0.1	0.0	0.1	0.0	-0.4	-0.8	-0.9	-0.8
Adjustment for different data used by OBR in PSGI forecast	0.0	0.0	0.0	0.0	0.0	1.4	4.2	2.7
of which DEL	0.0	0.0	0.0	0.0	0.0	0.6	0.7	0.4
of which AME	0.0	0.0	0.0	0.0	0.0	0.8	3.5	2.3
Total capital budget data replaced by different source data	-0.1	0.0	0.1	0.0	-0.4	0.6	3.3	1.9
Remove data in budgets which do not form part of public sector gross investment								
Capital DEL								
Net lending to private sector	-1.6	-3.0	-3.1	-2.3	-4.8	-4.9	-3.9	-4.3
Capital support for public corporations	0.0	0.4	0.9	0.0	0.2	-0.3	-0.1	-0.1
Local government supported capital expenditure	0.0	0.0	0.0	-0.3	-0.1	-0.3	-0.1	0.0
Northern Ireland Executive transfers between DEL and AME	0.2	0.2	0.3	0.6	0.5	0.5	0.7	0.7
Other	0.1	0.0	0.9	-0.4	-4.3	-1.5	-2.7	-2.2
Total Capital DEL	-1.3	-2.4	-0.9	-2.4	-8.5	-6.4	-6.1	-5.9
Capital departmental AME								
Net lending to private sector	-3.3	4.5	2.3	17.5	4.8	-5.1	-20.2	-23.3
Capital support for public corporations	0.2	0.8	-0.3	0.0	-0.1	0.0	0.0	0.0
Purchase of company securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sale of company securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Northern Ireland Executive transfers between DEL and AME	-0.1	-0.2	-0.2	-0.5	-0.5	-0.8	-0.7	-0.6
Other	0.2	0.6	-6.5	-0.3	0.1	0.9	0.1	0.1
Total capital departmental AME	-3.0	5.6	-4.7	16.6	4.3	-4.9	-20.8	-23.9
Total capital budget data not in public sector gross investment	-4.3	3.3	-5.7	14.3	-4.2	-11.3	-27.0	-29.8
Central government adjustments in National Accounts								
Gross fixed capital formation	4.8	6.8	5.7	-1.9	-1.3	-0.2	-1.5	-0.2
of which: profit or loss - sale of other assets (from resource budgets)	0.0	0.8	-0.2	-0.3	-0.5	-0.1	-1.3	0.0
of which: Network Rail	4.9	6.4	6.4	0.0	0.0	0.0	0.0	0.0
of which: Single use military expenditure	-0.3	-0.3	-0.3	0.0	0.0	0.0	0.0	0.0
of which: other	0.2	0.0	-0.1	-1.5	-0.8	-0.2	-0.2	-0.2
Capital grants to and from the private sector	2.9	-6.0	-6.3	-0.5	3.4	0.1	0.1	0.2
of which: VAT refunds	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
of which: Royal Mail assets transfer	9.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which: Network Rail	-4.0	-3.6	-4.1	0.0	0.0	0.0	0.0	0.0
of which: other	-2.6	-2.4	-2.2	-0.6	3.3	0.1	0.1	0.1
Total central government capital adjustments	7.8	0.8	-0.6	-2.4	2.0	-0.1	-1.3	0.0
Local government adjustments in National Accounts								
Adjustments to reconcile use of different data sources	-1.8	-2.6	-3.6	-4.5	-0.7	-3.1	-2.3	-2.1
of which: overhanging debt	0.0	0.0	-0.1	-0.2	0.0	0.0	0.0	0.0
of which: central government support	1.2	0.4	0.7	1.3	3.2	0.0	0.0	0.0
of which: financial transactions	-2.1	-2.1	-2.7	-4.3	-2.2	-2.4	-1.6	-1.5
of which: capital grants from private sector	-0.9	-0.9	-1.4	-1.3	-1.7	-0.7	-0.7	-0.7
Gross fixed capital formation	3.5	3.6	3.8	3.9	1.7	1.6	1.7	1.6
of which: VAT refunds	2.1	2.0	2.0	2.1	1.9	1.6	1.7	1.6
of which: roads de-trunking	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which: other	1.4	1.6	1.8	1.8	-0.2	0.0	0.0	0.0
Capital grants	0.1	-0.1	-0.1	-0.1	0.5	0.0	0.0	0.0
of which: grants to public corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which: other	0.1	-0.1	-0.1	-0.1	0.5	0.0	0.0	0.0
Total local government capital adjustments	1.7	0.9	0.2	-0.8	1.5	-1.5	-0.6	-0.6
Other capital adjustments								
Public corporations	-0.2	-1.2	-0.7	0.1	-0.1	0.2	0.1	0.1
Housing Revenue Account reform receipts	0.0	0.0	0.0	-0.9	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.1	0.3	-0.1	0.0	0.0	0.0
Total other capital adjustments	-0.2	-1.1	-0.6	-1.2	-0.1	0.2	0.1	0.1
Total capital adjustments	4.9	3.8	-6.6	10.0	-1.2	-12.0	-25.5	-28.4
<i>of which:</i>								
Timing adjustments ⁽³⁾								
Central government	-2.3	-1.6	-1.8	-1.3	2.6	0.0	0.0	0.0
Local government	-0.1	0.0	0.0	0.0	-1.1	0.0	0.0	0.0

⁽¹⁾ The accounting adjustments are described in Annex D of PESA.

⁽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.

Table 1.15 Total Managed Expenditure by spending sector, 2012-13 to 2019-20

	National Statistics					£ million		
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Central government own expenditure								
DEL ⁽¹⁾	260,024	269,416	275,462	274,117	280,790	283,618	288,545	294,529
Departmental AME ^{(1) (2)}	233,881	241,317	221,536	370,985	259,014	330,083	331,596	342,546
Locally financed support in Northern Ireland	621	632	661	651	585	585	585	585
Net expenditure transfers to the EU	11,529	11,879	11,658	11,253	9,160	12,226	13,267	13,368
Central government debt interest	48,982	48,796	45,369	45,125	48,380	55,779	52,281	52,193
Accounting and other adjustments ⁽²⁾	-975	-13,462	16,122	-127,760	-8,762	-62,719	-55,174	-60,621
Total central government own expenditure	554,062	558,578	570,808	574,371	589,167	619,572	631,100	642,600
Local government expenditure								
Central government support in DEL	95,880	88,940	86,393	81,123	74,749	75,437	74,372	73,060
Central government support in departmental AME	30,255	36,685	37,641	37,865	37,187	38,504	37,915	38,435
Locally financed support in Scotland	2,263	2,435	2,650	2,789	2,769	2,666	2,800	2,800
Locally financed support in Wales	–	–	–	956	977	1,059	1,039	1,077
Local authority self-financed expenditure	26,507	26,906	28,808	33,567	38,061	38,656	38,798	38,015
Accounting and other adjustments	16,996	17,536	17,678	17,164	19,935	18,381	21,158	21,558
Total local government expenditure	171,901	172,502	173,170	173,464	173,678	174,703	176,082	174,945
Public corporations' expenditure								
DEL	124	-252	-816	36	-114	274	98	118
Departmental AME ⁽²⁾	-457	-992	150	-244	-83	-131	-55	-55
Public corporations' own-financed capital expenditure	14,709	15,926	17,512	14,161	16,977	18,175	18,950	18,020
Accounting and other adjustments	3,672	3,661	3,520	3,796	4,070	4,108	4,215	4,324
Total public corporations' expenditure	18,048	18,343	20,366	17,749	20,850	22,426	23,208	22,407
Bank of England ⁽³⁾	-12,018	-12,537	-12,356	-11,668	-13,119	-14,290	-13,224	-12,045
Total Managed Expenditure	731,993	736,886	751,988	753,916	770,576	802,400	817,200	827,900

⁽¹⁾ Full resource budgeting basis, ie resource plus capital less depreciation. See Table 2.1.

⁽²⁾ Transactions have been affected by financial sector interventions. See Box 2A in Chapter 2.

⁽³⁾ Asset Purchase Facility and Special Liquidity Scheme.

2

Economic analyses of budgets

2.1 This chapter provides an economic category analysis of the budgeting aggregates presented in **Chapter 1**. All outturn data in this chapter (to 2016-17) fall within the scope of National Statistics.

What's new

2.2 In 2016 the Government announced the creation of three new departments: the Department for Exiting the European Union (DExEU), the Department for International Trade (DIT) and the Department for Business, Energy and Industrial Strategy (BEIS).

2.3 DExEU was set up on 14 July 2016 to co-ordinate the United Kingdom's withdrawal from the European Union. Some of the responsibilities of the European and Global Issues Secretariat were transferred from the Cabinet Office. DExEU also took responsibility for European Union functions from the FCO.

2.4 DIT took over the functions previously undertaken by the UK Trade & Investment department. DIT also took policy responsibility for the GREAT campaign which was transferred from the Cabinet Office and for the Trade Policy Group which transferred from BEIS.

2.5 BEIS took over the functions of energy and climate change from the former Department of Energy and Climate Change. BEIS transferred responsibility for Apprenticeships, Further Education and Higher Education to the Department for Education on 14 July 2016. The function of offender learning was transferred to the Ministry of Justice on 1 October 2016.

2.6 **Table 2.1** shows analyses of budgets by economic category of spending, consistent with the budgeting aggregates reported in **Chapter 1**. The breakdowns of resource DEL and resource departmental AME are consistent with **Table 1.3**; administration budgets in resource DEL with **Table 1.7**; and capital budgets with **Table 1.8**.

2.7 Brief descriptions of the largest economic categories are given below, including the main differences from the corresponding economic categories presented against the expenditure on services framework in **Tables 5.3** and **6.5**.

2.8 **Staff costs** includes wages and salaries, employers' social contributions, payments of accruing superannuation liability charges for UK staff and locally engaged staff overseas, and amounts that finance employee contributions to pension schemes. It also includes income from the recovery of secondee costs and payments for contract and agency staff that were formerly treated as procurement expenditure.

2.9 **Gross current procurement** shows expenditure on goods and services, including accommodation and building management, ICT outsourcing, maintenance and support, travel costs and payments for consultancy and audit services. It also includes the purchase of services from GPs.

2.10 Current grants include all transfer payments other than subsidies (see 2.11 below) that are not used to fund capital formation. In **Table 2.1** these grants are analysed by recipient: local government; persons and non-profit bodies; and overseas recipients. **Current grants to local government** are intra-public sector payments that consolidate out of Total Managed Expenditure (TME), which is the government's preferred measure of total public spending. Further information on local government finance is given in **Chapter 7**. **Current grants to persons and non-profit bodies** largely comprise social security benefits included in resource departmental AME, as well as funding (usually in DEL) to further and higher education institutions and other non-profit private sector bodies. In **Table 2.1** they include tax credits previously scored as negative tax. **Current grants abroad** are mainly foreign aid, such as programmes to reduce poverty.

2.11 Subsidies are current transfer payments to trading businesses (both private sector companies and public corporations) to provide support for current costs, including payments to farmers under the EU's Common Agricultural Policy as well as subsidies to rail and bus operators. They are given with the objective of influencing their levels of production, their prices, or other factors. Unlike other intra-public sector transactions, subsidies to public corporations are included within TME as the receipt of this funding, and subsequent spending, is included within the calculation of the PC's gross operating surplus (which scores on the revenue side of the National Accounts).

2.12 Rentals shows net expenditure on hire and rentals under PFI and non-PFI operating leases.

2.13 Depreciation, also termed capital consumption, represents the amount of capital used up in respect of fixed assets measured on the basis of International Financial Reporting Standards (IFRS). The depreciation lines in **Table 2.1** also include releases from the donated assets and government grant reserves, as well as impairments and downward revaluations of fixed assets. Depreciation also includes the grant equivalent element of student lending. This is the subsidy implied in student loans being issued at the inflation rate rather than the market interest rate.

2.14 Take-up of provisions are costs in resource budgets recognising that liabilities have been incurred that will more likely than not lead to a future payment, but where the amount and timing of these future payments are uncertain. Upon settling the liability the payment scores to the resource or capital budget according to the economic category of the transaction, whilst an equal and opposite (negative) **release of provisions** scores as a benefit to the resource budget. These lines do not include pension scheme provisions (see below).

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

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

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

Resource budget

- Income from sales of goods and services: -£0.5 billion in 2012-13, £0.0 billion in 2013-14, -£0.2 billion in 2014-15, £0.0 billion in 2015-16 and -£0.1 billion in 2016-17. This is mainly underwriting commission and guarantee fee income;
- Depreciation: In 2012-13 there was a gain of £17.1 billion in respect of BEAPFF and an impairment of £13.0 billion in 2013-14. There was a further gain of £48.0 billion in 2014-15, £6.3 billion in 2015-16 and £23.1 billion in 2016-17.
- Other: income of -£0.8 billion in 2012-13, -£4.5 billion in 2013-14, -£0.5 billion in 2014-15, -£6.2 billion in 2015-16 and -£1.7 billion in 2016-17. This is mainly interest paid to government and from the sale of shares in Lloyds Banking Group.

Capital budget

- Net lending to the private sector: -£3.6 billion in 2012-13, -£4.9 billion in 2013-14, -£3.0 billion in 2014-15, -£11.3 billion in 2015-16 and -£3.5 billion in 2016-17. This is mainly lending to banks and the Financial Services Compensation Scheme and subsequent repayments, and income from the sale of shares in Lloyds Banking Group in 2013-14, 2014-15, 2015-16 and 2016-17. Figures for 2015-16 also reflect the income from an initial sale of Royal Bank of Scotland shares in August 2015.

These transactions score within the HM Treasury AME budget in tables in **Chapter 1**.

2.15 Net public service pensions shows the costs of pensions on a National Accounts basis; that is, payments to pensioners less receipts of contributions by employers and employees. It also includes cash payments and receipts associated with bulk and individual transfers into and out of the scheme. **Change in pension scheme liabilities** shows increases to the liability as measured on an IFRS basis. This includes changes to current service costs, the non-cash impact of bulk or individual transfers in or out, and purchases of added years. **Release of provisions covering payments of pension benefits** records a reduction equal and opposite to the pension benefits paid, where these are charged to the provision. The **unwinding of the discount rate** on pension scheme liabilities shows the increase in the liability as future payments move one year closer to being paid (so the effects of discounting reduce). More information on pensions is included in **Annex D**, and a reconciliation from IFRS pensions in departmental AME to the National Accounts measure is given in **Table D1**.

2.16 Capital grants are transfer payments that are usually made on the condition that the recipient uses the funds for capital projects. Capital grants in **Table 2.1** are analysed by the nature of the recipient: persons and non-profit bodies; private sector companies; and overseas recipients. Capital grants to local government and public corporations are included as part of the respective capital support rows (see paragraphs 2.17 and 2.18).

2.17 Capital support for local government shows central government support for local government capital expenditure, comprising capital grants and Supported Capital Expenditure (Revenue). More information is given in **Chapter 7**.

2.18 Capital support for public corporations comprises capital grants, net lending and public corporations' market and overseas borrowing where this scores in the parent department's budget.

2.19 Gross capital procurement comprises the acquisition of fixed assets (such as land, buildings and machinery) as well as any net increases in stock (where included in budgets). It is measured gross of depreciation. It includes the pay of civil servants engaged in in-house capital formation that is recorded as capital expenditure, rather than as pay.

2.20 Income from sales of capital assets records the sale value (book value plus profit/loss) of any assets disposed of, such as land, buildings or machinery.

2.21 Net lending to private sector means lending by government net of any repayments of previous lending. It includes transactions in shares of private companies – so for example privatisation receipts count as negative net lending.

2.22 Other includes items that are too small or too uncommon to warrant an individual line. These include certain receipts that are usually treated as part of revenue in the National Accounts, write-offs of stock, loans written-off, and certain financial transactions. Write-offs of stock and loans are also recorded here. In **Chapters 5** and **6** they are recorded as capital grants in line with National Accounts.

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

2.24 Table 2.3 shows central government own capital procurement, gross of depreciation and before deduction of sales, broken down by departmental group.

Table 2.1 Budgets by economic category of spending, 2012-13 to 2019-20

	National Statistics					£ million		
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Resource DEL								
Staff costs	99,026	102,951	106,942	111,686	116,565	115,033	115,535	118,141
Gross current procurement	105,185	107,585	112,290	112,077	117,924	119,449	119,429	121,042
Income from sales of goods and services	-16,547	-18,171	-18,849	-17,465	-21,183	-20,038	-17,330	-18,162
Current grants to local government	86,213	79,796	76,145	70,611	66,406	65,156	63,513	62,673
Current grants to persons and non-profit bodies	21,632	20,531	19,515	18,866	18,698	19,204	17,908	18,130
Current grants abroad	969	2,579	1,730	2,502	3,038	1,983	2,963	2,973
Subsidies to private sector companies	6,009	6,002	5,237	5,044	5,851	5,936	6,173	6,137
Subsidies to public corporations	1,707	1,094	886	805	640	646	607	598
Net public service pensions ⁽¹⁾	43	134	540	142	86	64	66	66
Rentals	7,159	7,168	7,916	8,036	6,773	7,269	7,708	7,779
Depreciation ⁽²⁾	21,504	22,298	17,169	18,742	25,052	22,000	22,800	23,300
Take up of provisions	-21	-22	-147	44	2	1	-	-
Release of provisions	-12	-16	-2	-2	0	0	-	-
Change in pension scheme liabilities	22	16	74	16	14	3	2	2
Unwinding of the discount rate on pension scheme liabilities	25	32	0	2	0	0	-	-
Release of provisions covering payments of pensions benefits	0	0	-386	0	0	0	-	-
Other	-1,749	-1,318	-4,049	-5,689	-11,256	-12,507	-13,443	-14,123
Plus unallocated funds	-	-	-	-	-	3,336	4,198	3,100
Total resource DEL	331,165	330,659	325,013	325,416	328,610	327,500	330,100	331,700
Of which: administration budgets in resource DEL								
Staff costs	8,463	7,497	6,680	6,609	6,425	6,012	5,714	5,551
Gross current procurement	4,095	4,352	5,007	4,199	3,788	4,698	4,307	4,241
Income from sales of goods and services	-1,005	-1,152	-1,625	-1,288	-1,338	-1,301	-1,097	-1,095
Rentals	617	473	299	309	381	330	325	313
Depreciation	744	637	504	479	428	946	943	949
Other	-439	-219	-471	-614	-375	-188	-115	-142
Total administration budgets in resource DEL	12,476	11,589	10,394	9,695	9,310	10,496	10,077	9,818
Resource departmental AME								
Staff costs	1,050	1,028	1,135	2,769	2,865	3,161	2,767	2,849
Gross current procurement	3,279	2,916	3,094	4,815	4,774	5,044	5,106	5,172
Income from sales of goods and services ⁽³⁾	-1,240	-354	-461	-181	-512	-404	-388	-381
Current grants to local government	30,123	36,552	37,331	37,536	37,232	38,754	38,220	38,564
Current grants to persons and non-profit bodies	186,470	188,433	192,848	195,695	197,413	204,389	203,172	206,638
Subsidies to private sector companies	465	604	1,099	1,773	1,493	741	905	1,018
Subsidies to public corporations	-83	-70	-66	10	2	2	-	-
Net public service pensions ⁽¹⁾	8,577	8,947	9,641	9,509	8,805	10,053	11,310	12,761
Rentals	83	107	109	-218	-289	-296	-332	-224
Depreciation ⁽³⁾	-13,633	10,358	-42,188	3,899	-14,273	12,037	10,535	10,940
Take up of provisions ⁽³⁾	18,297	13,466	14,901	133,329	18,023	20,455	12,481	13,470
Release of provisions	-7,637	-4,805	-4,369	-5,420	-4,585	-4,311	-3,995	-4,357
Change in pension scheme liabilities	26,928	28,740	34,186	37,229	35,225	51,142	48,722	49,274
Unwinding of the discount rate on pension scheme liabilities	40,499	37,991	46,255	42,882	41,788	42,766	45,198	46,846
Release of provisions covering payments of pensions benefits	-30,546	-32,246	-34,222	-35,327	-35,476	-36,832	-38,316	-40,078
Other	-2,562	-8,468	-4,991	-10,436	266	8,350	6,254	6,963
Total resource departmental AME	260,070	283,199	254,303	417,863	292,753	355,052	341,638	349,454

Table 2.1 Budgets by economic category of spending, 2012-13 to 2019-20 (continued)

	£ million							
	National Statistics					2017-18	2018-19	2019-20
	2012-13	2013-14	2014-15	2015-16	2016-17	plans	plans	plans
	outturn	outturn	outturn	outturn	outturn			
Resource budgets								
Staff costs	100,077	103,979	108,077	114,455	119,430	118,194	118,301	120,989
Gross current procurement	108,464	110,501	115,384	116,892	122,698	124,493	124,535	126,214
Income from sales of goods and services ⁽³⁾	-17,787	-18,525	-19,309	-17,646	-21,695	-20,442	-17,718	-18,543
Current grants to local government	116,335	116,348	113,476	108,147	103,638	103,911	101,733	101,237
Current grants to persons and non-profit bodies	208,101	208,964	212,363	214,586	216,110	223,593	221,080	224,768
Current grants abroad	969	2,579	1,730	2,477	3,038	1,983	2,963	2,973
Subsidies to private sector companies	6,474	6,606	6,336	6,817	7,345	6,677	7,078	7,155
Subsidies to public corporations	1,625	1,023	821	815	642	648	607	598
Net public service pensions ⁽¹⁾	8,620	9,081	10,182	9,651	8,891	10,117	11,376	12,827
Rentals	7,243	7,275	8,025	7,818	6,484	6,973	7,376	7,555
Depreciation ⁽²⁾⁽³⁾	7,871	32,656	-25,019	22,642	10,779	34,007	33,331	34,239
Take up of provisions ⁽³⁾	18,275	13,444	14,754	133,372	18,026	20,456	12,481	13,470
Release of provisions	-7,650	-4,821	-4,371	-5,421	-4,585	-4,311	-3,995	-4,357
Change in pension scheme liabilities	26,950	28,756	34,259	37,245	35,239	51,144	48,724	49,276
Unwinding of the discount rate on pension scheme liabilities	40,524	38,023	46,256	42,883	41,788	42,766	45,198	46,846
Release of provisions covering payments of pensions benefits ⁽⁴⁾	-30,547	-32,247	-34,608	-35,328	-35,476	-36,832	-38,316	-40,078
Other	-4,311	-9,786	-9,040	-16,125	-10,990	-4,156	-7,189	-7,161
Plus unallocated funds	—	—	—	—	—	3,336	4,198	3,100
Total resource budgets	591,234	613,858	579,316	743,279	621,363	682,558	671,763	681,109
Capital DEL								
Capital support for local government	9,668	9,144	10,248	10,512	8,343	10,281	10,860	10,387
Capital grants to persons and non-profit bodies	5,882	6,145	6,589	6,853	4,606	6,217	6,443	7,005
Capital grants to private sector companies	5,893	6,364	6,513	2,261	2,665	3,122	4,363	4,282
Capital grants abroad	1,851	2,092	2,063	2,407	2,558	2,586	3,374	3,492
Capital support for public corporations	297	-66	-599	294	367	626	465	488
Release of provisions	—	4	—	—	—	—	—	—
Gross capital procurement	25,044	25,845	28,328	26,545	27,641	29,796	29,557	32,126
Income from sales of assets	-2,442	-1,445	-2,048	-2,381	-1,646	-1,713	-1,615	-1,821
Net lending and investment to the private sector and abroad ⁽³⁾	584	1,846	3,010	2,302	4,430	4,650	3,670	4,073
Other	-409	-186	-909	-192	2,903	1,488	2,102	1,643
Plus unallocated funds in capital DEL	—	—	—	—	—	-973	-631	99
Total capital DEL	46,367	49,742	53,195	48,602	51,866	56,100	58,600	61,800
Capital departmental AME								
Capital support for local government	133	132	310	329	-45	-251	-305	-129
Capital grants to persons and non-profit bodies	369	327	333	138	486	720	805	946
Capital grants to private sector companies	0	-1,016	-500	-13	-5	—	—	—
Capital grants abroad	—	-20	17	2	—	—	—	—
Capital support for public corporations	-198	-797	263	29	115	-40	—	—
Take up of Provisions	35	73	149	83	8	—	—	—
Release of Provision	-142	-73	-80	-99	-72	-894	-78	-78
Gross capital procurement	204	33	180	7,021	7,209	8,750	6,491	6,786
Income from sales of assets	-211	-127	-281	-140	-3	-681	—	—
Net lending and investment to the private sector and abroad	3,233	-4,761	-2,264	-17,668	-4,777	5,042	20,199	23,292
Other	188	40	6,898	1,061	449	758	706	654
Total capital departmental AME	3,610	-6,189	5,024	-9,257	3,365	13,404	27,818	31,472

Table 2.1 Budgets by economic category of spending, 2012-13 to 2019-20 (continued)

	National Statistics					£ million		
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Capital budgets								
Capital support for local government	9,800	9,276	10,558	10,841	8,297	10,030	10,555	10,258
Capital grants to persons and non-profit bodies	6,251	6,472	6,921	6,991	5,092	6,937	7,249	7,951
Capital grants to private sector companies	5,892	5,348	6,013	2,248	2,660	3,122	4,363	4,282
Capital grants abroad	1,851	2,072	2,080	2,409	2,558	2,586	3,374	3,492
Capital support for public corporations	99	-863	-336	323	482	586	465	488
Take up of Provisions	35	73	149	83	8	–	–	–
Release of Provision	-142	-69	-80	-99	-72	-894	-78	-78
Gross capital procurement	25,248	25,878	28,508	33,566	34,850	38,546	36,048	38,912
Income from sales of assets	-2,652	-1,572	-2,328	-2,521	-1,649	-2,394	-1,615	-1,821
Net lending and investment to the private sector and abroad ⁽³⁾	3,817	-2,916	746	-15,366	-347	9,692	23,869	27,365
Other	-221	-146	5,989	869	3,352	2,246	2,808	2,297
Plus unallocated funds in capital DEL	–	–	–	–	–	-973	-631	99
Total capital budgets	49,977	43,553	58,219	39,345	55,231	69,485	86,406	93,246

⁽¹⁾ Figures here are based on payments and receipts that score in TME and incorporate the net effect of bulk and individual transfers. The Resource Accounts based measure of net publicservice pensions is used in Table 1.1.

⁽²⁾ Excludes NHS Trusts' depreciation as exceptionally this is not removed in the calculation of TDEL.

⁽³⁾ Transactions have been affected by financial sector interventions. See Box 2.A for details.

⁽⁴⁾ Payments that release provision include bulk and individual transfers, including the transfer of liabilities within government.

Table 2.2 Gross current procurement in budgets, 2012-13 to 2019-20

	National Statistics					£ million		
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Gross current procurement in budgets								
Defence	11,013	11,549	11,836	11,223	11,029	10,438	10,619	10,744
Single Intelligence Account	846	832	983	1,084	1,107	1,304	1,058	1,124
Home Office	2,159	2,208	2,254	2,445	2,491	2,924	2,763	2,712
Foreign and Commonwealth Office	957	727	487	542	592	515	534	547
International Development	726	1,057	1,218	1,193	1,170	1,761	1,689	1,718
Health	55,212	55,247	59,341	60,359	65,952	65,001	65,732	67,466
Work and Pensions	2,078	2,242	2,427	2,261	2,060	1,759	2,091	1,905
Education	3,097	3,837	4,427	4,306	4,830	5,095	5,686	6,002
Business, Energy and Industrial Strategy	2,023	2,407	2,220	2,255	2,030	1,953	1,925	1,812
Transport	1,854	1,953	1,745	3,604	3,798	4,291	4,189	4,231
Exiting the European Union	3	4	4	4	11	56	55	53
Culture, Media and Sport	3,653	3,621	3,580	3,091	3,183	2,900	2,952	2,874
DCLG Communities	304	260	288	310	312	265	295	289
DCLG Local Government	89	0	–	–	–	–	–	–
Scotland	6,851	7,406	7,902	7,502	7,462	7,904	7,918	7,912
Wales	3,410	3,421	3,471	3,566	3,854	4,634	4,667	4,739
Northern Ireland	4,126	4,296	4,212	4,275	4,112	4,135	4,241	4,236
Justice	5,867	5,382	4,825	4,465	4,847	4,985	4,309	4,241
Law Officers' Departments	281	278	300	313	294	349	344	347
Environment, Food and Rural Affairs	1,215	1,141	1,161	1,032	851	1,075	956	924
HM Treasury	380	201	246	575	201	235	110	107
HM Revenue & Customs	1,154	1,220	1,160	1,245	1,365	1,202	1,035	949
Cabinet Office	256	241	323	317	284	673	315	294
International Trade	150	191	202	211	203	264	228	228
Small and Independent Bodies	759	780	770	713	661	775	824	761
Total gross current procurement in budgets	108,464	110,501	115,384	116,892	122,698	124,493	124,535	126,214

Table 2.3 Gross capital procurement in budgets, 2012-13 to 2019-20

	National Statistics					£ million		
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Gross capital procurement in budgets								
Defence	8,760	8,411	9,145	9,015	8,813	8,765	8,942	9,184
Single Intelligence Account	494	536	563	581	631	633	585	655
Home Office	263	250	265	271	360	422	338	301
Foreign and Commonwealth Office	106	137	123	134	104	133	96	96
International Development	123	79	79	77	63	102	105	104
Health	4,730	5,008	5,523	5,089	4,727	6,305	6,178	6,156
Work and Pensions	310	130	120	102	181	220	111	93
Education	2,261	2,492	3,171	2,163	2,601	854	45	26
Business, Energy and Industrial Strategy	3,021	3,042	3,151	3,171	3,157	2,964	2,754	2,684
Transport	1,198	1,517	2,219	9,232	9,511	12,535	10,552	13,633
Exiting the European Union	–	–	–	–	–	0	0	0
Culture, Media and Sport	545	697	425	383	487	292	284	258
DCLG Communities	61	131	168	139	230	783	1,006	836
DCLG Local Government	1	–	–	–	–	–	–	–
Scotland	1,215	1,087	1,053	1,113	1,213	1,169	1,644	1,744
Wales	389	480	531	467	588	679	868	1,049
Northern Ireland	925	933	1,011	786	1,052	958	1,125	1,150
Justice	326	363	365	297	374	812	711	484
Law Officers' Departments	2	3	4	3	14	15	16	8
Environment, Food and Rural Affairs	223	249	227	191	240	269	216	136
HM Treasury	11	3	13	3	4	15	7	5
HM Revenue & Customs	201	220	240	229	328	266	237	219
Cabinet Office	15	26	28	27	50	104	25	15
International Trade	2	3	2	2	6	6	3	3
Small and Independent Bodies	66	81	83	92	118	248	200	71
Total gross capital procurement in budgets	25,248	25,878	28,508	33,566	34,850	38,546	36,048	38,912

3

Changes in departmental budgets

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

- for 2015-16, estimated outturn published in PESA 2016 (Cm 9322) is compared with the final outturn in **Chapter 1**;
- for 2016-17, the plans published in PESA 2016 are reconciled to final plans and compared to the estimated outturn in **Chapter 1**; and
- for 2017-18 to 2019-20 latest plans are compared with the published figures in PESA 2016.

3.2 The tables in this chapter are consequently split into three sections:

- **Tables 3.1, 3.2, 3.3** and **3.4** show changes for 2015-16;
- **Tables 3.5, 3.6, 3.7** and **3.8** show changes for 2016-17.
- **Tables 3.9-3.14** show plans for 2017-18 to 2019-20.

Within the first two sections the four tables show, respectively, resource DEL by departmental group, resource DEL excluding depreciation by departmental group, capital DEL by departmental group, and Total Managed Expenditure (TME) by budgeting category.

Types of changes

3.3 The comparisons distinguish between the following types of change:

- Machinery of Government changes, which are implemented in the starting position of all tables so that other changes are not obscured by departmental restructuring;
- Changes that result from spending being reclassified or where financing responsibility transfers between departments (i.e. changes in the way public expenditure is measured); and
- Changes that reflect policy decisions or are due to the availability of updated outturn or forecasts. This also takes account of any departmental under spends carried forward from 2016-17 to 2017-18 under the Budget Exchange system.

Machinery of Government and classification changes

3.4 In 2016 the Government announced the creation of three new departments: the Department for Exiting the European Union (DExEU), the Department for International Trade (DIT) and the Department for Business, Energy and Industrial Strategy (BEIS).

3.5 DExEU was set up on 14 July 2016 to co-ordinate the United Kingdom's withdrawal from the European Union. Some of the responsibilities of the European and Global Issues Secretariat were transferred from the Cabinet Office. DExEU also took responsibility for European Union functions from the FCO.

3.6 DIT took over the functions previously undertaken by the UK Trade & Investment department. DIT also took policy responsibility for the GREAT campaign which was transferred from the Cabinet Office and for the Trade Policy Group which transferred from BEIS.

3.7 BEIS took over the functions of energy and climate change from the former Department of Energy and Climate Change. BEIS transferred responsibility for Apprenticeships, Further Education and Higher Education to the Department for Education on 14 July 2016. The function of offender learning was transferred to the Ministry of Justice on 1 October 2016.

Policy changes

3.8 This section sets out the key spending policy decisions taken since PESA 2016. This mainly includes:

- measures announced in the Autumn Statement 2016 and March Budget 2017;
- claims on the Reserve; and
- carry forward of estimated resource and capital DEL under spends (with the agreement of the Treasury) from 2016-17 under the Budget Exchange (BX) system.

Policy changes in 2016-17 Tables 3.5 to 3.7

3.9 The impact of policy decisions on resource DEL and capital DEL budgets in 2016-17 are set out in **Tables 3.5** and **3.7**, respectively. The main policy decisions are set out below.

The main claims on the resource DEL Reserve in 2016-17 were:

- MOD received £0.7bn in respect of operations and peacekeeping, LIBOR and depreciation;
- Education received £11.0bn to provide budget cover for impairment of the student loan book;
- MOJ received £0.2bn in relation to the delay to implementation of probate fee charging reform and in respect of costs associated with the O'Brien case.

The main claims on the capital DEL Reserve in 2016-17 were:

- MOD received £0.1bn in respect of operations and peacekeeping;
- Education received £0.3bn to provide budgetary cover in respect of Aggregator Vehicle Ltd due to a budgeting treatment change;
- BEIS received £0.6bn in respect of the Green Investment Bank and the British Business Bank.

The other main policy decisions affecting 2016-17 DELs were:

- MOD switched £0.5bn from resource to single use military equipment (SUME) capital DEL to realign budgets;
- DH switched £1.2bn from CDEL to RDEL to meet spending pressures;
- DCLG Communities switched £0.1bn from RDEL to CDEL for budget management purposes;
- DFID switched £0.1bn from CDEL to RDEL;
- NIE switched £0.1bn from CDEL to RDEL;

- Wales switched £0.1bn from RDEL to CDEL;
- DfT switched £0.1bn from RDEL to CDEL.

3.10 Under the Budget Exchange system departments carried forward from 2016-17 into 2017-18 £0.4bn resource DEL and £0.5bn capital DEL.

Policy changes in 2017-18 Tables 3.9, 3.11 and 3.13

3.11 The impact of policy decisions on resource DEL and capital DEL budgets in 2017-18 are set out in **Tables 3.9, 3.11** and **3.13**. The main policy decisions are set out below.

3.12 A number of claims on the reserve have already fed into 2017-18 control totals at Main Estimates 2017-18:

- DCLG Communities received £0.8bn capital DEL in respect of housing infrastructure and affordable housing and £0.2bn resource DEL to extend the right to buy pilot;
- BEIS received £0.4bn capital DEL in respect of R&D infrastructure to help boost UK productivity;
- DfT received £0.4bn capital DEL in respect of improvements to transport infrastructure;
- £0.3bn resource DEL and £0.1bn capital DEL funding for MOD for operations and peacekeeping;
- Cabinet Office received £0.2bn resource DEL to cover increased depreciation and the cost of conducting the general election;
- £0.1bn resource DEL for the Scottish Government for implementation of the fiscal framework agreement;
- MOJ received £0.1bn resource DEL to improve prison safety;
- The Statistics Board received £0.1bn resource DEL funding for the Census;
- HMT received £0.1bn in respect of the digital infrastructure investment fund.

3.13 The other main policy decisions affecting 2017-18 DEL budgets were:

- International Development switched £0.5bn from capital to resource DEL;
- BEIS switched £0.1bn from resource to capital DEL;
- DH received £0.2bn capital DEL to support local proposals for capital investment in the NHS and capital investment in A&E departments.

Policy changes in 2018-19 to 2019-20 Tables 3.9 to 3.14

3.14 The impact of policy decisions on resource DEL and capital DEL budgets in 2018-19 and 2019-20 are set out in **Tables 3.9, 3.10, 3.13** and **3.14**. The main policy decisions are set out below.

- DCLG Communities received £1.2bn capital DEL in 2018-19 and £1.7bn in 2019-20 in respect of housing infrastructure and affordable housing;
- MOJ received £0.2bn resource DEL in 2018-19 and 2019-20 to improve prison safety;

- BEIS received £0.8bn capital DEL in 2018-19 and £1.5bn in 2019-20 in respect of R&D infrastructure to help boost UK productivity;
- DFT received £0.7bn capital DEL in 2018-19 and £0.6bn in 2019-20 in respect of improvements to transport infrastructure;
- DCMS received £0.2bn capital DEL in 2018-19 and £0.3bn in 2019-20 in respect of Telecoms infrastructure;
- DH received £0.1bn capital DEL in 2018-19 and 2019-20 to support local proposals for capital investment in the NHS;
- HMT received £0.1bn in 2018-19 and 2019-20 in respect of the digital infrastructure investment fund.

Table 3.1 Resource DEL 2015-16; changes since PESA 2016

				£ million
	Final provision adjusted for MoG	Outturn in PESA 2016 adjusted for MoG	Transfers and classification changes since PESA 2016	Other changes since PESA 2016
				Outturn
Resource DEL				
Defence	35,363	34,424	–	–
Single Intelligence Account	2,204	2,167	–	7
Home Office	10,880	10,788	–	-31
Foreign and Commonwealth Office	1,968	1,953	–	–
International Development	6,929	6,859	–	-30
Health	113,495	113,661	–	49
Work and Pensions	6,504	6,473	–	–
Education	64,354	64,156	–	-178
Business, Energy and Industrial Strategy	3,587	2,499	–	–
Transport	3,119	3,019	–	10
Exiting the European Union	7	7	–	0
Culture, Media and Sport	1,478	1,422	–	-33
DCLG Communities	2,363	2,092	–	82
DCLG Local Government	10,759	10,758	–	–
Scotland	26,599	26,391	–	-56
Wales	13,568	13,335	–	-7
Northern Ireland	10,504	10,164	–	-3
Justice	7,432	7,313	–	34
Law Officers' Departments	563	546	–	7
Environment, Food and Rural Affairs	1,798	1,747	–	-11
HM Revenue and Customs	3,608	3,576	–	–
HM Treasury	147	130	–	–
Cabinet Office	440	407	–	0
International Trade	341	341	–	–
Small and Independent Bodies	1,436	1,382	–	-33
Total resource DEL	329,448	325,608	–	-192
				325,416

Table 3.2 Resource DEL excluding depreciation 2015-16; changes since PESA 2016

				£ million	
	Final provision adjusted for MoG	Outturn in PESA 2016 adjusted for MoG	Transfers and classification changes since PESA 2016	Other changes since PESA 2016	Outturn
Resource DEL excluding depreciation					
Defence	26,738	26,696	–	–	26,696
Single Intelligence Account	1,784	1,761	–	7	1,768
Home Office	10,622	10,539	–	-29	10,510
Foreign and Commonwealth Office	1,783	1,762	–	–	1,762
International Development	6,916	6,847	–	-30	6,817
Health	112,108	112,561	–	32	112,592
Work and Pensions	6,324	6,290	–	–	6,290
Education	59,535	59,357	–	-178	59,180
Business, Energy and Industrial Strategy	2,429	2,230	–	–	2,230
Transport	1,942	1,920	–	-7	1,913
Exiting the European Union	7	7	–	0	7
Culture, Media and Sport	1,294	1,278	–	-17	1,262
DCLG Communities	2,351	2,091	–	82	2,173
DCLG Local Government	10,759	10,758	–	–	10,758
Scotland	25,690	25,612	–	-49	25,563
Wales	12,928	12,821	–	-7	12,814
Northern Ireland	9,954	9,909	–	-2	9,906
Justice	6,832	6,859	–	34	6,893
Law Officers' Departments	555	540	–	6	546
Environment, Food and Rural Affairs	1,611	1,579	–	-11	1,568
HM Revenue and Customs	3,321	3,302	–	–	3,302
HM Treasury	139	122	–	–	122
Cabinet Office	412	388	–	0	388
International Trade	339	339	–	0	339
Small and Independent Bodies	1,358	1,307	–	-32	1,276
Total resource DEL	307,733	306,875	–	-201	306,674

Table 3.3 Capital DEL 2015-16; changes since PESA 2016

	£ million				
	Final provision adjusted for MoG	Outturn in PESA 2016 adjusted for MoG	Transfers and classification changes since PESA 2016	Other changes since PESA 2016	Outturn
Capital DEL					
Defence	8,552	8,402	–	–	8,402
Single Intelligence Account	577	574	–	1	575
Home Office	560	539	–	-63	476
Foreign and Commonwealth Office	139	131	–	–	131
International Development	2,486	2,433	–	–	2,433
Health	4,718	4,668	–	-16	4,652
Work and Pensions	227	188	–	–	188
Education	5,301	5,191	–	223	5,414
Business, Energy and Industrial Strategy	10,786	10,199	–	–	10,199
Transport	6,034	5,885	–	116	6,001
Culture, Media and Sport	386	333	–	16	348
DCLG Communities	3,929	3,789	–	60	3,849
Scotland	3,205	3,126	–	38	3,164
Wales	1,553	1,536	–	6	1,543
Northern Ireland	788	766	–	0	766
Justice	286	266	–	–	266
Law Officers' Departments	5	3	–	0	3
Environment, Food and Rural Affairs	588	570	–	0	570
HM Revenue and Customs	234	228	–	–	228
HM Treasury	-657	-660	–	–	-660
Cabinet Office	-29	-36	–	-1	-37
International Trade	2	1	–	1	2
Small and Independent Bodies	113	98	–	-7	90
Total capital DEL	49,782	48,229	–	374	48,602

Table 3.4 Total Managed Expenditure 2015-16; changes since PESA 2016

	Outturn in PESA 2016	Transfers and classification changes since PESA 2016	Other changes since PESA 2016	Outturn
£ million				
CURRENT EXPENDITURE				
<i>Resource DEL</i>				
Total resource DEL	325,609	–	-193	325,416
<i>Resource departmental AME</i>				
Social security benefits	187,584	–	0	187,585
Tax credits	28,482	–	–	28,482
Net public service pensions	12,174	–	-763	11,410
National lottery	1,121	–	-218	904
BBC domestic services	3,608	–	-78	3,531
Student loans	-1,683	–	–	-1,683
Non-cash items	185,946	–	-46	185,900
Financial sector interventions	-12,492	–	–	-12,492
Other departmental expenditure	14,788	–	-560	14,228
Total resource departmental AME	419,528	–	-1,665	417,863
<i>Resource other AME</i>				
Net expenditure transfers to the EU	11,253	–	–	11,253
Locally financed expenditure	29,969	–	815	30,783
Central government gross debt interest	44,942	–	183	45,125
Accounting adjustments	-151,783	–	3,663	-148,121
Total resource other AME	-65,620	–	4,660	-60,960
Total resource AME	353,908	–	2,995	356,903
Public sector current expenditure	679,517	–	2,802	682,319
CAPITAL EXPENDITURE				
<i>Capital DEL</i>				
Total capital DEL	48,229	–	374	48,602
<i>Capital departmental AME</i>				
National lottery	454	–	-47	407
BBC domestic services	117	–	13	130
Student loans	12,596	–	1	12,597
Financial sector interventions	-11,315	–	–	-11,315
Other departmental expenditure	-11,189	–	113	-11,076
Total capital departmental AME	-9,336	–	79	-9,257
<i>Capital other AME</i>				
Locally financed expenditure	8,206	–	-107	8,099
Public corporations' own-financed capital expenditure	16,850	–	-2,689	14,161
Accounting adjustments	9,578	–	413	9,992
Total capital other AME	34,634	–	-2,383	32,252
Total capital AME	25,298	–	-2,303	22,995
Public sector gross investment	73,527	–	-1,930	71,597
<i>less public sector depreciation</i>	39,675	–	295	39,970
Public sector net investment	33,852	–	-2,225	31,627
Total Managed Expenditure	753,043	–	873	753,916

Table 3.5 Resource DEL 2016-17; changes since PESA 2016

	£ million				
	Plans in PESA 2016 adjusted for MOG	Transfers and classification changes since PESA 2016	Other changes since PESA 2016	Final provision	Outturn
Resource DEL					
Defence	35,320	-75	424	35,669	35,237
Single Intelligence Account	2,201	45	38	2,285	2,268
Home Office	11,061	-50	26	11,037	10,930
Foreign and Commonwealth Office	2,021	1	44	2,067	2,058
International Development	7,445	-11	89	7,524	7,456
Health	116,312	59	1,223	117,594	116,909
Work and Pensions	6,259	0	1	6,260	6,161
Education	65,215	-12	10,090	75,293	69,288
Business, Energy and Industrial Strategy	2,472	-4	-130	2,337	1,972
Transport	3,167	-2	-84	3,081	2,931
Exiting the European Union	8	0	41	49	23
Culture, Media and Sport	1,618	26	-11	1,633	1,567
DCLG Communities	2,827	50	-236	2,642	2,493
DCLG Local Government	8,206	-37	62	8,231	8,229
Scotland	21,554	12	32	21,598	21,391
Wales	13,689	3	216	13,908	13,288
Northern Ireland	10,300	-3	329	10,626	10,484
Justice	7,305	-9	174	7,470	7,339
Law Officers' Departments	546	0	7	554	530
Environment, Food and Rural Affairs	1,911	3	-16	1,898	1,764
HM Revenue and Customs	3,889	8	-35	3,861	3,836
HM Treasury	176	1	6	183	159
Cabinet Office	460	11	15	487	447
International Trade	370	-23	4	351	345
Small and Independent Bodies	1,535	4	93	1,632	1,507
Reserves	3,014	–	-3,014	–	–
OBR allowance for shortfall	-500	–	500	–	–
Adjustment for Budget Exchange	-88	–	88	–	–
Total resource DEL	328,293	–	9,977	338,270	328,610

Table 3.6 Resource DEL excluding depreciation 2016-17; changes since PESA 2016

	£ million				
	Plans in PESA 2016 adjusted for MOG	Transfers and classification changes since PESA 2016	Other changes since PESA 2016	Final provision	Outturn
Resource DEL excluding depreciation					
Defence	26,820	-75	14	26,759	26,563
Single Intelligence Account	1,846	45	39	1,931	1,920
Home Office	10,773	-50	16	10,739	10,664
Foreign and Commonwealth Office	1,916	1	44	1,961	1,934
International Development	7,427	-11	89	7,506	7,448
Health	114,801	59	1,223	116,083	115,908
Work and Pensions	6,065	0	1	6,067	6,004
Education	60,588	-12	-712	59,864	59,328
Business, Energy and Industrial Strategy	2,199	-4	-201	1,993	1,617
Transport	1,938	-2	-243	1,693	1,589
Exiting the European Union	8	–	41	49	23
Culture, Media and Sport	1,456	26	-11	1,472	1,419
DCLG Communities	2,776	50	-235	2,592	2,481
DCLG Local Government	8,206	-37	62	8,231	8,229
Scotland	20,587	12	107	20,706	20,608
Wales	13,100	3	48	13,151	13,035
Northern Ireland	9,772	-3	169	9,938	9,891
Justice	6,722	-9	174	6,888	6,893
Law Officers' Departments	538	0	7	545	524
Environment, Food and Rural Affairs	1,701	3	-16	1,687	1,575
HM Revenue and Customs	3,567	8	-5	3,570	3,557
HM Treasury	170	1	4	175	152
Cabinet Office	434	11	14	459	426
International Trade	368	-23	4	349	343
Small and Independent Bodies	1,450	4	97	1,551	1,430
Reserves	3,014	–	-3,014	–	–
OBR allowance for shortfall	-500	–	500	–	–
Adjustment for Budget Exchange	-88	–	88	–	–
Total resource DEL	307,653	–	-1,694	305,959	303,559

Table 3.7 Capital DEL 2016-17; changes since PESA 2016

	£ million				
	Plans in PESA 2016 adjusted for MOG	Transfers and classification changes since PESA 2016	Other changes since PESA 2016	Final provision	Outturn
Capital DEL					
Defence	8,127	15	611	8,753	8,665
Single Intelligence Account	649	-21	-20	608	603
Home Office	527	-1	2	529	508
Foreign and Commonwealth Office	98	4	-39	62	60
International Development	2,594	103	-89	2,607	2,590
Health	5,810	6	-1,200	4,616	4,605
Work and Pensions	307	–	0	307	292
Education	5,631	6	769	6,406	5,598
Business, Energy and Industrial Strategy	10,917	-15	373	11,274	10,835
Transport	5,437	2	50	5,488	5,467
Culture, Media and Sport	384	-22	-8	354	288
DCLG Communities	5,541	-3	-352	5,185	5,114
Scotland	3,214	26	96	3,335	3,240
Wales	1,544	3	87	1,634	1,485
Northern Ireland	1,138	1	-91	1,048	1,005
Justice	655	8	-204	459	364
Law Officers' Departments	15	–	0	15	14
Environment, Food and Rural Affairs	610	-3	64	671	648
HM Revenue and Customs	242	–	99	341	326
HM Treasury	82	-100	23	5	-2
Cabinet Office	55	8	-7	55	48
International Trade	10	0	–	10	6
Small and Independent Bodies	167	-14	9	162	105
Reserves	1,037	–	-1,037	–	–
OBR allowance for shortfall	-2,000	–	2,000	–	–
Adjustment for Budget Exchange	-293	–	293	–	–
Total capital DEL	52,495	–	1,430	53,925	51,866

Table 3.8 Total Managed Expenditure 2016-17; changes since PESA 2016

	Plans in PESA 2016	Transfers and classification changes since PESA 2016	Other changes since PESA 2016	£ million Outturn
CURRENT EXPENDITURE				
<i>Resource DEL</i>				
Total resource DEL	328,293	–	317	328,610
<i>Resource departmental AME</i>				
Social security benefits	190,000	–	-703	189,297
Tax credits	28,576	–	-1,184	27,393
Net public service pensions	8,896	–	-343	8,554
National lottery	1,050	–	224	1,274
BBC domestic services	3,725	–	-57	3,669
Student loans	-2,060	–	92	-1,968
Non-cash items	62,267	–	1,553	63,820
Financial sector interventions	-175	–	-24,657	-24,832
Other departmental expenditure	25,461	–	85	25,546
Total resource departmental AME	317,741	–	-24,989	292,753
<i>Resource other AME</i>				
Net expenditure transfers to the EU ⁽¹⁾	12,401	–	-3,241	9,160
Locally financed expenditure	30,326	–	3,923	34,249
Central government gross debt interest	47,805	–	575	48,380
Accounting adjustments	-42,378	–	20,655	-21,723
Total resource other AME	48,154	–	21,912	70,066
Total resource AME	365,895	–	-3,076	362,819
Public sector current expenditure	694,188	–	-2,759	691,429
CAPITAL EXPENDITURE				
<i>Capital DEL</i>				
Total capital DEL	52,495	–	-629	51,866
<i>Capital departmental AME</i>				
National lottery	407	–	26	434
BBC domestic services	96	–	27	124
Student loans	14,406	–	224	14,629
Financial sector interventions	30	–	-3,544	-3,514
Other departmental expenditure	6,412	–	-14,719	-8,307
Total capital departmental AME	21,351	–	-17,986	3,365
<i>Capital other AME</i>				
Locally financed expenditure	6,868	–	1,274	8,142
Public corporations' own-financed capital expenditure	14,668	–	2,308	16,977
Accounting adjustments	-17,627	–	16,424	-1,203
Total capital other AME	3,910	–	20,006	23,916
Total capital AME	25,261	–	2,020	27,281
Public sector gross investment	77,756	–	1,391	79,147
less public sector depreciation	41,392	–	-391	41,001
Public sector net investment	36,364	–	1,782	38,146
Total Managed Expenditure	771,944	–	-1,368	770,576

Table 3.9 Resource DEL 2017-18 and 2018-19; changes since PESA 2016

	£ million							
	2017-18				2018-19			
	Plans in PESA 2016 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	Plans in PESA 2016 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
Resource DEL								
Defence	35,943	-167	260	36,035	36,696	5	–	36,701
Single Intelligence Account	2,144	237	20	2,401	2,276	–	–	2,276
Home Office	11,131	-179	0	10,952	11,083	-24	10	11,069
Foreign and Commonwealth Office	1,320	816	2	2,138	1,336	6	2	1,344
International Development	8,076	-864	392	7,604	9,333	15	-210	9,138
Health	119,334	123	-213	119,244	121,992	0	-205	121,788
Work and Pensions	6,440	-35	6	6,410	6,078	0	6	6,083
Education	66,895	-1	-327	66,568	68,050	-1	-71	67,978
Business, Energy and Industrial Strategy	2,168	-22	-163	1,983	2,158	0	-139	2,019
Transport	3,619	1	-30	3,589	3,721	0	3	3,724
Exiting the European Union	8	–	94	101	7	–	93	100
Culture, Media and Sport	1,601	1	-24	1,578	1,668	1	-21	1,647
DCLG Communities	2,951	-342	301	2,910	2,451	-91	73	2,433
DCLG Local Government	5,165	206	1,357	6,728	4,300	-60	1,214	5,454
Scotland ⁽¹⁾	27,538	13	-12,176	15,374	27,653	–	-12,869	14,784
Wales	13,913	7	81	14,002	14,014	0	53	14,067
Northern Ireland	10,469	4	51	10,524	10,495	–	38	10,533
Justice	7,041	20	113	7,173	6,538	–	216	6,754
Law Officers' Departments	548	5	10	564	563	0	–	563
Environment, Food and Rural Affairs	1,862	5	5	1,873	1,732	0	–	1,732
HM Revenue and Customs	3,758	173	17	3,947	3,488	153	32	3,673
HM Treasury	154	0	15	169	145	0	15	160
Cabinet Office	325	3	173	502	256	-1	24	279
International Trade	360	4	–	364	342	-4	–	338
Small and Independent Bodies	1,405	-8	98	1,495	1,386	–	28	1,414
Reserves	3,069	–	1,355	4,400	3,684	–	1,139	4,800
OBR allowance for shortfall	–	–	-750	-800	-1,000	–	250	-800
Adjustment for Budget Exchange ⁽²⁾	–	–	-397	-400	–	–	–	–
Total resource DEL	337,240	–	-9,734	327,500	340,446	–	-10,320	330,100

⁽¹⁾ The Scottish Government's DEL block grant has been adjusted to reflect the devolution of taxes using the methodology set out in the Scottish Government's fiscal framework agreement. The fiscal framework determines the Scottish Government's DEL adjustments, while the Scottish Government's AME includes all self-financed spending (resulting from their tax policy choices and borrowing). The Scottish Government's DEL block grant will also be adjusted to reflect welfare devolution, using the methodology set out in the fiscal framework, when the Scottish Government take on executive competency for these powers.

⁽²⁾ Departments budgets in 2017-18 include amounts carried forward through Budget Exchange, which will be voted at Main Estimates. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 3.10 Resource DEL 2019-20; changes since PESA 2016

	2019-20			£ million
	Plans in SR2015 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
Resource DEL				
Defence	37,547	5	-100	37,452
Single Intelligence Account	2,398	–	–	2,398
Home Office	11,002	-24	10	10,988
Foreign and Commonwealth Office	1,353	3	2	1,358
International Development	8,877	18	250	9,145
Health	124,777	0	4	124,781
Work and Pensions	5,550	0	–	5,550
Education	69,307	-1	-210	69,096
Business, Energy and Industrial Strategy	1,977	–	-156	1,822
Transport	3,327	0	–	3,327
Exiting the European Union	6	–	89	95
Culture, Media and Sport	1,720	1	-61	1,660
DCLG Communities	2,232	-62	9	2,178
DCLG Local Government	3,539	-60	1,881	5,360
Scotland ⁽¹⁾	27,819	–	-13,346	14,473
Wales	14,133	0	30	14,163
Northern Ireland	10,533	–	23	10,556
Justice	6,407	–	166	6,573
Law Officers' Departments	563	0	–	563
Environment, Food and Rural Affairs	1,663	0	–	1,663
HM Revenue and Customs	3,293	124	–	3,417
HM Treasury	139	–	15	154
Cabinet Office	240	-1	17	256
International Trade	341	-4	0	337
Small and Independent Bodies	1,370	–	29	1,399
Reserves	4,233	–	2,907	7,100
OBR allowance for shortfall	-500	–	-250	-800
Adjustment for planned efficiency savings	-3,500	–	–	-3,500
Total resource DEL	340,345	–	-8,691	331,700

⁽¹⁾ The Scottish Government's DEL block grant has been adjusted to reflect the devolution of taxes using the methodology set out in the Scottish Government's fiscal framework agreement. The fiscal framework determines the Scottish Government's DEL adjustments, while the Scottish Government's AME includes all self-financed spending (resulting from their tax policy choices and borrowing). The Scottish Government's DEL block grant will also be adjusted to reflect welfare devolution, using the methodology set out in the fiscal framework, when the Scottish Government take on executive competency for these powers.

Table 3.11 Resource DEL excluding depreciation 2017-18 and 2018-19; changes since PESA 2016

	£ million							
	2017-18				2018-19			
	Plans in PESA 2016 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	Plans in PESA 2016 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
Resource DEL excluding depreciation								
Defence	27,443	-167	260	27,535	28,196	5	–	28,201
Single Intelligence Account	1,790	237	20	2,047	1,911	–	–	1,911
Home Office	10,800	-179	0	10,621	10,730	-24	10	10,716
Foreign and Commonwealth Office	1,209	816	2	2,026	1,225	6	2	1,233
International Development	8,058	-864	392	7,586	9,315	15	-210	9,120
Health	117,823	123	-213	117,733	120,461	0	-205	120,257
Work and Pensions	6,261	-35	6	6,231	5,913	0	6	5,918
Education	61,665	-1	-325	61,340	62,201	-1	-71	62,129
Business, Energy and Industrial Strategy	1,891	-22	-166	1,703	1,882	0	-143	1,740
Transport	1,989	1	-22	1,968	2,087	0	3	2,090
Exiting the European Union	8	–	94	101	7	–	93	100
Culture, Media and Sport	1,429	1	-24	1,406	1,482	1	-21	1,461
DCLG Communities	2,860	-342	275	2,793	2,292	-91	73	2,274
DCLG Local Government	5,165	206	1,357	6,728	4,300	-60	1,214	5,454
Scotland ⁽¹⁾	26,481	13	-12,176	14,317	26,548	–	-12,869	13,678
Wales	13,277	7	81	13,365	13,351	0	53	13,404
Northern Ireland	9,911	4	51	9,966	9,921	–	38	9,959
Justice	6,452	20	113	6,584	5,949	–	216	6,165
Law Officers' Departments	537	5	10	553	548	0	–	548
Environment, Food and Rural Affairs	1,619	5	5	1,629	1,491	0	–	1,491
HM Revenue and Customs	3,432	173	17	3,622	3,136	153	32	3,321
HM Treasury	148	0	15	162	140	0	15	155
Cabinet Office	310	3	153	467	241	-1	24	264
International Trade	358	4	–	362	339	-4	–	335
Small and Independent Bodies	1,322	-8	98	1,412	1,303	–	28	1,331
Reserves	3,569	–	855	4,400	3,684	–	1,139	4,800
OBR allowance for shortfall	-500	–	-250	-800	-1,000	–	250	-800
Adjustment for Budget Exchange ⁽²⁾	–	–	-397	-400	–	–	–	–
Total resource DEL excluding depreciation	315,309	–	-9,773	305,500	317,653	–	-10,324	307,300

⁽¹⁾ The Scottish Government's DEL block grant has been adjusted to reflect the devolution of taxes using the methodology set out in the Scottish Government's fiscal framework agreement. The fiscal framework determines the Scottish Government's DEL adjustments, while the Scottish Government's AME includes all self-financed spending (resulting from their tax policy choices and borrowing). The Scottish Government's DEL block grant will also be adjusted to reflect welfare devolution, using the methodology set out in the fiscal framework, when the Scottish Government take on executive competency for these powers.

⁽²⁾ Departments budgets in 2017-18 include amounts carried forward through Budget Exchange, which will be voted at Main Estimates. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 3.12 Resource DEL excluding depreciation 2019-20; changes since PESA 2016

	2019-20			£ million
	Plans in PESA 2016 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
Resource DEL excluding depreciation				
Defence	29,047	5	-100	28,952
Single Intelligence Account	2,021	–	–	2,021
Home Office	10,692	-24	10	10,678
Foreign and Commonwealth Office	1,241	3	2	1,246
International Development	8,858	18	250	9,126
Health	123,246	0	4	123,250
Work and Pensions	5,395	0	–	5,395
Education	62,918	-1	-210	62,707
Business, Energy and Industrial Strategy	1,697	–	-159	1,538
Transport	1,693	0	–	1,693
Exiting the European Union	6	–	89	95
Culture, Media and Sport	1,521	1	-61	1,461
DCLG Communities	2,207	-62	9	2,153
DCLG Local Government	3,539	-60	1,881	5,360
Scotland ⁽¹⁾	26,673	–	-13,346	13,328
Wales	13,445	0	30	13,476
Northern Ireland	9,946	–	23	9,969
Justice	5,804	–	166	5,970
Law Officers' Departments	548	0	–	548
Environment, Food and Rural Affairs	1,424	0	–	1,424
HM Revenue and Customs	2,914	124	–	3,037
HM Treasury	133	–	15	148
Cabinet Office	225	-1	17	241
International Trade	339	-4	-	335
Small and Independent Bodies	1,287	–	28	1,315
Reserves	4,233	–	2,907	7,100
OBR allowance for shortfall	-500	–	-250	-800
Adjustment for planned efficiency savings	-3,500	–	–	-3,500
Total resource DEL excluding depreciation	317,051	–	-8,694	308,400

⁽¹⁾ The Scottish Government's DEL block grant has been adjusted to reflect the devolution of taxes using the methodology set out in the Scottish Government's fiscal framework agreement. The fiscal framework determines the Scottish Government's DEL adjustments, while the Scottish Government's AME includes all self-financed spending (resulting from their tax policy choices and borrowing). The Scottish Government's DEL block grant will also be adjusted to reflect welfare devolution, using the methodology set out in the fiscal framework, when the Scottish Government take on executive competency for these powers.

Table 3.13 Capital DEL 2017-18 and 2018-19; changes since PESA 2016

	£ million							
	2017-18				2018-19			
	Plans in PESA 2016 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	Plans in PESA 2016 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
Capital DEL								
Defence	8,493	-43	80	8,530	8,745	–	–	8,745
Single Intelligence Account	567	43	–	610	585	–	–	585
Home Office	575	-9	–	566	496	–	–	496
Foreign and Commonwealth Office	98	3	33	134	98	–	–	98
International Development	3,637	10	-758	2,888	3,207	–	–	3,207
Health	5,886	-11	209	6,084	5,903	–	109	6,012
Work and Pensions	378	–	–	378	255	–	–	255
Education	5,173	-130	139	5,182	5,365	–	711	6,075
Business, Energy and Industrial Strategy	10,074	-1	823	10,896	9,443	–	1,152	10,595
Transport	7,061	-137	-514	6,410	8,500	-49	-408	8,042
Exiting the European Union	–	–	0	0	–	–	0	0
Culture, Media and Sport	394	–	55	449	377	–	153	529
DCLG Communities	5,148	275	1,089	6,512	5,332	49	1,203	6,584
Scotland ⁽¹⁾	3,236	–	153	3,389	3,295	–	242	3,537
Wales	1,524	–	80	1,604	1,572	–	115	1,688
Northern Ireland	1,150	–	60	1,210	1,165	–	87	1,252
Justice	742	–	–	742	692	–	–	692
Law Officers' Departments	15	–	0	15	16	–	–	16
Environment, Food and Rural Affairs	684	–	1	685	669	–	5	674
HM Revenue and Customs	242	-9	14	247	228	–	6	234
HM Treasury	87	0	100	187	84	–	100	184
Cabinet Office	46	22	29	97	25	–	–	25
International Trade	6	1	–	7	4	–	–	4
Small and Independent Bodies	126	-15	138	249	118	–	111	230
Reserves	1,294	–	-314	1,000	1,278	–	-664	600
OBR allowance for shortfall	-2,200	–	700	-1,500	-2,500	–	750	-1,800
Adjustment for Budget Exchange ⁽²⁾	–	–	-500	-500	–	–	0	0
Total Capital DEL	54,433	–	1,647	56,100	54,950	–	3,638	58,600

⁽¹⁾ The Scottish Government's DEL block grant has been adjusted to reflect the devolution of taxes using the methodology set out in the Scottish Government's fiscal framework agreement. The fiscal framework determines the Scottish Government's DEL adjustments, while the Scottish Government's AME includes all self-financed spending (resulting from their tax policy choices and borrowing). The Scottish Government's DEL block grant will also be adjusted to reflect welfare devolution, using the methodology set out in the fiscal framework, when the Scottish Government take on executive competency for these powers.

⁽²⁾ Departments budgets in 2017-18 include amounts carried forward through Budget Exchange, which will be voted at Main Estimates. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 3.14 Capital DEL 2019-20; changes since PESA 2016

	2019-20			£ million
	Plans in PESA 2016 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
Capital DEL				
Defence	8,984	10	–	8,994
Single Intelligence Account	655	–	–	655
Home Office	482	–	–	482
Foreign and Commonwealth Office	98	–	–	98
International Development	3,507	20	–	3,527
Health	5,918	–	109	6,027
Work and Pensions	227	–	–	227
Education	4,169	–	584	4,753
Business, Energy and Industrial Strategy	9,272	-30	2,003	11,245
Transport	10,465	285	595	11,345
Exiting the European Union	–	–	0	0
Culture, Media and Sport	303	–	278	581
DCLG Communities	4,426	-285	1,874	6,015
Scotland ⁽¹⁾	3,428	–	291	3,720
Wales	1,657	–	142	1,798
Northern Ireland	1,209	–	102	1,311
Justice	417	–	–	417
Law Officers' Departments	8	–	–	8
Environment, Food and Rural Affairs	508	–	10	518
HM Revenue and Customs	216	–	–	216
HM Treasury	82	–	100	182
Cabinet Office	15	–	–	15
International Trade	4	–	–	4
Small and Independent Bodies	105	–	-4	101
Reserves	1,154	–	65	1,200
Capital spending not yet in budgets	–	–	420	400
OBR allowance for shortfall	-2,300	–	230	-2,100
Adjustment for Budget Exchange ⁽²⁾	–	–	0	0
Total capital DEL	55,009	–	6,765	61,800

⁽¹⁾ The Scottish Government's DEL block grant has been adjusted to reflect the devolution of taxes using the methodology set out in the Scottish Government's fiscal framework agreement. The fiscal framework determines the Scottish Government's DEL adjustments, while the Scottish Government's AME includes all self-financed spending (resulting from their tax policy choices and borrowing). The Scottish Government's DEL block grant will also be adjusted to reflect welfare devolution, using the methodology set out in the fiscal framework, when the Scottish Government take on executive competency for these powers.

⁽²⁾ Departmental budgets in 2019-20 include amounts carried forward through Budget Exchange, which will be voted at Main Estimates. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

4

Trends in public sector expenditure

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

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

What's new

4.3 There have been no significant changes to the presentation of data within this chapter since PESA 2016.

Public spending aggregates

4.4 **Table 4.1** shows trends in public spending since 1976-77 in terms of three spending aggregates: public sector current expenditure; public sector net investment; and Total Managed Expenditure (TME). All aggregates are presented in both nominal and real terms, and as a percentage of Gross Domestic Product (GDP). Data for a fourth aggregate, public sector depreciation, are shown in nominal terms only.

4.5 Outturn data for these aggregates up to 2016-17 are taken from the public sector accounts compiled by the Office for National Statistics (ONS). The public sector accounts are a part of the National Accounts that are updated on a monthly basis.

4.6 Plans period data from 2017-18 onwards are taken from the Office for Budget Responsibility, and are consistent with their Economic and Fiscal Outlook forecasts published at the time of the March 2017 Budget.

Public sector expenditure on services by function

4.7 The public spending by function series uses the Total Expenditure on Services spending aggregate (TES). Expenditure on services covers most expenditure by the public sector that is included in TME.

4.8 Public sector expenditure on services includes central government spending, but excludes the part that is finance to local government and capital finance to public corporations. This central government own expenditure is then combined with actual spending by local government and public corporations to give total public sector expenditure. Expenditure on services excludes non-cash items such as depreciation and provisions. Full details of the definition of expenditure on services and the relationship to departments' budgets are available in **Annex E**.

4.9 **Table 4.2** shows public sector expenditure on services by United Nations Classification Of the Functions Of Government (COFOG) level 1 from 1993-94. **Tables 4.3** and **4.4** present this in real terms and as a percentage of GDP respectively. These tables cover outturn years up to 2016-17. They also show, in italics, additional Treasury-defined functional divisions that were used prior to the introduction of UN COFOG, but which don't correspond to COFOG level 1.

Methods and data quality for long run TES series

4.10 Our aim is for the functional breakdown of spending to be broadly consistent across all tables.

4.11 Data in **Tables 4.2, 4.3** and **4.4** for years before 2012-13 are not taken directly from the 'live' public expenditure database that is maintained by government departments (see **Annex A**). Data that precede the most recent five outturn years cease to be 'live' and are archived in a summarised form.

4.12 Historical outturn data are not usually subject to adjustment. However, reclassifications sometimes affect the long-run functional series. These include ONS decisions on the National Accounts, and decisions taken by the Treasury in conjunction with departments to improve the allocation of spending to functions.

4.13 Only substantial classification changes are reflected in the historical years, based on the change in spending relative to the size of the function or functions concerned. Reclassifications that are reflected in the historical series are based on archived data. The decision as to the procedure used to implement reclassifications for historical years is taken by Treasury officials after discussions with the relevant government departments, and can sometimes entail a simple percentage split based on the best information available.

4.14 It should be noted that the attribution of spending to functions for historical years is less accurate than for live years. In some cases, the presentation of functional numbers as accurate to within £100 million overstates the accuracy of the figures due to rounding. Minor differences in figures or rates of change should be disregarded.

Table 4.1 Public expenditure aggregates, 1976-77 to 2019-20
Outturn data in this table up to 2016-17 fall within the scope of National Statistics

	Public sector current expenditure			Depreciation		Public sector net investment			Total Managed Expenditure ⁽²⁾		
	Nominal £ billion	Real terms ⁽¹⁾ £ billion	Per cent of GDP	Nominal £ billion	Per cent of GDP	Nominal £ billion	Real terms ⁽¹⁾ £ billion	Per cent of GDP	Nominal £ billion	Real terms ⁽¹⁾ £ billion	Per cent of GDP
1976-77	51.2	294.8	36.3	6.4	4.6	6.4	37.0	4.6	64.1	368.8	45.4
1977-78	57.5	291.0	34.9	7.4	3.2	5.2	26.5	3.2	70.2	354.9	42.5
1978-79	66.1	300.7	34.6	8.4	2.7	5.2	23.7	2.7	79.7	362.5	41.7
1979-80	79.6	309.7	34.4	10.0	2.5	5.8	22.4	2.5	95.3	371.0	41.2
1980-81	96.8	316.3	36.4	12.1	2.2	5.8	19.0	2.2	114.7	374.7	43.2
1981-82	110.8	327.9	37.5	13.2	1.4	4.1	12.2	1.4	128.2	379.2	43.3
1982-83	121.6	335.7	37.5	13.9	1.9	6.1	16.9	1.9	141.6	390.9	43.6
1983-84	131.3	345.9	37.0	14.6	2.1	7.6	20.0	2.1	153.4	404.2	43.2
1984-85	142.0	353.7	37.1	14.8	1.9	7.3	18.2	1.9	164.1	408.8	42.9
1985-86	150.5	355.0	35.7	14.4	1.5	6.3	15.0	1.5	171.3	403.9	40.7
1986-87	158.7	359.4	35.1	14.9	1.1	4.8	10.9	1.1	178.4	404.1	39.4
1987-88	169.6	364.3	33.4	14.9	0.9	4.7	10.1	0.9	189.3	406.4	37.3
1988-89	176.3	355.6	31.2	15.8	0.7	3.8	7.7	0.7	195.9	395.1	34.6
1989-90	191.1	357.9	30.7	16.8	1.4	9.0	16.8	1.4	216.8	406.1	34.8
1990-91	208.1	360.5	31.0	16.7	1.5	10.3	17.8	1.5	235.1	407.3	35.0
1991-92	232.0	380.4	32.8	15.4	1.9	13.5	22.1	1.9	260.9	427.8	36.9
1992-93	252.1	403.6	34.7	15.3	1.9	14.0	22.5	1.9	281.5	450.6	38.7
1993-94	266.2	416.5	34.6	15.6	1.6	11.9	18.7	1.6	293.7	459.6	38.2
1994-95	277.6	429.5	34.4	15.7	1.5	12.3	19.0	1.5	305.5	472.7	37.9
1995-96	291.2	437.3	34.3	15.7	1.5	12.6	18.9	1.5	319.4	479.7	37.6
1996-97	300.3	434.4	33.2	16.0	0.8	7.6	11.0	0.8	323.9	468.6	35.8
1997-98	307.1	437.4	32.3	18.7	0.5	4.3	6.1	0.5	330.1	470.1	34.8
1998-99	315.3	443.0	31.8	18.8	0.6	5.6	7.9	0.6	339.7	477.3	34.3
1999-00	326.6	456.5	31.5	19.4	0.6	6.4	9.0	0.6	352.5	492.6	34.0
2000-01	348.3	476.9	31.9	20.0	0.6	6.4	8.8	0.6	374.6	513.0	34.3
2001-02	365.8	494.6	32.3	20.9	1.1	12.8	17.3	1.1	399.5	540.1	35.3
2002-03	393.8	520.7	33.1	22.8	1.3	14.9	19.7	1.3	431.6	570.6	36.2
2003-04	430.1	556.2	34.2	22.9	1.2	14.6	18.9	1.2	467.6	604.7	37.1
2004-05	463.3	583.6	35.1	24.5	1.6	21.7	27.3	1.6	509.5	641.7	38.6
2005-06	490.5	601.8	35.0	25.9	1.8	25.5	31.3	1.8	541.8	664.8	38.6
2006-07	513.9	612.0	34.8	27.2	1.9	27.5	32.8	1.9	568.7	677.2	38.5
2007-08	544.4	633.0	35.2	28.2	2.0	30.7	35.7	2.0	603.4	701.5	39.0
2008-09	577.3	653.5	37.3	30.5	3.3	51.4	58.2	3.3	659.2	746.2	42.6
2009-10	609.5	680.6	39.8	31.6	3.4	52.0	58.0	3.4	693.1	773.9	45.3
2010-11	637.6	699.1	40.1	33.1	2.8	44.4	48.6	2.8	715.1	784.1	44.9
2011-12	646.1	698.8	39.5	35.2	2.1	34.8	37.7	2.1	716.2	774.5	43.8
2012-13	656.5	695.4	38.8	36.4	2.3	39.1	41.4	2.3	732.0	775.3	43.3
2013-14	666.8	694.8	37.9	37.8	1.8	33.7	33.7	1.8	736.9	767.9	41.9
2014-15	676.3	694.5	36.9	38.8	2.0	36.9	37.9	2.0	752.0	772.3	41.0
2015-16	682.3	695.9	36.2	40.0	1.7	31.6	32.3	1.7	769.0	769.0	40.0
2016-17	691.4	691.4	35.4	41.0	2.0	38.1	38.1	2.0	770.6	770.6	39.4
2017-18	719.5	708.0	35.5	42.8	2.0	40.1	39.4	2.0	802.4	789.6	39.6
2018-19	730.9	708.1	34.9	44.4	2.0	41.9	40.6	2.0	817.2	791.7	39.0
2019-20	739.2	704.5	34.1	46.0	2.0	42.7	40.7	2.0	827.9	789.0	38.2

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2016-17 price levels using GDP deflators from the Office for National Statistics (released 30 June 2017).

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

Table 4.2 Public sector expenditure on services by function, 1993-94 to 2016-17

	cash basis												accruals basis												£ billion
	National Statistics																								
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	
1. General public services	29.8	32.7	36.3	37.4	39.0	39.7	37.2	38.6	36.1	35.5	38.7	43.0	46.1	48.4	51.3	55.5	50.6	63.1	63.8	59.6	61.0	58.9	59.1	62.3	
of which: public and common services	5.8	5.9	6.1	6.2	6.2	7.2	8.0	7.9	9.2	9.8	10.9	12.1	12.8	12.7	12.5	14.0	13.8	12.8	11.5	11.2	11.2	11.4	11.2	13.1	
of which: international services	3.2	3.3	3.4	3.1	3.1	3.2	3.7	4.2	4.3	4.5	5.1	5.5	6.2	6.3	6.7	6.4	7.1	7.8	7.7	7.7	9.8	10.5	10.4	9.8	
of which: public sector debt interest	20.8	23.5	26.8	28.1	29.7	29.3	25.5	26.5	22.6	21.2	22.7	25.4	27.1	29.4	32.1	35.1	29.7	42.5	44.6	40.7	40.1	37.0	37.5	39.4	
2. Defence ⁽¹⁾	23.5	23.3	22.5	22.1	21.7	24.5	25.1	25.7	25.4	27.0	28.8	29.8	31.0	32.2	33.7	36.8	37.7	39.3	38.7	36.3	36.4	36.7	36.6	37.0	
3. Public order and safety	15.0	15.6	16.0	16.4	17.1	18.0	18.4	20.4	23.1	24.4	26.4	28.5	29.3	30.4	31.7	33.7	34.1	33.1	32.1	31.3	29.6	30.5	30.2	30.1	
4. Economic affairs	23.3	23.8	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	36.8	39.8	39.9	44.8	47.1	
of which: enterprise and economic development ⁽²⁾	5.5	4.7	4.5	4.3	4.3	3.1	4.4	4.9	5.1	5.9	6.0	6.5	6.4	6.3	7.1	16.2	12.2	4.9	4.8	5.0	5.7	5.1	5.3	5.8	
of which: science and technology	1.5	1.1	1.2	1.4	1.4	1.4	1.4	1.4	1.7	2.1	2.3	2.5	3.0	2.9	3.3	3.2	3.6	3.4	3.6	3.3	4.2	4.5	4.8	3.9	
of which: employment policies	3.1	3.2	3.1	2.8	2.5	2.9	3.5	3.8	3.3	3.0	3.2	3.2	3.3	3.3	3.3	2.1	3.5	4.1	4.7	3.2	2.9	3.7	3.2	2.4	
of which: agriculture, fisheries and forestry	3.8	3.4	3.9	5.4	4.7	4.4	4.3	4.7	6.3	4.9	5.3	5.4	5.6	5.1	4.3	5.8	5.8	5.5	5.8	5.3	5.4	5.2	4.5	5.3	
of which: transport ^{(3), (4)}	10.0	11.5	10.9	9.5	8.7	7.8	7.9	9.0	11.3	14.8	16.3	16.0	17.0	19.9	20.6	21.0	23.0	21.5	20.4	20.3	20.9	22.0	27.8	29.6	
5. Environment protection	3.4	3.8	4.1	3.7	4.0	4.3	4.9	5.1	5.4	6.0	6.2	7.0	8.5	9.4	9.6	9.2	10.4	10.9	10.5	10.7	11.2	11.6	11.6	11.3	
6. Housing and community amenities	6.2	6.2	6.0	5.7	4.9	5.5	4.7	5.5	6.2	5.4	6.7	8.0	10.7	11.5	13.0	15.3	16.3	13.3	13.3	10.2	10.1	10.0	10.4	10.6	
7. Health	36.6	39.4	41.4	42.8	44.5	46.9	49.4	54.2	59.8	66.2	74.9	82.9	89.8	94.7	101.1	108.7	116.9	119.9	121.3	124.3	129.4	134.1	138.5	144.3	
8. Recreation, culture and religion	5.1	5.2	5.5	5.7	6.4	7.2	7.7	7.8	8.6	9.3	9.7	10.0	10.8	11.4	11.9	12.4	13.2	13.0	12.5	12.7	11.4	12.4	10.9	11.6	
9. Education	34.7	36.2	37.0	37.8	38.6	40.0	42.2	45.9	51.2	54.7	61.0	65.1	69.8	73.0	78.7	83.0	88.5	91.5	86.5	84.0	84.9	85.1	84.8	87.2	
10. Social protection	98.3	102.0	107.6	112.8	114.5	115.2	123.0	128.5	137.4	145.3	155.6	164.1	171.0	177.0	188.6	203.4	223.0	230.4	244.8	253.4	254.0	260.9	265.0	264.3	
EU transactions ⁽⁵⁾	-4.7	-4.3	-4.1	-5.2	-3.7	-2.6	-2.7	-2.6	-4.8	-1.9	-2.1	-0.9	-0.6	-1.8	-1.5	-2.9	0.9	5.9	4.3	6.7	7.2	6.2	7.7	4.7	
Public sector expenditure on services	260.3	271.7	284.0	295.7	302.5	308.5	318.3	331.4	353.0	376.1	402.6	439.0	471.1	501.7	523.8	555.6	604.7	640.1	664.6	666.0	674.8	686.7	699.2	710.5	
Accounting adjustments	33.3	33.8	35.4	28.2	27.6	31.2	34.2	43.2	46.5	55.5	65.0	70.5	70.7	67.0	79.6	103.6	88.4	75.0	51.6	66.0	62.0	65.3	54.7	60.1	
Total Managed Expenditure⁽⁶⁾	293.7	305.5	319.4	323.9	330.1	339.7	352.5	374.6	399.5	431.6	467.6	509.5	541.8	568.7	603.4	659.2	693.1	715.1	716.2	732.0	736.9	752.0	753.9	770.6	

⁽¹⁾ The 2015 Spending Review continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence for the rest of this decade. This is evaluated using the NATO definitions of Defence spending rather than the UN COFOG definitions that are used in this table. The UN COFOG and NATO measures of Defence use different definitions and are therefore not comparable. For example, the NATO Defence figures include pensions whereas in COFOG these are included in Social Protection. Details and figures on NATO Defence expenditures can be found at the following link: http://www.nato.int/gsp/ov/natohq/topics_49198.htm

⁽²⁾ Transactions in 2008-09 onwards have been affected by financial sector interventions. Details are provided in chapter 5 Box 5.A.

⁽³⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The functional analysis shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' from that year.

⁽⁴⁾ In order to align with ONS data, the transport function now includes expenditure relating to the local government part of the TIL subsidiary, 'Transport Trading Limited'. This data has been obtained from the Office for National Statistics and currently includes expenditure of bodies such as Crossrail and Rail for London from 2011-12 onwards.

⁽⁵⁾ From 2010-11 onwards VAT-based payments are no longer deducted from EU transactions thus bringing these totals in-line with ESA10.

⁽⁶⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

Table 4.3 Public sector expenditure on services by function in real terms,⁽¹⁾ 1993-94 to 2016-17

	cash basis												accruals basis												£ billion
	National Statistics																								
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	
1. General public services	46.6	50.6	54.5	54.1	55.5	55.8	51.9	52.9	48.8	46.9	50.0	54.2	56.5	57.7	59.6	62.8	56.5	69.2	69.0	63.2	63.6	60.5	60.3	62.3	
of which: public and common services	9.1	9.1	9.2	9.0	8.8	10.1	11.2	10.8	12.4	13.0	14.1	15.2	15.7	15.1	14.5	15.8	15.4	14.0	12.4	11.8	11.6	11.8	11.4	13.1	
of which: international services	5.0	5.1	5.1	4.5	4.4	4.5	5.2	5.8	5.8	5.9	6.6	6.9	7.6	7.5	7.8	7.2	7.9	8.6	8.4	8.2	10.2	10.8	10.6	9.8	
of which: public sector debt interest	32.5	36.3	40.2	40.7	42.2	41.2	35.6	36.3	30.5	28.0	29.4	32.0	33.2	35.0	37.3	39.7	33.2	46.6	48.3	43.1	41.8	38.0	38.2	39.4	
2. Defence ⁽²⁾	36.8	36.1	33.8	32.0	30.9	34.4	35.1	35.2	34.3	35.7	37.2	37.5	38.0	38.3	39.2	41.7	42.1	43.1	41.8	38.5	37.9	37.7	37.4	37.0	
3. Public order and safety	23.5	24.1	24.0	23.7	24.4	25.3	25.7	27.9	31.2	32.3	34.1	35.9	35.9	36.2	36.9	38.1	38.1	36.3	34.7	33.2	30.8	31.3	30.8	30.1	
4. Economic affairs	36.5	36.8	35.9	34.1	33.3	30.3	27.4	29.4	32.2	36.6	39.7	41.7	41.2	42.0	43.6	42.3	55.5	53.4	43.3	38.9	41.4	40.9	45.7	47.1	
of which: enterprise and economic development ⁽³⁾	8.6	7.3	6.8	6.2	6.1	4.4	6.1	6.7	6.9	7.8	7.8	8.2	7.9	7.5	8.3	18.3	13.6	5.4	5.2	5.3	5.9	5.2	5.4	5.8	
of which: science and technology	2.3	1.7	1.8	2.0	2.0	2.0	2.0	1.9	2.3	2.8	3.0	3.1	3.7	3.5	3.8	3.6	4.0	3.7	3.9	3.5	4.4	4.6	4.9	3.9	
of which: employment policies	4.9	5.0	4.7	4.1	3.6	4.1	4.9	5.2	4.5	4.0	4.1	4.0	4.0	4.0	3.9	2.4	4.0	4.6	5.2	3.5	3.8	3.2	2.5	2.5	
of which: agriculture, fisheries and forestry	5.9	5.3	5.9	7.8	6.7	6.2	6.0	6.4	8.5	6.5	6.9	6.8	6.9	6.1	5.0	6.6	6.5	6.0	6.2	5.6	5.6	5.4	4.6	5.3	
of which: transport ^{(4), (5)}	15.6	17.8	16.4	13.7	12.4	11.0	11.0	12.3	15.3	19.6	21.1	20.2	20.9	23.7	24.0	23.8	25.7	23.6	22.1	21.5	21.7	22.6	28.3	29.6	
5. Environment protection	5.3	5.9	6.2	5.4	5.7	6.0	6.8	7.0	7.3	7.9	8.0	8.8	10.4	11.2	11.2	10.4	11.6	12.0	11.4	11.3	11.7	11.9	11.9	11.3	
6. Housing and community amenities	9.7	9.6	9.0	8.2	7.0	7.7	6.6	7.5	8.4	7.1	8.7	10.1	13.1	13.7	15.1	17.3	18.2	14.6	11.0	10.7	10.4	10.7	10.2	10.6	
7. Health	57.3	61.0	62.2	61.9	63.4	65.9	69.0	74.2	80.9	87.5	96.9	104.4	110.2	112.8	117.5	123.0	130.5	131.5	131.1	131.7	134.8	137.7	141.3	144.3	
8. Recreation, culture and religion	8.0	8.0	8.3	8.2	9.1	10.1	10.8	10.7	11.6	12.3	12.5	12.6	13.3	13.6	13.8	14.0	14.7	14.3	13.5	13.5	11.9	12.8	11.1	11.6	
9. Education	54.3	56.0	55.6	54.7	55.0	56.2	59.0	62.9	69.2	72.3	78.9	82.0	85.6	86.9	91.5	93.9	98.8	100.3	93.5	89.0	88.4	87.3	86.5	87.2	
10. Social protection	153.8	157.8	161.6	163.2	163.1	161.8	171.9	176.0	185.8	192.1	201.2	206.7	209.8	210.8	219.3	230.2	249.0	252.6	264.8	268.5	264.6	267.9	270.3	264.3	
EU transactions ⁽⁶⁾	-7.4	-6.7	-6.2	-7.5	-5.3	-3.7	-3.8	-3.6	-6.5	-2.5	-2.7	-1.1	-0.7	-2.1	-1.7	-3.3	1.0	6.5	4.7	7.1	7.5	6.4	7.8	4.7	
Public sector expenditure on services	407.4	420.4	426.5	427.7	430.8	433.4	444.8	453.8	477.3	497.2	520.6	553.0	578.0	597.4	609.0	628.9	675.2	701.9	718.7	705.4	703.2	705.2	713.2	710.5	
Accounting adjustments	52.2	52.3	53.2	40.8	39.3	43.9	47.8	59.2	62.9	73.4	84.1	88.8	86.8	79.7	92.5	117.3	98.7	82.2	55.8	70.0	64.7	67.1	55.8	60.1	
Total Managed Expenditure⁽⁷⁾	459.6	472.7	479.7	468.6	470.1	477.3	492.6	513.0	540.1	570.6	604.7	641.7	664.8	677.2	701.5	746.2	773.9	784.1	774.5	775.3	767.9	772.3	769.0	770.6	

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2016-17 price levels using GDP deflators from the Office for National Statistics (released 30 June 2017).

⁽²⁾ The 2015 Spending Review continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence for the rest of this decade. This is evaluated using the NATO definitions of Defence spending rather than the UN COFOG definitions that are used in this table. The UN COFOG and NATO measures of Defence use different definitions and are therefore not comparable. For example, the NATO Defence figures include pensions whereas in COFOG these are included in Social Protection. Details and figures on NATO Defence expenditures can be found at the following link: http://www.nato.int/gps/ov/nato/hq/topics_49198.htm

⁽³⁾ Transactions from 2008-09 onwards have been affected by financial sector interventions. Details are provided in chapter 5 Box 5.A.

⁽⁴⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The functional analysis shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' from that year.

⁽⁵⁾ In order to align with ONS data, the transport function now includes expenditure relating to the local government part of the TfL subsidiary, 'Transport Trading Limited'. This data has been obtained from the Office for National Statistics and currently includes expenditure of bodies such as Crossrail and Rail for London from 2011-12 onwards.

⁽⁶⁾ From 2010-11 onwards VAT-based payments are no longer deducted from EU transactions thus bringing these totals in-line with ESA10.

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

Table 4.4 Public sector expenditure on services by function as a per cent of GDP,⁽¹⁾ 1993-94 to 2016-17

	cash basis												accruals basis												per cent
	National Statistics																								
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	
1. General public services	3.9	4.1	4.3	4.1	4.1	4.0	3.6	3.5	3.2	3.0	3.1	3.3	3.3	3.3	3.3	3.6	3.3	4.0	3.9	3.5	3.5	3.2	3.1	3.2	
of which: public and common services	0.8	0.7	0.7	0.7	0.7	0.7	0.8	0.7	0.8	0.8	0.9	0.9	0.9	0.9	0.8	0.9	0.9	0.8	0.7	0.7	0.6	0.6	0.6	0.7	
of which: international services	0.4	0.4	0.4	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.5	
of which: public sector debt interest	2.7	2.9	3.1	3.1	3.1	3.0	2.5	2.4	2.0	1.8	1.8	1.9	1.9	2.0	2.1	2.3	1.9	2.7	2.7	2.4	2.3	2.0	2.0	2.0	
2. Defence ⁽²⁾	3.1	2.9	2.6	2.4	2.3	2.5	2.4	2.4	2.2	2.3	2.3	2.2	2.2	2.2	2.2	2.4	2.5	2.5	2.4	2.2	2.1	2.0	1.9	1.9	
3. Public order and safety	1.9	1.9	1.9	1.8	1.8	1.8	1.8	1.9	2.0	2.0	2.1	2.2	2.1	2.1	2.0	2.2	2.2	2.1	2.0	1.9	1.7	1.7	1.6	1.5	
4. Economic affairs	3.0	3.0	2.8	2.6	2.5	2.2	1.9	2.0	2.1	2.3	2.4	2.5	2.4	2.4	2.4	2.4	3.2	3.1	2.4	2.2	2.3	2.2	2.4	2.4	
of which: enterprise and economic development ⁽³⁾	0.7	0.6	0.5	0.5	0.5	0.3	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.4	0.5	1.0	0.8	0.3	0.3	0.3	0.3	0.3	0.3	0.3	
of which: science and technology	0.2	0.1	0.1	0.2	0.1	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	0.2	0.2	0.2	0.2	
of which: employment policies	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.1	
of which: agriculture, fisheries and forestry	0.5	0.4	0.5	0.6	0.5	0.4	0.4	0.4	0.6	0.4	0.4	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.3	0.4	0.3	0.3	0.2	0.3	
of which: transport ^{(4), (5)}	1.3	1.4	1.3	1.0	0.9	0.8	0.8	0.8	1.0	1.2	1.3	1.2	1.2	1.3	1.3	1.4	1.5	1.4	1.2	1.2	1.2	1.2	1.5	1.5	
5. Environment protection	0.4	0.5	0.5	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	
6. Housing and community amenities	0.8	0.8	0.7	0.6	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.6	0.8	0.8	0.8	1.0	1.1	0.8	0.6	0.6	0.6	0.6	0.5	0.5	
7. Health	4.8	4.9	4.9	4.7	4.7	4.7	4.8	5.0	5.3	5.6	5.9	6.3	6.4	6.4	6.5	7.0	7.6	7.5	7.4	7.4	7.4	7.3	7.3	7.4	
8. Recreation, culture and religion	0.7	0.6	0.6	0.6	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	0.9	0.8	0.8	0.8	0.7	0.6	0.6	
9. Education	4.5	4.5	4.4	4.2	4.1	4.0	4.1	4.2	4.5	4.6	4.8	4.9	5.0	4.9	5.1	5.4	5.8	5.7	5.3	5.0	4.8	4.6	4.5	4.5	
10. Social protection	12.8	12.7	12.7	12.5	12.1	11.6	11.9	11.8	12.1	12.2	12.4	12.4	12.2	12.0	12.2	13.1	14.6	14.5	15.0	15.0	14.4	14.2	14.1	13.5	
EU transactions ⁽⁶⁾	-0.6	-0.5	-0.5	-0.6	-0.4	-0.3	-0.3	-0.2	-0.4	-0.2	-0.2	-0.1	0.0	-0.1	-0.1	-0.2	0.1	0.4	0.3	0.4	0.4	0.3	0.4	0.2	
Public sector expenditure on services	33.8	33.7	33.4	32.7	31.8	31.1	30.7	30.4	31.2	31.6	32.0	33.3	33.6	34.0	33.9	35.9	39.5	40.2	40.7	39.4	38.4	37.4	37.1	36.3	
Accounting adjustments	4.3	4.2	4.2	3.1	2.9	3.1	3.3	4.0	4.1	4.7	5.2	5.3	5.0	4.5	5.1	6.7	5.8	4.7	3.2	3.9	3.5	3.6	2.9	3.1	
Total Managed Expenditure⁽⁷⁾	38.2	37.9	37.6	35.8	34.8	34.3	34.0	34.3	35.3	36.2	37.1	38.6	38.6	38.5	39.0	42.6	45.3	44.9	43.8	43.3	41.9	41.0	40.0	39.4	

⁽¹⁾ GDP until 2016-17 is consistent with the latest figures from the Office for National Statistics (published 30 June 2017).

⁽²⁾ The 2015 Spending Review continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence for the rest of this decade. This is evaluated using the NATO definitions of Defence spending rather than the UN COFOG definitions that are used in this table. The UN COFOG and NATO measures of Defence use different definitions and are therefore not comparable. For example, the NATO Defence figures include pensions whereas in COFOG these are included in Social Protection. Details and figures on NATO Defence expenditures can be found at the following link: http://www.nato.int/gps/ov/natohq/topics_49198.htm

⁽³⁾ Transactions from 2008-09 onwards have been affected by financial sector interventions. Details are provided in chapter 5 Box 5.A.

⁽⁴⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The functional analysis shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' from that year.

⁽⁵⁾ In order to align with ONS data, the transport function now includes expenditure relating to the local government part of the TfL subsidiary, 'Transport Trading Limited'. This data has been obtained from the Office for National Statistics and currently includes expenditure of bodies such as Crossrail and Rail for London from 2011-12 onwards.

⁽⁶⁾ From 2010-11 onwards VAT-based payments are no longer deducted from EU transactions thus bringing these totals in-line with ESA10.

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

5

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

5.1 The analyses in this chapter present public sector expenditure for the years 2012-13 onwards, adjusted so that figures for all years are based on current definitions. All data are National Statistics and are based on the expenditure on services framework (explained in **Annex E**).

What's new

5.2 Since PESA 2016 there has been a change to the presentation of departmental groupings in **Table 5.1**. The departmental groupings are consistent with the presentation shown elsewhere in PESA and have been updated to reflect the creation of three new departments in 2016: the Department for Exiting the European Union (DExEU), the Department for International Trade (DIT) and the Department for Business, Energy and Industrial Strategy (BEIS). More details of the composition of departmental groupings can be found in **Annex B**.

5.3 There has been a minor change to the labelling of one of the sub-functions in **Table 5.2** to reflect the increasing impact of Universal Credit within Social Protection. Therefore sub-function 10.7 Social exclusion n.e.c. now includes reference to Universal Credit.

Classification changes

5.4 Following on from PESA 2016 where there were a number of classification changes mainly due to the adoption of the European System of Accounts 2010 (ESA10) by the UK, for this year's publication there are no significant changes to classification to report.

Relationship between functional series and departments

5.5 **Table 5.1** shows public sector expenditure on services by function split across the different government departmental groups for 2016-17. Departmental spending can be spread across a variety of functions, particularly in the case of the devolved administrations. This presentation allocates local government expenditure to the departmental group most closely associated with a particular function. For example, spending on schools by local government in Scotland is allocated to Scotland, while equivalent spending in England is allocated to the Department for Education.

Public sector expenditure on services by sub-function

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

¹ <http://unstats.un.org/unsd/cr/register/regcst.asp?Cl=4>

5.7 The sub-function analysis of health is presented against HM Treasury's own sub-functional classification. This is because the NHS in England and Wales (not applicable to Scotland or Northern Ireland) is neither financed nor organised along the lines of COFOG level 2, so capturing the required additional information is not currently possible.

Public sector expenditure on services by economic category

5.8 The economic significance of public spending, such as its impact on GDP, depends on its nature; firstly whether it is current or capital, but also whether it is, for example, a transfer payment or expenditure on goods and services. **Table 5.3** breaks down expenditure on services into its component economic categories.

5.9 The presentation of economic categories in **Table 5.3** is broadly consistent with the economic categories used by the Office for National Statistics for the National Accounts. Brief descriptions of each category within expenditure on services are given below. Except where specifically stated, these categories are consistent with the definitions of the corresponding economic categories presented against the budgeting framework in **Table 2.1**:

- **pay** includes wages and salaries, employers' social contributions, payments of accruing superannuation liability charges for UK staff and locally engaged staff overseas, and amounts that finance employee contributions to pension schemes. It also includes income from the recovery of secondee costs. Unlike **Chapter 2**, it does not include payments for contract and agency staff which are treated as procurement instead;
- **gross current procurement** includes expenditure on goods and services, including payments for contract and agency staff, and payments for consultancy and audit services. Expenditure on hire and rentals under PFI and non-PFI operating leases, shown as **Rentals** in **Chapter 2**, are included here. **Income from the sales of goods and services** is now shown separately;
- **current grants to persons and non-profit bodies** are payments to these recipients that do not fund capital formation. They are mainly social security payments but also comprise grants to further and higher education institutions and other non-profit private sector bodies;
- **current grants abroad** are mainly foreign aid, such as programmes to reduce poverty. They also include the EU transactions set out in **Table 5.2**;
- **subsidies** are payments by government to trading businesses (both private sector and public corporations) to provide support for current costs, including payments to farmers under the EU's Common Agricultural Policy as well as subsidies to rail and bus operators. They are given with the objective of influencing their levels of production, their prices, or other factors;
- **net public service pensions** are the costs of pensions on a National Accounts basis; that is, payments to pensioners less receipts of contributions by employers and employees. More information on pensions is included in **Annex D**;
- **public sector debt interest** reflects the debt interest payments to the private sector, so it excludes intra-public sector payments. These payments do not form part of departmental budgets so are not included within **Table 2.1**;
- **capital grants** are transfer payments to the private sector that are usually made on the condition that the recipient uses the funds for capital projects;

- **gross capital procurement** comprises the acquisition of fixed assets (such as land, buildings and machinery) as well as any increases in stock. It is measured gross of depreciation; and
- **income from sales of capital assets** is the sale value of any assets, such as land, buildings and machinery, disposed of.

Public sector expenditure on services split by current and capital spending

5.10 Table 5.4 gives a functional (COFOG level 1) breakdown of the current and capital expenditure of the public sector for the years from 2012-13. A functional split by sector is available in **Chapter 6** (central government), **Chapter 7** (local government) and **Chapter 8** (public corporations). The split between capital and current follows the National Accounts definition.

Public sector gross procurement by function

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

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

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

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

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

Current expenditure on services

- income from sales of goods and services: £0.5 billion in 2012-13, £0.03 billion in 2013-14, £0.2 billion in 2014-15, Nil in 2015-16 and £0.06 billion in 2016-17.

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

Table 5.1 Public sector expenditure on services by departmental group⁽¹⁾ and function, 2016-17

Departmental Grouping	Function	National Statistics										Public sector expenditure on services for each department										
		1. General public services	of which: public and common services	of which: international services	of which: public sector debt interest	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies		of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	EU transactions	
Defence						34,432													2,247			36,706
Single Intelligence Account						2,514																2,514
Home Office							14,855	94				94										15,088
Foreign and Commonwealth Office																						2,048
International Development																						8,071
Health (inc. NHS)																						134,279
Work and Pensions																						179,084
Education																						81,145
Business, Energy and Industrial Strategy							104	5,785	1,897	3,838	50	6	3	2,304								12,331
Transport							247	25,746		22												28,026
Exiting the European Union																						24
Culture, Media and Sport																						10,198
Communities and Local Government																						15,206
Scotland							8	2,336	696													35,921
Wales							4	2,515	3,910	483	3											16,757
Northern Ireland																						18,758
Justice																						8,482
Law Officers' Departments																						603
Environment, Food and Rural Affairs																						10,404
HM Revenue and Customs																						44,310
HM Treasury																						44,322
Cabinet Office																						4,332
International Trade																						350
Small and Independent Bodies																						1,557
Public sector expenditure on services for each function		62,291	13,104	9,812	39,375	37,000	30,122	47,119	5,805	3,895	2,458	5,345	29,616	11,259	10,567	144,340	11,626	87,173	264,296	4,725	710,516	

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

Table 5.2 Public sector expenditure on services by sub-function, 2012-13 to 2016-17

	£ million				
	National Statistics				
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	9,916	10,129	9,900	9,974	10,602
1.2 Foreign economic aid ⁽¹⁾	5,606	7,586	8,542	8,173	7,707
1.3 General services	946	767	932	948	871
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	319	402	407	415	308
1.6 General public services n.e.c.	2,116	2,079	2,157	2,111	3,428
1.7 Public debt transactions ^{(2), (3)}	40,719	40,086	36,978	37,483	39,375
<i>of which: central government debt interest</i>	48,982	48,796	45,369	45,125	48,380
<i>of which: local government debt interest</i>	515	547	775	761	722
<i>of which: public corporation debt interest</i>	3,280	3,308	3,232	3,301	3,428
<i>of which: Bank of England</i>	-12,058	-12,565	-12,398	-11,704	-13,155
Total general public services	59,621	61,049	58,915	59,104	62,291
2. Defence ⁽⁴⁾					
2.1 Military defence	32,261	33,021	33,749	34,012	35,079
2.2 Civil defence	96	104	104	99	141
2.3 Foreign military aid	2,235	1,361	633	329	515
2.4 R&D defence	1,467	1,673	1,950	1,922	1,104
2.5 Defence n.e.c.	281	245	261	266	161
Total defence	36,340	36,405	36,698	36,627	37,000
3. Public order and safety					
3.1 Police services	17,578	16,351	16,662	16,569	16,350
<i>of which: immigration and citizenship</i>	1,528	976	1,196	1,063	761
<i>of which: other police services</i>	16,049	15,375	15,466	15,506	15,589
3.2 Fire-protection services	2,885	2,802	2,807	2,722	2,788
3.3 Law courts	5,983	5,548	6,331	5,745	5,704
3.4 Prisons	4,365	4,116	3,828	4,157	4,265
3.5 R&D public order and safety	37	38	38	35	38
3.6 Public order and safety n.e.c.	460	748	820	980	976
Total public order and safety	31,307	29,603	30,487	30,206	30,122
4. Economic affairs					
4.1 General economic, commercial and labour affairs ⁽⁵⁾	5,923	7,215	6,528	5,947	6,103
4.2 Agriculture, forestry, fishing and hunting	5,284	5,378	5,213	4,470	5,345
<i>of which: market support under CAP</i>	2,894	2,959	2,773	2,278	3,010
<i>of which: other agriculture, food and fisheries policy</i>	2,282	2,301	2,311	2,085	2,224
<i>of which: forestry</i>	109	118	128	107	111
4.3 Fuel and energy	463	464	449	463	480
4.4 Mining, manufacturing and construction	-12	273	39	168	736
4.5 Transport	20,280	20,861	21,972	27,777	29,616
<i>of which: national roads</i>	2,851	3,151	3,713	3,987	4,158
<i>of which: local roads</i>	4,813	5,025	5,302	5,159	5,407
<i>of which: local public transport</i>	2,634	2,398	2,519	2,438	2,329
<i>of which: railway ^{(6), (7)}</i>	8,669	8,716	8,941	14,227	15,173
<i>of which: other transport</i>	1,312	1,572	1,497	1,967	2,548
4.6 Communication	770	645	436	447	271
4.7 Other industries	311	274	282	277	246
4.8 R&D economic affairs	3,325	4,194	4,472	4,819	3,895
4.9 Economic affairs n.e.c.	421	459	480	427	426
Total economic affairs	36,766	39,763	39,872	44,795	47,119
5. Environment protection					
5.1 Waste management	7,662	7,828	7,896	7,938	8,073
5.2 Waste water management	–	–	–	–	–
5.3 Pollution abatement	147	142	501	469	80
5.4 Protection of biodiversity and landscape	391	431	472	642	460
5.5 R&D environment protection	442	499	470	460	400
5.6 Environment protection n.e.c.	2,021	2,283	2,227	2,125	2,247
Total environment protection	10,664	11,183	11,567	11,635	11,259

Table 5.2 Public sector expenditure on services by sub-function, 2012-13 to 2016-17 (continued)

	National Statistics				
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn
£ million					
6. Housing and community amenities					
6.1 Housing development	5,570	5,174	5,692	5,477	5,341
<i>of which: local authority housing</i>	4,262	4,074	4,738	4,685	4,559
<i>of which: other social housing</i>	1,308	1,100	954	792	782
6.2 Community development	2,816	3,062	2,950	2,623	3,132
6.3 Water supply	770	749	735	814	888
6.4 Street lighting	706	750	790	814	850
6.5 R&D housing and community amenities	–	–	–	2	0
6.6 Housing and community amenities n.e.c.	237	248	269	301	355
Total housing and community amenities	10,099	9,982	10,435	10,030	10,567
7. Health ⁽⁸⁾					
Medical services	118,621	122,814	128,596	132,766	138,139
Medical research	1,703	1,970	1,876	2,179	1,871
Central and other health services	3,978	4,604	3,581	3,554	4,330
Total health	124,302	129,389	134,053	138,499	144,340
8. Recreation, culture and religion					
8.1 Recreational and sporting services	4,672	3,471	3,997	3,268	3,119
8.2 Cultural services	4,098	3,952	4,056	3,406	4,106
8.3 Broadcasting and publishing services	3,566	3,705	4,088	3,905	4,122
8.4 Religious and other community services	114	95	76	85	68
8.5 R&D recreation, culture and religion	164	141	174	168	142
8.6 Recreation, culture and religion n.e.c.	97	46	59	65	68
Total recreation, culture and religion	12,711	11,410	12,449	10,896	11,626
9. Education					
9.1 Pre-primary and primary education	29,715	30,474	30,749	31,203	31,112
<i>of which: under fives</i>	3,000	3,396	2,932	3,102	3,440
<i>of which: primary education</i>	26,715	27,078	27,817	28,101	27,672
9.2 Secondary education ⁽⁹⁾	37,331	37,488	39,138	38,840	40,096
9.3 Post-secondary non-tertiary education	104	323	105	77	74
9.4 Tertiary education	8,148	7,534	6,680	6,164	6,421
9.5 Education not definable by level	667	598	735	632	872
9.6 Subsidiary services to education	4,691	4,642	4,202	3,934	4,040
9.7 R&D education	1,583	1,573	1,573	1,573	1,991
9.8 Education n.e.c.	1,753	2,246	1,872	2,364	2,566
Total education	83,992	84,878	85,054	84,787	87,173
10. Social protection					
<i>of which: personal social services</i>	28,512	28,657	30,268	30,458	30,063
10.1 Sickness and disability	45,301	46,887	50,155	53,281	53,275
<i>of which: personal social services</i>	9,835	9,348	9,422	9,836	9,730
<i>of which: incapacity, disability and injury benefits</i>	35,465	37,538	40,733	43,445	43,545
10.2 Old age	112,308	114,454	118,569	120,096	121,577
<i>of which: personal social services</i>	10,096	10,273	10,552	10,037	10,236
<i>of which: pensions</i>	102,213	104,181	108,016	110,059	111,341
10.3 Survivors	792	1,135	1,153	1,167	1,160
10.4 Family and children	26,566	24,631	25,250	25,340	24,385
<i>of which: personal social services</i>	8,082	8,497	9,759	10,024	9,600
<i>of which: family benefits, income support and tax credits</i>	18,484	16,134	15,491	15,317	14,785
10.5 Unemployment	5,939	4,945	3,473	2,698	2,227
<i>of which: personal social services</i>	–	–	–	–	–
<i>of which: other unemployment benefits</i>	5,939	4,945	3,473	2,698	2,227
10.6 Housing	26,361	26,424	26,421	26,202	25,390
10.7 Social exclusion n.e.c. ⁽¹⁰⁾	32,373	31,916	32,086	32,097	32,151
<i>of which: personal social services</i>	499	539	534	562	497
<i>family benefits, income support, Universal Credit and tax credits</i>	31,873	31,377	31,552	31,535	31,653
10.8 R&D social protection	–	–	–	–	–
10.9 Social protection n.e.c.	3,809	3,578	3,798	4,099	4,131
Total social protection	253,448	253,969	260,905	264,979	264,296

Table 5.2 Public sector expenditure on services by sub-function, 2012-13 to 2016-17 (continued)

	£ million				
	National Statistics				
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn
EU transactions ⁽¹¹⁾					
VAT-based and GNI-based contributions (net of abatement and collection costs)	10,809	11,146	10,915	10,482	8,803
<i>derived as:</i>					
<i>EU gross contribution pre-abatement and after deduction of collection costs</i>	16,871	18,208	18,733	17,635	16,937
<i>Traditional Own Resources (without deduction of collection costs)</i>	-2,891	-2,933	-3,006	-3,085	-3,377
<i>UK abatement</i>	-3,172	-4,130	-4,811	-4,068	-4,757
EU receipts	-4,022	-3,856	-4,690	-2,811	-4,079
Attributed aid and Common Foreign and Security Policy	-82	-79	-	-	-
Total EU transactions	6,705	7,210	6,225	7,671	4,725
Public sector expenditure on services	665,954	674,841	686,660	699,229	710,516
Accounting adjustments	66,039	62,045	65,328	54,687	60,060
Total Managed Expenditure ⁽¹²⁾	731,993	736,886	751,988	753,916	770,576

⁽¹¹⁾ Official Development Assistance (ODA) is the internationally-agreed classification of foreign aid financing and is measured in accordance with international standards agreed by the Organisation for Economic Co-operation and Development (OECD). The UN COFOG measure of Foreign economic aid presented in this table is quite different from the UK ODA measure and therefore not comparable. For example the UK ODA measure include financial transactions such as loans, whereas the UN COFOG measure does not. Also, the UK ODA analysis is on a calendar year rather than financial year basis. A link to the latest ODA release is provided here:

<https://www.gov.uk/government/statistics/provisional-uk-official-development-assistance-as-a-proportion-of-gross-national-income-2016>

⁽¹²⁾ Debt interest figures show gross payments to the private sector and overseas.

⁽¹³⁾ Bank of England public debt transactions shows data in respect of the Asset Purchase Facility and Special Liquidity Scheme.

⁽¹⁴⁾ The 2015 Spending Review continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence for the rest of this decade. This is evaluated using the NATO definitions of Defence spending rather than the UN COFOG definitions that are used in this table. The UN COFOG and NATO measures of Defence use different definitions and are therefore not comparable. For example, the NATO Defence figures include pensions whereas in COFOG these are included in Social Protection. Details and figures on NATO Defence expenditures can be found at the following link: http://www.nato.int/cps/on/natohq/topics_49198.htm

⁽¹⁵⁾ Transactions from 2012-13 onwards have been affected by financial sector interventions. Details are provided in chapter 5 Box 5.A.

⁽¹⁶⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The sub-functional analysis shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' from that year.

⁽¹⁷⁾ In order to align with ONS data, the transport function now includes expenditure relating to the local government part of the TfL subsidiary, 'Transport Trading Limited'. This data has been obtained from the Office for National Statistics and currently includes expenditure of bodies such as Crossrail and Rail for London from 2011-12 onwards.

⁽¹⁸⁾ The level of detail required for COFOG level 2 is not yet available in England and Wales. Health spending is therefore presented using HM Treasury's own sub-functional classification.

⁽¹⁹⁾ The Department for Education is currently recording all central government academy expenditure as 'Secondary Education', across all years presented. While secondary schools currently account for the largest population in the academy sector, it is recognised that this will also cover some schools in primary and other functional categories. In future editions of PESA the Department for Education will look to improve apportionment of spending across the education categories.

⁽²⁰⁾ Social exclusion n.e.c. includes Child and Working Tax Credits. Also included here are Universal Credit additional costs that were previously scored in 10.9 Social protection n.e.c.

⁽²¹⁾ An explanation of why the EU transactions are defined in TES in this way is given in Annex E. Complete transactions with the institutions of the EU are shown in Table C.1.

⁽²²⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

Table 5.3 Public sector expenditure on services by economic category, 2012-13 to 2016-17

	National Statistics					£ million
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	
Public sector current expenditure on services						
Pay	164,005	163,261	166,595	171,886	177,165	
Gross current procurement	193,253	198,808	205,675	207,922	213,532	
Income from sales of goods and services	-50,392	-51,064	-53,035	-51,854	-56,138	
Current grants to persons and non-profit bodies	231,047	231,773	235,045	236,654	237,378	
Current grants abroad	11,838	14,067	12,312	13,694	11,380	
Subsidies to private sector companies	7,912	8,083	7,693	8,185	8,614	
Subsidies to public corporations	1,724	1,136	928	924	758	
Net public service pensions	8,620	9,081	10,182	9,650	8,891	
Public sector debt interest	40,719	40,086	36,978	37,483	39,375	
Other	238	278	289	317	469	
Total public sector current expenditure on services	608,964	615,509	622,662	634,861	641,424	
Accounting adjustments	47,506	51,265	53,596	47,458	50,005	
Total public sector current expenditure	656,470	666,774	676,258	682,319	691,429	
Public sector capital expenditure on services						
Capital grants	15,871	15,532	18,223	14,160	12,299	
Gross capital procurement	45,292	47,671	51,542	57,346	62,981	
Income from sales of capital assets	-4,171	-3,871	-5,766	-7,137	-6,189	
Other						
Total public sector capital expenditure on services	56,992	59,332	63,999	64,369	69,091	
Accounting adjustments	18,531	10,780	11,731	7,228	10,056	
Total public sector capital expenditure	75,523	70,112	75,730	71,597	79,147	
Total public sector expenditure on services	665,956	674,841	686,661	699,230	710,515	
Accounting adjustments	66,037	62,045	65,327	54,686	60,061	
Total Managed Expenditure	731,993	736,886	751,988	753,916	770,576	

Table 5.4 Public sector current and capital expenditure on services by function,⁽¹⁾ 2012-13 to 2016-17

	£ million				
	National Statistics				
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn
Public sector current expenditure on services					
1. General public services	57,500	58,612	55,021	55,760	58,375
<i>of which: public and common services</i>	9,607	9,359	9,689	9,827	10,059
<i>of which: international services</i>	7,174	9,167	8,355	8,450	8,941
<i>of which: public sector debt interest⁽²⁾</i>	40,719	40,086	36,978	37,483	39,375
2. Defence ⁽³⁾	27,102	27,571	27,460	27,796	27,800
3. Public order and safety	29,896	28,345	29,235	28,928	28,993
4. Economic affairs	19,780	21,072	19,131	21,750	21,943
<i>of which: enterprise and economic development⁽⁴⁾</i>	4,057	4,495	4,196	4,629	4,245
<i>of which: science and technology</i>	272	363	496	875	389
<i>of which: employment policies</i>	2,799	3,579	3,125	2,406	2,399
<i>of which: agriculture, fisheries and forestry</i>	4,977	4,969	4,696	4,075	4,778
<i>of which: transport⁽⁵⁾</i>	7,675	7,666	6,617	9,765	10,133
5. Environment protection	7,376	7,608	7,813	7,959	7,405
6. Housing and community amenities	3,221	3,150	3,077	2,977	3,096
7. Health	117,944	121,968	127,651	132,663	138,816
8. Recreation, culture and religion	10,666	9,573	10,427	9,226	9,287
9. Education	75,773	76,040	75,604	75,468	77,104
10. Social protection	252,999	254,363	261,016	264,663	263,882
EU transactions	6,705	7,210	6,225	7,671	4,725
Total public sector current expenditure on services	608,962	615,511	622,662	634,860	641,425
Accounting adjustments	47,508	51,263	53,596	47,459	50,004
Public sector current expenditure	656,470	666,774	676,258	682,319	691,429
Public sector capital expenditure on services					
1. General public services	2,121	2,437	3,894	3,345	3,916
<i>of which: public and common services</i>	1,575	1,816	1,761	1,366	3,045
<i>of which: international services</i>	546	621	2,133	1,979	871
2. Defence ⁽³⁾	9,238	8,834	9,238	8,831	9,200
3. Public order and safety	1,410	1,258	1,252	1,279	1,128
4. Economic affairs	16,986	18,691	20,741	23,045	25,176
<i>of which: enterprise and economic development⁽⁴⁾</i>	942	1,178	862	673	1,560
<i>of which: science and technology</i>	3,054	3,831	3,976	3,944	3,506
<i>of which: employment policies</i>	79	77	32	22	60
<i>of which: agriculture, fisheries and forestry</i>	307	409	517	395	567
<i>of which: transport^{(5), (6)}</i>	12,605	13,196	15,354	18,012	19,483
5. Environment protection	3,288	3,575	3,753	3,676	3,854
6. Housing and community amenities	6,878	6,832	7,358	7,053	7,471
7. Health	6,358	7,421	6,402	5,836	5,524
8. Recreation, culture and religion	2,044	1,837	2,022	1,670	2,339
9. Education	8,219	8,838	9,450	9,319	10,070
10. Social protection	450	-393	-111	316	414
Total public sector capital expenditure on services	56,992	59,330	63,998	64,369	69,091
Accounting adjustments	18,531	10,782	11,732	7,228	10,056
Public sector capital expenditure	75,523	70,112	75,730	71,597	79,147
Total public sector expenditure on services	665,954	674,841	686,660	699,229	710,516
Accounting adjustments	66,039	62,045	65,328	54,687	60,060
Total Managed Expenditure⁽⁷⁾	731,993	736,886	751,988	753,916	770,576

⁽¹⁾ Expenditure on services by function and sector is available in the appropriate sectoral chapter: for central government see Table 6.6; for local government see Table 7.4; for public corporations see Table 8.4.

⁽²⁾ Debt interest figures include Bank of England public debt transactions in respect of the Asset Purchase Facility and Special Liquidity Scheme.

⁽³⁾ The 2015 Spending Review continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence for the rest of this decade. This is evaluated using the NATO definitions of Defence spending rather than the UN COFOG definitions that are used in this table. The UN COFOG and NATO measures of Defence use different definitions and are therefore not comparable. For example, the NATO Defence figures include pensions whereas in COFOG these are included in Social Protection. Details and figures on NATO Defence expenditures can be found at the following link: http://www.nato.int/cps/on/natohq/topics_49198.htm

⁽⁴⁾ Transactions from 2012-13 onwards have been affected by financial sector interventions. See chapter 5 Box 5.A for details.

⁽⁵⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The functional analysis shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' from that year.

⁽⁶⁾ In order to align with ONS data, the transport function now includes expenditure relating to the local government part of the TfL subsidiary, 'Transport Trading Limited'. This data has been obtained from the Office for National Statistics and currently includes expenditure of bodies such as Crossrail and Rail for London from 2011-12 onwards.

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

Table 5.5 Public sector gross current procurement expenditure on services by function, 2012-13 to 2016-17

	£ million				
	National Statistics				
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn
Public sector gross current procurement expenditure on services					
1. General public services	12,540	12,587	12,072	12,082	12,369
<i>of which: public and common services</i>	10,820	10,772	10,267	10,323	10,488
<i>of which: international services</i>	1,720	1,814	1,805	1,759	1,881
2. Defence	15,577	16,374	16,849	16,450	15,986
3. Public order and safety	12,981	12,358	12,589	12,820	12,770
4. Economic affairs	11,245	11,445	10,805	12,149	12,000
<i>of which: enterprise and economic development</i>	2,777	2,478	2,566	2,431	2,148
<i>of which: science and technology</i>	156	219	152	207	35
<i>of which: employment policies</i>	1,454	2,048	1,681	1,269	1,265
<i>of which: agriculture, fisheries and forestry</i>	827	818	831	815	773
<i>of which: transport⁽¹⁾</i>	6,031	5,882	5,575	7,426	7,780
5. Environment protection	7,476	7,592	7,707	7,706	7,661
6. Housing and community amenities	2,698	2,774	2,758	2,651	2,726
7. Health	69,922	74,523	78,588	80,511	86,024
8. Recreation, culture and religion	7,579	7,375	7,554	6,734	6,496
9. Education	22,836	23,930	24,975	24,054	25,190
10. Social protection	30,398	29,850	31,779	32,765	32,311
Total public sector gross current procurement expenditure on services	193,253	198,808	205,675	207,923	213,532

⁽¹⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The functional analysis shown includes Network Rail spending from 2015-16 and is therefore only included within 'Gross Current Procurement' from that year.

Table 5.6 Public sector capital procurement expenditure on services by function, 2012-13 to 2016-17

	£ million				
	National Statistics				
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn
Public sector gross capital procurement expenditure on services					
1. General public services	2,393	2,678	2,411	2,393	3,789
<i>of which: public and common services</i>	1,876	2,116	1,787	1,819	3,168
<i>of which: international services</i>	517	561	624	574	621
2. Defence	9,352	9,010	9,772	9,661	9,443
3. Public order and safety	1,561	1,535	1,607	1,561	1,755
4. Economic affairs	9,887	10,575	12,049	19,310	20,802
<i>of which: enterprise and economic development</i>	737	715	493	606	1,094
<i>of which: science and technology</i>	604	712	667	672	589
<i>of which: employment policies</i>	79	76	32	25	62
<i>of which: agriculture, fisheries and forestry</i>	201	288	381	358	397
<i>of which: transport⁽¹⁾</i>	8,266	8,784	10,475	17,648	18,660
5. Environment protection	2,823	2,834	2,910	2,905	3,114
6. Housing and community amenities	5,093	5,972	6,525	6,926	7,662
7. Health	6,087	6,292	6,749	6,174	5,930
8. Recreation, culture and religion	1,671	1,517	1,608	1,712	1,932
9. Education	5,938	6,912	7,525	6,384	8,159
10. Social protection	485	344	386	321	396
Total public sector gross capital procurement expenditure on services	45,291	47,671	51,541	57,346	62,981
Plus public sector receipts from sales of assets					
Central government					
Fixed assets	-1,443	-665	-2,195	-2,793	-2,147
Intangible assets	21	-27	-107	-21	-5
Total central government receipts	-1,422	-692	-2,302	-2,814	-2,153
Local government					
Fixed assets	-1,558	-1,455	-1,761	-2,361	-1,945
Intangible assets	-	-	-	-	-
Total local government receipts	-1,558	-1,455	-1,761	-2,361	-1,945
Total general government receipts	-2,980	-2,147	-4,063	-5,175	-4,097
Public corporations					
Fixed assets	-1,191	-1,724	-1,703	-1,962	-2,091
Intangible assets	-	-	-	-	-
Total public corporations receipts	-1,191	-1,724	-1,703	-1,962	-2,091
Total public sector income from sales of capital assets	-4,171	-3,871	-5,766	-7,137	-6,189

⁽¹⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The functional analysis shown includes Network Rail spending from 2015-16 and is therefore only included within 'Capital Procurement' from that year.

6

Central government own expenditure

6.1 This section provides summary analyses of central government own expenditure, which comprises the expenditure of government departments and other central government bodies on their own activities. Central government, as defined by the Office for National Statistics (ONS) for the National Accounts, includes the devolved administrations, executive agencies and Arms Length Bodies (ALBs), health trusts and academies.

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

6.3 Central government own expenditure accounts for about 75 per cent of Departmental Expenditure Limits (DEL) and about 90 per cent of departmental Annually Managed Expenditure (AME).

6.4 **Tables 6.1** to **6.3** are presented against the budgeting framework, whereas **Tables 6.4** to **6.6** are presented against the expenditure on services framework.

What's new

6.5 In 2016 the Government announced the creation of three new departments: the Department for Exiting the European Union (DExEU), the Department for International Trade (DIT) and the Department for Business, Energy and Industrial Strategy (BEIS).

6.6 DExEU was set up on 14 July 2016 to co-ordinate the United Kingdom's withdrawal from the European Union. Some of the responsibilities of the European and Global Issues Secretariat were transferred from the Cabinet Office. DExEU also took responsibility for European Union functions from the FCO.

6.7 DIT took over the functions previously undertaken by the UK Trade & Investment department. DIT also took policy responsibility for the GREAT campaign which was transferred from the Cabinet Office and for the Trade Policy Group which transferred from BEIS.

6.8 BEIS took over the functions of energy and climate change from the former Department of Energy and Climate Change. BEIS transferred responsibility for Apprenticeships, Further Education and Higher Education to the Department for Education on 14 July 2016. The function of offender learning was transferred to the Ministry of Justice on 1 October 2016.

Central government own expenditure by department

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

Central government own resource and capital expenditure by department

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

Central government own expenditure on services by sub-function

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

Central government own expenditure on services by economic category

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

Central government own current and capital expenditure on services by function

6.13 Table 6.6 shows central government own current and capital expenditure on services by function. This shows the capital and current split on a National Accounts basis.

Table 6.1 Central government own expenditure in budgets by departmental group,⁽¹⁾ 2012-13 to 2019-20

	£ million							
	National Statistics					2017-18	2018-19	2019-20
	2012-13	2013-14	2014-15	2015-16	2016-17	plans	plans	plans
	outturn	outturn	outturn	outturn	outturn			
Within DEL								
Defence	34,298	34,597	34,509	35,169	35,361	36,049	36,930	37,949
Single Intelligence Account	2,032	2,062	2,156	2,343	2,524	2,656	2,496	2,676
Home Office	2,381	2,327	2,475	2,236	2,282	2,343	2,229	2,043
Foreign and Commonwealth Office	2,017	2,110	1,866	1,889	1,997	2,161	1,331	1,344
International Development	7,758	10,020	9,650	9,250	10,038	10,474	12,328	12,653
Health	104,994	107,128	110,921	114,022	116,748	120,558	123,095	125,980
Work and Pensions	7,049	6,752	6,495	5,951	5,788	6,049	5,666	5,167
Education	27,473	27,968	29,367	30,183	33,611	31,904	31,400	32,930
Business, Energy and Industrial Strategy	10,199	11,449	11,415	12,203	12,214	12,478	12,272	12,697
Transport ⁽²⁾	5,633	6,033	6,595	3,015	3,679	5,618	7,609	9,625
Exiting the European Union	7	7	7	7	23	101	100	95
Culture, Media and Sport	1,242	1,217	1,343	1,362	1,679	1,856	1,990	2,042
DCLG Communities	1,148	2,549	2,482	1,521	2,473	3,390	4,411	3,829
DCLG Local Government	105	0	–	–	–	–	–	–
Scotland	18,526	20,170	20,793	20,596	16,098	9,847	9,627	9,385
Wales	8,372	8,775	9,106	9,390	9,844	10,446	10,570	10,739
Northern Ireland	10,251	10,522	10,634	10,480	10,687	11,007	11,081	11,133
Justice	8,516	7,843	7,495	7,083	6,993	7,255	6,857	6,387
Law Officers' Departments	592	578	551	548	538	568	564	556
Environment, Food and Rural Affairs	2,125	2,074	2,036	1,850	1,985	2,054	1,902	1,701
HM Treasury	-180	-261	159	-539	150	349	339	330
HM Revenue and Customs	3,629	3,634	3,425	3,530	3,884	3,869	3,555	3,253
Cabinet Office	335	261	403	323	442	566	291	258
International Trade	149	206	279	341	349	369	339	339
Small and Independent Bodies	1,372	1,395	1,300	1,366	1,404	1,651	1,561	1,416
Total CG own expenditure within DEL	260,024	269,416	275,462	274,117	280,790	283,618	288,545	294,529
Within departmental AME								
Defence	7,325	6,249	8,361	12,049	4,749	8,183	7,001	7,197
Single Intelligence Account	41	19	41	135	13	39	39	39
Home Office	21	199	582	-521	181	50	50	50
Foreign and Commonwealth Office	88	66	-70	39	-53	100	100	100
International Development	185	109	151	656	428	746	182	181
Health	18,878	18,124	21,948	48,539	27,711	40,526	35,710	37,269
Work and Pensions	137,181	139,235	143,775	149,652	149,954	155,293	153,913	157,027
Education	16,046	19,046	23,471	16,938	24,798	30,122	31,334	34,170
Business, Energy and Industrial Strategy	6,369	1,853	7,042	100,537	5,357	2,947	2,070	2,179
Transport ⁽²⁾	529	-5,195	6,432	12,920	13,822	16,055	13,725	15,597
Exiting the European Union	–	–	–	–	–	1	1	1
Culture, Media and Sport	5,041	5,051	5,465	4,856	5,474	5,343	5,460	5,375
DCLG Communities	-20	-48	48	56	113	542	653	720
DCLG Local Government	2	–	–	–	–	–	–	–
Scotland	2,948	3,005	4,298	4,695	10,046	18,001	17,517	18,104
Wales	377	287	367	51	628	754	762	993
Northern Ireland	8,109	7,888	8,821	8,976	8,783	9,868	9,989	10,261
Justice	934	-239	-144	483	454	702	503	503
Law Officers' Departments	6	7	13	-15	-1	4	4	4
Environment, Food and Rural Affairs	83	-93	79	391	12	106	149	168
HM Treasury ⁽³⁾	-22,242	-5,431	-62,530	-42,737	-45,083	-13,816	255	396
HM Revenue and Customs	42,691	42,575	42,931	43,194	42,329	42,388	42,621	42,529
Cabinet Office	9,390	8,641	10,573	10,366	9,171	10,688	9,539	9,663
International Trade	–	0	–	0	–	3	3	3
Small and Independent Bodies	-99	-30	-116	-274	128	1,441	16	16
Total CG own expenditure within dept AME	233,881	241,317	221,536	370,985	259,014	330,083	331,596	342,546
Locally financed expenditure in Northern Ireland	621	632	661	651	585	585	585	585
Net expenditure transfers to the EU	11,529	11,879	11,658	11,253	9,160	12,226	13,267	13,368
Central government debt interest	48,982	48,796	45,369	45,125	48,380	55,779	52,281	52,193
Accounting and other adjustments	-975	-13,462	16,122	-127,760	-8,762	-62,719	-55,174	-60,621
Total CG own expenditure⁽⁴⁾	554,062	558,578	570,808	574,371	589,167	619,572	631,100	642,600

⁽¹⁾ Shown on a full resource budgeting basis, i.e. resource DEL less depreciation plus Capital DEL.

⁽²⁾ Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail within DEL. The actual expenditure of Network Rail appears in the Department for Transport Resource departmental AME budget. In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. This is included in Capital departmental AME as lending to the private sector.

⁽³⁾ Transactions have been affected by financial sector interventions. See Box 2.A for details.

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

Table 6.2 Central government own resource expenditure in budgets by departmental group, 2012-13 to 2019-20

	£ million							
	National Statistics					2017-18	2018-19	2019-20
	2012-13	2013-14	2014-15	2015-16	2016-17	plans	plans	plans
	outturn	outturn	outturn	outturn	outturn			
Within resource DEL								
Defence	25,562	26,106	25,716	26,763	26,632	27,535	28,201	28,952
Single Intelligence Account	1,556	1,564	1,606	1,768	1,920	2,047	1,911	2,021
Home Office	2,078	2,047	2,199	1,963	1,904	1,905	1,870	1,673
Foreign and Commonwealth Office	1,986	1,995	1,713	1,762	1,937	2,026	1,233	1,246
International Development	5,875	7,769	7,000	6,817	7,448	7,586	9,120	9,126
Health	100,421	101,695	105,707	109,474	112,520	114,635	117,246	120,116
Work and Pensions	6,628	6,515	6,245	5,830	5,576	5,796	5,497	5,015
Education	24,870	26,084	27,128	26,805	28,746	29,962	30,355	31,824
Business, Energy and Industrial Strategy	2,407	2,135	2,166	2,228	1,613	1,717	1,757	1,560
Transport	715	853	15	598	606	1,197	1,354	981
Exiting the European Union	7	7	7	7	23	101	100	95
Culture, Media and Sport	2,169	1,235	1,380	1,217	1,445	1,406	1,461	1,461
DCLG Communities	357	549	448	271	311	231	386	364
DCLG Local Government	104	0	–	–	–	–	–	–
Scotland	16,310	17,871	18,432	18,395	13,753	7,532	6,911	6,529
Wales	7,638	8,017	8,148	8,469	8,877	9,216	9,255	9,327
Northern Ireland	9,392	9,653	9,548	9,761	9,740	9,829	9,820	9,829
Justice	8,236	7,569	7,200	6,817	6,637	6,513	6,165	5,970
Law Officers' Departments	591	575	547	546	524	553	548	548
Environment, Food and Rural Affairs	1,699	1,595	1,527	1,436	1,445	1,495	1,354	1,288
HM Treasury	-198	-255	123	122	152	162	155	148
HM Revenue and Customs	3,433	3,416	3,191	3,302	3,557	3,622	3,321	3,037
Cabinet Office	329	236	376	360	394	469	266	243
International Trade	148	204	277	339	342	362	335	335
Small and Independent Bodies	1,308	1,319	1,217	1,276	1,299	1,403	1,331	1,315
Total within resource DEL	223,621	228,752	231,917	236,324	237,402	237,300	239,953	243,003
Within resource departmental AME								
Defence	7,360	6,377	8,311	12,020	4,749	8,183	7,001	7,197
Single Intelligence Account	41	19	41	135	13	39	39	39
Home Office	21	199	582	-612	181	50	50	50
Foreign and Commonwealth Office	88	66	-70	39	-53	100	100	100
International Development	191	109	151	206	143	479	182	181
Health	18,878	18,194	21,952	48,530	27,697	40,511	35,695	37,254
Work and Pensions	137,197	139,370	143,899	149,800	150,041	155,293	153,913	157,027
Education	9,798	10,563	12,908	5,296	11,348	14,443	12,629	12,632
Business, Energy and Industrial Strategy	6,351	5,394	8,950	102,220	5,505	3,113	2,184	2,262
Transport ⁽¹⁾	590	-5,207	-264	6,125	6,923	9,086	7,583	9,100
Exiting the European Union	–	–	–	–	–	1	1	1
Culture, Media and Sport	4,672	4,538	4,912	4,381	4,860	4,675	4,815	4,758
DCLG Communities	10	-48	48	56	113	542	653	720
DCLG Local Government	6	–	–	–	–	–	–	–
Scotland	2,760	2,669	3,858	3,951	9,235	16,991	16,507	17,094
Wales	125	-19	10	-331	206	241	115	178
Northern Ireland	7,764	7,463	8,285	8,370	8,285	9,216	9,314	9,609
Justice	934	-239	-144	483	454	702	503	503
Law Officers' Departments	5	7	13	-15	-1	4	4	4
Environment, Food and Rural Affairs	85	-92	78	391	11	105	149	168
HM Treasury ⁽²⁾	-18,651	6,294	-49,816	-13,672	-25,351	-575	-143	-143
HM Revenue and Customs	42,690	42,574	42,931	43,194	42,329	42,388	42,620	42,529
Cabinet Office	9,390	8,641	10,573	10,366	9,171	10,688	9,539	9,663
International Trade	–	0	–	0	–	3	3	3
Small and Independent Bodies	-99	-30	-123	-332	-141	111	16	16
Total within resource departmental AME	230,206	246,841	217,084	380,599	255,719	316,388	303,473	310,945
Within resource other AME								
Locally financed expenditure in Northern Ireland	621	632	661	651	585	585	585	585
Net expenditure transfers to the EU	11,529	11,879	11,658	11,253	9,160	12,226	13,267	13,368
Central government debt interest	48,982	48,796	45,369	45,125	48,380	55,779	52,281	52,193
Accounting and other adjustments	-4,493	-16,686	22,503	-139,904	-6,153	-50,828	-29,152	-32,508
Total CG own current expenditure	510,466	520,214	529,192	534,048	545,093	571,450	580,407	587,586

⁽¹⁾ Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently Central Government own current expenditure includes Network Rail spending in all years shown. However, the actual expenditure of Network Rail appears in the Department for Transport Resource departmental AME budget from 2015-16.

⁽²⁾ Transactions have been affected by financial sector interventions. See Box 2.A for details.

Table 6.3 Central government own capital expenditure by departmental group, 2012-13 to 2019-20

	£ million							
	National Statistics					2017-18 plans	2018-19 plans	2019-20 plans
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn			
Within capital DEL								
Defence	8,736	8,490	8,792	8,406	8,728	8,514	8,729	8,997
Single Intelligence Account	476	499	550	575	603	610	585	655
Home Office	303	280	276	273	378	438	359	370
Foreign and Commonwealth Office	31	115	153	126	60	134	98	98
International Development	1,883	2,251	2,650	2,433	2,590	2,888	3,207	3,527
Health	4,573	5,433	5,213	4,548	4,229	5,924	5,850	5,865
Work and Pensions	421	237	251	121	212	253	169	152
Education	2,602	1,885	2,239	3,378	4,865	1,942	1,045	1,106
Business, Energy and Industrial Strategy	7,793	9,314	9,248	9,974	10,601	10,761	10,515	11,138
Transport	4,918	5,180	6,580	2,417	3,073	4,421	6,255	8,644
Exiting the European Union	–	–	–	–	–	0	0	0
Culture, Media and Sport	-927	-18	-36	145	234	449	529	581
DCLG Communities	791	2,000	2,034	1,250	2,162	3,159	4,025	3,466
DCLG Local Government	1	–	–	–	–	–	–	–
Scotland	2,216	2,299	2,361	2,201	2,345	2,316	2,716	2,856
Wales	734	759	958	921	967	1,230	1,315	1,412
Northern Ireland	859	869	1,086	719	947	1,178	1,262	1,304
Justice	280	274	295	266	356	742	692	417
Law Officers' Departments	2	3	4	3	14	15	16	8
Environment, Food and Rural Affairs	426	479	508	414	540	559	548	413
HM Treasury	18	-6	36	-660	-2	187	184	182
HM Revenue and Customs	196	218	234	228	326	247	234	216
Cabinet Office	6	25	26	-37	48	97	25	15
International Trade	2	3	2	2	6	7	4	4
Small and Independent Bodies	64	76	83	90	105	249	230	101
Total within capital DEL	36,403	40,664	43,544	37,793	43,389	46,318	48,591	51,526
Within capital departmental AME								
Defence	-35	-129	51	29	–	–	–	–
Home Office	–	–	–	91	–	–	–	–
International Development	-6	–	–	450	285	267	–	–
Health	–	-70	-5	9	13	15	15	15
Work and Pensions	-17	-134	-124	-148	-87	–	–	–
Education	6,248	8,483	10,563	11,642	13,450	15,679	18,705	21,538
Business, Energy and Industrial Strategy	18	-3,541	-1,908	-1,683	-149	-166	-114	-83
Transport ⁽¹⁾	-61	13	6,695	6,795	6,900	6,968	6,142	6,497
Culture, Media and Sport	369	513	554	475	614	668	645	618
DCLG Communities	-29	–	–	–	–	–	–	–
DCLG Local Government	-4	–	–	–	–	–	–	–
Scotland	188	336	440	744	811	1,010	1,010	1,010
Wales	252	306	357	382	422	513	647	815
Northern Ireland	344	425	536	605	498	652	675	652
Law Officers' Departments	0	–	–	–	–	–	–	–
Environment, Food and Rural Affairs	-1	-1	2	0	1	1	1	1
HM Treasury ⁽²⁾	-3,592	-11,725	-12,714	-29,066	-19,731	-13,241	398	539
HM Revenue and Customs	1	0	0	–	–	0	0	0
Small and Independent Bodies	–	–	7	58	269	1,329	–	–
Total within capital departmental AME	3,675	-5,524	4,451	-9,615	3,295	13,695	28,123	31,601
Within capital other AME								
Accounting and other adjustments	3,518	3,224	-6,379	12,145	-2,610	-11,891	-26,021	-28,113
Total CG own capital expenditure⁽³⁾	43,596	38,364	41,616	40,323	44,074	48,122	50,693	55,014

⁽¹⁾ In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. This is included in Capital departmental AME as lending to the private sector.

⁽²⁾ Transactions have been affected by financial sector interventions. See Box 2.A for details.

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

Table 6.4 Central government own expenditure on services by sub-function, 2012-13 to 2019-20

	£ million							
	National Statistics							
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
1. General public services								
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	7,785	7,929	7,924	8,258	8,258	8,861	7,349	6,824
1.2 Foreign economic aid ⁽¹⁾	5,602	7,586	8,542	8,173	7,707	7,663	8,712	10,817
1.3 General services	453	467	492	453	577	551	495	482
1.4 Basic research	–	–	–	–	–	–	–	–
1.5 R&D general public services	319	402	407	415	308	1,370	2,511	430
1.6 General public services n.e.c.	208	162	320	298	185	380	281	268
1.7 Public sector debt interest	48,982	48,796	45,369	45,125	48,380	55,779	52,281	52,193
<i>of which: central government debt interest⁽²⁾</i>	<i>48,982</i>	<i>48,796</i>	<i>45,369</i>	<i>45,125</i>	<i>48,380</i>	<i>55,779</i>	<i>52,281</i>	<i>52,193</i>
Total general public services	63,348	65,341	63,053	62,722	65,415	74,603	71,629	71,014
2. Defence⁽³⁾								
2.1 Military defence	32,261	33,021	33,749	34,012	35,079	35,111	36,518	37,773
2.2 Civil defence	44	50	56	53	96	65	–	–
2.3 Foreign military aid	2,235	1,361	633	329	515	330	–	–
2.4 R&D defence	1,467	1,673	1,950	1,922	1,104	1,986	1,940	1,918
2.5 Defence n.e.c.	196	186	202	207	161	156	–	–
Total defence	36,203	36,292	36,590	36,523	36,955	37,647	38,458	39,691
3. Public order and safety								
3.1 Police services	4,034	4,474	4,778	4,656	4,511	4,909	4,828	4,587
<i>of which: immigration and citizenship</i>	<i>1,528</i>	<i>976</i>	<i>1,196</i>	<i>1,063</i>	<i>761</i>	<i>968</i>	<i>1,009</i>	<i>797</i>
<i>of which: other police services</i>	<i>2,506</i>	<i>3,498</i>	<i>3,582</i>	<i>3,593</i>	<i>3,751</i>	<i>3,941</i>	<i>3,820</i>	<i>3,789</i>
3.2 Fire-protection services	96	395	444	470	453	464	442	446
3.3 Law courts	5,906	5,465	6,244	5,654	5,606	5,030	5,513	5,283
3.4 Prisons	4,365	4,116	3,828	4,157	4,265	3,847	4,227	4,034
3.5 R&D public order and safety	37	38	38	35	38	40	39	40
3.6 Public order and safety n.e.c.	460	748	820	980	976	641	476	516
Total public order and safety	14,897	15,236	16,152	15,950	15,850	14,931	15,525	14,905
4. Economic affairs								
4.1 General economic, commercial and labour affairs ⁽⁴⁾	5,059	6,379	5,635	5,464	5,509	6,020	6,058	5,952
4.2 Agriculture, forestry, fishing and hunting	5,113	5,161	4,904	4,165	5,021	5,115	4,888	4,780
<i>of which: market support under CAP</i>	<i>2,894</i>	<i>2,959</i>	<i>2,773</i>	<i>2,278</i>	<i>3,010</i>	<i>2,870</i>	<i>2,770</i>	<i>2,759</i>
<i>of which: other agriculture, food and fisheries policy</i>	<i>2,121</i>	<i>2,088</i>	<i>2,005</i>	<i>1,782</i>	<i>1,901</i>	<i>2,158</i>	<i>2,027</i>	<i>1,930</i>
<i>of which: forestry</i>	<i>98</i>	<i>113</i>	<i>127</i>	<i>105</i>	<i>110</i>	<i>87</i>	<i>91</i>	<i>91</i>
4.3 Fuel and energy	463	464	449	463	480	420	441	383
4.4 Mining, manufacturing and construction	-5	2	6	8	8	12	11	11
4.5 Transport	9,819	10,163	10,688	16,829	17,905	21,381	19,321	23,719
<i>of which: national roads</i>	<i>2,841</i>	<i>3,150</i>	<i>3,712</i>	<i>3,986</i>	<i>4,157</i>	<i>4,537</i>	<i>4,653</i>	<i>5,187</i>
<i>of which: local roads</i>	<i>467</i>	<i>369</i>	<i>349</i>	<i>246</i>	<i>332</i>	<i>282</i>	<i>289</i>	<i>262</i>
<i>of which: local public transport</i>	<i>675</i>	<i>587</i>	<i>511</i>	<i>533</i>	<i>498</i>	<i>548</i>	<i>561</i>	<i>565</i>
<i>of which: railway⁽⁵⁾</i>	<i>5,008</i>	<i>4,856</i>	<i>4,944</i>	<i>10,403</i>	<i>10,733</i>	<i>11,424</i>	<i>9,670</i>	<i>11,543</i>
<i>of which: other transport</i>	<i>828</i>	<i>1,200</i>	<i>1,172</i>	<i>1,660</i>	<i>2,186</i>	<i>4,590</i>	<i>4,148</i>	<i>6,162</i>
4.6 Communication	527	645	436	447	271	291	212	201
4.7 Other industries	190	156	175	179	153	144	161	139
4.8 R&D economic affairs	3,325	4,194	4,472	4,819	3,895	5,407	5,845	6,571
4.9 Economic affairs n.e.c.	421	459	480	427	426	584	529	503
Total economic affairs	24,912	27,624	27,245	32,801	33,669	39,373	37,466	42,260
5. Environment protection								
5.1 Waste management	2,248	2,259	2,344	2,277	2,311	2,440	2,340	2,064
5.2 Waste water management	–	–	–	–	–	–	–	–
5.3 Pollution abatement	147	142	501	469	80	140	142	218
5.4 Protection of biodiversity and landscape	389	429	469	640	458	449	454	440
5.5 R&D environment protection	442	499	470	460	400	447	436	387
5.6 Environment protection n.e.c.	1,269	1,582	1,580	1,514	1,613	1,395	1,391	1,293
Total environment protection	4,496	4,911	5,365	5,360	4,861	4,871	4,763	4,401

**Table 6.4 Central government own expenditure on services by sub-function, 2012-13 to 2019-20
(continued)**

	£ million							
	National Statistics							
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
6. Housing and community amenities								
6.1 Housing development	1,301	1,078	1,000	950	952	1,653	2,064	2,086
<i>of which: local authority housing</i>	119	89	66	152	166	176	156	98
<i>of which: other social housing</i>	1,182	989	934	798	786	1,478	1,909	1,988
6.2 Community development	428	587	639	435	531	458	563	562
6.3 Water supply	282	273	265	256	261	284	282	288
6.4 Street lighting	23	24	25	26	20	14	13	13
6.5 R&D housing and community amenities	–	–	–	2	0	0	–	–
6.6 Housing and community amenities n.e.c	162	168	192	215	183	160	29	39
Total housing and community amenities	2,196	2,130	2,120	1,884	1,947	2,570	2,951	2,988
7. Health⁽⁶⁾								
Medical services	118,508	120,303	125,853	129,604	134,630	135,505	137,302	140,133
Medical research	1,703	1,970	1,876	2,179	1,871	1,773	1,816	1,825
Central and other health services	3,921	4,550	3,526	3,499	4,282	5,652	6,261	6,381
Total health	124,131	126,823	131,255	135,281	140,783	142,930	145,380	148,339
8. Recreation, culture and religion								
8.1 Recreational and sporting services	1,763	721	1,196	553	516	450	497	495
8.2 Cultural services	2,014	2,013	2,142	1,520	2,307	2,131	1,946	1,916
8.3 Broadcasting and publishing services	3,557	3,705	4,088	3,905	4,122	4,339	4,315	4,300
8.4 Religious and other community services	61	64	74	102	93	90	71	62
8.5 R&D recreation, culture and religion	164	141	174	168	142	146	144	143
8.6 Recreation, culture and religion n.e.c	97	46	58	65	68	76	73	73
Total recreation, culture and religion	7,656	6,691	7,732	6,313	7,249	7,231	7,045	6,988
9. Education								
9.1 Pre-primary and primary education	795	788	835	814	816	731	741	749
<i>of which: under fives</i>	123	97	99	85	86	81	77	77
<i>of which: primary education</i>	672	691	736	729	730	649	664	671
9.2 Secondary education ⁽⁷⁾	21,265	23,947	26,978	27,238	28,378	27,936	27,689	29,262
9.3 Post-secondary non-tertiary education	–	197	–	–	–	–	–	–
9.4 Tertiary education	8,148	7,534	6,680	6,164	6,421	4,818	4,312	4,090
9.5 Education not definable by level	444	408	560	473	724	817	582	583
9.6 Subsidiary services to education	503	528	573	507	472	768	859	858
9.7 R&D education	1,583	1,573	1,573	1,573	1,991	1,920	2,033	2,088
9.8 Education n.e.c	1,703	2,204	1,837	2,328	2,519	2,973	2,784	2,889
Total education	34,441	37,180	39,035	39,098	41,321	39,962	39,000	40,520
10. Social protection								
<i>of which: personal social services</i>	1,681	1,064	1,113	1,202	1,204	1,243	1,262	1,269
10.1 Sickness and disability	36,345	37,803	41,011	43,742	43,870	44,952	44,637	45,978
<i>of which: personal social services</i>	880	265	278	297	324	332	312	313
<i>of which: incapacity, disability and injury benefits</i>	35,465	37,538	40,733	43,445	43,545	44,620	44,325	45,665
10.2 Old age	102,074	104,031	107,679	109,815	111,039	114,435	118,896	123,411
<i>of which: personal social services</i>	431	449	467	489	495	493	506	507
<i>of which: pensions</i>	101,644	103,582	107,212	109,326	110,543	113,942	118,391	122,904
10.3 Survivors	792	1,135	1,153	1,167	1,160	1,145	1,136	1,121
10.4 Family and children	18,810	16,434	15,814	15,688	15,131	15,226	15,657	15,731
<i>of which: personal social services</i>	326	299	323	371	346	351	376	380
<i>of which: family benefits, income support and tax credits</i>	18,484	16,134	15,491	15,317	14,785	14,875	15,281	15,351
10.5 Unemployment	5,939	4,945	3,473	2,698	2,227	2,319	3,167	3,214
<i>of which: personal social services</i>	–	–	–	–	–	–	–	–
<i>of which: other unemployment benefits</i>	5,939	4,945	3,473	2,698	2,227	2,319	3,167	3,214
10.6 Housing	725	620	619	590	583	595	620	639
10.7 Social exclusion n.e.c. ⁽⁸⁾	31,918	31,427	31,596	31,581	31,692	33,816	28,343	27,102
<i>of which: personal social services</i>	45	50	44	46	39	67	68	69
<i>of which: family benefits, income support, Universal Credit and tax credits</i>	31,873	31,377	31,552	31,535	31,653	33,749	28,275	27,033
10.8 R&D Social protection	–	–	–	–	–	–	–	–
10.9 Social protection n.e.c.	3,354	3,105	3,667	3,956	3,978	4,415	3,891	3,609
Total social protection	199,957	199,501	205,012	209,235	209,679	216,902	216,347	220,806

Table 6.4 Central government own expenditure on services by sub-function, 2012-13 to 2019-20 (continued)

	£ million							
	National Statistics							
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
EU transactions ⁽⁹⁾								
VAT-based and GNI-based contributions (net of abatement and collection costs)	10,809	11,146	10,915	10,482	8,803	11,528	12,573	12,669
<i>derived as:</i>								
<i>EU gross contribution pre-abatement and after deduction of collection costs</i>	16,871	18,208	18,733	17,635	16,937	20,605	20,268	20,747
<i>Traditional Own Resources (without deduction of collection costs)</i>	-2,891	-2,933	-3,006	-3,085	-3,377	-3,489	-3,470	-3,498
<i>UK abatement</i>	-3,172	-4,130	-4,811	-4,068	-4,757	-5,587	-4,225	-4,581
EU receipts	-4,022	-3,856	-4,690	-2,811	-4,079	-5,118	-5,563	-5,796
Attributed aid and Common Foreign and Security Policy	-82	-79	-	-	-	-	-	-
Total EU transactions	6,705	7,210	6,225	7,671	4,725	6,410	7,010	6,872
Total central government own expenditure on services	518,944	528,939	539,785	552,839	562,454	587,430	585,574	598,786
Accounting adjustments	35,118	29,639	31,023	21,532	26,713	32,142	45,526	43,814
Total central government own expenditure ⁽¹⁰⁾	554,062	558,578	570,808	574,371	589,167	619,572	631,100	642,600

⁽¹⁾ Official Development Assistance (ODA) is the internationally-agreed classification of foreign aid financing and is measured in accordance with international standards agreed by the Organisation for Economic Co-operation and Development (OECD). The UN COFOG measure of Foreign economic aid presented in this table is quite different from the UK ODA measure and therefore not comparable. For example the UK ODA measure include financial transactions such as loans, whereas the UN COFOG measure does not. Also, the UK ODA analysis is on a calendar year rather than financial year basis. A link to the latest ODA release is provided here:

<https://www.gov.uk/government/statistics/provisional-uk-official-development-assistance-as-a-proportion-of-gross-national-income-2016>

⁽²⁾ Central government debt interest figures show gross payments to the private sector and overseas.

⁽³⁾ The 2015 Spending Review continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence for the rest of this decade. This is evaluated using the NATO definitions of Defence spending rather than the UN COFOG definitions that are used in this table. The UN COFOG and NATO measures of Defence use different definitions and are therefore not comparable. For example, the NATO Defence figures include pensions whereas in COFOG these are included in Social Protection. Details and figures on NATO Defence expenditures can be found at the following link: http://www.nato.int/cps/on/natohq/topics_49198.htm

⁽⁴⁾ Transactions from 2012-13 onwards have been affected by financial sector interventions. Details are provided in Box 5.A.

⁽⁵⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The sub-functional analysis only includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' from that year onwards.

⁽⁶⁾ The level of detail required for COFOG level 2 is not yet available in England and Wales. Health spending is therefore presented using HM Treasury's own sub-functional classification.

⁽⁷⁾ The Department for Education is currently recording all central government academy expenditure as 'Secondary Education', across all years presented. While secondary schools currently account for the largest population in the academy sector, it is recognised that this will also cover some schools in primary and other functional categories. In future editions of PESA the Department for Education will look to improve apportionment of spending across the education categories.

⁽⁸⁾ Social exclusion n.e.c. includes Child and Working Tax Credits. Also included here are Universal Credit additional costs that were previously scored in 10.9 Social protection n.e.c.

⁽⁹⁾ An explanation of why the EU transactions are defined in TES in this way is given in Annex E. Complete transactions with the institutions of the EU are shown in Table C.1.

⁽¹⁰⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

Table 6.5 Central government own expenditure on services by economic category, 2012-13 to 2019-20

	£ million							
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Central government current expenditure on services								
Pay	96,442	99,003	103,401	109,600	114,869	118,120	118,225	120,915
Gross current procurement	120,124	123,030	128,458	129,995	135,048	131,752	132,118	133,850
Income from sales of goods and services	-18,123	-18,865	-20,034	-18,361	-22,777	-20,992	-18,306	-19,139
Current grants to persons and non-profit bodies	207,147	207,603	210,728	212,410	213,937	222,355	219,783	223,490
Current grants abroad	11,838	14,067	12,312	13,694	11,380	12,911	14,373	14,240
Subsidies to private sector companies	6,474	6,606	6,336	6,817	7,345	6,677	7,078	7,155
Subsidies to public corporations	1,625	1,023	821	815	642	648	607	598
Net public service pensions	8,620	9,081	10,182	9,650	8,891	10,117	11,376	12,827
Central government debt interest	48,982	48,796	45,369	45,125	48,380	55,779	52,281	52,193
Other	238	278	289	317	469	134	121	107
Total central government own current expenditure on services	483,367	490,622	497,862	510,062	518,184	537,501	537,656	546,236
Accounting adjustments	27,099	29,592	31,330	23,986	26,909	33,949	42,751	41,350
Total central government own current expenditure	510,466	520,214	529,192	534,048	545,093	571,450	580,407	587,586
Central government capital expenditure on services								
Capital grants to persons and non-profit bodies	6,202	6,389	6,923	7,000	7,369	8,784	9,038	9,658
Capital grants to private sector companies ^{(1) (2)}	6,025	5,343	6,044	2,281	1,469	3,081	4,321	4,272
Capital grants abroad	1,150	1,405	2,754	2,753	1,668	2,603	3,227	3,326
Gross capital procurement ⁽²⁾	23,623	25,871	28,504	33,558	35,918	37,925	34,237	37,094
Income from sales of capital assets	-1,422	-692	-2,302	-2,814	-2,153	-2,465	-2,905	-1,800
Total central government own capital expenditure on services	35,578	38,316	41,923	42,778	44,271	49,928	47,918	52,550
Accounting adjustments	8,018	48	-307	-2,455	-197	-1,806	2,775	2,464
Total central government own capital expenditure	43,596	38,364	41,616	40,323	44,074	48,122	50,693	55,014
Total central government own expenditure on services	518,945	528,938	539,785	552,840	562,455	587,429	585,574	598,786
Accounting adjustments	35,117	29,640	31,023	21,531	26,712	32,143	45,526	43,814
Total central government own expenditure ⁽³⁾	554,062	558,578	570,808	574,371	589,167	619,572	631,100	642,600

⁽¹⁾ Transactions have been affected by financial sector interventions. See Box 5.A for details.

⁽²⁾ Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail within DEL. The actual expenditure of Network Rail appears in the Department for Transport Resource departmental AME budget. In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014.

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

Table 6.6 Central government own current and capital expenditure on services by function, 2012-13 to 2019-20

	£ million							
	National Statistics							
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Central government own current expenditure on services								
1. General public services	62,259	63,946	60,094	60,011	63,618	71,780	68,363	67,884
<i>of which: public and common services</i>	6,103	5,983	6,371	6,436	6,297	6,897	6,121	5,711
<i>of which: international services</i>	7,174	9,167	8,355	8,450	8,941	9,104	9,961	9,980
<i>of which: public sector debt interest</i>	48,982	48,796	45,369	45,125	48,380	55,779	52,281	52,193
2. Defence ⁽¹⁾	27,050	27,516	27,411	27,750	27,755	28,507	29,144	30,039
3. Public order and safety	14,136	14,490	15,420	15,171	14,979	13,549	14,312	14,005
4. Economic affairs	14,900	16,327	14,686	17,814	18,138	20,466	20,327	20,311
<i>of which: enterprise and economic development⁽²⁾</i>	3,169	3,593	3,285	4,015	3,725	4,415	4,600	4,609
<i>of which: science and technology</i>	272	363	496	875	389	1,116	1,322	1,423
<i>of which: employment policies</i>	2,799	3,579	3,125	2,406	2,399	2,363	2,259	2,059
<i>of which: agriculture, fisheries and forestry</i>	4,899	4,883	4,608	3,972	4,682	4,788	4,653	4,593
<i>of which: transport⁽³⁾</i>	3,761	3,908	3,172	6,545	6,944	7,783	7,494	7,627
5. Environment protection	1,746	1,959	2,185	2,273	1,596	1,548	1,538	1,448
6. Housing and community amenities	816	810	858	857	928	756	899	942
7. Health	117,805	119,408	124,863	129,458	135,275	135,945	138,324	141,261
8. Recreation, culture and religion	6,809	5,836	6,856	5,888	6,179	5,921	5,707	5,626
9. Education	31,435	32,946	33,887	34,007	35,436	35,883	35,759	37,101
10. Social protection	199,705	200,174	205,377	209,162	209,556	216,737	216,271	220,747
EU transactions	6,705	7,210	6,225	7,671	4,725	6,410	7,010	6,872
Total central government own current expenditure on services	483,366	490,623	497,862	510,061	518,185	537,502	537,656	546,236
Accounting adjustments	27,100	29,591	31,330	23,987	26,908	33,948	42,751	41,350
Total central government own current expenditure	510,466	520,214	529,192	534,048	545,093	571,450	580,407	587,586
Central government own capital expenditure on services								
1. General public services	1,089	1,395	2,959	2,711	1,797	2,822	3,266	3,131
<i>of which: public and common services</i>	570	791	842	732	926	2,117	3,198	962
<i>of which: international services</i>	519	604	2,117	1,979	871	706	68	2,169
2. Defence ⁽¹⁾	9,152	8,775	9,179	8,773	9,200	9,140	9,314	9,652
3. Public order and safety	761	746	732	780	871	1,381	1,213	900
4. Economic affairs	10,012	11,297	12,559	14,987	15,531	18,907	17,139	21,949
<i>of which: enterprise and economic development⁽²⁾</i>	608	856	738	545	665	645	532	497
<i>of which: science and technology</i>	3,054	3,831	3,976	3,944	3,506	4,291	4,523	5,148
<i>of which: employment policies</i>	78	77	32	22	60	46	20	24
<i>of which: agriculture, fisheries and forestry</i>	213	278	296	193	339	327	235	188
<i>of which: transport⁽³⁾</i>	6,059	6,255	7,516	10,284	10,962	13,598	11,827	16,092
5. Environment protection	2,750	2,952	3,181	3,087	3,265	3,323	3,224	2,953
6. Housing and community amenities	1,381	1,320	1,263	1,027	1,020	1,815	2,051	2,046
7. Health	6,326	7,415	6,392	5,823	5,508	6,986	7,056	7,078
8. Recreation, culture and religion	847	854	875	425	1,070	1,310	1,338	1,362
9. Education	3,006	4,234	5,148	5,091	5,885	4,079	3,241	3,419
10. Social protection	252	-673	-365	74	123	165	76	58
Total central government own capital expenditure on services	35,578	38,316	41,923	42,778	44,270	49,928	47,918	52,549
Accounting adjustments	8,018	48	-307	-2,455	-196	-1,806	2,775	2,465
Total central government own capital expenditure⁽⁴⁾	43,596	38,364	41,616	40,323	44,074	48,122	50,693	55,014

⁽¹⁾ The 2015 Spending Review continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence for the rest of this decade. This is evaluated using the NATO definitions of Defence spending rather than the UN COFOG definitions that are used in this table. The UN COFOG and NATO measures of Defence use different definitions and are therefore not comparable. For example, the NATO Defence figures include pensions whereas in COFOG these are included in Social Protection. Details and figures on NATO Defence expenditures can be found at the following link: http://www.nato.int/cps/on/natohq/topics_49198.htm

⁽²⁾ Transactions from 2012-13 onwards have been affected by financial sector interventions. See Box 5.A for details.

⁽³⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The functional analysis only includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' from that year onwards.

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

7

Local government financing and expenditure

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

7.2 Data for outturn years (to 2016-17) are covered by National Statistics protocols.

7.3 Central government support data (**Tables 7.1 to 7.3**) for all years up to 2016-17 are final outturn figures and data from 2017-18 onwards are latest plans.

7.4 Local government spending data (**Tables 7.4 to 7.8**) for all years up to 2015-16 are final outturn, while data for 2016-17 are based on budget plans and provisional outturns, where the latter are available.

What's new

7.5 Since PESA 2016, capital spending by Crossrail and Rail for London (RfL) have been introduced into local government spending figures. These two bodies are classified by the ONS as being in the local government sector, but are subsidiaries of Transport Trading Limited, a public corporation and holding company that is wholly owned by Transport for London (TfL). This was first included in the PSS release of November 2016 and brings the reporting of capital expenditure in England into line with Public Sector Finances and the National Accounts.

The financing of local government expenditure

7.6 Central government support for local government expenditure is provided in two main forms: capital and current grants and the redistribution of non-domestic rate payments. Grant support may be non-specific (e.g. Revenue Support Grant), or related to specific services (e.g. Dedicated Schools Grant). A non-domestic rates retention scheme was introduced in England from April 2013, which allows local authorities to keep a proportion of the rates they collect, along with growth in the revenue that is generated in their area. Local government expenditure can also be financed by Supported Capital Expenditure (Revenue), equivalent to supported borrowing in Scotland. However, this was discontinued in England as of 31 March 2011.

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

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

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

Support for local government current spending

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

- Revenue Support Grant (RSG) – a non-ring-fenced grant paid to local government in England, Scotland and Wales;
- non-domestic (business) rate payments – the proceeds of National Non-Domestic Rates (NNDR) were originally pooled separately in England and Wales, and then redistributed. As noted above, equivalent payments in Scotland are considered to be locally financed rather than central government support. From 1 April 2013 local authorities in England retain a proportion of this income. Also, from 2015-16 Welsh non-domestic rates move from central government DEL support to locally raised finance, and;
- other specific and special grants such as the schools grant and police grant, which fund part of the current expenditure on a specific service or activity.

7.11 Table 7.2 shows the above support by country, departmental group and grant.

Support for local government capital programmes

7.12 Central government support for local government capital expenditure comprises capital grants and Supported Capital Expenditure (Revenue) in Wales, equivalent to supported borrowing in Scotland. The latter enables local authorities to borrow or use other forms of credit to finance capital expenditure, with central government providing a revenue stream to support repayment of principal and interest. This is distinct from prudential borrowing where local authorities finance any additional borrowing from their own available resources. **Table 7.3** shows the components of central government capital support within the United Kingdom by country and department.

Data sources and data quality

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

Local government expenditure

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

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

Local government expenditure on services

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

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

- **Table 7.4** presents total local government expenditure by function;
- **Table 7.5** shows local government current expenditure by country and function;
- **Table 7.6** shows gross capital expenditure, split by country and function. Gross indicates that it is before sales of capital assets and depreciation; and
- **Table 7.7** shows local government capital receipts within the United Kingdom, again by country and function.

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

Data sources and data quality

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

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

7.21 Spending information received from local government is described in terms of local authority services (e.g. education, roads, etc.). The Treasury assign spending to the COFOG functional categories used in PESA. In general the link from service categories to COFOG categories is relatively clear, but in some cases it is less straightforward and assumptions are applied.

7.22 Although the quality of the local government expenditure data in PESA is good enough to provide a broad picture of local government spending, the quality is likely to be lower than the quality of the central government data in PESA. Figures are shown to the nearest £1m so that users performing calculations on the numbers do not introduce errors due to working on rounded numbers.

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

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

England – Department for Communities and Local Government

- [<https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/local-authority-revenue-expenditure-and-financing>]
- [<https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/local-authority-capital-expenditure-receipts-and-financing>]

Scotland – Scottish Government

- [<http://www.gov.scot/Topics/Statistics/Browse/Local-Government-Finance>]

Wales – Welsh Government

- [<https://statswales.gov.wales/Catalogue/Local-Government/Finance>]

Table 7.1 Financing of local government in the United Kingdom by country, 2012-13 to 2019-20

	£ million							
	National Statistics							
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Current finance in DEL								
England ⁽¹⁾	71,763	66,330	63,070	58,811	55,106	53,994	52,373	51,511
Scotland ⁽²⁾	8,757	7,691	7,315	7,293	6,977	6,886	6,869	6,901
Wales ⁽⁶⁾	5,634	5,717	5,621	4,361	4,171	4,139	4,131	4,119
Northern Ireland	59	58	138	147	152	138	140	141
Total current finance in DEL	86,213	79,796	76,144	70,612	66,406	65,157	63,513	62,672
Capital support in DEL								
England ⁽⁷⁾	8,421	8,009	8,878	9,022	7,005	9,006	9,751	9,226
Scotland ⁽²⁾	607	565	829	890	816	894	733	772
Wales	637	569	535	555	517	374	372	386
Northern Ireland	3	2	6	46	5	6	4	4
Total capital support in DEL	9,668	9,145	10,248	10,513	8,343	10,280	10,860	10,388
Total central government support in DEL⁽³⁾	95,881	88,941	86,392	81,125	74,749	75,437	74,373	73,060
Current finance in departmental AME								
England ⁽¹⁾	26,770	33,826	34,556	35,227	34,977	36,579	35,844	36,221
Scotland	2,121	1,724	1,750	1,286	1,229	1,209	1,361	1,313
Wales	1,231	1,003	1,025	1,023	1,026	966	1,015	1,030
Northern Ireland	–	–	–	–	–	–	–	–
Total current finance in departmental AME	30,122	36,553	37,331	37,536	37,232	38,754	38,220	38,564
Capital support in departmental AME								
England	133	132	310	333	-40	-242	-290	-124
Scotland	–	–	–	-10	-6	-8	-15	-6
Wales	–	–	–	5	–	–	–	–
Northern Ireland	–	–	–	–	–	–	–	–
Total capital support in departmental AME	133	132	310	328	-46	-250	-305	-130
Total central government support in departmental AME⁽⁴⁾	30,255	36,685	37,641	37,864	37,186	38,504	37,915	38,434
Locally financed expenditure								
Local authority self-financed expenditure	26,507	26,906	28,808	33,567	38,061	38,656	38,798	38,015
Locally financed support in Scotland ⁽⁵⁾	2,263	2,435	2,650	2,789	2,769	2,666	2,800	2,800
Locally financed support in Wales ⁽⁶⁾	–	–	–	1,875	977	1,059	1,039	1,077
Total locally financed expenditure	28,770	29,341	31,458	38,231	41,807	42,381	42,637	41,892
Total financing of local government expenditure	154,906	154,967	155,491	157,220	153,742	156,322	154,925	153,386
Accounting and other adjustments	16,995	17,535	17,679	16,244	19,936	18,381	21,157	21,559
Total local government expenditure	171,901	172,502	173,170	173,464	173,678	174,703	176,082	174,945

⁽¹⁾ Figures from 2013-14 reflect adjustment to departmental DEL and AME budgets for changes to local government funding relating to the localisation of business rates and council tax benefit.

⁽²⁾ Funding arrangements for police services have changed following police reform in April 2013, including the creation of a single police force (the Police Service of Scotland). From April 2013, funding for the single force comes mainly from the Scottish Government via the Scottish Police Authority.

⁽³⁾ Receipts from the EU offset in budgets against the subsequent payment to local government.

⁽⁴⁾ Includes lottery grants.

⁽⁵⁾ By convention, non-domestic rates income (NDRI) in Scotland (equivalent to non-domestic rate payments in England and Wales) is shown in PESA as locally raised central government support, as it is finance raised in Scotland rather than funding from Whitehall.

⁽⁶⁾ From 2015-16 national non-domestic rates in Wales became classified as locally raised, prior to that they formed part of departmental DEL. 2015-16 includes borrowing to reform the HRA.

⁽⁷⁾ Following a change of accounting policy and with the introduction of Sector Accounting the Department for Education now reports the value of assets transferred from local government to academies on conversion to the Academy Sector. As a result of this change, the net capital grants to local government have been reduced by £1.4bn in 2016-17 which represents the transfer of fixed assets from local government to academies.

Table 7.2 Central government current grants for local government in the United Kingdom by departmental group, 2012-13 to 2019-20

	£ million							
	National Statistics					2017-18	2018-19	2019-20
	2012-13	2013-14	2014-15	2015-16	2016-17	plans	plans	plans
	outturn	outturn	outturn	outturn	outturn			
England								
Home Office								
Police	10,071	9,943	10,300	9,952	10,815	10,690	10,986	11,284
Area Based Grants	29	–	–	–	–	–	–	–
Other	653	475	540	758	294	534	576	613
Total Home Office	10,753	10,418	10,840	10,710	11,109	11,224	11,562	11,897
Health								
Health	88	–	–	–	–	–	–	–
Social Care	–	42	80	56	–	–	–	–
Public Health ⁽²⁾	–	2,662	2,565	3,036	3,388	3,091	3,011	3,134
Other	5	9	21	26	0	8	0	0
Total Health	93	2,713	2,666	3,118	3,388	3,099	3,011	3,134
Work and Pensions ⁽³⁾								
Housing benefits	20,710	20,992	20,989	20,866	20,194	19,007	20,111	19,902
Other	4,812	847	676	443	419	468	453	409
Total Work and Pensions	25,522	21,839	21,665	21,309	20,613	19,475	20,564	20,311
Education ⁽¹⁾								
Schools Grant	30,824	29,167	28,254	27,551	25,168	24,983	26,326	25,452
Early Intervention grant	448	–	–	–	–	–	–	–
Pupil Premium	989	1,365	1,768	1,668	1,563	1,538	1,737	1,805
Private finance initiative grant	670	715	744	749	751	751	738	738
Other	1,235	1,851	1,966	2,407	3,099	4,105	2,973	2,888
Total Education	34,166	33,098	32,732	32,375	30,581	31,377	31,774	30,883
Business, Energy and Industrial Strategy								
Business, Energy and Industrial Strategy	14	7	18	26	12	9	6	2
Total Business, Energy and Industrial Strategy	14	7	18	26	12	9	6	2
Transport								
GLA transport	2,835	1,988	1,777	591	474	255	28	28
Strategic rail authority	164	182	52	126	5	5	119	135
Other	516	677	627	639	541	548	636	598
Total Transport	3,515	2,847	2,456	1,356	1,020	808	783	761
DCLG Communities								
New Homes Bonus	397	668	917	1,168	1,462	1,227	938	900
PFI special grant (Housing)	134	154	183	184	192	192	192	192
Troubled Families	132	161	153	141	171	239	180	180
City Deals	–	–	–	1	102	185	162	162
Other	348	427	351	409	245	720	419	358
Total DCLG Communities	1,011	1,410	1,604	1,903	2,172	2,563	1,891	1,792
DCLG Local Government								
Non-domestic rate payments/Revenue Support Grant ⁽³⁾	23,133	26,669	24,994	22,241	20,057	19,728	16,552	16,507
Independent Living Fund	–	–	–	140	177	171	166	161
PFI special grant	29	26	27	27	27	28	28	28
Other	61	909	298	524	367	1,839	1,708	2,086
Total DCLG Local Government	23,223	27,604	25,319	22,932	20,628	21,766	18,454	18,782
Environment, Food and Rural Affairs								
Environment, Food and Rural Affairs	98	92	139	132	130	134	137	136
Total Environment, Food and Rural Affairs	98	92	139	132	130	134	137	136
Other government departments	138	128	188	176	430	117	34	35
Total England	98,533	100,156	97,627	94,037	90,083	90,572	88,216	87,733

Table 7.2 Central government current grants for local government in the United Kingdom by departmental group, 2012-13 to 2019-20 (continued)

	£ million							
	National Statistics					2017-18	2018-19	2019-20
	2012-13	2013-14	2014-15	2015-16	2016-17	plans	plans	plans
	outturn	outturn	outturn	outturn	outturn			
Scotland ⁽⁴⁾								
Work and Pensions								
Housing benefits	1,748	1,724	1,750	1,732	1,693	1,635	1,760	1,795
Other	419	41	30	27	25	–	–	–
Total Work and Pensions	2,167	1,765	1,780	1,759	1,718	1,635	1,760	1,795
Scottish Government								
Revenue Support Grant ⁽³⁾	8,114	7,529	7,165	7,151	6,839	6,628	6,777	6,809
Non-domestic rate income ⁽⁵⁾	2,263	2,435	2,650	2,789	2,769	2,666	2,800	2,800
Police	479	–	–	–	–	–	–	–
Other	117	121	120	114	113	258	92	92
Total Scottish Government	10,973	10,085	9,935	10,054	9,721	9,552	9,669	9,701
Other government departments	–	–	–	-445	-464	-425	-399	-482
Total Scotland	13,140	11,850	11,715	11,368	10,975	10,762	11,030	11,014
Wales								
Home Office								
Police	–	–	–	–	–	-10	-18	-30
Other	–	–	–	–	–	–	–	–
Total Home Office	–	–	–	–	–	-10	-18	-30
Work and Pensions								
Housing benefits	976	984	1,003	1,002	998	966	1,015	1,030
Other	264	23	16	15	13	–	–	–
Total Work and Pensions	1,240	1,007	1,019	1,017	1,011	966	1,015	1,030
Welsh Assembly Government								
Non-domestic rate payments/Revenue Support Grant ⁽³⁾	4,477	4,681	4,439	4,293	4,263	4,294	4,274	4,312
Other	1,149	1,031	1,189	1,030	905	914	914	914
Total Welsh Assembly Government	5,626	5,712	5,628	5,323	5,168	5,208	5,188	5,226
Other government departments	0	0	-1	0	0	0	0	0
Total Wales	6,866	6,719	6,646	6,340	6,179	6,164	6,185	6,226
Northern Ireland								
Northern Ireland Executive	59	58	138	147	152	138	140	141
Total Northern Ireland	59	58	138	147	152	138	140	141
Total current finance	118,598	118,783	116,126	111,892	107,389	107,636	105,571	105,114

⁽¹⁾ Academies are now treated as part of central government, and so their expenditure falls within pay and procurement and is no longer recorded within grants for local government.

⁽²⁾ Introduced from 2013-14 to give local authorities the funding needed to discharge their public health responsibilities.

⁽³⁾ Responsibility for Council Tax Benefits has been transferred from 2013-14 from DWP to DCLG Local Government, Scottish Government and the Welsh Assembly Government. It now appears within Revenue Support Grant.

⁽⁴⁾ Funding arrangements for police services have changed following police reform in April 2013, including the creation of a single police force (the Police Service of Scotland). From April 2013, funding for the single force comes mainly from the Scottish Government via the Scottish Police Authority.

⁽⁵⁾ By convention, non-domestic rates income (NDR) in Scotland (equivalent to non-domestic rate payments in England and Wales) is shown in PESA as locally raised central government support, i.e. It is finance raised in Scotland rather than funding from Whitehall.

Table 7.3 Central government capital support for local government in the United Kingdom by country and departmental group, 2012-13 to 2019-20

	£ million							
	National Statistics					2017-18	2018-19	2019-20
	2012-13	2013-14	2014-15	2015-16	2016-17	plans	plans	plans
	outturn	outturn	outturn	outturn	outturn			
England								
Capital grants								
Home Office	252	238	244	548	130	128	137	112
Health	128	247	227	221	593	129	129	129
Education ⁽¹⁾	2,033	2,235	2,525	2,036	733	3,241	5,031	3,647
Business, Energy and Industrial Strategy	49	77	22	55	42	56	42	58
Transport	3,044	3,373	3,188	3,342	2,351	1,759	1,495	2,572
Culture, Media and Sport	1,337	183	409	225	54	–	–	–
CLG Communities	1,656	1,729	2,406	2,792	2,944	3,326	2,502	2,479
CLG Local Government	0	–	–	–	–	–	–	–
Justice	0	–	–	–	8	–	–	–
Environment, Food and Rural Affairs	48	54	164	137	109	126	126	105
Cabinet Office	8	5	3	–	–	–	–	–
Total capital grants	8,553	8,141	9,188	9,355	6,965	8,764	9,461	9,102
Total England	8,553	8,141	9,188	9,355	6,965	8,764	9,461	9,102
Scotland								
Supported borrowing								
Scottish Government	16	–	–	–	–	–	–	–
Total supported borrowing	16	–	–	–	–	–	–	–
Capital grants								
Scottish Government	591	565	829	880	811	886	717	766
Total capital grants	591	565	829	880	811	886	717	766
Total Scotland	607	565	829	880	811	886	717	766
Wales								
Supported Capital Expenditure (Revenue)⁽²⁾								
Welsh Assembly Government	107	89	89	89	89	89	89	89
Total Supported Capital Expenditure (Revenue)	107	89	89	89	89	89	89	89
Capital grants								
Welsh Assembly Government	529	480	446	466	428	285	284	297
Total capital grants	529	480	446	466	428	285	284	297
Total Wales	637	569	535	555	517	374	372	386
Northern Ireland capital grants								
Northern Ireland Executive	3	2	6	46	5	6	4	4
Total Northern Ireland	3	2	6	46	5	6	4	4
Total United Kingdom	9,800	9,277	10,558	10,836	8,298	10,030	10,554	10,258

⁽¹⁾ Following a change of accounting policy and with the introduction of Sector Accounting the Department for Education now reports the value of assets transferred from local government to academies on conversion to the Academy Sector. As a result of this change, the net capital grants to local government have been reduced by £1.4bn in 2016-17 which represents the transfer of fixed assets from local government to academies.

⁽²⁾ A full definition of Supported Capital expenditure (SCR) is given in Annex G. This is equivalent to supported borrowing in Scotland.

Table 7.4 Local government current and capital expenditure on services in the United Kingdom by function, 2012-13 to 2016-17

	£ million				
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans
Current					
1. General public services	4,019	3,922	4,093	4,152	4,484
<i>of which: public and common services</i>	3,504	3,375	3,318	3,391	3,762
<i>of which: public sector debt interest⁽¹⁾</i>	515	547	775	761	722
2. Defence	52	54	49	46	45
3. Public order and safety ⁽²⁾	15,761	13,855	13,815	13,757	14,014
4. Economic affairs	4,879	4,746	4,445	3,936	3,805
<i>of which: enterprise and economic development</i>	887	903	911	613	520
<i>of which: agriculture, fisheries and forestry</i>	78	86	88	102	96
<i>of which: transport</i>	3,914	3,757	3,446	3,221	3,189
5. Environment protection	5,630	5,649	5,629	5,686	5,809
6. Housing and community amenities	2,405	2,340	2,219	2,119	2,168
7. Health	139	2,560	2,788	3,205	3,541
8. Recreation, culture and religion	3,857	3,737	3,571	3,338	3,108
9. Education	44,338	43,094	41,717	41,461	41,668
10. Social protection	53,294	54,188	55,639	55,501	54,325
Total local government current expenditure on services	134,374	134,145	133,965	133,202	132,967
Accounting adjustments	20,408	21,672	22,267	23,472	23,096
Total local government current expenditure	154,782	155,817	156,232	156,674	156,063
Capital					
1. General public services	965	954	878	947	2,004
<i>of which: public and common services</i>	965	954	878	947	2,004
3. Public order and safety ⁽²⁾	647	512	519	499	257
4. Economic affairs	5,326	6,099	6,633	6,666	7,744
<i>of which: enterprise and economic development</i>	85	300	84	128	895
<i>of which: employment policies</i>	–	–	–	–	–
<i>of which: agriculture, fisheries and forestry</i>	83	127	219	200	225
<i>of which: transport</i>	5,158	5,672	6,330	6,338	6,624
5. Environment protection	538	624	573	589	589
6. Housing and community amenities	2,268	2,300	2,543	2,098	2,501
7. Health	27	6	10	13	16
8. Recreation, culture and religion	1,189	983	1,146	1,244	1,269
9. Education	5,212	4,604	4,302	4,228	4,185
10. Social protection	196	271	256	241	288
Total local government capital expenditure on services	16,367	16,353	16,861	16,525	18,853
Accounting adjustments	752	332	77	265	-1,238
Total local government capital expenditure	17,119	16,685	16,938	16,790	17,615
Total local government expenditure	171,901	172,502	173,170	173,464	173,678

⁽¹⁾ This excludes all intra-public sector payments of debt interest.

⁽²⁾ Funding arrangements for police services in Scotland have changed following police reform in April 2013, including the creation of a single police force (the Police Service of Scotland). From April 2013, funding for the single force comes mainly from the Scottish Government via the Scottish Police Authority.

Table 7.5 Local government current expenditure on services in the United Kingdom by country and function, 2012-13 to 2016-17

	£ million				
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans
England					
1. General public services	2,948	2,690	2,682	2,744	3,144
<i>of which: public and common services</i>	2,948	2,690	2,682	2,744	3,144
2. Defence	45	47	43	39	38
3. Public order and safety	13,527	13,085	13,014	12,999	13,236
4. Economic affairs	3,831	3,714	3,458	3,012	2,899
<i>of which: enterprise and economic development</i>	556	544	559	312	224
<i>of which: agriculture, fisheries and forestry</i>	65	69	72	80	78
<i>of which: transport</i>	3,210	3,101	2,827	2,620	2,597
5. Environment protection	4,475	4,477	4,467	4,523	4,605
6. Housing and community amenities	2,108	2,003	1,892	1,799	1,762
7. Health ⁽¹⁾	89	2,508	2,737	3,152	3,496
8. Recreation, culture and religion	2,772	2,670	2,505	2,322	2,170
9. Education	37,134	35,881	34,477	34,133	34,211
10. Social protection	45,567	46,301	47,623	47,402	46,254
Total England	112,496	113,377	112,898	112,127	111,815
Scotland					
1. General public services	376	503	455	468	396
<i>of which: public and common services</i>	376	503	455	468	396
2. Defence	3	3	3	4	4
3. Public order and safety ⁽²⁾	1,458	–	–	–	–
4. Economic affairs	724	711	701	673	654
<i>of which: enterprise and economic development</i>	220	241	247	226	227
<i>of which: agriculture, fisheries and forestry</i>	7	10	10	15	11
<i>of which: transport</i>	497	460	444	432	416
5. Environment protection	614	632	633	644	663
6. Housing and community amenities	42	72	74	97	132
8. Recreation, culture and religion	591	584	609	566	544
9. Education	4,574	4,590	4,624	4,745	4,880
10. Social protection	4,977	4,991	5,065	5,163	5,152
Total Scotland	13,358	12,086	12,164	12,359	12,423
Wales					
1. General public services	180	182	181	178	222
<i>of which: public and common services</i>	180	182	181	178	222
2. Defence	4	4	4	3	3
3. Public order and safety	776	770	801	758	778
4. Economic affairs	301	300	257	228	229
<i>of which: enterprise and economic development</i>	88	97	77	52	46
<i>of which: agriculture, fisheries and forestry</i>	6	7	6	8	7
<i>of which: transport</i>	207	196	174	168	176
5. Environment protection	363	360	343	329	353
6. Housing and community amenities	164	168	155	124	117
8. Recreation, culture and religion	278	262	245	220	202
9. Education	2,631	2,623	2,616	2,583	2,577
10. Social protection	2,750	2,896	2,951	2,937	2,920
Total Wales	7,447	7,564	7,553	7,359	7,400
Total Great Britain	133,301	133,027	132,615	131,845	131,638
Northern Ireland					
4. Economic affairs	23	21	27	23	24
<i>of which: enterprise and economic development</i>	23	21	27	23	24
5. Environment protection	178	180	186	190	189
6. Housing and community amenities	91	98	99	100	158
7. Health	50	52	52	53	45
8. Recreation, culture and religion	215	221	211	230	192
Total Northern Ireland	557	571	575	596	608
Debt interest ⁽³⁾	515	547	775	761	722
Total local government current expenditure on services	134,373	134,145	133,965	133,202	132,968
Accounting adjustments	20,409	21,672	22,267	23,472	23,095
Total local government current expenditure	154,782	155,817	156,232	156,674	156,063

⁽¹⁾ Public Health Grant introduced from 2013-14 to give local authorities the funding needed to discharge their public health responsibilities.

⁽²⁾ Funding arrangements for police services have changed following police reform in April 2013, including the creation of a single police force (the Police Service of Scotland). From April 2013, funding for the single force comes mainly from the Scottish Government via the Scottish Police Authority.

⁽³⁾ Debt interest is not allocated to individual countries, so is only included in the total UK figures. It excludes all intra-public sector debt interest payments.

Table 7.6 Local government gross⁽¹⁾ capital expenditure on services in the United Kingdom by country and function, 2012-13 to 2016-17

	£ million				
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans
England					
1. General public services	1,191	1,246	1,280	1,311	2,317
<i>of which: public and common services</i>	1,191	1,246	1,280	1,311	2,317
3. Public order and safety	673	660	740	785	808
4. Economic affairs	4,812	5,629	6,260	6,524	7,017
<i>of which: enterprise and economic development</i>	183	447	296	472	796
<i>of which: employment policies</i>	0	0	0	0	0
<i>of which: agriculture, fisheries and forestry</i>	50	87	147	184	174
<i>of which: transport</i>	4,579	5,095	5,817	5,868	6,047
5. Environment protection	432	474	491	492	469
6. Housing and community amenities	2,048	2,030	2,330	2,208	2,381
7. Health	25	4	7	10	13
8. Recreation, culture and religion	874	817	931	1,034	966
9. Education	4,703	3,913	3,647	3,367	3,132
10. Social protection	182	229	239	248	284
Total England	14,940	15,003	15,925	15,979	17,388
Scotland					
1. General public services	124	175	174	196	209
<i>of which: public and common services</i>	124	175	174	196	209
3. Public order and safety ⁽²⁾	75	–	–	–	–
4. Economic affairs	676	616	570	574	710
<i>of which: enterprise and economic development</i>	96	74	50	73	143
<i>of which: agriculture, fisheries and forestry</i>	58	69	85	65	60
<i>of which: transport</i>	522	473	435	436	507
5. Environment protection	76	130	56	64	71
6. Housing and community amenities	144	161	173	174	193
8. Recreation, culture and religion	265	155	128	171	205
9. Education	513	524	559	653	765
10. Social protection	74	81	74	63	68
Total Scotland	1,946	1,841	1,735	1,893	2,220
Wales					
1. General public services	68	50	44	39	68
<i>of which: public and common services</i>	68	50	44	39	68
3. Public order and safety	34	54	48	57	58
4. Economic affairs	247	198	189	133	154
<i>of which: enterprise and economic development</i>	15	22	25	18	20
<i>of which: agriculture, fisheries and forestry</i>	10	14	14	7	21
<i>of which: transport</i>	222	162	150	108	113
5. Environment protection	36	24	26	32	41
6. Housing and community amenities	192	201	194	195	150
8. Recreation, culture and religion	72	53	47	54	48
9. Education	267	274	246	335	415
10. Social protection	23	18	23	13	20
Total Wales	940	872	816	859	955
Total Great Britain	17,826	17,716	18,476	18,731	20,563
Northern Ireland					
4. Economic affairs	2	1	4	15	22
<i>of which: enterprise and economic development</i>	2	1	4	15	22
5. Environment protection	13	9	12	8	13
6. Housing and community amenities	22	21	25	37	58
7. Health	4	3	4	3	3
8. Recreation, culture and religion	59	57	100	93	140
Total Northern Ireland	99	91	145	155	235
Total United Kingdom	17,925	17,807	18,621	18,886	20,798
Memorandum					
United Kingdom gross capital expenditure, from above	17,925	17,807	18,621	18,886	20,798
United Kingdom capital receipts (see table 7.7)	-1,558	-1,455	-1,761	-2,361	-1,945
Total local government net capital expenditure on services	16,367	16,352	16,860	16,525	18,853
Accounting adjustments	752	333	78	265	-1,238
Total local government net capital expenditure	17,119	16,685	16,938	16,790	17,615

⁽¹⁾ 'Gross' – before sales of capital assets and depreciation.

⁽²⁾ Funding arrangements for police services have changed following police reform in April 2013, including the creation of a single police force (the Police Service of Scotland). From April 2013, funding for the single force comes mainly from the Scottish Government via the Scottish Police Authority.

Table 7.7 Local government capital receipts within expenditure on services in the United Kingdom by country and function, 2012-13 to 2016-17

	£ million				
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans
England					
1. General public services	380	477	574	562	537
<i>of which: public and common services</i>	380	477	574	562	537
3. Public order and safety	126	199	267	340	605
4. Economic affairs	387	278	339	437	131
<i>of which: enterprise and economic development</i>	189	179	262	317	66
<i>of which: employment policies</i>	–	–	–	–	–
<i>of which: agriculture, fisheries and forestry</i>	36	44	27	56	30
<i>of which: transport</i>	162	55	50	64	35
5. Environment protection	16	12	8	4	2
6. Housing and community amenities	124	97	147	495	247
8. Recreation, culture and religion	60	70	22	54	48
9. Education	265	89	120	107	102
10. Social protection	76	53	69	78	83
Total England	1,434	1,274	1,546	2,077	1,755
Scotland					
1. General public services	24	28	26	19	18
<i>of which: public and common services</i>	24	28	26	19	18
3. Public order and safety	7	–	–	–	–
4. Economic affairs	16	59	39	128	2
<i>of which: enterprise and economic development</i>	13	57	18	118	–6
<i>of which: agriculture, fisheries and forestry</i>	0	0	0	0	0
<i>of which: transport</i>	3	2	21	10	8
5. Environment protection	0	1	1	1	2
6. Housing and community amenities	2	1	5	0	0
8. Recreation, culture and religion	1	4	2	3	2
9. Education	6	14	15	16	14
10. Social protection	3	3	6	1	1
Total Scotland	59	110	94	168	38
Wales					
1. General public services	14	12	20	18	36
<i>of which: public and common services</i>	14	12	20	18	36
3. Public order and safety	2	2	2	3	4
4. Economic affairs	6	8	11	8	17
<i>of which: enterprise and economic development</i>	6	7	10	7	17
<i>of which: agriculture, fisheries and forestry</i>	0	0	0	0	0
<i>of which: transport</i>	0	1	1	1	0
5. Environment protection	0	0	0	0	0
6. Housing and community amenities	4	12	15	13	26
8. Recreation, culture and religion	1	0	0	1	1
9. Education	1	5	15	4	12
10. Social protection	3	0	5	3	0
Total Wales	32	40	68	51	96
Total Great Britain	1,525	1,424	1,708	2,296	1,889
Northern Ireland					
4. Economic affairs	2	1	1	8	9
<i>of which: enterprise and economic development</i>	2	1	1	8	9
5. Environment protection	2	1	3	1	0
6. Housing and community amenities	7	3	13	7	8
7. Health	1	0	1	0	0
8. Recreation, culture and religion	20	25	35	49	38
Total Northern Ireland	33	30	53	66	56
Total United Kingdom capital receipts	1,558	1,455	1,761	2,361	1,945

Table 7.8 Local government expenditure on services in the United Kingdom by country and economic category, 2012-13 to 2016-17

	£ million				
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans
England					
Pay	56,080	53,607	52,876	51,424	51,355
Gross current procurement	62,564	65,594	66,558	67,893	68,436
Income from sales of goods and services	-28,720	-28,713	-29,436	-30,019	-29,959
Subsidies to private sector companies	1,438	1,477	1,357	1,368	1,269
Subsidies to public corporations	15	15	14	14	14
Current grants to persons and non-profit bodies	21,119	21,396	21,529	21,447	20,699
Gross capital procurement	12,810	12,992	13,712	14,141	15,844
Income from sales of capital assets	-1,434	-1,274	-1,546	-2,077	-1,755
Capital grants	2,130	2,011	2,213	1,838	1,543
Total England	126,002	127,105	127,278	126,030	127,448
Scotland					
Pay	7,180	5,994	6,045	6,129	6,180
Gross current procurement	6,326	6,162	6,250	6,340	6,374
Income from sales of goods and services	-2,020	-1,938	-2,001	-1,978	-1,966
Subsidies to public corporations	84	98	93	95	103
Current grants to persons and non-profit bodies	1,789	1,770	1,776	1,772	1,733
Gross capital procurement	1,777	1,642	1,536	1,705	2,044
Income from sales of capital assets	-59	-110	-94	-168	-38
Capital grants	169	200	198	188	176
Total Scotland	15,245	13,818	13,804	14,083	14,605
Wales					
Pay	4,012	4,355	3,951	4,385	4,404
Gross current procurement	3,795	3,555	3,946	3,225	3,263
Income from sales of goods and services	-1,352	-1,350	-1,355	-1,275	-1,277
Current grants to persons and non-profit bodies	992	1,004	1,011	1,024	1,009
Gross capital procurement	849	778	728	765	884
Income from sales of capital assets	-32	-40	-68	-51	-96
Capital grants	91	94	88	94	70
Total Wales	8,355	8,396	8,301	8,168	8,258
Great Britain					
Pay	67,272	63,956	62,873	61,938	61,940
Gross current procurement	72,685	75,312	76,754	77,458	78,073
Income from sales of goods and services	-32,092	-32,001	-32,793	-33,273	-33,202
Subsidies to private sector companies	1,438	1,477	1,357	1,368	1,269
Subsidies to public corporations	99	113	107	109	116
Current grants to persons and non-profit bodies	23,900	24,170	24,317	24,244	23,441
Gross capital procurement	15,435	15,412	15,977	16,611	18,773
Income from sales of capital assets	-1,525	-1,424	-1,708	-2,296	-1,889
Capital grants	2,390	2,305	2,500	2,120	1,789
Total Great Britain	149,602	149,319	149,383	148,280	150,311
Northern Ireland					
Pay	291	302	321	348	356
Gross current procurement	444	466	463	469	411
Income from sales of goods and services	-177	-197	-209	-220	-159
Gross capital procurement	99	91	145	155	235
Income from sales of capital assets	-33	-30	-53	-66	-56
Total Northern Ireland	624	632	668	686	787
United Kingdom					
Pay	67,563	64,258	63,194	62,286	62,296
Gross current procurement	73,129	75,778	77,217	77,927	78,484
Income from sales of goods and services	-32,269	-32,199	-33,001	-33,493	-33,361
Subsidies to private sector companies	1,438	1,477	1,357	1,368	1,269
Subsidies to public corporations	99	113	107	109	116
Current grants to persons and non-profit bodies	23,900	24,170	24,317	24,244	23,441
Local government debt interest ⁽¹⁾	515	547	775	761	722
Gross capital procurement	15,535	15,503	16,122	16,766	19,008
Income from sales of capital assets	-1,558	-1,455	-1,761	-2,361	-1,945
Capital grants	2,390	2,305	2,500	2,120	1,789
Total local government expenditure on services	150,742	150,497	150,827	149,727	151,819
Accounting adjustments	21,159	22,005	22,343	23,737	21,859
Total local government expenditure	171,901	172,502	173,170	173,464	173,678

⁽¹⁾ Debt interest is not allocated to individual countries, so is only included in the total UK figures. It excludes all intra-public sector debt interest payments.

8

Public corporations

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

8.2 Outturn data in this chapter up to 2016-17 are National Statistics.

What's new

8.3 In 2016 the Government announced the creation of three new departments: the Department for Exiting the European Union (DExEU), the Department for International Trade (DIT) and the Department for Business, Energy and Industrial Strategy (BEIS).

8.4 DExEU was set up on 14 July 2016 to co-ordinate the United Kingdom's withdrawal from the European Union. Some of the responsibilities of the European and Global Issues Secretariat were transferred from the Cabinet Office. DExEU also took responsibility for European Union functions from the FCO.

8.5 DIT took over the functions previously undertaken by the UK Trade & Investment department. DIT also took policy responsibility for the GREAT campaign which was transferred from the Cabinet Office and for the Trade Policy Group which transferred from BEIS.

8.6 BEIS took over the functions of energy and climate change from the former Department of Energy and Climate Change. BEIS transferred responsibility for Apprenticeships, Further Education and Higher Education to the Department for Education on 14 July 2016. The function of offender learning was transferred to the Ministry of Justice on 1 October 2016.

8.7 In table 8.3 figures for outturn years for Housing Associations are from data published by the Office for National Statistics. Plans years figures are derived from Table 4.31 of OBR's March 2017 EFO report. In last year's publication figures for Housing Associations were included within Accounting Adjustments.

Definition of public corporations

8.8 Public corporations is a term from National Accounts, which are based on the European System of Accounts (ESA10). The Office for National Statistics (ONS) determines which bodies are public corporations. ONS will classify a body as a public corporation where:

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

Self financing public corporations (SFPCs)

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

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

Trading funds

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

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

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

The budgeting control framework

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

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

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

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

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

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

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

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

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

The National Accounts

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

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

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

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

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

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

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

Sources of data and data quality

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

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

Further Information

8.28 More information is available in the departmental reports of government departments and in the annual reports and accounts of individual public corporations. A fuller list of public corporations is available on the ONS website¹ in *Public Sector Classification Guide*¹.

¹ <https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/datasets/publicsectorclassificationguide>

Table 8.1 Public corporations' contribution to budgets and Total Managed Expenditure⁽¹⁾, 2012-13 to 2019-20

	£ million							
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Resource DEL								
CG dividends from PCs (-)	-70	-84	-115	-135	-120	-64	-75	-78
CG interest from PCs (-)	-103	-103	-103	-127	-129	-133	-134	-131
Subsidies to PCs	1,707	1,094	886	805	640	646	607	598
Loans written off - mutual consent	-	-	-	-	-	-	-	-
Total resource DEL	1,534	907	668	543	391	449	398	388
Resource departmental AME								
CG dividends from PCs (-)	-160	-132	-101	-262	-191	-88	-54	-54
CG interest from PCs (-)	-100	-63	-12	-12	-8	-2	-1	-1
Subsidies to PCs	-83	-70	-66	10	2	2	-	-
Loans written off – mutual consent	-	-	-	-	-	-	-	-
Total resource departmental AME	-342	-265	-179	-263	-196	-88	-55	-55
Total public corporations' contribution to resource budget	1,192	642	489	280	194	361	343	333
Capital DEL								
CG investment grants to PCs	289	316	347	289	319	206	197	217
Net lending to PCs	24	-377	-936	13	-171	265	111	110
Market and overseas borrowing	-16	-5	-9	-4	-12	-	-	-
Total capital DEL	297	-66	-598	297	135	471	308	327
Capital departmental AME								
CG investment grants to PCs	-	0	0	-	-	-	-	-
Net lending to PCs	-198	-797	263	29	115	-40	-	-
Total capital departmental AME	-198	-797	263	29	115	-40	-	-
Total public corporations' contribution to capital budget	99	-863	-335	326	250	431	308	327
Other AME								
PC own-financed capital expenditure ⁽²⁾	14,709	15,926	17,512	14,161	16,977	18,175	18,950	18,020
Accounting adjustments	2,048	2,638	2,700	2,982	3,429	3,459	3,607	3,727
Public corporations' expenditure in TME⁽³⁾	18,048	18,343	20,366	17,749	20,850	22,426	23,208	22,407
<i>of which:</i>								
PC current expenditure in TME	3,280	3,308	3,232	3,301	3,428	3,930	4,050	4,180
PC gross investment in TME	14,768	15,035	17,134	14,448	17,422	18,496	19,158	18,227

⁽¹⁾ Data in this table differ from those shown for public corporations in Table 1.15. Central government subsidies to public corporations are classified as central government own spending in National Accounts, and are shown as such in Table 1.15. In Table 8.1 subsidies are shown as part of public corporations' contribution to the resource budget. Subsidies are removed in the accounting adjustments and do not form part of public corporations' expenditure in TME.

⁽²⁾ Includes capital expenditure by local authority public corporations.

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

Table 8.2 Public corporations' contribution to budgets by departmental group⁽¹⁾, 2012-13 to 2019-20

	£ million							
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Resource DEL								
Defence	-34	-51	-84	-67	-70	–	–	–
Home Office	0	–	-1	–	–	–	–	–
Foreign and Commonwealth Office	166	157	150	157	159	176	178	181
Health	70	92	82	94	–	65	65	65
Work and Pensions	141	120	111	16	17	17	13	11
Education	–	0	3	–	–	–	–	–
Business, Energy and Industrial Strategy	322	320	202	159	137	72	36	26
Transport	12	6	25	-42	-37	-19	-29	-31
Culture, Media and Sport	523	9	50	44	15	–	–	–
DCLG Communities and DCLG Local Government	-2	-2	-2	-2	-1	-1	-3	-3
Scotland	48	31	42	68	70	55	42	42
Wales	–	-1	0	-1	0	–	–	–
Northern Ireland	260	210	81	100	73	65	75	75
International Trade	–	–	–	0	–	–	–	–
Environment, Food and Rural Affairs	32	19	8	20	30	22	22	22
Cabinet Office	-3	-3	-2	-2	-2	-2	-2	-2
Small and Independent Bodies	0	0	0	0	–	–	–	–
Total resource DEL	1,534	907	668	543	391	449	398	388
Resource departmental AME								
Business, Energy and Industrial Strategy	-133	-46	-1	-2	-5	–	-1	-1
Culture, Media and Sport	-58	-55	-5	-150	-84	-34	–	–
DCLG Communities and DCLG Local Government	-13	–	–	–	–	–	–	–
Wales	-72	-73	-73	–	–	–	–	–
HM Treasury	-59	-84	-97	-109	-107	-54	-54	-54
Small and Independent Bodies	-7	-7	-4	-2	-1	0	–	–
Total resource departmental AME	-342	-265	-179	-263	-196	-88	-55	-55
Total public corporations' contribution to resource budget	1,192	642	489	280	194	361	343	333
Capital DEL								
Defence	-6	-6	-57	-3	-63	16	16	-3
Foreign and Commonwealth Office	6	5	5	5	–	–	–	–
Health	7	-313	-469	-117	-217	31	34	34
Work and Pensions	–	–	–	67	80	125	86	75
Business, Energy and Industrial Strategy	-1	119	90	170	192	79	38	50
Transport	-28	-16	-378	1	3	-12	3	5
Culture, Media and Sport	47	–	80	–	–	–	–	–
DCLG Communities and DCLG Local Government	-11	–	14	14	8	27	56	71
Scotland	158	57	99	73	79	179	88	92
Wales	-9	-3	7	67	2	–	–	–
Northern Ireland	121	74	-7	0	53	26	-13	4
Environment, Food and Rural Affairs	14	17	19	19	–	–	–	–
Total capital DEL	297	-66	-598	297	135	471	308	327
Capital departmental AME								
Business, Energy and Industrial Strategy	-157	-764	292	53	134	–	–	–
Culture, Media and Sport	–	0	0	–	–	–	–	–
Small and Independent Bodies	-40	-34	-29	-24	-19	-40	–	–
Total capital departmental AME	-198	-797	263	29	115	-40	–	–
Total public corporations' contribution to capital budget	99	-863	-335	326	250	431	308	327
Total public corporations' contribution to budgets	1,291	-221	155	606	445	792	651	660

⁽¹⁾ Data in this table differ from those shown for public corporations in Table 1.15. Central government subsidies to public corporations are classified as central government own spending in National Accounts, and are shown as such in Table 1.15. In Table 8.1 subsidies are shown as part of public corporations' contribution to the resource budget. Subsidies are removed in the accounting adjustments and do not form part of public corporations' expenditure in TME.

Table 8.3 Public corporations' capital expenditure on services, 2012-13 to 2019-20

	£ million							
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Defence								
Defence Support Group	7	7	7	7	#	#	#	#
Defence Aviation Repair Agency ⁽¹⁾	–	–	–	–	#	#	#	#
Defence Science and Technology Laboratory ⁽¹⁾	41	41	41	41	#	#	#	#
Hydrographic Office ⁽¹⁾	8	8	8	8	#	#	#	#
Navy, Army and Air Force Institute	3	3	3	3	#	#	#	#
Total Defence	59	59	59	59	#	#	#	#
Foreign and Commonwealth Office								
British Council	23	17	16	#	#	#	#	#
Total Foreign and Commonwealth Office	23	17	16	#	#	#	#	#
International Development								
CDC Group ⁽⁵⁾	3	#	#	#	#	#	#	#
Actis ⁽⁵⁾	–	#	#	#	#	#	#	#
Total International Development	3	#	#	#	#	#	#	#
Health								
Medicines and Healthcare Products Regulatory Agency ⁽¹⁾	5	#	#	#	#	#	#	#
NHS Estates ⁽¹⁾	–	#	#	#	#	#	#	#
NHS Blood and Transplant	–	#	#	#	#	#	#	#
Total Health	5	#	#	#	#	#	#	#
Work and Pensions								
Reploy	1	#	#	#	#	#	#	#
Pension Protection Fund	0	#	#	#	#	#	#	#
National Employment Savings Trust	10	#	#	#	#	#	#	#
Office for Nuclear Regulation	–	–	0	0	–	–	–	–
Total Work and Pensions	11	#	#	#	#	#	#	#
Business, Energy and Industrial Strategy								
UK Intellectual Property Office	1	2	1	#	#	#	#	#
British Nuclear Fuels Limited ⁽⁵⁾	–	–	–	#	#	#	#	#
Companies House ⁽¹⁾	5	–2	–	#	#	#	#	#
Royal Mail Holdings ⁽⁵⁾	243	–	–	#	#	#	#	#
Land Registry ⁽¹⁾	9	0	2	#	#	#	#	#
Ordnance Survey ⁽¹⁾	15	20	–	#	#	#	#	#
Meteorological Office ⁽¹⁾	27	21	38	#	#	#	#	#
Total Business, Energy and Industrial Strategy	300	41	41	#	#	#	#	#
Transport								
Civil Aviation Authority	2	#	#	#	#	#	#	#
Driving Standards Agency ⁽¹⁾	3	#	#	#	#	#	#	#
Vehicle and Operator Services Agency ⁽¹⁾	5	#	#	#	#	#	#	#
Total Transport	9	#	#	#	#	#	#	#
Culture Media and Sport								
Channel Four Television Corporation ⁽⁵⁾	9	#	#	#	#	#	#	#
Historic Royal Palaces Trust	0	#	#	#	#	#	#	#
Tote ⁽⁵⁾	–	#	#	#	#	#	#	#
Total Culture Media and Sport	9	#	#	#	#	#	#	#
DCLG Communities and DCLG Local Government								
Fire Service College ⁽¹⁾	2	–	–	–	#	#	#	#
QEII Conference Centre ⁽¹⁾	0	1	3	4	#	#	#	#
Total Department for Communities and Local Government	2	1	3	4	#	#	#	#
Scotland								
Caledonian MacBrayne	8	6	6	6	6	#	#	#
Forest Enterprise	11	5	2	2	2	#	#	#
Scottish Water	488	475	470	558	627	#	#	#
Total Scotland	507	485	477	565	634	#	#	#

Table 8.3 Public corporations' capital expenditure on services, 2012-13 to 2019-20 (continued)

	£ million							
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Northern Ireland								
Northern Ireland Driver and Vehicle Testing Agency ⁽¹⁾	3	1	0	0	2	14	26	14
Northern Ireland Housing Executive	126	110	21	-6	-4	2	23	40
Northern Ireland Public Trust Port Authority	42	10	22	23	54	58	62	57
Northern Ireland Transport Holding Company	60	29	37	37	75	111	223	202
Northern Ireland Water	–	–	–	–	–	–	–	–
Total Northern Ireland	232	151	79	55	126	184	334	313
Environment Food and Rural Affairs								
Covent Garden Market Authority	–	–	–	–	1	4	2	2
Total Environment Food and Rural Affairs	–	–	–	–	1	4	2	2
HM Treasury								
Crown Estate ⁽⁵⁾	11	47	33	-321	113	*	*	*
Royal Mint ⁽⁵⁾⁽⁷⁾	–	–	–	–	–	–	–	–
Total HM Treasury	11	47	33	-321	113	*	*	*
Local Government								
London Underground Limited	1,265	1,223	1,444	1,324	1,762	*	*	*
England Housing Revenue Account	1,915	1,914	2,297	2,607	2,347	2,538	2,568	2,531
Scotland Housing Revenue Account	565	565	595	561	688	638	646	636
Wales Housing Revenue Account	136	147	169	207	293	202	204	201
Total Local Government	3,881	3,850	4,506	4,700	5,089	*	*	*
Housing Associations	7,387	8,048	9,126	6,491	8,477	9,703	10,301	9,607
Total public corporations' capital expenditure on services	12,434	12,710	14,341	11,557	14,445	15,123	15,877	14,851
Accounting Adjustments	2,334	2,325	2,793	2,891	2,977	3,373	3,281	3,376
Total public corporations' capital expenditure ⁽¹⁾	14,768	15,035	17,134	14,448	17,422	18,496	19,158	18,227

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

⁽¹⁾ Denotes public corporation with trading fund status.

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

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

Table 8.4 Public corporations' current and capital expenditure on services by function, 2012-13 to 2019-20

	£ million							
	National Statistics							
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans
Public corporations' current expenditure on services								
1. General public services	3,280	3,308	3,232	3,301	3,428	3,930	4,050	4,180
<i>of which: public sector debt interest</i>	<i>3,280</i>	<i>3,308</i>	<i>3,232</i>	<i>3,301</i>	<i>3,428</i>	<i>3,930</i>	<i>4,050</i>	<i>4,180</i>
Total public corporations' current expenditure on services	3,280	3,308	3,232	3,301	3,428	3,930	4,050	4,180
Accounting adjustments	–	–	–	–	–	–	–	–
Total public corporations' current expenditure	3,280	3,308	3,232	3,301	3,428	3,930	4,050	4,180
Public corporations' capital expenditure on services								
1. General public services	67	88	57	-313	115	–	–	–
<i>of which: public and common services</i>	<i>40</i>	<i>71</i>	<i>41</i>	<i>-313</i>	<i>115</i>	–	–	–
<i>of which: international services</i>	<i>27</i>	<i>17</i>	<i>16</i>	–	–	–	–	–
2. Defence	86	59	59	59	–	–	–	–
3. Public order and safety	2	–	–	–	–	–	–	–
4. Economic affairs	1,648	1,295	1,549	1,392	1,901	2,040	2,136	1,836
<i>of which: enterprise and economic development</i>	<i>249</i>	<i>22</i>	<i>39</i>	–	–	–	–	–
<i>of which: employment policies</i>	<i>1</i>	–	<i>0</i>	<i>0</i>	–	–	–	–
<i>of which: agriculture, fisheries and forestry</i>	<i>11</i>	<i>5</i>	<i>2</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>2</i>	<i>2</i>
<i>of which: transport</i>	<i>1,388</i>	<i>1,269</i>	<i>1,508</i>	<i>1,390</i>	<i>1,898</i>	<i>2,036</i>	<i>2,134</i>	<i>1,834</i>
5. Environment protection	–	–	–	–	–	–	–	–
6. Housing and community amenities	3,229	3,212	3,552	3,928	3,950	3,380	3,441	3,408
7. Health	5	–	–	–	–	–	–	–
8. Recreation, culture and religion	9	–	–	–	–	–	–	–
10. Social protection	1	9	-3	1	3	–	–	–
Total public corporations' capital expenditure on services	5,047	4,662	5,215	5,066	5,968	5,420	5,577	5,244
Accounting adjustments	9,721	10,373	11,919	9,382	11,454	13,076	13,581	12,983
Total public corporations' capital expenditure	14,768	15,035	17,134	14,448	17,422	18,496	19,158	18,227

Table 8.5 Public corporations' current and capital expenditure by economic category, 2012-13 to 2019-20

	£ million							
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Public corporations' current expenditure on services								
Public corporations' debt interest	3,280	3,308	3,232	3,301	3,428	3,930	4,050	4,180
Total public corporations' current expenditure on services	3,280	3,308	3,232	3,301	3,428	3,930	4,050	4,180
Accounting adjustments	–	–	–	0	–	–	–	–
Total public corporations' current expenditure	3,280	3,308	3,232	3,301	3,428	3,930	4,050	4,180
Public corporations' capital expenditure on services								
Gross capital procurement	6,134	6,297	6,916	7,022	8,055	5,441	5,598	5,263
Income from sales of assets	-1,191	-1,724	-1,703	-1,962	-2,091	-20	-21	-19
Capital grants	104	90	2	6	4	–	–	–
Total public corporations' capital expenditure on services	5,047	4,662	5,215	5,066	5,968	5,420	5,577	5,244
Accounting adjustments	9,721	10,373	11,919	9,382	11,454	13,076	13,581	12,983
Total public corporations' capital expenditure	14,768	15,035	17,134	14,448	17,422	18,496	19,158	18,227
Total public corporations' expenditure on services	8,327	7,970	8,447	8,367	9,396	9,350	9,627	9,424
Accounting adjustments	9,721	10,373	11,919	9,382	11,454	13,076	13,581	12,983
Total public corporations' expenditure⁽¹⁾	18,048	18,343	20,366	17,749	20,850	22,426	23,208	22,407

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

9

Public expenditure by country, region and function

9.1 This chapter presents analyses of public expenditure by country, region and function. Data in this Chapter for all years are National Statistics. Readers need to bear in mind the following two points about this chapter.

9.2 The first is that the information in **Chapters 9 and 10** was gathered in a separate data collection exercise during the summer of 2016. Therefore, the figures in these chapters are not entirely consistent with the figures in other PESA chapters. In a change of practice compared to previous editions of PESA, data presented this year are *identical* to that published on GOV.UK in the CRA National Statistics release from November 2016.¹ Therefore:

- TME, debt interest and EU transaction totals that feed into these tables are from data sourced in November 2016.
- Similarly mid-year population estimates and GDP deflators used to produce 'per head' and 'real terms' tables respectively are also from the most up-to-date available sources as at November 2016. For clarification, the GDP deflators presented in Annex F of PESA are as of 30 June 2017 and are the source for 'real terms' tables seen elsewhere in this publication.

9.3 The second point is that most public spending is planned to benefit categories of individuals and enterprises irrespective of location, or where locations are prioritised using national criteria. The regional analyses presented in this chapter show where the individuals and enterprises that benefited from public spending were located. It does not mean that all such spending was planned to benefit a particular region because only a minority of public spending is planned on a regional basis.

How public expenditure is planned and controlled

9.4 Public expenditure is planned and controlled on a departmental basis, except where devolved responsibility lies with the Scottish Government, Welsh Government, Northern Ireland Executive, or with local government. This means that in several areas expenditure is planned on a UK-wide or GB-wide basis rather than by reference to a single country. For example, the Department for Work and Pensions (DWP) is responsible for the operation of the social security benefit system throughout Great Britain, but not Northern Ireland.

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

The tables

9.6 Most of the tables in this chapter provide an analysis of spending for the period 2011-12 to 2015-16. Information on methods and data quality is provided in the sections below.

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

¹ <https://www.gov.uk/government/publications/country-and-regional-analysis-2016>

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

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

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

9.11 For Scotland, Wales and Northern Ireland, **Table 9.21** shows the relative contributions of the devolved administrations, Whitehall departments and local government under each functional heading. This table covers 2015-16 only.

9.12 A supplementary database and tables are available on GOV.UK alongside the November 2016 CRA release. This will include the information in **Table 9.21** for earlier years, while the interactive tables allow users to choose how they view the data.

Methods

The process of apportioning expenditure by country and region

9.13 In order to provide information on the allocation of expenditure by country and region, the Treasury asks the UK government departments and devolved administrations to undertake an annual statistical exercise.

- The exercise is based on devolved administration spending and the subset of departmental spending that can be identified as benefiting the population of individual regions. It asks departments and devolved administrations to apportion that spending between countries and regions following guidance issued by the Treasury.
- The Treasury then collates departments' returns and combines these with the known spending of local government to produce the analyses of public expenditure by country and region that are published in this release.

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

Identifiable expenditure on services

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

- Around 89 per cent of total expenditure on services is **identifiable** expenditure, which has been incurred for the benefit of individuals, enterprises or communities within particular regions. Examples are health, education, and social protection spending; and
- **non-identifiable** expenditure, constituting the remaining 11 per cent of total expenditure on services, is deemed to be incurred on behalf of the United Kingdom as a whole. Examples include the majority of expenditure on defence, overseas representation, and tax collection.

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

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

How identifiable expenditure is attributed to countries and regions

9.18 Identifiable expenditure is attributed to a specific country or region using the 'for' basis wherever possible, which records the regions that benefited from the spending, or whom the spending was for, rather than simply the location where the spending took place (the 'in' basis). Where it is not possible to allocate spending to regions on a 'for' basis, the 'in' basis is used instead. For most spending the 'for' and the 'in' bases would in practice offer similar results.

9.19 A number of issues can be identified limiting the ability to offer a complete picture of 'who benefits':

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

Data on public expenditure by country and region

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

9.21 The data cover central government, local government and public corporations.

9.22 Subsequent inconsistencies between the CRA and earlier chapters in PESA reflect updates that have been made by departments and local authorities since the summer of 2015.

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

Data quality

9.24 The CRA is intended to give a broad picture of relative spending for the benefit of different regions and countries. Small differences in regional spending should not be treated as significant.

9.25 In order not to overstate the accuracy of the numbers provided, CRA data is rounded to the nearest £1 million. The CRA will be subject to imprecision because:

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

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

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

9.27 In their accompanying statements on data quality some departments have identified areas of their CRA return where methods have been used that are either provisional or do not fully meet the methodology set out in the CRA guidance. Specific comments made by departments on data quality are:

- **Department for Culture, Media and Sport (DCMS)** – while some of the Arms Length Bodies (ALBs) DCMS is responsible for could allocate spending to the region where it took place, others used visitor survey data or other proxies to estimate regional allocations. Inconsistencies occurred in the treatment of survey data for visitors from 'outside UK'. This mostly affects the recreation, culture and religion function;
- **Department for Transport (DfT)** – DfT have produced regional allocations of transport expenditure by country and region. However, DfT have explained that the disaggregation of expenditure to this geographic level is particularly difficult with the available information and users should be aware of the methodologies used and the limitations of the data. This is particularly relevant concerning the rail network (including High Speed 2 expenditure) and Highways regional allocations. These methodologies are outlined below;

- a robust methodology is not available to allocate all expenditure to regions on a 'who benefits?' basis. This is particularly difficult for spending on motorways and trunk roads (by the Highways Agency) due to the nature of the networks, so expenditure is therefore allocated on an 'in' basis;
- allocation of rail expenditure is also difficult due to the railway network crossing regional boundaries, however, a methodology has been applied to allocate rail expenditure on a 'who benefits?' basis. This is done by matching patterns of rail passenger demand with the geographic distribution of train operators' services;
- the methodology for allocating HS2 expenditure has two elements. Where circumstance allows, expenditure is allocated to specific regions, for example property purchase costs have been allocated according to where the property being purchased is located. The remaining balance of expenditure has been allocated in line with the most relevant regional benefit split for the Full Network. This is either the;
 - Phase 1 regional split from 2013 in section 5.3 here: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/365065/S_A_1_Economic_case_0.pdf
 - or the 2016 economic case found on table 10 of HS2 Phase Two, West Midlands to Crewe, Economic Case; https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/490312/Economic_Case_report_2016.pdf
- **Local Government for England: Transport Trading Limited** – the main component of this expenditure relates to Crossrail. Estimated regional allocations are therefore based on analysis of Crossrail's economic benefits that was conducted by Crossrail Ltd prior to 2009. Therefore this illustrative data does not represent the final Crossrail scheme (e.g. Reading extension) and does not represent current expectations about Crossrail services and other national rail and tube services. In addition it excludes benefits from wider economic impacts. Please see link to analysis below:
 - http://74f85f59f39b887b696f-ab656259048fb93837ecc0ecbcf0c557.r23.cf3.rackcdn.com/assets/library/document/c/original/crossrail_distribution_of_benefits_feb_2009.pdf
- **Home Office** – Treasury have agreed with Home Office to move segments related to security and counter-terrorism from ID to non-ID expenditure as these activities are deemed to benefit the UK as a whole;
- **Ministry of Defence (MoD)** – MoD raised concerns about the allocation methodology for the Armed Forces Retired Pay & Pensions scheme as the last UK regional proportions for this were obtained in 2007. HMT will look to obtain more up-to-date regional proportions for future editions of the CRA;
- **National Crime Agency** – Treasury have agreed with the NCA that all their expenditure should be made non-ID as the activities of their department are deemed to be of benefit to the UK as a whole.

Table 9.1 Total identifiable expenditure on services by country and region, 2011-12 to 2015-16

	National Statistics					National Statistics				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
	£ million					as a per cent of identifiable expenditure				
North East	24,003	24,141	24,454	24,632	24,861	4	4	4	4	4
North West	63,465	64,329	64,678	66,056	67,344	11	11	11	11	11
Yorkshire and The Humber	44,739	45,048	45,468	46,585	47,389	8	8	8	8	8
East Midlands	35,557	36,313	36,830	37,996	38,522	6	6	6	6	6
West Midlands	47,223	47,780	48,233	49,982	50,323	8	8	8	8	8
East	44,674	45,303	46,398	48,329	49,600	8	8	8	8	8
London	82,076	82,293	83,386	85,030	87,852	14	14	14	14	14
South East	64,453	65,887	67,896	69,391	71,374	11	11	11	11	11
South West	42,013	42,760	43,887	45,400	45,743	7	7	7	7	7
Total England	448,204	453,854	461,230	473,401	483,007	78	78	78	78	78
Scotland	53,104	54,128	54,322	55,223	56,610	9	9	9	9	9
Wales	29,902	29,582	30,100	30,571	30,978	5	5	5	5	5
Northern Ireland	19,384	19,645	19,992	20,321	20,336	3	3	3	3	3
UK identifiable expenditure	550,594	557,209	565,645	579,517	590,931	96	96	96	96	96
Outside UK	20,926	22,731	25,276	26,384	25,712	4	4	4	4	4
Total identifiable expenditure	571,520	579,940	590,921	605,901	616,643	100	100	100	100	100
	£ million					as a per cent of Total Managed Expenditure				
	National Statistics					National Statistics				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
Identifiable expenditure	571,520	579,940	590,921	605,901	616,643	80	79	80	81	82
Non-identifiable expenditure ⁽¹⁾	90,656	85,586	84,284	80,648	83,482	13	12	11	11	11
Public sector expenditure on services	662,177	665,526	675,205	686,549	700,125	93	91	92	91	93
Accounting adjustments	52,868	65,417	60,810	64,803	55,661	7	9	8	9	7
Total Managed Expenditure⁽²⁾	715,045	730,943	736,015	751,352	755,786	100	100	100	100	100

⁽¹⁾ Includes the effect of financial sector interventions. See PESA Box 5.A for details.

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

Table 9.2 Total identifiable expenditure on services by country and region, per head 2011-12 to 2015-16⁽¹⁾

	£ per head					Index (UK identifiable expenditure = 100)				
	National Statistics		National Statistics		2015-16 outturn	National Statistics		National Statistics		2015-16 outturn
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
North East	9,245	9,277	9,367	9,406	9,472	106	106	106	105	104
North West	8,995	9,080	9,105	9,261	9,387	103	104	103	103	103
Yorkshire and The Humber	8,460	8,473	8,518	8,691	8,791	97	97	97	97	97
East Midlands	7,837	7,950	8,009	8,193	8,237	90	91	91	91	91
West Midlands	8,420	8,468	8,500	8,748	8,750	97	97	96	98	96
East	7,620	7,669	7,792	8,030	8,163	88	88	88	90	90
London	10,004	9,905	9,907	9,958	10,129	115	113	112	111	112
South East	7,449	7,552	7,722	7,820	7,977	86	86	88	87	88
South West	7,926	8,008	8,161	8,371	8,361	91	92	92	93	92
England	8,440	8,484	8,563	8,716	8,816	97	97	97	97	97
Scotland	10,020	10,187	10,196	10,327	10,536	115	116	116	115	116
Wales	9,760	9,623	9,765	9,887	9,996	112	110	111	110	110
Northern Ireland	10,684	10,773	10,927	11,041	10,983	123	123	124	123	121
UK identifiable expenditure	8,700	8,747	8,824	8,971	9,076	100	100	100	100	100

⁽¹⁾ Per head figures calculated using mid-year population estimates from the ONS. See Annex within the CRA 2016 release for details.

Table 9.3 Total identifiable expenditure on services by country and region in real terms⁽¹⁾, 2011-12 to 2015-16

	National Statistics					£ million
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	
North East	25,394	25,014	24,928	24,741	24,861	
North West	67,143	66,656	65,932	66,347	67,344	
Yorkshire and the Humber	47,331	46,678	46,349	46,790	47,389	
East Midlands	37,618	37,627	37,544	38,163	38,522	
West Midlands	49,959	49,509	49,168	50,203	50,323	
East	47,262	46,942	47,297	48,542	49,600	
London	86,831	85,270	85,002	85,405	87,852	
South East	68,188	68,271	69,212	69,697	71,374	
South West	44,448	44,307	44,738	45,600	45,743	
England	474,175	470,276	470,168	475,489	483,007	
Scotland	56,181	56,087	55,375	55,467	56,610	
Wales	31,635	30,653	30,684	30,706	30,978	
Northern Ireland	20,507	20,356	20,380	20,411	20,336	
UK identifiable expenditure	582,498	577,371	576,607	582,072	590,931	
Outside UK	22,139	23,554	25,766	26,500	25,712	
Total identifiable expenditure	604,636	600,924	602,372	608,573	616,643	
Non-identifiable expenditure ⁽²⁾	95,909	88,683	85,917	81,004	83,482	
Total Expenditure on Services	700,546	689,607	688,290	689,577	700,125	
Accounting adjustments	55,932	67,784	61,988	65,088	55,661	
Total Managed Expenditure⁽³⁾	756,477	757,391	750,278	754,665	755,786	

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2015-16 price levels using GDP deflators from the Office for National Statistics (released 30 September 2016).

⁽²⁾ Includes the effect of financial sector interventions. See PESA 5.A for details.

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

Table 9.4 Total identifiable expenditure on services by country and region per head⁽¹⁾ in real terms⁽²⁾, 2011-12 to 2015-16

	National Statistics					£ per head
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	
North East	9,781	9,612	9,549	9,448	9,472	
North West	9,516	9,409	9,282	9,301	9,387	
Yorkshire and The Humber	8,950	8,780	8,683	8,729	8,791	
East Midlands	8,291	8,238	8,164	8,229	8,237	
West Midlands	8,907	8,774	8,664	8,787	8,750	
East	8,062	7,947	7,943	8,066	8,163	
London	10,584	10,263	10,099	10,002	10,129	
South East	7,880	7,825	7,871	7,854	7,977	
South West	8,385	8,298	8,319	8,408	8,361	
England	8,929	8,791	8,729	8,754	8,816	
Scotland	10,600	10,555	10,394	10,372	10,536	
Wales	10,325	9,971	9,954	9,931	9,996	
Northern Ireland	11,303	11,162	11,138	11,090	10,983	
UK identifiable expenditure	9,204	9,063	8,995	9,011	9,076	

⁽¹⁾ Per head figures calculated using mid-year population estimates from the ONS. See Annex within the CRA 2016 release for details.

⁽²⁾ Real terms figures are the nominal figures adjusted to 2015-16 price levels using GDP deflators from the Office for National Statistics (released 30 September 2016).

Table 9.5 Identifiable expenditure on general public services by country and region, 2011-12 to 2015-16

	General public services										of which: current										of which: capital										£ million
	National Statistics					National Statistics					National Statistics					National Statistics					National Statistics										
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn											
North East	216	275	232	238	244	177	232	181	202	214	39	43	51	36	30																
North West	573	636	593	591	556	515	492	487	495	487	58	144	106	96	69																
Yorkshire and The Humber	463	400	421	378	392	336	329	306	294	309	127	71	114	83	82																
East Midlands	509	470	445	415	423	450	390	340	331	342	59	80	105	84	81																
West Midlands	485	429	454	520	431	412	396	393	445	436	73	33	61	75	-5																
East	529	540	534	680	652	464	458	454	497	541	65	82	80	183	110																
London	693	849	823	747	731	599	537	616	682	673	94	311	207	65	59																
South East	763	764	822	877	888	661	620	630	701	762	103	144	192	175	126																
South West	491	468	446	575	564	405	406	360	439	474	86	62	86	136	90																
England	4,722	4,831	4,769	5,020	4,880	4,018	3,860	3,767	4,087	4,238	704	971	1,002	934	642																
Scotland	1,067	934	1,111	1,137	1,053	929	792	921	948	871	138	142	191	188	182																
Wales	522	507	507	528	492	470	429	443	478	466	52	78	64	50	26																
Northern Ireland	383	381	424	466	393	352	353	380	388	358	31	28	45	78	35																
UK identifiable expenditure	6,694	6,653	6,812	7,151	6,818	5,769	5,434	5,510	5,901	5,934	925	1,219	1,302	1,250	885																
Outside the UK	6,461	6,483	8,498	9,481	9,232	5,742	5,749	7,695	7,199	7,063	719	734	803	2,282	2,169																
Total identifiable expenditure	13,156	13,136	15,309	16,632	16,051	11,511	11,183	13,204	13,100	12,997	1,644	1,953	2,105	3,532	3,054																
Non-identifiable expenditure	50,447	46,322	45,579	42,064	42,629	50,084	46,143	45,238	41,688	42,327	363	180	341	376	302																
Total Expenditure on Services	63,603	59,458	60,888	58,696	58,680	61,596	57,326	58,443	54,788	55,324	2,007	2,132	2,446	3,908	3,355																

Table 9.5a Identifiable expenditure on general public services (of which: public and common services) by country and region, 2011-12 to 2015-16

	Total public and common services												of which: current						of which: capital					
	National Statistics						National Statistics						National Statistics			National Statistics			National Statistics					
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn		2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn		2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn							
North East	208	268	226	234	240		169	226	175	198	210		39	43	51	36	29							
North West	551	618	576	580	545		493	475	471	486	477		58	143	105	95	68							
Yorkshire and The Humber	447	386	408	370	383		320	316	294	287	302		127	70	114	83	82							
East Midlands	494	458	434	408	416		436	379	329	325	336		59	79	105	83	80							
West Midlands	468	415	440	512	422		395	382	380	438	428		73	32	60	74	-6							
East	511	524	520	671	643		446	444	441	489	533		64	81	79	182	110							
London	667	827	803	735	718		573	517	597	671	661		94	310	206	64	58							
South East	736	741	801	864	874		634	599	611	689	750		102	143	190	174	125							
South West	475	454	433	568	556		389	393	348	432	467		86	61	85	136	89							
England	4,556	4,692	4,642	4,942	4,798		3,855	3,731	3,646	4,015	4,163		701	961	995	927	635							
Scotland	1,050	921	1,099	1,129	1,045		913	779	909	941	863		137	141	190	188	181							
Wales	513	499	500	523	488		461	422	436	474	462		52	77	64	50	26							
Northern Ireland	377	376	420	463	390		346	348	376	385	356		31	28	44	78	34							
UK identifiable expenditure	6,497	6,488	6,660	7,057	6,721		5,575	5,281	5,367	5,815	5,845		922	1,208	1,293	1,242	876							
Outside the UK	222	230	305	300	308		0	-	-	-	-		222	230	305	300	308							
Total identifiable expenditure	6,719	6,718	6,965	7,357	7,029		5,575	5,281	5,367	5,815	5,845		1,144	1,438	1,598	1,542	1,184							
Non-identifiable expenditure	4,736	4,534	4,302	4,243	4,535		4,465	4,385	4,075	4,010	4,360		271	149	226	233	175							
Total Expenditure on Services	11,455	11,252	11,267	11,600	11,564		10,040	9,666	9,442	9,825	10,205		1,415	1,586	1,825	1,775	1,359							

Table 9.5b Identifiable expenditure on general public services (of which: international services) by country and region, 2011-12 to 2015-16

	International services										of which: current										of which: capital										£ million
	National Statistics					National Statistics					National Statistics					National Statistics					National Statistics										
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn											
North East	8	7	6	4	4	8	6	6	3	4	8	6	6	3	4	0	0	0	0	0											
North West	22	18	17	10	11	22	17	16	9	10	22	17	16	9	10	0	1	1	1	1											
Yorkshire and The Humber	17	14	13	8	8	16	13	12	7	7	16	13	12	7	7	0	1	1	1	1											
East Midlands	14	12	11	7	7	14	11	10	6	6	14	11	10	6	6	0	1	1	1	1											
West Midlands	18	15	13	8	9	17	14	13	8	8	17	14	13	8	8	0	1	1	1	1											
East	18	15	14	9	9	18	14	13	8	8	18	14	13	8	8	0	1	1	1	1											
London	26	21	20	12	13	25	20	19	11	12	25	20	19	11	12	0	2	2	1	1											
South East	27	23	21	13	13	27	21	20	12	12	27	21	20	12	12	0	2	2	1	1											
South West	17	14	13	8	8	16	13	12	7	7	16	13	12	7	7	0	1	1	1	1											
England	166	138	127	79	82	163	129	120	72	75	163	129	120	72	75	3	10	7	7	7											
Scotland	17	14	13	8	8	16	13	12	7	7	16	13	12	7	7	0	1	1	1	1											
Wales	10	8	7	4	5	9	7	7	4	4	9	7	7	4	4	0	1	0	0	0											
Northern Ireland	6	5	4	3	3	6	4	4	2	3	6	4	4	2	3	0	0	0	0	0											
UK identifiable expenditure	198	165	152	94	97	194	153	143	86	89	194	153	143	86	89	4	12	8	8	9											
Outside the UK	6,239	6,253	8,193	9,181	8,924	5,742	5,749	7,695	7,199	7,063	5,742	5,749	7,695	7,199	7,063	497	504	498	1,982	1,861											
Total identifiable expenditure	6,437	6,418	8,344	9,275	9,022	5,936	5,902	7,838	7,285	7,152	5,936	5,902	7,838	7,285	7,152	500	515	506	1,990	1,869											
Non-identifiable expenditure	1,294	1,306	1,446	1,215	1,133	1,202	1,275	1,332	1,072	1,006	1,202	1,275	1,332	1,072	1,006	92	31	115	143	126											
Total Expenditure on Services	7,731	7,723	9,791	10,490	10,155	7,138	7,177	9,170	8,357	8,159	7,138	7,177	9,170	8,357	8,159	593	546	621	2,133	1,996											

Table 9.5c Identifiable expenditure on general public services (of which: public sector debt interest) by country and region, 2011-12 to 2015-16

	Public sector debt interest						of which: current						of which: capital						£ million		
	2011-12		2012-13		2013-14		2014-15		2015-16		2011-12		2012-13		2013-14		2014-15			2015-16	
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn		outturn	outturn
North East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
North West	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yorkshire and The Humber	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
East Midlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
West Midlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
London	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
South East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
South West	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
England	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Scotland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Northern Ireland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UK identifiable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outside the UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total identifiable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-identifiable expenditure	44,417	40,483	39,831	36,606	36,961	44,417	40,483	39,831	36,606	36,961	44,417	40,483	39,831	36,606	36,961	44,417	40,483	39,831	36,606	36,961	
Total Expenditure on Services	44,417	40,483	39,831	36,606	36,961	44,417	40,483	39,831	36,606	36,961	44,417	40,483	39,831	36,606	36,961	44,417	40,483	39,831	36,606	36,961	

Table 9.6 Identifiable expenditure on defence by country and region, 2011-12 to 2015-16

	Defence										of which: current										of which: capital										£ million
	National Statistics					National Statistics					National Statistics					National Statistics					National Statistics										
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn						
North East	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
North West	5	5	5	4	6	5	5	5	4	6	5	5	5	4	6	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Yorkshire and The Humber	3	3	4	3	4	3	3	4	3	4	3	3	4	3	4	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
East Midlands	4	4	5	4	5	4	4	5	4	5	4	4	5	4	5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
West Midlands	4	4	4	3	4	4	4	4	3	4	4	4	4	3	4	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
East	7	6	6	6	7	7	6	6	6	7	7	6	6	6	7	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
London	7	8	7	7	9	7	8	7	7	9	7	8	7	7	9	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
South East	9	8	9	9	11	9	8	9	9	11	9	8	9	9	11	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
South West	5	4	5	5	7	5	4	5	5	7	5	4	5	5	7	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
England	45	45	47	43	55	45	45	47	43	53	45	45	47	43	53	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2	
Scotland	3	3	3	3	4	3	3	3	3	4	3	3	3	3	4	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Wales	3	4	4	4	3	3	4	4	4	3	3	4	4	4	3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Northern Ireland	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
UK identifiable expenditure	52	52	54	49	61	52	52	54	49	60	52	52	54	49	60	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2	
Outside the UK	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total identifiable expenditure	52	52	54	49	61	52	52	54	49	60	52	52	54	49	60	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2	
Non-identifiable expenditure	38,603	36,288	36,348	36,634	36,584	28,802	27,091	27,510	27,394	27,710	28,802	27,091	27,510	27,394	27,710	9,801	9,198	8,838	9,240	8,874	9,801	9,198	8,838	9,240	8,874	9,801	9,198	8,838	9,240	8,874	
Total Expenditure on Services	38,655	36,340	36,402	36,683	36,646	28,854	27,142	27,564	27,443	27,770	28,854	27,142	27,564	27,443	27,770	9,801	9,198	8,838	9,240	8,875	9,801	9,198	8,838	9,240	8,875						

Table 9.7 Identifiable expenditure on public order and safety by country and region, 2011-12 to 2015-16

	Public order and safety												of which: current												of which: capital											
	National Statistics						National Statistics						National Statistics						National Statistics																	
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn													
North East	1,268	1,240	1,193	1,160	1,199	1,199	1,212	1,180	1,124	1,098	1,171	1,171	56	61	69	62	28	28	56	61	69	62	28													
North West	3,446	3,387	3,254	3,125	3,044	3,044	3,303	3,272	3,127	3,015	2,903	2,903	143	115	127	110	141	141	143	115	127	110	141													
Yorkshire and The Humber	2,335	2,298	2,208	2,172	2,195	2,195	2,214	2,179	2,095	2,059	2,057	2,057	122	120	114	114	138	138	122	120	114	114	138													
East Midlands	1,658	1,687	1,606	1,599	1,751	1,751	1,581	1,599	1,522	1,521	1,662	1,662	77	88	84	78	89	89	77	88	84	78	89													
West Midlands	2,370	2,326	2,184	2,159	2,186	2,186	2,278	2,254	2,107	2,059	2,058	2,058	92	73	77	100	128	128	92	73	77	100	128													
East	2,013	1,916	1,894	1,916	2,047	2,047	1,939	1,866	1,816	1,830	1,957	1,957	74	50	78	87	90	90	74	50	78	87	90													
London	6,121	5,948	5,426	5,425	5,223	5,223	5,868	5,733	5,298	5,311	5,125	5,125	253	215	128	115	98	98	253	215	128	115	98													
South East	3,064	3,049	2,970	2,879	2,884	2,884	2,977	2,945	2,878	2,776	2,758	2,758	87	103	92	102	126	126	87	103	92	102	126													
South West	1,924	1,918	1,845	1,828	1,785	1,785	1,852	1,854	1,776	1,746	1,689	1,689	72	64	69	82	96	96	72	64	69	82	96													
England	24,200	23,770	22,580	22,263	22,315	22,315	23,224	22,881	21,742	21,413	21,381	21,381	976	889	838	850	933	933	976	889	838	850	933													
Scotland	2,674	2,687	2,389	2,620	2,652	2,652	2,482	2,504	2,265	2,513	2,576	2,576	192	183	124	107	75	75	192	183	124	107	75													
Wales	1,370	1,360	1,325	1,309	1,203	1,203	1,309	1,307	1,253	1,244	1,127	1,127	61	53	72	65	77	77	61	53	72	65	77													
Northern Ireland	1,426	1,388	1,367	1,272	1,274	1,274	1,346	1,317	1,302	1,206	1,166	1,166	81	71	64	66	108	108	81	71	64	66	108													
UK identifiable expenditure	29,670	29,204	27,660	27,463	27,444	27,444	28,361	28,008	26,561	26,376	26,251	26,251	1,309	1,196	1,099	1,087	1,193	1,193	1,309	1,196	1,099	1,087	1,193													
Outside the UK	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—													
Total identifiable expenditure	29,670	29,204	27,660	27,463	27,444	27,444	28,361	28,008	26,561	26,376	26,251	26,251	1,309	1,196	1,099	1,087	1,193	1,193	1,309	1,196	1,099	1,087	1,193													
Non-identifiable expenditure	2,401	2,067	1,894	2,158	2,076	2,076	2,125	1,853	1,734	1,994	1,929	1,929	276	214	160	164	147	147	276	214	160	164	147													
Total Expenditure on Services	32,070	31,271	29,554	29,621	29,520	29,520	30,486	29,861	28,296	28,370	28,180	28,180	1,585	1,410	1,258	1,251	1,340	1,340	1,585	1,410	1,258	1,251	1,340													

Table 9.8 Identifiable expenditure on economic affairs by country and region, 2011-12 to 2015-16

	Economic affairs										of which: current										of which: capital										£ million
	National Statistics					National Statistics					National Statistics					National Statistics					National Statistics										
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn						
North East	1,369	1,181	1,416	1,302	1,463	797	742	816	683	819	573	439	600	619	644																
North West	3,502	3,107	3,512	3,397	4,325	1,844	1,676	1,869	1,605	2,040	1,658	1,432	1,643	1,792	2,286																
Yorkshire and The Humber	2,699	2,600	2,919	2,888	3,313	1,577	1,507	1,670	1,433	1,715	1,122	1,093	1,249	1,454	1,598																
East Midlands	2,108	1,814	2,086	2,173	2,238	1,271	1,125	1,185	1,098	1,202	838	688	901	1,075	1,036																
West Midlands	2,414	2,340	2,569	2,714	2,905	1,419	1,274	1,421	1,304	1,530	995	1,066	1,148	1,411	1,376																
East	3,180	2,758	2,957	3,079	3,709	1,519	1,392	1,459	1,357	1,659	1,661	1,366	1,498	1,721	2,050																
London	7,132	6,476	7,102	7,409	10,375	3,049	2,419	2,576	2,282	3,716	4,083	4,057	4,527	5,126	6,658																
South East	3,598	3,707	4,251	4,242	5,291	1,908	1,907	2,030	1,887	2,257	1,690	1,800	2,221	2,356	3,034																
South West	2,346	2,219	2,366	2,516	2,781	1,507	1,374	1,366	1,323	1,457	840	845	999	1,192	1,324																
England	28,349	26,202	29,180	29,720	36,400	14,890	13,415	14,392	12,973	16,395	13,459	12,787	14,787	16,747	20,006																
Scotland	5,216	5,344	5,564	5,366	5,352	3,259	3,251	3,496	3,172	3,394	1,958	2,093	2,067	2,195	1,957																
Wales	2,547	2,212	2,381	2,352	2,474	1,809	1,407	1,493	1,407	1,540	739	805	888	945	934																
Northern Ireland	1,631	1,587	1,638	1,676	1,575	1,195	1,211	1,247	1,221	1,236	437	376	390	454	339																
UK identifiable expenditure	37,744	35,344	38,762	39,114	45,801	21,152	19,284	20,629	18,773	22,565	16,592	16,060	18,133	20,341	23,236																
Outside the UK	470	295	393	491	500	68	15	48	107	106	402	280	345	384	394																
Total identifiable expenditure	38,214	35,639	39,155	39,605	46,302	21,220	19,299	20,677	18,881	22,672	16,994	16,340	18,478	20,725	23,630																
Non-identifiable expenditure ⁽¹⁾	-397	815	889	527	1,110	-607	483	855	481	985	210	332	34	47	125																
Total Expenditure on Services	37,817	36,455	40,044	40,133	47,412	20,613	19,782	21,532	19,361	23,657	17,204	16,673	18,512	20,772	23,755																

⁽¹⁾Includes the effect of financial sector interventions. See Box 5.A for details.

Table 9.8a Identifiable expenditure on economic affairs (of which: enterprise and economic development) by country and region, 2011-12 to 2015-16

	Enterprise and economic development										of which: current										of which: capital									
	National Statistics					National Statistics					National Statistics					National Statistics					National Statistics									
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn										
North East	283	193	302	175	168	179	162	201	139	148	104	31	101	36	20															
North West	565	452	654	517	532	451	399	480	443	459	114	54	174	74	73															
Yorkshire and The Humber	428	321	406	437	379	300	271	308	362	359	128	51	99	75	20															
East Midlands	319	229	278	287	304	265	191	207	225	256	55	38	71	62	47															
West Midlands	392	339	404	407	175	306	286	315	337	324	85	53	90	70	-149															
East	248	229	258	325	370	221	207	239	257	321	27	22	19	68	49															
London	777	396	629	506	801	563	397	528	593	798	213	-1	101	-87	3															
South East	367	379	466	460	701	313	332	377	395	518	55	47	89	65	183															
South West	293	247	309	333	349	262	243	270	297	312	31	4	39	36	37															
England	3,673	2,785	3,706	3,447	3,778	2,860	2,487	2,924	3,047	3,495	813	298	782	400	283															
Scotland	927	922	1,022	990	1,122	688	697	824	808	877	239	226	198	182	246															
Wales	467	430	542	549	456	402	351	383	365	370	66	78	159	185	86															
Northern Ireland	290	295	313	350	419	234	264	270	297	329	57	31	43	53	91															
UK identifiable expenditure	5,358	4,432	5,582	5,336	5,776	4,184	3,800	4,400	4,517	5,070	1,174	632	1,182	819	705															
Outside the UK	1	1	1	0	1	1	1	1	0	1	-	-	-	-	-															
Total identifiable expenditure	5,358	4,433	5,582	5,336	5,777	4,184	3,800	4,401	4,517	5,071	1,174	632	1,182	819	705															
Non-identifiable expenditure ⁽¹⁾	-587	589	564	243	674	-789	279	567	201	566	202	310	-4	43	107															
Total Expenditure on Services	4,771	5,021	6,146	5,580	6,450	3,395	4,079	4,968	4,718	5,638	1,376	942	1,178	862	813															

⁽¹⁾ Includes the effect of financial sector interventions. See PESA Box 5.A for details.

Table 9.8b Identifiable expenditure on economic affairs (of which: science and technology) by country and region, 2011-12 to 2015-16

	Science and technology										of which: current										of which: capital									
	National Statistics					National Statistics					National Statistics					National Statistics					National Statistics									
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn										
North East	133	117	159	173	194	12	9	15	22	67	121	108	144	151	128															
North West	289	285	383	403	413	28	23	41	54	84	260	263	342	350	329															
Yorkshire and The Humber	230	224	298	322	338	21	17	31	44	83	209	207	268	278	255															
East Midlands	210	191	254	294	264	18	15	22	33	61	192	177	232	261	202															
West Midlands	201	197	270	300	286	19	17	29	38	69	182	179	241	262	217															
East	416	391	456	466	526	37	22	27	34	58	379	369	428	431	468															
London	518	485	602	606	703	49	30	32	24	34	469	455	570	582	668															
South East	511	501	599	616	703	46	31	38	39	68	465	470	561	576	635															
South West	218	226	302	355	332	22	17	28	43	71	197	209	274	312	260															
England	2,725	2,617	3,324	3,535	3,759	252	181	263	332	596	2,473	2,436	3,061	3,203	3,163															
Scotland	336	306	372	396	470	32	20	23	46	98	304	286	349	350	372															
Wales	108	107	151	187	206	17	21	32	62	83	90	86	119	125	123															
Northern Ireland	44	43	55	57	46	5	5	3	3	2	39	38	52	54	44															
UK identifiable expenditure	3,213	3,074	3,901	4,174	4,481	306	227	321	443	779	2,907	2,847	3,580	3,731	3,702															
Outside the UK	369	209	253	253	249	23	5	3	1	1	346	204	250	252	247															
Total identifiable expenditure	3,582	3,283	4,155	4,427	4,729	329	232	324	444	781	3,252	3,051	3,830	3,983	3,949															
Non-identifiable expenditure	42	49	46	52	58	41	39	38	52	57	0	10	8	0	1															
Total Expenditure on Services	3,623	3,333	4,201	4,479	4,787	370	272	363	496	837	3,253	3,061	3,838	3,983	3,950															

Table 9.8c Identifiable expenditure on economic affairs (of which: employment policies) by country and region, 2011-12 to 2015-16

	Employment policies												of which: current												of which: capital												£ million
	National Statistics						National Statistics						National Statistics						National Statistics																		
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn		2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn		2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn		2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn														
North East	171	161	211	167	153		166	157	206	165	151		5	5	5	5	2		5	5	5	5	2	1													
North West	389	348	446	320	233		378	338	437	316	231		11	10	10	10	4		11	10	10	4	4	2													
Yorkshire and The Humber	315	291	384	306	259		306	282	376	302	257		9	8	9	9	4		9	8	9	4	4	2													
East Midlands	218	194	242	187	155		212	188	237	185	153		6	6	6	6	2		6	6	6	2	2	1													
West Midlands	332	291	384	299	249		323	282	376	296	247		9	8	9	8	3		9	8	9	3	3	2													
East	242	210	261	190	158		236	204	255	188	157		7	6	6	6	2		7	6	6	2	2	2													
London	464	398	511	408	360		452	387	500	403	357		13	12	11	11	5		13	12	11	5	5	3													
South East	306	263	317	238	202		298	256	310	235	200		8	8	7	7	3		8	8	7	3	3	2													
South West	190	164	202	147	123		185	160	197	146	122		5	5	4	4	2		5	5	4	2	2	1													
England	2,627	2,321	2,959	2,262	1,893		2,555	2,253	2,893	2,235	1,875		72	67	66	66	27		72	67	66	27	18	18													
Scotland	283	248	325	268	231		275	241	317	265	229		8	7	7	7	3		8	7	7	3	3	2													
Wales	160	144	190	161	139		155	140	186	159	137		4	4	4	4	2		4	4	4	2	2	1													
Northern Ireland	158	152	177	183	152		157	152	176	183	151		0	0	0	0	0		0	0	0	0	0	0													
UK identifiable expenditure	3,227	2,865	3,650	2,874	2,414		3,143	2,786	3,573	2,841	2,392		84	79	77	77	32		84	79	77	32	22	22													
Outside the UK	—	—	—	—	—		—	—	—	—	—		—	—	—	—	—		—	—	—	—	—	—													
Total identifiable expenditure	3,227	2,865	3,650	2,874	2,414		3,143	2,786	3,573	2,841	2,392		84	79	77	77	32		84	79	77	32	22	22													
Non-identifiable expenditure	—	—	—	—	—		—	—	—	—	—		—	—	—	—	—		—	—	—	—	—	—													
Total Expenditure on Services	3,227	2,865	3,650	2,874	2,414		3,143	2,786	3,573	2,841	2,392		84	79	77	77	32		84	79	77	32	22	22													

Table 9.8d Identifiable expenditure on economic affairs (of which: agriculture, fisheries and forestry) by country and region, 2011-12 to 2015-16

	Agriculture, fisheries and forestry										of which: current										of which: capital										£ million
	National Statistics					National Statistics					National Statistics					National Statistics					National Statistics										
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn											
North East	204	185	190	172	165	196	178	168	157	148	7	6	6	6	7	7	6	22	15	17											
North West	315	292	286	271	267	303	283	279	261	238	12	9	9	9	9	12	9	8	9	29											
Yorkshire and The Humber	358	335	326	318	286	351	328	321	305	257	6	7	7	7	7	6	7	4	13	29											
East Midlands	412	411	394	377	298	420	409	398	376	290	-7	3	3	3	3	-7	3	-3	2	8											
West Midlands	333	308	305	274	231	322	303	297	276	232	11	5	5	5	5	11	5	7	-2	-2											
East	600	583	557	532	434	585	580	552	517	404	15	3	3	3	3	15	3	4	15	31											
London	48	59	66	62	71	48	54	48	38	56	1	5	5	5	5	1	5	18	24	15											
South East	572	594	579	553	418	568	582	559	534	408	4	12	12	12	12	4	12	20	19	10											
South West	648	596	602	584	459	647	590	578	543	451	1	7	7	7	7	1	7	23	41	9											
England	3,490	3,363	3,305	3,142	2,629	3,441	3,307	3,200	3,007	2,484	49	55	105	135	145	49	55	105	135	145											
Scotland	961	912	948	917	820	815	762	784	725	679	146	150	164	192	141	146	150	164	192	141											
Wales	752	450	478	437	427	711	405	425	379	374	41	45	53	58	53	41	45	53	58	53											
Northern Ireland	535	528	569	565	530	501	491	516	479	487	34	36	54	86	43	34	36	54	86	43											
UK identifiable expenditure	5,739	5,253	5,300	5,061	4,406	5,469	4,966	4,924	4,591	4,024	270	287	375	471	382	270	287	375	471	382											
Outside the UK	38	25	72	145	140	38	4	38	99	97	0	20	34	46	43	0	20	34	46	43											
Total identifiable expenditure	5,777	5,277	5,371	5,206	4,546	5,507	4,970	4,962	4,690	4,121	270	307	409	516	425	270	307	409	516	425											
Non-identifiable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
Total Expenditure on Services	5,777	5,277	5,371	5,206	4,546	5,507	4,970	4,962	4,690	4,121	270	307	409	516	425	270	307	409	516	425											

Table 9.8e Identifiable expenditure on economic affairs (of which: transport⁽¹⁾) by country and region, 2011-12 to 2015-16

	£ million																			
	Transport						of which: current						of which: capital							
	2011-12		2012-13		2013-14		2014-15		2015-16		2011-12		2012-13		2013-14		2014-15		2015-16	
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn
North East	579	526	554	616	784	244	237	226	200	305	336	289	328	416	479					
North West	1,944	1,730	1,742	1,887	2,880	683	633	632	532	1,028	1,261	1,096	1,110	1,355	1,853					
Yorkshire and The Humber	1,369	1,428	1,505	1,505	2,051	599	609	635	420	758	770	819	870	1,085	1,292					
East Midlands	949	788	918	1,028	1,217	356	323	322	280	441	593	465	596	748	777					
West Midlands	1,156	1,206	1,206	1,434	1,964	448	385	404	356	658	707	821	802	1,077	1,307					
East	1,674	1,344	1,425	1,566	2,221	440	378	385	361	720	1,234	966	1,041	1,205	1,501					
London	5,324	5,139	5,295	5,827	8,440	1,937	1,551	1,468	1,224	2,472	3,387	3,587	3,826	4,603	5,968					
South East	1,842	1,970	2,291	2,375	3,267	683	706	747	684	1,063	1,158	1,264	1,543	1,692	2,204					
South West	997	985	951	1,096	1,518	390	364	293	295	501	606	621	659	801	1,017					
England	15,834	15,116	15,886	17,334	24,342	5,781	5,187	5,111	4,352	7,944	10,052	9,929	10,775	12,982	16,397					
Scotland	2,709	2,955	2,898	2,794	2,708	1,448	1,531	1,549	1,327	1,511	1,261	1,424	1,349	1,468	1,197					
Wales	1,060	1,081	1,021	1,019	1,246	523	490	467	442	576	538	591	553	576	670					
Northern Ireland	605	569	524	522	429	298	298	283	260	267	307	271	242	262	161					
UK identifiable expenditure	20,208	19,720	20,329	21,669	28,725	8,050	7,505	7,410	6,381	10,299	12,158	12,215	12,919	15,287	18,426					
Outside the UK	62	61	67	93	111	6	5	6	7	7	56	56	61	86	103					
Total identifiable expenditure	20,270	19,781	20,396	21,762	28,836	8,056	7,510	7,416	6,388	10,307	12,214	12,271	12,980	15,374	18,529					
Non-identifiable expenditure	149	178	279	232	379	141	165	249	228	362	8	13	30	4	17					
Total Expenditure on Services	20,419	19,959	20,675	21,994	29,215	8,197	7,675	7,666	6,616	10,669	12,222	12,284	13,010	15,378	18,546					

⁽¹⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The transport analysis shown includes Network Rail spending from 2015-16 and therefore included in 'Total Expenditure on Services' for that year only.

Table 9.9 Identifiable expenditure on environment protection by country and region, 2011-12 to 2015-16

	Environment protection										of which: current										of which: capital										£ million
	National Statistics					National Statistics					National Statistics					National Statistics					National Statistics										
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn						
North East	339	299	333	361	321	280	254	279	274	273	59	44	54	87	48																
North West	1,986	2,238	2,192	2,274	2,271	1,138	1,086	1,087	1,059	1,098	848	1,152	1,105	1,215	1,173																
Yorkshire and The Humber	669	600	625	642	738	538	490	504	524	554	131	110	121	118	184																
East Midlands	536	525	532	522	529	418	385	413	431	447	118	140	118	91	82																
West Midlands	641	565	577	631	673	519	473	480	511	517	122	92	98	121	157																
East	733	794	895	944	986	576	592	629	662	718	157	202	266	282	268																
London	1,152	1,051	1,082	1,156	1,140	971	922	933	980	970	181	129	149	175	169																
South East	1,190	1,180	1,278	1,391	1,374	932	853	884	956	1,014	258	328	395	435	360																
South West	949	942	946	1,075	1,030	654	619	631	670	694	294	323	315	406	335																
England	8,194	8,193	8,459	8,996	9,061	6,025	5,674	5,839	6,068	6,286	2,168	2,519	2,620	2,929	2,775																
Scotland	1,277	1,328	1,418	1,397	1,386	963	919	953	970	978	314	409	465	426	409																
Wales	607	653	683	682	639	489	506	542	517	497	118	147	141	165	142																
Northern Ireland	266	255	266	268	256	242	232	242	240	233	24	23	24	28	23																
UK identifiable expenditure	10,344	10,430	10,826	11,343	11,342	7,720	7,332	7,577	7,796	7,994	2,624	3,098	3,250	3,548	3,348																
Outside the UK	5	6	9	2	0	5	6	7	2	0	0	0	1	0	0																
Total identifiable expenditure	10,349	10,436	10,835	11,345	11,342	7,724	7,338	7,584	7,798	7,994	2,624	3,099	3,251	3,548	3,349																
Non-identifiable expenditure	151	228	348	221	166	18	38	24	15	28	133	189	325	206	138																
Total Expenditure on Services	10,500	10,664	11,183	11,566	11,508	7,743	7,376	7,608	7,813	8,022	2,757	3,288	3,575	3,753	3,486																

Table 9.10 Identifiable expenditure on housing and community amenities by country and region, 2011-12 to 2015-16

	Housing and community amenities										of which: current										of which: capital										£ million
	National Statistics					National Statistics					National Statistics					National Statistics					National Statistics										
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn											
North East	528	471	465	473	498	120	138	113	110	110	408	333	352	363	388	408	333	352	363	388											
North West	914	707	810	735	655	251	297	263	249	245	663	410	547	486	410	663	410	547	486	410											
Yorkshire and The Humber	674	566	593	649	695	179	229	220	204	201	495	337	373	445	494	495	337	373	445	494											
East Midlands	444	508	540	574	611	142	197	195	187	176	302	311	345	387	436	302	311	345	387	436											
West Midlands	619	603	591	749	486	165	216	227	207	207	454	387	364	542	279	454	387	364	542	279											
East	429	504	515	611	619	180	231	228	220	218	249	273	287	391	401	249	273	287	391	401											
London	1,983	2,384	2,051	1,951	1,887	384	506	489	489	470	1,600	1,879	1,562	1,463	1,418	1,600	1,879	1,562	1,463	1,418											
South East	773	695	751	841	847	296	392	367	369	361	477	303	385	472	486	477	303	385	472	486											
South West	495	453	459	524	427	178	224	235	211	206	316	230	224	313	221	316	230	224	313	221											
England	6,861	6,891	6,774	7,108	6,726	1,895	2,428	2,337	2,246	2,195	4,965	4,463	4,437	4,862	4,531	4,965	4,463	4,437	4,862	4,531											
Scotland	1,725	1,615	1,649	1,700	2,018	218	75	123	125	211	1,507	1,540	1,527	1,575	1,807	1,507	1,540	1,527	1,575	1,807											
Wales	605	631	607	600	694	125	140	132	124	161	480	491	475	476	532	480	491	475	476	532											
Northern Ireland	962	820	776	787	760	486	445	395	360	422	476	375	381	426	338	476	375	381	426	338											
UK identifiable expenditure	10,153	9,957	9,807	10,195	10,198	2,725	3,088	2,987	2,855	2,989	7,428	6,869	6,820	7,340	7,209	7,428	6,869	6,820	7,340	7,209											
Outside the UK	—	—	0	0	0	—	—	0	0	0	—	—	—	—	—	—	—	—	—	—											
Total identifiable expenditure	10,153	9,957	9,807	10,195	10,198	2,725	3,088	2,987	2,855	2,989	7,428	6,869	6,820	7,340	7,209	7,428	6,869	6,820	7,340	7,209											
Non-identifiable expenditure	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—											
Total Expenditure on Services	10,153	9,957	9,807	10,195	10,198	2,725	3,088	2,987	2,855	2,989	7,428	6,869	6,820	7,340	7,209	7,428	6,869	6,820	7,340	7,209											

Table 9.11 Identifiable expenditure on health by country and region, 2011-12 to 2015-16

	£ million																			
	Health						of which: current						of which: capital							
	2011-12		2012-13		2013-14		2014-15		2015-16		2011-12		2012-13		2013-14		2014-15		2015-16	
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn						
North East	5,396	5,547	5,676	5,770	5,805	5,161	5,291	5,359	5,507	5,571	235	256	317	262	233					
North West	13,979	14,672	14,659	15,392	15,888	13,378	13,997	13,844	14,694	15,280	600	676	815	698	608					
Yorkshire and The Humber	9,745	10,026	10,263	10,819	11,075	9,323	9,559	9,694	10,337	10,666	423	467	569	482	410					
East Midlands	7,569	7,842	8,119	8,535	8,941	7,231	7,464	7,662	8,151	8,614	338	378	457	384	327					
West Midlands	10,588	11,023	11,303	12,022	12,477	10,130	10,511	10,687	11,487	12,032	458	512	616	535	445					
East	9,278	9,506	10,321	10,906	11,291	8,802	9,023	9,710	10,393	10,841	476	483	611	513	450					
London	20,217	20,157	21,453	21,637	22,502	19,138	19,028	20,073	20,416	21,366	1,079	1,128	1,380	1,221	1,135					
South East	14,281	14,610	15,696	16,291	16,851	13,553	13,849	14,749	15,500	16,149	728	761	947	791	702					
South West	8,743	9,095	9,864	10,242	10,531	8,339	8,658	9,307	9,780	10,134	404	437	557	462	397					
England	99,795	102,478	107,354	111,614	115,361	95,054	97,380	101,085	106,266	110,655	4,741	5,098	6,269	5,348	4,706					
Scotland	11,057	11,287	11,462	11,594	12,132	10,413	10,604	10,828	11,108	11,618	643	683	634	486	514					
Wales	6,093	6,020	6,163	6,442	6,592	5,779	5,797	5,930	6,137	6,380	314	223	233	305	213					
Northern Ireland	3,639	3,844	3,875	3,911	4,032	3,434	3,515	3,620	3,679	3,822	205	329	255	232	210					
UK identifiable expenditure	120,584	123,629	128,854	133,561	138,118	114,680	117,296	121,463	127,190	132,474	5,904	6,333	7,391	6,371	5,644					
Outside the UK	670	673	535	492	582	667	649	505	461	545	3	25	30	31	37					
Total identifiable expenditure	121,254	124,302	129,389	134,053	138,700	115,347	117,944	121,968	127,651	133,019	5,907	6,358	7,421	6,402	5,681					
Non-identifiable expenditure	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—					
Total Expenditure on Services	121,254	124,302	129,389	134,053	138,700	115,347	117,944	121,968	127,651	133,019	5,907	6,358	7,421	6,402	5,681					

Table 9.12 Identifiable expenditure on recreation, culture and religion by country and region, 2011-12 to 2015-16

	Recreation, culture and religion										of which: current										of which: capital									
	National Statistics					National Statistics					National Statistics					National Statistics					National Statistics									
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn										
North East	298	313	302	318	299	232	257	238	225	210	66	56	64	92	89															
North West	718	676	675	763	758	526	544	532	546	524	192	132	142	216	234															
Yorkshire and The Humber	561	587	571	610	594	423	453	464	485	431	138	134	107	125	163															
East Midlands	393	419	409	423	425	308	322	304	300	291	85	97	105	124	134															
West Midlands	630	599	564	517	519	416	427	414	406	382	214	172	150	111	137															
East	484	506	500	487	481	368	373	369	361	344	116	132	131	126	138															
London	1,462	1,888	1,278	1,395	1,263	1,075	1,601	1,038	1,106	1,001	387	287	241	289	262															
South East	785	794	732	793	798	551	584	580	583	533	234	210	151	210	265															
South West	517	469	439	478	455	360	344	333	376	334	157	124	105	102	120															
England	5,847	6,250	5,470	5,785	5,591	4,258	4,905	4,274	4,389	4,050	1,589	1,345	1,196	1,396	1,541															
Scotland	1,199	1,306	1,128	1,209	1,069	889	978	901	1,040	819	310	328	227	169	249															
Wales	573	583	528	524	501	489	469	447	446	414	84	114	81	77	88															
Northern Ireland	417	463	459	470	444	350	371	383	355	319	67	92	76	114	125															
UK identifiable expenditure	8,036	8,602	7,585	7,987	7,606	5,986	6,724	6,006	6,231	5,603	2,050	1,878	1,580	1,756	2,003															
Outside the UK	230	221	241	225	178	158	179	211	205	166	72	42	31	20	12															
Total identifiable expenditure	8,267	8,823	7,826	8,212	7,784	6,144	6,903	6,216	6,436	5,769	2,122	1,920	1,610	1,776	2,015															
Non-identifiable expenditure	4,221	3,887	3,781	4,235	3,731	3,490	3,763	3,537	3,989	3,618	732	124	244	246	113															
Total Expenditure on Services	12,488	12,710	11,607	12,446	11,515	9,634	10,666	9,754	10,425	9,387	2,854	2,044	1,854	2,022	2,128															

Table 9.13 Identifiable expenditure on education by country and region, 2011-12 to 2015-16

	£ million														
	Education ⁽¹⁾						of which: capital								
	National Statistics			National Statistics			National Statistics			National Statistics					
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
North East	3,566	3,440	3,436	3,397	3,294	3,186	3,133	3,185	3,125	3,076	380	308	251	272	218
North West	9,658	9,380	9,507	9,455	9,224	8,675	8,540	8,603	8,510	8,479	983	840	904	945	745
Yorkshire and The Humber	7,519	7,271	7,127	7,026	6,822	6,496	6,431	6,482	6,339	6,255	1,023	840	645	687	567
East Midlands	5,768	5,834	5,793	5,772	5,517	5,214	5,314	5,185	5,178	5,063	555	520	609	595	453
West Midlands	7,783	7,511	7,574	7,602	7,411	6,951	6,787	6,924	6,895	6,823	833	725	650	707	589
East	7,378	7,262	7,198	7,541	7,396	6,529	6,477	6,429	6,620	6,605	849	786	770	921	791
London	13,114	12,684	13,345	13,771	13,078	11,250	11,113	11,284	11,553	11,459	1,864	1,570	2,061	2,219	1,620
South East	10,570	10,416	10,460	10,450	10,383	9,497	9,403	9,202	9,112	9,098	1,073	1,013	1,257	1,337	1,285
South West	6,479	6,253	6,363	6,390	6,225	5,930	5,729	5,755	5,734	5,644	548	523	607	656	581
England	71,834	70,051	70,804	71,405	69,349	63,727	62,925	63,048	63,065	62,500	8,107	7,125	7,755	8,340	6,849
Scotland	7,541	7,523	7,559	7,614	7,899	6,854	6,867	6,923	6,980	7,156	687	656	636	634	743
Wales	4,445	4,056	4,163	3,988	4,091	4,039	3,747	3,865	3,743	3,736	406	308	298	245	354
Northern Ireland	2,657	2,595	2,621	2,741	2,706	2,499	2,466	2,489	2,510	2,545	158	130	132	231	161
UK identifiable expenditure	86,478	84,224	85,147	85,748	84,045	77,119	76,005	76,326	76,298	75,937	9,359	8,219	8,821	9,450	8,108
Outside the UK	1	1	2	2	1	1	1	1	1	1	—	—	0	0	—
Total identifiable expenditure	86,479	84,225	85,149	85,750	84,046	77,120	76,007	76,328	76,299	75,937	9,359	8,219	8,821	9,450	8,108
Non-identifiable expenditure	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure on Services	86,479	84,225	85,149	85,750	84,046	77,120	76,007	76,328	76,299	75,937	9,359	8,219	8,821	9,450	8,108

⁽¹⁾ The 'grant-equivalent element of student loans' is no longer part of the Total Expenditure of Services framework and has therefore been removed from 'Current education'. A full explanation of this decision can be found in Annex E of PESA 2016.

Table 9.14 Identifiable expenditure on social protection by country and region, 2011-12 to 2015-16

	Social protection												of which: current												of which: capital												£ million
	National Statistics						National Statistics						National Statistics						National Statistics																		
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn		2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn		2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn		2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn														
North East	11,022	11,373	11,399	11,611	11,736		10,984	11,347	11,313	11,573	11,713		37	26	86	38	23		37	26	86	38	23														
North West	28,686	29,520	29,472	30,320	30,617		28,619	29,470	29,448	30,273	30,574		67	49	24	47	43		67	49	24	47	43														
Yorkshire and The Humber	20,070	20,697	20,737	21,399	21,560		20,019	20,655	20,720	21,360	21,539		51	42	18	39	21		51	42	18	39	21														
East Midlands	16,569	17,212	17,295	17,978	18,083		16,537	17,183	17,285	17,944	18,059		32	30	10	34	24		32	30	10	34	24														
West Midlands	21,688	22,379	22,412	23,064	23,230		21,642	22,341	22,409	23,045	23,205		46	39	4	20	25		46	39	4	20	25														
East	20,642	21,511	21,577	22,161	22,413		20,589	21,475	21,564	22,130	22,381		53	36	14	31	32		53	36	14	31	32														
London	30,195	30,848	30,818	31,531	31,644		30,124	30,816	30,813	31,497	31,631		71	32	5	34	13		71	32	5	34	13														
South East	29,420	30,664	30,927	31,618	32,048		29,340	30,610	30,897	31,582	32,016		80	54	30	36	33		80	54	30	36	33														
South West	20,065	20,940	21,156	21,765	21,938		20,016	20,920	21,146	21,753	21,918		49	20	10	12	20		49	20	10	12	20														
England	198,356	205,144	205,793	211,449	213,269		197,870	204,816	205,595	211,158	213,036		486	327	199	291	233		486	327	199	291	233														
Scotland	21,344	22,102	22,040	22,584	23,046		21,279	22,012	21,963	22,507	22,979		66	89	77	78	67		66	89	77	78	67														
Wales	13,137	13,557	13,737	14,143	14,288		13,105	13,527	13,721	14,119	14,273		32	30	17	24	15		32	30	17	24	15														
Northern Ireland	8,001	8,312	8,567	8,731	8,895		7,989	8,308	8,561	8,730	8,893		12	3	6	0	3		12	3	6	0	3														
UK identifiable expenditure	240,839	249,114	250,138	256,907	259,498		240,243	248,663	249,840	256,514	259,180		596	450	298	393	318		596	450	298	393	318														
Outside the UK	4,008	4,324	4,533	4,775	4,736		4,008	4,324	4,533	4,775	4,736		—	—	—	—	—		—	—	—	—	—														
Total identifiable expenditure	244,847	253,438	254,671	261,681	264,234		244,251	252,988	254,373	261,288	263,916		596	450	298	393	318		596	450	298	393	318														
Non-identifiable expenditure	—	—	-700	-500	-4		—	—	—	—	—		—	—	-700	-500	-4		—	—	-700	-500	-4														
Total Expenditure on Services	244,847	253,438	253,971	261,181	264,230		244,251	252,988	254,373	261,288	263,916		596	450	-402	-107	313		596	450	-402	-107	313														

Table 9.15 UK identifiable expenditure on services by function, country and region, per head⁽¹⁾, 2011-12 to 2015-16

		Data in this table from 2011-12 to 2015-16 are National Statistics										£ per head								
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	Total Expenditure on Services	
2011-12																				
North East	83	80	3	1	488	527	109	51	66	78	223	130	203	2,078	115	1,373	4,245	9,245		
North West	81	78	3	1	488	496	80	41	55	45	275	281	130	1,981	102	1,369	4,065	8,995		
Yorkshire and The Humber	88	85	3	1	442	510	81	43	60	68	259	127	128	1,843	106	1,422	3,795	8,460		
East Midlands	112	109	3	1	365	465	70	46	48	91	209	118	98	1,668	87	1,271	3,652	7,837		
West Midlands	87	83	3	1	423	430	70	36	59	59	206	114	110	1,888	112	1,388	3,867	8,420		
East	90	87	3	1	343	543	42	71	41	102	286	125	73	1,583	83	1,259	3,521	7,620		
London	84	81	3	1	746	869	95	63	57	6	649	140	242	2,464	178	1,598	3,680	10,004		
South East	88	85	3	1	354	416	42	59	35	66	213	138	89	1,650	91	1,222	3,400	7,449		
South West	93	90	3	1	363	443	55	41	36	122	188	179	93	1,649	97	1,222	3,785	7,926		
England	89	86	3	1	456	534	69	51	49	66	298	154	129	1,879	110	1,353	3,735	8,440		
Scotland	201	198	3	1	505	984	175	63	53	181	511	241	325	2,086	226	1,423	4,027	10,020		
Wales	171	167	3	1	447	831	152	35	52	246	346	198	197	1,989	187	1,451	4,288	9,760		
Northern Ireland	211	208	3	-	786	899	160	24	87	295	333	147	530	2,006	230	1,465	4,410	10,684		
UK identifiable expenditure	106	103	3	1	469	596	85	51	51	91	319	163	160	1,905	127	1,366	3,806	8,700		
2012-13																				
North East	106	103	3	1	477	454	74	45	62	71	202	115	181	2,131	120	1,322	4,370	9,277		
North West	90	87	3	1	478	439	64	40	49	41	244	316	100	2,071	95	1,324	4,167	9,080		
Yorkshire and The Humber	75	73	3	1	432	489	60	42	55	63	269	113	107	1,886	110	1,368	3,893	8,473		
East Midlands	103	100	3	1	369	397	50	42	42	90	173	115	111	1,717	92	1,277	3,768	7,950		
West Midlands	76	73	3	1	412	415	60	35	52	54	214	100	107	1,953	106	1,331	3,966	8,468		
East	91	89	3	1	324	467	39	66	36	99	228	134	85	1,609	86	1,229	3,641	7,669		
London	102	100	3	1	716	779	48	58	48	7	618	126	287	2,426	227	1,527	3,713	9,905		
South East	88	85	3	1	349	425	43	57	30	68	226	135	80	1,675	91	1,194	3,515	7,552		
South West	88	85	3	1	359	415	46	42	31	112	184	176	85	1,703	88	1,171	3,922	8,008		
England	90	88	3	1	444	490	52	49	43	63	283	153	129	1,916	117	1,310	3,835	8,484		
Scotland	176	173	3	1	506	1,006	174	58	47	172	556	250	304	2,124	246	1,416	4,159	10,187		
Wales	165	162	3	1	442	720	140	35	47	146	351	213	205	1,958	190	1,319	4,410	9,623		
Northern Ireland	209	206	3	-	761	870	162	24	83	289	312	140	450	2,108	254	1,423	4,558	10,773		
UK identifiable expenditure	104	102	3	1	458	555	70	48	45	82	310	164	156	1,941	135	1,322	3,910	8,747		

⁽¹⁾ Per head figures calculated using mid-year population estimates from the ONS. See Annex within the CRA 2016 release for details.

Table 9.15 UK identifiable expenditure on services by function, country and region, per head⁽¹⁾, 2011-12 to 2015-16 (continued)

		Data in this table from 2011-12 to 2015-16 are National Statistics										£ per head							
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	Total Expenditure on Services
2013-14		89	86	2	1	457	542	116	61	81	73	212	127	178	2,174	116	1,316	4,367	9,367
North East																			
North West		83	81	2	1	458	494	92	54	63	40	245	309	114	2,064	95	1,338	4,149	9,105
Yorkshire and The Humber		79	76	2	1	414	547	76	56	72	61	282	117	111	1,923	107	1,335	3,885	8,518
East Midlands		97	94	2	1	349	454	60	55	53	86	200	116	117	1,766	89	1,260	3,761	8,009
West Midlands		80	78	2	1	385	453	71	48	68	54	212	102	104	1,992	99	1,335	3,950	8,500
East		90	87	2	1	318	497	43	77	44	94	239	150	86	1,733	84	1,209	3,624	7,792
London		98	95	2	1	645	844	75	71	61	8	629	129	244	2,549	152	1,586	3,662	9,907
South East		93	91	2	1	338	483	53	68	36	66	261	145	85	1,785	83	1,190	3,517	7,722
South West		83	81	2	1	343	440	57	56	37	112	177	176	85	1,834	82	1,183	3,934	8,161
England		89	86	2	1	419	542	69	62	55	61	295	157	126	1,993	102	1,314	3,820	8,563
Scotland		209	206	2	1	448	1,044	192	70	61	178	544	266	310	2,151	212	1,419	4,137	10,196
Wales		165	162	2	1	430	772	176	49	62	155	331	222	197	2,000	171	1,351	4,457	9,765
Northern Ireland		232	229	2	-	747	895	171	30	97	311	287	145	424	2,118	251	1,433	4,682	10,927
UK identifiable expenditure		106	104	2	1	431	605	87	61	57	83	317	169	153	2,010	118	1,328	3,902	8,824
2014-15																			
North East		91	89	1	1	443	497	67	66	64	66	235	138	181	2,203	121	1,297	4,434	9,406
North West		83	81	1	1	438	476	72	57	45	38	265	319	103	2,158	107	1,326	4,251	9,261
Yorkshire and The Humber		70	69	1	1	405	539	82	60	57	59	281	120	121	2,018	114	1,311	3,992	8,691
East Midlands		89	88	1	1	345	469	62	63	40	81	222	113	124	1,840	91	1,245	3,877	8,193
West Midlands		91	90	1	1	378	475	71	53	52	48	251	110	131	2,104	90	1,331	4,037	8,748
East		113	111	1	1	318	512	54	77	32	88	260	157	101	1,812	81	1,253	3,682	8,030
London		88	86	1	1	635	868	59	71	48	7	682	135	229	2,534	163	1,613	3,693	9,958
South East		99	97	1	1	324	478	52	69	27	62	268	157	95	1,836	89	1,178	3,563	7,820
South West		106	105	1	1	337	464	61	66	27	108	202	198	97	1,889	88	1,178	4,013	8,371
England		92	91	1	1	410	547	63	65	42	58	319	166	131	2,055	106	1,315	3,893	8,716
Scotland		213	211	1	0	490	1,003	185	74	50	172	523	261	318	2,168	226	1,424	4,223	10,327
Wales		171	169	1	1	423	761	178	60	52	141	329	221	194	2,083	169	1,290	4,574	9,887
Northern Ireland		253	252	1	-	691	911	190	31	100	307	284	146	428	2,125	255	1,489	4,744	11,041
UK identifiable expenditure		111	109	1	1	425	606	83	65	44	78	335	176	158	2,068	124	1,327	3,977	8,971

⁽¹⁾ Per head figures calculated using mid-year population estimates from the ONS. See Annex within the CRA 2016 release for details.

Table 9.15 UK identifiable expenditure on services by function, country and region, per head⁽¹⁾, 2011-12 to 2015-16 (continued)

Data in this table from 2011-12 to 2015-16 are National Statistics		£ per head																
	1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	Total Expenditure on Services
2015-16																		
North East	93	91	1	1	457	558	64	74	58	63	299	122	190	2,212	114	1,255	4,472	9,472
North West	77	76	1	1	424	603	74	58	33	37	401	317	91	2,215	106	1,286	4,268	9,387
Yorkshire and The Humber	73	71	1	1	407	615	70	63	48	53	380	137	129	2,055	110	1,266	4,000	8,791
East Midlands	90	89	1	1	374	478	65	56	33	64	260	113	131	1,912	91	1,180	3,866	8,237
West Midlands	75	73	1	1	380	505	30	50	43	40	342	117	84	2,170	90	1,289	4,039	8,750
East	107	106	1	1	337	610	61	87	26	71	365	162	102	1,858	79	1,217	3,688	8,163
London	84	83	1	1	602	1,196	92	81	42	8	973	131	218	2,594	146	1,508	3,648	10,129
South East	99	98	1	1	322	591	78	79	23	47	365	154	95	1,883	89	1,160	3,582	7,977
South West	103	102	1	1	326	508	64	61	23	84	277	188	78	1,925	83	1,138	4,010	8,361
England	89	88	1	1	407	664	69	69	35	48	444	165	123	2,106	102	1,266	3,893	8,816
Scotland	196	194	1	1	494	996	209	88	43	153	504	258	376	2,258	199	1,470	4,289	10,536
Wales	159	157	1	1	388	798	147	67	45	138	402	206	224	2,127	162	1,320	4,610	9,996
Northern Ireland	212	211	1	-	688	851	227	25	82	286	232	138	411	2,178	240	1,461	4,804	10,983
UK identifiable expenditure	105	103	1	1	421	703	89	69	37	68	441	174	157	2,121	117	1,291	3,986	9,076

⁽¹⁾ Per head figures calculated using mid-year population estimates from the ONS. See Annex within the CRA 2016 release for details.

Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2011-12 to 2015-16

		Index (UK identifiable expenditure = 100)										Total Expenditure on Services								
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry		of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	
2011-12																				
North East		79	78	100	103	104	88	129	101	129	86	70	80	127	109	90	100	112	106	
North West		77	76	100	88	104	83	95	81	108	49	86	172	81	104	80	100	107	103	
Yorkshire and The Humber		83	82	100	64	94	86	96	86	117	75	81	77	79	97	84	104	100	97	
East Midlands		106	106	100	95	78	78	83	91	94	100	65	72	61	88	68	93	96	90	
West Midlands		82	81	100	92	90	72	83	71	116	65	65	70	69	99	88	102	102	97	
East		85	85	100	147	73	91	50	140	81	113	89	77	46	83	65	92	93	88	
London		80	79	100	107	159	146	112	124	111	7	203	86	151	129	140	117	97	115	
South East		83	83	100	120	76	70	50	116	69	73	67	84	56	87	71	89	89	86	
South West		88	87	100	106	77	74	65	81	70	135	59	109	58	87	77	89	99	91	
England		84	84	100	104	97	90	82	101	97	72	93	94	81	99	87	99	98	97	
Scotland		190	193	100	78	108	165	207	125	105	200	160	147	203	109	178	104	106	115	
Wales		161	163	100	131	95	139	180	69	102	271	108	121	123	104	147	106	113	112	
Northern Ireland		200	203	100	-	168	151	189	47	170	325	104	90	331	105	181	107	116	123	
UK identifiable expenditure		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
2012-13																				
North East		101	101	100	99	104	82	106	93	138	86	65	70	116	110	89	100	112	106	
North West		86	86	100	89	104	79	92	83	109	50	79	193	64	107	71	100	107	104	
Yorkshire and The Humber		72	71	100	70	94	88	87	87	122	76	87	69	68	97	82	103	100	97	
East Midlands		99	99	100	99	81	72	72	87	94	109	56	70	71	88	68	97	96	91	
West Midlands		73	72	100	95	90	75	86	72	115	66	69	61	68	101	79	101	101	97	
East		87	87	100	131	71	84	56	137	79	120	74	82	55	83	63	93	93	88	
London		98	98	100	122	156	140	68	121	107	9	200	77	184	125	168	115	95	113	
South East		84	83	100	117	76	77	62	119	67	83	73	83	51	86	67	90	90	86	
South West		84	83	100	95	78	75	66	88	68	135	60	108	54	88	65	89	100	92	
England		86	86	100	104	97	88	75	101	96	76	91	94	82	99	87	99	98	97	
Scotland		168	170	100	69	110	181	249	119	104	208	180	153	194	109	182	107	106	116	
Wales		158	159	100	142	96	130	201	72	104	178	114	130	131	101	140	100	113	110	
Northern Ireland		200	203	100	-	166	157	232	49	186	351	101	85	288	109	188	108	117	123	
UK identifiable expenditure		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	

Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2011-12 to 2015-16 (continued)

		Index (UK identifiable expenditure = 100)																					
		Data in this table from 2011-12 to 2015-16 are National Statistics																					
		1. General public services		2. Defence		3. Public order and safety		4. Economic affairs		5. Environment protection		6. Housing and community amenities		7. Health		8. Recreation, culture and religion		9. Education		10. Social protection		Total Expenditure on Services	
		<i>of which: public and common services</i>		<i>of which: international services</i>		<i>of which: enterprise and economic development</i>		<i>of which: science and technology</i>		<i>of which: employment policies</i>		<i>of which: agriculture, fisheries and forestry</i>		<i>of which: transport</i>									
2013-14		84	83	100	100	83	106	90	133	100	142	88	67	75	116	108	98	99	112				106
North East		79	78	100	100	91	106	82	106	89	110	49	77	183	75	103	80	101	106				103
North West		74	74	100	100	92	96	90	87	92	126	74	89	69	73	96	90	101	100				97
Yorkshire and The Humber		91	91	100	100	140	81	75	69	91	93	104	63	68	77	88	75	95	96				91
East Midlands		75	75	100	100	78	89	75	82	78	119	65	67	60	68	99	84	100	101				96
West Midlands		84	84	100	100	115	74	82	50	126	77	113	75	89	57	86	71	91	93				88
East		92	92	100	100	99	149	140	86	117	107	9	198	76	159	127	128	119	94				112
London		88	88	100	100	116	78	80	61	112	63	80	82	86	56	89	70	90	90				88
South East		78	78	100	100	112	80	73	66	92	66	135	56	104	56	91	69	89	101				92
South West		83	83	100	100	104	97	90	79	101	96	74	93	93	82	99	86	99	98				97
England		196	198	100	100	73	104	173	220	115	107	215	172	158	202	107	179	107	106				116
Scotland		155	156	100	100	144	100	128	202	80	108	187	104	131	129	99	145	102	114				111
Wales		218	221	100	100	-	173	148	196	49	170	376	90	86	277	105	212	108	120				124
Northern Ireland		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100				100
UK identifiable expenditure		82	82	100	100	85	104	82	81	102	143	84	70	79	115	107	98	98	111				105
2014-15		75	74	100	100	79	103	79	88	88	101	48	79	182	65	104	86	100	107				103
North East		64	63	100	100	74	95	89	99	93	128	76	84	68	77	98	92	99	100				97
North West		81	81	100	100	108	81	77	75	98	91	104	66	64	78	89	74	94	97				91
Yorkshire and The Humber		82	82	100	100	73	89	78	86	81	118	61	75	63	83	102	73	100	102				98
East Midlands		102	102	100	100	128	75	84	65	120	71	113	78	89	64	88	65	94	93				90
West Midlands		79	79	100	100	104	149	143	72	110	107	9	203	77	145	123	132	121	93				111
East		89	89	100	100	132	76	79	63	107	60	80	80	89	60	89	72	89	90				87
London		96	96	100	100	131	79	77	74	101	61	137	60	113	61	91	71	89	101				93
South East		83	83	100	100	104	96	90	77	101	94	74	95	94	83	99	86	99	98				97
South West		192	193	100	100	64	115	166	224	115	113	219	156	149	201	105	183	107	106				115
England		154	155	100	100	155	100	126	215	93	117	180	98	126	123	101	137	97	115				110
Scotland		229	230	100	100	-	163	150	230	48	224	392	85	83	271	103	206	112	119				123
Wales		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100				100
Northern Ireland		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100				100
UK identifiable expenditure		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100				100

Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2011-12 to 2015-16 (continued)

		Index (UK identifiable expenditure = 100)																		
		Data in this table from 2011-12 to 2015-16 are National Statistics																		
		Total Expenditure on Services																		
2015-16	1. General public services	89	89	100	92	108	79	72	108	157	93	68	70	121	104	98	97	112	104	
		of which: public and common services	74	74	100	87	101	86	84	84	88	91	182	58	104	90	100	107	103	
		of which: international services	69	69	100	83	97	87	79	91	130	78	86	79	82	97	94	98	100	97
			86	86	100	109	89	68	73	82	89	59	65	83	83	90	78	91	97	91
			72	71	100	82	90	72	34	72	117	77	67	54	102	77	100	101	96	
			102	102	100	125	80	87	69	126	70	106	83	93	65	88	68	94	93	90
			81	80	100	105	143	170	118	118	112	12	221	75	139	122	125	117	92	112
			95	95	100	127	76	84	114	114	61	69	83	88	60	89	76	90	90	88
			98	98	100	127	77	72	88	61	124	63	108	50	50	91	71	88	101	92
			85	85	100	106	97	94	78	100	93	71	101	95	78	99	87	98	98	97
			187	188	100	74	117	142	235	127	116	114	148	240	240	106	170	114	108	116
			152	152	100	102	92	113	166	97	121	204	118	143	143	100	139	102	116	110
			203	204	100	-	163	121	255	36	221	423	79	262	262	103	205	113	121	121
			100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
		UK identifiable expenditure	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Table 9.17 Total local government identifiable expenditure on services by country and region, 2011-12 to 2015-16

	as a per cent of total spending in that region (from Table A.1)									
	£ million					National Statistics				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
North East	6,796	6,450	6,512	6,373	6,371	28	27	27	26	26
North West	17,830	17,128	17,323	17,256	17,505	28	27	27	26	26
Yorkshire and The Humber	12,549	12,045	11,888	11,721	11,901	28	27	26	25	25
East Midlands	9,539	9,149	8,935	8,831	8,888	27	25	24	23	23
West Midlands	13,216	12,677	12,545	12,631	12,083	28	27	26	25	24
East	12,448	11,849	11,752	12,220	12,311	28	26	25	25	25
London	28,947	28,613	29,381	29,196	28,922	35	35	35	34	33
South East	17,968	17,565	18,158	18,211	18,642	28	27	27	26	26
South West	11,034	10,518	10,618	10,834	10,872	26	25	24	24	24
Total England	130,327	125,994	127,112	127,274	127,496	29	28	28	27	26
Scotland	15,189	15,245	13,818	13,804	14,493	29	28	25	25	26
Wales	8,148	8,355	8,395	8,301	8,168	27	28	28	27	26
Northern Ireland ⁽¹⁾	622	624	632	668	738	3	3	3	3	4
UK local government identifiable expenditure	154,286	150,218	149,958	150,047	150,894	28	27	27	26	26
Non-identifiable expenditure	561	515	547	773	755	1	1	1	1	1
Total local government expenditure on services	154,847	150,733	150,505	150,820	151,649	23	23	22	22	22
Accounting adjustments	19,368	21,168	21,997	22,634	22,609	37	32	36	35	41
Total local government expenditure	174,215	171,901	172,502	173,454	174,258	24	24	23	23	23

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

Table 9.18 Total local government identifiable expenditure on services by country and region, per head⁽¹⁾ 2011-12 to 2015-16

	£ per head					Index (UK identifiable expenditure = 100)				
	National Statistics					National Statistics				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
North East	2,617	2,479	2,495	2,434	2,427	107	105	107	105	105
North West	2,527	2,418	2,439	2,419	2,440	104	103	104	104	105
Yorkshire and The Humber	2,373	2,266	2,227	2,187	2,208	97	96	95	94	95
East Midlands	2,102	2,003	1,943	1,904	1,900	86	85	83	82	82
West Midlands	2,356	2,247	2,211	2,211	2,101	97	95	95	95	91
East	2,123	2,006	1,974	2,031	2,026	87	85	84	87	87
London	3,528	3,444	3,491	3,419	3,334	145	146	149	147	144
South East	2,077	2,013	2,065	2,052	2,083	85	85	88	88	90
South West	2,081	1,970	1,975	1,998	1,987	85	84	84	86	86
Total England	2,454	2,355	2,360	2,343	2,327	101	100	101	101	100
Scotland	2,866	2,869	2,594	2,581	2,697	118	122	111	111	116
Wales	2,660	2,718	2,724	2,685	2,636	109	115	116	116	114
Northern Ireland ⁽²⁾	343	342	345	363	398	14	15	15	16	17
UK local government identifiable expenditure	2,438	2,358	2,339	2,323	2,318	100	100	100	100	100

⁽¹⁾ Per head figures calculated using mid-year population estimates from the ONS. See Annex within the CPA 2016 release for details.

⁽²⁾ The relative weighting of Northern Ireland is lower in these tables because spending that is undertaken by local government in Great Britain is mostly undertaken by Northern Ireland departments.

Table 9.19 Total central government and public corporations' identifiable expenditure on services by country and region, 2011-12 to 2015-16

	as a per cent of total spending in that region (from Table A.1)											
	£ million						National Statistics					
	2011-12 outrun	2012-13 outrun	2013-14 outrun	2014-15 outrun	2015-16 outrun	2011-12 outrun	2012-13 outrun	2013-14 outrun	2014-15 outrun	2015-16 outrun		
North East	17,207	17,691	17,942	18,259	18,490	72	73	73	74	74		
North West	45,636	47,201	47,355	48,801	49,838	72	73	73	74	74		
Yorkshire and The Humber	32,190	33,003	33,580	34,864	35,488	72	73	74	75	75		
East Midlands	26,018	27,164	27,895	29,165	29,635	73	75	76	77	77		
West Midlands	34,007	35,103	35,688	37,351	38,239	72	73	74	75	76		
East	32,226	33,454	34,645	36,109	37,289	72	74	75	75	75		
London	53,128	53,679	54,005	55,834	58,929	65	65	65	66	67		
South East	46,485	48,322	49,738	51,180	52,732	72	73	73	74	74		
South West	30,980	32,242	33,269	34,566	34,871	74	75	76	76	76		
Total England	317,877	327,859	334,118	346,128	355,512	71	72	72	73	74		
Scotland	37,915	38,883	40,504	41,419	42,117	71	72	75	75	74		
Wales	21,754	21,227	21,705	22,270	22,810	73	72	72	73	74		
Northern Ireland ⁽¹⁾	18,762	19,021	19,361	19,653	19,598	97	97	97	97	96		
UK central government and public corporations identifiable expenditure	396,308	406,991	415,688	429,470	440,037	72	73	73	74	74		
Outside UK	20,926	22,731	25,276	26,384	25,712	100	100	100	100	100		
Total central government and public corporations identifiable expenditure	417,234	429,722	440,964	455,854	465,749	73	74	75	75	76		
Non-identifiable expenditure ⁽²⁾	98,845	97,129	96,302	92,273	94,431	109	113	114	114	113		
Total central government and public corporations' expenditure on services	516,079	526,851	537,266	548,128	560,180	78	79	80	80	80		
Accounting adjustments	33,479	44,209	38,784	42,126	33,016	63	68	64	65	59		
Total central government and public corporations' expenditure⁽³⁾	549,558	571,060	576,050	590,254	593,196	77	78	78	79	78		

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

⁽²⁾ Includes the effect of financial sector interventions. See Box 5.A of PESA for details.

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

Table 9.20 Total central government and public corporations' identifiable expenditure on services by country and region per head⁽¹⁾, 2011-12 to 2015-16

	National Statistics					£ per head
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	
North East	6,627	6,798	6,873	6,972	7,045	
North West	6,468	6,663	6,667	6,842	6,947	
Yorkshire and the Humber	6,087	6,207	6,291	6,504	6,583	
East Midlands	5,734	5,947	6,066	6,289	6,336	
West Midlands	6,063	6,221	6,289	6,538	6,649	
East	5,497	5,663	5,819	6,000	6,137	
London	6,476	6,461	6,417	6,539	6,794	
South East	5,372	5,539	5,657	5,768	5,893	
South West	5,844	6,038	6,187	6,374	6,374	
Total England	5,986	6,129	6,203	6,372	6,489	
Scotland	7,154	7,318	7,603	7,745	7,839	
Wales	7,100	6,905	7,042	7,203	7,360	
Northern Ireland ⁽²⁾	10,341	10,431	10,581	10,678	10,584	
UK central government and public corporations' identifiable expenditure	6,262	6,389	6,484	6,648	6,758	

	National Statistics					Index (UK identifiable expenditure = 100)
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	
North East	106	106	106	105	104	
North West	103	104	103	103	103	
Yorkshire and the Humber	97	97	97	98	97	
East Midlands	92	93	94	95	94	
West Midlands	97	97	97	98	98	
East	88	89	90	90	91	
London	103	101	99	98	101	
South East	86	87	87	87	87	
South West	93	95	95	96	94	
Total England	96	96	96	96	96	
Scotland	114	115	117	116	116	
Wales	113	108	109	108	109	
Northern Ireland ⁽²⁾	165	163	163	161	157	
UK central government and public corporations' identifiable expenditure	100	100	100	100	100	

⁽¹⁾ Per head figures calculated using mid-year population estimates from the ONS. See Annex within the CRA 2016 release for details.

⁽²⁾ The relative weighting of Northern Ireland is higher in these tables because spending that is undertaken by local government in Great Britain is mostly undertaken by Northern Ireland departments.

Table 9.21 Identifiable expenditure on services for Scotland, Wales and Northern Ireland in 2015-16

Departmental grouping		National Statistics										Total Expenditure on Services					
		1. General public services <i>of which: public and common services</i>	2. Defence <i>of which: international services</i>	3. Public order and safety	4. Economic affairs <i>of which: enterprise and economic development</i>	<i>of which: science and technology</i>	<i>of which: employment policies and forestry</i>	<i>of which: agriculture, fisheries and forestry</i>	<i>of which: transport</i>	5. Environment protection	6. Housing and community amenities		7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	
Scotland		401	—	2,605	2,611	414	5	—	734	1,459	241	969	12,002	261	2,431	509	22,031
Scottish Government ⁽¹⁾		23	—	—	—	—	—	—	—	—	—	—	—	—	—	—	23
Scotland Office		567	—	—	1,333	358	—	—	86	889	717	1,050	—	737	5,442	5,298	15,148
Local government		—	—	—	—	—	—	—	—	5	—	—	—	—	—	—	5
Local government public corporations		61	—	47	1,403	350	466	231	0	355	428	—	130	70	25	17,239	19,403
UK government departments		1,053	8	2,652	5,352	1,122	470	231	820	2,708	1,386	2,018	12,132	1,069	7,899	23,046	56,610
Total identifiable expenditure in Scotland																	
Wales		242	—	2	1,170	234	37	—	405	494	165	177	6,574	104	1,161	90	9,684
Welsh Assembly Government ⁽¹⁾		4	—	—	—	—	—	—	—	—	—	—	—	—	—	—	4
Wales Office		199	—	812	354	63	—	—	15	275	361	513	—	273	2,914	2,947	8,376
Local government		—	—	—	4	—	—	—	—	4	—	—	—	—	—	—	4
Local government public corporations		47	5	390	947	159	169	139	7	473	113	4	18	125	15	11,251	12,910
UK government departments		492	5	1,203	2,474	456	206	139	427	1,246	639	694	6,592	501	4,091	14,288	30,978
Total identifiable expenditure in Wales																	
Northern Ireland		341	—	1,269	1,390	302	—	149	519	421	41	581	3,974	151	2,704	7,361	17,812
Northern Ireland Executive		31	—	—	—	—	—	—	—	—	—	—	—	—	—	—	31
Northern Ireland Office		—	—	—	—	52	—	—	—	—	191	179	52	264	—	—	738
Northern Irish local government		20	3	5	133	66	46	3	10	8	24	0	7	29	2	1,535	1,755
UK government departments		393	3	1,274	1,575	419	46	152	530	429	256	760	4,032	444	2,706	8,895	20,336
Total identifiable expenditure in Northern Ireland																	

⁽¹⁾This includes public corporations sponsored by central government departments.

10 Public expenditure by country and sub-function

10.1 This chapter (with the exception of two tables) presents public expenditure by country and sub-function. The figures in this chapter are consistent with **Chapter 9**.

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

- as with **Chapter 9**, the information in **Chapter 10** was gathered in a separate data collection exercise during the summer of 2016. The **Chapter 10** tables are identical to those published in the CRA National Statistics release from November 2016¹. Therefore mid-year population estimates used to produce the 'per head' tables in this chapter are from the most up-to-date available source as at November 2016.
- most public spending is planned to benefit categories of individuals and enterprises irrespective of location. The regional analyses presented in this chapter show where the individuals and enterprises that benefited from public spending were located. It does not mean that all such spending was planned to benefit a particular region because only a minority of public spending is planned on a regional basis.

10.3 Tables 10.5 to 10.8 in this chapter present the total identifiable expenditure on services for each country per head. While this makes figures more easily comparable, it draws attention to any inconsistencies in the sub-functional classification of spending across countries.

10.4 The interactive tables and database available on GOV.UK alongside the November 2016 CRA release will include information in **Table 10.9** for earlier years.

10.5 Below is a summary of the tables presented in this chapter. Unless otherwise stated, these tables show outturn between 2011-12 and 2015-16:

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

¹ <https://www.gov.uk/government/publications/country-and-regional-analysis-2016>

- **Table 10.8** shows total identifiable expenditure on services for Northern Ireland by sub-function per head;
- **Table 10.9** shows total identifiable expenditure on services for each English region by sub-function for outturn period 2015-16 only and;
- **Table 10.10** shows total identifiable expenditure on services for each English region by sub-function per head for outturn period 2015-16 only.

Table 10.1 Total identifiable expenditure on services in England by sub-function, 2011-12 to 2015-16

	National Statistics				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
£ million					
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	2,397	2,437	2,666	2,720	2,316
1.2 Foreign economic aid	–	–	–	–	–
1.3 General services	709	681	476	607	484
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	66	70	76	85	86
1.6 General public services n.e.c.	1,550	1,643	1,551	1,609	1,994
Total general public services	4,722	4,831	4,769	5,020	4,880
2. Defence					
2.1 Military defence	–	–	–	–	–
2.2 Civil defence	45	45	47	43	55
2.3 Foreign military aid	–	–	–	–	–
2.4 R&D defence	–	–	–	–	–
2.5 Defence n.e.c.	–	–	–	–	–
Total defence	45	45	47	43	55
3. Public order and safety					
3.1 Police services	12,857	12,509	11,889	11,838	11,875
<i>of which: immigration and citizenship</i>	–	–	–	–	–
<i>of which: other police services</i>	12,857	12,509	11,889	11,838	11,875
3.2 Fire-protection services	2,244	2,285	2,253	2,215	2,194
3.3 Law courts	5,498	4,990	4,570	4,576	4,136
3.4 Prisons	3,417	3,590	3,400	3,130	3,497
3.5 R&D public order and safety	45	64	59	59	54
3.6 Public order and safety n.e.c.	139	332	408	446	559
Total public order and safety	24,200	23,770	22,580	22,263	22,315
4. Economic affairs					
4.1 General economic, commercial and labour affairs	4,976	4,199	5,556	4,839	4,708
4.2 Agriculture, forestry, fishing and hunting	3,490	3,363	3,305	3,142	2,629
<i>of which: market support under CAP</i>	2,773	1,882	1,863	1,737	1,367
<i>of which: other agriculture, food and fisheries policy</i>	717	1,479	1,439	1,403	1,262
<i>of which: forestry</i>	–	1	2	2	–
4.3 Fuel and energy	439	384	351	332	310
4.4 Mining, manufacturing and construction	137	-12	269	36	161
4.5 Transport	15,834	15,116	15,886	17,334	24,342
<i>of which: national roads</i>	2,406	2,002	2,321	2,831	2,866
<i>of which: local roads</i>	3,747	3,425	3,675	4,020	4,274
<i>of which: local public transport</i>	2,470	2,210	2,018	2,140	2,347
<i>of which: railway⁽¹⁾</i>	6,833	6,908	7,067	7,539	13,725
<i>of which: other transport</i>	378	572	805	803	1,129
4.6 Communication	3	–	–	–	7
4.7 Other industries	212	137	120	119	123
4.8 R&D economic affairs	2,725	2,617	3,324	3,535	3,759
4.9 Economic affairs n.e.c.	533	398	369	382	362
Total economic affairs	28,349	26,202	29,180	29,720	36,400
5. Environment protection					
5.1 Waste management	5,771	6,133	6,234	6,356	6,462
5.2 Waste water management	20	–	–	–	–
5.3 Pollution abatement	75	111	122	431	403
5.4 Protection of biodiversity and landscape	318	238	280	326	503
5.5 R&D environment protection	481	381	426	400	388
5.6 Environment protection n.e.c.	1,529	1,330	1,397	1,483	1,304
Total environment protection	8,194	8,193	8,459	8,996	9,061
6. Housing and community amenities					
6.1 Housing development	3,897	3,907	3,558	3,971	3,681
<i>of which: local authority housing</i>	2,034	3,251	3,036	3,623	3,465
<i>of which: other social housing</i>	1,863	657	522	348	216
6.2 Community development	2,198	2,190	2,384	2,246	2,066
6.3 Water supply	7	8	7	7	6
6.4 Street lighting	604	634	671	707	776
6.5 R&D housing and community amenities	–	–	–	–	–
6.6 Housing and community amenities n.e.c.	154	151	155	177	197
Total housing and community amenities	6,861	6,891	6,774	7,108	6,726

Table 10.1 Total identifiable expenditure on services in England by sub-function, 2011-12 to 2015-16 (continued)

	£ million				
	National Statistics				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
7. Health ⁽²⁾					
Medical services	95,397	97,593	101,636	107,012	109,561
Health research	1,601	1,487	1,749	1,650	1,896
Central and other health services	2,797	3,398	3,969	2,952	3,904
Total health	99,795	102,478	107,354	111,614	115,361
8. Recreation, culture and religion					
8.1 Recreational and sporting services	2,457	2,919	2,326	2,466	2,278
8.2 Cultural services	3,039	3,045	2,912	3,053	3,026
8.3 Broadcasting and publishing services	234	159	154	175	189
8.4 Religious and other community services	52	48	38	22	41
8.5 R&D recreation, culture and religion	15	35	14	37	24
8.6 Recreation, culture and religion n.e.c.	51	45	27	31	33
Total recreation, culture and religion	5,847	6,250	5,470	5,785	5,591
9. Education					
9.1 Pre-primary and primary education	25,005	24,660	25,261	25,452	25,542
<i>of which: under fives</i>	2,517	2,558	2,969	2,471	2,749
<i>of which: primary education</i>	22,488	22,102	22,292	22,981	22,794
9.2 Secondary education ⁽³⁾	31,554	31,956	32,520	34,444	32,242
9.3 Post-secondary non-tertiary education	220	104	126	105	77
9.4 Tertiary education ⁽⁴⁾	6,933	5,945	5,290	4,464	4,020
9.5 Education not definable by level	222	238	202	324	299
9.6 Subsidiary services to education	4,418	4,046	4,111	3,678	3,566
9.7 R&D education	1,569	1,586	1,577	1,578	1,577
9.8 Education n.e.c.	1,913	1,516	1,717	1,359	2,025
Total education	71,834	70,051	70,804	71,405	69,349
10. Social protection					
<i>of which: personal social services</i>	23,079	22,972	22,887	24,380	23,544
10.1 Sickness and disability	34,487	36,342	37,404	39,860	41,758
<i>of which: personal social services</i>	8,331	8,142	7,663	7,714	7,797
<i>of which: incapacity, disability and injury benefits</i>	26,156	28,199	29,741	32,146	33,961
10.2 Old age	82,413	88,178	90,683	93,893	95,174
<i>of which: personal social services</i>	7,841	7,714	7,804	8,037	7,526
<i>of which: pensions</i>	74,573	80,464	82,878	85,856	87,648
10.3 Survivors	762	756	796	791	803
10.4 Family and children	23,527	22,152	20,465	21,139	20,652
<i>of which: personal social services</i>	6,460	6,644	6,919	8,133	7,800
<i>of which: family benefits, income support and tax credits</i>	17,067	15,508	13,546	13,006	12,853
10.5 Unemployment	4,645	4,888	4,033	2,770	2,139
<i>of which: personal social services</i>	–	–	–	–	–
<i>of which: other unemployment benefits</i>	4,645	4,888	4,033	2,770	2,139
10.6 Housing	21,719	22,521	22,753	22,688	22,529
10.7 Social exclusion n.e.c.	27,169	27,164	26,812	26,954	26,503
<i>of which: personal social services</i>	447	471	500	495	421
<i>of which: family benefits, income support and tax credits</i>	26,722	26,693	26,312	26,458	26,082
10.8 R&D social protection	–	–	–	–	–
10.9 Social protection n.e.c.	3,634	3,143	2,848	3,353	3,711
Total social protection	198,356	205,144	205,793	211,449	213,269
Total Expenditure on Services in England	448,204	453,854	461,230	473,401	483,007

⁽¹⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The analysis of English sub-functions shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' for that year.

⁽²⁾ The level of detail required for COFOG level 2 is not yet available in England and Wales. Health spending is therefore presented using HM Treasury's own sub-functional classification.

⁽³⁾ The Department for Education is currently recording all central government academy expenditure as 'Secondary Education', across all years presented. While secondary schools currently account for the largest population in the academy sector, it is recognised that this will also cover some schools in primary and other functional categories. In future editions of PESA and the CRA the Department for Education will look to improve apportionment of spending across the education categories.

⁽⁴⁾ The 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from Tertiary education. A full explanation of this decision can be found in PESA 2016 Annex E.

Table 10.2 Total identifiable expenditure on services in Scotland by sub-function, 2011-12 to 2015-16

	£ million				
	National Statistics				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	730	641	703	739	813
1.2 Foreign economic aid	–	–	–	–	–
1.3 General services	12	37	38	52	39
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	10	13	13	15	15
1.6 General public services n.e.c.	315	244	357	331	186
Total general public services	1,067	934	1,111	1,137	1,053
2. Defence					
2.1 Military defence	–	–	–	–	–
2.2 Civil defence	3	3	3	3	4
2.3 Foreign military aid	–	–	–	–	–
2.4 R&D defence	–	–	–	–	–
2.5 Defence n.e.c.	–	–	–	–	–
Total defence	3	3	3	3	4
3. Public order and safety					
3.1 Police services	1,454	1,467	1,262	1,464	1,481
<i>of which: immigration and citizenship</i>	–	–	–	–	–
<i>of which: other police services</i>	1,454	1,467	1,262	1,464	1,481
3.2 Fire-protection services	386	377	306	363	391
3.3 Law courts	477	462	478	440	449
3.4 Prisons	323	345	317	325	306
3.5 R&D public order and safety	-1	0	1	1	0
3.6 Public order and safety n.e.c.	35	35	24	26	25
Total public order and safety	2,674	2,687	2,389	2,620	2,652
4. Economic affairs					
4.1 General economic, commercial and labour affairs	1,059	1,025	1,136	971	1,093
4.2 Agriculture, forestry, fishing and hunting	961	912	948	917	820
<i>of which: market support under CAP</i>	529	467	482	414	389
<i>of which: other agriculture, food and fisheries policy</i>	331	346	361	389	333
<i>of which: forestry</i>	101	99	106	114	98
4.3 Fuel and energy	52	41	50	54	64
4.4 Mining, manufacturing and construction	-1	0	0	0	1
4.5 Transport	2,709	2,955	2,898	2,794	2,708
<i>of which: national roads</i>	453	611	569	620	709
<i>of which: local roads</i>	677	691	691	678	692
<i>of which: local public transport</i>	263	275	260	266	271
<i>of which: railway^{(1), (2)}</i>	900	909	958	853	621
<i>of which: other transport</i>	417	469	419	377	415
4.6 Communication	11	9	16	79	65
4.7 Other industries	69	73	75	80	73
4.8 R&D economic affairs	336	306	372	396	470
4.9 Economic affairs n.e.c.	20	22	69	74	59
Total economic affairs	5,216	5,344	5,564	5,366	5,352
5. Environment protection					
5.1 Waste management	841	931	1,014	956	964
5.2 Waste water management	–	–	–	–	–
5.3 Pollution abatement	20	27	9	37	36
5.4 Protection of biodiversity and landscape	147	142	137	138	128
5.5 R&D environment protection	41	31	36	34	35
5.6 Environment protection n.e.c.	228	197	222	231	224
Total environment protection	1,277	1,328	1,418	1,397	1,386

Table 10.2 Total identifiable expenditure on services in Scotland by sub-function, 2011-12 to 2015-16 (continued)

	National Statistics					£ million
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	
6. Housing and community amenities						
6.1 Housing development	1,100	994	1,030	1,104	1,315	
<i>of which: local authority housing</i>	710	672	734	780	968	
<i>of which: other social housing</i>	390	322	296	324	347	
6.2 Community development	114	117	123	103	112	
6.3 Water supply	494	490	477	473	559	
6.4 Street lighting	5	3	6	5	11	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	12	11	13	15	21	
Total housing and community amenities	1,725	1,615	1,649	1,700	2,018	
7. Health⁽³⁾						
Medical services	10,646	10,912	11,061	11,192	11,736	
Health research	165	132	131	134	155	
Central and other health services	246	243	270	267	241	
Total health	11,057	11,287	11,462	11,594	12,132	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	702	804	653	733	541	
8.2 Cultural services	437	449	436	435	490	
8.3 Broadcasting and publishing services	32	22	24	26	28	
8.4 Religious and other community services	26	27	14	12	7	
8.5 R&D recreation, culture and religion	0	2	0	2	2	
8.6 Recreation, culture and religion n.e.c.	1	1	1	1	1	
Total recreation, culture and religion	1,199	1,306	1,128	1,209	1,069	
9. Education						
9.1 Pre-primary and primary education	2,813	2,809	2,916	2,955	3,145	
<i>of which: under fives</i>	301	301	308	348	392	
<i>of which: primary education</i>	2,513	2,508	2,608	2,607	2,752	
9.2 Secondary education	2,778	2,685	2,575	2,638	2,725	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education ⁽⁴⁾	1,381	1,454	1,488	1,458	1,413	
9.5 Education not definable by level	163	163	140	144	137	
9.6 Subsidiary services to education	220	207	228	225	242	
9.7 R&D education	–	–	–	–	–	
9.8 Education n.e.c.	186	205	211	196	238	
Total education	7,541	7,523	7,559	7,614	7,899	
10. Social protection						
<i>of which: personal social services</i>	2,848	3,028	3,115	3,170	3,235	
10.1 Sickness and disability	4,094	4,463	4,582	4,867	5,064	
<i>of which: personal social services</i>	789	903	872	891	892	
<i>of which: incapacity, disability and injury benefits</i>	3,306	3,560	3,710	3,976	4,172	
10.2 Old age	9,281	9,857	10,121	10,430	10,593	
<i>of which: personal social services</i>	1,307	1,346	1,391	1,405	1,408	
<i>of which: pensions</i>	7,974	8,511	8,730	9,025	9,185	
10.3 Survivors	151	158	160	168	171	
10.4 Family and children	2,458	2,291	2,110	2,066	2,105	
<i>of which: personal social services</i>	753	779	852	874	935	
<i>of which: family benefits, income support and tax credits</i>	1,705	1,512	1,257	1,192	1,170	
10.5 Unemployment	507	518	443	330	261	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	507	518	443	330	261	
10.6 Housing	1,902	2,028	1,933	1,945	2,050	
10.7 Social exclusion n.e.c.	2,422	2,395	2,304	2,290	2,263	
<i>of which: personal social services</i>	-1	–	–	–	–	
<i>of which: family benefits, income support and tax credits</i>	2,423	2,395	2,304	2,290	2,263	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	529	391	386	488	538	
Total social protection	21,344	22,102	22,040	22,584	23,046	
Total Expenditure on Services in Scotland	53,104	54,128	54,322	55,223	56,610	

⁽¹⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The analysis of Scottish sub-functions shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' for that year.

⁽²⁾ As a consequence of the 2015-16 re-classification of Network Rail, Scottish Government's support grant for Network Rail now scores outside of TES. As a result, expenditure on railway appear to have fallen in 2015-16 when in fact some £451m have been scored outside of TES.

⁽³⁾ The level of detail required for COFOG level 2 is not yet available in England and Wales. Health spending is therefore presented using HM Treasury's own sub-functional classification.

⁽⁴⁾ The 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from Tertiary education. A full explanation of this decision can be found in PESA 2016 Annex E.

Table 10.3 Total identifiable expenditure on services in Wales by sub-function, 2011-12 to 2015-16

	£ million				
	National Statistics				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	418	398	414	437	396
1.2 Foreign economic aid	–	–	–	–	–
1.3 General services	23	16	16	14	14
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	4	4	4	5	5
1.6 General public services n.e.c.	77	88	73	72	77
Total general public services	522	507	507	528	492
2. Defence					
2.1 Military defence	–	–	–	–	–
2.2 Civil defence	3	4	4	4	3
2.3 Foreign military aid	–	–	–	–	–
2.4 R&D defence	–	–	–	–	–
2.5 Defence n.e.c.	–	–	–	–	–
Total defence	3	4	4	4	3
3. Public order and safety					
3.1 Police services	690	694	690	718	675
<i>of which: immigration and citizenship</i>	–	–	–	–	–
<i>of which: other police services</i>	690	694	690	718	675
3.2 Fire-protection services	158	146	155	150	156
3.3 Law courts	297	274	249	226	204
3.4 Prisons	214	227	215	199	149
3.5 R&D public order and safety	3	4	2	2	2
3.6 Public order and safety n.e.c.	8	15	13	14	16
Total public order and safety	1,370	1,360	1,325	1,309	1,203
4. Economic affairs					
4.1 General economic, commercial and labour affairs	439	431	545	486	410
4.2 Agriculture, forestry, fishing and hunting	752	450	478	437	427
<i>of which: market support under CAP</i>	274	260	258	225	205
<i>of which: other agriculture, food and fisheries policy</i>	454	187	217	210	221
<i>of which: forestry</i>	25	2	3	2	1
4.3 Fuel and energy	33	33	38	38	40
4.4 Mining, manufacturing and construction	4	-1	3	1	5
4.5 Transport	1,060	1,081	1,021	1,019	1,246
<i>of which: national roads</i>	201	217	247	246	294
<i>of which: local roads</i>	334	362	289	256	209
<i>of which: local public transport</i>	86	70	52	47	45
<i>of which: railway⁽¹⁾</i>	401	393	389	422	642
<i>of which: other transport</i>	39	39	45	46	57
4.6 Communication	27	43	65	103	78
4.7 Other industries	37	37	37	36	29
4.8 R&D economic affairs	108	107	151	187	206
4.9 Economic affairs n.e.c.	88	30	44	45	32
Total economic affairs	2,547	2,212	2,381	2,352	2,474
5. Environment protection					
5.1 Waste management	377	409	393	389	388
5.2 Waste water management	–	–	–	–	–
5.3 Pollution abatement	0	1	2	17	16
5.4 Protection of biodiversity and landscape	7	5	6	6	6
5.5 R&D environment protection	23	18	21	20	20
5.6 Environment protection n.e.c.	199	220	262	250	208
Total environment protection	607	653	683	682	639

Table 10.3 Total identifiable expenditure on services in Wales by sub-function, 2011-12 to 2015-16 (continued)

	National Statistics					£ million
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	
6. Housing and community amenities						
6.1 Housing development	326	339	304	335	473	
<i>of which: local authority housing</i>	326	339	304	335	473	
<i>of which: other social housing</i>	–	–	–	–	–	
6.2 Community development	236	246	254	212	176	
6.3 Water supply	0	0	0	0	0	
6.4 Street lighting	42	46	49	53	44	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	–	–	–	–	–	
Total housing and community amenities	605	631	607	600	694	
7. Health⁽²⁾						
Medical services	5,936	5,873	6,006	6,296	6,443	
Health research	54	45	44	45	48	
Central and other health services	103	102	114	100	102	
Total health	6,093	6,020	6,163	6,442	6,592	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	252	255	233	224	203	
8.2 Cultural services	207	213	198	190	187	
8.3 Broadcasting and publishing services	75	65	80	86	85	
8.4 Religious and other community services	4	3	2	0	-1	
8.5 R&D recreation, culture and religion	0	1	0	1	1	
8.6 Recreation, culture and religion n.e.c.	35	46	15	22	25	
Total recreation, culture and religion	573	583	528	524	501	
9. Education						
9.1 Pre-primary and primary education	1,490	1,531	1,560	1,555	1,588	
<i>of which: under fives</i>	79	78	52	46	44	
<i>of which: primary education</i>	1,411	1,453	1,508	1,508	1,545	
9.2 Secondary education	1,660	1,656	1,906	1,749	1,868	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education ⁽³⁾	659	379	381	363	370	
9.5 Education not definable by level	202	168	160	180	113	
9.6 Subsidiary services to education	395	241	90	89	92	
9.7 R&D education	–	–	–	–	–	
9.8 Education n.e.c.	39	80	65	53	59	
Total education	4,445	4,056	4,163	3,988	4,091	
10. Social protection						
<i>of which: personal social services</i>	1,636	1,658	1,754	1,787	1,763	
10.1 Sickness and disability	2,875	2,995	3,050	3,265	3,364	
<i>of which: personal social services</i>	528	535	548	545	549	
<i>of which: incapacity, disability and injury benefits</i>	2,347	2,460	2,502	2,720	2,815	
10.2 Old age	5,364	5,741	5,917	6,143	6,230	
<i>of which: personal social services</i>	586	605	629	643	617	
<i>of which: pensions</i>	4,778	5,136	5,288	5,500	5,612	
10.3 Survivors	61	60	68	73	72	
10.4 Family and children	1,494	1,409	1,351	1,330	1,320	
<i>of which: personal social services</i>	463	490	539	560	561	
<i>of which: family benefits, income support and tax credits</i>	1,031	918	812	771	759	
10.5 Unemployment	275	301	256	194	156	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	275	301	256	194	156	
10.6 Housing	1,090	1,142	1,181	1,206	1,199	
10.7 Social exclusion n.e.c.	1,726	1,683	1,658	1,658	1,635	
<i>of which: personal social services</i>	59	28	39	39	35	
<i>of which: family benefits, income support and tax credits</i>	1,667	1,655	1,619	1,620	1,600	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	252	226	257	273	312	
Total social protection	13,137	13,557	13,737	14,143	14,288	
Total Expenditure on Services in Wales	29,902	29,582	30,100	30,571	30,978	

⁽¹⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The analysis of Welsh sub-functions shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' for that year.

⁽²⁾ The level of detail required for COFOG level 2 is not yet available in England and Wales. Health spending is therefore presented using HM Treasury's own sub-functional classification.

⁽³⁾ The 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from Tertiary education. A full explanation of this decision can be found in PESA 2016 Annex E.

Table 10.4 Total identifiable expenditure on services in Northern Ireland by sub-function, 2011-12 to 2015-16

	National Statistics					£ million
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	150	154	181	178	143	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	164	157	171	205	181	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	1	2	2	3	3	
1.6 General public services n.e.c.	68	69	70	80	66	
Total general public services	383	381	424	466	393	
2. Defence						
2.1 Military defence	–	–	–	–	–	
2.2 Civil defence	–	–	–	–	–	
2.3 Foreign military aid	–	–	–	–	–	
2.4 R&D defence	–	–	–	–	–	
2.5 Defence n.e.c.	–	–	–	–	–	
Total defence	–	–	–	–	–	
3. Public order and safety						
3.1 Police services	905	892	902	810	826	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	905	892	902	810	826	
3.2 Fire-protection services	80	76	87	81	82	
3.3 Law courts	259	253	246	250	226	
3.4 Prisons	180	163	131	132	139	
3.5 R&D public order and safety	0	0	0	0	0	
3.6 Public order and safety n.e.c.	3	4	0	0	0	
Total public order and safety	1,426	1,388	1,367	1,272	1,274	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	382	376	429	457	461	
4.2 Agriculture, forestry, fishing and hunting	535	528	569	565	530	
<i>of which: market support under CAP</i>	320	282	319	309	279	
<i>of which: other agriculture, food and fisheries policy</i>	209	240	243	245	242	
<i>of which: forestry</i>	6	6	8	10	8	
4.3 Fuel and energy	3	5	6	12	39	
4.4 Mining, manufacturing and construction	2	1	1	1	1	
4.5 Transport	605	569	524	522	429	
<i>of which: national roads</i>	21	23	15	16	18	
<i>of which: local roads</i>	337	335	369	349	246	
<i>of which: local public transport</i>	75	79	68	65	43	
<i>of which: railway</i>	131	82	55	61	82	
<i>of which: other transport</i>	40	50	18	31	39	
4.6 Communication	4	1	6	8	14	
4.7 Other industries	57	64	41	48	50	
4.8 R&D economic affairs	44	43	55	57	46	
4.9 Economic affairs n.e.c.	0	0	6	7	6	
Total economic affairs	1,631	1,587	1,638	1,676	1,575	
5. Environment protection						
5.1 Waste management	182	188	188	195	191	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	0	0	0	9	9	
5.4 Protection of biodiversity and landscape	0	0	0	0	0	
5.5 R&D environment protection	14	11	12	12	12	
5.6 Environment protection n.e.c.	71	56	66	52	44	
Total environment protection	266	255	266	268	256	

Table 10.4 Total identifiable expenditure on services in Northern Ireland by sub-function, 2011-12 to 2015-16 (continued)

	National Statistics					£ million
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	
6. Housing and community amenities						
6.1 Housing development	436	330	281	282	229	
<i>of which: local authority housing</i>	–	–	–	–	–	
<i>of which: other social housing</i>	436	330	281	282	229	
6.2 Community development	120	121	125	148	109	
6.3 Water supply	286	270	265	255	248	
6.4 Street lighting	25	23	24	25	26	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	95	76	80	77	148	
Total housing and community amenities	962	820	776	787	760	
7. Health ⁽¹⁾						
Medical services	3,401	3,595	3,608	3,635	3,813	
Health research	11	14	15	15	6	
Central and other health services	227	235	252	262	214	
Total health	3,639	3,844	3,875	3,911	4,032	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	209	240	234	258	235	
8.2 Cultural services	164	180	174	160	154	
8.3 Broadcasting and publishing services	10	7	11	9	10	
8.4 Religious and other community services	34	35	40	42	44	
8.5 R&D recreation, culture and religion	0	1	0	1	1	
8.6 Recreation, culture and religion n.e.c.	1	0	0	0	0	
Total recreation, culture and religion	417	463	459	470	444	
9. Education						
9.1 Pre-primary and primary education	711	715	737	787	774	
<i>of which: under fives</i>	112	63	66	67	60	
<i>of which: primary education</i>	599	652	671	721	714	
9.2 Secondary education	1,029	984	974	1,021	1,039	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education ⁽²⁾	337	345	352	371	337	
9.5 Education not definable by level	104	98	96	87	79	
9.6 Subsidiary services to education	197	197	212	210	200	
9.7 R&D education	–	–	–	–	–	
9.8 Education n.e.c.	279	257	251	263	278	
Total education	2,657	2,595	2,621	2,741	2,706	
10. Social protection						
<i>of which: personal social services</i>	853	854	901	931	984	
10.1 Sickness and disability	2,252	2,341	2,426	2,523	2,651	
<i>of which: personal social services</i>	255	255	265	273	298	
<i>of which: incapacity, disability and injury benefits</i>	1,997	2,086	2,161	2,250	2,354	
10.2 Old age	3,107	3,295	3,519	3,655	3,726	
<i>of which: personal social services</i>	429	431	449	467	489	
<i>of which: pensions</i>	2,677	2,865	3,069	3,188	3,237	
10.3 Survivors	67	71	73	76	78	
10.4 Family and children	658	660	658	672	693	
<i>of which: personal social services</i>	168	168	186	191	197	
<i>of which: family benefits, income support and tax credits</i>	490	491	472	481	495	
10.5 Unemployment	205	231	211	178	141	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	205	231	211	178	141	
10.6 Housing	631	662	564	577	584	
10.7 Social exclusion n.e.c.	1,051	1,050	1,044	1,040	1,016	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: family benefits, income support and tax credits</i>	1,051	1,050	1,044	1,040	1,016	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	31	2	73	9	7	
Total social protection	8,001	8,312	8,567	8,731	8,895	
Total Expenditure on Services in Northern Ireland	19,384	19,645	19,992	20,321	20,336	

⁽¹⁾ The level of detail required for COFOG level 2 is not yet available in England and Wales. Health spending is therefore presented using HM Treasury's own sub-functional classification.

⁽²⁾ The 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from Tertiary education. A full explanation of this decision can be found in PESA 2016 Annex E.

Table 10.5 Total identifiable expenditure on services in England by sub-function, per head, 2011-12 to 2015-16

	National Statistics					£ per head
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	45	46	49	50	42	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	13	13	9	11	9	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	1	1	1	2	2	
1.6 General public services n.e.c.	29	31	29	30	36	
Total general public services	89	90	89	92	89	
2. Defence						
2.1 Military defence	–	–	–	–	–	
2.2 Civil defence	1	1	1	1	1	
2.3 Foreign military aid	–	–	–	–	–	
2.4 R&D defence	–	–	–	–	–	
2.5 Defence n.e.c.	–	–	–	–	–	
Total defence	1	1	1	1	1	
3. Public order and safety						
3.1 Police services	242	234	221	218	217	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	242	234	221	218	217	
3.2 Fire-protection services	42	43	42	41	40	
3.3 Law courts	104	93	85	84	75	
3.4 Prisons	64	67	63	58	64	
3.5 R&D public order and safety	1	1	1	1	1	
3.6 Public order and safety n.e.c.	3	6	8	8	10	
Total public order and safety	456	444	419	410	407	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	94	78	103	89	86	
4.2 Agriculture, forestry, fishing and hunting	66	63	61	58	48	
<i>of which: market support under CAP</i>	52	35	35	32	25	
<i>of which: other agriculture, food and fisheries policy</i>	14	28	27	26	23	
<i>of which: forestry</i>	–	0	0	0	–	
4.3 Fuel and energy	8	7	7	6	6	
4.4 Mining, manufacturing and construction	3	0	5	1	3	
4.5 Transport	298	283	295	319	444	
<i>of which: national roads</i>	45	37	43	52	52	
<i>of which: local roads</i>	71	64	68	74	78	
<i>of which: local public transport</i>	47	41	37	39	43	
<i>of which: railway⁽¹⁾</i>	129	129	131	139	251	
<i>of which: other transport</i>	7	11	15	15	21	
4.6 Communication	0	–	–	–	0	
4.7 Other industries	4	3	2	2	2	
4.8 R&D economic affairs	51	49	62	65	69	
4.9 Economic affairs n.e.c.	10	7	7	7	7	
Total economic affairs	534	490	542	547	664	
5. Environment protection						
5.1 Waste management	109	115	116	117	118	
5.2 Waste water management	0	–	–	–	–	
5.3 Pollution abatement	1	2	2	8	7	
5.4 Protection of biodiversity and landscape	6	4	5	6	9	
5.5 R&D environment protection	9	7	8	7	7	
5.6 Environment protection n.e.c.	29	25	26	27	24	
Total environment protection	154	153	157	166	165	

Table 10.5 Total identifiable expenditure on services in England by sub-function, per head, 2011-12 to 2015-16 (continued)

	National Statistics				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
£ per head					
6. Housing and community amenities					
6.1 Housing development	73	73	66	73	67
<i>of which: local authority housing</i>	38	61	56	67	63
<i>of which: other social housing</i>	35	12	10	6	4
6.2 Community development	41	41	44	41	38
6.3 Water supply	0	0	0	0	0
6.4 Street lighting	11	12	12	13	14
6.5 R&D housing and community amenities	–	–	–	–	–
6.6 Housing and community amenities n.e.c.	3	3	3	3	4
Total housing and community amenities	129	129	126	131	123
7. Health ⁽²⁾					
Medical services	1,796	1,824	1,887	1,970	2,000
Health research	30	28	32	30	35
Central and other health services	53	64	74	54	71
Total health	1,879	1,916	1,993	2,055	2,106
8. Recreation, culture and religion					
8.1 Recreational and sporting services	46	55	43	45	42
8.2 Cultural services	57	57	54	56	55
8.3 Broadcasting and publishing services	4	3	3	3	3
8.4 Religious and other community services	1	1	1	0	1
8.5 R&D recreation, culture and religion	0	1	0	1	0
8.6 Recreation, culture and religion n.e.c.	1	1	1	1	1
Total recreation, culture and religion	110	117	102	106	102
9. Education					
9.1 Pre-primary and primary education	471	461	469	469	466
<i>of which: under fives</i>	47	48	55	45	50
<i>of which: primary education</i>	423	413	414	423	416
9.2 Secondary education ⁽³⁾	594	597	604	634	588
9.3 Post-secondary non-tertiary education	4	2	2	2	1
9.4 Tertiary education ⁽⁴⁾	131	111	98	82	73
9.5 Education not definable by level	4	4	4	6	5
9.6 Subsidiary services to education	83	76	76	68	65
9.7 R&D education	30	30	29	29	29
9.8 Education n.e.c.	36	28	32	25	37
Total education	1,353	1,310	1,314	1,315	1,266
10. Social protection					
<i>of which: personal social services</i>	435	429	425	449	430
10.1 Sickness and disability	649	679	694	734	762
<i>of which: personal social services</i>	157	152	142	142	142
<i>of which: incapacity, disability and injury benefits</i>	493	527	552	592	620
10.2 Old age	1,552	1,648	1,683	1,729	1,737
<i>of which: personal social services</i>	148	144	145	148	137
<i>of which: pensions</i>	1,404	1,504	1,539	1,581	1,600
10.3 Survivors	14	14	15	15	15
10.4 Family and children	443	414	380	389	377
<i>of which: personal social services</i>	122	124	128	150	142
<i>of which: family benefits, income support and tax credits</i>	321	290	251	239	235
10.5 Unemployment	87	91	75	51	39
<i>of which: personal social services</i>	–	–	–	–	–
<i>of which: other unemployment benefits</i>	87	91	75	51	39
10.6 Housing	409	421	422	418	411
10.7 Social exclusion n.e.c.	512	508	498	496	484
<i>of which: personal social services</i>	8	9	9	9	8
<i>of which: family benefits, income support and tax credits</i>	503	499	488	487	476
10.8 R&D social protection	–	–	–	–	–
10.9 Social protection n.e.c.	68	59	53	62	68
Total social protection	3,735	3,835	3,820	3,893	3,893
Total Expenditure on Services in England	8,440	8,484	8,563	8,716	8,816

⁽¹⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The analysis of English sub-functions shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' for that year.

⁽²⁾ The level of detail required for COFOG level 2 is not yet available in England and Wales. Health spending is therefore presented using HM Treasury's own sub-functional classification.

⁽³⁾ The Department for Education is currently recording all central government academy expenditure as 'Secondary Education', across all years presented. While secondary schools currently account for the largest population in the academy sector, it is recognised that this will also cover some schools in primary and other functional categories. In future editions of PESA and the CRA the Department for Education will look to improve apportionment of spending across the education categories.

⁽⁴⁾ The 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from Tertiary education. A full explanation of this decision can be found in PESA 2016 Annex E.

Table 10.6 Total identifiable expenditure on services in Scotland by sub-function, per head, 2011-12 to 2015-16

	National Statistics					£ per head
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	138	121	132	138	151	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	2	7	7	10	7	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	2	2	3	3	3	
1.6 General public services n.e.c.	60	46	67	62	35	
Total general public services	201	176	209	213	196	
2. Defence						
2.1 Military defence	–	–	–	–	–	
2.2 Civil defence	1	1	1	0	1	
2.3 Foreign military aid	–	–	–	–	–	
2.4 R&D defence	–	–	–	–	–	
2.5 Defence n.e.c.	–	–	–	–	–	
Total defence	1	1	1	0	1	
3. Public order and safety						
3.1 Police services	274	276	237	274	276	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	274	276	237	274	276	
3.2 Fire-protection services	73	71	57	68	73	
3.3 Law courts	90	87	90	82	83	
3.4 Prisons	61	65	59	61	57	
3.5 R&D public order and safety	0	0	0	0	0	
3.6 Public order and safety n.e.c.	7	7	5	5	5	
Total public order and safety	505	506	448	490	494	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	200	193	213	182	203	
4.2 Agriculture, forestry, fishing and hunting	181	172	178	172	153	
<i>of which: market support under CAP</i>	100	88	90	77	72	
<i>of which: other agriculture, food and fisheries policy</i>	62	65	68	73	62	
<i>of which: forestry</i>	19	19	20	21	18	
4.3 Fuel and energy	10	8	9	10	12	
4.4 Mining, manufacturing and construction	0	0	0	0	0	
4.5 Transport	511	556	544	523	504	
<i>of which: national roads</i>	85	115	107	116	132	
<i>of which: local roads</i>	128	130	130	127	129	
<i>of which: local public transport</i>	50	52	49	50	50	
<i>of which: railway^{(1), (2)}</i>	170	171	180	160	116	
<i>of which: other transport</i>	79	88	79	71	77	
4.6 Communication	2	2	3	15	12	
4.7 Other industries	13	14	14	15	13	
4.8 R&D economic affairs	63	58	70	74	88	
4.9 Economic affairs n.e.c.	4	4	13	14	11	
Total economic affairs	984	1,006	1,044	1,003	996	
5. Environment protection						
5.1 Waste management	159	175	190	179	179	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	4	5	2	7	7	
5.4 Protection of biodiversity and landscape	28	27	26	26	24	
5.5 R&D environment protection	8	6	7	6	6	
5.6 Environment protection n.e.c.	43	37	42	43	42	
Total environment protection	241	250	266	261	258	

Table 10.6 Total identifiable expenditure on services in Scotland by sub-function, per head, 2011-12 to 2015-16 (continued)

	National Statistics					£ per head
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	
6. Housing and community amenities						
6.1 Housing development	208	187	193	206	245	
<i>of which: local authority housing</i>	134	127	138	146	180	
<i>of which: other social housing</i>	74	61	56	61	65	
6.2 Community development	21	22	23	19	21	
6.3 Water supply	93	92	89	88	104	
6.4 Street lighting	1	1	1	1	2	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	2	2	2	3	4	
Total housing and community amenities	325	304	310	318	376	
7. Health⁽³⁾						
Medical services	2,009	2,054	2,076	2,093	2,184	
Health research	31	25	25	25	29	
Central and other health services	46	46	51	50	45	
Total health	2,086	2,124	2,151	2,168	2,258	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	132	151	123	137	101	
8.2 Cultural services	82	84	82	81	91	
8.3 Broadcasting and publishing services	6	4	4	5	5	
8.4 Religious and other community services	5	5	3	2	1	
8.5 R&D recreation, culture and religion	0	0	0	0	0	
8.6 Recreation, culture and religion n.e.c.	0	0	0	0	0	
Total recreation, culture and religion	226	246	212	226	199	
9. Education						
9.1 Pre-primary and primary education	531	529	547	553	585	
<i>of which: under fives</i>	57	57	58	65	73	
<i>of which: primary education</i>	474	472	490	488	512	
9.2 Secondary education	524	505	483	493	507	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education ⁽⁴⁾	261	274	279	273	263	
9.5 Education not definable by level	31	31	26	27	25	
9.6 Subsidiary services to education	42	39	43	42	45	
9.7 R&D education	–	–	–	–	–	
9.8 Education n.e.c.	35	39	40	37	44	
Total education	1,423	1,416	1,419	1,424	1,470	
10. Social protection						
<i>of which: personal social services</i>	537	570	585	593	602	
10.1 Sickness and disability	773	840	860	910	942	
<i>of which: personal social services</i>	149	170	164	167	166	
<i>of which: incapacity, disability and injury benefits</i>	624	670	696	743	776	
10.2 Old age	1,751	1,855	1,900	1,950	1,971	
<i>of which: personal social services</i>	247	253	261	263	262	
<i>of which: pensions</i>	1,505	1,602	1,639	1,688	1,709	
10.3 Survivors	29	30	30	31	32	
10.4 Family and children	464	431	396	386	392	
<i>of which: personal social services</i>	142	147	160	163	174	
<i>of which: family benefits, income support and tax credits</i>	322	285	236	223	218	
10.5 Unemployment	96	97	83	62	49	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	96	97	83	62	49	
10.6 Housing	359	382	363	364	382	
10.7 Social exclusion n.e.c.	457	451	433	428	421	
<i>of which: personal social services</i>	0	–	–	–	–	
<i>of which: family benefits, income support and tax credits</i>	457	451	433	428	421	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	100	74	72	91	100	
Total social protection	4,027	4,159	4,137	4,223	4,289	
Total Expenditure on Services in Scotland	10,020	10,187	10,196	10,327	10,536	

⁽¹⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The analysis of Scottish sub-functions shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' for that year.

⁽²⁾ As a consequence of the 2015-16 re-classification of Network Rail, Scottish Government's support grant for Network Rail now scores outside of TES. As a result, expenditure on railway appear to have fallen in 2015-16 when in fact some £451m have been scored outside of TES.

⁽³⁾ The level of detail required for COFOG level 2 is not yet available in England and Wales. Health spending is therefore presented using HM Treasury's own sub-functional classification.

⁽⁴⁾ The 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from Tertiary education. A full explanation of this decision can be found in PESA 2016 Annex E.

Table 10.7 Total identifiable expenditure on services in Wales by sub-function, per head, 2011-12 to 2015-16

	National Statistics					£ per head
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	136	130	134	141	128	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	8	5	5	5	5	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	1	1	1	1	1	
1.6 General public services n.e.c.	25	29	24	23	25	
Total general public services	171	165	165	171	159	
2. Defence						
2.1 Military defence	–	–	–	–	–	
2.2 Civil defence	1	1	1	1	1	
2.3 Foreign military aid	–	–	–	–	–	
2.4 R&D defence	–	–	–	–	–	
2.5 Defence n.e.c.	–	–	–	–	–	
Total defence	1	1	1	1	1	
3. Public order and safety						
3.1 Police services	225	226	224	232	218	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	225	226	224	232	218	
3.2 Fire-protection services	51	48	50	48	50	
3.3 Law courts	97	89	81	73	66	
3.4 Prisons	70	74	70	64	48	
3.5 R&D public order and safety	1	1	1	1	1	
3.6 Public order and safety n.e.c.	3	5	4	4	5	
Total public order and safety	447	442	430	423	388	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	143	140	177	157	132	
4.2 Agriculture, forestry, fishing and hunting	246	146	155	141	138	
<i>of which: market support under CAP</i>	89	85	84	73	66	
<i>of which: other agriculture, food and fisheries policy</i>	148	61	70	68	71	
<i>of which: forestry</i>	8	1	1	1	0	
4.3 Fuel and energy	11	11	12	12	13	
4.4 Mining, manufacturing and construction	1	0	1	0	2	
4.5 Transport	346	351	331	329	402	
<i>of which: national roads</i>	66	70	80	80	95	
<i>of which: local roads</i>	109	118	94	83	67	
<i>of which: local public transport</i>	28	23	17	15	14	
<i>of which: railway⁽¹⁾</i>	131	128	126	137	207	
<i>of which: other transport</i>	13	13	14	15	18	
4.6 Communication	9	14	21	33	25	
4.7 Other industries	12	12	12	12	9	
4.8 R&D economic affairs	35	35	49	60	67	
4.9 Economic affairs n.e.c.	29	10	14	15	10	
Total economic affairs	831	720	772	761	798	
5. Environment protection						
5.1 Waste management	123	133	127	126	125	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	–	0	1	5	5	
5.4 Protection of biodiversity and landscape	2	2	2	2	2	
5.5 R&D environment protection	8	6	7	6	6	
5.6 Environment protection n.e.c.	65	72	85	81	67	
Total environment protection	198	213	222	221	206	

Table 10.7 Total identifiable expenditure on services in Wales by sub-function, per head, 2011-12 to 2015-16 (continued)

	£ per head				
	National Statistics				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
6. Housing and community amenities					
6.1 Housing development	107	110	99	108	153
<i>of which: local authority housing</i>	107	110	99	108	153
<i>of which: other social housing</i>	–	–	–	–	–
6.2 Community development	77	80	82	69	57
6.3 Water supply	0	0	0	0	0
6.4 Street lighting	14	15	16	17	14
6.5 R&D housing and community amenities	–	–	–	–	–
6.6 Housing and community amenities n.e.c.	–	–	–	–	–
Total housing and community amenities	197	205	197	194	224
7. Health ⁽²⁾					
Medical services	1,937	1,910	1,948	2,036	2,079
Health research	18	15	14	15	15
Central and other health services	34	33	37	32	33
Total health	1,989	1,958	2,000	2,083	2,127
8. Recreation, culture and religion					
8.1 Recreational and sporting services	82	83	76	72	66
8.2 Cultural services	68	69	64	61	60
8.3 Broadcasting and publishing services	25	21	26	28	28
8.4 Religious and other community services	1	1	1	0	0
8.5 R&D recreation, culture and religion	0	0	0	0	0
8.6 Recreation, culture and religion n.e.c.	11	15	5	7	8
Total recreation, culture and religion	187	190	171	169	162
9. Education					
9.1 Pre-primary and primary education	486	498	506	503	513
<i>of which: under fives</i>	26	25	17	15	14
<i>of which: primary education</i>	461	473	489	488	498
9.2 Secondary education	542	539	618	566	603
9.3 Post-secondary non-tertiary education	–	–	–	–	–
9.4 Tertiary education ⁽³⁾	215	123	124	117	119
9.5 Education not definable by level	66	55	52	58	37
9.6 Subsidiary services to education	129	78	29	29	30
9.7 R&D education	–	–	–	–	–
9.8 Education n.e.c.	13	26	21	17	19
Total education	1,451	1,319	1,351	1,290	1,320
10. Social protection					
<i>of which: personal social services</i>	534	539	569	578	569
10.1 Sickness and disability	938	974	989	1,056	1,086
<i>of which: personal social services</i>	172	174	178	176	177
<i>of which: incapacity, disability and injury benefits</i>	766	800	812	880	908
10.2 Old age	1,751	1,867	1,919	1,987	2,010
<i>of which: personal social services</i>	191	197	204	208	199
<i>of which: pensions</i>	1,559	1,671	1,716	1,779	1,811
10.3 Survivors	20	20	22	24	23
10.4 Family and children	488	458	438	430	426
<i>of which: personal social services</i>	151	159	175	181	181
<i>of which: family benefits, income support and tax credits</i>	336	299	263	249	245
10.5 Unemployment	90	98	83	63	50
<i>of which: personal social services</i>	–	–	–	–	–
<i>of which: other unemployment benefits</i>	90	98	83	63	50
10.6 Housing	356	372	383	390	387
10.7 Social exclusion n.e.c.	563	547	538	536	528
<i>of which: personal social services</i>	19	9	13	13	11
<i>of which: family benefits, income support and tax credits</i>	544	538	525	524	516
10.8 R&D social protection	–	–	–	–	–
10.9 Social protection n.e.c.	82	73	83	88	101
Total social protection	4,288	4,410	4,457	4,574	4,610
Total Expenditure on Services in Wales	9,760	9,623	9,765	9,887	9,996

⁽¹⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The analysis of Welsh sub-functions shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' for that year.

⁽²⁾ The level of detail required for COFOG level 2 is not yet available in England and Wales. Health spending is therefore presented using HM Treasury's own sub-functional classification.

⁽³⁾ The 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from Tertiary education. A full explanation of this decision can be found in PESA 2016 Annex E.

Table 10.8 Total identifiable expenditure on services in Northern Ireland by sub-function, per head, 2011-12 to 2015-16

	£ per head				
	National Statistics				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	83	84	99	97	77
1.2 Foreign economic aid	–	–	–	–	–
1.3 General services	90	86	94	112	98
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	1	1	1	1	1
1.6 General public services n.e.c.	38	38	38	43	36
Total general public services	211	209	232	253	212
2. Defence					
2.1 Military defence	–	–	–	–	–
2.2 Civil defence	–	–	–	–	–
2.3 Foreign military aid	–	–	–	–	–
2.4 R&D defence	–	–	–	–	–
2.5 Defence n.e.c.	–	–	–	–	–
Total defence	–	–	–	–	–
3. Public order and safety					
3.1 Police services	499	489	493	440	446
<i>of which: immigration and citizenship</i>	–	–	–	–	–
<i>of which: other police services</i>	499	489	493	440	446
3.2 Fire-protection services	44	42	48	44	44
3.3 Law courts	143	139	134	136	122
3.4 Prisons	99	89	72	72	75
3.5 R&D public order and safety	0	0	0	0	0
3.6 Public order and safety n.e.c.	2	2	0	0	0
Total public order and safety	786	761	747	691	688
4. Economic affairs					
4.1 General economic, commercial and labour affairs	210	206	235	248	249
4.2 Agriculture, forestry, fishing and hunting	295	289	311	307	286
<i>of which: market support under CAP</i>	176	155	174	168	151
<i>of which: other agriculture, food and fisheries policy</i>	115	131	133	133	131
<i>of which: forestry</i>	3	3	4	5	4
4.3 Fuel and energy	2	3	3	7	21
4.4 Mining, manufacturing and construction	1	1	1	1	1
4.5 Transport	333	312	287	284	232
<i>of which: national roads</i>	12	12	8	9	10
<i>of which: local roads</i>	186	184	202	189	133
<i>of which: local public transport</i>	41	43	37	35	23
<i>of which: railway</i>	72	45	30	33	44
<i>of which: other transport</i>	22	27	10	17	21
4.6 Communication	2	1	3	4	8
4.7 Other industries	31	35	23	26	27
4.8 R&D economic affairs	24	24	30	31	25
4.9 Economic affairs n.e.c.	0	0	3	4	3
Total economic affairs	899	870	895	911	851
5. Environment protection					
5.1 Waste management	100	103	103	106	103
5.2 Waste water management	–	–	–	–	–
5.3 Pollution abatement	–	–	0	5	5
5.4 Protection of biodiversity and landscape	0	–	0	0	0
5.5 R&D environment protection	8	6	7	6	6
5.6 Environment protection n.e.c.	39	31	36	28	24
Total environment protection	147	140	145	146	138

Table 10.8 Total identifiable expenditure on services in Northern Ireland by sub-function, per head, 2011-12 to 2015-16 (continued)

	£ per head				
	National Statistics				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
6. Housing and community amenities					
6.1 Housing development	240	181	154	153	124
<i>of which: local authority housing</i>	–	–	–	–	–
<i>of which: other social housing</i>	240	181	154	153	124
6.2 Community development	66	67	68	81	59
6.3 Water supply	158	148	145	138	134
6.4 Street lighting	14	13	13	14	14
6.5 R&D housing and community amenities	–	–	–	–	–
6.6 Housing and community amenities n.e.c.	52	41	44	42	80
Total housing and community amenities	530	450	424	428	411
7. Health ⁽¹⁾					
Medical services	1,875	1,971	1,972	1,975	2,059
Health research	6	8	8	8	3
Central and other health services	125	129	138	142	115
Total health	2,006	2,108	2,118	2,125	2,178
8. Recreation, culture and religion					
8.1 Recreational and sporting services	115	131	128	140	127
8.2 Cultural services	90	98	95	87	83
8.3 Broadcasting and publishing services	6	4	6	5	5
8.4 Religious and other community services	18	19	22	23	24
8.5 R&D recreation, culture and religion	0	0	0	0	0
8.6 Recreation, culture and religion n.e.c.	0	0	0	0	0
Total recreation, culture and religion	230	254	251	255	240
9. Education					
9.1 Pre-primary and primary education	392	392	403	428	418
<i>of which: under fives</i>	62	35	36	36	32
<i>of which: primary education</i>	330	358	367	392	386
9.2 Secondary education	567	539	532	555	561
9.3 Post-secondary non-tertiary education	–	–	–	–	–
9.4 Tertiary education ⁽²⁾	186	189	192	202	182
9.5 Education not definable by level	57	54	53	48	43
9.6 Subsidiary services to education	109	108	116	114	108
9.7 R&D education	–	–	–	–	–
9.8 Education n.e.c.	154	141	137	143	150
Total education	1,465	1,423	1,433	1,489	1,461
10. Social protection					
<i>of which: personal social services</i>	470	468	492	506	531
10.1 Sickness and disability	1,241	1,284	1,326	1,371	1,432
<i>of which: personal social services</i>	141	140	145	148	161
<i>of which: incapacity, disability and injury benefits</i>	1,101	1,144	1,181	1,223	1,271
10.2 Old age	1,712	1,807	1,923	1,986	2,012
<i>of which: personal social services</i>	237	236	246	254	264
<i>of which: pensions</i>	1,476	1,571	1,678	1,732	1,748
10.3 Survivors	37	39	40	41	42
10.4 Family and children	363	362	359	365	374
<i>of which: personal social services</i>	93	92	102	104	106
<i>of which: family benefits, income support and tax credits</i>	270	269	258	261	268
10.5 Unemployment	113	126	115	97	76
<i>of which: personal social services</i>	–	–	–	–	–
<i>of which: other unemployment benefits</i>	113	126	115	97	76
10.6 Housing	348	363	308	313	315
10.7 Social exclusion n.e.c.	579	576	571	565	549
<i>of which: personal social services</i>	–	–	–	–	–
<i>of which: family benefits, income support and tax credits</i>	579	576	571	565	549
10.8 R&D social protection	–	–	–	–	–
10.9 Social protection n.e.c.	17	1	40	5	4
Total social protection	4,410	4,558	4,682	4,744	4,804
Total Expenditure on Services in Northern Ireland	10,684	10,773	10,927	11,041	10,983

⁽¹⁾ The level of detail required for COFOG level 2 is not yet available in England and Wales. Health spending is therefore presented using HM Treasury's own sub-functional classification.

⁽²⁾ The 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from Tertiary education. A full explanation of this decision can be found in PESA 2016 Annex E.

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2015-16

	National Statistics										£ million
	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	London	South East	South West	Total England		
1. General public services											
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	120	264	203	177	231	427	403	233	2,316		
1.2 Foreign economic aid	—	—	—	—	—	—	—	—	—		
1.3 General services	18	81	8	40	83	111	56	42	484		
1.4 Basic research	—	—	—	—	—	—	—	—	—		
1.5 R&D general public services	4	11	9	7	9	13	14	9	86		
1.6 General public services n.e.c.	102	200	173	199	108	180	414	281	1,994		
Total general public services	244	556	392	423	431	731	888	564	4,880		
2. Defence											
2.1 Military defence	—	—	—	—	—	—	—	—	—		
2.2 Civil defence	2	6	4	5	4	9	11	7	55		
2.3 Foreign military aid	—	—	—	—	—	—	—	—	—		
2.4 R&D defence	—	—	—	—	—	—	—	—	—		
2.5 Defence n.e.c.	—	—	—	—	—	—	—	—	—		
Total defence	2	6	4	5	4	9	11	7	55		
3. Public order and safety											
3.1 Police services	528	1,608	1,128	842	1,101	3,100	1,577	964	11,875		
of which: immigration and citizenship	—	—	—	—	—	—	—	—	—		
of which: other police services	528	1,608	1,128	842	1,101	3,100	1,577	964	11,875		
3.2 Fire-protection services	141	290	221	162	203	368	347	231	2,194		
3.3 Law courts	273	530	381	288	431	1,135	443	321	4,136		
3.4 Prisons	225	529	407	417	389	463	442	224	3,497		
3.5 R&D public order and safety	3	7	5	4	5	13	7	4	54		
3.6 Public order and safety n.e.c.	30	80	54	38	56	145	67	42	559		
Total public order and safety	1,199	3,044	2,195	1,751	2,186	5,223	2,884	1,785	22,315		
4. Economic affairs											
4.1 General economic, commercial and labour affairs	264	561	552	341	543	1,023	625	373	4,708		
4.2 Agriculture, forestry, fishing and hunting	165	267	286	298	231	71	418	459	2,629		
of which: market support under CAP	68	104	132	176	125	15	256	246	1,367		
of which: other agriculture, food and fisheries policy	97	163	154	122	106	56	161	213	1,262		
of which: forestry	—	—	—	—	—	—	—	—	—		
4.3 Fuel and energy	28	59	39	45	26	29	36	27	310		
4.4 Mining, manufacturing and construction	11	48	8	43	-180	-7	175	21	161		

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2015-16 (continued)

	National Statistics										£ million
	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East	London	South East	South West	Total England	
4. Economic affairs continued											
4.5 Transport	784	2,880	2,051	1,217	1,964	2,221	8,440	3,267	1,518	24,342	
of which: national roads	155	333	452	277	374	302	24	709	239	2,866	
of which: local roads	241	640	441	327	457	586	406	644	531	4,274	
of which: local public transport	67	299	112	113	111	90	1,264	140	152	2,347	
of which: railway	288	1,453	972	427	823	1,159	6,473	1,615	515	13,725	
of which: other transport	32	155	73	74	199	83	272	159	81	1,129	
4.6 Communication	0	1	1	1	1	1	1	1	1	7	
4.7 Other industries	5	13	11	6	9	8	38	19	14	123	
4.8 R&D economic affairs	194	413	338	264	286	526	703	703	332	3,759	
4.9 Economic affairs n.e.c.	13	83	27	23	26	31	76	48	36	362	
Total economic affairs	1,463	4,325	3,313	2,238	2,905	3,709	10,375	5,291	2,781	36,400	
5. Environment protection											
5.1 Waste management	204	1,980	476	330	468	543	769	954	738	6,462	
5.2 Waste water management	—	—	—	—	—	—	—	—	—	—	
5.3 Pollution abatement	19	44	34	29	34	60	63	83	38	403	
5.4 Protection of biodiversity and landscape	20	43	60	55	35	108	17	98	67	503	
5.5 R&D environment protection	20	51	39	33	41	45	58	62	41	388	
5.6 Environment protection n.e.c.	59	152	129	82	96	229	233	177	146	1,304	
Total environment protection	321	2,271	738	529	673	986	1,140	1,374	1,030	9,061	
6. Housing and community amenities											
6.1 Housing development	255	213	336	340	391	338	1,277	379	152	3,681	
of which: local authority housing	250	196	325	330	377	319	1,188	346	134	3,465	
of which: other social housing	5	17	11	10	14	18	88	33	18	216	
6.2 Community development	153	294	264	200	-23	192	460	329	197	2,066	
6.3 Water supply	0	1	1	1	1	1	1	1	1	6	
6.4 Street lighting	79	121	76	54	96	68	118	105	58	776	
6.5 R&D housing and community amenities	—	—	—	—	—	—	—	—	—	—	
6.6 Housing and community amenities n.e.c.	9	26	19	17	21	22	31	32	20	197	
Total housing and community amenities	498	655	695	611	486	619	1,887	847	427	6,726	
7. Health⁽¹⁾											
Medical services	5,544	15,178	10,548	8,475	11,921	10,668	21,332	15,900	9,996	109,561	
Health research	74	201	141	131	149	193	541	317	148	1,896	
Central and other health services	187	509	386	334	408	430	629	634	388	3,904	
Total health	5,805	15,888	11,075	8,941	12,477	11,291	22,502	16,851	10,531	115,361	

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2015-16 (continued)

	National Statistics										£ million
	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East	London	South East	South West	Total England	
8. Recreation, culture and religion											
8.1 Recreational and sporting services	131	372	293	194	228	193	375	312	180	2,278	
8.2 Cultural services	159	355	287	202	271	251	814	428	261	3,026	
8.3 Broadcasting and publishing services	8	23	17	14	18	23	37	34	17	189	
8.4 Religious and other community services	-1	2	-8	11	-2	10	19	17	-8	41	
8.5 R&D recreation, culture and religion	1	3	2	2	3	3	4	4	2	24	
8.6 Recreation, culture and religion n.e.c.	1	3	2	2	3	2	14	3	3	33	
Total recreation, culture and religion	299	758	594	425	519	481	1,263	798	455	5,591	
9. Education											
9.1 Pre-primary and primary education	1,137	3,598	2,387	1,742	2,713	2,715	5,158	4,055	2,038	25,542	
of which: under fives	129	399	263	191	300	285	544	422	216	2,749	
of which: primary education	1,008	3,199	2,124	1,552	2,412	2,430	4,614	3,633	1,822	22,794	
9.2 Secondary education	1,624	4,210	3,318	2,842	3,577	3,553	5,362	4,606	3,150	32,242	
9.3 Post-secondary non-tertiary education	-2	5	9	8	26	8	15	4	5	77	
9.4 Tertiary education	180	531	386	324	400	344	903	548	403	4,020	
9.5 Education not definable by level	14	39	31	25	31	33	48	48	29	299	
9.6 Subsidiary services to education	175	420	347	303	346	359	780	527	309	3,566	
9.7 R&D education	68	153	139	101	97	167	465	280	107	1,577	
9.8 Education n.e.c.	98	268	206	172	220	217	346	315	184	2,025	
Total education	3,294	9,224	6,822	5,517	7,411	7,396	13,078	10,383	6,225	69,349	
10. Social protection											
of which: personal social services	1,236	3,191	2,233	1,815	2,434	2,493	4,273	3,571	2,298	23,544	
10.1 Sickness and disability	2,588	6,930	4,368	3,640	4,601	4,157	5,742	5,682	4,050	41,758	
of which: personal social services	359	1,055	698	612	729	926	1,331	1,293	794	7,797	
of which: incapacity, disability and injury benefits	2,229	5,875	3,670	3,029	3,872	3,231	4,411	4,389	3,256	33,961	
10.2 Old age	5,043	12,952	9,391	8,519	10,198	11,186	10,001	16,393	11,492	95,174	
of which: personal social services	466	1,046	685	551	794	800	1,254	1,139	793	7,526	
of which: pensions	4,578	11,906	8,706	7,968	9,404	10,386	8,747	15,254	10,699	87,648	
10.3 Survivors	52	124	94	86	94	84	39	129	100	803	
10.4 Family and children	1,062	2,867	2,168	1,737	2,358	2,088	3,542	2,958	1,872	20,652	
of which: personal social services	401	1,066	833	635	887	736	1,469	1,088	685	7,800	
of which: family benefits, income support and tax credits	661	1,801	1,335	1,102	1,472	1,352	2,074	1,871	1,187	12,853	
10.5 Unemployment	172	264	292	175	281	179	406	230	140	2,139	
of which: personal social services	-	-	-	-	-	-	-	-	-	-	
of which: other unemployment benefits	172	264	292	175	281	179	406	230	140	2,139	
10.6 Housing	1,137	2,814	1,826	1,357	2,090	1,955	6,514	3,041	1,794	22,529	

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2015-16 (continued)

	National Statistics										£ million
	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East	London	South East	South West	Total England	
10. Social protection continued											
10.7 Social exclusion n.e.c.	1,422	4,019	2,953	2,269	3,182	2,487	4,639	3,270	2,262	26,503	
of which: personal social services	10	23	17	18	24	31	220	52	25	421	
of which: family benefits, income support and tax credits	1,412	3,995	2,936	2,251	3,158	2,456	4,419	3,218	2,237	26,082	
10.8 R&D social protection	—	—	—	—	—	—	—	—	—	—	
10.9 Social protection n.e.c.	259	647	469	300	425	275	761	345	229	3,711	
Total social protection	11,736	30,617	21,560	18,083	23,230	22,413	31,644	32,048	21,938	213,269	
Total Expenditure on Services in the English Regions	24,861	67,344	47,389	38,522	50,323	49,600	87,852	71,374	45,743	483,007	

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

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2015-16

	National Statistics										£ per head
	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East	London	South East	South West	Total England	
1. General public services											
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	46	37	38	38	40	43	49	45	43	42	
1.2 Foreign economic aid	-	-	-	-	-	-	-	-	-	-	
1.3 General services	7	11	1	9	14	7	13	6	8	9	
1.4 Basic research	-	-	-	-	-	-	-	-	-	-	
1.5 R&D general public services	2	2	2	2	2	2	2	2	2	2	
1.6 General public services n.e.c.	39	28	32	42	19	56	21	46	51	36	
Total general public services	93	77	73	90	75	107	84	99	103	89	
2. Defence											
2.1 Military defence	-	-	-	-	-	-	-	-	-	-	
2.2 Civil defence	1	1	1	1	1	1	1	1	1	1	
2.3 Foreign military aid	-	-	-	-	-	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	-	-	-	-	-	
2.5 Defence n.e.c.	-	-	-	-	-	-	-	-	-	-	
Total defence	1	1	1	1	1	1	1	1	1	1	
3. Public order and safety											
3.1 Police services	201	224	209	180	191	169	357	176	176	217	
of which: immigration and citizenship	-	-	-	-	-	-	-	-	-	-	
of which: other police services	201	224	209	180	191	169	357	176	176	217	
3.2 Fire-protection services	54	40	41	35	35	38	42	39	42	40	
3.3 Law courts	104	74	71	61	75	55	131	50	59	75	
3.4 Prisons	86	74	75	89	68	66	53	49	41	64	
3.5 R&D public order and safety	1	1	1	1	1	1	1	1	1	1	
3.6 Public order and safety n.e.c.	12	11	10	8	10	8	17	8	8	10	
Total public order and safety	457	424	407	374	380	337	602	322	326	407	
4. Economic affairs											
4.1 General economic, commercial and labour affairs	101	78	102	73	94	70	118	70	68	86	
4.2 Agriculture, forestry, fishing and hunting	63	37	53	64	40	71	8	47	84	48	
of which: market support under CAP	26	15	24	38	22	40	2	29	45	25	
of which: other agriculture, food and fisheries policy	37	23	29	26	18	31	6	18	39	23	
of which: forestry	-	-	-	-	-	-	-	-	-	-	
4.3 Fuel and energy	11	8	7	10	5	3	3	4	5	6	
4.4 Mining, manufacturing and construction	4	7	1	9	-31	7	-1	20	4	3	

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2015-16 (continued)

	National Statistics										£ per head
	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	London	South East	South West	Total England		
4. Economic affairs continued											
4.5 Transport	299	401	380	260	342	973	365	277	444		
of which: national roads	59	46	84	59	65	3	50	44	52		
of which: local roads	92	89	82	70	80	47	96	97	78		
of which: local public transport	26	42	21	24	19	146	15	28	43		
of which: railway	110	203	180	91	143	746	191	94	251		
of which: other transport	12	22	14	16	35	31	14	15	21		
4.6 Communication	0	0	0	0	0	0	0	0	0		
4.7 Other industries	2	2	2	1	2	4	1	3	2		
4.8 R&D economic affairs	74	58	63	56	50	81	87	61	69		
4.9 Economic affairs n.e.c.	5	12	5	5	5	9	5	7	7		
Total economic affairs	558	603	615	478	505	1,196	610	508	664		
5. Environment protection											
5.1 Waste management	78	276	88	70	81	89	89	135	118		
5.2 Waste water management	—	—	—	—	—	—	—	—	—		
5.3 Pollution abatement	7	6	6	6	6	7	10	7	7		
5.4 Protection of biodiversity and landscape	8	6	11	12	6	2	18	12	9		
5.5 R&D environment protection	7	7	7	7	7	7	7	8	7		
5.6 Environment protection n.e.c.	22	21	24	18	17	27	38	27	24		
Total environment protection	122	317	137	113	117	131	162	188	165		
6. Housing and community amenities											
6.1 Housing development	97	30	62	73	68	147	56	28	67		
of which: local authority housing	95	27	60	70	66	137	53	24	63		
of which: other social housing	2	2	2	2	2	10	3	3	4		
6.2 Community development	58	41	49	43	-4	53	32	36	38		
6.3 Water supply	0	0	0	0	0	0	0	0	0		
6.4 Street lighting	30	17	14	12	17	14	11	11	14		
6.5 R&D housing and community amenities	—	—	—	—	—	—	—	—	—		
6.6 Housing and community amenities n.e.c.	4	4	4	4	4	4	4	4	4		
Total housing and community amenities	190	91	129	131	84	218	102	78	123		
7. Health⁽¹⁾											
Medical services	2,112	2,116	1,957	1,812	2,073	2,459	1,756	1,827	2,000		
Health research	28	28	26	28	26	62	32	27	35		
Central and other health services	71	71	72	71	71	72	71	71	71		
Total health	2,212	2,215	2,055	1,912	2,170	2,594	1,858	1,925	2,106		

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2015-16 (continued)

	National Statistics								£ per head		
	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East	London	South East		South West	Total England
8. Recreation, culture and religion											
8.1 Recreational and sporting services	50	52	54	41	40	32	43	35	33	42	
8.2 Cultural services	61	49	53	43	47	41	94	48	48	55	
8.3 Broadcasting and publishing services	3	3	3	3	3	4	4	4	3	3	
8.4 Religious and other community services	0	0	-1	2	0	2	2	2	-2	1	
8.5 R&D recreation, culture and religion	0	0	0	0	0	0	0	0	0	0	
8.6 Recreation, culture and religion n.e.c.	0	0	0	0	0	0	2	0	1	1	
Total recreation, culture and religion	114	106	110	91	90	79	146	89	83	102	
9. Education											
9.1 Pre-primary and primary education	433	502	443	373	472	447	595	453	372	466	
of which: under fives	49	56	49	41	52	47	63	47	40	50	
of which: primary education	384	446	394	332	419	400	532	406	333	416	
9.2 Secondary education	619	587	616	608	622	585	618	515	576	588	
9.3 Post-secondary non-tertiary education	-1	1	2	2	5	1	2	0	1	1	
9.4 Tertiary education	68	74	72	69	70	57	104	61	74	73	
9.5 Education not definable by level	5	5	6	5	5	5	6	5	5	5	
9.6 Subsidiary services to education	67	59	64	65	60	59	90	59	57	65	
9.7 R&D education	26	21	26	22	17	27	54	31	20	29	
9.8 Education n.e.c.	37	37	38	37	38	36	40	35	34	37	
Total education	1,255	1,286	1,266	1,180	1,289	1,217	1,508	1,160	1,138	1,266	
10. Social protection											
of which: personal social services	471	445	414	388	423	410	493	399	420	430	
10.1 Sickness and disability	986	966	810	778	800	684	662	635	740	762	
of which: personal social services	137	147	129	131	127	152	153	145	145	142	
of which: incapacity, disability and injury benefits	849	819	681	648	673	532	509	490	595	620	
10.2 Old age	1,922	1,806	1,742	1,821	1,773	1,841	1,153	1,832	2,100	1,737	
of which: personal social services	177	146	127	118	138	132	145	127	145	137	
of which: pensions	1,744	1,660	1,615	1,704	1,635	1,709	1,008	1,705	1,955	1,600	
10.3 Survivors	20	17	17	18	16	14	4	14	18	15	
10.4 Family and children	405	400	402	371	410	344	408	331	342	377	
of which: personal social services	153	149	155	136	154	121	169	122	125	142	
of which: family benefits, income support and tax credits	252	251	248	236	256	222	239	209	217	235	
10.5 Unemployment	65	37	54	37	49	30	47	26	26	39	
of which: personal social services	-	-	-	-	-	-	-	-	-	-	
of which: other unemployment benefits	65	37	54	37	49	30	47	26	26	39	
10.6 Housing	433	392	339	290	363	322	751	340	328	411	

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2015-16 (continued)

	National Statistics										£ per head
	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East	London	South East	South West	Total England	
10. Social protection continued											
10.7 Social exclusion n.e.c.	542	560	548	485	553	409	535	365	413	484	
of which: personal social services	4	3	3	4	4	5	25	6	5	8	
of which: family benefits, income support and tax credits	538	557	545	481	549	404	509	360	409	476	
10.8 R&D social protection	—	—	—	—	—	—	—	—	—	—	
10.9 Social protection n.e.c.	99	90	87	64	74	45	88	39	42	68	
Total social protection	4,472	4,268	4,000	3,866	4,039	3,688	3,648	3,582	4,010	3,893	
Total Expenditure on Services in the English Regions	9,472	9,387	8,791	8,237	8,750	8,163	10,129	7,977	8,361	8,816	

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

A

Sources, data quality and conventions

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

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

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

Sources of data

Central government and public corporations data

A.2 Most expenditure data in PESA are taken directly from the Treasury's public expenditure database, known as the Online System for Central Accounting and Reporting (OSCAR). This system collects public spending data from central government departments and the devolved administrations. OSCAR is a reporting system rather than an accounting system and so contains aggregate spending information rather than any transactional detail.

A.3 Data entered onto OSCAR by departments and devolved administrations cover:

- their own expenditure;
- the expenditure of agencies, and Arms Length Bodies (ALBs);
- support for local government and public corporations; and
- capital expenditure of the public corporations that they sponsor.¹

A.4 Departments and devolved administrations can maintain up to ten years of live data depending on the year of the latest Spending Review. In 2017 departments maintained the years 2012-13 to 2019-20. This involves:

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

A.5 Data are extracted from OSCAR approximately one week prior to publication, with the following exception:

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

- the historical information that extends back beyond the live outturn years is maintained off-database.

Local government data

A.6 The Department for Work and Pensions (DWP) supplies data on local government housing benefit payments in all countries except Northern Ireland. All other data on local government spending in England are supplied by the Department for Communities and Local Government (DCLG). The devolved administrations provide local government spending data for Scotland, Wales and Northern Ireland.

National Accounts aggregates

A.7 The Office for National Statistics (ONS) supplies outturn numbers for the following National Accounts aggregates used in PESA:

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

Two points worth noting are:

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

Classification of the Functions of Government (COFOG)

A.8 The Treasury assigns level 2 United Nations COFOG categories to departmental and local government data in consultation with departments and the devolved administrations. Where data streams cover more than one sub-functional category, departments are asked to change their reporting (if at all possible) so that spending on each sub-function is recorded separately. We do not ask departments to make changes where the amounts involved would be less than £10m.

A.9 All departments and the devolved administrations are reporting data against COFOG level 2, with two notable exceptions. Both the Department of Health and Welsh Government are currently unable to report the health function on this basis as the NHS for these bodies is neither financed nor organised along the lines of COFOG level 2. The health sub-functional analysis is therefore presented against Treasury defined sub-functions.

Data quality

A.10 Departments (including agencies and ALBs) and devolved administrations aim to produce good quality data for internal management and control, as well as for external reporting via audited accounts. They also seek to ensure that the data they feed into OSCAR are of high quality. Several outputs directly relevant to Whitehall departments' operations and reporting are derived from OSCAR, including Supply Estimates and tables published in Departmental Reports.

A.11 While Whitehall departments have clear incentives to ensure accurate data is reported on OSCAR, a number of factors can adversely affect data quality:

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

A.12 Following the introduction of Sector Accounting for the Academy Sector, the Department for Education (DfE) have updated the data to reflect the underlying budgetary aggregates. This includes expenditure listed by function (chapters 4 and 5) and on local government grants (chapter 7). While DfE and HMT have engaged in quality assurance on these data, due to the number of academies continuing to move between the local government and central government sectors further work is needed to provide consistent information across outturn and plans years.

A.13 The aim of PESA is to provide a broad picture of where public expenditure goes. As a general rule, the more detailed the presentation, the less accurate the attribution to lower level categories. Small differences in numbers should not be taken as significant. We present many figures to the nearest £1m to prevent users from introducing rounding errors.

Revisions policy

A.14 The data in all PESA tables are open for revision to ensure that the latest data are published. Long-run data are published on a consistent classification basis, as far back as possible. The main data updates that will be included through the year are as follows:

- April – updated outturn for central government departments;
- July – Public Spending Statistics (PSS) comprising provisional outturn for central government (Whitehall) departments and PESA including revised spending plans consistent with the Budget;
- October / November – final outturn for central government (Whitehall) departments and provisional outturn for local government – updated Country and Regional Analysis (CRA); and
- February – final outturn for local government and Devolved Administrations;

A.15 Further information on significant revisions since PESA 2016 is provided in chapter text.

A.16 Where we discover errors after the production of PESA 2017 we will take the following action:

- minor errors will be corrected at the next National Statistics update or the next edition of PESA; and
- larger errors will lead to the publication of revised tables on the Treasury's website together with an explanatory note.

Coverage of public bodies

A.17 PESA generally aims to include the expenditure of all bodies classified to the public sector by the Office for National Statistics (ONS). However, when new public bodies are set up, or when bodies are reclassified to, or within, the public sector, there may be a delay before data are recorded in a way that allows their inclusion in PESA. The following explains where the PESA 2017 treatment differs from the ONS classification:

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

Treatment of certain transactions in PESA

The Private Finance Initiative

A.18 The private finance initiative (PFI) is a means of procuring capital-intensive services. Instead of the public sector being responsible, for example, for building and maintaining a school building, the public sector contracts with the private sector for the provision of serviced school premises. The government entity that is purchasing services pays a single unitary charge to the PFI provider for as long as the services are provided to the required standard.

A.19 PFI deals may be on or off the Government's balance sheet depending upon where the balance of risks in the project lies. For the period that this publication covers, independent public sector auditors take the balance sheet decision based on GAAP principles, and this decision is also normally used by the ONS for the National Accounts. If the project is on the Government's balance sheet, the capital expenditure is treated as part of public sector capital expenditure. If the project is off the Government's balance sheet, then the capital expenditure is considered to be undertaken by the private sector, with the unitary charge adding to public sector current expenditure.

A.20 For on-balance sheet projects, PESA includes:

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

A.21 For off-balance sheet projects, where the asset economically as well as legally belongs to the private sector, PESA includes the whole general government payment of unitary charges as payments for services.

Financial sector interventions

A.22 In December 2009 the ONS created an alternative measure of Public Sector Net Borrowing (PSNBex). This treated the classification of banks to the public sector (Northern Rock, Bradford & Bingley, Dunfermline, Lloyds Banking Group and Royal Bank of Scotland) as temporary, reflecting the Government's intention to return these banks to the private sector. As a result, these institutions are treated as if they are outside the public sector.

A.23 In the budgeting tables, the support still scores within the HM Treasury Annually Managed Expenditure (AME) budget. All support to financial sector institutions is central government own spending.

A.24 The expenditure on services tables reflects the impact of this support on public spending in the National Accounts, i.e. on Total Managed Expenditure within PSNBex. The only transactions that are treated as spending within this measure are:

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

A.25 Other transactions do not generally have an impact on Total Managed Expenditure, nor therefore on the expenditure on services tables, because:

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

Consistency with other publications

Previous editions of PESA

A.26 Data in previous editions of PESA may not be directly consistent with PESA 2017 due to changes in data coverage and classification changes. Details of the main budgetary classification changes are shown in **Annex C**. Readers are therefore strongly advised against simply splicing together data in different editions of PESA. The summary analysis in **Chapter 4** incorporates historical data adjusted to current definitions in order to show trends over a longer period.

Public Sector Finance Statistics

A.27 Total Managed Expenditure (TME) and its sectoral components are consistent with the joint ONS/Treasury Public Sector Finance Statistics monthly release published on 21 June 2017.

Conventions

Rounding

A.28 The figures in this publication are generally shown to the nearest £1 million.

A.29 In all chapters dashes in the tables show that there are no data, while zeros show that there are data that round to 0.

A.30 Figures in tables may not sum due to rounding.

Real terms figures

A.31 A number of the tables in this publication give figures in real terms or as a percentage of GDP. Real terms figures are the current price outturns or plans adjusted to a constant price level by excluding the effect of general inflation as measured by the GDP deflator at market prices. The real terms figures in this publication are given in 2016-17 prices. The GDP data used in this publication are those given in **Annex F**.

Use of accruals data in tables

A.32 All data are presented on an accruals basis except in the long run tables covering years before 1998-99 (which contain some cash data).

B

Departmental groups

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

B.2 This presentation is consistent with Spending Review 2015 and Budget 2017 documents.

Title	Departments included
Defence	Ministry of Defence
Single Intelligence Account	Single Intelligence Account
Home Office	Home Office
Foreign and Commonwealth Office	Foreign and Commonwealth Office
International Development	Department for International Development
Health (inc. NHS)	Department of Health
Work and Pensions	Department for Work and Pensions
Education	Department for Education Office of Qualifications and Examinations Regulation (Ofqual)
Business, Energy and Industrial Strategy	Department for Business, Energy and Industrial Strategy
Transport	Department for Transport
Exiting the European Union	Department for Exiting the European Union
Culture, Media and Sport	Department for Culture, Media and Sport
DCLG Communities	Communities part of Department for Communities and Local Government
DCLG Local Government	Local Government part of Department for Communities and Local Government (mainly grants to English local authorities and the Greater London Authority)
Scotland	Scottish Government
Wales	Welsh Assembly Government
Northern Ireland	Northern Ireland Executive
Justice	Ministry of Justice
Law Officers' Departments	The Crown Prosecution Service Serious Fraud Office HM Procurator General and Treasury Solicitor
Environment, Food and Rural Affairs	Department for Environment, Food and Rural Affairs
HM Revenue and Customs	HM Revenue and Customs
HM Treasury	HM Treasury
Cabinet Office	Cabinet Office
International Trade	Department for International Trade

Title	Departments included
Small and Independent Bodies	Charity Commission Competition and Markets Authority Crown Estate Office Electoral Commission Export Credits Guarantee Department Food Standards Agency Government Actuary's Department House of Commons House of Lords Independent Parliamentary Standards Authority Local Government Boundary Commission for England National Audit Office National Savings and Investment Northern Ireland Office Northern Ireland Human Rights Commission Northern Ireland Parades Commission Office for Standards in Education, Children's Services and Skills. Office of Fair Trading Office of Gas and Electricity Markets Office of Rail and Road Office of the Parliamentary Commissioner for Administration and Health Service Commissioners for England Scotland Office and Office of the Advocate General Statistics Board The National Archives United Kingdom Supreme Court UK Trade and Investment Wales Office Water Services Regulatory Authority



Public expenditure budgeting and control aggregates

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

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

Resource budgeting

C.3 In 2003-04 the Government completed its staged move to a full resource basis for financial reporting and control. Since this point, budgets have been set and monitored in resource terms, as described below.

C.4 There are separate departmental budgets for resource (i.e. current) and capital expenditure. These are also laid out in more detail below.

Resource budget

C.5 The **resource budget** controls the current expenditure of a department and largely follows the contents of resource accounts. Resource accounts are prepared in accordance with the Government Financial Reporting Manual, which follows International Financial Reporting Standards (IFRS) with such adaptations as are necessary for the public sector.

C.6 Resource budgets measure expenditure when it accrues rather than when the cash is spent. They do not include, as an in-year cost, prepayments for goods and services not consumed in that year but they will include resources consumed but paid for in later years or where pre-financed in earlier periods. Stock consumption scores in the resource budget while spending on adding to stocks does not. They include non-cash costs such as movements in provisions and charges for bad debts. Resource budgets record the cost of lending to students on the basis of an assessment of the subsidy implied in the low interest rate charged and the bad debt provision that is required. The annual resource cost to departments of the assets they use to deliver services is also included in resource budgets. This cost is in the form of charges for capital consumed in that year (depreciation).

C.7 The resource (DEL) budget includes all administration costs of central government departments such as pay and employer pension contributions or superannuation charges paid to unfunded public service pensions schemes. It also includes most of departments' other purchases of services. It includes current grants and subsidies paid to the private sector.

C.8 The resource budgets for the Department for International Development (DfID) and the Foreign and Commonwealth Office (FCO) include an attributed share of the EU's expenditure on overseas aid and the Common Foreign and Security Policy.

C.9 Arms Length Bodies – resource and capital budgets include the expenditure of most arms length bodies (ALBs) classified to the central government sector.

C.10 Public Corporations are budgeted for on an external finance basis. Resource budgets include subsidies paid to, and dividends and interest received from, all public corporations sponsored by a department. Capital grants, lending to public corporations, and private sector borrowing by public corporations are in the capital budget.

C.11 Central government support for local government – the resource budget scores current grants to local government. Capital support scores in capital budgets. More information on local government is in **Chapter 7**.

Capital budget

C.12 Capital budgets include expenditure on fixed capital assets, capital grants and the acquisition of certain financial assets acquired or sold for policy reasons. Capital budgets include capital expenditure financed by finance leases and on balance sheet Private Finance Initiative transactions. Capital budgets are set net of the sale value of receipts from the sale of capital assets.

C.13 In resource accounts proceeds from sales of assets are split between the book value and any profit/loss on disposal. Receipts relating to the book value are recorded in capital budgets. The profit/loss on disposal is recorded in the resource budget.

C.14 Capital budgets generally include loans on a net basis, i.e. new loans issued *less* repayments of loan principal. Large (over £20m) prepayments and debtors score in capital budgets if they last more than 12 months.

C.15 Central government support for local government – current grants score in resource budgets. Capital grants (also called Supported Capital Expenditure (Capital) in England and Wales) score in capital budgets. Capital budgets also include amounts for local authority borrowing where central government has agreed to fund the resultant loan charges. These credit approvals are known as Supported Capital Expenditure (Revenue) in England and Wales, and supported borrowing in Scotland. More information on local government is in **Chapter 7**.

Resource and capital budgets – summary table

C.16 This table summarises the main standard contents of resource and capital budgets:

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

Departmental Expenditure Limits

C.17 Around half of public expenditure (TME) by value is in DEL. But because AME includes a small number of large programmes, by far the majority of public expenditure programmes are in DEL. The main programmes in AME are set out later in this section.

C.18 DELs are set for three or four years in a Spending Review. They represent firm plans for departmental spending that may only be increased in exceptional circumstances with the Treasury's agreement through a claim on the DEL Reserve. Departments may carry forward some unspent DEL from one year to the next with the agreement of Treasury under the system of Budget Exchange.

C.19 DEL is net of certain receipts, mainly from sales of goods and services, asset sales, dividends, interest, rent of land and income from the European Union. It is also net of certain taxes, levies and fines where exceptionally the Chief Secretary to the Treasury has given specific agreement for a department to retain them in their DEL.

C.20 DEL includes a Reserve to meet unexpected needs. When sums are allocated from the Reserve, individual departments' DELs are increased and the Reserve line reduced by the same amount.

C.21 Public corporations – most transactions in respect of public corporations score in DEL but those in respect of self-financing public corporations score in departmental AME (except where they receive grants and subsidies, which would score in DEL).

C.22 Total DEL is not a control total but a standard way of presenting the sum of current and capital spending in DEL. Total DEL is defined as resource DEL excluding depreciation *plus* capital DEL. Depreciation here includes impairments (including Student Loan provisions) and the release of the donated assets and government grant reserves.

Annually Managed Expenditure

C.23 The following text describes the components of AME, which for the purposes of PESA is divided into departmental AME and other AME. The items in bold correspond to the row names of **Table 1.1**.

Departmental Annually Managed Expenditure

C.24 Departmental AME programmes are set out in departmental reports. A programme is included in AME if it cannot reasonably be subject to firm three-year limits as for DEL. Typically this is where the programme expenditure is demand-led, volatile, and large in relation to the size of the department. But those are neither necessary nor sufficient conditions for inclusion in AME. Discretionary new spending programmes are always in DEL except where a special case can be made to demonstrate that treatment as AME is likely to deliver better control of expenditure.

C.25 The main programmes in departmental AME are:

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

C.26 Social security benefits – includes payments of social security and National Insurance benefits by the Department for Work and Pensions (DWP) and the DSS (Northern Ireland). It includes central government support for certain social security benefits paid by local government, such as Housing Benefit. It includes payments by DWP to the BBC in respect of free television licences for the over-75s.

C.27 Tax credits – Until PESA 2011 tax credits in HMRC's AME did not include negative tax (i.e. where the amount paid is less than or equal to the tax liability of the household). In this PESA all tax credits are included in departmental AME, increasing departmental AME by approximately £5bn to £6bn per year. This aligns to the way tax credits appear in resource accounts.

C.28 Student loans – the transactions of loan principal score in capital departmental AME while resource departmental AME contains interest receivable and certain non-cash transactions. Resource DEL scores the changes in the impairment recognised by the issuing departments in their resource accounts.

C.29 BBC domestic services – the expenditure of the BBC on domestic broadcasting scores in departmental AME. Certain trading operations of the BBC are treated as self-financing public corporations in AME.

C.30 Net public service pensions – this line scores the majority of the operating costs, net of income, for the main public service unfunded pension schemes. Operating costs are measured under International Accounting Standard 19 (IAS 19) as amended for the public sector. The main schemes are those for NHS staff, the civil service, teachers and the armed forces. This line comprises an assessment of the increase in the liability relating to current employees *less* relevant receipts. It does not include an amount for the unwinding of the discount rate, which is shown as part of the non-cash items in AME.

C.31 All the major unfunded pension schemes follow IAS 19 to report any increase (or decrease) in liabilities accrued in the period. In broad terms, there is a charge (or benefit) shown in this row equal to the gross increase in the provision that impacts on the operating statement of the scheme (excluding the unwinding of the discount rate) less pension contributions receivable from employers and employees, and less other income.

C.32 Note that there may be several reasons for a difference in the level of contributions and the IAS 19 charge. In particular, calculations of contributions and of the IAS 19 charge use different discount rates and different actuarial methodologies. In addition, contribution rates are revised only every three or four years, after full actuarial valuations, so the contribution rate is set to reflect previous over- and under-assessment of contributions due to scheme-specific experience on issues such as pay and demography.

C.33 Cash payments of members' continuing pensions, lump sums, spouses' benefits and similar payments, and bulk and individual transfers out, are all normally charged directly to the pension provision shown on the balance sheet. This means that they do not impact on the cost of the scheme as measured in this line, because the obligation to pay the pension had been recognised as adding to liabilities by an increase in the pension provision when the right to the pension accrued. However, if any cash payment is made that is not covered by a previously recognised liability then that payment would score in this AME line.

C.34 Relevant receipts include employers' contributions (including accruing superannuation liability charges such as those paid by departments to the Principal Civil Service Pension Scheme), employees' contributions for ordinary pensions (including widows'/widowers' pensions) and for added years, and receipts of bulk and individual transfers in.

C.35 This line does not reflect changes to the pension provision on the balance sheet resulting from changes in the actuarial assumptions made about the future (for example life expectancy, pay growth, inflation etc). Such changes result in the cost of providing already accrued pensions being higher (or lower) than previously thought. So if, for example, pensioners are living longer than previously thought then the overall liability of a scheme will rise. The effects of these changes are shown in a separate statement (Statement of Recognised Gains and Losses) in the pension schemes' resource accounts and do not score in budgets.

C.36 For simplicity, and because of the immateriality of the amounts, some small unfunded schemes may report the difference between the cash paid out during the year and any contributions received.

C.37 Note that this line does not cover:

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

C.38 Future payments of pensions are discounted in order to obtain the value of the liability in today's terms. Each year, future payments come a year closer and so the effects of discounting are reduced. That unwinding of the discount rate is a cost that is recognised in the accounts. In budgets, the amount for the unwinding of the discount rate on the liability is part of the **non-cash items** row.

C.39 The amount for the unwinding of the discount rate can be seen as loosely equivalent to the amount of interest the government would have had to pay if the schemes had been funded, and is sometimes referred to as interest on scheme liabilities (note that the discount rate is set in accordance with IFRS principles as endorsed by the Financial Reporting Advisory Board and is not automatically a gilt rate). So this item reflects the fact that the schemes are unfunded. Showing this item in the non-cash items row separates out the costs that the government bears as employer from guaranteeing the schemes (which are the costs in the net public service pensions row) from the notional costs that result because the schemes are unfunded.

C.40 The cost of pension schemes as measured on an IFRS basis does not impact directly on TME or the other fiscal aggregates. **Annex D** explains how the IFRS measures for the main public service pension schemes in departmental AME can be reconciled to their impact on TME, and this is shown in detail in **Table D.1**.

C.41 The overall change over the year in the schemes' balance sheet pensions liability measured on an IFRS basis is normally given by:

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

C.42 With the exception of the last item, which is not an expenditure or budget item, figures for the components listed above are shown in **Table D.1**.

C.43 Expenditure on services includes the cost of public service pensions on a TME basis in the social protection function.

C.44 National Lottery – expenditure on good causes funded from the proceeds of the National Lottery is in this line. The Big Lottery Fund was officially established by Parliament on 1 December 2006 and at the same time assumed the residual responsibilities of the dissolved National Lottery Charities Board (Community Fund), the New Opportunities Fund and the Millennium Commission. The Big Lottery Fund rolls out grants to health, education, environment and charitable causes across the UK.

C.45 Non-cash items include:

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

C.46 Financial sector interventions – includes all transactions that relate to the support provided by the Treasury to financial institutions since 2008-09. The underlying components are set out in **Box 2.A** in **Chapter 2**.

C.47 Other departmental expenditure includes:

- transactions in respect of Self-Financing Public Corporations;
- Export Credits Guarantee Department (part);
- expenditure on tax credits for companies (research and development for Small and Medium Enterprises, contaminated land clearance) and charities calculated on an OECD basis, which reflects payments in excess of tax liability;

- HM Revenue and Customs (HMRC) payments in respect of Child Trust Funds;
- rates paid on behalf of embassies, net of beneficial portion receipts;
- Housing Subsidy in England and Wales, and Housing Support Grant in Scotland;
- Redundancy Payments Scheme;
- coal health liabilities;
- adjustments to prior years' National Non-Domestic Rates (NNDR) collection;
- support to local government in respect of police officers' and fire-fighters' pension schemes;
- debt repayment grants to local authorities;
- expenditure of certain levy-funded bodies; and
- acceptances of artworks in lieu of Inheritance Tax.

Other Annually Managed Expenditure

C.48 Locally Financed Expenditure (LFE) – this line comprises the following items:

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

C.49 LASFE is that part of total local authority expenditure not met by central government support. Its largest single financing component is the product of the Council Tax. Other components include the surpluses of trading activities, interest receipts, unsupported borrowing and the use of reserves.

C.50 Northern Ireland Regional Rates (NIRR) are set by the central government in Northern Ireland and can be used to finance any public sector expenditure within Northern Ireland. By convention it is treated in PESA as locally financed central government expenditure. The product of NIRR is treated as a transfer from AME into DEL, so this means that DEL is set net of the product of the NIRR.

C.51 Expenditure financed by borrowing from the National Loans Fund under the RRI is shown under LFE because the loans will be serviced and repaid out of the product of the NIRR.

C.52 Net expenditure transfers to the European Union – Plans data from 2017-18 onwards are taken directly from the OBR's March 2017 Forecast. The OBR will revise their forecast at Autumn Budget 2017. Transactions with the institutions of the European Union are shown in **Table C.1** and comprise the following concepts:

- net expenditure transfers to the European Union;
- net payments to EU institutions; and
- the net contribution to the EU budget.

C.53 The TME effect of EU membership is therefore given by:

- GNI-based contributions
- *Plus* VAT-based payments to the EU
- *less* the UK's abatement and
- *less* an amount in respect of the cost of collecting Traditional Own Resources.

Table C.1 Transactions with the institutions of the European Community, 2012-13 to 2019-20

	£ million							
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans ⁽¹⁾	2018-19 plans ⁽¹⁾	2019-20 plans ⁽¹⁾
GNI based contribution	12,303	13,845	14,154	12,570	11,440	14,565	14,483	14,872
UK abatement	-3,172	-4,130	-4,811	-4,068	-4,757	-5,587	-4,225	-4,581
VAT-based payments to the EU ⁽²⁾	2,398	2,163	2,316	2,751	2,477	3,248	3,009	3,077
Net expenditure transfers to the EU	11,529	11,879	11,658	11,253	9,160	12,226	13,267	13,368
Receipts to cover collection costs in respect of collecting Traditional Own Resources (TOR) ⁽³⁾	-720	-733	-743	-771	-357	-698	-694	-700
to give contribution to TME⁽²⁾	10,809	11,146	10,915	10,482	8,803	11,528	12,573	12,669
TOR ⁽³⁾	2,891	2,933	3,006	3,085	3,377	3,489	3,470	3,498
Gross contribution to the EU budget	13,699	14,079	13,921	13,567	12,180	15,017	16,043	16,166
Public sector EU receipts ⁽⁴⁾	-4,022	-3,856	-4,690	-2,811	-4,079	-5,118	-5,563	-5,796
Net contributions to the EU budget	9,678	10,223	9,231	10,756	8,102	9,899	10,480	10,370
less Other attributed costs ⁽⁵⁾	82	79	–	–	–	–	–	–
Net payments to EU institutions	9,595	10,143	9,231	10,756	8,102	9,899	10,480	10,370

⁽¹⁾ In their forecast of the UK's contributions to the EU budget, the OBR have made no assumptions about the UK's exit from the EU, any future relationship the UK might have with the EU nor any financial implications of the UK leaving the EU. The OBR forecast has been run on a fiscally neutral basis and assumes that any EU contributions would be recycled into domestic spending from 2019-20. The assumptions underlying their forecasts for these years can be found in the OBR's March 2017 Economic and Fiscal Outlook.

⁽²⁾ VAT-based payments to the EU are included in the TME subtotal, reflecting changes in the European System of Accounts 2010.

⁽³⁾ TOR comprises customs duties (including those on agricultural products) and sugar levies.

⁽⁴⁾ Receipts are shown here on a cash basis. EU receipts in budgets are on an accruals basis.

⁽⁵⁾ The UK's contribution to the cost of EU aid to states outside the EU is attributed to departmental budgets

C.54 Public Corporations' Own-Financed Capital Expenditure – this line comprises the capital expenditure of public corporations net of any capital grants or loans given by its parent department and net of public corporations' market and overseas borrowing where that scores to departmental budgets.

C.55 This line also includes the whole amount of capital expenditure of public corporations accountable to local government, whether own-financed or supported by local government: an accounting adjustment removes local government support to public corporations to avoid this spending being double counted.

C.56 Central government debt interest – this line includes interest paid to the private sector and overseas, but not interest paid to other parts of the public sector. The capital uplift on index-linked gilts is scored as interest at the time it accrues. This line includes the amortisation of discounts/premia on gilts at issue.

C.57 Accounting adjustments are described in **Annex D**.

Total Managed Expenditure

C.58 Total Managed Expenditure (TME) is an aggregate drawn from National Accounts. It covers the current and capital expenditure of the public sector, net of some receipts. It therefore includes expenditure of central and local government and also the capital expenditure of public corporations. TME excludes grants and interest payments between parts of the public sector (as it is a consolidated measure) as well as all financial transactions (such as lending). So TME is the expenditure side of the equation that gives public sector net borrowing, a measure of the fiscal stance.

C.59 As in **Table 1.1**, TME can be shown to equal Total DEL + AME (including accounting adjustments).

C.60 In addition, TME may be expressed as the sum of:

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

C.61 In this presentation, depreciation represents the amount of capital expenditure required to make good the depreciation of assets, and net investment represents the amount of capital expenditure that adds to the overall stock of assets.

D

Accounting adjustments in the budgeting presentation of TME

The need for accounting adjustments

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

D.2 Government departments budget and account for their spending in resource terms. From 2009-10 onwards this was based on International Financial Reporting Standards (IFRS) and prior to that was based on UK's Generally Accepted Accounting Practice. Both accounting frameworks differ in a number of ways from National Accounts, which are based on the European System of Accounts 2010 (ESA10). The main difference is that ESA10, in the main, recognises liabilities and assets only when they crystallise.

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

D.4 The accounting adjustments are shown separately for resource and capital in **Table 1.14**, the former shows the breakdown of those adjustments necessary to reconcile to PSCE and the latter those adjustments necessary to reconcile to PSGI. In each table the accounting adjustments are broken down into three categories:

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

D.5 The accounting adjustments in the first two categories above are shown separately according to whether they are in DEL or AME. The main accounting adjustments within the third category are shown separately for the Central Government and Local Government sectors arranged by the economic categories within TME. The section below goes through the main adjustments giving a description of the nature of the adjustment and the reason that it needs to be made. For each economic category there are a large number of smaller adjustments that are not shown separately – the total for these is in the 'other' category. These adjustments include the part of the timing adjustments published at the bottom of **Table 1.14** that is applicable to each economic category and a number of less significant accounting adjustments, including those that switch misreported data on OSCAR between economic categories.

List of the accounting adjustments in Table 1.14

Resource Accounting Adjustments

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

Capital consumption and NHS capital consumption

D.6 These items are removed from both DEL and AME because, as is common international practice, estimates of capital consumption in the National Accounts are produced using a Perpetual Inventory Model (PIM) rather than the data reported by departments as part of their budgets.

Interest

D.7 This item is removed from both DEL and AME as the ONS sources its Central Government interest transaction from a variety of sources with none being the data in budgets reported by departments. In **Table 1.1** Gross Debt Interest is shown separately from accounting adjustments under other AME. This is far larger than the interest items deducted from budgets as it includes the interest the Debt Management Office pays on its Gilts as well as interest paid by departments.

Subsidy element of renewable obligation certificates and other environmental levies

D.8 Where there is a compulsory and unrequited payment imposed by Government, even if the payment is not to a public sector body, National Accounts sometimes require the payment to be imputed in the public finances as offsetting taxation and subsidy spending. This is the case with renewable obligation certificates (ROCs), where companies not meeting their renewable obligations have to purchase ROCs from companies who have exceeded their obligations. The Department for Business, Energy and Industrial Strategy (BEIS) have already included estimates in their AME forecast for the subsidy elements, however ONS and the Office for Budget Responsibility (OBR) are currently using a different source for their estimates of the value of this subsidy so the BEIS estimates are removed from AME. This also applies for other environmental levies such as Feed-in Tariffs and the Renewable Heat Initiative so these are also removed.

Other

D.9 The items deducted from both DEL and AME under this category include dividends and rent. In both cases ONS use sources other than the data reported by departments as part of their budgets.

Adjustment for different data used by OBR in PSCE forecast

D.10 The forecast data for departments' DEL and AME budgets for 2017-18 to 2019-20 used in this publication are taken from the data submitted by departments on OSCAR. The OBR used OSCAR data consistent with PESA 2016 as a starting point for their forecast in the March 2017 Economic and Fiscal Outlook (EFO). These adjustments are to reconcile the data used by the OBR in their forecast with that in PESA. For AME, the OBR used the forecasts provided to them by departments, which should also have been reflected on OSCAR. For DEL the OBR used plans from PESA 2016 adjusted to reflect policy announcements made during the year. For 2017-18 to 2019-20, the OBR also included an estimate of the expected level of underspending by departments.

Remove data in budgets which do not form part of public sector current expenditure

Impairments

D.11 Impairments as defined in budgets, in both DEL and AME, can result from a number of factors which do not affect PSCE as defined in the National Accounts. Examples of these are impairments resulting from the revaluation of assets or from unexpected losses which are treated as balance sheet movements only in National Accounts. Impairments from wear and tear in the course of normal business are treated as part of PSCE capital consumption in the National Accounts and are accounted for as part of the PIM discussed in D.6 above. As a result all impairments as reported in budgets by departments are removed from both DEL and AME as they do not form part of public expenditure.

Fees, levies and charges, receipts treated as negative DEL but revenue in National Accounts, and miscellaneous current transfers

D.12 Some receipts included under these categories benefit resource budgets, in both DEL and AME, even where they are included on the revenue side of the National Accounts. The deduction of such receipts in budgets needs to be reversed in the calculation of TME.

D.13 The central government receipts that are removed in the adjustment are:

- certain taxes collected, including licences issued by the utility regulators;
- certain fines;
- current donations;
- current compensation;
- rent of land; and
- dividends and interest from the private sector and overseas.

Change in pension scheme liabilities, unwinding of discount rate on pension scheme liabilities and release of provisions covering payments of pension benefits

D.14 Pension costs are measured differently in resource accounts (and predominantly AME budgets) and National Accounts due to the different way these frameworks deal with provision liabilities.

D.15 In the National Accounts, the following transactions are included within TME:

- payments to pensioners, surviving spouses etc and transfers out to other schemes;
- less receipts of contributions by employees and employers, and transfers in from other schemes.

D.16 In resource accounts a provision liability is recognised on the balance sheet equal to the net present value of the expected future cash benefits to be paid. Broadly speaking, changes in this liability impact on the operating cost statement. The net public service pensions line in departmental AME presents expenditure on this basis. The line consists of the following:

- the gross change in the liability that scores in the operating statement of the schemes;
- plus payments of pensions or transfers out that are not covered by a previously recognised liability;

- less receipts of contributions by employees and employers, and transfers in from other schemes.

D.17 The unwinding of the discount rate that is applied to the future cash flows is also a cost in the operating statement in accounts. This cost is recorded separately in the non-cash items in departmental AME. See **Annex C** for further details.

D.18 Table D.1 reconciles pensions expenditure as presented in **Table 1.1**, in resource accounts and in TME. So the table presents:

- the three main contributions to the net public service pensions line in **Table 1.1** (as in D.17 above);
- the pensions element of the non-cash items line in **Table 1.1** (i.e. the unwinding of the discount on the liability);
- the sum of these elements, which is the contribution of pension schemes to departmental AME;
- the accounting adjustments required to reach the contribution to TME (see D.20 below); and
- the contribution of the main public service pensions schemes to TME.

D.19 The adjustments are as follows:

- remove changes in liabilities scored in the net public service pensions line;
- remove changes in liabilities arising from the unwinding of the discount rate that are scored in the non-cash items line in AME; and
- add cash payments to pensioners, surviving spouses etc and transfers out to other schemes.

Table D.1 Pay as you go public service pension schemes in AME and in TME, 2012-13 to 2019-20

	£ million							
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 plans	2018-19 plans	2019-20 plans
Departmental AME (GAAP basis)								
Change in liability	26,928	28,740	34,186	37,229	35,225	51,142	48,722	49,274
Contributions received*	-22,028	-23,313	-24,676	-25,933	-26,771	-26,926	-27,136	-27,448
Cash payments in OCS not covered by release of provision*	58	13	95	114	100	147	129	131
Net public service pensions⁽¹⁾ (GAAP basis)	4,958	5,441	9,605	11,410	8,554	24,363	21,715	21,956
Unwinding of discount rate (= contribution to non-cash items)	40,499	37,991	46,255	42,882	41,788	42,766	45,198	46,846
Total Departmental AME (GAAP basis)	45,457	43,432	55,860	54,292	50,342	67,129	66,913	68,802
Accounting adjustments								
Remove change in liability	-26,928	-28,740	-34,186	-37,229	-35,225	-51,142	-48,722	-49,274
Remove increased liability due to unwinding of discount rate	-40,499	-37,991	-46,255	-42,882	-41,788	-42,766	-45,198	-46,846
Add pensions in payment covered by release of provision**	30,546	32,246	34,222	35,327	35,476	36,832	38,316	40,078
Accounting adjustments (Pensions)	-36,881	-34,485	-46,219	-44,783	-41,536	-57,076	-55,603	-56,041
Contribution to TME (National Accounts basis)	8,577	8,947	9,641	9,509	8,805	10,053	11,310	12,761
<i>of which:</i>								
Pensions in payment*	30,604	32,260	34,318	35,441	35,576	36,979	38,446	40,209
Contributions received*	-22,028	-23,313	-24,676	-25,933	-26,771	-26,926	-27,136	-27,448

* Includes bulk and individual transfers, including transfers of liabilities within government.

** offsets change in gross liability.

⁽¹⁾ The change from 2017-18 is due to the reduction in the "discount rate net of CPI" used to measure the costs of public service pensions accruing over the year on an accounting basis.

Grant equivalent element of student lending

D.20 In budgets this is the provision that represents the net present value of the interest support element of student loans that scores in DEL and AME as the loans are issued. In the National Accounts the impact on the current balance is determined by the difference between interest payments made on government debt and interest income receivable from students. These values therefore need to be removed from DEL and AME as an accounting adjustment.

Stock write-offs

D.21 In budgets the write-off of stocks covers items such as military expenditure and medical stocks that are treated as being consumed at the point of purchase in National Accounts. This adjustment therefore removes the value of these stocks from DEL.

Northern Ireland Executive transfers between DEL and AME

D.22 As explained in Annex C, expenditure financed by Northern Ireland Rates is treated as a transfer from AME into DEL and by convention treated as part of locally financed expenditure in **Table 1.1**. This is removed from DEL and added back in the section which removes data from Local Government expenditure.

Profit or loss – sale of company securities

D.23 Departmental resource DEL and AME budgets include the profit or loss on the sale of company securities. These are removed as an adjustment as they are scored as financial transactions in the National Accounts.

Profit or loss – sale of other assets

D.24 Departmental resource DEL and AME budgets include the profit or loss on sales of tangible and intangible fixed assets. In the National Accounts, these are treated as capital transactions rather than resource transactions and so this adjustment is necessary to remove them from PSCE.

Fee income treated as capital in National Accounts

D.25 The Government announced the intention to instigate the Asset Protection Scheme for Lloyds Banking Group (LBG) and RBS in February 2009. In December 2009, RBS signed the contract to participate in the scheme and LBG announced it would not take part in the scheme. The Government received an exit fee from LBG and a fee from RBS for the implicit guarantee provided between February and December 2009. These fees were treated as capital receipts in the National Accounts but as negative resource AME (receipts) in HM Treasury's budget. This adjustment removes the receipts from PSCE.

Imputed tax element of renewable obligation certificates and other environmental levies

D.26 As explained above, National Accounts requires payments of ROCs and other environmental levies to be imputed in the public finances as offsetting taxation and subsidy spending. BEIS have already included estimates in their AME forecast for the tax elements, however these are treated as part of receipts rather than spending in the National Accounts and so are removed in this adjustment.

Other

D.27 There are a number of other items that are removed from DEL and AME because they do not score as part of TME in the National Accounts. These include:

- notional audit fees, which are not scored in TME as no money flows;

- some other miscellaneous transactions that are scored in budgets but treated as financial transactions in the National Accounts; and
- some transfers between different parts of central government that are excluded from the National Accounts as they are within the same sector in the National Accounts.

Central Government Adjustments in the National Accounts

Expenditure on Goods and Services

VAT refunds

D.28 VAT is a tax that is paid by final consumers, i.e. government and households. Producers pay VAT on materials that they use in the course of production, but are able to claim those VAT payments back from HMRC. Producers then charge VAT on sales and pass these monies to HMRC. Where a public sector body is engaged in production and receives such a VAT refund, this refund would not add to TME, nor would it be included in their spending data, which is measured net of recoverable VAT. Therefore in these cases no adjustment is needed to reconcile to TME.

D.29 However, some public sector bodies additionally receive refunds of VAT that they have paid in respect of contracted out services for non-business purposes, including the free-to-enter public museums. These VAT payments by general government bodies form part of the prices paid as a final consumer, and therefore form part of final government consumption within TME (as well as part of current receipts). However, departmental budgets, and other spending data, are net of all recoverable VAT. This adjustment therefore adds back VAT refunded to central government departments in respect of contracted out services for non-business purposes and VAT refunds to free public museums in respect of non-business activities.

EU tax collection costs

D.30 The UK receives a payment from the EU for collecting Traditional Own Resources (customs duties, agricultural and sugar levies) on behalf of the EU. This receipt (which is actually netted off the payment made to the EU) is treated as a government receipt and reduces TME. This income is recorded here.

Capital consumption

D.31 As explained above, departmental estimates for capital consumption are removed from both DEL and AME because, as is common international practice, estimates of capital consumption in the National Accounts are produced using a Perpetual Inventory Model (PIM). This adjustment adds in the PIM estimates.

Net Social Benefits

Switch between net social benefits and other current grants

D.32 When COINS, the predecessor of OSCAR, was first set up, departments misclassified net social payments as other current grants due to issues with the mapping of codes to the previous reporting systems. These misclassifications continue on a smaller scale today and this adjustment corrects this misclassification.

Public service pensions contribution up-rate

D.33 This adjustment accounts for the additional receipts from the increase in contribution rates from 2012-13 announced in the 2010 Spending Review. The receipts were included in the OBR forecast in the 2012 March EFO at a global level since details about how it will impact across pension schemes had not yet been announced.

Net Current Grants Abroad

DfID funding for capital projects scored in resource DEL

D.34 A proportion of the Department for International Development's (DFID) bilateral aid budget is deemed to be a capital grant to the rest of the world in the National Accounts, although all bilateral aid grants are shown in resource DEL budgets. This adjustment removes the part that is deemed to be capital spending so that it is not included in PSCE. This is not reflected in the forecast years as the composition of the DFID aid budget has changed.

EU receipts and EU funded expenditure

D.35 EU grant expenditure routed through government departments is treated in the National Accounts as a transaction between the EU and the end-recipient of the grant. Both the receipt from the EU and the spending funded by the EU are included in departments' DEL budgets. This adjustment therefore removes the receipt of the EU finance by departments, which is scored as part of their DEL budget. There are adjustments within the "other" category in Other Current Grants and in Subsidies that remove the spending.

Subsidies

Renewable obligation certificates and other environmental levies

D.36 As mentioned above, ROCs and some other environmental levies are treated as imputed subsidies (and tax) in the National Accounts. This adjustment adds in ONS's and OBR's valuation of the imputed subsidy (BEIS's OSCAR data having been removed in the first section of the table).

Company tax credits outside departmental AME

D.37 Currently ONS treat all company tax credits payments as part of TME. These include research and development tax credits, transitional relief to charities formerly entitled to receive tax credits on dividends, film tax credits and tax relief on clearing contaminated land. This adjustment adds the part of the payments of these tax credits that are not in HMRC's AME budget.

Local Government Adjustments in the National Accounts

D.38 As explained in Annex C, the contribution to AME from the Local Government sector is locally financed expenditure. This comprises the parts of local authority expenditure not met by central government support in the UK (known as LASFE), expenditure financed by Scottish NNDR, expenditure financed by Welsh NNDR and expenditure financed by Northern Ireland Regional Rates. LASFE is calculated as total Local Government expenditure, sourced from Local Government data (as outlined in Annex A), adjusted to a National Accounts basis, less CG support, based on data in Central Government departments' budgets. The accounting adjustments listed below are therefore the main adjustments to Local Government source data needed to transform it to a National Accounts basis and to reconcile Central and Local Government sources for PSCE.

Remove data which do not form part of public sector current expenditure

Retirement benefits

D.39 An adjustment is required here to remove items in the local government source data which do not reflect actual payments.

Debt interest payments to central government

D.40 Interest payments to central government are removed as they represent flows between two parts of the public sector and so do not score towards TME.

Adjustments to reconcile use of different data sources

Central government support

D.41 As mentioned above, the data for Central Government support used in the calculation of LASFE is based on data in Central Government departments' budgets and the total spending is from the Local Government sources. This adjustment is therefore necessary to reconcile Central Government and Local Government sources of information for current Central Government support. The data based on Central Government departments' budgets are the data deducted in the calculation of LASFE as these are felt to be more reliable and are available at a more detailed level for quality assurance.

Debt interest

D.42 This adjustment reconciles differences between the data source used for the calculation of debt interest payments to the private sector by Local Authorities in the National Accounts and that used in Local Government sources.

Expenditure on Goods and Services

VAT refunds

D.43 As mentioned in the section on Central Government adjustments to expenditure on goods and services above, public sector bodies, including Local Authorities, receive refunds of VAT that they have paid in respect of contracted out services for non-business purposes. Central government support in resource DEL (and AME) and current LASFE are measured net of these VAT refunds, but in TME the expenditure is recorded including the VAT paid and therefore an adjustment is made to add back these refunds.

Capital consumption

D.44 As also mentioned above, in the section on Central Government adjustments to expenditure on goods and services, estimates of capital consumption in the National Accounts are sourced from the ONS's PIM model. This adjustment adds in these estimates for the Local Government sector.

Rates

D.45 This deducts payments of National Non-domestic Rates (NNDR) paid by local government which are in locally financed expenditure but do not form part of TME.

Subsidies

Equity injection into Housing Revenue Account

D.46 The HRA is treated as a Public Corporation in National Accounts. This means that the regular deficit resulting from its operations is treated in National Accounts as an imputed subsidy (if a regular profit were made it would be treated as an imputed dividend). The deficit (or profit) is calculated as the gross operating surplus less gross capital expenditure. Gross, rather than net, capital expenditure is used as sales of housing stock are treated as financial transactions which reduce LG equity in the HRA. Since 2004-05 the HRA have had a regular deficit so a subsidy is imputed from Local Government to the PC sector. This adjustment adds in the subsidy to Local Government spending. (Unlike grants subsidies from one part of the public sector to another are included in TME).

Net Social Benefits

Housing benefits and rent rebates

D.47 ONS use data from DWP in respect of housing benefits and rent rebates. An adjustment is necessary to bring data from Local Government sources into line with that from DWP.

Public Corporations

D.48 The main adjustment in relation to Public Corporations data is their payment of debt interest to the private sector. This is the only part of Public Corporation own expenditure other than Public Corporations' Own Financed Capital Expenditure (see Annex C) that scores in TME. This adjustment adds in the data used in the National Accounts for their debt interest payments to the private sector.

Capital Accounting Adjustments

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

Change in inventories and acquisitions less disposals of valuables

D.49 The data in the National Accounts for both of these are sourced from ONS surveys and administrative sources other than OSCAR.

Adjustment for different data used by OBR in PSGI forecast

D.50 As explained above for resource spending, the forecast data for departments' DEL and AME budgets for 2017-18 to 2019-20 used in this PESA publication differ from those used by the OBR in their March 2017 EFO. These adjustments are to reconcile the data used by the OBR with those on OSCAR used in PESA.

Remove data in budgets which do not form part of public sector gross investment

Net lending to private sector and the purchase and sale of company securities

D.51 These types of transactions are treated as financial transactions which do not score as spending in the National Accounts, because they involve a swap of financial assets and so are excluded from PSGI and TME. However they are included in DEL and AME in order to have control over departments' impact on Public Sector Net Debt (PSND) so this adjustment is necessary to exclude them from TME.

Capital support for public corporations and local government supported capital expenditure

D.52 These transactions are excluded from TME as they are lending from central government to support capital expenditure by other parts of the public sector.

Northern Ireland Executive transfers between DEL and AME

D.53 This is the capital equivalent of the transfers described in D.22 above.

Other

D.54 There are a number of other items that are removed from DEL and AME because they do not score as part of PSGI in the National Accounts. These include:

- some capital provisions;
- some other miscellaneous transactions that are scored in budgets but treated as financial transactions in the National Accounts; and

- some transfers between different parts of central government that are excluded from the National Accounts as they are within the same sector in the National Accounts.

Central Government adjustments in National Accounts

Gross Fixed Capital Formation

Profit or loss – sale of other assets (from resource budgets)

D.55 As mentioned in the section on resource accounting adjustments, in National Accounts the profit or loss on sales of tangible and intangible fixed assets are treated as capital expenditure and therefore as part of PSGI. However they are treated as part of resource DEL and AME. This adjustment is necessary to add them to PSGI.

Capital grants to and from the private sector

VAT refunds

D.56 Refunds of VAT are also available on certain items to householders who are building their own home or converting a non-residential building into a home for them to live in. As mentioned above, spending in National Accounts is recorded inclusive of refunded VAT and therefore the value of these refunds is included in PSGI as a capital grant to the household sector (and also included in total VAT receipts) but not in Budgets. This adjustment adds the value of these refunds to PSGI.

Fee income treated as capital in National Accounts

D.57 As outlined in the section on resource accounting adjustments, certain fees received from RBS and LBG in respect of the Asset Protection Scheme were treated as capital receipts in the National Accounts and resource receipts in HM Treasury's AME. This adjustment ensures that these receipts are included in PSGI.

DfID funding for capital projects scored in resource DEL

D.58 As also stated above, in the section on resource accounting adjustments a proportion of DFID's bilateral aid budget is deemed to be a capital grant to the rest of the world in the National Accounts, although all bilateral aid grants are shown in their resource DEL budgets. This adjustment adds the part deemed to be capital so that it scores in PSGI.

Local Government Adjustments in National Accounts

D.59 The overall rationale behind the accounting adjustments for Local Government is explained in the section on resource accounting adjustments. The accounting adjustments listed below are the main adjustments to Local Government source data needed to transform it to a National Accounts basis and to reconcile Central and Local Government sources for PSGI.

Adjustments to reconcile use of different data sources

Central government support

D.60 As mentioned above, the data for Central Government support used in the calculation of LASFE is based on data in Central Government departments' budgets and the total spending is from the Local Government sources. This adjustment is therefore necessary to reconcile Central Government and Local Government sources of information for Central Government support via capital grants. The data based on Central Government departments' budgets are the data deducted in the calculation of LASFE as these are felt to more reliable and are available at a detailed level for quality assurance.

Financial transactions

D.61 Financial transactions, which do not score as spending in the National Accounts because they involve a swap of financial assets, are excluded from PSGI and TME. This adjustment removes the parts of capital LASFE that need to be excluded as they are financial transactions.

Capital grants from private sector

D.62 In some cases receipts are treated as financing expenditure in AME when National Accounts treat them as reducing expenditure. The value of the receipts needs to be included in TME. An adjustment is therefore made to add to public sector net investment the local authority receipts of investment grants from private sector developers.

Gross Fixed Capital Formation

VAT refunds

D.63 As mentioned above, Local Authorities receive refunds of VAT that they have paid in respect of contracted-out services for non-business purposes, including on capital expenditure. Central government capital grants to Local Authorities in resource DEL (and AME) and capital LASFE are measured net of these VAT refunds, but in TME the expenditure is recorded including the VAT paid. This adjustment therefore adds the value of the refunds to PSGI.

Roads de-trunking

D.64 De-trunking of roads involves transferring the ownership and control of roads from the Highways Agency (part of central government) to Local Authorities. In National Accounts this involves recording the payment for the receipts of an asset by Local Authorities. As this is not recorded in LASFE an adjustment is necessary to add this in to PSGI.

Capital Grants to Public Corporations

D.65 Local government capital expenditure includes grants paid to public corporations. The capital expenditure that this finances is included as part of Public Corporations' Own-Financed Capital Expenditure (PCOFCE), as this contains capital spending other than that financed by central government. An adjustment is therefore required to avoid double counting this spending in TME. This mainly concerns payments by Transport for London to London Underground.

Other capital adjustments

Public Corporations

D.66 The Public Corporation element of TME is effectively composed of PCOFCE plus central government support for public corporations. This adjustment adds back an element of the net lending subtracted above, to ensure that the level of PC spending is properly reflected.

Housing Revenue Account reform receipts

D.67 This represents a receipt by central government of net capital grants from local authorities that implement the reform of council house financing announced in the Spending Review. This net receipt is completely offset by a net payment included within capital LASFE, so this has no impact on the overall public finances.

E

Expenditure on services framework

E.1 Tables in **Chapters 4 to 8**, showing public expenditure by function and/or economic category are all based on the public sector expenditure on services framework.

E.2 Public sector or total expenditure on services (TES) broadly represents the current and capital expenditure of the public sector, and so is similar to the National Accounts measure of Total Managed Expenditure (TME). For the avoidance of doubt, expenditure on services is the spending required to deliver services, not just the purchasing of services.

E.3 The introduction of the Online System for Central Accounting and Reporting (OSCAR) was accompanied by changes to the chart of accounts, against which departments record their expenditure. Most of the changes to the expenditure on services framework have been minor. The most significant has been the removal of the attributed share of the EU's aid. Departmental budgets include this attributed expenditure, but it doesn't increase TME as it is actually part of EU spending financed by the UK's budgetary contributions. This change brings TES closer into line with the National Accounts.

E.4 Expenditure on services is a more stable measure of public spending than departments' budgets, as it is not affected by the creation or amalgamation of departments or by programmes of work moving between departments.

Expenditure on services and TME

E.5 TME is the current and capital expenditure of the public sector on a National Accounts basis. Public sector expenditure on services is similar, but with minor divergences. The divergences mainly reflect the difficulty of attributing certain types of spending to the correct functions in all cases, which, if attempted, would result in a lack of consistency between functions. The main difference from TME is that expenditure on services does not include general government capital consumption (depreciation) and does not reverse the deduction of certain VAT refunds in the budget-based expenditure data. It also includes a small number of items that are in budgets but not in TME. Public sector expenditure on services is worth about 92% of TME.

EU transactions in expenditure on services

E.6 EU transactions score in their entirety within public sector expenditure on services in the same way as in TME. However, expenditure on services scores EU funded payments, for instance on agriculture, as UK government spending within the appropriate function, whereas the National Accounts score these as direct payments from the EU to enterprises and households.

Expenditure on services and budgets

E.7 Expenditure on services can be built up from departmental budgets (resource DEL, capital DEL and departmental AME). Essentially, (most) transfers to other parts of the public sector are removed, as are transactions that do not score as spending in the National Accounts. Spending by local government and public corporations is then added.

Departmental budgets (resource Departmental Expenditure Limits + capital Departmental Expenditure Limits + departmental Annually Managed Expenditure)

Less	grants to local government; capital grants to public corporations; depreciation (includes the impairment costs of Student Loans); provisions; spending classified as financial transactions in the National Accounts; interest and dividends; items classified as revenue in the National Accounts which are netted off spending in budgets; EU receipts; other items that are not classified as spending in National Accounts (e.g. transfers between central government departments); and most intra-public sector transfers, the main exceptions being subsidies to public corporations and trading bodies.
Plus	local government current and capital expenditure; Northern Ireland locally financed expenditure; public corporations' capital expenditure; public sector debt interest; and EU transactions.

E.8 Table E.1 shows the derivation of expenditure on services from departmental groups' budgets.

Classification changes

E.9 Classification changes since PESA 2016 are detailed in **Chapter 4**, where they affect expenditure on services or the functional split, and **Chapter 5**, where they affect expenditure on services, the sub-functional split or the economic breakdown.

Table E.1 Derivation of public sector expenditure on services from departmental groups' budgets, 2016-17

	£ million																									
	Defence	Single Intelligence Account	Home Office	Foreign and Commonwealth Office	International Development	Health	Work and Pensions	Education	Business, Energy and Industrial Strategy	Transport	Exiting the European Union	Culture, Media and Sport	Communities and Local Government	Scotland	Wales	Northern Ireland	Justice	Law Officers' Departments	Environment, Food and Rural Affairs	HM Revenue and Customs	HM Treasury	Cabinet Office	International Trade	Small and Independent Bodies	Total for all departments	
Departmental Budgets																										
Resource DEL	35,237	2,268	10,930	2,058	7,456	116,909	6,161	69,288	1,972	2,931	23	1,567	10,722	21,391	13,288	10,484	7,339	530	1,764	3,836	159	447	345	1507	328,610	
Capital DEL	8,665	603	508	60	2,590	4,605	292	5,598	10,835	5,467	-	288	5,114	3,240	1,485	1,005	364	14	648	326	-2	48	6	105	51,866	
Resource Departmental AME	4,749	13	2,529	-53	143	27,697	172,921	11,348	5,501	6,459	-	4,812	12,512	9,235	239	8,285	454	-1	11	42,329	-25,458	9,171	-	-144	292,753	
Capital Departmental AME	-	-	-	-	285	13	-87	13,450	-15	6,854	-	614	-	811	422	498	-	-	-	1	-	-19,731	-	251	3,365	
Remove																										
Grants to local government	-	-	-11,238	-	-	-3,981	-23,337	-31,315	-54	-2,901	-	-63	-14,168	-7,768	-4,708	-157	-264	-	-239	-	-	-34	-	-132	-100,359	
Capital grants to public corporations	-	-	-	-	-	-	-	-	-174	-	-	-	-8	-20	-	-117	-	-	-	-	-	-	-	-	-319	
Depreciation	-7,972	-364	-266	-87	-11	-1,987	-159	-11,020	-2,424	-6,020	-	-342	-129	-782	-300	-963	-477	-7	-193	-276	23,097	-21	-2	-74	-10,779	
Provisions	-3,974	3	-181	5	-69	-27,167	-99	-8,926	-2,691	-272	-	-2	-3	-3,427	-230	-1,832	-402	-	-164	-9	-216	-5,321	-	-14	-54,991	
Financial transactions	63	-	-	-	-738	65	-67	-13,449	-1,051	35	-	-	-2,406	-827	-540	-244	-	-	-	-	-	19,787	-	-251	377	
Interest and dividends	-120	-30	-38	3	5	-	23	1,864	138	-1,270	-	19	22	141	68	-42	-19	-	-	-1	868	4	-	29	1,664	
Items classified as revenue in National Accounts	57	-	774	63	-553	-97	-111	1,446	580	4,413	1	113	120	-1	61	1	1,260	66	248	-1,845	1,718	-3	4	181	8,498	
EU receipts	-	-	-	-	-	-	-4	49	16	75	-	-	320	554	431	337	-	-	2,219	-	-	-	-	1	3,997	
Other items not in TME	1	21	-659	-1	-1,037	-89	-590	-2,329	-762	-106	0	642	-12,174	-507	-145	-51	2	1	-11	-50	-113	0	-3	98	-17,862	
Add																										
Local government current expenditure	-	-	12,055	-	-	18,049	24,137	41,973	317	4,337	-	1,714	7,466	10,482	5,497	608	225	-	5,346	-	-	41	-	-	132,245	
Local government capital expenditure	-	-	674	-	-	262	-	3,168	143	6,262	-	836	5,471	2,077	896	235	-	-	773	-	-	-	-	-	20,798	
Northern Ireland locally financed expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	585	-	-	-	-	-	-	-	-	585	
Public corporations' capital expenditure	-	-	-	-	-	-	4	-	-	1,762	-	-	2,347	1,322	293	126	-	-	1	-	-	113	-	-	5,968	
Public sector debt interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39,375	-	-	39,375	
EU transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,725	-	-	4,725	
Loans written off by mutual consent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Public sector expenditure on services	36,706	2,514	15,088	2,048	8,071	134,279	179,084	81,145	12,331	28,026	24	10,198	15,206	35,921	16,757	18,758	8,482	603	10,404	44,310	44,322	4,332	350	1,557	710,516	

F

GDP deflators

F.1 This annex presents the GDP deflators used in this release.

GDP deflators

F.2 A number of the tables in this publication give figures in real terms. Real terms figures are the current price outturns or plans adjusted to a constant price level by excluding the effect of general inflation as measured by the GDP deflator at market prices. The real terms figures in this publication are given in 2016-17 prices. The GDP deflators used in this publication are those given below. The most up to date deflators can be found on the GOV.UK website¹. Please note that these deflators do not apply to the real terms tables presented in chapter 9 of this publication.

Table F.1 GDP deflators and money GDP

Outturn data are based on the June 2017 National Accounts figures from ONS

Forecast data are consistent with the 2017 Spring Budget

Financial year	GDP deflator at market prices		Money GDP £ million
	2016-17 = 100	Per cent change on previous year	
1976-77	17.381	13.88	141,190
1977-78	19.772	13.75	165,041
1978-79	21.985	11.19	191,058
1979-80	25.699	16.89	231,150
1980-81	30.617	19.14	265,818
1981-82	33.793	10.38	295,767
1982-83	36.233	7.22	324,512
1983-84	37.952	4.75	354,960
1984-85	40.134	5.75	382,846
1985-86	42.406	5.66	421,215
1986-87	44.151	4.12	452,590
1987-88	46.574	5.49	507,412
1988-89	49.579	6.45	565,947
1989-90	53.387	7.68	623,092
1990-91	57.721	8.12	672,128
1991-92	60.978	5.64	706,916
1992-93	62.469	2.45	727,530
1993-94	63.901	2.29	769,653
1994-95	64.621	1.13	806,312
1995-96	66.584	3.04	849,808
1996-97	69.129	3.82	905,541
1997-98	70.223	1.58	949,821
1998-99	71.179	1.36	991,717
1999-00	71.560	0.53	1,035,717
2000-01	73.028	2.05	1,091,489
2001-02	73.963	1.28	1,131,360
2002-03	75.636	2.26	1,190,819
2003-04	77.334	2.24	1,259,266
2004-05	79.386	2.65	1,320,209
2005-06	81.505	2.67	1,402,471
2006-07	83.976	3.03	1,476,941
2007-08	86.009	2.42	1,547,272
2008-09	88.347	2.72	1,546,968
2009-10	89.562	1.38	1,531,330

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

Table F.1 GDP deflators and money GDP (continued)

Outturn data are based on the June 2017 National Accounts figures from ONS

Forecast data are consistent with the 2017 Budget

Financial year	GDP deflator at market prices		Money GDP £ million
	2016-17 = 100	Per cent change on previous year	
2010-11	91.200	1.83	1,592,057
2011-12	92.467	1.39	1,634,025
2012-13	94.408	2.10	1,690,042
2013-14	95.965	1.65	1,759,560
2014-15	97.375	1.47	1,834,812
2015-16	98.042	0.69	1,885,846
2016-17	100.000	2.0	1,955,442
2017-18	–	1.6	2,028,715
2018-19	–	1.6	2,095,146
2019-20	–	1.7	2,167,688

GDP Deflator: Financial years 1976-77 to 2016-17 taken from ONS series L8GG.

For 2017-18 to 2019-20: derived from Office for Budget Responsibility (OBR) forecasts for GDP deflator increases as at the Spring Budget Report 2017.

Money GDP: For years 1976-77 to 2016-17: ONS data for money GDP (not seasonally adjusted, BKTL).

For 2017-18 to 2019-20: OBR forecasts for money GDP as of the 2017 Spring Budget.

Population numbers and GDP deflators used for country and regional tables

F3 Users will note that in previous editions of PESA, the mid-year population estimates used to produce 'per head' tables in chapters 9 and 10 were reproduced within this annex. For this year's PESA the tables in chapters 9 and 10 are identical to those published in the November 2016 Country and Regional Analysis (CRA) release. Therefore mid-year population estimates used for the November 2016 CRA publication can be found within the annex of that release. Similarly, GDP deflators used to produce 'real terms' tables in chapter 9 can also be found within this annex. A link to the November 2016 CRA is provided below:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/569815/Country_and_Regional_Analysis_November_2016.pdf

G

Glossary of terms

Within an explanation of a term, words in bold are themselves explained elsewhere in the glossary.

Acronyms

ALBs	Arms Length Bodies
AME	Annually Managed Expenditure
ASLCs	Accruing Superannuation Liability Charges
CAP	Common Agricultural Policy
CRA	Country and Regional Analysis
DEL	Departmental Expenditure Limit
EFO	Economic and Fiscal Outlook
GAAP	Generally Accepted Accounting Practice
GDP	Gross Domestic Product
IFRS	International Financial Reporting Standards
LASFE	Local Authority Self-Financed Expenditure
OSCAR	Online System for Central Accounting and Reporting
PCOFCE	Public Corporations' Own-Financed Capital Expenditure
PSCE	Public sector current expenditure
PSNB	Public sector net borrowing
PSND	Public sector net debt
PSNI	Public sector net investment
RAB	Resource Accounting and Budgeting
SUME	Single Use Military Equipment
TES	Total Expenditure on Services
TME	Total Managed Expenditure

Terms

Accounting adjustments shown in, for example, **Table 1.1** are certain items of expenditure that account for the difference between the **National Accounts** aggregate **TME** and the sum of the **resource budgeting** items **DEL**, **departmental AME** and **other AME**. Accounting adjustments are required because there are certain components in TME that are not included in the **resource** and **capital budgets** that form the basis of planning and control of departmental

spending under resource budgeting, and there are some items in resource budgeting aggregates that are not part of TME. Annex D has full details.

Accruals – apart from some of the older data in the historical tables in Chapter 4, all the data in PESA are based on accruals. Accruals accounting recognises when costs occur rather than when the payment is made, i.e. having the heating on is a cost that accrues each day whereas the bill might be paid quarterly.

Accruing Superannuation Liability Charges (ASLCs) are employer pension contributions paid to the bodies responsible for paying and accounting for unfunded public service occupational pensions. For example, government departments pay ASLCs in respect of serving civil servants. The payments represent an actuarial assessment of the accruing discounted future cost of public expenditure on pensions arising from the current employment of staff. ASLCs are included within **DEL**.

Administration budget – the costs of running a central government department (including their ALBs) that do not relate to the delivery of frontline services; it includes the pay of most of the civil servants who work in the department, and associated expenditure such as **ASLCs**, accommodation, travel and training. Administration budgets are a subset of resource **DEL** that are set net of income arising from departments' administrative activities.

Alignment (or 'Clear Line of Sight') project – in order to simplify public spending reporting, this project aims to align more closely the treatment of spending in departmental budgets, **Estimates** and **Resource Accounts**. More information is available on the Treasury's website¹.

Annually Managed Expenditure (AME) is spending included in **TME** that does not fall within **DELs**. Expenditure in AME is generally less predictable and more difficult to control than expenditure in DEL. AME is split into **departmental AME** and **other AME**.

Arms Length Bodies – refers to a department's executive NDPBs and Trading Funds where these bodies have been classified as being within Central Government by the Office for National Statistics.

Assets can be either financial or non-financial:

- financial assets include monetary gold, bank deposits, IMF Special Drawing Rights, loans granted, bonds, shares, accounts receivable, and the value of the government's stake in public corporations; and
- non-financial assets consist of fixed capital (such as buildings and vehicles); stocks; land and valuables.

Billion – a thousand million.

Budget Exchange – a mechanism that allows departments to surrender an underspend in advance of the end of the financial year in return for a corresponding increase in the following year, subject to Treasury agreement.

Capital budget – a department's capital budget covers **capital expenditure**. The capital budget is divided into **DEL** and **departmental AME**. The capital budget is not a control total; capital DEL is a control total and capital AME is a planning total. The capital budget includes:

- **capital formation** and the acquisition of assets (including under finance leases) such as land, buildings, machinery and vehicles. In both capital budgets and **National Accounts**, acquisition of assets is recorded net of the sale value of any assets disposed of (where sale value is the aggregate of the net book value and any profit or loss on disposal);

¹ http://webarchive.nationalarchives.gov.uk/20130405170223/http://www.hm-treasury.gov.uk/psr_clear_line_of_sight_intro.htm

- **net lending** undertaken for policy purposes; *net* means after the repayment of debt principal;
- **in-house development of assets** such as computer software and databases. This can be capitalised in government accounts provided certain conditions are met. It is sometimes called “own account capital formation”;
- large (over £20m) **debtors** or **prepayments** that are long term (over 12 months). These are included in capital budgets on the same basis as **net lending**, i.e. on an additions *less* reductions basis; and
- **capital grants**.

Capital consumption – see **depreciation**.

Capital expenditure can be understood in several ways:

- in **National Accounts**, capital expenditure is usually understood to mean **capital formation**, net acquisition of land, and expenditure on **capital grants**. Certain types of significant computer software development are treated as capital expenditure. The **pay** of civil servants engaged in inhouse capital formation is also recorded as capital expenditure, not as pay. **Public sector net investment** is given by capital expenditure as defined above (also known as public sector gross investment) less **depreciation**;
- under **resource accounting**, capital expenditure also includes loans that are given and the net acquisition of shares. In other words, it includes the net acquisition of financial assets that are acquired for policy reasons rather than for managing the government’s funds. Such policy lending also generally scores in **DEL**, in the **capital budget**, but is removed by the **accounting adjustments**, as it does not score in **TME**; and
- some presentations of central government capital expenditure include **Supported Capital Expenditure** (Revenue) allocations given to local authorities in England and Wales (the equivalent in Scotland is supported borrowing). Northern Ireland does not have an equivalent concept as their local government sector is much smaller.

Capital formation is expenditure, net of sales, on fixed assets (such as buildings, vehicles and machinery) and net stock building, and can be measured gross or net of **depreciation**. Fixed assets are assets that can be used repeatedly to produce goods and services and generally last more than one year. Sometimes a minimum cost threshold (say £1,000) is applied to further define capital assets.

Capital grants (also called investment grants) are payments made by government on the condition that the recipient uses the funds for **capital formation** (for example building a school or factory or buying a machine). Capital grants are also used in **National Accounts** to record debt writeoffs made by government for policy reasons, and some other transfers of accumulated wealth. In the case of debt write-offs, two transactions are recorded: a capital grant from government to the debtor; and the repayment of debt by the debtor. Capital grants are treated as resource expenditure in resource accounts and **Estimates** but are included in the **capital budget**.

Central government is a sector in **National Accounts**. It comprises Parliament; government departments and their executive agencies; the devolved assemblies of Scotland, Wales and Northern Ireland; government funds such as the **National Loans Fund**; the foreign exchange official reserves; most **ALBs**; and various other non-market public bodies that are controlled

by central government. Central government does not include **public corporations**, nor those non-profit institutions that receive significant government funding but are not controlled by government and so belong in the private sector (for example universities, further education colleges, and housing associations).

Central government own expenditure is expenditure that central government makes to the private sector plus subsidies to **public corporations**. It excludes central government support to **local government** and capital support to public corporations.

Classification changes are changes in the way public expenditure is recorded, rather than an actual change in the amount of cash spent or resources consumed. Classification changes can increase or decrease the recorded level of public expenditure. When there is a classification change the data are normally restated for all years in order to provide a consistent series.

Classification Of the Functions Of Government (COFOG) – a UN-defined system for functional analysis of government spending. The PESA analysis is consistent with UN COFOG at level 2, with the exception of the health function, which continues to be presented against the HM Treasury's own sub-functional classification. Further information on COFOG is available on the UN website².

Common Foreign and Security Policy (CFSP) is an EU programme. Its costs are attributed to the Foreign and Commonwealth Office's DEL.

Control total – resource budget DEL, depreciation in DEL, administration budget in DEL and capital budget DEL are control totals. This means that departments have to manage spending within set limits.

Cost of capital charge used to be a notional charge that was applied to each department's budget in order to make departments aware of the full cost of holding assets. As part of the **alignment project** this charge has been removed from budgets.

Country and Regional Analysis (CRA) – the CRA presents statistical estimates for the allocation of **identifiable expenditure** between the UK countries and nine English regions. See **Chapters 9 and 10** in PESA for more information.

Current expenditure – this is spending on items that are consumed in the process of providing public services or, in other words, is recurring spending. This includes, for example, wages and salaries, benefits, and purchasing goods and services.

Current grants are unrequited payments to individuals or bodies, which means that no specific goods or services are received in return. In **National Accounts** current grants to persons are called **social benefits** and those to trading businesses are called **subsidies**.

Debtors are **assets** on the balance sheet. They are recognised where a transaction has accrued, but cash is yet to be received. For example where a public sector body sells an asset but defers cash receipts – the fact that cash is yet to be received means that **PSND** has not benefited from the accrued transaction. Where a department or its **ALB** has a large (over £20m), long term (over 12 months) debtor, this is included in their **capital budget** on the same basis as net lending.

Dedicated Schools Grants (DSG) is a hypothecated (ring-fenced) **current grant** from central government to local authorities, paid by the Department for Education and allocated to schools on a formula basis. This was introduced from 2006-07 replacing part of the **Revenue Support Grant (RSG)** paid by Communities and Local Government (CLG).

² <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=4>

Departmental AME is spending that is outside **DEL** but included in departmental budgets. Main categories include social security benefits and tax credits for individuals.

Departmental Expenditure Limits (DELs) are firm plans for three years for a specific part of a department's expenditure. DEL covers all administration costs and programme expenditure except where:

- some programme spending cannot reasonably be subject to close control over a three-year period; or
- spending relates to non-cash costs other than depreciation and impairments.

Departmental spending not in DEL is included in **departmental AME**. Both **resource** and **capital budgets** are divided into DEL and departmental AME.

Departmental Unallocated Provision (DUP) is an amount that a department keeps within its budget to meet unplanned increases in spending, and which is not allocated to any particular programme at the start of a year.

Depreciation is also termed capital consumption. It is a measure of the reduction in value of an asset due to the effects of wear and tear. **TME** includes depreciation as an item of **current expenditure**. **Public sector net investment** is given by deducting depreciation from gross **capital expenditure**. The depreciation ring fence includes depreciation, **impairments** and student loans **provisions** recently classified as **impairments**.

Economic categories – these represent broad classifications of the economic impact of transactions. Examples of economic categories are **pay**, **social benefits** and **subsidies**. The main categories in expenditure on services, based on **National Accounts** definitions, are set out in Table 5.3 and described in Chapter 5. The equivalent budgeting presentation, based on resource accounting, is shown in Table 2.1 and described in Chapter 2.

Economic and Fiscal Outlook – is a bi-annual publication. It sets out the OBR forecasts for the economy and the public finances, and an assessment of whether the Government is likely to achieve its fiscal mandate and supplementary target.

Estimated outturn is a forecast of spending incurred on the basis of actual expenditure to date.

Estimates – see **Supply Expenditure**.

European System of Accounts 2010 (ESA10) – This is the system used by the **Office for National Statistics** for measuring and presenting UK **National Accounts**. The system is compulsory for EU member states reporting economic statistics to the EU Commission. ESA10 is consistent with the earlier System of National Accounts 2008 (SNA08), which was developed by a number of international organisations.

Expenditure on services (known as TES) is an aggregate used in PESA to analyse the capital and current spending of the public sector. The current and capital elements of expenditure on services are sometimes shown separately as current expenditure on services and capital expenditure on services. Note that TES and its components represent the overall cost of providing services, rather than just the cost of purchasing services from third parties, and includes expenditure on **assets**. See Annex E for a full definition.

Financial Reporting Standard 17 (FRS17) sets out the **GAAP** basis for recording pensions.

Financial Statement and Budget Report (FSBR) – the FSBR is published each year by the Treasury on Budget day. It has been known as the Red Book. Since 1999 it has been published alongside the Economic and Fiscal Strategy Report in a single Budget document.

Financial transactions are payments and receipts relating to changes in holdings of financial assets or liabilities. Financial assets entitle their owners to unconditional financial claims on the units that have the liability (except for gold where there is no liability on another unit). Government departments' financial assets include bank deposits; foreign currency held; bonds and shares owned; loans given; accounts receivable in respect of, for example, income accrued but not yet paid; and **public dividend capital** and the value of government's other stakes in **public corporations**. Physical assets such as buildings and land are not financial assets. Transactions in some financial assets are undertaken to manage cash flows, for example movements in bank deposits, but some are undertaken to further a policy such as lending to students. These types of financial transactions are sometimes called policy lending and are normally included in a department's **DEL capital budget**.

General Government is the consolidated combination of the **central government** and **local government** sectors in **National Accounts**.

Generally accepted accounting practice (GAAP) – there is no statutory definition of GAAP, but it is taken to be the accounting and disclosure requirements of the Companies Act, pronouncements by the Accounting Standards Board (e.g. financial reporting standards), and the body of accounting knowledge built up over time. **Public sector** bodies have recently moved from GAAP to **International Financial Reporting Standards (IFRS)**.

Grants – see **current grants** and **capital grants**.

Gross Domestic Product (GDP) (at market prices) is the value of goods and services produced in the UK. "Gross" means there is no deduction for **depreciation**. Economic data are often quoted as a per cent of GDP to give an indication of trends through time and to make international comparisons easier.

Housing Revenue Account (HRA) – the HRA represents the current income and expenditure of local authority social housing provision. The HRA is treated as a quasicorporation in **National Accounts**. The surplus of income (which includes rent rebates and subsidies paid by other parts of government) over expenditure is treated as being paid over to local authorities as a notional dividend. This net amount is then included as revenue rather than spending in the **National Accounts**, which means that the current expenditure of local authority housing departments is not included in **TME**. The cost of rent rebates and subsidies is included in TME; these items are within the **AME** lines for social security benefits and other departmental expenditure in AME. Local authority **capital expenditure** on housing associated with the HRA scores as capital spending in the **public corporation** sector, following the implementation of **ONS's** reclassification decision in June 2006. PESA had previously shown this spending in the local government sector. Payments of interest on housing related debt will continue to be treated as part of local government expenditure.

Identifiable expenditure is expenditure that can be recognised as having been incurred for the benefit of individuals, enterprises or communities within a particular country or region. Examples are most health and education services, and spending on social security and pensions. See Chapter 9 of PESA for further details.

Impairments are recorded where there is the permanent loss or write-off of the recoverable value of a fixed or current asset below the value recorded on the balance sheet in accounts. Impairments are a non-cash charge in the **resource budget** alongside the **depreciation** charge, but are separately identified. In order to provide support for departments' management decisions, impairments are split into six different categories, some of which are scored in **AME** and others in **DEL**. See Annex C for further details. In the Public Spending Statistics budgeting-based presentations impairments are included in the depreciation line, and it is the combined total that is used in the calculation of **Total DEL**. In the **National Accounts**, impairments resulting from accidental damage are included alongside depreciation; other sorts of impairment are not counted in the main expenditure measures.

International Financial Reporting Standards (IFRS) have been implemented by **public sector** bodies to replace **GAAP-based resource accounting**. Departments have reported 2009-10 resource accounts against IFRS, whilst local authorities moved onto this basis in 2010-11.

Local Authority Self-Financed Expenditure (LASFE) is aggregate **local government** expenditure less its receipts of **central government** current and capital support including distribution of **National Non-Domestic Rates** in England and Wales. It represents local government expenditure financed from local resources such as council tax, trading surpluses, investment income, capital receipts, self-financed borrowing, and use of reserves. LASFE does not include **depreciation**.

Locally Financed Expenditure (LFE) is LASFE plus expenditure financed by non-domestic rates in Scotland, Wales and Northern Ireland Regional Rates (NIRR).

Local government is a sector in **National Accounts**. It comprises all local authorities in the UK including county councils, metropolitan districts, parish councils, police and fire authorities, residuary bodies, passenger transport authorities, Transport for London, London boroughs, and the Greater London Assembly.

National Accounts – this is a statistical system that represents the UK's economic transactions. The system provides a number of key economic statistics including **Gross Domestic Product (GDP)**, consumers' expenditure, the balance of payments with the rest of the world, and the public sector balances. The National Accounts is presented by the ONS in the Blue Book.

National Loans Fund (NLF) – the NLF is a government account with the Bank of England set up under the National Loans Fund Act 1968. All government borrowing transactions are handled through this fund.

National Lottery Distribution Fund (NLDF) – the NLDF is a central government fund, administered by the Department for Culture, Media and Sport (DCMS). The Fund receives a proportion of the proceeds from national lottery ticket sales (receipt of that proportion is treated as a tax in **National Accounts**). The Fund passes it to the Lottery Distributors, independent public sector bodies responsible for awarding national lottery grants to good causes. Payments by the Distributors are treated in the National Accounts as **central government** expenditure in **AME**.

National Non-Domestic Rates (NNDR) in England is a tax paid by the occupiers of nondomestic property, principally businesses. Most NNDR is collected from businesses by local authorities and then paid into a **central government** pool. Some large businesses with national activity (such as utility companies) pay directly into the pool (the Central List). The pool is distributed back to local authorities in the form of central government grants. Similar systems apply in Wales and Scotland. The grant is in **DEL** for England and Wales, but in the **AME** line for **Locally Financed Expenditure** in Scotland. NNDR payments by **central government** or **local government** in respect of the occupation of property are consolidated out through the **accounting adjustments** to arrive at **TME**.

Net lending has two meanings:

- in **National Accounts** it is the balance of the current and capital accounts and is often quoted with sign reversed as "net borrowing", which is sometimes called the government deficit; and
- in this publication net lending is more likely to mean lending by government net of any repayments of previous lending. It includes transactions in shares – so, for example, privatisation receipts count as negative net lending. Government lends to students, some industries, **public corporations**, **local government**, some overseas governments and some international bodies that supply foreign aid.

Non-budget income and expenditure normally refers to income and expenditure that pass through a government department's books and that are not included in **DEL** or departmental **AME**. For example, the grant-in-aid paid to **ALBs** is normally a nonbudget transfer – it is the ALB's income and expenditure that scores in budgets.

Non-cash refers to various transactions that appear in the **operating cost statement** under **resource accounting**, but are not directly included in the **National Accounts** measure of Surplus on the Current Budget. The major non-cash transactions are **depreciation**, **impairments** and the taking and release of **provisions**. Most depreciation and impairments are in **DEL** but following changes to the budgeting framework as part of the **alignment project**, most other non-cash items are in **AME**.

Non-identifiable expenditure is expenditure that cannot be recognised as benefiting a particular country or region, so is deemed to be incurred on behalf of the United Kingdom as a whole, e.g. most defence expenditure, overseas representation and tax collection.

Non-voted expenditure is expenditure that is not voted by Parliament through the Supply procedure. It includes spending funded from various funds, such as the National Insurance Fund.

Office for National Statistics (ONS) – the ONS is an independent public sector body that produces many official statistics such as the **National Accounts**. ONS decisions about the classification of bodies are the basis for determining which bodies are included within Public Spending Statistics and PESA and as part of which sector.

Online System for Central Accounting and Reporting (OSCAR) – the Treasury's database that holds public expenditure data.

Other AME is public spending that is outside both **DEL** and **departmental AME**. It includes net transfers to the EU, **locally financed expenditure**, debt interest, **public corporations'** own-financed capital expenditure and **accounting adjustments**.

Outturn describes expenditure actually incurred and will generally have been included in the resource accounts of the relevant body.

Pay includes salaries, employers' National Insurance Contributions, and accruing pension costs, such as **ASLCs**. The pay of staff engaged in ownaccount **capital formation** is treated as **capital expenditure**.

Prepayments are assets on the balance sheet. They are recognised where cash payments are made to suppliers of services in advance of those services being delivered. In resource accounts these are cash movements on the balance sheet and do not score as expenditure in **TME**. The reduction in cash held by the public sector increases **PSND**. Where a department or its **ALB** makes a large (over £20m) prepayment that is long term (over 12 months) this is included in the **capital budget** on the same basis as **net lending**. When the service is delivered this is scored as appropriate, e.g. as the consumption of goods and services in **resource DEL** within **TME**.

Private Finance Initiative (PFI) is a system for purchasing capital intensive services for the public sector. Typically, the private sector designs, finances, builds, and maintains infrastructure, and other fixed capital **assets**, and then operates those assets to sell services to the **public sector**. In a proportion of cases the capital assets are accounted for on the balance sheet of the private sector operator; in other cases they are on the public sector's books. Annex A has more information on the treatment of PFI in Public Spending Statistics.

Privatisation receipts are the receipts from the sale of shares, other securities and debt in **public corporations** that were sold as part of the privatisation programme. The proceeds are recorded as negative **net lending**. A corporation is said to be privatised when it is no longer controlled by government.

Procurement spending is now shown gross throughout Public Spending Statistics, rather than net of sales as was previously the case within certain tables. It is shown as current or capital procurement as follows:

- current procurement is expenditure on goods and services, including hire and rentals under PFI and non-PFI operating leases, payments for contract and agency staff and payments for consultancy and audit services. It also includes the purchase of services from GPs. Purchase of minor maintenance and minor pieces of equipment and IT systems that are not treated as capital would be counted as current procurement;
- capital procurement is expenditure on the purchase of fixed **assets** such as buildings, machinery and large-scale IT projects.

Provider Trusts sell health services in England and Wales. In England they can either be classified as NHS or Foundation Trusts, the latter having more financial and operational independence. In Wales they are known as Health Trusts. In Scotland trusts have been reabsorbed back into Health Boards. All Provider Trusts throughout the UK are in the **central government** sector.

Provisions – departments take provisions in accounts and budgets when a past event means that they should recognise a future liability of uncertain amount or timing. Budgets also score the release of the provision and the expenditure that the release finances. Provisions score as part of the resource budget, usually in **AME** unless they relate to pensions or are scored by independent bodies exceptionally allowed to score provisions in **DEL**.

Public corporations are publicly controlled **trading bodies** with substantial financial and operational independence from **central** and **local government** – they are legally separate institutional units responsible for their own day-to-day operations and producing their own accounts. To be classed as trading they must receive the majority of their income from sales into a market, rather than grant funding from government. They include Royal Mail Holdings, and most **trading funds** such as the Meteorological Office and Companies House.

Public Corporations' Own-Financed Capital Expenditure (PCOFCE) is aggregate **public corporation capital expenditure** less its receipts of **central government** capital support in budgets.

Public Dividend Capital (PDC) is a form of long-term government finance for some **public corporations**. The government receives a return in the form of dividends rather than fixed interest payments.

Public expenditure is spending by public bodies. The definition of aggregate public expenditure most frequently used in this publication is **Total Managed Expenditure (TME)**.

Public sector – the public sector comprises **central government, local government** and **public corporations**.

Public sector current expenditure (PSCE):

- is the sum of the **current expenditure** of **central government** and **local government**, plus certain transactions (interest and rent) paid by **public corporations** to the private sector and abroad;
- does not include expenditure incurred in producing goods and services for sale where undertaken by **public corporations** – rather the surplus of sale receipts over operating costs for public corporations is scored as a public sector receipt and does not affect expenditure measures;

- is net of certain receipts such as: receipts of contributions to public sector occupational pension schemes; receipts of grants from abroad including the EU abatement; sales of goods and services; and income from rent of buildings; and
- includes non-trading capital consumption. This is the **depreciation** of the fixed **assets** held by **central government** and **local government**. It excludes depreciation on assets used to produce goods and services for sale including the assets of **public corporations** and local authority housing.

Within Public Spending Statistics, PSCE is presented consistent with a measure of **public sector net borrowing** excluding the temporary effects of the financial sector interventions (PSNBex).

Public sector net borrowing (PSNB) is the difference between **public sector** receipts and expenditure as measured by **National Accounts**. It also equals the net balance of the public sector's net acquisition of financial liabilities *less* its acquisition of financial assets. Data imprecision means that the different ways of measuring net borrowing never give exactly the same answer – the difference is called the statistical discrepancy in **ESA10**. In December 2009 the ONS defined an alternative measure of PSNB excluding the temporary effects of the financial sector interventions (PSNBex). Spending aggregates consistent with PSNBex are used throughout this release.

Public sector net debt (PSND) is the sum of the public sector's financial liabilities at nominal value, *less* its liquid financial assets.

Public sector net investment (PSNI) is all **capital expenditure** by the **public sector** *less* an amount representing public sector **depreciation**. Broadly, the amount of capital expenditure that equals the depreciation charge could be seen as keeping the stock of assets stable. Net investment therefore represents the increase in the asset base after allowing for depreciation. For this release, PSNI is presented consistent with a measure of **public sector net borrowing** excluding the temporary effects of the financial sector interventions (PSNBex).

Public sector gross investment (PSGI) – see **capital expenditure**

Quasi-corporations are entities that meet the economic definition of a public corporation (i.e. trading income covers at least half their costs) but that do not take a separate legal form. Examples are Export Credits Guarantee Department and local authority housing. They score in the **National Accounts** like public corporations (although interest on housing related debt is treated as local authority expenditure).

RAB – see **resource accounting** and **resource budgeting**.

Real terms figures are amounts adjusted for the effect of general price inflation as measured by the **GDP** market price deflator.

Reserve – an amount within **DEL** not allocated to departmental programmes, which provides a margin to cover emergencies and genuinely unforeseen contingencies.

Resource accounting is the accounting system used to record expenditure in departmental accounts. It applies **International Financial Reporting Standards** (IFRS) to departmental transactions.

Resource budget is the budget for **current expenditure** on an accruals basis. It is divided into resource **DEL** (which is a **control total**) and resource **departmental AME** (a planning total).

Resource budgeting is the budgeting regime based on **resource accounting** introduced for the spending plans set in the 2000 Spending Review and which has been used for in-year spending control from 2001-02. Under RAB Stage I (2001-02 to 2002-03) resource

DEL included **near-cash** transactions measured on an **accruals** basis while **non-cash** transactions were in Departmental **AME**. Under RAB Stage II (from 2003-04) most non-cash transactions were included in resource DEL. Near-cash controls were introduced in 2003-04 and clarified in 2005-06 such that near-cash in resource DEL was a control total. However, under the 2011-12 framework on which this release is based, the near-cash control within resource DEL has been removed as part of the **alignment project**. Resource budgeting is largely derived from resource accounting rules, but there are a number of differences in treatment between resource accounts and resource budgets. For example, **capital grants** are capital in budgets (and in the **National Accounts**), but current in departmental resource accounts. See Annex C for further information.

Revenue Support Grant is an unhypothecated (i.e. non ring-fenced) current grant from **central government** to local authorities, paid by Communities and Local Government (CLG).

Social benefits include social security, tax credits and similar payments to individuals. They also include unrequited grants to not-for-profit nonmarket bodies such as charities (although purchases of services from charities count as **procurement**). Public service pension payments are included in social benefits.

Special reserve is **reserve** specifically set aside to cover military operations.

Spending Reviews set **DELs** for the following three or four years. The first was the Comprehensive Spending Review in 1998 with further SRs held every two years until 2004. A second Comprehensive Spending Review reported in autumn 2007 and set budgets for 2008-09 to 2010-11. A further Spending Review in autumn 2010 set budgets for 2011-12 to 2014-15. A Spending Round in June 2013 set budgets for 2015-16. In November 2015 a further spending review set capital budgets for all departments for 2016-17 to 2020-21. Resource budgets were set for all departments up to 2019-20, and for protected departments up to 2020-21 (Health, Defence and International Development).

Spending sectors are the part of the **public sector** that are making the expenditure, either **central government**, **local government** or **public corporations**.

Statement of Comprehensive Net Expenditure (SoCNE) – this is the statement in departmental resource accounts that shows the current income and expenditure of the department on an accruals basis. It is similar to the profit and loss statement in commercial accounts.

Stock building (also known as the net acquisition of inventories) is the value of the physical increase in stocks. In government accounts it relates mainly to buildings within urban regeneration areas.

Subsidies are payments by government and the EU to trading businesses to help pay for current costs. These include payments to farmers under the EU's Common Agricultural Policy. Subsidies may be paid to **public corporations** as well as to private sector firms.

Supply expenditure is expenditure that is voted by Parliament either in the annual Main Estimates (at the start of the year) or in Supplementary Estimates in-year.

Supported borrowing – this is the equivalent of **Supported Capital Expenditure** (Revenue) in Scotland.

Supported Capital Expenditure (SCE) – Supported Capital Expenditure (Revenue) (SCE(R)) is the amount of borrowing by a local authority in England and Wales (to fund capital expenditure) towards which central government is prepared to provide revenue grant. This support is provided either through **Revenue Support Grant** (RSG) or **Housing Revenue Account** (HRA) subsidy. It is known as **supported borrowing** in Scotland but there is no equivalent in

Northern Ireland as their local government sector is much smaller. Supported Capital Expenditure (Capital) (SCE(C)) is sometimes used to refer to central government **capital grants** paid to local authorities, although capital grants remains the more commonly used terminology.

Tax credits are the Working Tax Credit and Child Tax Credit. They replaced former personal tax credits in 2003-04. In budgets tax credits score in departmental AME including negative tax, this is aligned with resource accounts. Tax credits score in **TME** (within departmental **AME**) when the amount paid exceeds the tax liability of the household but as negative tax when the amount paid is less than or equal to the tax liability of the household.

Total DEL is the sum of the **resource budget DEL** and the **capital budget DEL**, less **depreciation**. Depreciation is excluded from Total DEL as scoring both **capital expenditure** and depreciation may be seen as double counting. In the calculation of Total DEL, depreciation includes **impairments**, release from donated asset reserve and release from government grant reserve. Total DEL is not a **control total**: it is purely used for presentation.

Total Expenditure on Services (TES) – see **Expenditure on services**.

Total Managed Expenditure (TME) is a definition of aggregate public spending derived from **National Accounts**. It is the consolidated sum of **current** and **capital expenditure** of **central** and **local government**, and **public corporations**. TME can also be presented as the sum of **DEL** and **AME**. For Public Spending Statistics, TME and its components are presented consistent with **public sector net borrowing** excluding the temporary effects of the financial sector interventions (PSNBex).

Trading bodies are publicly owned or controlled trading businesses. **Public corporations** and **quasi-corporations** are trading bodies. There may also be some trading activities that are closely integrated within **central government** or **local government** and do not have enough independence to be classified as a public corporation or quasicorporation. **Capital expenditure** of trading bodies is included in public expenditure measures, but the surplus of current income over **current expenditure** is included as a revenue item called gross trading surplus. There are examples in the **local government** sector such as some theatres and sports facilities.

Trading Funds are government departments or parts of government departments. They have financing frameworks that allow them to meet outgoings without the cash flows passing through **Supply Estimates**. Generally they cover their costs from trading receipts. In **National Accounts** they are normally treated as **public corporations**.

Traditional Own Resources (TOR) – the European Union's Traditional Own Resources are customs duties, including those on agricultural products and sugar levies.

VAT refunds are given to departments in relation to payments for contracted out services to remove a disincentive to contracting out services that might otherwise have been performed in-house.