



HM Treasury



# STATISTICAL BULLETIN: PUBLIC SPENDING STATISTICS MAY 2017

This release presents updated Public Spending data for the years 2011-12 to 2015-16. The figures presented here reflect the departmental group structure in place at the end of the 2015-16 financial year and do not therefore include any data in respect of departments that were created following the EU Referendum. All data in this release are National Statistics and are on an outturn basis. Further background detail is found in the accompanying material published alongside this release. **We welcome any feedback on this release at: [statistics-enquiries@hmtreasury.gsi.gov.uk](mailto:statistics-enquiries@hmtreasury.gsi.gov.uk)**

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

## IN THIS RELEASE

- ◆ *Background: Page 3*
- ◆ *Charts on the key data: Page 6*
- ◆ *Statistical Tables: Page 8*

## KEY POINTS IN THIS RELEASE

- Total DEL expenditure (Resource DEL excluding depreciation plus Capital DEL) was £355.3 billion in 2015-16, a decrease of £5.8 billion or 1.6 per cent on the previous year in nominal terms.
- Total Managed Expenditure (TME) was £753.9 billion in 2015-16, an increase of 0.3 per cent on the previous year.
- Total expenditure on services was £699.4 billion in 2015-16, an increase of 1.8 per cent on the previous year.
- Total departmental expenditure (Total DEL plus resource and capital departmental AME) was £763.9 billion in 2015-16, an increase of 23.1 per cent on the previous year. This reflects a large increase in Resource departmental AME in 2015-16 due to a significant change in the accounting valuation of provisions as a result of changes in the long-term Treasury discount rate which inflates the present value of expected future long-term costs.

## KEY REVISIONS IN THIS RELEASE (SINCE FEBRUARY 2017 PUBLICATION)

- Total DEL expenditure (RDEL excluding depreciation and Capital DEL) increased by £7 million in 2015-16. Resource departmental AME also increased by £365 million. Both changes largely reflect the Department for Education revising data in line with their 2015-16 Resource accounts.
- This publication takes account of Scottish local authority final outturn data for 2015-16, for both current and capital expenditure. This resulted in reductions from previous estimates of £180 million in current spending and £324 million in capital spending.
- Changes in non-departmental resource and capital expenditure in all years are due to the impact of updated ONS data.

## UPCOMING REVISIONS AND CHANGES TO THE PRESENTATION IN FORTHCOMING RELEASES

The next HM Treasury Public Spending National Statistics release will be in July 2017.

## FORTHCOMING CHANGES TO THE SPENDING FRAMEWORKS USED IN THIS RELEASE

No changes are expected for the next release.

## PUBLIC SPENDING STATISTICS PUBLICATION SCHEDULE FOR THE COMING YEAR

JUL 2017	The July Public Spending Statistics release contains the first publication of departmental spending outturn for the 2016-17 financial year. Local authority data and much of the data from the devolved administrations are still provisional at this stage of the year. This is the main annual release.
NOV 2017	Updates to the key series of the Public Spending Statistics are published. Additionally, the Country and Regional Analysis is published in October or November each year.
FEB 2018	This release contains updates to the key Public Spending Statistics series. It includes updated data for local authorities for the previous financial year.
APR 2018	Contains updates to the key Public Spending Statistics series. April is the first publication in which full outturn data for the previous financial year is published, incorporating final data for all local authorities and devolved administrations.

## BACKGROUND

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

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

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

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

### Spending frameworks used in HM Treasury spending publications

#### Budgeting

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

#### Expenditure on services

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

## BUDGETING STATISTICS

### DEPARTMENTAL EXPENDITURE LIMITS

- Total DEL expenditure (Resource DEL excluding depreciation plus Capital DEL) was £355.3 billion in 2015-16, a decrease of £5.8 billion or 1.6 per cent on the previous year in nominal terms.

### ANNUALLY MANAGED EXPENDITURE

- Resource departmental AME increased to £417.9 billion in 2015-16, from £254.3 billion in 2014-15. This reflects a significant change in the accounting valuation of provisions as a result of changes in the long-term Treasury discount rate which inflates the present value of expected future long-term costs. The largest increase is for the Department of Energy and Climate Change where the Nuclear Decommissioning Authority (NDA) provision for the future costs of decommissioning increased by £90.9 billion. This is a one-off non-cash charge.
- Locally financed capital expenditure was £16.1 billion in 2011-12. This reflects a one-off payment to central government by local government in respect of Housing Revenue Account reform. There is an offsetting receipt in the accounting adjustments as the transaction is neutral within the public sector.

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

Compared with the previous year;

- In real terms, spending on seven of the ten functions (not including EU transactions) decreased during 2015-16, whilst the remaining three showed an increase.
- The largest real terms growth in expenditure in percentage terms was on Economic affairs by 14.4 per cent followed by Health by 2.8 per cent and then by Social protection which grew by 0.8 per cent. The large increase in Economic Affairs was mainly due to the expenditure of Network Rail being included in its entirety within expenditure on services from 2015-16 onwards. A footnote to the expenditure on services tables explains this in more detail.
- The largest real terms fall in spending was in Recreation, culture and religion which went down by 13.2 per cent, followed by Housing and community amenities which fell by 3.5 per cent, then Education, down by 2.6 per cent.

### EXPENDITURE ON SERVICES STATISTICS

- During the recession, as GDP shrank but spending increased, TME took an increasingly large share of national income. As a result, TME as a percentage of GDP peaked at 45.3 per cent in 2009-10. In the subsequent years, TME as a percentage of GDP has been decreasing. In 2015-16 it stood at 40.0 per cent of GDP (Table 10b).
- In 2015-16 public expenditure on Health was equal to 7.3 per cent of GDP, compared to 4.9 per cent in 1995-96. Education spending stood at 4.4 per cent in 1995-96 compared to 4.5 per cent of GDP in 2015-16. These changes reflect a mix of demographics and the policy priorities of successive governments.
- The share of GDP taken by public sector debt interest payments was 2.0 per cent in 2015-16. This compares with a peak of 3.1 per cent last seen in 1997-98, when interest rates were significantly higher than now.
- In real terms (i.e. after adjusting for the effect of inflation);
  - spending on Social Protection was £264.9 billion in 2015-16, up from £262.7 billion in the previous year.
  - Health spending (including spending by central government departments and devolved administrations) was £138.5 billion in 2015-16, compared to £134.7 billion spent in 2014-15.
- Financial sector interventions are scored within Economic affairs in **tables 10 to 10b**, whereas in **Table 11** they appear as capital grants and income from sales of goods and services.<sup>1</sup>

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<sup>1</sup> Details of financial sector interventions within expenditure on services can be found in Box 5.A of PESA 2016.

## CHARTS

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

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

Between 1995-96 and 2015-16 the Health function has had the highest rate of real terms growth.

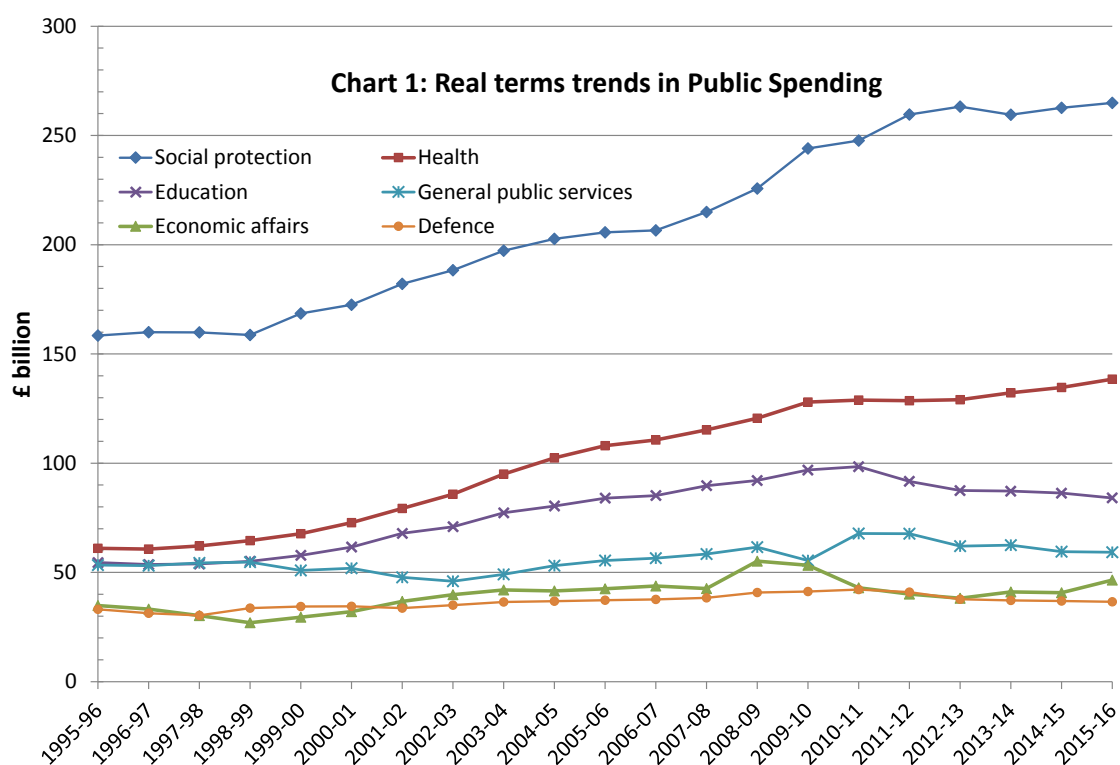
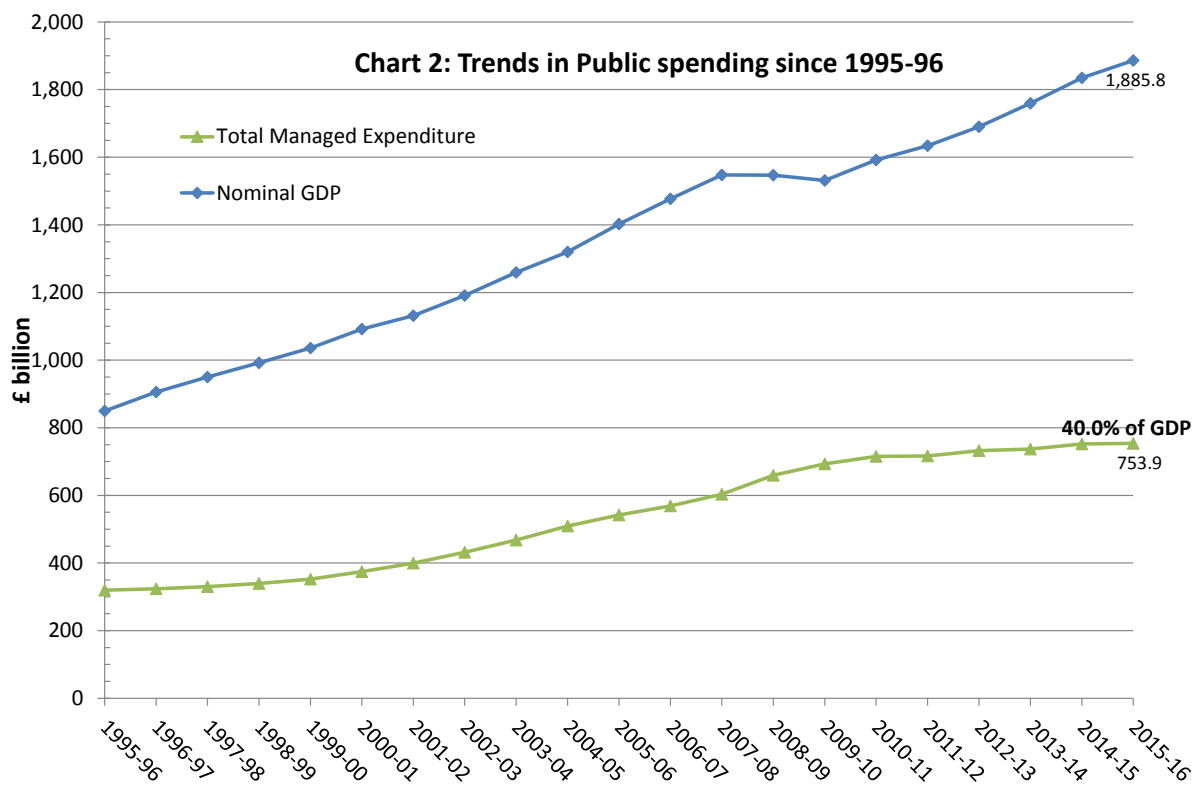


Chart 2 shows trends in overall spending compared with overall nominal GDP. The ratio between TME and GDP is a measure of the size of government relative to the rest of the economy.



## NATIONAL STATISTICS

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

Designation can be broadly interpreted to mean that the statistics:

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

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

**Table 1 Total Managed Expenditure, 2011-12 to 2015-16**

	£ million				
	National Statistics				
	2011-12	2012-13	2013-14	2014-15	2015-16
	outturn	outturn	outturn	outturn	outturn
<b>CURRENT EXPENDITURE</b>					
<i>Resource DEL</i>					
Resource DEL excluding depreciation	314,285	309,653	308,354	307,830	306,660
Depreciation in resource DEL	19,269	21,504	22,298	17,168	18,742
<b>Total resource DEL</b>	<b>333,555</b>	<b>331,157</b>	<b>330,652</b>	<b>324,998</b>	<b>325,402</b>
<i>Resource departmental AME</i>					
Social security benefits	175,481	183,088	179,599	184,185	187,585
Tax credits <sup>(1)</sup>	29,976	29,761	29,394	29,187	28,482
Net public service pensions	6,012	4,958	5,441	9,605	11,776
National lottery	1,335	719	1,209	1,448	904
BBC domestic services	3,013	3,271	3,204	3,533	3,531
Student loans	-642	-763	-1,096	-1,579	-1,683
Non-cash items	51,314	53,161	43,542	61,032	185,534
Financial sector interventions	-16,143	-18,384	8,380	-48,669	-12,492
Other departmental expenditure	266	4,260	13,526	15,562	14,228
<b>Total resource departmental AME</b>	<b>250,610</b>	<b>260,070</b>	<b>283,199</b>	<b>254,303</b>	<b>417,863</b>
<i>Resource other AME</i>					
Net expenditure transfers to the EU	9,978	11,529	11,879	11,658	11,253
Locally financed expenditure	22,112	23,442	23,187	25,559	30,537
Central government gross debt interest	49,837	48,982	48,796	45,369	45,125
Accounting adjustments <sup>(2)</sup>	-19,974	-18,710	-30,939	14,371	-147,898
<b>Total resource other AME</b>	<b>61,953</b>	<b>65,243</b>	<b>52,923</b>	<b>96,957</b>	<b>-60,984</b>
<b>Total resource AME</b>	<b>312,563</b>	<b>325,313</b>	<b>336,122</b>	<b>351,260</b>	<b>356,879</b>
<b>Public sector current expenditure</b>	<b>646,118</b>	<b>656,470</b>	<b>666,774</b>	<b>676,258</b>	<b>682,281</b>
<b>CAPITAL EXPENDITURE</b>					
<i>Capital DEL</i>					
<b>Total capital DEL</b>	<b>49,766</b>	<b>46,375</b>	<b>49,749</b>	<b>53,202</b>	<b>48,607</b>
<i>Capital departmental AME</i>					
National lottery	380	513	492	584	407
BBC domestic services	172	121	83	111	130
Student loans	5,857	6,858	9,299	11,477	12,597
Financial sector interventions	-4,571	-3,601	-4,938	-3,030	-11,315
Other departmental expenditure	708	-282	-11,126	-4,118	-11,076
<b>Total capital departmental AME</b>	<b>2,546</b>	<b>3,610</b>	<b>-6,189</b>	<b>5,024</b>	<b>-9,257</b>
<i>Capital other AME</i>					
Locally financed expenditure	16,123	5,957	6,796	6,572	8,088
Public corporations' own-financed capital expenditure	14,504	14,709	15,926	17,512	14,161
Accounting adjustments <sup>(2)</sup>	-12,887	4,873	3,831	-6,581	9,998
<b>Total capital other AME</b>	<b>17,740</b>	<b>25,539</b>	<b>26,553</b>	<b>17,504</b>	<b>32,247</b>
<b>Total capital AME</b>	<b>20,286</b>	<b>29,148</b>	<b>20,363</b>	<b>22,528</b>	<b>22,990</b>
<b>Public sector gross investment <sup>(3)</sup></b>	<b>70,052</b>	<b>75,523</b>	<b>70,112</b>	<b>75,730</b>	<b>71,597</b>
<i>less public sector depreciation</i>	35,224	36,405	37,801	38,782	39,970
<b>Public sector net investment <sup>(3)</sup></b>	<b>34,828</b>	<b>39,118</b>	<b>32,311</b>	<b>36,948</b>	<b>31,627</b>
<b>TOTAL MANAGED EXPENDITURE <sup>(3)(4)</sup></b>	<b>716,170</b>	<b>731,993</b>	<b>736,886</b>	<b>751,988</b>	<b>753,878</b>
<i>of which:</i>					
Total DEL <sup>(4)</sup>	364,051	356,028	358,103	361,031	355,267
Departmental AME	253,156	263,679	277,009	259,327	408,606
Other AME	98,963	112,286	101,774	131,630	-9,995

(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.

(2) Transactions from 2011-12 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2 of PESA 2016.

(3) This excludes the temporary effects of banks being classified to the public sector. See Box 2.A in Chapter 2 of PESA 2016.

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



**Table 2 Resource DEL, 2011-12 to 2015-16**

	£ million				
	National Statistics				
	2011-12	2012-13	2013-14	2014-15	2015-16
	outturn	outturn	outturn	outturn	outturn
<b>Resource DEL by departmental group</b>					
Defence	37,196	34,987	35,536	34,155	34,424
Single Intelligence Account	1,830	1,945	1,965	2,016	2,159
Home Office	12,225	11,447	11,052	11,443	10,757
Foreign and Commonwealth Office	2,175	2,152	2,156	1,864	1,956
International Development	5,962	5,899	7,783	7,017	6,829
Health	99,368	101,646	105,478	109,534	113,710
Work and Pensions	7,617	7,493	7,611	7,148	6,472
Education	50,204	50,850	51,914	53,665	54,242
Business, Innovation and Skills	14,882	14,243	15,132	9,749	10,986
Transport	5,487	5,191	4,702	3,460	3,029
Energy and Climate Change	1,160	1,129	1,173	1,405	1,405
Culture, Media and Sport	1,561	3,490	1,222	1,292	1,227
DCLG Communities	1,840	1,393	1,985	2,043	2,174
DCLG Local Government <sup>(1)</sup>	25,389	23,189	16,481	13,657	10,758
Scotland	25,399	25,712	26,091	26,373	26,334
Wales	13,660	13,654	14,466	14,202	13,328
Northern Ireland	9,847	10,027	10,161	10,189	10,161
Justice	9,027	8,724	7,965	7,593	7,205
Law Officers' Departments	621	599	581	554	553
Environment, Food and Rural Affairs	2,115	1,978	1,883	1,856	1,737
HM Revenue and Customs	3,706	3,663	3,645	3,464	3,576
HM Treasury	156	-185	-243	137	137
Cabinet Office	449	473	419	649	576
Small and Independent Bodies	1,677	1,456	1,492	1,533	1,667
<b>Total resource DEL</b>	<b>333,555</b>	<b>331,157</b>	<b>330,652</b>	<b>324,998</b>	<b>325,402</b>

(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.

**Table 3 Resource departmental AME, 2011-12 to 2015-16**

	£ million				
	National Statistics				
	2011-12	2012-13	2013-14	2014-15	2015-16
	outturn	outturn	outturn	outturn	outturn
<b>Resource departmental AME by departmental group</b>					
Defence	8,039	7,360	6,377	8,311	12,020
Single Intelligence Account	18	41	19	41	135
Home Office	1,377	1,659	1,872	2,457	1,551
Foreign and Commonwealth Office	61	88	66	-70	39
International Development	104	191	109	151	206
Health	19,582	18,878	18,194	21,952	48,530
Work and Pensions	159,169	165,506	163,072	167,639	173,400
Education	11,783	10,720	11,050	14,047	13,488
Business, Innovation and Skills	-1,157	-92	-102	-663	-7,556
Transport <sup>(1)</sup>	876	590	-5,207	-264	5,680
Energy and Climate Change	3,742	5,388	4,963	8,473	101,581
Culture, Media and Sport	3,774	4,635	4,517	4,934	4,248
DCLG Communities	-666	10	-48	47	56
DCLG Local Government <sup>(2)</sup>	732	144	11,123	11,662	12,174
Scotland	3,073	2,760	2,669	3,858	3,951
Wales	72	141	0	32	-311
Northern Ireland	7,511	7,764	7,463	8,285	8,370
Justice	-45	934	-239	-144	483
Law Officers' Departments	5	5	7	13	-15
Environment, Food and Rural Affairs	-53	85	-92	78	391
HM Revenue and Customs	42,781	42,690	42,574	42,931	43,194
HM Treasury <sup>(3)</sup>	-18,741	-18,710	6,210	-49,912	-13,781
Cabinet Office	8,720	9,390	8,641	10,573	10,366
Small and Independent Bodies	-147	-109	-38	-129	-337
<b>Total resource departmental AME</b>	<b>250,610</b>	<b>260,070</b>	<b>283,199</b>	<b>254,303</b>	<b>417,863</b>

(1) 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.

(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) Transactions from 2011-12 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2 of PESA 2016.

**Table 4 Capital DEL, 2011-12 to 2015-16**

	£ million				
	National Statistics				
	2011-12	2012-13	2013-14	2014-15	2015-16
	outturn	outturn	outturn	outturn	outturn
<b>Capital DEL by departmental group</b>					
Defence	9,798	8,731	8,485	8,736	8,402
Single Intelligence Account	506	476	497	550	574
Home Office	660	555	519	520	476
Foreign and Commonwealth Office	115	37	120	158	131
International Development	1,868	1,883	2,251	2,650	2,433
Health	4,669	4,708	5,367	4,971	4,652
Work and Pensions	331	423	237	253	188
Education	5,044	4,260	3,604	4,237	4,999
Business, Innovation and Skills	6,249	6,176	7,810	7,646	8,305
Transport <sup>(1)</sup>	7,777	7,934	8,537	9,389	6,001
Energy and Climate Change	1,454	2,038	2,216	2,241	2,309
Culture, Media and Sport	1,273	356	20	243	343
DCLG Communities	3,706	2,402	3,729	4,332	3,849
DCLG Local Government	-8	1	-	-	-
Scotland	2,773	2,981	2,921	3,289	3,164
Wales	1,386	1,362	1,325	1,500	1,543
Northern Ireland	1,014	983	945	1,085	766
Justice	343	280	274	295	266
Law Officers' Departments	3	2	3	4	3
Environment, Food and Rural Affairs	463	487	550	692	570
HM Revenue and Customs	220	194	218	232	228
HM Treasury	36	18	-6	36	-660
Cabinet Office	17	15	43	50	-30
Small and Independent Bodies	67	72	85	92	96
<b>Total capital DEL</b>	<b>49,766</b>	<b>46,375</b>	<b>49,749</b>	<b>53,202</b>	<b>48,607</b>

(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.

**Table 5 Capital departmental AME, 2011-12 to 2015-16**

	£ million				
	National Statistics				
	2011-12	2012-13	2013-14	2014-15	2015-16
	outturn	outturn	outturn	outturn	outturn
<b>Capital departmental AME by departmental group</b>					
Defence	-10	-35	-129	51	29
Home Office	-	-	-	-	437
International Development	-	-6	-	-	450
Health	-	-	-70	-5	9
Work and Pensions	-12	-17	-134	-124	-148
Business, Innovation and Skills	5,469	6,129	4,675	9,548	9,948
Transport <sup>(1)</sup>	-33	-61	13	6,695	6,544
Energy and Climate Change	-58	-20	-497	-601	64
Culture, Media and Sport	572	468	646	743	497
DCLG Communities	153	4	-	121	207
DCLG Local Government	-	-4	-	-	-
Scotland	167	188	336	440	744
Wales	244	252	306	357	388
Northern Ireland	588	344	425	536	605
Law Officers' Departments	-	0	-	-	-
Environment, Food and Rural Affairs	0	-1	-1	2	0
HM Revenue and Customs	86	1	0	0	-
HM Treasury <sup>(2)</sup>	-4,570	-3,592	-11,725	-12,714	-29,066
Small and Independent Bodies	-52	-40	-34	-23	34
<b>Total capital departmental AME</b>	<b>2,546</b>	<b>3,610</b>	<b>-6,189</b>	<b>5,024</b>	<b>-9,257</b>

(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 from 2011-12 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2 of PESA 2016.

**Table 6 Resource DEL excluding depreciation, 2011-12 to 2015-16**

	£ million				
	National Statistics				
	2011-12	2012-13	2013-14	2014-15	2015-16
	outturn	outturn	outturn	outturn	outturn
<b>Resource DEL excluding depreciation by departmental group</b>					
Defence	27,359	25,528	26,055	25,632	26,696
Single Intelligence Account	1,484	1,556	1,563	1,591	1,754
Home Office	11,993	11,191	10,792	11,163	10,510
Foreign and Commonwealth Office	2,052	1,989	1,998	1,715	1,765
International Development	5,945	5,875	7,769	7,000	6,817
Health	98,175	100,514	104,408	108,373	112,592
Work and Pensions	7,415	7,244	7,428	6,972	6,288
Education	50,170	50,019	50,927	52,669	53,032
Business, Innovation and Skills	11,097	10,491	9,392	8,100	7,137
Transport	4,589	4,224	3,695	2,468	1,913
Energy and Climate Change	1,147	1,120	1,166	1,395	1,396
Culture, Media and Sport	1,448	2,046	1,064	1,187	1,099
DCLG Communities	1,777	1,366	1,957	2,050	2,173
DCLG Local Government <sup>(1)</sup>	25,388	23,188	16,481	13,657	10,758
Scotland	24,776	24,929	25,428	25,620	25,563
Wales	13,232	13,248	13,709	13,754	12,814
Northern Ireland	9,427	9,450	9,710	9,686	9,906
Justice	8,586	8,198	7,516	7,158	6,751
Law Officers' Departments	611	591	575	547	546
Environment, Food and Rural Affairs	1,905	1,789	1,687	1,666	1,568
HM Revenue and Customs	3,488	3,437	3,411	3,188	3,303
HM Treasury	149	-192	-249	131	129
Cabinet Office	441	462	405	636	558
Small and Independent Bodies	1,632	1,392	1,467	1,471	1,592
<b>Total Resource DEL excluding depreciation</b>	<b>314,285</b>	<b>309,653</b>	<b>308,354</b>	<b>307,830</b>	<b>306,660</b>

(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.

**Table 7 Total Departmental Expenditure Limits <sup>(1)</sup>, 2011-12 to 2015-16**

£ million

	National Statistics				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
<b>Total DEL by departmental group</b>					
Defence	37,157	34,259	34,540	34,368	35,099
Single Intelligence Account	1,990	2,032	2,060	2,141	2,328
Home Office	12,653	11,746	11,311	11,683	10,986
Foreign and Commonwealth Office	2,167	2,026	2,118	1,873	1,896
International Development	7,813	7,758	10,020	9,650	9,250
Health	102,844	105,222	109,775	113,345	117,245
Work and Pensions	7,747	7,667	7,665	7,225	6,476
Education	55,214	54,279	54,531	56,906	58,031
Business, Innovation and Skills	17,346	16,667	17,202	15,745	15,442
Transport <sup>(2)</sup>	12,366	12,157	12,231	11,857	7,914
Energy and Climate Change	2,602	3,159	3,382	3,636	3,705
Culture, Media and Sport	2,721	2,402	1,084	1,430	1,442
DCLG Communities	5,483	3,767	5,687	6,383	6,022
DCLG Local Government <sup>(3)</sup>	25,380	23,189	16,481	13,657	10,758
Scotland	27,549	27,910	28,349	28,909	28,726
Wales	14,618	14,609	15,034	15,254	14,357
Northern Ireland	10,441	10,433	10,655	10,771	10,672
Justice	8,928	8,477	7,790	7,454	7,017
Law Officers' Departments	613	592	578	551	548
Environment, Food and Rural Affairs	2,368	2,276	2,236	2,358	2,138
HM Revenue and Customs	3,708	3,631	3,630	3,420	3,531
HM Treasury	186	-174	-255	167	-531
Cabinet Office	458	477	448	686	527
Small and Independent Bodies	1,699	1,464	1,552	1,563	1,688
<b>Total DEL</b>	<b>364,051</b>	<b>356,028</b>	<b>358,103</b>	<b>361,031</b>	<b>355,267</b>

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

(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.

**Table 8 Total Managed Expenditure by departmental group and other expenditure , 2011-12 to 2015-16**

	£ million				
	National Statistics				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
<b>Total Managed Expenditure by departmental group</b>					
Defence	45,185	41,584	40,789	42,729	47,148
Single Intelligence Account	2,008	2,073	2,079	2,182	2,463
Home Office	14,030	13,405	13,183	14,141	12,973
Foreign and Commonwealth Office	2,228	2,114	2,183	1,803	1,935
International Development	7,917	7,943	10,129	9,801	9,906
Health	122,426	124,101	127,899	135,292	165,784
Work and Pensions	166,904	173,156	170,603	174,740	179,728
Education	66,998	64,999	65,581	70,953	71,519
Business, Innovation and Skills	21,658	22,704	21,775	24,631	17,834
Transport <sup>(1)</sup>	13,208	12,687	7,037	18,289	20,138
Energy and Climate Change	6,286	8,526	7,849	11,508	105,351
Culture, Media and Sport	7,067	7,505	6,247	7,107	6,187
DCLG Communities	4,970	3,781	5,638	6,551	6,285
DCLG Local Government	26,113	23,329	27,605	25,319	22,932
Scotland	30,789	30,858	31,354	33,206	33,421
Wales	14,934	15,003	15,339	15,643	14,434
Northern Ireland	18,541	18,541	18,543	19,592	19,647
Justice	8,883	9,412	7,551	7,309	7,500
Law Officers' Departments	618	598	584	564	533
Environment, Food and Rural Affairs	2,314	2,360	2,143	2,437	2,529
HM Revenue and Customs	46,576	46,322	46,204	46,351	46,725
HM Treasury <sup>(2)</sup>	-23,125	-22,476	-5,769	-62,460	-43,377
Cabinet Office	9,178	9,867	9,089	11,259	10,893
Small and Independent Bodies	1,500	1,314	1,480	1,412	1,385
<b>Total departmental expenditure <sup>(3)</sup></b>	<b>617,207</b>	<b>619,707</b>	<b>635,112</b>	<b>620,358</b>	<b>763,873</b>
Central government gross debt interest	49,837	48,982	48,796	45,369	45,125
Locally financed expenditure	38,235	29,399	29,983	32,132	38,625
Public sector depreciation	35,224	36,405	37,801	38,782	39,970
Net expenditure transfers to the EU	9,978	11,529	11,879	11,658	11,253
Public corporations' own-financed capital expenditure	14,504	14,709	15,926	17,512	14,161
Accounting adjustments	-48,815	-28,738	-42,611	-13,824	-159,128
<b>Total other expenditure <sup>(4)</sup></b>	<b>98,963</b>	<b>112,286</b>	<b>101,774</b>	<b>131,630</b>	<b>-9,995</b>
<b>Total Managed Expenditure <sup>(5)</sup></b>	<b>716,170</b>	<b>731,993</b>	<b>736,886</b>	<b>751,988</b>	<b>753,878</b>

(1) 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.

(2) Transactions from 2011-12 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2 of PESA 2016.

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

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

(5) This excludes the temporary effects of banks being classified to the public sector. See Box 2.A in Chapter 2 of PESA 2016.

**Table 9 Accounting adjustments <sup>(1)</sup>, 2011-12 to 2015-16**

	£ billion				
	2011-12	2012-13	2013-14	2014-15	2015-16
	outturn	outturn	outturn	outturn	outturn
<b>Remove data in budgets which form part of public sector current expenditure but where a different source is used for National Accounts</b>					
<b>Resource DEL</b>					
Capital consumption (excluding NHS)	-15.0	-14.9	-17.7	-15.0	-14.6
NHS capital consumption	-1.7	-1.8	-2.1	-1.8	-1.9
Interest	-0.2	-0.2	-0.2	-0.1	0.0
Public corporation subsidies	-1.1	-1.7	-1.1	-0.9	-0.8
Other	0.0	0.0	0.0	0.1	0.0
<b>Total resource DEL</b>	<b>-18.0</b>	<b>-18.6</b>	<b>-21.1</b>	<b>-17.7</b>	<b>-17.4</b>
<b>Resource departmental AME</b>					
Capital consumption	-1.6	-1.6	4.7	-1.2	-6.3
Interest	2.2	2.7	1.2	2.0	3.2
Subsidy element of renewable obligation certificates	-	-	-	-	-
Subsidy element of other environmental levies	-	-	-0.1	-0.2	-0.4
NNDR outturn adjustment	-0.7	-0.1	-0.3	-	-
Public corporation subsidies	-7.3	0.0	0.0	0.0	0.0
Other	2.4	0.0	0.2	0.1	0.0
<b>Total resource departmental AME</b>	<b>-5.1</b>	<b>1.0</b>	<b>5.7</b>	<b>0.8</b>	<b>-3.4</b>
Adjustment for different data used by OBR in PSCE forecast	-	-	-	-	-
of which DEL	-	-	-	-	-
of which AME	-	-	-	-	-
<b>Total resource budget data replaced by different source data</b>	<b>-23.1</b>	<b>-17.6</b>	<b>-15.3</b>	<b>-16.9</b>	<b>-20.8</b>
<b>Remove data in budgets which do not form part of public sector current expenditure</b>					
<b>Resource DEL</b>					
Impairments	-0.4	-2.6	1.6	-0.5	-0.4
Receipts treated as negative DEL but revenue in National Accounts	0.1	0.0	0.1	0.1	0.1
Fees, levies and charges	0.2	0.3	1.4	2.4	2.9
Grant equivalent element of student lending	-3.8	-4.0	-6.1	-1.8	-3.7
Stock write-offs	0.0	0.0	0.0	0.0	0.0
Change in pension scheme liabilities	0.0	0.0	0.0	-0.1	0.0
Miscellaneous current transfers	1.4	1.8	2.5	2.7	2.5
Northern Ireland Executive transfers between DEL and AME <sup>(2)</sup>	0.6	0.6	0.6	0.7	1.1
Profit or loss - sale of company securities	0.0	0.0	0.0	0.0	0.1
Profit or loss - sale of other assets (capital in National Accounts)	0.1	0.0	-0.8	0.2	0.3
EU funded expenditure	-0.5	-0.3	-0.2	0.2	0.0
Other	-0.7	-0.1	-1.2	-0.9	-1.3
<b>Total resource DEL</b>	<b>-3.1</b>	<b>-4.4</b>	<b>-2.1</b>	<b>3.1</b>	<b>1.5</b>
<b>Resource departmental AME</b>					
Impairments	12.4	15.1	-14.4	43.9	-5.1
Bad debts	-0.5	-0.5	-0.5	-0.3	-0.3
Grant equivalent element of student lending	1.6	0.1	-0.6	-0.5	7.5
Provisions	-5.4	-10.5	-8.3	-9.9	-127.5
Change in pension scheme liabilities	-27.1	-26.9	-28.7	-34.2	-37.6
Unwinding of discount rate on pension scheme liabilities	-44.0	-40.5	-38.0	-46.3	-42.9
Release of provisions covering payments of pension benefits	27.7	30.5	32.2	34.2	35.3
Fees, levies and charges	0.5	0.9	0.9	1.0	2.2
Profit or loss - sale of other assets (capital in National Accounts)	0.0	0.0	0.0	0.0	0.1
Imputed tax element of renewable obligation certificates	-	-	-	-	-
Imputed tax element of other environmental levies	-	-	-	-	-
Tax credits	0.0	0.0	0.0	0.0	0.0
Other	-0.6	-0.8	5.0	-0.5	4.5
<b>Total resource departmental AME</b>	<b>-35.3</b>	<b>-32.7</b>	<b>-52.5</b>	<b>-12.6</b>	<b>-163.8</b>
<b>Total resource budget data not in public sector current expenditure</b>	<b>-38.4</b>	<b>-37.1</b>	<b>-54.6</b>	<b>-9.5</b>	<b>-162.3</b>



**Table 9 Accounting adjustments <sup>(1)</sup>, 2011-12 to 2015-16 (continued)**

	2011-12	2012-13	2013-14	2014-15	£ billion 2015-16
	outturn	outturn	outturn	outturn	outturn
<b>Central government adjustments in National Accounts</b>					
Expenditure on goods and services	26.2	21.1	24.3	24.8	18.7
<i>of which: VAT refunds</i>	5.0	5.1	5.0	5.0	5.0
<i>of which: Single use military expenditure</i>	0.4	0.3	0.3	0.3	-
<i>of which: payment from EU for tax collection costs</i>	-0.7	-0.7	-0.7	-0.8	-0.8
<i>of which: capital consumption</i>	16.7	17.1	17.6	17.9	18.3
<i>of which: ONS R&amp;D Adjustment</i>	-	-	-	-	-2.7
<i>of which: Network Rail</i>	0.5	0.6	0.4	1.0	-
<i>of which: other</i>	4.5	-1.4	1.8	1.3	-1.2
Net social benefits	0.6	0.9	1.2	1.4	0.0
<i>of which: switch between benefits and other current grants</i>	0.6	0.3	0.3	0.3	0.1
<i>of which: other</i>	0.0	0.6	0.9	1.1	0.0
Net current grants abroad	0.8	0.8	0.8	0.8	0.9
<i>of which: attributed aid</i>	-0.2	-0.1	-0.1	-	-
<i>of which: EU receipts</i>	4.9	-	-	-	-
<i>of which: other</i>	-3.9	0.8	0.9	0.8	0.9
Other current grants	-5.2	2.5	1.5	0.9	0.5
<i>of which: switch between other current grants and benefits</i>	-0.6	-0.3	-0.3	-0.3	-0.1
<i>of which: other</i>	-4.6	2.8	1.8	1.2	0.6
Subsidies	10.8	4.0	3.6	4.8	5.3
<i>of which: Renewable Obligation Certificates</i>	0.5	1.7	2.5	3.1	4.0
<i>of which: other environmental levies</i>	-	0.5	0.6	1.0	1.3
<i>of which: company tax credits outside departmental AME</i>	1.3	1.4	1.5	1.9	0.8
<i>of which: other</i>	9.0	0.5	-1.1	-1.2	-0.9
VAT and GNI based EU contributions	0.0	0.0	0.0	0.1	0.0
<i>of which: other</i>	0.0	0.0	0.0	0.1	0.0
<b>Total central government resource adjustments</b>	<b>33.2</b>	<b>29.4</b>	<b>31.5</b>	<b>32.7</b>	<b>25.5</b>
<b>Local government adjustments in National Accounts</b>					
Remove data which do not form part of public sector current expenditure	-5.7	-6.5	-6.8	-6.4	-6.9
<i>of which: Northern Ireland regional rates</i>	-0.6	-0.6	-0.6	-0.7	-0.7
<i>of which: retirement benefits</i>	-	-	-	-	-
<i>of which: debt interest payments to central government</i>	-4.4	-2.8	-3.1	-2.5	-2.9
<i>of which: other</i>	-0.8	-3.0	-3.0	-3.3	-3.4
Adjustments to reconcile use of different data sources	2.9	2.2	2.7	1.8	2.0
<i>of which: central government support</i>	-0.4	-1.7	-1.5	-1.5	-1.7
<i>of which: debt interest</i>	1.3	0.4	0.7	0.0	0.4
<i>of which: police and fire top-up grants</i>	1.4	1.6	1.7	1.9	2.0
<i>of which: other</i>	0.6	1.9	1.9	1.4	1.3
Expenditure on goods and services	17.6	20.2	21.3	22.5	23.7
<i>of which: VAT refunds</i>	6.8	6.4	6.6	6.6	6.9
<i>of which: Local Authority Pension Scheme</i>	1.9	1.9	2.0	1.9	1.9
<i>of which: capital consumption</i>	9.0	9.5	10.1	10.6	11.1
<i>of which: rates</i>	-1.4	-1.4	-1.4	-1.4	-1.4
<i>of which: other</i>	1.4	3.7	3.9	4.8	5.1
Subsidies	0.4	0.4	0.5	0.5	0.5
<i>of which: equity injection into Housing Revenue Account</i>	0.4	0.4	0.5	0.8	1.1
<i>of which: other</i>	-	-	-	-0.3	-0.6
Net social benefits	-0.9	-0.9	-1.0	-1.1	-1.1
<i>of which: housing benefits and rent rebates</i>	0.1	0.1	0.1	0.0	0.1
<i>of which: other</i>	-1.0	-1.0	-1.1	-1.1	-1.3
Other current grants and current grants abroad	-0.1	0.0	0.0	0.1	0.1
<b>Total local government resource adjustments</b>	<b>14.2</b>	<b>15.4</b>	<b>16.8</b>	<b>17.3</b>	<b>18.2</b>
<b>Other resource adjustments</b>					
Public corporations	3.0	3.3	3.3	3.2	3.3
Asset Purchase Facility and Special Liquidity Scheme	-8.8	-12.1	-12.6	-12.4	-11.7
Other	-0.2	0.0	0.0	0.0	0.0
<b>Total other resource adjustments</b>	<b>-6.0</b>	<b>-8.8</b>	<b>-9.3</b>	<b>-9.2</b>	<b>-8.4</b>
<b>Total resource adjustments</b>	<b>-20.0</b>	<b>-18.7</b>	<b>-30.9</b>	<b>14.4</b>	<b>-147.9</b>
<i>of which:</i>					
Timing adjustments <sup>(2)</sup>					
Central government	5.6	3.5	4.1	3.1	-0.7
Local government	0.6	3.0	3.0	3.5	3.4

**Table 9 Accounting adjustments <sup>(1)</sup>, 2011-12 to 2015-16 (continued)**

	2011-12	2012-13	2013-14	2014-15	2015-16
	outturn	outturn	outturn	outturn	outturn
<b>£ billion</b>					
<b>Central government adjustments in National Accounts</b>					
<b>Capital DEL</b>					
Change in inventories	0.0	0.0	0.0	0.1	0.0
Acquisitions less disposals of valuables	-0.1	-0.1	0.0	0.0	0.0
<b>Total capital DEL</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>
Adjustment for different data used by OBR in PSGI forecast	-	-	-	-	-
of which DEL	-	-	-	-	-
of which AME	-	-	-	-	-
<b>Total capital budget data replaced by different source data</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>
<b>Remove data in budgets which do not form part of public sector gross investment</b>					
<b>Capital DEL</b>					
Net lending to private sector	-2.1	-1.6	-3.0	-3.1	-2.3
Capital support for public corporations	0.1	0.0	0.4	0.9	0.0
Local government supported capital expenditure	0.0	0.0	0.0	0.0	-0.3
Northern Ireland Executive transfers between DEL and AME	0.4	0.2	0.2	0.3	0.6
Other	0.3	0.1	0.0	0.9	0.0
<b>Total capital DEL</b>	<b>-1.4</b>	<b>-1.3</b>	<b>-2.4</b>	<b>-0.9</b>	<b>-1.9</b>
<b>Capital departmental AME</b>					
Net lending to private sector	-1.2	-3.3	4.5	2.3	17.5
Capital support for public corporations	-0.1	0.2	0.8	-0.3	0.0
Purchase of company securities	-	-	-	-	-
Sale of company securities	-	-	-	-	-
Northern Ireland Executive transfers between DEL and AME	-0.4	-0.1	-0.2	-0.2	-0.5
Other	0.1	0.2	0.6	-6.5	-0.3
<b>Total capital departmental AME</b>	<b>-1.7</b>	<b>-3.0</b>	<b>5.6</b>	<b>-4.7</b>	<b>16.6</b>
<b>Total capital budget data not in public sector gross investment</b>	<b>-3.1</b>	<b>-4.3</b>	<b>3.3</b>	<b>-5.7</b>	<b>14.7</b>
<b>Central government adjustments in National Accounts</b>					
Gross fixed capital formation	5.2	4.8	6.8	5.7	-1.9
of which: profit or loss - sale of other assets (from resource budgets)	-0.1	0.0	0.8	-0.2	-0.3
of which: Network Rail	4.6	4.9	6.4	6.4	-
of which: Single use military expenditure	-0.4	-0.3	-0.3	-0.3	-
of which: other	1.1	0.2	0.0	-0.1	-1.6
Capital grants to and from the private sector	-6.2	2.9	-6.0	-6.3	-0.9
of which: VAT refunds	0.1	0.1	0.1	0.1	0.1
of which: Royal Mail assets transfer	-	9.5	-	-	-
of which: Network Rail	-3.9	-4.0	-3.6	-4.1	-
of which: other	-2.3	-2.6	-2.4	-2.2	-1.0
<b>Total central government capital adjustments</b>	<b>-1.0</b>	<b>7.7</b>	<b>0.8</b>	<b>-0.6</b>	<b>-2.8</b>
<b>Local government adjustments in National Accounts</b>					
Adjustments to reconcile use of different data sources	-4.1	-1.8	-2.6	-3.6	-4.5
of which: overhanging debt	-0.2	0.0	-	-0.1	-0.2
of which: central government support	-1.3	1.2	0.4	0.7	1.4
of which: financial transactions	-1.8	-2.1	-2.1	-2.7	-4.3
of which: capital grants from private sector	-0.9	-0.9	-0.9	-1.4	-1.3
Gross fixed capital formation	3.2	3.5	3.6	3.8	3.9
of which: VAT refunds	2.1	2.1	1.9	2.0	2.1
of which: roads de-trunking	-	-	0.0	-	-
of which: other	1.1	1.4	1.6	1.8	1.8
Capital grants	0.1	0.1	-0.1	-0.1	-0.2
of which: grants to public corporations	-	-	-	-	-
of which: other	0.1	0.1	-0.1	-0.1	-0.2
<b>Total local government capital adjustments</b>	<b>-0.8</b>	<b>1.7</b>	<b>0.9</b>	<b>0.2</b>	<b>-0.7</b>
<b>Other capital adjustments</b>					
Public corporations	0.1	-0.2	-1.2	-0.7	0.1
Housing Revenue Account reform receipts	-8.1	-	-	-	-0.9
Other	0.1	0.0	0.0	0.1	-0.3
<b>Total other capital adjustments</b>	<b>-7.8</b>	<b>-0.2</b>	<b>-1.1</b>	<b>-0.6</b>	<b>-1.2</b>
<b>Total capital adjustments</b>	<b>-12.9</b>	<b>4.9</b>	<b>3.8</b>	<b>-6.6</b>	<b>10.0</b>
<i>of which:</i>					
Timing adjustments <sup>(3)</sup>					
Central government	-1.1	-2.3	-1.6	-1.8	-1.8
Local government	-0.1	-0.1	-0.1	0.0	-0.4

(1) The accounting adjustments are described in Annex D of PESA 2016.

(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 COINS data in the early years.

**Table 10 Public sector expenditure on services by function, 1995-96 to 2015-16**

	National Statistics																				£ billion
	cash			accruals																	
	1995-96 outturn	1996-97 outturn	1997-98 outturn	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
1. General public services	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	59.7	61.1	59.1	59.2
<i>of which: public and common services</i>	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	11.3	11.3	11.6	11.3
<i>of which: international services</i>	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
<i>of which: public sector debt interest</i>	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
2. Defence	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
3. Public order and safety	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	29.9	29.5
4. Economic affairs	23.6	23.4	21.6	19.6	21.5	23.8	27.7	30.7	33.1	33.6	35.3	37.5	37.4	49.7	48.7	40.0	37.8	36.8	40.2	40.4	46.5
<i>of which: enterprise and economic development <sup>(1)</sup></i>	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	6.1	5.6	6.4
<i>of which: science and technology</i>	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
<i>of which: employment policies</i>	3.1	2.8	2.5	2.9	3.5	3.8	3.3	3.0	3.2	3.2	3.3	3.3	2.1	3.5	4.1	4.7	3.2	2.9	3.7	3.1	2.4
<i>of which: agriculture, fisheries and forestry</i>	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
<i>of which: transport <sup>(2), (3)</sup></i>	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	28.4
5. Environment protection	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
6. Housing and community amenities	6.0	5.7	4.9	5.5	4.7	5.5	6.2	5.4	6.7	8.0	10.7	11.5	13.0	15.3	16.3	13.3	10.2	10.0	9.8	10.2	9.9
7. Health	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	133.8	138.5
8. Recreation, culture and religion	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
9. Education <sup>(4)</sup>	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	84.2	85.3	85.7	84.1
10. Social protection	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	264.9
EU transactions <sup>(5)</sup>	-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
<b>Public sector expenditure on services</b>	<b>295.7</b>	<b>302.5</b>	<b>308.5</b>	<b>318.3</b>	<b>331.4</b>	<b>352.9</b>	<b>376.1</b>	<b>402.6</b>	<b>439.0</b>	<b>471.1</b>	<b>501.7</b>	<b>523.7</b>	<b>555.5</b>	<b>604.8</b>	<b>640.3</b>	<b>660.4</b>	<b>662.4</b>	<b>666.1</b>	<b>675.6</b>	<b>686.9</b>	<b>699.4</b>
Accounting adjustments	23.7	21.4	21.6	21.4	21.1	21.7	23.4	29.0	28.6	38.4	40.2	44.9	47.9	54.4	52.8	54.7	53.8	65.9	61.2	65.1	54.5
<b>Total Managed Expenditure <sup>(6)</sup></b>	<b>319.4</b>	<b>323.9</b>	<b>330.1</b>	<b>339.7</b>	<b>352.5</b>	<b>374.6</b>	<b>399.5</b>	<b>431.6</b>	<b>467.6</b>	<b>509.5</b>	<b>541.8</b>	<b>568.7</b>	<b>603.4</b>	<b>659.2</b>	<b>693.1</b>	<b>715.1</b>	<b>716.2</b>	<b>732.0</b>	<b>736.9</b>	<b>752.0</b>	<b>753.9</b>

(1) Transactions in 2008-09 onwards have been affected by financial sector interventions. Details are provided in PESA 2016 chapter 5 Box 5.A.

(2) 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' for that year.

(3) 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. ONS data is not currently available for 2015-16 and therefore data from TfL accounts has been used in the interim covering Crossrail and rail.

(4) From 2011-12 onwards the 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from the Education function. Therefore figures are not directly comparable between 2010-11 and 2011-12. A full explanation of this decision can be found in PESA 2016 Annex E.

(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 PESA 2016 Box 5.A for details.

**Table 10a Public sector expenditure on services by function in real terms <sup>(1)</sup>, 1995-96 to 2015-16**

	National Statistics																				£ billion
	cash			accruals																	
	1995-96 outturn	1996-97 outturn	1997-98 outturn	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
1. General public services	53.4	53.1	54.4	54.7	50.9	51.9	47.8	46.0	49.1	53.1	55.4	56.5	58.4	61.6	55.4	67.8	67.7	62.0	62.5	59.5	59.2
<i>of which: public and common services</i>	9.0	8.8	8.7	9.9	11.0	10.6	12.2	12.7	13.8	14.9	15.4	14.8	14.2	15.5	15.1	13.8	12.1	11.7	11.5	11.7	11.3
<i>of which: international services</i>	5.0	4.4	4.3	4.4	5.1	5.6	5.7	5.8	6.5	6.8	7.5	7.4	7.6	7.1	7.8	8.4	8.2	8.0	10.0	10.6	10.4
<i>of which: public sector debt interest</i>	39.4	39.9	41.4	40.4	34.9	35.6	30.0	27.4	28.8	31.4	32.6	34.4	36.5	39.0	32.5	45.7	47.3	42.3	41.0	37.2	37.5
2. Defence	33.1	31.3	30.3	33.7	34.4	34.5	33.7	35.0	36.5	36.8	37.3	37.6	38.4	40.8	41.3	42.2	41.0	37.7	37.2	36.9	36.6
3. Public order and safety	23.6	23.3	23.9	24.8	25.2	27.4	30.6	31.6	33.5	35.2	35.2	35.5	36.1	37.4	37.3	35.6	34.0	32.5	30.2	30.1	29.5
4. Economic affairs	34.8	33.2	30.2	27.0	29.5	32.0	36.7	39.8	42.0	41.5	42.5	43.8	42.6	55.2	53.3	43.0	40.1	38.2	41.1	40.7	46.5
<i>of which: enterprise and economic development <sup>(2)</sup></i>	6.6	6.1	6.0	4.3	6.0	6.6	6.8	7.6	7.6	8.0	7.7	7.4	8.1	18.0	13.4	5.3	5.1	5.2	6.3	5.6	6.4
<i>of which: science and technology</i>	1.8	2.0	2.0	1.9	1.9	1.9	2.3	2.7	2.9	3.1	3.6	3.4	3.8	3.6	3.9	3.7	3.8	3.5	4.3	4.5	4.8
<i>of which: employment policies</i>	4.6	4.0	3.5	4.0	4.8	5.1	4.4	3.9	4.1	4.0	4.0	3.9	2.4	3.9	4.5	5.1	3.4	3.0	3.7	3.2	2.4
<i>of which: agriculture, fisheries and forestry</i>	5.7	7.7	6.6	6.1	5.9	6.3	8.4	6.4	6.7	6.7	6.7	6.0	4.9	6.4	6.3	5.9	6.1	5.5	5.5	5.2	4.5
<i>of which: transport <sup>(3), (4)</sup></i>	16.0	13.5	12.1	10.7	10.8	12.1	15.0	19.2	20.7	19.8	20.4	23.2	23.5	23.3	25.2	23.1	21.7	21.1	21.3	22.1	28.4
5. Environment protection	6.0	5.2	5.6	5.9	6.7	6.8	7.2	7.8	7.9	8.6	10.2	11.0	10.9	10.2	11.4	11.7	11.1	11.1	11.4	11.6	11.6
6. Housing and community amenities	8.8	8.1	6.8	7.6	6.4	7.4	8.2	7.0	8.5	9.9	12.9	13.4	14.8	17.0	17.8	14.3	10.8	10.3	10.0	10.3	9.9
7. Health	61.0	60.7	62.1	64.6	67.7	72.8	79.3	85.8	95.0	102.4	108.0	110.6	115.2	120.6	128.0	128.9	128.6	129.1	132.2	134.7	138.5
8. Recreation, culture and religion	8.1	8.1	8.9	9.9	10.5	10.5	11.4	12.1	12.3	12.4	13.0	13.3	13.6	13.8	14.4	14.0	13.2	13.2	11.7	12.5	10.9
9. Education <sup>(5)</sup>	54.5	53.6	53.9	55.1	57.8	61.6	67.9	70.9	77.3	80.4	84.0	85.2	89.7	92.1	96.9	98.4	91.7	87.5	87.2	86.3	84.1
10. Social protection	158.4	160.0	159.9	158.7	168.5	172.5	182.1	188.3	197.3	202.7	205.7	206.6	215.0	225.7	244.1	247.7	259.6	263.2	259.5	262.7	264.9
EU transactions <sup>(6)</sup>	-6.0	-7.4	-5.2	-3.6	-3.7	-3.5	-6.4	-2.5	-2.7	-1.1	-0.7	-2.1	-1.7	-3.2	1.0	6.3	4.6	7.0	7.4	6.3	7.7
<b>Public sector expenditure on services</b>	<b>435.4</b>	<b>429.0</b>	<b>430.7</b>	<b>438.5</b>	<b>454.0</b>	<b>473.8</b>	<b>498.5</b>	<b>521.8</b>	<b>556.6</b>	<b>581.8</b>	<b>603.5</b>	<b>611.5</b>	<b>633.2</b>	<b>671.2</b>	<b>700.9</b>	<b>709.9</b>	<b>702.3</b>	<b>691.7</b>	<b>690.3</b>	<b>691.6</b>	<b>699.4</b>
Accounting adjustments	34.9	30.4	30.2	29.5	29.0	29.1	31.0	37.6	36.3	47.4	48.3	52.5	54.7	60.4	57.9	58.8	57.0	68.4	62.6	65.5	54.5
<b>Total Managed Expenditure <sup>(7)</sup></b>	<b>470.3</b>	<b>459.4</b>	<b>460.9</b>	<b>467.9</b>	<b>483.0</b>	<b>503.0</b>	<b>529.6</b>	<b>559.4</b>	<b>592.8</b>	<b>629.2</b>	<b>651.8</b>	<b>663.9</b>	<b>687.8</b>	<b>731.6</b>	<b>758.8</b>	<b>768.7</b>	<b>759.4</b>	<b>760.2</b>	<b>752.8</b>	<b>757.1</b>	<b>753.9</b>

(1) Real terms figures are the nominal figures adjusted to 2015-16 price levels using GDP deflators from the Office for National Statistics (released 31 March 2017).

(2) Transactions in 2008-09 onwards have been affected by financial sector interventions. Details are provided in PESA 2016 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' for that year.

(4) 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. ONS data is not currently available for 2015-16 and therefore data from TfL accounts has been used in the interim covering Crossrail and rail.

(5) From 2011-12 onwards the 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from the Education function. Therefore figures are not directly comparable between 2010-11 and 2011-12. A full explanation of this decision can be found in PESA 2016 Annex E.

(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 PESA 2016 Box 5.A for details.

**Table 10b Public sector expenditure on services by function as a per cent of GDP <sup>(1)</sup>, 1995-96 to 2015-16**

	per cent																				
	cash			accruals																	
	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
outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn
1. General public services	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
<i>of which: public and common services</i>	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
<i>of which: international services</i>	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	0.5	0.5	0.5	0.5	0.6	0.6	0.6
<i>of which: public sector debt interest</i>	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. Defence	2.6	2.4	2.3	2.5	2.4	2.4	2.2	2.3	2.3	2.3	2.2	2.2	2.2	2.4	2.5	2.5	2.4	2.2	2.1	2.0	1.9
3. Public order and safety	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	1.6	1.6
4. Economic affairs	2.8	2.6	2.3	2.0	2.1	2.2	2.4	2.6	2.6	2.5	2.5	2.5	2.4	3.2	3.2	2.5	2.3	2.2	2.3	2.2	2.5
<i>of which: enterprise and economic development <sup>(2)</sup></i>	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
<i>of which: science and technology</i>	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	0.3
<i>of which: employment policies</i>	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
<i>of which: agriculture, fisheries and forestry</i>	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	0.3	0.4	0.3	0.3	0.3	0.2
<i>of which: transport <sup>(3), (4)</sup></i>	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
5. Environment protection	0.5	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.7	0.6	0.6	0.6	0.6	0.6
6. Housing and community amenities	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
7. Health	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
8. Recreation, culture and religion	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	0.9	0.8	0.8	0.8	0.6	0.7	0.6
9. Education <sup>(5)</sup>	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	4.9	4.7	4.5
10. Social protection	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	14.0
EU transactions <sup>(6)</sup>	-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
<b>Public sector expenditure on services</b>	<b>34.8</b>	<b>33.4</b>	<b>32.5</b>	<b>32.1</b>	<b>32.0</b>	<b>32.3</b>	<b>33.2</b>	<b>33.8</b>	<b>34.9</b>	<b>35.7</b>	<b>35.8</b>	<b>35.5</b>	<b>35.9</b>	<b>39.1</b>	<b>41.8</b>	<b>41.5</b>	<b>40.5</b>	<b>39.4</b>	<b>38.4</b>	<b>37.4</b>	<b>37.1</b>
Accounting adjustments	2.8	2.4	2.3	2.2	2.0	2.0	2.1	2.4	2.3	2.9	2.9	3.0	3.1	3.5	3.5	3.4	3.3	3.9	3.5	3.5	2.9
<b>Total Managed Expenditure <sup>(7)</sup></b>	<b>37.6</b>	<b>35.8</b>	<b>34.8</b>	<b>34.3</b>	<b>34.0</b>	<b>34.3</b>	<b>35.3</b>	<b>36.2</b>	<b>37.1</b>	<b>38.6</b>	<b>38.6</b>	<b>38.5</b>	<b>39.0</b>	<b>42.6</b>	<b>45.3</b>	<b>44.9</b>	<b>43.8</b>	<b>43.3</b>	<b>41.9</b>	<b>41.0</b>	<b>40.0</b>

(1) GDP is consistent with the latest figures from the Office for National Statistics (published 31 March 2017).

(2) Transactions in 2008-09 onwards have been affected by financial sector interventions. Details are provided in PESA 2016 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' for that year.

(4) 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. ONS data is not currently available for 2015-16 and therefore data from TfL accounts has been used in the interim covering Crossrail and rail.

(5) From 2011-12 onwards the 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from the Education function. Therefore figures are not directly comparable between 2010-11 and 2011-12. A full explanation of this decision can be found in PESA 2016 Annex E.

(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 PESA 2016 Box 5.A for details.

**Table 11 Public sector expenditure on services by economic category, 2011-12 to 2015-16**

	National Statistics					£million
	2011-12	2012-13	2013-14	2014-15	2015-16	
	outturn	outturn	outturn	outturn	outturn	outturn
<b>Public sector current expenditure on services</b>						
Pay	165,995	164,135	163,627	167,173	171,859	
Gross current procurement	188,816	193,132	198,696	205,357	207,012	
Income from sales of goods and services	-49,455	-50,389	-51,060	-53,615	-52,491	
Current grants to persons and non-profit bodies	227,829	231,145	231,871	235,132	236,723	
Current grants abroad	9,610	11,844	14,073	12,317	13,712	
Subsidies to private sector companies	8,246	7,912	8,535	8,195	9,219	
Subsidies to public corporations	458	1,723	1,136	925	924	
Net public service pensions	6,678	8,620	9,081	10,182	9,650	
Public sector debt interest	44,630	40,719	40,086	36,978	37,487	
Other	82	238	277	282	309	
<b>Total public sector current expenditure on services</b>	<b>602,889</b>	<b>609,080</b>	<b>616,322</b>	<b>622,926</b>	<b>634,404</b>	
Accounting adjustments	43,229	47,390	50,452	53,332	47,877	
<b>Total public sector current expenditure</b>	<b>646,118</b>	<b>656,470</b>	<b>666,774</b>	<b>676,258</b>	<b>682,281</b>	
<b>Public sector capital expenditure on services</b>						
Capital grants <sup>(1)</sup>	16,865	15,872	15,530	18,222	14,612	
Gross capital procurement	46,994	45,303	47,666	51,539	57,536	
Income from sales of capital assets	-4,362	-4,171	-3,871	-5,757	-7,146	
Other	-	-	-	-	-	
<b>Total public sector capital expenditure on services</b>	<b>59,498</b>	<b>57,003</b>	<b>59,325</b>	<b>64,004</b>	<b>65,002</b>	
Accounting adjustments	10,554	18,520	10,787	11,726	6,595	
<b>Total public sector capital expenditure</b>	<b>70,052</b>	<b>75,523</b>	<b>70,112</b>	<b>75,730</b>	<b>71,597</b>	
<b>Total public sector expenditure on services</b>	<b>662,387</b>	<b>666,083</b>	<b>675,646</b>	<b>686,930</b>	<b>699,406</b>	
Accounting adjustments	53,783	65,910	61,240	65,058	54,472	
<b>Total Managed Expenditure <sup>(2)</sup></b>	<b>716,170</b>	<b>731,993</b>	<b>736,886</b>	<b>751,988</b>	<b>753,878</b>	

(1) Transactions from 2011-12 onwards have been affected by financial sector interventions. See Box 5.A in PESA 2016 (Cm9322) for details.

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