



HM Treasury



STATISTICAL BULLETIN: PUBLIC SPENDING STATISTICS MAY 2018

This release presents updated Public Spending data for the years 2012-13 to 2016-17. All data in this release are National Statistics and are on an outturn basis. Further background detail is found in the accompanying material published alongside this release. **We welcome any feedback on this release at:** statistics-enquiries@hmtreasury.gsi.gov.uk

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

IN THIS RELEASE

- ◆ *Background: Page 3*
- ◆ *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 £355.5 billion in 2016-17, an increase of £0.2 billion or 0.1 per cent on the previous year in nominal terms.
- Total Managed Expenditure (TME) was £772.5 billion in 2016-17, an increase of 2.0 per cent on the previous year.
- Total expenditure on services was £710.6 billion in 2016-17, an increase of 1.4 per cent on the previous year.
- Total departmental expenditure (Total DEL plus resource and capital departmental AME) was £650.5 billion in 2016-17, a decrease of £113.5 billion or 14.9 per cent on the previous year. This is mainly due to a larger than normal figure for Resource departmental AME in 2015-16 which reflected a significant change in the accounting valuation of provisions as a result of changes in the long-term Treasury discount rate which inflated the present value of expected future long-term costs.

KEY REVISIONS IN THIS RELEASE (SINCE FEBRUARY 2018 PUBLICATION)

- Total DEL expenditure (RDEL excluding depreciation and Capital DEL) reduced slightly by £12 million in 2016-17. Resource departmental AME increased by £100 million in 2015-16 and by £32 million in 2016-17. This mainly reflects the Department for Digital, Culture, Media and Sport revising expenditure to correct an error in end year data submitted by the BBC relating to pension prepayments
- 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 2018.

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

JULY 2018	The July Public Spending Statistics release contains the first publication of departmental spending outturn for the 2017-18 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 2018	Updates to the key series of the Public Spending Statistics are published. Additionally, the Country and Regional Analysis is published in November each year.
FEB 2019	This release contains updates to the key Public Spending Statistics series. It includes updated data for local authorities for the previous financial year.
MAY 2019	Contains updates to the key Public Spending Statistics series. May 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.

DATA IN THIS RELEASE

Spending frameworks used in HM Treasury spending publications

Budgeting

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

Expenditure on services

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

BUDGETING STATISTICS

DEPARTMENTAL EXPENDITURE LIMITS

- Total DEL expenditure (Resource DEL excluding depreciation plus Capital DEL) was £355.5 billion in 2016-17, an increase of £0.2 billion or 0.1 per cent on the previous year in nominal terms.

ANNUALLY MANAGED EXPENDITURE

- Resource departmental AME decreased to £291.5 billion in 2016-17, from £418.0 billion in 2015-16. The 2015-16 figure reflects a significant change in the accounting valuation of provisions as a result of changes in the long-term Treasury discount rate which inflated the present value of expected future long-term costs. The largest increase in 2015-16 was for Business, Energy and Industrial Strategy where the Nuclear Decommissioning Authority (NDA) provision for the future costs of decommissioning increased by £90.9 billion. This was a one-off non-cash charge.

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

Compared with the previous year;

- In real terms, spending on six of the ten functions (not including EU transactions) decreased during 2016-17, whilst the remaining four showed an increase.
- The largest real terms growth in expenditure in percentage terms was on Housing and community amenities that went up by 3.0 per cent, this was followed by General public services which grew by 2.4 per cent and Health, that increased 2.0 per cent on 2015-16.
- The largest real terms fall in spending was in Environment protection which went down by 7.0 per cent, followed by Public order and safety which fell by 2.6 per cent, then, Social protection down by 2.0 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 45.1 per cent in 2009-10. In the subsequent years, TME as a percentage of GDP has been decreasing. In 2016-17 it stood at 38.9 per cent of GDP (Table 10b).
- In 2016-17 public expenditure on Health was equal to 7.3 per cent of GDP, compared to 4.7 per cent in 1996-97. Education spending stood at 4.1 per cent in 1996-97 compared to 4.4 per cent of GDP in 2016-17. 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 2016-17. 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 £265.3 billion in 2016-17, down from £270.6 billion in the previous year.
 - Health spending (including spending by central government departments and devolved administrations) was £144.4 billion in 2016-17, compared to £141.5 billion spent in 2015-16.
- Financial sector interventions are scored within Economic affairs in **tables 10 to 10b**, whereas in **Table 11** they appear as capital grants and income from sales of goods and services.¹

¹ Details of financial sector interventions within expenditure on services can be found in Box 5.A of PESA 2017.

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 1996-97 and 2016-17 the Health function has had the highest rate of real terms growth.

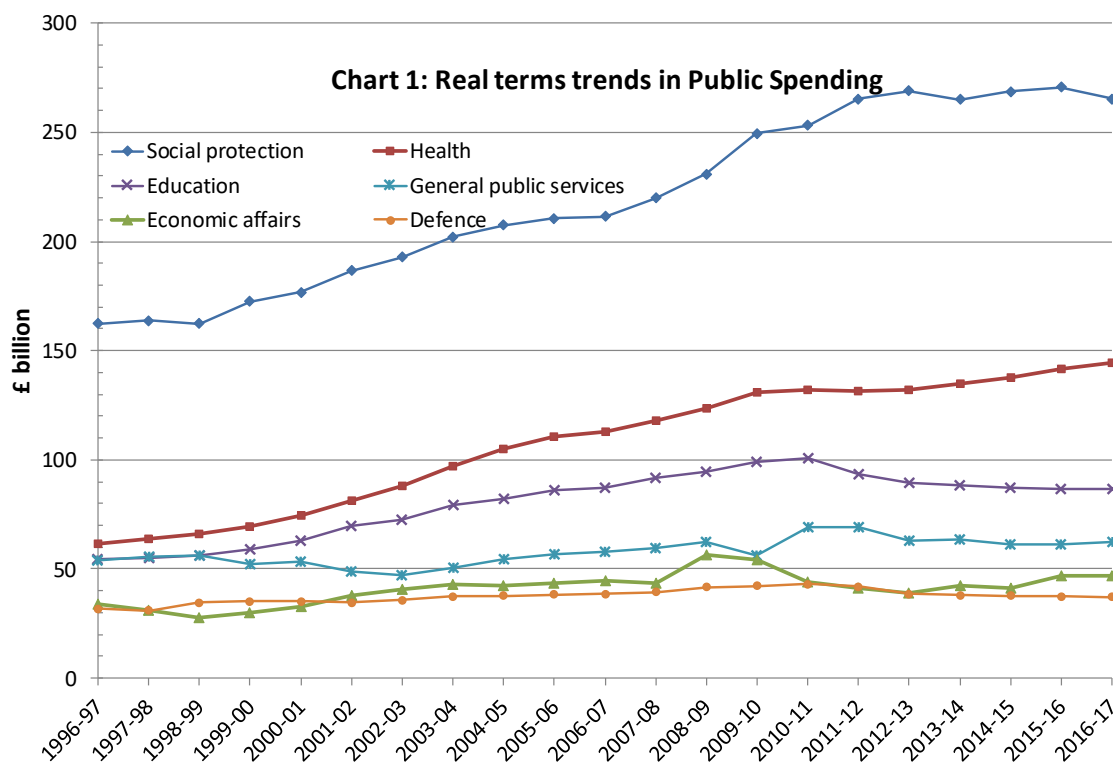
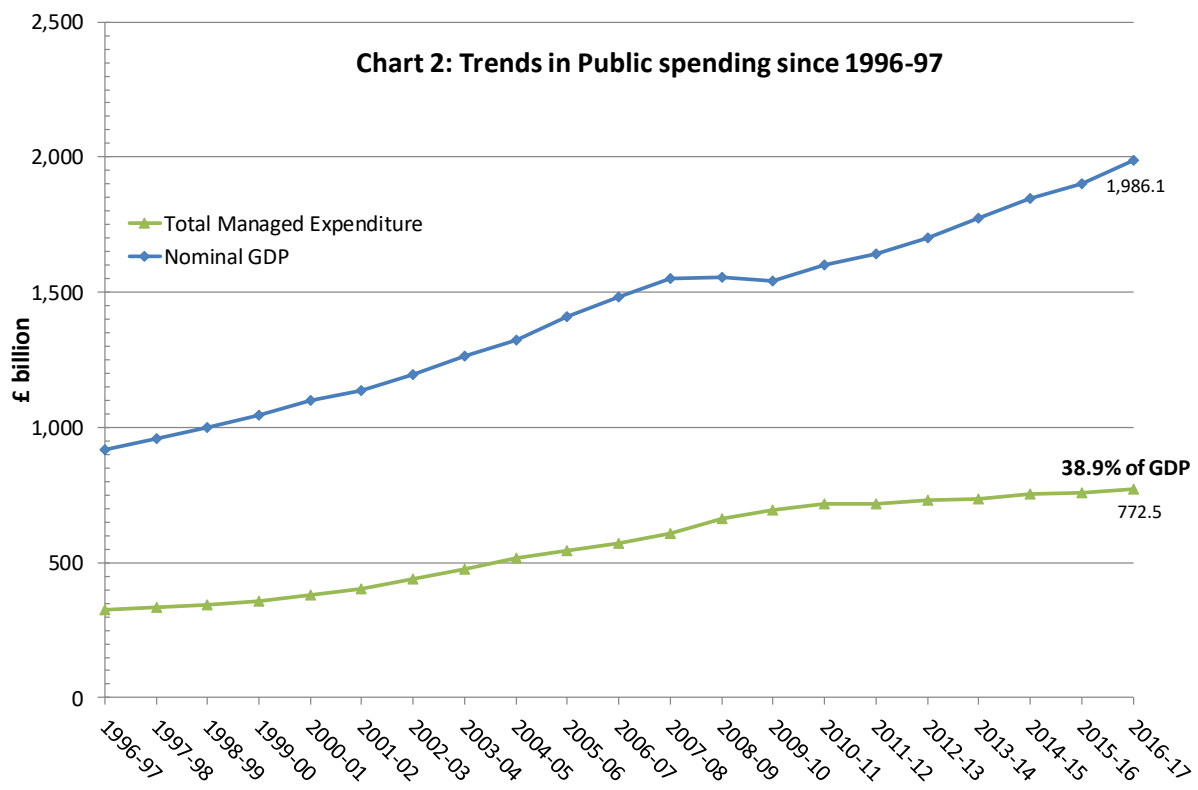


Chart 2 shows trends in overall spending compared with overall nominal GDP. The ratio between TME and GDP is a measure of the size of government relative to the rest of the economy.



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, 2012-13 to 2016-17

	£ million				
	National Statistics				
	2012-13	2013-14	2014-15	2015-16	2016-17
	outturn	outturn	outturn	outturn	outturn
CURRENT EXPENDITURE					
<i>Resource DEL</i>					
Resource DEL excluding depreciation	309,660	308,361	307,844	306,676	303,700
Depreciation in resource DEL	21,504	22,298	17,169	18,742	25,249
Total resource DEL	331,165	330,659	325,013	325,418	328,949
<i>Resource departmental AME</i>					
Social security benefits	183,088	179,599	184,185	187,585	189,298
Tax credits ⁽¹⁾	29,761	29,394	29,187	28,482	27,393
Net public service pensions	4,958	5,441	9,605	11,410	8,638
National lottery	719	1,209	1,448	904	1,080
BBC domestic services	3,271	3,204	3,533	3,631	3,567
Student loans	-763	-1,096	-1,579	-1,683	-1,968
Non-cash items	53,161	43,734	61,615	185,902	62,593
Financial sector interventions	-18,384	8,380	-48,669	-12,492	-24,832
Other departmental expenditure	4,260	13,334	14,979	14,225	25,700
Total resource departmental AME	260,070	283,199	254,303	417,963	291,469
<i>Resource other AME</i>					
Net expenditure transfers to the EU	11,529	11,879	11,658	11,253	9,160
Locally financed expenditure	23,442	23,187	25,555	30,294	33,902
Central government gross debt interest	48,983	48,797	45,371	45,127	48,658
Accounting adjustments ⁽²⁾	-19,108	-32,488	13,760	-147,171	-19,145
Total resource other AME	64,846	51,375	96,344	-60,497	72,576
Total resource AME	324,915	334,574	350,647	357,465	364,044
Public sector current expenditure	656,080	665,233	675,660	682,883	692,993
CAPITAL EXPENDITURE					
<i>Capital DEL</i>					
Total capital DEL	46,367	49,742	53,195	48,603	51,805
<i>Capital departmental AME</i>					
National lottery	513	492	584	407	479
BBC domestic services	121	83	111	130	248
Student loans	6,858	9,299	11,477	12,597	14,629
Financial sector interventions	-3,601	-4,938	-3,030	-11,315	-3,514
Other departmental expenditure	-282	-11,126	-4,118	-11,076	-8,285
Total capital departmental AME	3,610	-6,189	5,024	-9,257	3,557
<i>Capital other AME</i>					
Locally financed expenditure	5,949	6,877	6,683	8,720	9,031
Public corporations' own-financed capital expenditure	14,660	14,384	18,007	14,615	16,689
Accounting adjustments ⁽²⁾	5,164	3,824	-7,167	11,573	-1,550
Total capital other AME	25,773	25,085	17,523	34,907	24,170
Total capital AME	29,383	18,896	22,547	25,650	27,727
Public sector gross investment ⁽³⁾	75,750	68,638	75,742	74,253	79,532
<i>less public sector depreciation</i>	36,565	37,940	39,026	40,131	40,780
Public sector net investment ⁽³⁾	39,185	30,698	36,716	34,122	38,752
Total Managed Expenditure ^{(3) (4)}	731,830	733,871	751,402	757,136	772,525
<i>of which:</i>					
Total DEL ⁽⁴⁾	356,028	358,104	361,039	355,278	355,505
Departmental AME	263,679	277,009	259,327	408,706	295,025
Other AME	112,123	98,758	131,036	-6,848	121,995

(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. 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 of PESA 2017.

(3) This excludes the temporary effects of banks being classified to the public sector. See Box 2.A in Chapter 2 of PESA 2017.

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

Table 2 Resource DEL, 2012-13 to 2016-17

	£ million				
	National Statistics				
	2012-13	2013-14	2014-15	2015-16	2016-17
	outturn	outturn	outturn	outturn	outturn
Resource DEL by departmental group					
Defence	34,987	35,536	34,155	34,424	35,423
Single Intelligence Account	1,945	1,967	2,032	2,174	2,268
Home Office	11,447	11,052	11,443	10,757	10,977
Foreign and Commonwealth Office	2,150	2,153	1,861	1,953	2,058
International Development	5,899	7,783	7,017	6,829	7,413
Health and Social Care	101,646	105,478	109,534	113,710	117,031
Work and Pensions	7,496	7,606	7,145	6,473	6,161
Education	63,324	65,611	62,222	63,978	69,288
Business, Energy and Industrial Strategy	2,697	2,417	2,450	2,499	1,972
Transport	5,191	4,702	3,460	3,029	2,931
Exiting the European Union	7	7	7	7	23
Digital, Culture, Media and Sport	3,624	1,386	1,512	1,389	1,550
MHCLG - Housing and Communities	1,393	1,985	2,043	2,174	2,488
MHCLG - Local Government ⁽¹⁾	23,189	16,481	13,657	10,758	8,229
Scotland ⁽²⁾	25,712	26,091	26,373	26,334	21,374
Wales	13,654	14,466	14,202	13,328	13,325
Northern Ireland	10,027	10,161	10,189	10,161	10,480
Justice	8,870	8,110	7,728	7,348	7,406
Law Officers' Departments	599	581	554	553	530
Environment, Food and Rural Affairs	1,978	1,883	1,856	1,737	1,744
HM Revenue and Customs	3,660	3,650	3,468	3,576	3,836
HM Treasury	-190	-249	129	130	159
Cabinet Office	339	255	421	407	450
International Trade	150	206	279	341	345
Small and Independent Bodies	1,371	1,342	1,276	1,350	1,489
Total resource DEL	331,165	330,659	325,013	325,418	328,949

(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.

Table 3 Resource departmental AME, 2012-13 to 2016-17

	£ million				
	National Statistics				
	2012-13	2013-14	2014-15	2015-16	2016-17
	outturn	outturn	outturn	outturn	outturn
Resource departmental AME by departmental group					
Defence	7,360	6,377	8,311	12,020	5,125
Single Intelligence Account	41	19	41	135	13
Home Office	1,659	1,872	2,457	1,551	2,396
Foreign and Commonwealth Office	88	66	-70	39	-53
International Development	191	109	151	206	188
Health and Social Care ⁽¹⁾	18,878	18,194	21,952	48,530	27,782
Work and Pensions	165,506	163,072	167,639	173,400	172,921
Education	9,798	10,563	12,908	5,296	11,354
Business, Energy and Industrial Strategy ⁽¹⁾	6,218	5,347	8,949	102,217	3,781
Transport ⁽²⁾	590	-5,207	-264	5,680	6,457
Digital, Culture, Media and Sport	4,635	4,517	4,935	4,348	4,702
MHCLG - Housing and Communities	10	-48	47	56	154
MHCLG - Local Government ⁽³⁾	144	11,123	11,662	12,174	12,413
Scotland ⁽⁴⁾	2,760	2,669	3,858	3,951	9,203
Wales	141	0	32	-311	240
Northern Ireland	7,764	7,463	8,285	8,370	8,248
Justice	934	-239	-144	483	549
Law Officers' Departments	5	7	13	-15	-1
Environment, Food and Rural Affairs	85	-92	78	391	86
HM Revenue and Customs	42,690	42,574	42,931	43,194	42,329
HM Treasury ⁽⁵⁾	-18,710	6,210	-49,912	-13,781	-25,458
Cabinet Office	9,390	8,641	10,573	10,366	9,140
International Trade	-	0	-	0	-
Small and Independent Bodies	-109	-39	-129	-336	-102
Total resource departmental AME	260,070	283,199	254,303	417,963	291,469

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

(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. Figures in 2013-14 and 2014-15 also reflect a change in accounting policy for recognising impairment on the roads network.

(3) 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.

(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 of PESA 2017.

Table 4 Capital DEL, 2012-13 to 2016-17

	£ million				
	National Statistics				
	2012-13	2013-14	2014-15	2015-16	2016-17
	outturn	outturn	outturn	outturn	outturn
Capital DEL by departmental group					
Defence	8,731	8,485	8,736	8,402	8,689
Single Intelligence Account	476	499	550	575	603
Home Office	555	519	520	476	510
Foreign and Commonwealth Office	37	120	158	131	60
International Development	1,883	2,251	2,650	2,433	2,588
Health and Social Care	4,708	5,367	4,971	4,652	4,556
Work and Pensions	421	237	251	188	292
Education	4,635	4,120	4,764	5,414	5,598
Business, Energy and Industrial Strategy	7,840	9,510	9,360	10,199	10,835
Transport ⁽¹⁾	7,934	8,537	9,389	6,001	5,420
Digital, Culture, Media and Sport	357	33	264	349	275
MHCLG - Housing and Communities	2,402	3,729	4,332	3,849	5,114
MHCLG - Local Government	1	-	-	-	-
Scotland ⁽²⁾	2,981	2,921	3,289	3,164	3,246
Wales	1,362	1,325	1,500	1,543	1,449
Northern Ireland	983	945	1,085	766	1,005
Justice	280	274	295	266	417
Law Officers' Departments	2	3	4	3	13
Environment, Food and Rural Affairs	487	550	692	570	655
HM Revenue and Customs	196	218	234	228	326
HM Treasury	18	-6	36	-660	-2
Cabinet Office	14	30	30	-37	48
International Trade	2	3	2	2	6
Small and Independent Bodies	64	76	83	90	103
Total capital DEL	46,367	49,742	53,195	48,603	51,805

(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.

Table 5 Capital departmental AME, 2012-13 to 2016-17

	£ million				
	National Statistics				
	2012-13	2013-14	2014-15	2015-16	2016-17
	outturn	outturn	outturn	outturn	outturn
Capital departmental AME by departmental group					
Defence	-35	-129	51	29	-
Home Office	-	-	-	437	-
International Development	-6	-	-	450	285
Health and Social Care	-	-70	-5	9	13
Work and Pensions	-17	-134	-124	-148	-87
Education	6,248	8,483	10,563	11,642	13,450
Business, Energy and Industrial Strategy	-139	-4,305	-1,616	-1,630	-15
Transport ⁽¹⁾	-61	13	6,695	6,544	6,855
Digital, Culture, Media and Sport	468	646	743	497	804
MHCLG - Housing and Communities	4	-	121	207	-
MHCLG - Local Government	-4	-	-	-	-
Scotland ⁽²⁾	188	336	440	744	811
Wales	252	306	357	388	422
Northern Ireland	344	425	536	605	498
Law Officers' Departments	0	-	-	-	-
Environment, Food and Rural Affairs	-1	-1	2	0	1
HM Revenue and Customs	1	0	0	-	-
HM Treasury ⁽³⁾	-3,592	-11,725	-12,714	-29,066	-19,731
Small and Independent Bodies	-40	-34	-23	34	251
Total capital departmental AME	3,610	-6,189	5,024	-9,257	3,557

(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) 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) Transactions from 2012-13 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2 of PESA 2017.

Table 6 Resource DEL excluding depreciation, 2012-13 to 2016-17

	£ million				
	National Statistics				
	2012-13	2013-14	2014-15	2015-16	2016-17
	outturn	outturn	outturn	outturn	outturn
Resource DEL excluding depreciation by departmental group					
Defence	25,528	26,055	25,632	26,696	26,592
Single Intelligence Account	1,556	1,564	1,606	1,768	1,920
Home Office	11,191	10,792	11,163	10,510	10,712
Foreign and Commonwealth Office	1,986	1,995	1,713	1,762	1,934
International Development	5,875	7,769	7,000	6,817	7,404
Health and Social Care	100,514	104,408	108,373	112,592	116,028
Work and Pensions	7,248	7,424	6,969	6,290	6,004
Education	59,036	59,182	59,860	59,180	59,328
Business, Energy and Industrial Strategy	2,393	2,112	2,157	2,230	1,617
Transport	4,224	3,695	2,468	1,913	1,589
Exiting the European Union	7	7	7	7	23
Digital, Culture, Media and Sport	2,179	1,227	1,407	1,262	1,407
MHCLG - Housing and Communities	1,366	1,957	2,050	2,173	2,471
MHCLG - Local Government ⁽¹⁾	23,188	16,481	13,657	10,758	8,229
Scotland ⁽²⁾	24,929	25,428	25,620	25,563	20,596
Wales	13,248	13,709	13,754	12,814	13,071
Northern Ireland	9,450	9,710	9,686	9,906	9,890
Justice	8,344	7,661	7,293	6,894	6,915
Law Officers' Departments	591	575	547	546	524
Environment, Food and Rural Affairs	1,789	1,687	1,666	1,568	1,555
HM Revenue and Customs	3,433	3,416	3,191	3,302	3,557
HM Treasury	-198	-255	123	122	152
Cabinet Office	327	241	409	388	428
International Trade	148	204	277	339	343
Small and Independent Bodies	1,308	1,319	1,217	1,276	1,412
Total Resource DEL excluding depreciation	309,660	308,361	307,844	306,676	303,700

(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.

Table 7 Total Departmental Expenditure Limits ⁽¹⁾, 2012-13 to 2016-17

£ million

	National Statistics				
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn
Total DEL by departmental group					
Defence	34,259	34,540	34,368	35,099	35,280
Single Intelligence Account	2,032	2,062	2,156	2,343	2,524
Home Office	11,746	11,311	11,683	10,986	11,222
Foreign and Commonwealth Office	2,023	2,115	1,870	1,893	1,994
International Development	7,758	10,020	9,650	9,250	9,992
Health and Social Care	105,222	109,775	113,345	117,245	120,584
Work and Pensions	7,669	7,661	7,220	6,477	6,296
Education	63,671	63,302	64,624	64,594	64,926
Business, Energy and Industrial Strategy	10,233	11,623	11,517	12,429	12,452
Transport ⁽²⁾	12,157	12,231	11,857	7,914	7,009
Exiting the European Union	7	7	7	7	23
Digital, Culture, Media and Sport	2,536	1,260	1,670	1,611	1,682
MHCLG - Housing and Communities	3,767	5,687	6,383	6,022	7,585
MHCLG - Local Government ⁽³⁾	23,189	16,481	13,657	10,758	8,229
Scotland ⁽⁴⁾	27,910	28,349	28,909	28,726	23,842
Wales	14,609	15,034	15,254	14,357	14,520
Northern Ireland	10,433	10,655	10,771	10,672	10,895
Justice	8,624	7,935	7,588	7,160	7,332
Law Officers' Departments	592	578	551	548	537
Environment, Food and Rural Affairs	2,276	2,236	2,358	2,138	2,210
HM Revenue and Customs	3,629	3,634	3,425	3,530	3,884
HM Treasury	-180	-261	159	-539	150
Cabinet Office	341	271	439	351	475
International Trade	149	206	279	341	349
Small and Independent Bodies	1,372	1,395	1,300	1,366	1,515
Total DEL	356,028	358,104	361,039	355,278	355,505

(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.

(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.

Table 8 Total Managed Expenditure by departmental group and other expenditure , 2012-13 to 2016-17

	£ million				
	National Statistics				
	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn
Total Managed Expenditure by departmental group					
Defence	41,584	40,789	42,729	47,148	40,405
Single Intelligence Account	2,073	2,081	2,198	2,478	2,537
Home Office	13,405	13,183	14,141	12,973	13,619
Foreign and Commonwealth Office	2,111	2,181	1,800	1,932	1,941
International Development	7,943	10,129	9,801	9,906	10,465
Health and Social Care ⁽¹⁾	124,101	127,899	135,292	165,784	148,380
Work and Pensions	173,158	170,598	174,734	179,729	179,129
Education	79,717	82,347	88,095	81,532	89,730
Business, Energy and Industrial Strategy ⁽¹⁾	16,312	12,665	18,850	113,017	16,218
Transport ⁽²⁾	12,687	7,037	18,289	20,138	20,321
Exiting the European Union	7	7	7	7	23
Digital, Culture, Media and Sport	7,640	6,423	7,348	6,455	7,188
MHCLG - Housing and Communities	3,781	5,638	6,551	6,285	7,739
MHCLG - Local Government	23,329	27,605	25,319	22,932	20,642
Scotland ⁽³⁾	30,858	31,354	33,206	33,421	33,855
Wales	15,003	15,339	15,643	14,434	15,182
Northern Ireland	18,541	18,543	19,592	19,647	19,642
Justice	9,558	7,695	7,444	7,643	7,881
Law Officers' Departments	598	584	564	533	537
Environment, Food and Rural Affairs	2,360	2,143	2,437	2,529	2,297
HM Revenue and Customs	46,319	46,208	46,357	46,723	46,213
HM Treasury ⁽⁴⁾	-22,482	-5,776	-62,468	-43,385	-45,040
Cabinet Office	9,731	8,912	11,011	10,717	9,616
International Trade	149	207	279	340	349
Small and Independent Bodies	1,222	1,322	1,148	1,064	1,663
Total departmental expenditure ⁽⁵⁾	619,707	635,113	620,366	763,984	650,530
Central government gross debt interest	48,983	48,797	45,371	45,127	48,658
Locally financed expenditure	29,391	30,064	32,238	39,014	42,934
Public sector depreciation	36,565	37,940	39,026	40,131	40,780
Net expenditure transfers to the EU	11,529	11,879	11,658	11,253	9,160
Public corporations' own-financed capital expenditure	14,660	14,384	18,007	14,615	16,689
Accounting adjustments	-29,005	-44,306	-15,264	-156,987	-36,226
Total other expenditure ⁽⁶⁾	112,123	98,758	131,036	-6,848	121,995
Total Managed Expenditure ⁽⁷⁾	731,830	733,871	751,402	757,136	772,525

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

(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 also 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 of PESA 2017.

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

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

(7) This excludes the temporary effects of banks being classified to the public sector. See Box 2.A in Chapter 2 of PESA 2017.

Table 9 Accounting adjustments ⁽¹⁾, 2012-13 to 2016-17

	£ billion				
	2012-13	2013-14	2014-15	2015-16	2016-17
	outturn	outturn	outturn	outturn	outturn
Remove data in budgets which form part of public sector current expenditure but where a different source is used for National Accounts					
Resource DEL					
Capital consumption (excluding NHS)	-14.9	-17.7	-15.0	-14.6	-15.3
NHS capital consumption	-1.8	-2.1	-1.8	-1.9	-1.9
Interest	-0.2	-0.2	-0.1	0.0	-0.1
Public corporation subsidies	-1.7	-1.1	-0.9	-0.8	-0.7
Other	0.0	0.0	0.1	0.0	0.0
Total resource DEL	-18.6	-21.1	-17.7	-17.4	-17.9
Resource departmental AME					
Capital consumption	-1.6	4.7	-1.2	-6.3	-6.7
Interest	2.7	1.2	2.0	3.2	1.5
Subsidy element of renewable obligation certificates	-	-	-	-	-
Subsidy element of other environmental levies	-	-0.1	-0.2	-0.4	-
NNDR outturn adjustment	-0.1	-0.3	-	-	0.0
Public corporation subsidies	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.2	0.1	0.0	0.3
Total resource departmental AME	1.0	5.7	0.8	-3.4	-4.9
Adjustment for different data used by OBR in PSCE forecast	-	-	-	-	-
of which DEL	-	-	-	-	-
of which AME	-	-	-	-	-
Total resource budget data replaced by different source data	-17.6	-15.3	-16.9	-20.8	-22.8
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
Receipts treated as negative DEL but revenue in National Accounts	0.0	0.1	0.1	0.1	0.0
Fees, levies and charges	-	-	-	-	-
Grant equivalent element of student lending	-4.0	-6.1	-1.8	-3.7	-9.3
Stock write-offs	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
Miscellaneous current transfers	1.8	2.5	2.7	2.5	4.5
Northern Ireland Executive and Scottish Government transfers between DEL and AME	0.6	0.6	0.7	1.1	6.1
Profit or loss - sale of company securities	0.0	0.0	0.0	0.1	0.1
Profit or loss - sale of other assets (capital in National Accounts)	0.0	-0.8	0.2	0.3	0.3
EU-funded expenditure	-0.3	-0.2	0.2	0.0	-0.4
Other	1.8	0.4	0.7	1.1	0.6
Total resource DEL	-2.8	-1.9	2.4	1.0	1.3
Resource departmental AME					
Impairments	15.2	-14.3	44.0	-5.0	22.4
Bad debts	-0.5	-0.5	-0.4	-0.4	-0.2
Grant-equivalent element of student lending	0.1	-0.6	-0.5	7.5	0.1
Provisions	-10.5	-8.5	-10.5	-127.9	-13.7
Change in pension scheme liabilities	-26.9	-28.7	-34.2	-37.2	-35.4
Unwinding of discount rate on pension scheme liabilities	-40.5	-38.0	-46.3	-42.9	-42.0
Release of provisions covering payments of pension benefits	30.5	32.2	34.2	35.3	35.5
Fees, levies and charges	-	-	-	-	-
Profit or loss - sale of other assets (capital in National Accounts)	0.0	0.0	0.0	0.1	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	-0.4	6.0	1.3	4.6	-4.7
Total resource departmental AME	-33.2	-52.4	-12.4	-165.9	-37.8
Total resource budget data not in public sector current expenditure	-35.9	-54.4	-10.1	-164.8	-36.5

Table 9 Accounting adjustments ⁽¹⁾, 2012-13 to 2016-17 (continued)

	£ billion				
	2012-13	2013-14	2014-15	2015-16	2016-17
	outturn	outturn	outturn	outturn	outturn
Central government adjustments in National Accounts					
Expenditure on goods and services	21.9	25.9	27.7	25.4	24.2
<i>of which: VAT refunds</i>	5.1	5.0	5.0	5.0	5.0
<i>of which: Single use military expenditure</i>	0.3	0.3	0.3	-	-
<i>of which: payment from EU for tax collection costs</i>	-0.7	-0.7	-0.8	-0.8	-0.8
<i>of which: capital consumption</i>	17.1	17.6	17.9	18.3	18.2
<i>of which: ONS R&D Adjustment</i>	-	-	-	-2.7	-
<i>of which: Network Rail</i>	0.6	0.4	1.1	-1.9	-2.0
<i>of which: other</i>	-0.5	3.3	4.0	7.5	3.7
Net social benefits	1.0	1.2	1.9	0.3	1.2
<i>of which: switch between benefits and other current grants</i>	0.3	0.3	0.3	0.1	-
<i>of which: other</i>	0.7	0.9	1.6	0.3	1.2
Net current grants abroad	0.8	0.8	0.8	1.1	0.7
<i>of which: attributed aid</i>	-0.1	-0.1	-	-	-
<i>of which: EU receipts</i>	-	-	-	-	-
<i>of which: other</i>	0.8	0.9	0.8	1.1	0.7
Other current grants	0.8	0.4	-0.2	-0.5	1.0
<i>of which: switch between other current grants and benefits</i>	-0.3	-0.3	-0.3	-0.1	-
<i>of which: other</i>	1.1	0.7	0.1	-0.5	1.0
Subsidies	4.1	3.7	4.9	5.4	6.7
<i>of which: Renewable Obligation Certificates</i>	2.0	2.5	3.1	3.9	4.7
<i>of which: other environmental levies</i>	-	-	0.2	0.4	0.5
<i>of which: company tax credits outside departmental AME</i>	0.9	1.0	1.3	1.4	1.5
<i>of which: other</i>	1.3	0.2	0.3	-0.3	0.0
VAT and GNI based EU contributions	0.0	0.0	0.1	0.0	0.4
<i>of which: other</i>	0.0	0.0	0.1	0.0	0.4
Total central government resource adjustments	28.6	31.9	35.2	31.7	34.2
Local government adjustments in National Accounts					
Remove data which do not form part of public sector current expenditure	-2.9	-3.8	-3.1	-3.5	-3.4
<i>of which: Northern Ireland regional rates</i>	-0.6	-0.6	-0.7	-0.7	-0.6
<i>of which: retirement benefits</i>	-	-	-	-	-
<i>of which: debt-interest payments to central government</i>	-2.8	-3.1	-2.5	-2.9	-2.8
<i>of which: other</i>	0.6	0.0	0.0	0.0	0.0
Adjustments to reconcile use of different data sources	0.6	-0.6	-1.1	-0.9	-1.0
<i>of which: central government support</i>	-1.8	-1.6	-1.3	-1.6	-1.7
<i>of which: debt interest</i>	0.4	0.7	0.0	0.4	0.3
<i>of which: police and fire top-up grants</i>	1.6	-	-	-	-
<i>of which: other</i>	0.3	0.3	0.3	0.3	0.4
Expenditure on goods and services	15.5	18.4	18.7	19.7	20.4
<i>of which: VAT refunds</i>	6.4	6.6	6.6	6.9	7.1
<i>of which: Local Authority Pension Scheme</i>	1.9	2.1	2.0	2.0	2.2
<i>of which: capital consumption</i>	9.5	10.1	10.6	11.1	11.6
<i>of which: rates</i>	-1.4	-1.4	-1.4	-1.4	-1.4
<i>of which: other</i>	-1.0	1.0	0.9	1.2	0.9
Subsidies	0.5	0.4	0.6	0.7	0.9
<i>of which: equity injection into Housing Revenue Account</i>	0.4	0.4	0.6	0.7	0.9
<i>of which: other</i>	0.2	-	-	-	-
Net social benefits	0.3	0.2	0.0	0.3	0.3
<i>of which: housing benefits and rent rebates</i>	0.1	0.1	0.0	0.0	0.0
<i>of which: other</i>	0.3	0.1	0.1	0.3	0.3
Other current grants and current grants abroad	0.0	0.1	0.1	0.1	0.1
Total local government resource adjustments	14.2	14.7	15.2	16.3	17.2
Other resource adjustments					
Public corporations	3.2	3.3	3.7	3.8	3.8
Asset Purchase Facility and Special Liquidity Scheme	-12.1	-12.6	-12.4	-11.7	-13.2
Other	0.0	0.0	0.0	0.0	0.0
Total other resource adjustments	-8.9	-9.2	-8.7	-7.9	-9.3
Total resource adjustments	-19.6	-32.3	14.7	-145.6	-17.2
<i>of which:</i>					
Timing adjustments ⁽⁸⁾					
Central government	3.9	6.2	7.1	3.8	4.2
Local government	-0.3	1.3	1.0	1.5	1.3

Table 9 Accounting adjustments ⁽¹⁾, 2012-13 to 2016-17 (continued)

	£ billion				
	2012-13	2013-14	2014-15	2015-16	2016-17
	outturn	outturn	outturn	outturn	outturn
Central government adjustments in National Accounts					
Capital DEL					
Change in inventories	0.0	0.0	0.1	0.0	-0.3
Acquisitions less disposals of valuables	-0.1	0.0	0.0	0.0	0.0
Total capital DEL	-0.1	0.0	0.1	0.0	-0.3
Adjustment for different data used by OBR in PSGI forecast					
of which DEL	-	-	-	-	-
of which AME	-	-	-	-	-
Total capital budget data replaced by different source data	-0.1	0.0	0.1	0.0	-0.3
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	-4.9
Capital support for public corporations	0.0	0.4	0.9	0.0	0.2
Local government supported capital expenditure	0.0	0.0	0.0	-0.3	-0.2
Northern Ireland Executive and Scottish Government transfers between DEL and AME	0.2	0.2	0.3	0.6	0.5
Other	0.1	0.0	0.9	-0.4	-2.3
Total capital DEL	-1.3	-2.4	-0.9	-2.4	-6.6
Capital departmental AME					
Net lending to private sector	-3.3	4.5	2.3	17.5	4.7
Capital support for public corporations	0.2	0.8	-0.3	0.0	-0.1
Purchase of company securities	-	-	-	-	-
Sale of company securities	-	-	-	-	-
Northern Ireland Executive and Scottish Government transfers between DEL and AME	-0.1	-0.2	-0.2	-0.5	-0.5
Other	0.2	0.6	-6.5	0.1	0.1
Total capital departmental AME	-3.0	5.6	-4.7	17.0	4.2
Total capital budget data not in public sector gross investment	-4.3	3.3	-5.7	14.6	-2.4
Central government adjustments in National Accounts					
Gross fixed capital formation	5.1	7.1	6.0	-0.3	-0.3
of which: profit or loss - sale of other assets (from resource budgets)	0.0	0.8	-0.2	-0.3	-0.4
of which: Network Rail	4.6	7.1	6.4	6.6	6.6
of which: Single use military expenditure	-0.3	-0.3	-0.3	-	-
of which: other	0.9	-0.4	0.2	-6.5	-6.5
Capital grants to and from the private sector	8.4	-1.2	-1.0	0.5	0.3
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	-3.7	-4.1	0.0
of which: other	2.9	2.8	2.6	4.6	0.3
Total central government capital adjustments	13.6	5.9	5.0	0.2	0.0
Local government adjustments in National Accounts					
Adjustments to reconcile use of different data sources	-1.8	-2.8	-3.7	-4.6	-1.6
of which: overhanging debt	0.0	-	-0.1	-0.2	-
of which: central government support	1.2	0.4	0.7	1.3	2.2
of which: financial transactions	-2.1	-2.1	-2.7	-4.3	-2.6
of which: capital grants from private sector	-0.9	-1.1	-1.5	-1.4	-1.3
Gross fixed capital formation	3.2	3.5	3.5	3.6	3.1
of which: VAT refunds	2.1	2.0	2.0	2.1	1.7
of which: roads de-trunking	-	0.0	-	-	-
of which: other	1.1	1.6	1.5	1.5	1.4
Capital grants	0.1	-0.1	-0.1	-0.1	0.0
of which: grants to public corporations	-	-	-	-	-
of which: other	0.1	-0.1	-0.1	-0.1	0.0
Total local government capital adjustments	1.4	0.7	-0.3	-1.1	1.5
Other capital adjustments					
Public corporations	-0.2	-1.2	-0.7	0.1	-0.1
Housing Revenue Account reform receipts	-	-	-	-0.9	-
Other	0.0	0.0	0.1	-0.3	-0.2
Total other capital adjustments	-0.2	-1.1	-0.6	-1.1	-0.3
Total capital adjustments	10.4	8.7	-1.5	12.6	-1.5
<i>of which:</i>					
Timing adjustments ⁽³⁾					
Central government	1.7	0.6	0.8	5.0	0.3
Local government	-0.4	-0.1	-0.2	-0.2	-0.3

(1) The accounting adjustments are described in Annex D of PESA 2017.

(2) Northern Ireland Executive expenditure offsets with Northern Ireland domestic rates (part of other AME and not in budgets) in local government

(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 10 Public sector expenditure on services by function, 1996-97 to 2016-17

£ billion

	cash		accruals																		
	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
	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	37.4	39.0	39.8	37.2	38.7	36.1	35.5	38.7	43.0	46.1	48.4	51.3	54.7	50.1	62.9	63.8	59.5	61.1	59.4	59.6	62.4
<i>of which: public and common services</i>	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	12.5
<i>of which: international services</i>	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
<i>of which: public sector debt interest</i>	28.1	29.7	29.4	25.5	26.6	22.6	21.2	22.7	25.4	27.1	29.4	32.1	34.3	29.2	42.3	44.6	40.6	40.1	37.4	38.0	40.2
2. Defence ⁽¹⁾	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	37.1
3. Public order and safety	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	23.4	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	36.7	40.3	39.9	45.7	47.0
<i>of which: enterprise and economic development⁽²⁾</i>	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	6.9
<i>of which: science and technology</i>	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	3.8
<i>of which: employment policies</i>	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	3.8	2.8	2.4	2.4
<i>of which: agriculture, fisheries and forestry</i>	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	4.4	5.2
<i>of which: transport^{(3), (4)}</i>	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	20.2	20.8	21.8	27.7	28.7
5. Environment protection	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	11.1
6. Housing and community amenities	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	9.9	10.3	9.8	10.3
7. Health	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	144.4
8. Recreation, culture and religion	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	11.4	11.6
9. Education	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	84.1	84.9	85.1	84.9	86.5
10. Social protection	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	253.9	261.0	264.8	265.3
EU transactions ⁽⁵⁾	-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	302.6	308.6	318.4	331.4	353.0	376.1	402.6	439.0	471.1	501.7	523.7	555.5	604.0	639.8	660.2	662.3	665.8	675.3	687.1	700.9	710.6
Accounting adjustments	21.3	24.6	24.6	24.5	25.1	27.9	35.0	38.3	45.7	44.6	48.0	51.0	57.6	55.1	57.1	55.0	66.1	58.6	64.3	56.2	61.9
Total Managed Expenditure⁽⁶⁾	323.9	333.2	342.9	355.9	378.1	404.0	437.6	477.4	516.9	546.3	571.8	606.4	661.7	694.9	717.3	717.4	731.8	733.9	751.4	757.1	772.5

(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 in 2008-09 onwards have been affected by financial sector interventions. Details are provided in PESA 2017 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 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 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 PESA 2017 Box 5.A for details.

Table 10a Public sector expenditure on services by function in real terms ⁽¹⁾, 1996-97 to 2016-17

£ billion

	cash		accruals																		
	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	2016-17 outturn
1. General public services	53.9	55.7	56.1	52.2	53.2	49.1	47.1	50.3	54.4	56.8	57.8	59.7	62.2	56.1	69.1	69.1	63.2	63.8	61.1	61.0	62.4
<i>of which: public and common services</i>	8.9	8.9	10.1	11.2	10.9	12.5	13.0	14.2	15.3	15.8	15.2	14.6	15.9	15.4	14.1	12.4	11.9	11.7	11.8	11.5	12.5
<i>of which: international services</i>	4.5	4.4	4.5	5.2	5.8	5.8	6.0	6.6	7.0	7.6	7.5	7.8	7.3	7.9	8.6	8.4	8.2	10.2	10.8	10.7	9.8
<i>of which: public sector debt interest</i>	40.5	42.4	41.4	35.8	36.5	30.7	28.1	29.5	32.1	33.4	35.1	37.3	39.0	32.7	46.5	48.3	43.1	41.9	38.5	38.8	40.2
2. Defence ⁽²⁾	31.8	31.0	34.5	35.2	35.3	34.5	35.8	37.4	37.7	38.2	38.5	39.3	41.8	42.2	43.2	41.9	38.6	38.0	37.8	37.4	37.1
3. Public order and safety	23.6	24.5	25.4	25.8	28.0	31.4	32.4	34.3	36.0	36.1	36.3	36.9	38.3	38.2	36.4	34.8	33.2	30.9	31.4	30.9	30.1
4. Economic affairs	33.7	30.9	27.6	30.2	32.7	37.6	40.7	43.0	42.5	43.5	44.8	43.6	56.4	54.5	44.0	41.0	39.0	42.1	41.0	46.7	47.0
<i>of which: enterprise and economic development ⁽³⁾</i>	6.2	6.1	4.4	6.2	6.7	6.9	7.8	7.8	8.2	7.9	7.5	8.3	18.4	13.7	5.4	5.2	5.3	6.4	5.7	6.5	6.9
<i>of which: science and technology</i>	2.0	2.0	2.0	2.0	1.9	2.3	2.8	3.0	3.2	3.7	3.5	3.8	3.6	4.0	3.7	3.9	3.5	4.4	4.6	4.9	3.8
<i>of which: employment policies</i>	4.0	3.6	4.1	4.9	5.2	4.5	4.0	4.2	4.0	4.1	3.9	2.4	4.0	4.6	5.2	3.5	3.1	4.0	2.9	2.4	2.4
<i>of which: agriculture, fisheries and forestry</i>	7.8	6.7	6.2	6.0	6.5	8.6	6.5	6.9	6.8	6.9	6.1	5.0	6.6	6.5	6.0	6.3	5.6	5.6	5.4	4.5	5.2
<i>of which: transport ^{(4), (5)}</i>	13.7	12.4	11.0	11.1	12.4	15.3	19.6	21.2	20.2	20.9	23.8	24.0	23.8	25.7	23.6	22.1	21.5	21.7	22.4	28.3	28.7
5. Environment protection	5.3	5.7	6.1	6.9	7.0	7.3	8.0	8.1	8.8	10.5	11.2	11.2	10.4	11.6	12.0	11.4	11.3	11.7	11.9	11.9	11.1
6. Housing and community amenities	8.2	7.0	7.8	6.6	7.6	8.4	7.2	8.7	10.1	13.2	13.7	15.1	17.4	18.2	14.6	11.0	10.6	10.3	10.6	10.0	10.3
7. Health	61.6	63.6	66.1	69.3	74.5	81.2	87.9	97.3	104.8	110.6	113.1	117.8	123.4	130.9	131.8	131.4	132.0	135.1	137.9	141.5	144.4
8. Recreation, culture and religion	8.2	9.2	10.1	10.8	10.7	11.7	12.3	12.6	12.6	13.3	13.6	13.9	14.1	14.8	14.3	13.5	13.5	11.9	12.8	11.6	11.6
9. Education	54.4	55.2	56.4	59.2	63.1	69.5	72.6	79.2	82.3	86.0	87.2	91.7	94.3	99.1	100.6	93.7	89.3	88.6	87.5	86.8	86.5
10. Social protection	162.5	163.7	162.4	172.6	176.7	186.6	192.8	202.1	207.4	210.6	211.4	219.8	231.0	249.6	253.3	265.3	269.0	265.1	268.6	270.6	265.3
EU transactions ⁽⁶⁾	-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	435.9	441.2	448.8	465.1	485.3	510.9	534.3	570.2	595.3	617.8	625.4	647.2	686.0	716.2	725.7	717.8	706.8	704.8	707.0	716.4	710.6
Accounting adjustments	30.7	35.2	34.6	34.4	34.5	37.9	46.5	49.8	57.8	54.9	57.4	59.4	65.5	61.7	62.8	59.6	70.1	61.2	66.2	57.4	61.9
Total Managed Expenditure ⁽⁷⁾	466.6	476.5	483.4	499.5	519.9	548.8	580.8	620.0	653.1	672.7	682.8	706.6	751.4	777.9	788.5	777.4	776.9	766.0	773.1	773.8	772.5

(1) Real terms figures are the nominal figures adjusted to 2016-17 price levels using GDP deflators from the Office for National Statistics (released 29 March 2018).

(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/cps/on/natohq/topics_49198.htm

(3) Transactions from 2008-09 onwards have been affected by financial sector interventions. Details are provided in PESA 2017 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 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 PESA 2017 Box 5.A for details.

Table 10b Public sector expenditure on services by function as a per cent of GDP ⁽¹⁾, 1996-97 to 2016-17

per cent

	cash		accruals																		
	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
	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	4.1	4.1	4.0	3.6	3.5	3.2	3.0	3.1	3.2	3.3	3.3	3.3	3.5	3.3	3.9	3.9	3.5	3.4	3.2	3.1	3.1
<i>of which: public and common services</i>	0.7	0.6	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	0.6
<i>of which: international services</i>	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	0.5	0.5
<i>of which: public sector debt interest</i>	3.1	3.1	2.9	2.4	2.4	2.0	1.8	1.8	1.9	1.9	2.0	2.1	2.2	1.9	2.6	2.7	2.4	2.3	2.0	2.0	2.0
2. Defence ⁽²⁾	2.4	2.3	2.4	2.4	2.3	2.2	2.3	2.3	2.2	2.2	2.2	2.2	2.4	2.4	2.5	2.4	2.1	2.1	2.0	1.9	1.9
3. Public order and safety	1.8	1.8	1.8	1.8	1.9	2.0	2.0	2.1	2.2	2.1	2.0	2.0	2.2	2.2	2.1	2.0	1.8	1.7	1.6	1.6	1.5
4. Economic affairs	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	2.4	2.4
<i>of which: enterprise and economic development⁽³⁾</i>	0.5	0.4	0.3	0.4	0.4	0.4	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
<i>of which: science and technology</i>	0.2	0.1	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	0.3	0.2
<i>of which: employment policies</i>	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
<i>of which: agriculture, fisheries and forestry</i>	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	0.3
<i>of which: transport^{(4), (5)}</i>	1.0	0.9	0.8	0.8	0.8	1.0	1.2	1.3	1.2	1.2	1.3	1.3	1.3	1.5	1.3	1.2	1.2	1.2	1.2	1.5	1.4
5. Environment protection	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	0.6
6. Housing and community amenities	0.6	0.5	0.5	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	4.7	4.6	4.7	4.7	4.9	5.3	5.5	5.9	6.3	6.4	6.4	6.5	7.0	7.6	7.5	7.4	7.3	7.3	7.2	7.3	7.3
8. Recreation, culture and religion	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	0.7	0.6	0.7	0.6	0.6
9. Education	4.1	4.0	4.0	4.0	4.2	4.5	4.6	4.8	4.9	4.9	4.9	5.1	5.3	5.7	5.7	5.3	4.9	4.8	4.6	4.5	4.4
10. Social protection	12.3	11.9	11.5	11.8	11.7	12.1	12.1	12.3	12.4	12.1	11.9	12.1	13.1	14.5	14.4	14.9	14.9	14.3	14.1	13.9	13.4
EU transactions ⁽⁶⁾	-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	33.0	32.2	31.8	31.7	32.1	33.0	33.6	34.7	35.5	35.6	35.3	35.8	38.8	41.5	41.3	40.4	39.2	38.1	37.2	36.8	35.8
Accounting adjustments	2.3	2.6	2.5	2.3	2.3	2.4	2.9	3.0	3.5	3.2	3.2	3.3	3.7	3.6	3.6	3.4	3.9	3.3	3.5	3.0	3.1
Total Managed Expenditure⁽⁷⁾	35.4	34.8	34.3	34.1	34.4	35.5	36.5	37.7	39.0	38.7	38.5	39.0	42.5	45.1	44.8	43.7	43.0	41.4	40.6	39.8	38.9

(1) GDP until 2016-17 is consistent with the latest figures from the Office for National Statistics (published 29 March 2018).

(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/cps/on/natohq/topics_49198.htm

(3) Transactions from 2008-09 onwards have been affected by financial sector interventions. Details are provided in PESA 2017 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 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 PESA 2017 Box 5.A for details.

Table 11 Public sector expenditure on services by economic category, 2012-13 to 2016-17

	£million				
	National Statistics				
	2012-13	2013-14	2014-15	2015-16	2016-17
	outturn	outturn	outturn	outturn	outturn
Public sector current expenditure on services					
Pay	164,129	163,273	166,606	171,589	178,339
Gross current procurement	193,265	198,964	205,668	208,539	213,867
Income from sales of goods and services	-50,398	-51,066	-53,035	-51,883	-56,073
Current grants to persons and non-profit bodies	231,033	231,739	234,971	236,554	235,344
Current grants abroad	11,838	14,067	12,312	13,694	11,369
Subsidies to private sector companies	7,816	8,427	8,099	9,123	9,260
Subsidies to public corporations	1,723	1,137	928	924	766
Net public service pensions	8,620	9,081	10,182	9,649	8,891
Public sector debt interest	40,624	40,108	37,419	38,006	40,153
Other	238	278	289	317	478
Total public sector current expenditure on services	608,889	616,008	623,438	636,510	642,396
Accounting adjustments	47,191	49,225	52,222	46,373	50,597
Total public sector current expenditure	656,080	665,233	675,660	682,883	692,993
Public sector capital expenditure on services					
Capital grants ⁽¹⁾	15,927	15,653	18,313	14,546	12,448
Gross capital procurement	45,127	47,470	51,115	57,021	62,001
Income from sales of capital assets	-4,166	-3,870	-5,765	-7,134	-6,215
Total public sector capital expenditure on services	56,887	59,253	63,663	64,433	68,234
Accounting adjustments	18,863	9,385	12,079	9,820	11,298
Total public sector capital expenditure	75,750	68,638	75,742	74,253	79,532
Total public sector expenditure on services	665,776	675,261	687,101	700,943	710,629
Accounting adjustments	66,054	58,610	64,301	56,193	61,896
Total Managed Expenditure ⁽²⁾	731,830	733,871	751,402	757,136	772,525

(1) Transactions from 2012-13 onwards have been affected by financial sector interventions. See Box 5.A in PESA 2017.

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