



HM Treasury

# Public Expenditure Statistical Analyses 2019

---

Public Expenditure Statistical Analyses 2019

July 2019

## HM Treasury contacts

This document can be downloaded from  
[www.gov.uk](http://www.gov.uk)

If you require this information in an alternative  
format or have general enquiries about  
HM Treasury and its work, contact:

Correspondence Team  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

Tel: 020 7270 5000

Email: [public.enquiries@hmtreasury.gov.uk](mailto:public.enquiries@hmtreasury.gov.uk)

ISBN 978-1-5286-1484-9

CCS0719570952

CP 143

July 2019



# Public Expenditure

## Statistical Analyses 2019

---

Presented to Parliament by  
the Chief Secretary to the Treasury  
by Command of Her Majesty

July 2019

CP 143



© Crown copyright 2019

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](http://nationalarchives.gov.uk/doc/open-government-licence/version/3) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at [www.gov.uk/government/publications](http://www.gov.uk/government/publications)

Any enquiries regarding this publication should be sent to us at [public.enquiries@hmtreasury.gsi.gov.uk](mailto:public.enquiries@hmtreasury.gsi.gov.uk)

ISBN 978-1-5286-1484-9

CCS0719570952 07/19

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the APS Group on behalf of the Controller of Her Majesty's Stationery Office

# Contents

---

		Page
i	How to use PESA	3
ii	List of tables	9
Chapter 1	Departmental budgets	15
Chapter 2	Economic analyses of budgets	37
Chapter 3	Changes in departmental budgets	47
Chapter 4	Trends in public sector expenditure	63
Chapter 5	Public sector expenditure by function, sub-function and economic category	69
Chapter 6	Central government own expenditure	83
Chapter 7	Local government financing and expenditure	93
Chapter 8	Public corporations	107
Chapter 9	Public expenditure by country, region and function	117
Chapter 10	Public expenditure by country and sub-function	157
Annex A	Sources, data quality and conventions	191
Annex B	Departmental groups	197
Annex C	Public expenditure budgeting and control aggregates	199
Annex D	Accounting adjustments in budgeting presentation of TME	209
Annex E	Expenditure on services framework	221
Annex F	Population numbers and GDP deflators	225
Annex G	Glossary of terms	227



# How to use PESA

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

## What is PESA?

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

**Table i.1 Spending frameworks used in PESA**

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

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

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

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

## Budgets

There are two main presentations within this section:

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

## Public sector

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

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

## Sectoral analysis

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

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

## Country and regional analysis

The country and regional analysis (CRA) show identifiable public sector expenditure by country and region. The CRA is presented in **Chapters 9 and 10** of PESA and the information for these tables was gathered in a separate data collection exercise during the summer of 2018. Therefore, the figures in these chapters are not entirely consistent with the figures in other PESA chapters. **Chapter 9** contains more detail on the analysis process.

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

## Period covered by PESA tables

All data series in PESA are annual and for financial years. Tables in PESA 2019 normally cover the years 2014-15 to 2019-20, although some show only the latest year (2018-19) and some are presented over a longer historical period.

## Public Spending Statistics (National Statistics) updates

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

- Total Managed Expenditure, by budgetary category (PESA 2019, **Table 1.1**);
- resource and capital elements of Departmental Expenditure Limits and Annually Managed Expenditure by departmental group (PESA 2019, **Tables 1.3 and 1.8**);
- public sector expenditure on services by function (PESA 2019, **Table 4.2**); and
- public sector expenditure on services by economic category (PESA 2019, **Table 5.3**).

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

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

The Editor, PESA  
Government Financial Reporting  
Floor 2 Red Zone  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ  
e-mail: [pesa@hmtreasury.gov.uk](mailto:pesa@hmtreasury.gov.uk)

## Frequently asked questions

### How much did the government spend on x?

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

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

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

The second list of tables takes pay as an example:

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



## How can I compare spending on x to previous years?

**Chapter 4** contains long-run series (from 1995-96) for public sector expenditure on services by function. Historic long-run series of the budgeting aggregates are not available, due to the restructuring of government departments and the movement of spending programmes between departments. These changes do not impact on the expenditure on services framework.

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

## What are departmental groups?

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

## How are the functions defined?

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

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

<sup>1</sup> <https://www.imf.org/external/pubs/ft/gfs/manual/pdf/ch6ann.pdf>

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

A number of the tables in this publication give figures in real terms. Real terms figures are the actual (known as nominal) spend adjusted to exclude the effect of general inflation, as measured by the GDP deflator at market prices. The real terms figures in this publication are given in 2018-19 prices. The GDP deflators and GDP actuals used in this publication are those given in **Annex F**. The most up-to-date deflators and GDP numbers are available on the gov.uk website<sup>2</sup>.

---

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





# List of tables

---

## Chapter 1 Departmental budgets

Table 1.1	Total Managed Expenditure, 2014-15 to 2019-20	19
Table 1.2	Total Managed Expenditure in real terms, 2014-15 to 2019-20	20
Table 1.3	Resource budgets, 2014-15 to 2019-20	21
Table 1.4	Resource budgets in real terms, 2014-15 to 2019-20	22
Table 1.5	Resource DEL excluding depreciation, 2014-15 to 2019-20	23
Table 1.6	Resource DEL excluding depreciation in real terms, 2014-15 to 2019-20	24
Table 1.7	Administration budgets, 2014-15 to 2019-20	25
Table 1.8	Capital budgets, 2014-15 to 2019-20	26
Table 1.9	Capital budgets in real terms, 2014-15 to 2019-20	27
Table 1.10	Total Departmental Expenditure Limits, 2014-15 to 2019-20	28
Table 1.11	Total Departmental Expenditure Limits in real terms, 2014-15 to 2019-20	29
Table 1.12	Total Managed Expenditure by departmental group and other expenditure, 2014-15 to 2019-20	30
Table 1.13	Total Managed Expenditure by departmental group and other expenditure in real terms, 2014-15 to 2019-20	31
Table 1.14	Accounting adjustments 2014-15 to 2019-20	32
Table 1.15	Total Managed Expenditure by spending sector, 2014-15 to 2019-20	36

## Chapter 2 Economic analyses of budgets

Table 2.1	Budgets by economic category of spending, 2014-15 to 2019-20	41
Table 2.2	Gross current procurement in budgets, 2014-15 to 2019-20	43
Table 2.3	Gross capital procurement in budgets, 2014-15 to 2019-20	44

## Chapter 3 Changes in departmental budgets

Table 3.1	Resource DEL 2017-18; changes since PESA 2018	51
Table 3.2	Resource DEL excluding depreciation 2017-18; changes since PESA 2018	52
Table 3.3	Capital DEL 2017-18; changes since PESA 2018	53
Table 3.4	Total managed Expenditure DEL 2017-18; changes since PESA 2018	54
Table 3.5	Resource DEL 2018-19; changes since PESA 2018	55
Table 3.6	Resource DEL excluding depreciation 2018-19; changes since PESA 2018	56
Table 3.7	Capital DEL 2018-19; changes since PESA 2018	57

Table 3.8	Total managed Expenditure DEL 2018-19; changes since PESA 2018	58
Table 3.9	Resource DEL 2019-20; changes since PESA 2018	59
Table 3.10	Resource DEL excluding depreciation 2019-20; changes since PESA 2018	60
Table 3.11	Capital DEL 2019-20; changes since PESA 2018	61

#### **Chapter 4 Trends in public sector expenditure**

Table 4.1	Public expenditure aggregates, 1976-77 to 2019-20	65
Table 4.2	Public sector expenditure on services by function, 1995-96 to 2018-19	66
Table 4.3	Public sector expenditure on services by function in real terms, 1995-96 to 2018-19	67
Table 4.4	Public sector expenditure by function as a percent of GDP, 1995-96 to 2018-19	68

#### **Chapter 5 Public sector expenditure by function, sub-function and economic category**

Table 5.1	Public sector expenditure on services by departmental group and function, 2018-19	72
Table 5.1a	Public sector current expenditure on services by departmental group and function, 2018-19	73
Table 5.1b	Public sector capital expenditure on services by departmental group and function, 2018-19	74
Table 5.2	Public sector expenditure on services by sub-function, 2014-15 to 2018-19	75
Table 5.3	Public sector expenditure on services by economic category, 2014-15 to 2018-19	78
Table 5.4	Public sector current and capital expenditure on services by function, 2014-15 to 2018-19	79
Table 5.5	Public sector current procurement expenditure on services by function, 2014-15 to 2018-19	80
Table 5.6	Public sector capital procurement expenditure on services by function, 2014-15 to 2018-19	81

#### **Chapter 6 Central government own expenditure**

Table 6.1	Central government own expenditure in budgets by departmental group, 2014-15 to 2019-20	85
Table 6.2	Central government own resource expenditure in budgets by departmental group, 2014-15 to 2019-20	86
Table 6.3	Central government own capital expenditure in budgets by departmental group, 2014-15 to 2019-20	87
Table 6.4	Central government own expenditure on services by sub-function, 2014-15 to 2019-20	88
Table 6.5	Central government own expenditure on services by economic category, 2014-15 to 2019-20	91
Table 6.6	Central government own current and capital expenditure on services by function, 2014-15 to 2019-20	92

## **Chapter 7 Local government financing and expenditure**

Table 7.1	Financing of local government in the United Kingdom by country, 2014-15 to 2019-20	97
Table 7.2	Central government current grants to local government in the United Kingdom by departmental group, 2014-15 to 2019-20	98
Table 7.3	Central government capital support for local government in the United Kingdom by country and departmental group, 2014-15 to 2019-20	100
Table 7.4	Local government current and capital expenditure on services in the United Kingdom by function, 2014-15 to 2018-19	101
Table 7.5	Local government current expenditure on services in the United Kingdom by country and function, 2014-15 to 2018-19	102
Table 7.6	Local government gross capital expenditure on services in the United Kingdom by country and function, 2014-15 to 2018-19	103
Table 7.7	Local government capital receipts within expenditure on services in the United Kingdom by country and function, 2014-15 to 2018-19	104
Table 7.8	Local government expenditure on services in the United Kingdom by country and economic category, 2014-15 to 2018-19	105

## **Chapter 8 Public corporations**

Table 8.1	Public corporations' contribution to budgets and Total Managed Expenditure, 2014-15 to 2019-20	111
Table 8.2	Public corporations' contribution to budgets by departmental group, 2014-15 to 2019-20	112
Table 8.3	Public corporations' capital expenditure on services, 2014-15 to 2019-20	113
Table 8.4	Public corporations' current and capital expenditure on services by function, 2014-15 to 2019-20	115
Table 8.5	Public corporations' current and capital expenditure by economic category, 2014-15 to 2019-20	116

## **Chapter 9 Public expenditure by country, region and function**

Table 9.1	Total identifiable expenditure on services by country and region, 2013-14 to 2017-18	123
Table 9.2	Total identifiable expenditure on services by country and region per head, 2013-14 to 2017-18	124
Table 9.3	Total identifiable expenditure on services by country and region in real terms, 2013-14 to 2017-18	125
Table 9.4	Total identifiable expenditure on services by country and region per head in real terms, 2013-14 to 2017-18	126
Table 9.5	Identifiable expenditure on general public services by country and region, 2013-14 to 2017-18	127
Table 9.5a	Identifiable expenditure on general public services (of which: public and common services) by country and region, 2013-14 to 2017-18	128

Table 9.5b	Identifiable expenditure on general public services (of which: international services) by country and region, 2013-14 to 2017-18	129
Table 9.5c	Identifiable expenditure on general public services (of which: public sector debt interest) by country and region, 2013-14 to 2017-18	130
Table 9.6	Identifiable expenditure on defence by country and region, 2013-14 to 2017-18	131
Table 9.7	Identifiable expenditure on public order and safety by country and region, 2013-14 to 2017-18	132
Table 9.8	Identifiable expenditure on economic affairs by country and region, 2013-14 to 2017-18	133
Table 9.8a	Identifiable expenditure on economic affairs (of which: enterprise and economic development) by country and region, 2013-14 to 2017-18	134
Table 9.8b	Identifiable expenditure on economic affairs (of which: science and technology) by country and region, 2013-14 to 2017-18	135
Table 9.8c	Identifiable expenditure on economic affairs (of which: employment policies) by country and region, 2013-14 to 2017-18	136
Table 9.8d	Identifiable expenditure on economic affairs (of which: agriculture, fisheries and forestry) by country and region, 2013-14 to 2017-18	137
Table 9.8e	Identifiable expenditure on economic affairs (of which: transport) by country and region, 2013-14 to 2017-18	138
Table 9.9	Identifiable expenditure on environment protection by country and region, 2013-14 to 2017-18	139
Table 9.10	Identifiable expenditure on housing and community amenities by country and region, 2013-14 to 2017-18	140
Table 9.11	Identifiable expenditure on health by country and region, 2013-14 to 2017-18	141
Table 9.12	Identifiable expenditure on recreation, culture and religion by country and region, 2013-14 to 2017-18	142
Table 9.13	Identifiable expenditure on education by country and region, 2013-14 to 2017-18	143
Table 9.14	Identifiable expenditure on social protection by country and region, 2013-14 to 2017-18	144
Table 9.15	Identifiable expenditure on services by function, country and region per head, 2013-14 to 2017-18	145
Table 9.16	Identifiable expenditure on services by function, country and region per head indexed, 2013-14 to 2017-18	148
Table 9.17	Local government identifiable expenditure on services by country and region, 2013-14 to 2017-18	151
Table 9.18	Local government identifiable expenditure on services by country and region, per head, 2013-14 to 2017-18	152
Table 9.19	Central government and public corporations' identifiable expenditure on services by country and region, 2013-14 to 2017-18	153

Table 9.20	Central government and public corporations' identifiable expenditure on services by country and region per head, 2013-14 to 2017-18	154
Table 9.21	Identifiable expenditure on services for Scotland, Wales and Northern Ireland, 2017-18	155

## **Chapter 10 Public expenditure by country and sub-function**

Table 10.1	Identifiable expenditure on services in England by sub-function, 2013-14 to 2017-18	159
Table 10.2	Identifiable expenditure on services in Scotland by sub-function, 2013-14 to 2017-18	162
Table 10.3	Identifiable expenditure on services in Wales by sub-function, 2013-14 to 2017-18	165
Table 10.4	Identifiable expenditure on services in Northern Ireland by sub-function, 2013-14 to 2017-18	168
Table 10.5	Identifiable expenditure on services in England by sub-function, per head, 2013-14 to 2017-18	171
Table 10.6	Identifiable expenditure on services in Scotland by sub function, per head, 2013-14 to 2017-18	174
Table 10.7	Identifiable expenditure on services in Wales by sub-function, per head, 2013-14 to 2017-18	177
Table 10.8	Identifiable expenditure on services in Northern Ireland by sub-function, per head, 2013-14 to 2017-18	180
Table 10.9	Identifiable expenditure on services in the English regions by sub-function for 2017-18	183
Table 10.10	Identifiable expenditure on services in the English regions by sub-function, per head for 2017-18	187

## **Annex C Public expenditure budgeting and control aggregates**

Table C.1	Transactions with the institutions of the European Union, 2014-15 to 2019-20	201
-----------	--	-----

## **Annex D The accounting adjustments in the budgeting presentation of TME**

Table D.1	Pay as you go public service pension schemes in AME and TME, 2014-15 to 2019-20	212
-----------	---	-----

## **Annex E Expenditure on services framework**

Table E.1	Derivation of public sector expenditure on services from departmental groups' budgets, 2018-19	223
-----------	--	-----

## **Annex F Population numbers and GDP deflators**

Table F.1	GDP deflators & money GDP	225
-----------	---------------------------	-----





# 1

## Departmental budgets

---

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

### What's new

**1.2** From 2019-20 the Department for Transport's DEL budget includes funding for expenditure by Network Rail. This was formerly part of the department's Annually Managed Expenditure (AME) budget.

**1.3** In 2018-19 and 2019-20 departments and devolved administrations were provided with funding for the purpose of EU Exit preparation. Although this funding is not separately identifiable in any of the tables published in Public Expenditure Statistical Analyses (PESA), it is included within departmental aggregates. For example, DEL budgets in chapters 1 and 2 will include the expenditure related to this funding for 2018-19 and the funding for 2019-20. The amounts allocated to individual departments have been published elsewhere.<sup>1, 2</sup>

### The budgeting and reporting framework

**1.4** **Table 1.1** summarises public expenditure both in terms of the Treasury's budgeting and control framework<sup>3</sup>, and in terms of the National Accounts aggregate Total Managed Expenditure (TME) and its components. **Table 1.2** presents the same information in real terms.

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

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

**1.7** Spending that cannot reasonably be subject to firm multi-year limits, or that relates to certain non-cash transactions, is included in Annually Managed Expenditure (AME). **Table 1.1** sets out the main elements of AME. Departmental AME (which is contained in departments' budgets) includes social security spending. Outside departments' budgets, other AME consists of net expenditure transfers to the EU, locally financed expenditure, debt interest, public corporations' own-financed capital expenditure, and accounting adjustments.

---

<sup>1</sup> <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-03-13/HCW5540/>

<sup>2</sup> <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-12-18/HCW51205/>

<sup>3</sup> <https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2019-to-2020>

## Reconciliation of budgeting and National Accounts aggregates

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

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

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

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

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

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

## Administration budgets

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

## Total DEL

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

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

## Public expenditure by spending sector

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

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

**1.19** To reflect new budgeting arrangements, expenditure by the Scottish Government is presented as AME rather than DEL in **Table 1.15**. This treatment is explained in more detail in Chapter 2.

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

## Central government own expenditure

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

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

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

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

## Local government expenditure

**1.24** Local government expenditure is split according to how it is financed:

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

## Public corporations' expenditure

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

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

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

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

## NHS England Expenditure

**1.28** For the second consecutive year, PESA now includes the following table on spending and plans relating to NHS England. This data is presented as the Total Departmental Expenditure Limit (TDEL). Spending Review 2015 also set plans for NHS England using TDEL. The data is also presented in real terms and for both outturn and plan years for the period covered in Spending Review 2015.

**1.29** For further information please see the Department of Health and Social Care (DHSC) annual report and accounts.

### NHS England – Total Departmental Expenditure Limits<sup>(1)</sup>, 2014-15 to 2020-21

	<b>£ million</b>						
	<b>National Statistics</b>					2019-20 plans	2020-21 plans
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn		
NHS England <sup>(2, 4)</sup>	97,287	100,754	105,975	109,833	114,552	123,867	130,162
NHS England <sup>(2, 4)</sup> – real terms <sup>(3)</sup>	104,198	107,056	110,095	111,847	114,552	121,439	125,302

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

<sup>(2)</sup> For further information on NHS England expenditure please refer to the Department of Health and Social Care Annual Report and Accounts 2019.

<sup>(3)</sup> Real-terms figures are the cash figures adjusted to 2018-19 price levels using GDP deflators. The deflators are calculated from data published by the Office for National Statistics. See annex F for more detail.

<sup>(4)</sup> Years 2019-20 and 2020-21 each include £2,851m to fund higher employer pension contributions. £1,250m of this was included in the figures provided in PESA 2018.

**Table 1.1 Total Managed Expenditure, 2014-15 to 2019-20**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>CURRENT EXPENDITURE</b>						
<b>Resource DEL</b>						
Resource DEL excluding depreciation	307,918	306,748	304,332	303,197	308,564	326,179
Depreciation in resource DEL	17,169	18,742	25,247	28,637	23,371	29,079
<b>Total resource DEL</b>	<b>325,087</b>	<b>325,490</b>	<b>329,580</b>	<b>331,833</b>	<b>331,935</b>	<b>355,258</b>
<b>Resource departmental AME</b>						
Social security benefits	184,185	187,687	189,298	192,728	199,381	207,927
Tax credits <sup>(1)</sup>	29,187	28,482	27,393	26,293	22,715	25,124
Net public service pensions <sup>(2)</sup>	10,188	11,830	9,524	26,912	53,777	21,635
National lottery	1,440	904	1,080	1,132	840	1,056
BBC domestic services	3,533	3,631	3,567	3,410	3,447	3,769
Student loans	-1,579	-1,683	-2,031	-3,001	-5,667	-5,627
Non-cash items	61,033	185,538	61,761	147,045	-56,672	63,597
Financial sector interventions	-48,669	-12,492	-24,832	-216	-15,090	-79
Other departmental expenditure	14,990	14,075	25,814	38,616	45,599	44,205
<b>Total resource departmental AME</b>	<b>254,308</b>	<b>417,971</b>	<b>291,574</b>	<b>432,919</b>	<b>248,331</b>	<b>361,608</b>
<b>Resource other AME</b>						
Net expenditure transfers to the EU	11,658	11,253	9,160	10,188	12,899	13,415
Locally financed expenditure	25,555	30,294	33,956	33,908	35,495	40,127
Central government gross debt interest	45,371	45,127	48,659	55,037	48,658	51,084
Accounting adjustments <sup>(3)</sup>	12,838	-147,519	-20,219	-152,728	50,846	-68,879
<b>Total resource other AME</b>	<b>95,422</b>	<b>-60,846</b>	<b>71,556</b>	<b>-53,595</b>	<b>147,897</b>	<b>35,746</b>
<b>Total resource AME</b>	<b>349,730</b>	<b>357,125</b>	<b>363,130</b>	<b>379,324</b>	<b>396,228</b>	<b>397,354</b>
<b>Public sector current expenditure</b>	<b>674,817</b>	<b>682,615</b>	<b>692,710</b>	<b>711,157</b>	<b>728,163</b>	<b>752,612</b>
<b>CAPITAL EXPENDITURE</b>						
<b>Capital DEL</b>						
<b>Total capital DEL</b>	<b>53,252</b>	<b>48,603</b>	<b>51,268</b>	<b>55,568</b>	<b>62,505</b>	<b>72,827</b>
<b>Capital departmental AME</b>						
National lottery	584	407	479	426	337	225
BBC domestic services	111	130	248	118	160	132
Student loans	11,477	12,597	14,025	16,870	18,385	22,950
Financial sector interventions	-3,030	-11,315	-3,514	-942	-2,509	-1,613
Other departmental expenditure	-4,118	-11,076	-8,059	4,654	-3,828	2,140
<b>Total capital departmental AME</b>	<b>5,024</b>	<b>-9,257</b>	<b>3,179</b>	<b>21,127</b>	<b>12,544</b>	<b>23,833</b>
<b>Capital other AME</b>						
Locally financed expenditure	6,549	8,582	8,860	13,649	14,142	12,303
Public corporations' own-financed capital expenditure	18,027	14,594	16,667	15,016	9,374	9,357
Accounting adjustments <sup>(3)</sup>	-7,224	11,631	-730	-21,647	-16,553	-30,206
<b>Total capital other AME</b>	<b>17,352</b>	<b>34,806</b>	<b>24,797</b>	<b>7,018</b>	<b>6,963</b>	<b>-8,546</b>
<b>Total capital AME</b>	<b>22,376</b>	<b>25,549</b>	<b>27,976</b>	<b>28,144</b>	<b>19,507</b>	<b>15,287</b>
<b>Public sector gross investment <sup>(4)</sup></b>	<b>75,628</b>	<b>74,152</b>	<b>79,244</b>	<b>83,712</b>	<b>82,012</b>	<b>88,114</b>
less public sector depreciation	39,014	40,078	40,782	41,055	40,361	41,096
<b>Public sector net investment <sup>(4)</sup></b>	<b>36,614</b>	<b>34,074</b>	<b>38,462</b>	<b>42,657</b>	<b>41,651</b>	<b>47,018</b>
<b>TOTAL MANAGED EXPENDITURE <sup>(4) (5)</sup></b>	<b>750,445</b>	<b>756,767</b>	<b>771,954</b>	<b>794,869</b>	<b>810,175</b>	<b>840,726</b>
<i>of which:</i>						
Total DEL <sup>(5)</sup>	361,170	355,351	355,601	358,764	371,069	399,006
Departmental AME	259,332	408,713	294,752	454,045	260,875	385,441
Other AME	129,943	-7,297	121,601	-17,940	178,231	56,280

<sup>(1)</sup> 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.

<sup>(2)</sup> The change from 2017-18 is due to the reduction in the "discount rate net of CPI" used to measure the costs of public service pensions accruing over the year on an accounting basis.

<sup>(3)</sup> Transactions have been affected by financial sector interventions, see Box 2.A in Chapter 2.

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

<sup>(5)</sup> Total DEL is given by resource DEL excluding depreciation plus capital DEL.

**Table 1.2 Total Managed Expenditure in real terms,<sup>(1)</sup> 2014-15 to 2019-20**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>CURRENT EXPENDITURE</b>						
<b>Resource DEL</b>						
Resource DEL excluding depreciation	329,792	325,934	316,164	308,758	308,564	319,785
Depreciation in resource DEL	18,388	19,914	26,229	29,162	23,371	28,509
<b>Total resource DEL</b>	<b>348,181</b>	<b>345,848</b>	<b>342,393</b>	<b>337,920</b>	<b>331,935</b>	<b>348,295</b>
<b>Resource departmental AME</b>						
Social security benefits	197,270	199,426	196,657	196,263	199,381	203,852
Tax credits <sup>(2)</sup>	31,260	30,263	28,457	26,775	22,715	24,631
Net public service pensions <sup>(3)</sup>	10,912	12,570	9,894	27,405	53,777	21,211
National lottery	1,542	960	1,122	1,153	840	1,035
BBC domestic services	3,784	3,858	3,706	3,473	3,447	3,695
Student loans	-1,691	-1,788	-2,110	-3,056	-5,667	-5,516
Non-cash items	65,369	197,143	64,162	149,742	-56,672	62,351
Financial sector interventions	-52,127	-13,274	-25,798	-220	-15,090	-77
Other departmental expenditure	16,055	14,955	26,818	39,324	45,599	43,339
<b>Total resource departmental AME</b>	<b>272,373</b>	<b>444,113</b>	<b>302,910</b>	<b>440,859</b>	<b>248,331</b>	<b>354,520</b>
<b>Resource other AME</b>						
Net expenditure transfers to the EU	12,486	11,956	9,516	10,375	12,899	13,152
Locally financed expenditure	27,370	32,189	35,277	34,530	35,495	39,340
Central government gross debt interest	48,594	47,950	50,551	56,046	48,658	50,082
Accounting adjustments <sup>(4)</sup>	13,750	-156,746	-21,005	-155,529	50,846	-67,529
<b>Total resource other AME</b>	<b>102,201</b>	<b>-64,651</b>	<b>74,338</b>	<b>-54,578</b>	<b>147,897</b>	<b>35,046</b>
<b>Total resource AME</b>	<b>374,574</b>	<b>379,462</b>	<b>377,248</b>	<b>386,281</b>	<b>396,228</b>	<b>389,526</b>
<b>Public sector current expenditure</b>	<b>722,755</b>	<b>725,310</b>	<b>719,642</b>	<b>724,201</b>	<b>728,163</b>	<b>737,860</b>
<b>CAPITAL EXPENDITURE</b>						
<b>Capital DEL</b>						
<b>Total capital DEL</b>	<b>57,035</b>	<b>51,643</b>	<b>53,262</b>	<b>56,587</b>	<b>62,505</b>	<b>71,399</b>
<b>Capital departmental AME</b>						
National lottery	626	433	498	433	337	221
BBC domestic services	119	138	257	120	160	129
Student loans	12,292	13,385	14,570	17,180	18,385	22,500
Financial sector interventions	-3,245	-12,023	-3,651	-959	-2,509	-1,582
Other departmental expenditure	-4,410	-11,769	-8,372	4,740	-3,828	2,098
<b>Total capital departmental AME</b>	<b>5,381</b>	<b>-9,836</b>	<b>3,302</b>	<b>21,514</b>	<b>12,544</b>	<b>23,366</b>
<b>Capital other AME</b>						
Locally financed expenditure	7,015	9,119	9,205	13,899	14,142	12,061
Public corporations' own-financed capital expenditure	19,308	15,506	17,315	15,292	9,374	9,174
Accounting adjustments <sup>(4)</sup>	-7,738	12,358	-758	-22,044	-16,553	-29,613
<b>Total capital other AME</b>	<b>18,585</b>	<b>36,983</b>	<b>25,761</b>	<b>7,147</b>	<b>6,963</b>	<b>-8,379</b>
<b>Total capital AME</b>	<b>23,966</b>	<b>27,147</b>	<b>29,063</b>	<b>28,661</b>	<b>19,507</b>	<b>14,987</b>
Public sector gross investment <sup>(5)</sup>	<b>81,001</b>	<b>78,790</b>	<b>82,325</b>	<b>85,247</b>	<b>82,012</b>	<b>86,387</b>
less public sector depreciation	41,786	42,585	42,368	41,808	40,361	40,291
<b>Public sector net investment<sup>(5)</sup></b>	<b>39,215</b>	<b>36,205</b>	<b>39,957</b>	<b>43,439</b>	<b>41,651</b>	<b>46,096</b>
<b>TOTAL MANAGED EXPENDITURE<sup>(5) (6)</sup></b>	<b>803,756</b>	<b>804,100</b>	<b>801,967</b>	<b>809,448</b>	<b>810,175</b>	<b>824,247</b>
<i>of which:</i>						
Total DEL <sup>(6)</sup>	386,827	377,577	369,426	365,344	371,069	391,185
Departmental AME	277,755	434,277	306,212	462,373	260,875	377,886
Other AME	139,174	-7,754	126,329	-18,269	178,231	55,177

<sup>(1)</sup> Real terms figures are the cash figures adjusted to 2018-19 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National statistics on 28 June 2019. The forecasts are consistent with the 2019 Spring Statement.

<sup>(2)</sup> 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.

<sup>(3)</sup> The change from 2017-18 is due to the reduction in the "discount rate net of CPI" used to measure the costs of public service pensions accruing over the year on an accounting basis.

<sup>(4)</sup> Transactions have been affected by financial sector interventions, see Box 2.A in Chapter 2.

<sup>(5)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 2.A in Chapter 2.

<sup>(6)</sup> Total DEL is given by resource DEL excluding depreciation plus capital DEL.

**Table 1.3 Resource budgets, 2014-15 to 2019-20**

	£ million					
	National Statistics					2019-20 plans
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Resource DEL by departmental group</b>						
Defence	34,155	34,424	35,423	34,199	34,353	38,205
Single Intelligence Account	2,032	2,174	2,268	2,390	2,541	2,777
Home Office	11,443	10,757	10,977	10,911	11,227	11,959
Foreign and Commonwealth Office	1,861	1,953	2,058	2,208	2,410	2,617
International Development	7,017	6,829	7,413	7,558	7,196	7,177
Health and Social Care	109,534	113,710	117,031	120,650	125,278	133,601
Work and Pensions	7,225	6,551	6,237	6,187	5,967	5,740
Education	62,191	63,947	69,831	75,148	70,444	70,641
Business, Energy and Industrial Strategy	2,448	2,494	1,962	1,714	1,246	2,111
Transport <sup>(1)</sup>	3,460	3,029	2,927	3,673	3,894	10,710
Exiting the European Union	7	7	22	55	79	94
Digital, Culture, Media and Sport	1,513	1,390	1,551	1,585	1,658	1,770
MHCLG – Housing and Communities	2,043	2,174	2,488	2,372	2,328	2,601
MHCLG – Local Government	13,657	10,758	8,229	6,714	4,834	5,206
Scotland <sup>(2)</sup>	26,376	26,338	21,377	14,946	16,255	17,445
Wales <sup>(3)</sup>	14,203	13,329	13,325	14,002	14,006	12,575
Northern Ireland	10,184	10,156	10,475	10,625	11,008	11,335
Justice	7,728	7,348	7,406	7,627	8,035	8,052
Law Officers' Departments	554	553	530	567	557	611
Environment, Food and Rural Affairs	1,851	1,732	1,740	1,833	1,944	2,157
HM Revenue and Customs	3,468	3,576	3,836	3,946	3,952	4,183
HM Treasury	129	129	163	225	246	222
Cabinet Office	454	443	479	701	553	663
International Trade	279	341	345	381	413	488
Small and Independent Bodies	1,275	1,349	1,489	1,617	1,510	1,809
Reserves	–	–	–	–	–	3,656
OBR allowance for shortfall	–	–	–	–	–	-2,500
Adjustment for Budget Exchange <sup>(4)</sup>	–	–	–	–	–	-646
<b>Total resource DEL</b>	<b>325,087</b>	<b>325,490</b>	<b>329,580</b>	<b>331,833</b>	<b>331,935</b>	<b>355,258</b>
<b>Resource departmental AME by departmental group</b>						
Defence	8,311	12,020	5,125	16,675	4,679	7,927
Single Intelligence Account	41	135	13	19	22	39
Home Office	2,457	1,551	2,396	2,489	2,695	2,912
Foreign and Commonwealth Office	-70	39	-53	142	31	100
International Development	151	206	188	326	-101	116
Health and Social Care <sup>(5)</sup>	21,952	48,530	27,782	39,657	40,708	35,268
Work and Pensions	167,639	173,400	172,921	177,252	180,877	189,928
Education	12,908	5,296	11,448	15,094	22,739	12,819
Business, Energy and Industrial Strategy <sup>(5)</sup>	8,949	102,217	3,781	75,398	-105,625	3,232
Transport <sup>(6)</sup>	-264	5,680	6,457	6,989	7,657	2,663
Exiting the European Union	–	–	–	0	–	1
Digital, Culture, Media and Sport	4,935	4,348	4,702	4,265	4,739	4,886
MHCLG – Housing and Communities	47	56	154	184	198	720
MHCLG – Local Government	11,662	12,174	12,413	15,752	21,188	18,333
Scotland	3,858	3,951	9,203	17,123	17,919	17,065
Wales	32	-311	240	177	262	95
Northern Ireland	8,290	8,375	8,253	8,872	9,955	9,875
Justice	-144	483	549	244	1,301	785
Law Officers' Departments	13	-15	-1	11	2	4
Environment, Food and Rural Affairs	78	391	86	-28	-416	245
HM Revenue and Customs	42,931	43,194	42,329	41,845	40,601	42,700
HM Treasury <sup>(7)</sup>	-49,912	-13,778	-25,452	-684	-15,254	-75
Cabinet Office	10,573	10,366	9,140	11,203	14,245	11,817
International Trade	0	0	–	0	0	3
Small and Independent Bodies	-129	-336	-101	-88	-95	151
<b>Total resource departmental AME</b>	<b>254,308</b>	<b>417,971</b>	<b>291,574</b>	<b>432,919</b>	<b>248,331</b>	<b>361,608</b>
<b>Total resource budget</b>	<b>579,395</b>	<b>743,461</b>	<b>621,154</b>	<b>764,752</b>	<b>580,266</b>	<b>716,866</b>

<sup>(1)</sup> From 2019-20 Transport DEL includes funding for expenditure by Network Rail. This was formerly part of the Transport Annually Managed Expenditure (AME) budget.

<sup>(2)</sup> The Scottish Government's resource DEL block grant has been adjusted from 2015-16 onwards as agreed in the Scottish Government's Fiscal Framework. From 2015-16 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax. In 2016-17 they reflect the creation of the Scottish Rate of Income Tax. From 2017-18 they reflect the devolution of further income tax powers and revenues from Scottish courts.

<sup>(3)</sup> The Welsh Government's resource DEL block grant has been adjusted from 2018-19 onwards as agreed in the Welsh Government's Fiscal Framework. From 2018-19 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax and from 2019-20 the devolution of Welsh Rates of Income Tax.

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

<sup>(5)</sup> Figures reflect a change to the long-term discount rate used each year for provisions to maintain compliance with International Financial Reporting Standards.

<sup>(6)</sup> 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 2014-15 reflect a change in accounting policy for recognising impairment on the roads network. From 2019-20 expenditure by Network Rail forms part of Transport DEL budgets.

<sup>(7)</sup> Transactions have been affected by financial sector interventions, see Box 2.A in Chapter 2.



**Table 1.4 Resource budgets in real terms,<sup>(1)</sup> 2014-15 to 2019-20**

	£ million					
	National Statistics					2019-20 plans
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Resource DEL by departmental group</b>						
Defence	36,581	36,577	36,800	34,826	34,353	37,456
Single Intelligence Account	2,176	2,310	2,356	2,434	2,541	2,723
Home Office	12,256	11,430	11,404	11,112	11,227	11,725
Foreign and Commonwealth Office	1,994	2,075	2,137	2,248	2,410	2,565
International Development	7,516	7,256	7,701	7,696	7,196	7,036
Health and Social Care	117,315	120,822	121,581	122,863	125,278	130,983
Work and Pensions	7,738	6,961	6,479	6,301	5,967	5,627
Education	66,609	67,946	72,546	76,526	70,444	69,256
Business, Energy and Industrial Strategy	2,622	2,650	2,038	1,745	1,246	2,070
Transport <sup>(2)</sup>	3,706	3,218	3,041	3,740	3,894	10,500
Exiting the European Union	8	8	22	56	79	92
Digital, Culture, Media and Sport	1,621	1,477	1,611	1,614	1,658	1,735
MHCLG – Housing and Communities	2,188	2,310	2,585	2,415	2,328	2,550
MHCLG – Local Government	14,627	11,431	8,549	6,837	4,834	5,104
Scotland <sup>(3)</sup>	28,250	27,985	22,209	15,220	16,255	17,103
Wales <sup>(4)</sup>	15,212	14,163	13,843	14,259	14,006	12,329
Northern Ireland	10,907	10,791	10,883	10,820	11,008	11,113
Justice	8,277	7,808	7,694	7,767	8,035	7,894
Law Officers' Departments	593	588	550	578	557	599
Environment, Food and Rural Affairs	1,983	1,840	1,808	1,866	1,944	2,115
HM Revenue and Customs	3,714	3,800	3,985	4,018	3,952	4,101
HM Treasury	138	137	169	230	246	217
Cabinet Office	486	470	497	714	553	650
International Trade	299	363	358	388	413	479
Small and Independent Bodies	1,365	1,433	1,547	1,647	1,510	1,774
Reserves	–	–	–	–	–	3,584
OBR allowance for shortfall	–	–	–	–	–	-2,451
Adjustment for Budget Exchange <sup>(5)</sup>	–	–	–	–	–	-634
<b>Total resource DEL</b>	<b>348,181</b>	<b>345,848</b>	<b>342,393</b>	<b>337,920</b>	<b>331,935</b>	<b>348,295</b>
<b>Resource departmental AME by departmental group</b>						
Defence	8,901	12,772	5,324	16,981	4,679	7,772
Single Intelligence Account	44	143	14	19	22	38
Home Office	2,632	1,648	2,489	2,534	2,695	2,855
Foreign and Commonwealth Office	-75	41	-55	145	31	98
International Development	162	219	195	332	-101	114
Health and Social Care <sup>(6)</sup>	23,512	51,566	28,863	40,384	40,708	34,577
Work and Pensions	179,548	184,246	179,644	180,503	180,877	186,205
Education	13,825	5,627	11,893	15,371	22,739	12,568
Business, Energy and Industrial Strategy <sup>(6)</sup>	9,585	108,611	3,928	76,781	-105,625	3,168
Transport <sup>(7)</sup>	-282	6,035	6,708	7,117	7,657	2,611
Exiting the European Union	-264	5,680	6,457	6,989	–	–
Digital, Culture, Media and Sport	5,285	4,620	4,885	4,343	4,739	4,790
MHCLG – Housing and Communities	51	59	160	187	198	706
MHCLG – Local Government	12,490	12,936	12,896	16,041	21,188	17,973
Scotland	4,132	4,198	9,560	17,437	17,919	16,731
Wales	34	-330	249	181	262	93
Northern Ireland	8,879	8,899	8,574	9,035	9,955	9,681
Justice	-155	513	571	248	1,301	770
Law Officers' Departments	13	-16	-1	12	2	4
Environment, Food and Rural Affairs	83	415	89	-29	-416	240
HM Revenue and Customs	45,981	45,895	43,975	42,612	40,601	41,863
HM Treasury <sup>(8)</sup>	-53,458	-14,640	-26,442	-696	-15,254	-74
Cabinet Office	11,324	11,014	9,495	11,409	14,245	11,585
International Trade	–	–	–	–	–	3
Small and Independent Bodies	-138	-357	-105	-89	-95	148
<b>Total resource departmental AME</b>	<b>272,373</b>	<b>444,114</b>	<b>302,909</b>	<b>440,858</b>	<b>248,327</b>	<b>354,519</b>
<b>Total resource budget</b>	<b>620,554</b>	<b>789,962</b>	<b>645,302</b>	<b>778,778</b>	<b>580,262</b>	<b>702,814</b>

<sup>(1)</sup> Real terms figures are the cash figures adjusted to 2018-19 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National statistics on 28 June 2019. The forecasts are consistent with the 2019 Spring Statement.

<sup>(2)</sup> From 2019-20 Transport DEL includes funding for expenditure by Network Rail. This was formerly part of the Transport Annually Managed Expenditure (AME) budget.

<sup>(3)</sup> The Scottish Government's resource DEL block grant has been adjusted from 2015-16 onwards as agreed in the Scottish Government's Fiscal Framework. From 2015-16 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax. In 2016-17 they reflect the creation of the Scottish Rate of Income Tax. From 2017-18 they reflect the devolution of further income tax powers and revenues from Scottish courts.

<sup>(4)</sup> The Welsh Government's resource DEL block grant has been adjusted from 2018-19 onwards as agreed in the Welsh Government's Fiscal Framework. From 2018-19 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax and from 2019-20 the devolution of Welsh Rates of Income Tax.

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

<sup>(6)</sup> Figures reflect a change to the long-term discount rate used each year for provisions to maintain compliance with International Financial Reporting Standards.

<sup>(7)</sup> 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 2014-15 reflect a change in accounting policy for recognising impairment on the roads network. From 2019-20 expenditure by Network Rail forms part of Transport DEL budgets.

<sup>(8)</sup> Transactions have been affected by financial sector interventions, see Box 2.A in Chapter 2.

**Table 1.5 Resource DEL excluding depreciation, 2014-15 to 2019-20**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>Resource DEL excluding depreciation by departmental group</b>						
Defence	25,632	26,696	26,592	26,901	27,732	29,705
Single Intelligence Account	1,606	1,768	1,920	2,020	2,134	2,327
Home Office	11,163	10,510	10,712	10,614	10,924	11,650
Foreign and Commonwealth Office	1,713	1,762	1,934	2,061	2,236	2,505
International Development	7,000	6,817	7,404	7,549	7,190	7,158
Health and Social Care	108,373	112,592	116,028	119,918	124,359	132,070
Work and Pensions	7,049	6,368	6,080	6,001	5,761	5,585
Education	59,829	59,149	59,871	60,643	61,491	64,252
Business, Energy and Industrial Strategy	2,155	2,225	1,607	1,448	936	1,789
Transport <sup>(1)</sup>	2,468	1,913	1,585	2,110	2,475	3,592
Exiting the European Union	7	7	22	55	79	94
Digital, Culture, Media and Sport	1,407	1,262	1,407	1,436	1,524	1,571
MHCLG – Housing and Communities	2,050	2,173	2,471	2,391	2,333	2,576
MHCLG – Local Government	13,657	10,758	8,229	6,714	4,834	5,206
Scotland <sup>(2)</sup>	25,623	25,566	20,598	14,177	14,742	16,299
Wales <sup>(3)</sup>	13,754	12,815	13,072	13,293	13,305	11,885
Northern Ireland	9,681	9,901	9,885	10,078	10,483	10,748
Justice	7,293	6,894	6,915	7,135	7,511	7,449
Law Officers' Departments	547	546	524	559	547	595
Environment, Food and Rural Affairs	1,662	1,564	1,553	1,656	1,749	1,918
HM Revenue and Customs	3,191	3,302	3,557	3,649	3,663	3,804
HM Treasury	123	121	155	217	241	216
Cabinet Office	441	423	456	666	501	602
International Trade	277	339	343	378	408	486
Small and Independent Bodies	1,215	1,275	1,411	1,528	1,407	1,587
Reserves	–	–	–	–	–	3,656
OBR allowance for shortfall	–	–	–	–	–	-2,500
Adjustment for Budget Exchange <sup>(4)</sup>	–	–	–	–	–	-646
<b>Total Resource DEL less depreciation</b>	<b>307,918</b>	<b>306,748</b>	<b>304,332</b>	<b>303,197</b>	<b>308,564</b>	<b>326,179</b>

<sup>(1)</sup> From 2019-20 Transport DEL includes funding for expenditure by Network Rail. This was formerly part of the Transport Annually Managed Expenditure (AME) budget.

<sup>(2)</sup> The Scottish Government's resource DEL block grant has been adjusted from 2015-16 onwards as agreed in the Scottish Government's Fiscal Framework. From 2015-16 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax. In 2016-17 they reflect the creation of the Scottish Rate of Income Tax. From 2017-18 they reflect the devolution of further income tax powers and revenues from Scottish courts.

<sup>(3)</sup> The Welsh Government's resource DEL block grant has been adjusted from 2018-19 onwards as agreed in the Welsh Government's Fiscal Framework. From 2018-19 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax and from 2019-20 the devolution of Welsh Rates of Income Tax.

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

**Table 1.6 Resource DEL excluding depreciation in real terms,<sup>(1)</sup> 2014-15 to 2019-20**

	National Statistics					£ million
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans
<b>Resource DEL excluding depreciation by departmental group</b>						
Defence	27,453	28,366	27,626	27,395	27,732	29,123
Single Intelligence Account	1,720	1,879	1,995	2,057	2,134	2,281
Home Office	11,956	11,168	11,129	10,808	10,924	11,421
Foreign and Commonwealth Office	1,834	1,872	2,010	2,099	2,236	2,456
International Development	7,497	7,243	7,692	7,687	7,190	7,017
Health and Social Care	116,072	119,635	120,539	122,118	124,359	129,482
Work and Pensions	7,550	6,767	6,317	6,111	5,761	5,475
Education	64,079	62,848	62,199	61,755	61,491	62,993
Business, Energy and Industrial Strategy	2,308	2,364	1,669	1,474	936	1,754
Transport <sup>(2)</sup>	2,643	2,033	1,646	2,148	2,475	3,522
Exiting the European Union	8	8	22	56	79	92
Digital, Culture, Media and Sport	1,507	1,341	1,462	1,462	1,524	1,540
MHCLG – Housing and Communities	2,196	2,309	2,567	2,435	2,333	2,525
MHCLG – Local Government	14,627	11,431	8,549	6,837	4,834	5,104
Scotland <sup>(3)</sup>	27,443	27,165	21,399	14,437	14,742	15,980
Wales <sup>(4)</sup>	14,731	13,617	13,580	13,537	13,305	11,652
Northern Ireland	10,369	10,520	10,269	10,263	10,483	10,538
Justice	7,811	7,325	7,183	7,265	7,511	7,303
Law Officers' Departments	586	580	544	570	547	584
Environment, Food and Rural Affairs	1,780	1,662	1,613	1,686	1,749	1,881
HM Revenue and Customs	3,418	3,508	3,696	3,716	3,663	3,729
HM Treasury	132	128	161	221	241	211
Cabinet Office	472	450	474	678	501	590
International Trade	297	360	356	385	408	477
Small and Independent Bodies	1,302	1,355	1,466	1,556	1,407	1,556
Reserves	–	–	–	–	–	3,584
OBR allowance for shortfall	–	–	–	–	–	-2,451
Adjustment for Budget Exchange <sup>(5)</sup>	–	–	–	–	–	-634
<b>Total Resource DEL less depreciation</b>	<b>329,792</b>	<b>325,934</b>	<b>316,164</b>	<b>308,758</b>	<b>308,564</b>	<b>319,785</b>

<sup>(1)</sup> Real terms figures are the cash figures adjusted to 2018-19 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National statistics on 28 June 2019. The forecasts are consistent with the 2019 Spring Statement.

<sup>(2)</sup> From 2019-20 Transport DEL includes funding for expenditure by Network Rail. This was formerly part of the Transport Annually Managed Expenditure (AME) budget.

<sup>(3)</sup> The Scottish Government's resource DEL block grant has been adjusted from 2015-16 onwards as agreed in the Scottish Government's Fiscal Framework. From 2015-16 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax. In 2016-17 they reflect the creation of the Scottish Rate of Income Tax. From 2017-18 they reflect the devolution of further income tax powers and revenues from Scottish courts.

<sup>(4)</sup> The Welsh Government's resource DEL block grant has been adjusted from 2018-19 onwards as agreed in the Welsh Government's Fiscal Framework. From 2018-19 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax and from 2019-20 the devolution of Welsh Rates of Income Tax.

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

**Table 1.7 Administration budgets, 2014-15 to 2019-20**

	£ million					
	National Statistics					2019-20 plans
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
Defence	1,474	1,505	1,497	1,467	1,688	1,587
Single Intelligence Account	58	63	67	70	75	76
Home Office	525	384	375	355	360	359
Foreign and Commonwealth Office	178	111	116	176	129	183
International Development	110	104	97	100	125	120
Health and Social Care	2,873	2,554	2,400	2,304	2,273	2,867
Work and Pensions	888	835	880	799	780	815
Education	541	482	508	530	507	488
Business, Energy and Industrial Strategy	475	435	392	383	461	525
Transport	271	267	259	265	279	300
Exiting the European Union	7	7	22	55	79	94
Digital, Culture, Media and Sport	148	159	143	157	205	197
MHCLG – Housing and Communities	252	275	242	224	254	278
Justice	552	571	510	450	398	418
Law Officers' Departments	45	43	43	42	38	59
Environment, Food and Rural Affairs	487	497	453	473	590	794
HM Revenue and Customs	801	792	757	842	840	969
HM Treasury	146	134	160	165	186	192
Cabinet Office	175	169	211	201	198	249
International Trade	20	27	30	76	118	190
Small and Independent Bodies	366	281	256	250	555	281
Adjustment for Budget Exchange <sup>(1)</sup>	–	–	–	–	–	8
<b>Total administration budgets</b>	<b>10,394</b>	<b>9,695</b>	<b>9,418</b>	<b>9,385</b>	<b>10,136</b>	<b>11,051</b>
<i>of which: administration costs payroll</i>	6,680	6,604	6,474	6,542	7,462	6,390
<b>Administration budgets as a percentage of Total Managed Expenditure <sup>(2)</sup></b>	<b>1.4</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>1.3</b>	<b>1.3</b>

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

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

**Table 1.8 Capital budgets, 2014-15 to 2019-20**

	£ million					
	National Statistics					2019-20 plans
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Capital DEL by departmental group</b>						
Defence	8,736	8,402	8,689	9,704	10,294	9,781
Single Intelligence Account	550	575	603	576	607	686
Home Office	520	476	510	624	744	630
Foreign and Commonwealth Office	158	131	60	-252	142	112
International Development	2,650	2,433	2,588	2,713	3,105	2,527
Health and Social Care	4,971	4,652	4,556	5,238	5,937	5,920
Work and Pensions	251	188	292	433	334	227
Education	4,764	5,414	5,103	4,634	5,169	4,974
Business, Energy and Industrial Strategy	9,284	10,123	10,719	10,392	10,814	11,461
Transport <sup>(1)</sup>	9,446	6,001	5,419	6,175	8,273	15,324
Exiting the European Union	–	–	0	1	0	0
Digital, Culture, Media and Sport	264	349	275	351	366	655
MHCLG – Housing and Communities	4,332	3,849	5,114	6,634	7,424	10,686
Scotland	3,289	3,164	3,248	3,625	3,876	4,491
Wales	1,500	1,543	1,449	1,821	2,037	2,134
Northern Ireland	1,085	766	1,005	1,148	1,297	1,703
Justice	295	266	417	414	431	417
Law Officers' Departments	4	3	13	10	16	8
Environment, Food and Rural Affairs	691	570	653	630	727	618
HM Revenue and Customs	234	228	326	281	362	307
HM Treasury	36	-660	-2	-78	167	172
Cabinet Office	106	39	121	191	120	84
International Trade	2	2	6	16	17	14
Small and Independent Bodies	83	90	103	289	247	479
Reserves	–	–	–	–	–	2,563
OBR allowance for shortfall	–	–	–	–	–	-2,700
Adjustment for Budget Exchange <sup>(2)</sup>	–	–	–	–	–	-446
<b>Total capital DEL</b>	<b>53,252</b>	<b>48,603</b>	<b>51,268</b>	<b>55,568</b>	<b>62,505</b>	<b>72,827</b>
<b>Capital departmental AME by departmental group</b>						
Defence	51	29	–	44	–	–
Home Office	–	437	–	–	–	–
International Development	–	450	285	395	736	897
Health and Social Care	-5	9	13	–	-5	15
Work and Pensions	-124	-148	-87	-37	135	436
Education	10,563	11,642	13,072	15,771	17,106	21,558
Business, Energy and Industrial Strategy	-1,616	-1,630	-15	-1,197	-417	-179
Transport <sup>(3)</sup>	6,695	6,544	6,855	7,291	5,225	-355
Digital, Culture, Media and Sport	743	497	804	605	453	409
MHCLG – Housing and Communities	121	207	–	–	–	–
Scotland	440	744	811	959	809	1,000
Wales	357	388	422	505	698	899
Northern Ireland	536	605	498	318	374	354
Environment, Food and Rural Affairs	2	0	1	0	0	16
HM Revenue and Customs	0	0	0	0	2	0
HM Treasury <sup>(4)</sup>	-12,715	-29,066	-19,732	-3,697	-12,998	-2,153
Small and Independent Bodies	-23	34	251	168	426	937
<b>Total capital departmental AME</b>	<b>5,024</b>	<b>-9,257</b>	<b>3,179</b>	<b>21,127</b>	<b>12,544</b>	<b>23,833</b>
<b>Total capital budget</b>	<b>58,276</b>	<b>39,346</b>	<b>54,447</b>	<b>76,694</b>	<b>75,049</b>	<b>96,660</b>

<sup>(1)</sup> 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 for 2015-16 to 2018-19 and in DEL from 2019-20.

<sup>(2)</sup> Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

<sup>(3)</sup> 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. From 2019-20 funding for Network Rail forms part of Department for Transport's DEL budget.

<sup>(4)</sup> Transactions have been affected by financial sector interventions, see Box 2.A in Chapter 2.

**Table 1.9 Capital budgets in real terms,<sup>(1)</sup> 2014-15 to 2019-20**

	£ million					
	National Statistics					2019-20 plans
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Capital DEL by departmental group</b>						
Defence	9,356	8,928	9,026	9,882	10,294	9,589
Single Intelligence Account	589	611	627	586	607	672
Home Office	557	505	530	635	744	617
Foreign and Commonwealth Office	169	140	62	-257	142	110
International Development	2,839	2,585	2,688	2,763	3,105	2,477
Health and Social Care	5,324	4,943	4,733	5,334	5,937	5,804
Work and Pensions	268	200	303	441	334	222
Education	5,102	5,753	5,302	4,719	5,169	4,877
Business, Energy and Industrial Strategy	9,944	10,756	11,136	10,583	10,814	11,236
Transport <sup>(2)</sup>	10,117	6,377	5,630	6,288	8,273	15,023
Exiting the European Union	–	–	–	1	–	–
Digital, Culture, Media and Sport	282	371	286	357	366	643
MHCLG – Housing and Communities	4,640	4,090	5,313	6,755	7,424	10,477
Scotland	3,523	3,362	3,374	3,692	3,876	4,403
Wales	1,607	1,639	1,505	1,855	2,037	2,093
Northern Ireland	1,162	814	1,045	1,169	1,297	1,669
Justice	316	283	433	422	431	409
Law Officers' Departments	4	3	14	10	16	8
Environment, Food and Rural Affairs	740	605	678	641	727	606
HM Revenue and Customs	251	242	339	286	362	301
HM Treasury	38	-702	-2	-80	167	169
Cabinet Office	113	41	126	194	120	82
International Trade	2	2	7	16	17	14
Small and Independent Bodies	89	96	107	294	247	470
Reserves	–	–	–	–	–	2,513
OBR allowance for shortfall	–	–	–	–	–	-2,647
Adjustment for Budget Exchange <sup>(3)</sup>	–	–	–	–	–	-438
<b>Total capital DEL</b>	<b>57,035</b>	<b>51,643</b>	<b>53,262</b>	<b>56,587</b>	<b>62,505</b>	<b>71,399</b>
<b>Capital departmental AME by departmental group</b>						
Defence	54	31	–	45	–	–
Home Office	–	464	–	–	–	–
International Development	–	478	296	402	736	879
Health and Social Care	-5	10	14	-	-5	15
Work and Pensions	-133	-157	-91	-37	135	427
Education	11,313	12,370	13,580	16,061	17,106	21,135
Business, Energy and Industrial Strategy	-1,730	-1,732	-15	-1,219	-417	-175
Transport <sup>(4)</sup>	7,171	6,954	7,122	7,424	5,225	-348
Digital, Culture, Media and Sport	796	528	836	616	453	401
MHCLG – Housing and Communities	129	220	–	–	–	–
Scotland	471	791	842	977	809	980
Wales	382	412	438	514	698	882
Northern Ireland	574	643	517	324	374	347
Environment, Food and Rural Affairs	2	–	1	–	–	16
HM Revenue and Customs	–	–	–	–	2	–
HM Treasury <sup>(5)</sup>	-13,618	-30,884	-20,499	-3,765	-12,998	-2,111
Small and Independent Bodies	-24	36	260	171	426	918
<b>Total capital departmental AME</b>	<b>5,381</b>	<b>-9,836</b>	<b>3,302</b>	<b>21,514</b>	<b>12,544</b>	<b>23,366</b>
<b>Total capital budget</b>	<b>62,416</b>	<b>41,807</b>	<b>56,564</b>	<b>78,101</b>	<b>75,049</b>	<b>94,765</b>

<sup>(1)</sup> Real terms figures are the cash figures adjusted to 2018-19 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National statistics on 28 June 2019. The forecasts are consistent with the 2019 Spring Statement.

<sup>(2)</sup> 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 for 2015-16 to 2018-19 and in DEL from 2019-20.

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

<sup>(4)</sup> 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. From 2019-20 funding for Network Rail forms part of Department for Transport's DEL budget.

<sup>(5)</sup> Transactions have been affected by financial sector interventions, see Box 2.A in Chapter 2.

**Table 1.10 Total Departmental Expenditure Limits,<sup>(1)</sup> 2014-15 to 2019-20**

	£ million					
	National Statistics					
	2014-15	2015-16	2016-17	2017-18	2018-19	
	outturn	outturn	outturn	outturn	outturn	plans
<b>Total DEL by departmental group</b>						
Defence	34,368	35,099	35,280	36,605	38,026	39,486
Single Intelligence Account	2,156	2,343	2,524	2,596	2,741	3,013
Home Office	11,683	10,986	11,222	11,237	11,668	12,280
Foreign and Commonwealth Office	1,870	1,893	1,994	1,809	2,378	2,617
International Development	9,650	9,250	9,992	10,262	10,295	9,684
Health and Social Care	113,345	117,245	120,584	125,156	130,296	137,991
Work and Pensions	7,300	6,556	6,372	6,433	6,095	5,812
Education	64,593	64,563	64,975	65,277	66,659	69,226
Business, Energy and Industrial Strategy	11,439	12,348	12,326	11,839	11,750	13,250
Transport <sup>(2)</sup>	11,914	7,914	7,004	8,284	10,748	18,916
Exiting the European Union	7	7	22	56	79	94
Digital, Culture, Media and Sport	1,671	1,611	1,682	1,786	1,890	2,227
MHCLG – Housing and Communities	6,383	6,022	7,585	9,025	9,757	13,262
MHCLG – Local Government	13,657	10,758	8,229	6,714	4,834	5,206
Scotland <sup>(3)</sup>	28,912	28,730	23,846	17,802	18,617	20,790
Wales <sup>(4)</sup>	15,255	14,358	14,521	15,115	15,342	14,020
Northern Ireland	10,766	10,667	10,890	11,226	11,781	12,451
Justice	7,588	7,160	7,332	7,549	7,941	7,866
Law Officers' Departments	551	548	537	569	563	604
Environment, Food and Rural Affairs	2,353	2,134	2,206	2,285	2,476	2,536
HM Revenue and Customs	3,425	3,530	3,884	3,930	4,025	4,110
HM Treasury	159	-540	153	139	408	388
Cabinet Office	547	462	578	857	622	686
International Trade	279	341	349	394	425	501
Small and Independent Bodies	1,298	1,366	1,514	1,817	1,655	2,066
Reserves	–	–	–	–	–	6,219
OBR allowance for shortfall	–	–	–	–	–	-3,346
Adjustment for Budget Exchange <sup>(5)</sup>	–	–	–	–	–	-446
<b>Total DEL by departmental group</b>	<b>361,170</b>	<b>355,351</b>	<b>355,601</b>	<b>358,764</b>	<b>371,069</b>	<b>401,506</b>

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

<sup>(2)</sup> 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 for 2015-16 to 2018-19 and in DEL from 2019-20.

<sup>(3)</sup> The Scottish Government's resource DEL block grant has been adjusted from 2015-16 onwards as agreed in the Scottish Government's Fiscal Framework. From 2015-16 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax. In 2016-17 they reflect the creation of the Scottish Rate of Income Tax. From 2017-18 they reflect the devolution of further income tax powers and revenues from Scottish courts.

<sup>(4)</sup> The Welsh Government's resource DEL block grant has been adjusted from 2018-19 onwards as agreed in the Welsh Government's Fiscal Framework. From 2018-19 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax and from 2019-20 the devolution of Welsh Rates of Income Tax.

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

**Table 1.11 Total Departmental Expenditure Limits <sup>(1)</sup> in real terms, <sup>(2)</sup> 2014-15 to 2019-20**

	National Statistics					£ million
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans
<b>Total DEL by departmental group</b>						
Defence	36,809	37,294	36,652	37,276	38,026	38,712
Single Intelligence Account	2,310	2,489	2,622	2,643	2,741	2,953
Home Office	12,513	11,673	11,659	11,443	11,668	12,039
Foreign and Commonwealth Office	2,003	2,012	2,072	1,843	2,378	2,566
International Development	10,335	9,828	10,381	10,450	10,295	9,494
Health and Social Care	121,396	124,578	125,273	127,452	130,296	135,286
Work and Pensions	7,819	6,966	6,620	6,551	6,095	5,698
Education	69,182	68,601	67,501	66,474	66,659	67,869
Business, Energy and Industrial Strategy	12,252	13,120	12,805	12,057	11,750	12,990
Transport <sup>(3)</sup>	12,761	8,409	7,276	8,436	10,748	18,545
Exiting the European Union	8	8	22	57	79	92
Digital, Culture, Media and Sport	1,790	1,712	1,748	1,819	1,890	2,183
MHCLG – Housing and Communities	6,836	6,399	7,880	9,191	9,757	13,002
MHCLG – Local Government	14,627	11,431	8,549	6,837	4,834	5,104
Scotland <sup>(4)</sup>	30,966	30,527	24,773	18,128	18,617	20,383
Wales <sup>(5)</sup>	16,338	15,256	15,085	15,392	15,342	13,745
Northern Ireland	11,531	11,334	11,314	11,432	11,781	12,207
Justice	8,127	7,608	7,617	7,688	7,941	7,712
Law Officers' Departments	590	583	558	580	563	592
Environment, Food and Rural Affairs	2,521	2,267	2,291	2,327	2,476	2,486
HM Revenue and Customs	3,669	3,750	4,035	4,002	4,025	4,030
HM Treasury	170	-573	159	142	408	380
Cabinet Office	586	491	600	872	622	673
International Trade	298	362	362	401	425	491
Small and Independent Bodies	1,390	1,451	1,573	1,850	1,655	2,026
Reserves	–	–	–	–	–	6,098
OBR allowance for shortfall	–	–	–	–	–	-3,281
Adjustment for Budget Exchange <sup>(6)</sup>	–	–	–	–	–	-438
<b>Total DEL by departmental group</b>	<b>386,827</b>	<b>377,577</b>	<b>369,426</b>	<b>365,344</b>	<b>371,069</b>	<b>393,636</b>

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

<sup>(2)</sup> Real terms figures are the cash figures adjusted to 2018-19 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National statistics on 28 June 2019. The forecasts are consistent with the 2019 Spring Statement.

<sup>(3)</sup> 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 for 2015-16 to 2018-19 and in DEL from 2019-20.

<sup>(4)</sup> The Scottish Government's resource DEL block grant has been adjusted from 2015-16 onwards as agreed in the Scottish Government's Fiscal Framework. From 2015-16 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax. In 2016-17 they reflect the creation of the Scottish Rate of Income Tax. From 2017-18 they reflect the devolution of further income tax powers and revenues from Scottish courts.

<sup>(5)</sup> The Welsh Government's resource DEL block grant has been adjusted from 2018-19 onwards as agreed in the Welsh Government's Fiscal Framework. From 2018-19 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax and from 2019-20 the devolution of Welsh Rates of Income Tax.

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



**Table 1.12 Total Managed Expenditure by departmental group and other expenditure, 2014-15 to 2019-20**

	£ million					
	National Statistics					2019-20 plans
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Total Managed Expenditure by departmental group</b>						
Defence	42,729	47,148	40,405	53,324	42,705	47,413
Single Intelligence Account	2,198	2,478	2,537	2,615	2,763	3,052
Home Office	14,141	12,973	13,619	13,726	14,363	15,191
Foreign and Commonwealth Office	1,800	1,932	1,941	1,952	2,409	2,717
International Development	9,801	9,906	10,465	10,983	10,930	10,698
Health and Social Care <sup>(1)</sup>	135,292	165,784	148,380	164,813	171,000	173,274
Work and Pensions	174,814	179,808	179,206	183,649	187,107	196,176
Education	88,064	81,501	89,495	96,143	106,504	103,603
Business, Energy and Industrial Strategy <sup>(1)</sup>	18,772	112,936	16,092	86,040	-94,292	16,302
Transport <sup>(2)</sup>	18,346	20,138	20,316	22,564	23,629	21,224
Exiting the European Union	7	7	22	56	79	94
Digital, Culture, Media and Sport	7,349	6,456	7,189	6,656	7,081	7,522
MHCLG – Housing and Communities	6,551	6,285	7,739	9,209	9,955	13,982
MHCLG – Local Government	25,319	22,932	20,642	22,466	26,022	23,538
Scotland <sup>(3)</sup>	33,210	33,425	33,859	35,884	37,345	38,855
Wales <sup>(4)</sup>	15,643	14,435	15,183	15,797	16,302	15,014
Northern Ireland	19,592	19,647	19,642	20,417	22,109	22,680
Justice	7,444	7,643	7,881	7,793	9,242	8,651
Law Officers' Departments	564	533	537	581	568	608
Environment, Food and Rural Affairs	2,433	2,525	2,293	2,257	2,060	2,797
HM Revenue and Customs	46,357	46,723	46,213	45,775	44,629	46,811
HM Treasury <sup>(5)</sup>	-62,468	-43,383	-45,031	-4,242	-27,844	-1,841
Cabinet Office	11,120	10,828	9,718	12,060	14,867	12,503
International Trade	279	340	349	394	425	504
Small and Independent Bodies	1,147	1,063	1,663	1,897	1,986	3,154
<b>Total departmental expenditure <sup>(6)</sup></b>	<b>620,504</b>	<b>764,063</b>	<b>650,355</b>	<b>812,809</b>	<b>631,944</b>	<b>784,522</b>
Central government gross debt interest	45,371	45,127	48,659	55,037	48,658	51,084
Locally financed expenditure	32,104	38,876	42,817	47,557	49,637	52,429
Public sector depreciation	39,014	40,078	40,782	41,055	40,361	41,096
Net expenditure transfers to the EU	11,658	11,253	9,160	10,188	12,899	13,415
Public corporations' own-financed capital expenditure	18,027	14,594	16,667	15,016	9,374	9,357
Accounting adjustments	-16,231	-157,225	-36,484	-186,793	17,303	-111,101
Reserves	–	–	–	–	–	6,219
OBR allowance for shortfall	–	–	–	–	–	-5,200
Adjustment for Budget Exchange <sup>(7)</sup>	–	–	–	–	–	-1,093
<b>Total other expenditure <sup>(8)</sup></b>	<b>129,943</b>	<b>-7,297</b>	<b>121,601</b>	<b>-17,940</b>	<b>178,232</b>	<b>56,206</b>
<b>Total Managed Expenditure <sup>(9)</sup></b>	<b>750,445</b>	<b>756,767</b>	<b>771,954</b>	<b>794,869</b>	<b>810,175</b>	<b>840,726</b>

<sup>(1)</sup> Figures reflect a change to the long-term discount rate used each year for provisions to maintain compliance with International Financial Reporting Standards.

<sup>(2)</sup> 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 2014-15 reflect a change in accounting policy for recognising impairment on the roads network.

<sup>(3)</sup> The Scottish Government's resource DEL block grant has been adjusted from 2015-16 onwards as agreed in the Scottish Government's Fiscal Framework. From 2015-16 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax. In 2016-17 they reflect the creation of the Scottish Rate of Income Tax. From 2017-18 they reflect the devolution of further income tax powers and revenues from Scottish courts.

<sup>(4)</sup> The Welsh Government's resource DEL block grant has been adjusted from 2018-19 onwards as agreed in the Welsh Government's Fiscal Framework. From 2018-19 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax and from 2019-20 the devolution of Welsh Rates of Income Tax.

<sup>(5)</sup> Transactions have been affected by financial sector interventions, see Box 2.A in Chapter 2.

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

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

<sup>(8)</sup> Total other expenditure is other AME spend within Total Managed Expenditure.

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

**Table 1.13 Total Managed Expenditure by departmental group and other expenditure in real terms,<sup>(1)</sup> 2014-15 to 2019-20**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>Total Managed Expenditure by departmental group</b>						
Defence	45,765	50,097	41,976	54,302	42,705	46,484
Single Intelligence Account	2,354	2,633	2,636	2,663	2,763	2,992
Home Office	15,145	13,785	14,148	13,978	14,363	14,893
Foreign and Commonwealth Office	1,928	2,053	2,017	1,987	2,409	2,664
International Development	10,498	10,525	10,872	11,185	10,930	10,488
Health and Social Care <sup>(2)</sup>	144,903	176,153	154,149	167,836	171,000	169,877
Work and Pensions	187,233	191,055	186,173	187,017	187,107	192,330
Education	94,320	86,599	92,974	97,906	106,504	101,572
Business, Energy and Industrial Strategy <sup>(1)</sup>	20,106	119,999	16,718	87,619	-94,292	15,983
Transport <sup>(3)</sup>	19,649	21,398	21,106	22,978	23,629	20,808
Exiting the European Union	8	8	22	57	79	93
Digital, Culture, Media and Sport	7,871	6,860	7,468	6,779	7,081	7,374
MHCLG – Housing and Communities	7,017	6,678	8,040	9,378	9,955	13,708
MHCLG – Local Government	27,117	24,366	21,445	22,878	26,022	23,077
Scotland <sup>(4)</sup>	35,569	35,516	35,176	36,542	37,345	38,094
Wales <sup>(5)</sup>	16,755	15,338	15,773	16,087	16,302	14,719
Northern Ireland	20,984	20,876	20,405	20,791	22,109	22,235
Justice	7,973	8,121	8,188	7,936	9,242	8,481
Law Officers' Departments	604	566	557	591	568	596
Environment, Food and Rural Affairs	2,606	2,683	2,382	2,299	2,060	2,742
HM Revenue and Customs	49,650	49,646	48,010	46,614	44,629	45,893
HM Treasury <sup>(6)</sup>	-66,906	-46,097	-46,782	-4,319	-27,844	-1,805
Cabinet Office	11,910	11,505	10,096	12,281	14,867	12,258
International Trade	298	362	362	401	425	494
Small and Independent Bodies	1,228	1,130	1,728	1,932	1,986	3,092
<b>Total departmental expenditure<sup>(7)</sup></b>	<b>664,585</b>	<b>811,855</b>	<b>675,639</b>	<b>827,718</b>	<b>631,944</b>	<b>769,142</b>
Central government gross debt interest	48,594	47,950	50,551	56,046	48,658	50,082
Locally financed expenditure	34,385	41,307	44,481	48,429	49,637	51,402
Public sector depreciation	41,786	42,585	42,368	41,808	40,361	40,291
Net expenditure transfers to the EU	12,486	11,956	9,516	10,375	12,899	13,152
Public corporations' own-financed capital expenditure	19,308	15,506	17,315	15,292	9,374	9,174
Accounting adjustments	-17,385	-167,058	-37,902	-190,219	17,303	-108,923
Reserves	–	–	–	–	–	6,097
OBR allowance for shortfall	–	–	–	–	–	-5,098
Adjustment for Budget Exchange <sup>(8)</sup>	–	–	–	–	–	-1,072
<b>Total other expenditure<sup>(9)</sup></b>	<b>139,174</b>	<b>-7,754</b>	<b>126,329</b>	<b>-18,269</b>	<b>178,232</b>	<b>55,105</b>
<b>Total Managed Expenditure<sup>(10)</sup></b>	<b>803,756</b>	<b>804,100</b>	<b>801,967</b>	<b>809,448</b>	<b>810,175</b>	<b>824,247</b>

<sup>(1)</sup> Real terms figures are the cash figures adjusted to 2018-19 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National statistics on 28 June 2019. The forecasts are consistent with the 2019 Spring Statement.

<sup>(2)</sup> Figures reflect a change to the long-term discount rate used each year for provisions to maintain compliance with International Financial Reporting Standards.

<sup>(3)</sup> 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 2014-15 reflect a change in accounting policy for recognising impairment on the roads network.

<sup>(4)</sup> The Scottish Government's resource DEL block grant has been adjusted from 2015-16 onwards as agreed in the Scottish Government's Fiscal Framework. From 2015-16 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax. In 2016-17 they reflect the creation of the Scottish Rate of Income Tax. From 2017-18 they reflect the devolution of further income tax powers and revenues from Scottish courts.

<sup>(5)</sup> The Welsh Government's resource DEL block grant has been adjusted from 2018-19 onwards as agreed in the Welsh Government's Fiscal Framework. From 2018-19 adjustments reflect the devolution of Stamp Duty Land Tax and Landfill Tax and from 2019-20 the devolution of Welsh Rates of Income Tax.

<sup>(6)</sup> Transactions have been affected by financial sector interventions, see Box 2.A in Chapter 2.

<sup>(7)</sup> Total departmental expenditure is given by Resource DEL excluding depreciation plus capital DEL plus resource and capital departmental AME.

<sup>(8)</sup> Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

<sup>(9)</sup> Total other expenditure is other AME spend within Total Managed Expenditure.

<sup>(10)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 2.A in Chapter 2.

**Table 1.14 Accounting adjustments,<sup>(1)</sup> 2014-15 to 2019-20**

	National Statistics					£ billion
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans
<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	-14.6	-15.3	-13.9	-14.0	-20.9
NHS capital consumption	-1.8	-1.9	-1.9	-1.9	-1.9	-1.9
Interest	-0.2	-0.1	-0.2	-0.4	-0.4	-0.3
Public corporation subsidies	-0.7	-0.6	-0.5	-0.4	-0.4	-0.5
Other	0.1	0.0	0.0	0.0	0.0	0.2
<b>Total resource DEL</b>	<b>-17.7</b>	<b>-17.3</b>	<b>-17.8</b>	<b>-16.6</b>	<b>-16.7</b>	<b>-23.4</b>
<b>Resource departmental AME</b>						
Capital consumption	-1.2	-6.3	-6.7	-6.3	-6.8	-2.1
Interest	2.5	3.4	1.9	2.3	5.1	4.1
Subsidy element of renewable obligation certificates	–	–	–	–	–	–
Subsidy element of other environmental levies	-0.2	-0.4	-0.5	-0.7	-0.8	-1.0
NNDR outturn adjustment	–	–	0.0	0.0	0.0	-0.3
Public corporation subsidies	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2
Other	0.1	0.0	0.3	0.1	1.0	0.1
<b>Total resource departmental AME</b>	<b>1.1</b>	<b>-3.5</b>	<b>-5.2</b>	<b>-4.8</b>	<b>-1.7</b>	<b>0.6</b>
Adjustment for different data used by OBR in PSCE forecast	–	–	–	–	–	-12.7
<i>of which DEL</i>	–	–	–	–	–	-15.5
<i>of which AME</i>	–	–	–	–	–	2.8
<b>Total resource budget data replaced by different source data</b>	<b>-16.5</b>	<b>-20.8</b>	<b>-23.0</b>	<b>-21.4</b>	<b>-18.4</b>	<b>-35.4</b>
<b>Remove data in budgets which do not form part of public sector current expenditure</b>						
<b>Resource DEL</b>						
Impairments	-0.5	-0.4	-0.7	-1.0	-0.6	0.0
Receipts treated as negative DEL but revenue in National Accounts	0.1	0.1	0.0	0.0	0.0	–
Fees, levies and charges	–	–	–	–	–	–
Grant equivalent element of student lending	-1.8	-3.7	-9.3	-13.7	-8.8	-8.2
Stock write-offs	0.0	0.0	0.0	0.2	0.2	0.0
Change in pension scheme liabilities	-0.1	0.0	0.0	-0.1	0.0	0.0
Miscellaneous current transfers	2.7	2.5	2.7	1.7	2.8	1.2
Northern Ireland Executive transfers between DEL and AME <sup>(2)</sup>	0.7	0.7	0.6	0.6	0.9	0.6
Profit or loss – sale of company securities	0.0	0.1	0.1	0.1	0.1	–
Profit or loss – sale of other assets (capital in National Accounts)	0.2	0.3	0.3	0.1	0.1	0.1
EU funded expenditure	0.2	0.0	-0.4	-0.3	-0.2	0.1
Other	0.7	1.1	1.0	0.8	1.3	1.6
<b>Total resource DEL</b>	<b>2.4</b>	<b>0.6</b>	<b>-5.7</b>	<b>-11.7</b>	<b>-4.2</b>	<b>-4.7</b>
<b>Resource departmental AME</b>						
Impairments	43.9	-5.0	22.4	-6.0	15.1	-4.5
Bad debts	-0.4	-0.4	-0.2	-0.4	-0.5	-0.1
Grant equivalent element of student lending	-0.4	7.5	0.1	0.0	0.0	0.1
Provisions	-9.9	-127.5	-12.8	-93.7	103.8	-11.8
Change in pension scheme liabilities	-34.8	-37.6	-36.2	-54.2	-82.1	-57.2
Unwinding of discount rate on pension scheme liabilities	-46.3	-42.9	-42.0	-42.7	-40.0	-45.0
Release of provisions covering payments of pension benefits	34.2	35.3	35.5	36.5	38.2	40.1
Fees, levies and charges	–	–	–	–	–	–
Profit or loss – sale of other assets (capital in National Accounts)	0.0	0.1	0.1	0.0	0.3	0.0
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	2.5	6.7	3.1	2.6	0.4	-1.5
<b>Total resource departmental AME</b>	<b>-11.2</b>	<b>-163.8</b>	<b>-30.0</b>	<b>-157.9</b>	<b>35.3</b>	<b>-79.9</b>
<b>Total resource budget data not in public sector current expenditure</b>	<b>-8.8</b>	<b>-163.2</b>	<b>-35.7</b>	<b>-169.6</b>	<b>31.1</b>	<b>-84.6</b>

**Table 1.14 Accounting adjustments,<sup>(1)</sup> 2014-15 to 2019-20 (continued)**

	National Statistics					£ billion
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans
<b>Central government adjustments in National Accounts</b>						
Expenditure on goods and services	25.2	22.3	25.9	24.1	28.1	28.4
<i>of which: VAT refunds</i>	5.0	5.0	5.0	7.9	8.1	8.4
<i>of which: Single use military expenditure</i>	0.3	–	–	–	–	–
<i>of which: payment from EU for tax collection costs</i>	-0.8	-0.8	-0.8	-0.7	-0.7	-0.7
<i>of which: capital consumption</i>	17.9	18.3	18.3	18.5	18.6	19.1
<i>of which: ONS R&amp;D Adjustment</i>	–	–	-2.7	–	1.0	2.0
<i>of which: Network Rail</i>	1.1	1.1	1.1	1.3	–	–
<i>of which: other</i>	1.5	-1.4	4.9	-2.9	1.2	-0.4
Net social benefits <sup>(2)</sup>	1.1	0.2	0.9	0.4	2.5	2.7
<i>of which: switch between benefits and other current grants</i>	0.3	0.1	–	–	–	–
<i>of which: other</i>	0.9	0.2	0.9	0.4	2.5	2.7
Net current grants abroad	0.7	1.1	0.8	0.7	0.2	0.5
<i>of which: attributed aid</i>	–	–	–	–	–	–
<i>of which: EU receipts</i>	–	0.1	0.1	0.1	–	–
<i>of which: other</i>	0.7	1.0	0.7	0.6	0.2	0.5
Other current grants	0.5	0.0	-2.8	-0.2	-0.5	-0.3
<i>of which: switch between other current grants and benefits</i>	-0.3	-0.1	–	–	–	–
<i>of which: other</i>	0.7	0.1	-2.8	-0.2	-0.5	-0.3
Subsidies	4.2	4.5	5.8	7.2	9.2	10.9
<i>of which: Renewable Obligation Certificates</i>	3.1	3.9	4.7	6.1	6.1	7.7
<i>of which: other environmental levies</i>	0.2	0.4	0.5	0.7	2.5	2.5
<i>of which: company tax credits outside departmental AME</i>	–	–	–	–	0.0	0.0
<i>of which: other</i>	0.9	0.2	0.6	0.4	0.7	0.6
VAT and GNI based EU contributions	0.1	0.0	0.4	0.0	–	–
<i>of which: other</i>	0.1	0.0	0.4	0.0	–	–
<b>Total central government resource adjustments</b>	<b>31.7</b>	<b>28.2</b>	<b>30.9</b>	<b>32.2</b>	<b>39.6</b>	<b>42.2</b>
<b>Local government adjustments in National Accounts</b>						
Remove data which do not form part of public sector current expenditure	-3.0	-3.5	-3.3	-3.2	-4.3	-4.0
<i>of which: Northern Ireland regional rates</i>	-0.7	-0.7	-0.6	-0.6	-0.6	-0.6
<i>of which: retirement benefits</i>	–	–	–	–	–	–
<i>of which: debt interest payments to central government</i>	-2.5	-2.9	-2.8	-2.8	-3.2	-3.4
<i>of which: other</i>	0.1	0.1	0.1	0.3	-0.5	0.0
Adjustments to reconcile use of different data sources	0.0	0.5	-0.1	-0.8	-7.1	-0.6
<i>of which: central government support</i>	-1.3	-1.6	-1.7	-2.4	-7.3	-3.9
<i>of which: debt interest</i>	0.0	0.4	0.3	0.2	0.1	–
<i>of which: police and fire top up grants</i>	–	–	–	–	–	–
<i>of which: other</i>	1.4	1.7	1.3	1.4	0.1	3.4
Expenditure on goods and services	17.1	17.8	18.7	19.3	20.9	22.7
<i>of which: VAT refunds</i>	6.6	6.9	7.1	7.4	7.2	7.7
<i>of which: Local Authority Pension Scheme</i>	0.2	0.4	0.2	0.1	0.1	–
<i>of which: capital consumption</i>	10.5	11.0	11.5	12.0	12.5	12.9
<i>of which: rates</i>	-1.4	-1.4	-1.4	-1.4	-1.4	-1.4
<i>of which: other</i>	1.1	0.9	1.3	1.2	2.5	3.5
Subsidies	0.6	0.7	0.9	1.2	1.5	1.5
<i>of which: equity injection into Housing Revenue Account</i>	0.6	0.7	0.9	1.2	1.5	1.5
<i>of which: other</i>	–	–	–	–	–	–
Net social benefits	0.5	0.7	0.6	0.4	-1.2	-1.4
<i>of which: housing benefits and rent rebates</i>	0.0	0.0	0.0	-0.3	-1.8	–
<i>of which: other</i>	0.5	0.7	0.7	0.7	0.6	-1.4
Other current grants and current grants abroad	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total local government resource adjustments</b>	<b>15.1</b>	<b>16.2</b>	<b>16.8</b>	<b>17.0</b>	<b>9.9</b>	<b>18.4</b>
<b>Other resource adjustments</b>						
Public corporations	3.7	3.8	3.8	2.6	0.5	0.4
Asset Purchase Facility and Special Liquidity Scheme	-12.4	-11.7	-13.2	-13.5	-11.8	-9.8
Other	0.0	0.0	0.0	0.0	0.0	-0.1
<b>Total other resource adjustments</b>	<b>-8.7</b>	<b>-7.9</b>	<b>-9.3</b>	<b>-11.0</b>	<b>-11.3</b>	<b>-9.5</b>
<b>Total resource adjustments</b>	<b>12.8</b>	<b>-147.5</b>	<b>-20.2</b>	<b>-152.7</b>	<b>50.8</b>	<b>-69.9</b>
<i>of which:</i>						
Timing adjustments <sup>(3)</sup>						
Central government	5.1	-2.2	2.0	-3.7	1.9	–
Local government	1.6	1.7	2.0	2.0	3.2	–

**Table 1.14 Accounting adjustments,<sup>(1)</sup> 2014-15 to 2019-20 (continued)**

	National Statistics					£ billion
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>Remove data in budgets which form part of public sector gross investment but where a different source is used for National Accounts</b>						
<b>Capital DEL</b>						
Change in inventories	0.1	0.0	-0.3	-0.7	-0.7	-0.5
Acquisitions less disposals of valuables	0.0	0.0	0.0	-0.1	0.0	–
<b>Total capital DEL</b>	<b>0.1</b>	<b>0.0</b>	<b>-0.3</b>	<b>-0.8</b>	<b>-0.7</b>	<b>-0.5</b>
Adjustment for different data used by OBR in PSGI forecast	–	–	–	–	–	0.6
<i>of which DEL</i>	–	–	–	–	–	-4.1
<i>of which AME</i>	–	–	–	–	–	4.7
<b>Total capital budget data replaced by different source data</b>	<b>0.1</b>	<b>0.0</b>	<b>-0.3</b>	<b>-0.8</b>	<b>-0.7</b>	<b>0.1</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	-2.9	-1.9	-3.9	-4.9	-3.9	-5.8
Capital support for public corporations	1.0	0.1	0.3	0.0	-0.2	0.0
Local government supported capital expenditure	0.0	-0.3	-0.2	-0.2	-0.5	0.0
Northern Ireland Executive transfers between DEL and AME	0.3	0.3	0.2	0.0	0.1	–
Other	0.9	0.0	-1.8	0.3	-0.3	-1.7
<b>Total Capital DEL</b>	<b>-0.7</b>	<b>-1.8</b>	<b>-5.4</b>	<b>-4.8</b>	<b>-4.8</b>	<b>-7.5</b>
<b>Capital departmental AME</b>						
Net lending to private sector	2.0	17.2	4.7	-13.3	-6.9	-23.6
Capital support for public corporations	-0.3	-0.1	-0.2	-0.2	-0.1	-0.2
Purchase of company securities	–	–	–	–	–	–
Sale of company securities	–	–	–	–	–	–
Northern Ireland Executive transfers between DEL and AME <sup>(2)</sup>	-0.2	-0.3	-0.2	0.0	-0.1	–
Other	-6.5	-0.3	-0.4	-1.1	0.5	0.6
<b>Total capital departmental AME</b>	<b>-5.0</b>	<b>16.5</b>	<b>4.0</b>	<b>-14.7</b>	<b>-6.7</b>	<b>-23.2</b>
<b>Total capital budget data not in public sector gross investment</b>	<b>-5.7</b>	<b>14.6</b>	<b>-1.4</b>	<b>-19.5</b>	<b>-11.5</b>	<b>-30.7</b>
<b>Central government adjustments in National Accounts</b>						
Gross fixed capital formation	5.7	-0.3	0.0	-1.0	-1.9	-0.2
<i>of which: profit or loss – sale of other assets (from resource budgets)</i>	-0.2	-0.3	-0.4	-0.1	-0.4	-0.1
<i>of which: Network Rail</i>	6.4	6.6	6.6	6.7	–	–
<i>of which: Single use military expenditure</i>	-0.1	-6.6	-6.2	-7.6	–	–
<i>of which: other</i>	6.2	0.0	0.4	-0.9	-1.4	-0.1
Capital grants to and from the private sector	-6.4	-0.5	1.5	1.3	0.1	0.3
<i>of which: VAT refunds</i>	0.1	0.1	0.1	0.1	0.1	0.1
<i>of which: Royal Mail assets transfer</i>	–	–	–	–	–	–
<i>of which: Network Rail</i>	-4.1	–	–	–	–	–
<i>of which: other</i>	-2.4	-0.6	1.4	1.2	0.0	0.2
<b>Total central government capital adjustments</b>	<b>-0.7</b>	<b>-0.8</b>	<b>1.5</b>	<b>0.3</b>	<b>-1.8</b>	<b>0.1</b>
<b>Local government adjustments in National Accounts</b>						
Adjustments to reconcile use of different data sources	-3.8	-4.8	-3.5	-4.7	-4.4	–
<i>of which: overhanging debt</i>	-0.1	-0.2	–	–	–	–
<i>of which: central government support</i>	0.6	1.1	0.5	-0.7	0.6	–
<i>of which: financial transactions</i>	-2.7	-4.3	-2.6	-2.4	-3.1	–
<i>of which: capital grants from private sector</i>	-1.5	-1.4	-1.4	-1.5	-1.8	–
Gross fixed capital formation	3.5	3.6	3.2	3.0	1.8	–
<i>of which: VAT refunds</i>	2.0	2.1	1.7	2.0	1.0	–
<i>of which: roads de-trunking</i>	–	–	–	–	–	–
<i>of which: other</i>	1.5	1.5	1.5	1.0	0.7	–
Capital grants	-0.1	-0.1	0.0	0.0	-0.1	–
<i>of which: grants to public corporations</i>	–	–	–	–	–	–
<i>of which: other</i>	-0.1	-0.1	0.0	0.0	-0.1	–
<b>Total local government capital adjustments</b>	<b>-0.4</b>	<b>-1.3</b>	<b>-0.3</b>	<b>-1.7</b>	<b>-2.7</b>	<b>–</b>

**Table 1.14 Accounting adjustments,<sup>(1)</sup> 2014-15 to 2019-20 (continued)**

	National Statistics					£ billion
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans
<b>Other capital adjustments</b>						
Public corporations	-0.7	0.0	-0.1	0.3	0.3	0.2
Housing Revenue Account reform receipts	–	-0.9	–	–	0.0	0.0
Other	0.2	0.1	-0.1	-0.2	-0.2	0.1
<b>Total other capital adjustments</b>	<b>-0.5</b>	<b>-0.9</b>	<b>-0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>
<b>Total capital adjustments</b>	<b>-7.2</b>	<b>11.6</b>	<b>-0.7</b>	<b>-21.6</b>	<b>-16.6</b>	<b>-30.2</b>
<i>of which:</i>						
Timing adjustments <sup>(3)</sup>						
Central government	-4.7	-6.9	-5.3	-6.9	-1.2	–
Local government	0.0	0.0	-0.1	-0.6	0.3	–

<sup>(1)</sup> The accounting adjustments are described in Annex D.

<sup>(2)</sup> Offsets with Northern Ireland domestic rates (part of other AME and not in budgets) in local government adjustments in National Accounts.

<sup>(3)</sup> Reflects timing difference between the latest OSCAR and other source data and the data underlying the Public Sector Finances statistical bulletin. These mainly result from revisions policy and issues with late corrections to OSCAR data in the early years.

**Table 1.15 Total Managed Expenditure by spending sector, 2014-15 to 2019-20**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>Central government own expenditure</b>						
DEL <sup>(1)</sup>	254,797	253,593	262,544	275,169	287,762	314,999
Departmental AME <sup>(1) (2)</sup>	242,337	391,691	273,545	424,427	227,672	359,229
Locally financed support in Northern Ireland	661	651	585	595	625	643
Net expenditure transfers to the EU	11,658	11,253	9,160	10,188	12,899	13,415
Central government debt interest	45,371	45,127	48,659	55,037	48,658	51,084
Accounting and other adjustments	16,217	-124,014	-3,022	-150,182	56,836	-81,282
<b>Total central government own expenditure</b>	<b>571,041</b>	<b>578,301</b>	<b>591,470</b>	<b>615,234</b>	<b>634,452</b>	<b>658,087</b>
<b>Local government expenditure</b>						
Central government support in DEL	78,279	72,968	69,382	65,702	64,285	63,128
Central government support in departmental AME	45,755	46,020	45,117	47,402	51,939	46,958
Locally financed support in Scotland	2,650	2,789	2,769	2,666	2,636	2,853
Locally financed support in Wales	-	1,875	977	1,059	1,050	1,061
Local authority self-financed expenditure	28,794	33,561	38,487	43,237	45,326	47,872
Accounting and other adjustments	14,895	14,219	15,992	14,892	11,229	21,614
<b>Total local government expenditure</b>	<b>170,372</b>	<b>171,432</b>	<b>172,723</b>	<b>174,957</b>	<b>176,464</b>	<b>183,486</b>
<b>Public corporations' expenditure</b>						
DEL	-818	60	-171	92	404	162
Departmental AME	152	-268	-63	18	-119	44
Public corporations' own-financed capital expenditure	18,027	14,594	16,667	15,016	9,374	9,357
Accounting and other adjustments	4,027	4,315	4,439	3,071	738	421
<b>Total public corporations' expenditure</b>	<b>21,388</b>	<b>18,700</b>	<b>20,872</b>	<b>18,197</b>	<b>10,397</b>	<b>9,984</b>
<b>Bank of England <sup>(3)</sup></b>	<b>-12,356</b>	<b>-11,666</b>	<b>-13,111</b>	<b>-13,519</b>	<b>-11,138</b>	<b>-10,832</b>
<b>Total Managed Expenditure</b>	<b>750,445</b>	<b>756,767</b>	<b>771,954</b>	<b>794,869</b>	<b>810,175</b>	<b>840,726</b>

<sup>(1)</sup> Full resource budgeting basis, ie resource plus capital less depreciation. To reflect new budgeting arrangements, expenditure by the Scottish Government is scored as AME rather than DEL (see paragraph 1.19).

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

<sup>(3)</sup> Asset Purchase facility and Special Liquidity Scheme.

# 2

## Economic analyses of budgets

---

**2.1** This chapter provides an economic category analysis of the budgeting aggregates presented in **Chapter 1**. All outturn data in this chapter (to 2018-19) fall within the scope of National Statistics.

### What's new

**2.2** From 2019-20 the Department for Transport's DEL budget includes funding for expenditure by Network Rail. This was formerly part of the department's Annually Managed Expenditure (AME) budget.

### Spending by economic category

**2.3** Following the implementation of the Scotland Act 2016 and the associated fiscal Framework, new budgeting arrangements have been agreed with the Scottish Government which see its spend scored as AME rather than DEL. The changes affect tables in **Chapter 1** (**Table 1.15** only) **Chapter 2** and **Chapter 6**. In **Table 2.1** the block grant paid by the UK Government to the Scottish Government is shown against the **Other** economic category in both Resource and Capital DEL, offset by a corresponding receipt in Resource and Capital departmental AME. Spending funded by the block grant and the Scottish Government itself, is then shown against economic categories within Resource and Capital departmental AME. As a result, since PESA 2017 most economic categories in DEL will have been revised down, with a corresponding increase in the same categories within departmental AME. Total spending by the Scottish Government is not affected.

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

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

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

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



**2.8 Current grants** include all transfer payments other than subsidies (see 2.9 below) that are not used to fund capital formation. In **Table 2.1** these grants are analysed by recipient: local government; persons and non-profit bodies; and overseas recipients. **Current grants to local government** are intra-public sector payments that consolidate out of Total Managed Expenditure (TME), which is the government's preferred measure of total public spending. Further information on local government finance is given in **Chapter 7**. **Current grants to persons and non-profit bodies** largely comprise social security benefits included in resource departmental AME, as well as funding (usually in DEL) to further and higher education institutions and other non-profit private sector bodies. In **Table 2.1** they include tax credits previously scored as negative tax. **Current grants abroad** are mainly foreign aid, such as programmes to reduce poverty.

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

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

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

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

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

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

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

#### Resource budget

- Income from sales of goods and services: -£0.2 billion in 2014-15, £0.0 billion in 2015-16, -£0.1 billion in 2016-17 and -£0.0 billion in 2017-18 and 2018-19. This is mainly underwriting commission and guarantee fee income;
- Depreciation: There was a gain of £48.0 billion in 2014-15, £6.3 billion in 2015-16 and £23.1 billion in 2016-17. In 2017-18 there was an impairment of £0.4 billion and a gain of £14.0 billion in 2018-19.
- Other: income of -£0.5 billion in 2014-15, -£6.2 billion in 2015-16, -£1.7 billion in 2016-17, -£0.5 billion in 2017-18 and -£1.1 billion in 2018-19. This is mainly interest paid to government and from the sale of shares.

#### Capital budget

- Net lending to the private sector: -£3.0 billion in 2014-15, -£11.3 billion in 2015-16, -£3.5 billion in 2016-17 -£0.9 billion in 2017-18 and -£2.5 billion in 2018-19. This is mainly lending to banks and the Financial Services Compensation Scheme and subsequent repayments, and income from the sale of shares in Lloyds Banking Group and the Royal Bank of Scotland.

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

**2.13 Net public service pensions** shows the costs of pensions on a National Accounts basis; that is, payments to pensioners less receipts of contributions by employers and employees. It also includes cash payments and receipts associated with bulk and individual transfers into and out of the scheme. **Change in pension scheme liabilities** shows increases to the liability as measured on an IFRS basis. This includes changes to current service costs, the non-cash impact of bulk or individual transfers in or out, and purchases of added years. **Release of provisions covering payments of pension benefits** records a reduction equal and opposite to the pension benefits paid, where these are charged to the provision. The **unwinding of the discount rate** on pension scheme liabilities shows the increase in the liability as future payments move one year closer to being paid (so the effects of discounting reduce). More information on pensions is included in **Annex D**, and a reconciliation from IFRS pensions in departmental AME to the National Accounts measure is given in **Table D.1**.

**2.14 Capital grants** are transfer payments that are usually made on the condition that the recipient uses the funds for capital projects. Capital grants in **Table 2.1** are analysed by the nature of the recipient: persons and non-profit bodies; private sector companies; and overseas recipients. Capital grants to local government and public corporations are included as part of the respective capital support rows (see paragraphs 2.15 and 2.16).

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

**2.16 Capital support for public corporations** comprises capital grants, net lending (see paragraph 2.19) and public corporations' market and overseas borrowing where this scores in the parent department's budget.

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

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

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

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

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

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

**Table 2.1 Budgets by economic category of spending, 2014-15 to 2019-20**

	National Statistics					£ million
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans
<b>Resource DEL</b>						
Staff costs	97,644	101,241	105,003	109,750	115,576	120,594
Gross current procurement	104,429	104,520	108,990	109,502	112,505	128,502
Income from sales of goods and services	-17,293	-15,683	-19,910	-18,372	-18,372	-20,073
Current grants to local government	68,860	63,346	60,077	57,156	54,884	55,374
Current grants to persons and non-profit bodies	17,798	17,218	19,417	16,412	16,974	18,571
Current grants abroad	2,419	2,997	3,638	3,746	2,233	1,375
Subsidies to private sector companies	3,929	3,888	4,528	4,643	4,942	4,482
Subsidies to public corporations	747	639	487	430	418	480
Net public service pensions <sup>(1)</sup>	540	88	78	88	83	65
Rentals	7,635	7,737	6,467	6,502	5,876	4,035
Depreciation <sup>(2)</sup>	17,169	18,742	25,247	28,637	23,371	29,079
Take up of provisions	-147	44	2	1	44	0
Release of provisions	-2	-2	0	0	0	0
Change in pension scheme liabilities	74	16	15	86	28	4
Unwinding of the discount rate on pension scheme liabilities	0	2	1	1	1	0
Release of provisions covering payments of pensions benefits	-386	0	0	0	0	0
Other	21,669	20,697	15,540	13,274	13,372	12,261
Plus unallocated funds	-	-	-	-	-	510
<b>Total resource DEL</b>	<b>325,087</b>	<b>325,490</b>	<b>329,580</b>	<b>331,833</b>	<b>331,935</b>	<b>355,258</b>
<b>Of which: administration budgets in resource DEL</b>						
Staff costs	6,680	6,604	6,474	6,542	7,462	6,390
Gross current procurement	5,005	4,195	3,778	3,722	3,809	5,515
Income from sales of goods and services	-1,625	-1,288	-1,264	-1,171	-1,505	-1,766
Rentals	299	309	407	398	325	171
Depreciation	504	479	429	390	422	972
Other	-469	-605	-407	-496	-377	-239
<b>Total administration budgets in resource DEL</b>	<b>10,394</b>	<b>9,695</b>	<b>9,418</b>	<b>9,385</b>	<b>10,136</b>	<b>11,042</b>
<b>Resource departmental AME</b>						
Staff costs	10,448	13,201	12,373	12,584	13,255	11,751
Gross current procurement	11,317	12,756	13,346	13,703	16,505	14,132
Income from sales of goods and services <sup>(3)</sup>	-2,015	-2,181	-1,973	-1,606	-4,147	-3,680
Current grants to local government	44,616	44,801	44,190	46,658	51,103	45,636
Current grants to persons and non-profit bodies	193,176	195,585	197,262	201,090	205,855	220,488
Current grants abroad	-598	-520	-553	-578	-675	-544
Subsidies to private sector companies	3,534	4,716	5,103	5,434	7,811	7,121
Subsidies to public corporations	74	175	170	169	218	168
Net public service pensions <sup>(1)</sup>	9,641	9,561	8,812	9,174	9,920	4,484
Rentals	390	81	204	91	86	391
Depreciation <sup>(3)</sup>	-42,267	3,776	-15,885	12,148	-8,444	6,543
Take up of provisions <sup>(3)</sup>	14,317	132,966	19,259	101,243	-95,283	17,019
Release of provisions	-4,369	-5,420	-6,430	-7,505	-8,561	-5,214
Change in pension scheme liabilities	34,769	37,596	36,245	54,213	82,105	57,240
Unwinding of the discount rate on pension scheme liabilities	46,255	42,882	42,002	42,663	40,042	45,008
Release of provisions covering payments of pensions benefits <sup>(4)</sup>	-34,222	-35,327	-35,533	-36,475	-38,248	-40,089
Other	-30,756	-36,678	-27,021	-20,089	-23,210	-18,846
<b>Total resource departmental AME</b>	<b>254,308</b>	<b>417,971</b>	<b>291,574</b>	<b>432,919</b>	<b>248,331</b>	<b>361,608</b>

**Table 2.1 Budgets by economic category of spending, 2014-15 to 2019-20 (continued)**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>Resource budgets</b>						
Staff costs	108,092	114,442	117,376	122,313	128,831	132,345
Gross current procurement	115,746	117,276	122,336	123,205	129,010	142,634
Income from sales of goods and services <sup>(3)</sup>	-19,309	-17,864	-21,883	-19,978	-22,519	-23,753
Current grants to local government	113,476	108,147	104,267	103,814	105,987	101,010
Current grants to persons and non-profit bodies	210,974	212,804	216,680	217,503	222,829	239,059
Current grants abroad	1,820	2,477	3,085	3,169	1,558	831
Subsidies to private sector companies	7,463	8,604	9,631	10,077	12,753	11,603
Subsidies to public corporations	821	815	657	599	636	648
Net public service pensions <sup>(1)</sup>	10,182	9,649	8,891	9,262	10,003	4,549
Rentals	8,025	7,818	6,671	6,593	5,962	4,426
Depreciation <sup>(2) (3)</sup>	-25,099	22,518	9,362	40,785	14,927	35,622
Take up of provisions <sup>(3)</sup>	14,171	133,010	19,261	101,243	-95,239	17,019
Release of provisions	-4,371	-5,421	-6,430	-7,505	-8,561	-5,215
Change in pension scheme liabilities	34,843	37,612	36,259	54,299	82,133	57,244
Unwinding of the discount rate on pension scheme liabilities	46,256	42,883	42,003	42,664	40,043	45,009
Release of provisions covering payments of pensions benefits <sup>(4)</sup>	-34,608	-35,328	-35,533	-36,475	-38,248	-40,089
Other	-9,087	-15,981	-11,480	-6,816	-9,839	-6,633
Plus unallocated funds	—	—	—	—	—	510
<b>Total resource budgets</b>	<b>579,395</b>	<b>743,461</b>	<b>621,154</b>	<b>764,752</b>	<b>580,266</b>	<b>716,818</b>
<b>Capital DEL</b>						
Capital support for local government	9,419	9,623	9,305	8,546	9,402	7,755
Capital grants to persons and non-profit bodies	6,189	6,507	5,567	6,852	7,779	9,082
Capital grants to private sector companies	5,742	1,822	1,912	2,335	1,878	3,089
Capital grants abroad	2,112	2,487	2,581	2,172	3,174	2,659
Capital support for public corporations	-698	221	140	341	563	236
Release of provisions	—	—	—	—	—	—
Gross capital procurement	27,275	25,433	24,821	28,818	33,597	38,970
Income from sales of assets	-1,982	-2,278	-1,624	-1,580	-1,835	-917
Net lending and investment to the private sector and abroad <sup>(3)</sup>	2,810	1,965	4,550	4,822	3,849	5,704
Other	2,386	2,824	4,018	3,261	4,090	6,832
Plus unallocated funds in capital DEL	—	—	—	—	—	-583
<b>Total capital DEL</b>	<b>53,252</b>	<b>48,603</b>	<b>51,268</b>	<b>55,568</b>	<b>62,505</b>	<b>72,827</b>
<b>Capital departmental AME</b>						
Capital support for local government	1,139	1,219	926	743	835	1,322
Capital grants to persons and non-profit bodies	731	853	459	497	462	517
Capital grants to private sector companies	271	427	674	821	1,263	1,680
Capital grants abroad	-32	-77	-27	-26	-32	-24
Capital support for public corporations	362	102	195	242	112	262
Take up of Provisions	149	83	8	545	-234	—
Release of Provision	-80	-99	-72	-66	-395	-835
Gross capital procurement	1,233	8,134	8,532	8,147	8,441	1,625
Income from sales of assets	-346	-243	-126	-142	-1,226	-58
Net lending and investment to the private sector and abroad	-2,007	-17,331	-4,745	12,687	6,910	23,574
Other	3,603	-2,324	-2,645	-2,321	-3,592	-4,229
<b>Total capital departmental AME</b>	<b>5,024</b>	<b>-9,257</b>	<b>3,179</b>	<b>21,127</b>	<b>12,544</b>	<b>23,833</b>

**Table 2.1 Budgets by economic category of spending, 2014-15 to 2019-20 (continued)**

	£ million					
	National Statistics					2019-20 plans
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Capital budgets</b>						
Capital support for local government	10,558	10,841	10,231	9,289	10,237	9,077
Capital grants to persons and non-profit bodies	6,920	7,360	6,026	7,348	8,241	9,600
Capital grants to private sector companies	6,013	2,249	2,585	3,157	3,141	4,770
Capital grants abroad	2,080	2,409	2,554	2,146	3,142	2,635
Capital support for public corporations	-336	323	334	583	684	498
Take up of Provisions	149	83	8	545	-234	–
Release of Provision	-80	-99	-72	-66	-395	-835
Gross capital procurement	28,508	33,566	33,353	36,967	42,040	40,595
Income from sales of assets	-2,328	-2,521	-1,750	-1,724	-3,063	-976
Net lending and investment to the private sector and abroad	803	-15,366	-195	17,509	10,759	29,277
Other	5,989	500	1,373	940	498	2,602
<i>Plus unallocated funds in capital DEL</i>	–	–	–	–	–	-583
<b>Total capital budgets</b>	<b>58,276</b>	<b>39,346</b>	<b>54,447</b>	<b>76,694</b>	<b>75,049</b>	<b>96,660</b>

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

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

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

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

**Table 2.2 Gross current procurement in budgets, 2014-15 to 2019-20**

	£ million					
	National Statistics					2019-20 plans
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Gross current procurement in budgets</b>						
Defence	11,836	11,223	11,017	11,510	12,253	10,801
Single Intelligence Account	983	1,084	1,107	1,198	1,223	1,612
Home Office	2,254	2,445	2,508	2,545	2,930	3,792
Foreign and Commonwealth Office	487	542	592	680	763	686
International Development	1,218	1,193	1,170	1,117	1,028	1,871
Health and Social Care	59,341	60,359	64,553	63,408	63,630	75,569
Work and Pensions	2,474	2,329	2,124	1,922	2,098	1,637
Education	4,416	4,302	4,711	5,259	5,717	6,702
Business, Energy and Industrial Strategy	2,218	2,135	2,015	2,040	2,082	2,216
Transport	1,746	3,604	3,792	4,329	4,847	5,507
Exiting the European Union	4	4	10	23	28	52
Digital, Culture, Media and Sport	3,580	3,213	3,263	3,104	3,395	3,431
MHCLG – Housing and Communities	288	310	318	124	204	283
MHCLG – Local Government	–	–	–	–	–	–
Scotland	7,905	7,504	8,074	8,088	10,404	10,811
Wales	3,472	3,566	3,854	3,987	4,149	2,208
Northern Ireland	4,212	4,275	4,154	4,207	4,476	4,624
Justice	4,825	4,466	4,873	5,033	4,993	5,400
Law Officers' Departments	300	313	292	323	321	446
Environment, Food and Rural Affairs	1,161	1,032	895	903	1,042	1,005
HM Revenue & Customs	558	885	499	745	746	190
HM Treasury	1,160	1,245	1,365	1,238	1,272	1,523
Cabinet Office	335	326	297	409	465	966
International Trade	202	211	203	212	221	282
Small and Independent Bodies	769	709	650	801	722	1,021
<b>Total gross current procurement in budgets</b>	<b>115,746</b>	<b>117,276</b>	<b>122,336</b>	<b>123,205</b>	<b>129,010</b>	<b>142,634</b>

**Table 2.3 Gross capital procurement in budgets, 2014-15 to 2019-20**

	£ million					
	National Statistics					2019-20 plans
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Gross capital procurement in budgets</b>						
Defence	9,145	9,015	8,836	9,737	10,731	9,971
Single Intelligence Account	563	581	631	623	666	730
Home Office	265	271	347	437	519	514
Foreign and Commonwealth Office	123	134	104	142	148	110
International Development	79	77	64	252	67	80
Health and Social Care	5,523	5,089	4,850	4,901	6,156	5,722
Work and Pensions	120	102	181	341	200	227
Education	3,171	2,163	790	2,157	2,422	1,503
Business, Innovation and Skills	3,075	3,095	3,157	3,366	3,664	2,508
Transport	2,219	9,232	9,463	10,019	12,448	14,030
Exiting the European Union	–	–	–	1	–	–
Digital, Culture, Media and Sport	425	383	591	314	355	274
MHCLG – Housing and Communities	168	139	231	395	272	671
Scotland	1,053	1,113	1,203	1,097	975	904
Wales	531	467	589	660	675	630
Northern Ireland	1,011	786	1,052	980	1,116	1,118
Justice	365	297	436	450	522	457
Law Officers' Departments	4	3	13	10	16	8
Environment, Food and Rural Affairs	227	191	242	265	279	147
HM Revenue & Customs	13	2	3	8	22	10
HM Treasury	240	229	328	308	387	405
Cabinet Office	104	102	123	198	134	84
International Trade	2	2	6	16	17	13
Small and Independent Bodies	83	92	115	289	249	479
<b>Total gross capital procurement in budgets</b>	<b>28,508</b>	<b>33,566</b>	<b>33,353</b>	<b>36,967</b>	<b>42,040</b>	<b>40,595</b>





# 3

## Changes in departmental budgets

---

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

- for 2017-18, estimated outturn published in PESA 2018 (Cm 9648) is compared with the final outturn in **Chapter 1**;
- for 2018-19, the plans published in PESA 2018 are reconciled to final plans and compared to the estimated outturn in **Chapter 1**; and
- for 2019-20 latest plans are compared with the published figures in PESA 2018.

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

- **Tables 3.1, 3.2, 3.3 and 3.4** show changes for 2017-18;
- **Tables 3.5, 3.6, 3.7 and 3.8** show changes for 2018-19;
- **Tables 3.9-3.11** show plans for 2019-20.

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

### Types of changes

**3.3** The comparisons distinguish between the following types of change:

- Machinery of Government changes, which are implemented in the starting position of all tables so that other changes are not obscured by departmental restructuring;
- changes that result from spending being reclassified or where financing responsibility transfers between departments (i.e. changes in the way public expenditure is measured); and
- changes that reflect policy decisions or are due to the availability of updated outturn or forecasts. This also takes account of any departmental underspends carried forward from 2018-19 to 2019-20 under the Budget Exchange system.

## Machinery of Government and classification changes

**3.4** As announced at Budget 2018, from 2019-20 Transport DEL includes funding for expenditure by Network Rail. In previous editions of PESA this was part of Transport AME. Earlier years are unaffected by this switch.

## Policy changes

**3.5** This section sets out the key spending policy decisions taken since PESA 2018. This mainly includes:

- measures announced at Budget 2018;
- claims on the Reserve; and
- carry forward of estimated resource and capital DEL underspends (with the agreement of the Treasury) from 2018-19 under the Budget Exchange (BX) system.

## Policy changes in 2018-19 Tables 3.5 to 3.7

**3.6** The impact of policy decisions on resource DEL and capital DEL budgets in 2018-19 are set out in **Tables 3.5 and 3.7**, respectively. The main policy decisions are set out below.

The main claims on the resource DEL Reserve in 2018-19 were:

- BEIS received £0.2bn in respect of EU exit preparation and depreciation and impairments;
- MoD received £0.9bn in respect of operations and peace keeping, LIBOR and depreciation;
- Education received £11.3bn to provide budget cover for impairment of the student loan book;
- DEFRA received £0.3bn mainly in respect of EU exit preparation;
- DHSC received £1.8bn to cover Agenda for Change pay deal costs, the impact of the change in the Personal Injury Discount Rate and other programme costs;
- HMRC received £0.3bn to cover EU exit preparation and other programmes as well as depreciation;
- HO received £0.4bn in respect of EU exit funding, counter terrorism and asylum support;
- MoJ received £1.0bn in relation to delays in implementing Probate Fee reform, prisons, Legal Aid, Court reform and other programmes;
- the Northern Ireland Executive received £0.2bn mainly in respect of Budget Exchange drawdown from 2017-18 and Barnett consequentials arising from reserve claims by UK Government departments;
- Scottish Government received £0.9bn to provide budget cover for impairment of the student loan book and Barnett consequentials arising from reserve claims by UK Government departments;
- DfT received £0.5bn to provide support for passenger rail services, High Speed Two and other programmes as well as depreciation and impairments;
- Welsh Government received £0.5bn mainly in respect of Budget Exchange drawdown from 2017-18, Barnett consequentials arising from reserve claims by UK Government departments and to provide budget cover for impairment of the student loan book.

The main claims on the capital DEL Reserve in 2018-19 were:

- BEIS received £0.7bn for the British Business Bank and Science and Research;
- MoD received £0.6bn to support various programmes, including Dreadnought, as well as operations and peacekeeping;
- Transport received £1.2bn in respect of High Speed Two, Crossrail and other programmes.

The other main policy decisions affecting 2018-19 DELs were:

- BEIS RDEL was lowered by £0.5bn, reflecting an increase in energy legacy related receipts. In addition, £0.2bn was switched from RDEL to CDEL, mainly for the Nuclear Decommissioning Authority;
- MoD was given an additional £0.2bn of RDEL funding at Budget 2018 and switched £1.0bn from resource to single use military equipment (SUME) capital DEL;
- DHSC switched £0.5bn from CDEL to RDEL;
- HO was given additional RDEL funding of £0.2bn for the Youth Endowment Fund at Budget 2018 and switched £0.2bn from RDEL to CDEL;
- DfID switched £0.5bn from RDEL to CDEL and was given an additional £0.2bn of RDEL funding for Official Development Assistance at Budget 2018;
- DfT was given additional CDEL funding of £0.4bn at Budget 2018 for local road maintenance. DfT also switched £0.2bn from CDEL to RDEL and gave up £0.9bn of forecast CDEL underspends;
- MHCLG switched £0.2bn from CDEL to RDEL in respect of the local government finance settlement and gave up £0.3bn of forecast RDEL underspends;
- Local Government was given an additional £0.4bn at Budget 2018 for Adult Social Care and Business Rate reliefs;
- Education received an additional £0.4bn of schools related CDEL funding at Budget 2018.

**3.7** Under the Budget Exchange system departments carried forward £0.1bn resource DEL and £0.2bn capital DEL from 2018-19 into 2019-20.

## Policy changes in 2019-20 Tables 3.9 to 3.11

**3.8** The impact of policy decisions on resource DEL and capital DEL budgets in 2019-20 are set out in **Tables 3.9 and 3.11 respectively**. The main policy decisions are set out below:

The main claims on the resource DEL Reserve in 2019-20 were:

- MoD was given an additional £1.0bn to cover additional employer pension costs as well as operations and peacekeeping;
- Education received £0.7bn in respect of additional employer pension costs;
- DEFRA received £0.4bn for EU exit preparation;
- DHSC received £1.7bn mainly in respect of additional employer pension costs;
- HMRC received £0.6bn for EU exit preparation, additional employer pension costs and a number of other programmes;
- HO received £1.2bn for EU exit preparation, additional employer pension costs, counter terrorism policing and other programmes;

- MoJ received £1.5bn of funding for a number of programmes as well as additional employer pension costs;

The other main policy decisions affecting 2019-20 DELs were:

- Local Government RDEL was reduced by £0.4bn reflecting additional funding for social care offset by budget reductions as a result of business rate measures announced at Budget 2018;
- DHSC RDEL increased by £5.5bn following the announcement in 2018 of the multi-year funding plan for the NHS. CDEL was reduced by £0.8bn reflecting switches into RDEL and increased capital receipts;
- DfID switched £0.3bn into RDEL from its CDEL budget and £0.9bn from CDEL to Capital AME in respect of financial support provided to CDC Group plc. DfID also received an additional £0.2bn of CDEL at Budget 2018 for Official Development Assistance;
- Scottish Government RDEL increased by £1.1bn mainly as a result of Barnett consequentials arising from the NHS settlement;
- Welsh Government RDEL increased by £0.4bn mainly as a result of Barnett consequentials arising from the NHS settlement;
- MoD CDEL increased by £0.8bn reflecting additional funding announced at Budget 2018.

**Table 3.1 Resource DEL 2017-18; changes since PESA 2018**

				£ million	
	Final provision adjusted for MoG	Outturn in PESA 2018 adjusted for MoG	Transfers and classification changes since PESA 2018	Other changes since PESA 2018	Outturn
<b>Resource DEL</b>					
Defence	36,220	34,199	0	0	34,199
Single Intelligence Account	2,414	2,390	0	0	2,390
Home Office	10,994	10,892	0	19	10,911
Foreign and Commonwealth Office	2,217	2,208	0	0	2,208
International Development	7,656	7,558	0	0	7,558
Health and Social Care	121,342	120,650	0	0	120,650
Work and Pensions	6,317	6,187	0	0	6,187
Education	80,778	74,856	0	293	75,148
Business, Energy and Industrial Strategy	1,996	1,714	0	0	1,714
Transport	3,897	3,616	0	57	3,673
Exiting the European Union	75	55	0	0	55
Digital, Culture, Media and Sport	1,899	1,585	0	0	1,585
MHCLG – Housing and Communities	2,440	2,372	0	0	2,372
MHCLG – Local Government	6,718	6,714	0	0	6,714
Scotland	15,397	14,969	0	-23	14,946
Wales	14,416	13,998	0	3	14,002
Northern Ireland	10,794	10,631	0	-6	10,625
Justice	7,753	7,630	0	-3	7,627
Law Officers' Departments	577	567	0	0	567
Environment, Food and Rural Affairs	1,971	1,845	0	-12	1,833
HM Revenue and Customs	3,981	3,946	0	0	3,946
HM Treasury	158	147	79	0	225
Cabinet Office	710	701	0	-1	701
International Trade	391	383	0	-2	381
Small and Independent Bodies	1,564	1,394	0	223	1,617
<b>Total resource DEL</b>	<b>342,675</b>	<b>331,205</b>	<b>79</b>	<b>550</b>	<b>331,833</b>

**Table 3.2 Resource DEL excluding depreciation 2017-18; changes since PESA 2018**

				£ million	
	Final provision adjusted for MoG	Outturn in PESA 2018 adjusted for MoG	Transfers and classification changes since PESA 2018	Other changes since PESA 2018	Outturn
<b>Resource DEL excluding depreciation</b>					
Defence	27,126	26,901	0	0	26,901
Single Intelligence Account	2,049	2,020	0	0	2,020
Home Office	10,663	10,594	0	19	10,614
Foreign and Commonwealth Office	2,078	2,061	0	0	2,061
International Development	7,638	7,549	0	0	7,549
Health and Social Care	119,831	119,916	0	2	119,918
Work and Pensions	6,139	6,001	0	0	6,001
Education	60,785	60,349	0	294	60,643
Business, Energy and Industrial Strategy	1,634	1,448	0	0	1,448
Transport	2,101	2,019	0	91	2,110
Exiting the European Union	74	55	0	0	55
Digital, Culture, Media and Sport	1,727	1,436	0	0	1,436
MHCLG – Housing and Communities	2,395	2,391	0	0	2,391
MHCLG – Local Government	6,718	6,714	0	0	6,714
Scotland	14,490	14,185	0	-8	14,177
Wales	13,466	13,290	0	3	13,293
Northern Ireland	10,144	10,084	0	-6	10,078
Justice	7,163	7,162	0	-28	7,135
Law Officers' Departments	566	559	0	0	559
Environment, Food and Rural Affairs	1,728	1,667	0	-12	1,656
HM Revenue and Customs	3,657	3,649	0	0	3,649
HM Treasury	151	139	79	0	217
Cabinet Office	674	667	0	-1	666
International Trade	389	381	0	-3	378
Small and Independent Bodies	1,474	1,307	0	221	1,528
<b>Total resource DEL</b>	<b>304,860</b>	<b>302,544</b>	<b>79</b>	<b>574</b>	<b>303,197</b>

**Table 3.3 Capital DEL 2017-18; changes since PESA 2018**

				£ million	
	Final provision adjusted for MoG	Outturn in PESA 2018 adjusted for MoG	Transfers and classification changes since PESA 2018	Other changes since PESA 2018	Outturn
<b>Capital DEL</b>					
Defence	9,793	9,704	0	0	9,704
Single Intelligence Account	578	576	0	0	576
Home Office	658	624	0	0	624
Foreign and Commonwealth Office	138	-252	0	0	-252
International Development	2,747	2,713	0	0	2,713
Health and Social Care	5,598	5,238	0	0	5,238
Work and Pensions	501	433	0	0	433
Education	4,993	4,846	0	-211	4,634
Business, Energy and Industrial Strategy	10,787	10,392	0	0	10,392
Transport	6,432	6,218	0	-43	6,175
Exiting the European Union	1	1	0	0	1
Digital, Culture, Media and Sport	386	351	0	0	351
MHCLG – Housing and Communities	6,997	6,634	0	0	6,634
Scotland	3,636	3,628	0	-3	3,625
Wales	1,966	1,825	0	-4	1,821
Northern Ireland	1,270	1,148	0	0	1,148
Justice	425	412	0	3	414
Law Officers' Departments	15	10	0	0	10
Environment, Food and Rural Affairs	642	630	0	0	630
HM Revenue and Customs	282	281	0	0	281
HM Treasury	17	-79	1	0	-78
Cabinet Office	196	189	0	1	191
International Trade	19	15	0	0	16
Small and Independent Bodies	312	177	0	112	289
<b>Total capital DEL</b>	<b>58,389</b>	<b>55,711</b>	<b>1</b>	<b>-144</b>	<b>55,568</b>



**Table 3.4 Total Managed Expenditure 2017-18; changes since PESA 2018**

				£ million
	Outturn in PESA 2018	Transfers and classification changes since PESA 2018	Other changes since PESA 2018	Outturn
<b>CURRENT EXPENDITURE</b>				
<i>Resource DEL</i>				
<b>Total resource DEL</b>	<b>331,205</b>	<b>79</b>	<b>550</b>	<b>331,833</b>
<i>Resource departmental AME</i>				
Social security benefits	192,521	0	207	192,728
Tax credits	26,293	0	0	26,293
Net public service pensions	26,340	0	572	26,912
National lottery	1,229	0	-97	1,132
BBC domestic services	3,713	0	-303	3,410
Student loans	-2,992	0	-8	-3,001
Non-cash items	147,313	0	-268	147,045
Financial sector interventions	-216	0	0	-216
Other departmental expenditure	39,020	0	-404	38,616
<b>Total resource departmental AME</b>	<b>433,221</b>	<b>0</b>	<b>-302</b>	<b>432,919</b>
<i>Resource other AME</i>				
Net expenditure transfers to the EU	10,188	0	0	10,188
Locally financed expenditure	35,376	0	-1,467	33,908
Central government gross debt interest	54,749	0	288	55,037
Accounting adjustments	-156,947	0	4,218	-152,728
<b>Total resource other AME</b>	<b>-56,634</b>	<b>0</b>	<b>3,039</b>	<b>-53,595</b>
<b>Total resource AME</b>	<b>376,587</b>	<b>0</b>	<b>2,737</b>	<b>379,324</b>
<b>Public sector current expenditure</b>	<b>707,792</b>	<b>79</b>	<b>3,286</b>	<b>711,157</b>
<b>CAPITAL EXPENDITURE</b>				
<i>Capital DEL</i>				
<b>Total capital DEL</b>	<b>55,711</b>	<b>1</b>	<b>-144</b>	<b>55,568</b>
<i>Capital departmental AME</i>				
National lottery	427	0	-1	426
BBC domestic services	141	0	-22	118
Student loans	16,898	0	-28	16,870
Financial sector interventions	-942	0	0	-942
Other departmental expenditure	4,730	0	-76	4,654
<b>Total capital departmental AME</b>	<b>21,253</b>	<b>0</b>	<b>-127</b>	<b>21,127</b>
<i>Capital other AME</i>				
Locally financed expenditure	10,996	0	2,653	13,649
Public corporations' own-financed capital expenditure	15,486	0	-470	15,016
Accounting adjustments	-21,744	0	97	-21,647
<b>Total capital other AME</b>	<b>4,738</b>	<b>0</b>	<b>2,280</b>	<b>7,018</b>
<b>Total capital AME</b>	<b>25,992</b>	<b>0</b>	<b>2,153</b>	<b>28,144</b>
<b>Public sector gross investment</b>	<b>81,703</b>	<b>1</b>	<b>2,009</b>	<b>83,712</b>
<i>less public sector depreciation</i>	41,049	0	6	41,055
<b>Public sector net investment</b>	<b>40,654</b>	<b>1</b>	<b>2,003</b>	<b>42,657</b>
<b>Total Managed Expenditure</b>	<b>789,495</b>	<b>79</b>	<b>5,295</b>	<b>794,869</b>

**Table 3.5 Resource DEL 2018-19; changes since PESA 2018**

				£ million	
	Plans in PESA 2018 adjusted for MOG	Transfers and classification changes since PESA 2018	Other changes since PESA 2018	Final provision	Outturn
<b>Resource DEL</b>					
Defence	36,708	-16	66	36,758	34,353
Single Intelligence Account	2,593	-111	86	2,567	2,541
Home Office	10,918	-84	494	11,329	11,227
Foreign and Commonwealth Office	2,351	-62	141	2,430	2,410
International Development	7,479	105	-259	7,325	7,196
Health and Social Care	123,518	69	2,337	125,924	125,278
Work and Pensions	6,231	-50	-137	6,044	5,967
Education	68,388	-5	11,170	79,552	70,444
Business, Energy and Industrial Strategy	1,931	5	-502	1,434	1,246
Transport	3,761	22	742	4,525	3,894
Exiting the European Union	91	0	0	91	79
Digital, Culture, Media and Sport	1,683	39	99	1,821	1,658
MHCLG – Housing and Communities	2,818	-181	-101	2,536	2,328
MHCLG – Local Government	4,304	166	368	4,838	4,834
Scotland	15,497	13	1,198	16,708	16,255
Wales	13,927	-16	567	14,478	14,006
Northern Ireland	10,818	4	409	11,231	11,008
Justice	6,923	-2	1,187	8,107	8,035
Law Officers' Departments	587	0	-4	583	557
Environment, Food and Rural Affairs	1,805	8	239	2,053	1,944
HM Revenue and Customs	3,739	35	300	4,075	3,952
HM Treasury	91	1	170	262	246
Cabinet Office	452	74	60	585	553
International Trade	354	-17	85	422	413
Small and Independent Bodies	1,574	2	14	1,590	1,510
Reserves	5,926	–	-5,926	–	–
OBR allowance for shortfall	-1,750	–	1,750	–	–
Adjustment for Budget Exchange	-576	–	576	–	–
<b>Total resource DEL</b>	<b>332,138</b>	<b>0</b>	<b>15,130</b>	<b>347,267</b>	<b>331,935</b>

**Table 3.6 Resource DEL excluding depreciation 2018-19; changes since PESA 2018**

	£ million				
	Plans in PESA 2018 adjusted for MOG	Transfers and classification changes since PESA 2018	Other changes since PESA 2018	Final provision	Outturn
<b>Resource DEL excluding depreciation</b>					
Defence	28,208	-16	-366	27,826	27,732
Single Intelligence Account	2,227	-111	18	2,134	2,134
Home Office	10,566	-84	488	10,970	10,924
Foreign and Commonwealth Office	2,239	-62	71	2,248	2,236
International Development	7,461	105	-260	7,307	7,190
Health and Social Care	121,987	69	2,337	124,393	124,359
Work and Pensions	6,066	-50	-137	5,879	5,761
Education	62,540	-5	-95	62,439	61,491
Business, Energy and Industrial Strategy	1,652	5	-600	1,057	936
Transport	2,062	22	642	2,726	2,475
Exiting the European Union	90	0	0	90	79
Digital, Culture, Media and Sport	1,497	39	99	1,635	1,524
MHCLG – Housing and Communities	2,588	-181	9	2,416	2,333
MHCLG – Local Government	4,304	166	368	4,838	4,834
Scotland	14,391	13	649	15,053	14,742
Wales	13,263	-16	327	13,574	13,305
Northern Ireland	10,244	4	372	10,620	10,483
Justice	6,333	-2	1,187	7,517	7,511
Law Officers' Departments	572	0	-3	568	547
Environment, Food and Rural Affairs	1,565	8	239	1,812	1,749
HM Revenue and Customs	3,388	35	250	3,673	3,663
HM Treasury	85	1	170	257	241
Cabinet Office	401	74	40	515	501
International Trade	352	-17	83	418	408
Small and Independent Bodies	1,487	2	-29	1,460	1,407
Reserves	5,926	–	-5,926	–	–
OBR allowance for shortfall	-1,750	–	1,750	–	–
Adjustment for Budget Exchange	-576	–	576	–	–
<b>Total resource DEL</b>	<b>309,166</b>	<b>0</b>	<b>2,260</b>	<b>311,426</b>	<b>308,564</b>

**Table 3.7 Capital DEL 2018-19; changes since PESA 2018**

	£ million				
	Plans in PESA 2018 adjusted for MOG	Transfers and classification changes since PESA 2018	Other changes since PESA 2018	Final provision	Outturn
<b>Capital DEL</b>					
Defence	8,761	0	1,640	10,401	10,294
Single Intelligence Account	643	-21	-16	607	607
Home Office	491	9	251	750	744
Foreign and Commonwealth Office	102	11	43	157	142
International Development	2,652	-2	478	3,129	3,105
Health and Social Care	6,364	-5	-377	5,983	5,937
Work and Pensions	255	0	120	375	334
Education	5,182	7	335	5,524	5,169
Business, Energy and Industrial Strategy	10,694	-2	804	11,496	10,814
Transport	8,070	-1	432	8,501	8,273
Exiting the European Union	1	0	0	1	0
Digital, Culture, Media and Sport	585	-3	-134	448	366
MHCLG – Housing and Communities	9,417	-14	-1,284	8,118	7,424
Scotland	3,901	6	111	4,018	3,876
Wales	1,901	4	136	2,041	2,037
Northern Ireland	1,568	1	-73	1,495	1,297
Justice	532	-3	-13	517	431
Law Officers' Departments	16	0	1	18	16
Environment, Food and Rural Affairs	611	2	128	740	727
HM Revenue and Customs	250	-5	131	376	362
HM Treasury	224	0	-42	181	167
Cabinet Office	105	16	-1	120	120
International Trade	4	0	16	19	17
Small and Independent Bodies	309	0	-28	281	247
Reserves	804	–	-804	–	–
OBR allowance for shortfall	-1,750	–	1,750	–	–
Adjustment for Budget Exchange	-797	–	797	–	–
<b>Total capital DEL</b>	<b>60,894</b>	<b>0</b>	<b>4,403</b>	<b>65,296</b>	<b>62,505</b>

**Table 3.8 Total Managed Expenditure 2018-19; changes since PESA 2018**

	Plans in PESA 2018	Transfers and classification changes since PESA 2018	Other changes since PESA 2018	£ million Outturn
<b>CURRENT EXPENDITURE</b>				
<i>Resource DEL</i>				
<b>Total resource DEL</b>	<b>332,138</b>	<b>0</b>	<b>-203</b>	<b>331,935</b>
<i>Resource departmental AME</i>				
Social security benefits	200,218	0	-838	199,381
Tax credits	23,505	0	-791	22,715
Net public service pensions	27,030	0	26,748	53,777
National lottery	986	0	-145	840
BBC domestic services	3,635	0	-188	3,447
Student loans	-4,129	0	-1,538	-5,667
Non-cash items	64,923	0	-121,595	-56,672
Financial sector interventions	-84	0	-15,006	-15,090
Other departmental expenditure	46,135	0	-536	45,599
<b>Total resource departmental AME</b>	<b>362,219</b>	<b>0</b>	<b>-113,889</b>	<b>248,331</b>
<i>Resource other AME</i>				
Net expenditure transfers to the EU	13,154	0	-255	12,899
Locally financed expenditure	37,455	0	-1,961	35,495
Central government gross debt interest	53,251	0	-4,593	48,658
Accounting adjustments	-65,196	0	116,043	50,846
<b>Total resource other AME</b>	<b>38,664</b>	<b>0</b>	<b>109,233</b>	<b>147,897</b>
<b>Total resource AME</b>	<b>400,883</b>	<b>0</b>	<b>-4,655</b>	<b>396,228</b>
<b>Public sector current expenditure</b>	<b>733,021</b>	<b>0</b>	<b>-4,858</b>	<b>728,163</b>
<b>CAPITAL EXPENDITURE</b>				
<i>Capital DEL</i>				
<b>Total capital DEL</b>	<b>60,894</b>	<b>0</b>	<b>1,611</b>	<b>62,505</b>
<i>Capital departmental AME</i>				
National lottery	221	0	116	337
BBC domestic services	169	0	-9	160
Student loans	19,740	0	-1,355	18,385
Financial sector interventions	25	0	-2,533	-2,509
Other departmental expenditure	2,186	0	-6,014	-3,828
<b>Total capital departmental AME</b>	<b>22,341</b>	<b>0</b>	<b>-9,796</b>	<b>12,544</b>
<i>Capital other AME</i>				
Locally financed expenditure	10,765	0	3,377	14,142
Public corporations' own-financed capital expenditure	18,565	0	-9,191	9,374
Accounting adjustments	-32,715	0	16,163	-16,553
<b>Total capital other AME</b>	<b>-3,385</b>	<b>0</b>	<b>10,348</b>	<b>6,963</b>
<b>Total capital AME</b>	<b>18,955</b>	<b>0</b>	<b>552</b>	<b>19,507</b>
<b>Public sector gross investment</b>	<b>79,849</b>	<b>0</b>	<b>2,163</b>	<b>82,012</b>
less public sector depreciation	40,883	0	-522	40,361
<b>Public sector net investment</b>	<b>38,966</b>	<b>0</b>	<b>2,685</b>	<b>41,651</b>
<b>Total Managed Expenditure</b>	<b>812,870</b>	<b>0</b>	<b>-2,695</b>	<b>810,175</b>

**Table 3.9 Resource DEL 2019-20; changes since PESA 2018**

	2019-20			£ million
	Plans in PESA 2018 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
<b>Resource DEL</b>				
Defence	37,452	-279	1,032	38,205
Single Intelligence Account	2,398	271	108	2,777
Home Office	10,986	-271	1,244	11,959
Foreign and Commonwealth Office	1,338	1,216	63	2,617
International Development	8,261	-1,339	255	7,177
Health and Social Care	125,682	275	7,645	133,601
Work and Pensions	5,662	-70	147	5,740
Education	69,839	-3	805	70,641
Business, Energy and Industrial Strategy	2,005	-24	131	2,111
Transport	3,327	6	7,376	10,710
Exiting the European Union	93	0	1	94
Digital, Culture, Media and Sport	1,675	23	73	1,770
MHCLG – Housing and Communities	2,268	36	297	2,601
MHCLG – Local Government	5,621	-18	-397	5,206
Scotland	15,257	27	2,160	17,445
Wales	13,994	15	-1,434	12,575
Northern Ireland	10,613	10	713	11,335
Justice	6,573	1	1,478	8,052
Law Officers' Departments	581	5	25	611
Environment, Food and Rural Affairs	1,719	6	433	2,157
HM Revenue and Customs	3,554	57	572	4,183
HM Treasury	72	10	139	222
Cabinet Office	341	39	283	663
International Trade	346	6	136	488
Small and Independent Bodies	1,448	1	360	1,809
Reserves	7,249	0	-3,593	3,656
OBR allowance for shortfall	-1,750	0	-750	-2,500
Adjustment for Budget Exchange	-350	0	-296	-646
Adjustment for planned efficiency savings	0	0	0	0
<b>Total resource DEL</b>	<b>336,254</b>	<b>0</b>	<b>19,005</b>	<b>355,258</b>

**Table 3.10 Resource DEL excluding depreciation 2019-20; changes since PESA 2018**

	2019-20			£ million
	Plans in PESA 2018 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
<b>Resource DEL excluding depreciation</b>				
Defence	28,952	-279	1,032	29,705
Single Intelligence Account	2,021	271	35	2,327
Home Office	10,677	-271	1,244	11,650
Foreign and Commonwealth Office	1,226	1,216	63	2,505
International Development	8,242	-1,339	255	7,158
Health and Social Care	124,151	275	7,645	132,070
Work and Pensions	5,507	-70	147	5,585
Education	63,450	-3	805	64,252
Business, Energy and Industrial Strategy	1,721	-24	92	1,789
Transport	1,630	6	1,956	3,592
Exiting the European Union	93	0	1	94
Digital, Culture, Media and Sport	1,476	23	73	1,571
MHCLG – Housing and Communities	2,243	36	297	2,576
MHCLG – Local Government	5,621	-18	-397	5,206
Scotland	14,112	27	2,160	16,299
Wales	13,304	15	-1,434	11,885
Northern Ireland	10,026	10	713	10,748
Justice	5,970	1	1,478	7,449
Law Officers' Departments	566	5	25	595
Environment, Food and Rural Affairs	1,480	6	432	1,918
HM Revenue and Customs	3,174	57	572	3,804
HM Treasury	67	10	139	216
Cabinet Office	326	39	238	602
International Trade	344	6	136	486
Small and Independent Bodies	1,333	1	253	1,587
Reserves	7,249	0	-3,593	3,656
OBR allowance for shortfall	-1,750	0	-750	-2,500
Adjustment for Budget Exchange	-350	0	-296	-646
Adjustment for planned efficiency savings	0	0	0	–
<b>Total resource DEL</b>	<b>312,858</b>	<b>0</b>	<b>13,321</b>	<b>326,179</b>

**Table 3.11 Capital DEL 2019-20; changes since PESA 2018**

	2019-20			£ million
	Plans in PESA 2018 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
<b>Capital DEL</b>				
Defence	8,994	-31	818	9,781
Single Intelligence Account	655	30	0	686
Home Office	482	-5	153	630
Foreign and Commonwealth Office	98	14	0	112
International Development	3,527	-10	-990	2,527
Health and Social Care	6,741	0	-821	5,920
Work and Pensions	227	0	0	227
Education	5,098	-130	6	4,974
Business, Energy and Industrial Strategy	11,323	-41	179	11,461
Transport	10,519	-7	4,812	15,324
Exiting the European Union	0	0	0	0
Digital, Culture, Media and Sport	604	0	52	655
MHCLG – Housing and Communities	10,761	159	-234	10,686
Scotland	4,244	8	239	4,491
Wales	2,114	7	14	2,134
Northern Ireland	1,481	5	217	1,703
Justice	417	0	0	417
Law Officers' Departments	8	0	0	8
Environment, Food and Rural Affairs	586	0	32	618
HM Revenue and Customs	229	0	78	307
HM Treasury	262	0	-90	172
Cabinet Office	82	2	0	84
International Trade	4	0	10	14
Small and Independent Bodies	376	0	103	479
Reserves	2,353	0	210	2,563
Capital spending not yet in budgets	420	0	-420	–
OBR allowance for shortfall	-2,320	0	-380	-2,700
Adjustment for Budget Exchange	0	0	-446	-446
<b>Total resource DEL</b>	<b>69,285</b>	<b>0</b>	<b>3,542</b>	<b>72,827</b>





# 4

## Trends in public sector expenditure

---

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

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

### What's new

**4.3** There have been no significant changes to the presentation of data within this chapter since PESA 2018.

### Public spending aggregates

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

**4.5** Outturn data for these aggregates up to 2018-19 are taken from the public sector accounts compiled by the Office for National Statistics (ONS). The public sector accounts are a part of the National Accounts that are updated on a monthly basis.

**4.6** Plans period data from 2019-20 onwards are taken from the Office for Budget Responsibility, and are consistent with their Economic and Fiscal Outlook forecasts published at the time of the March 2019 Spring Statement.

### Public sector expenditure on services by function

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

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

**4.9** **Table 4.2** shows public sector expenditure on services by United Nations Classification Of the Functions Of Government (COFOG) level 1 from 1995-96. **Tables 4.3 and 4.4** present this in real terms and as a percentage of GDP respectively. These tables cover outturn years up to 2018-19. They also show, in italics, additional Treasury-defined functional divisions that were used prior to the introduction of UN COFOG, but which don't correspond to COFOG level 1.

## Methods and data quality for long run TES series

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

**4.11** Data in **Tables 4.2, 4.3 and 4.4** for years before 2014-15 are not taken directly from the 'live' public expenditure database that is maintained by government departments (see **Annex A**). Data that precede the most recent five outturn years cease to be 'live' and are archived in a summarised form.

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

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

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

**Table 4.1 Public expenditure aggregates, 1976-77 to 2019-20**

	Public sector current expenditure				Depreciation		Public sector net investment				Total Managed Expenditure <sup>(2)</sup>	
	Real terms <sup>(1)</sup>		Per cent of GDP	Nominal		Real terms <sup>(1)</sup>		Nominal		Real terms <sup>(1)</sup>		Per cent of GDP
	£ billion	£ billion		£ billion	£ billion	£ billion	£ billion	£ billion	£ billion			
1976-77	51.2	304.6	36.1	6.4	38.2	64.1	381.0	45.1				
1977-78	57.5	300.7	34.7	7.4	27.4	70.2	366.7	42.3				
1978-79	66.1	310.6	34.4	8.4	24.5	79.7	374.5	41.5				
1979-80	79.6	320.0	34.2	10.0	23.2	95.3	383.3	41.0				
1980-81	96.8	326.8	36.2	12.1	19.6	114.7	387.1	42.9				
1981-82	110.8	338.4	37.2	13.2	12.6	128.2	391.3	43.0				
1982-83	121.6	346.2	37.2	13.9	17.4	141.6	403.1	43.3				
1983-84	131.3	356.6	36.7	14.6	20.6	153.4	416.8	42.9				
1984-85	142.0	365.1	36.8	14.8	18.8	164.1	421.9	42.5				
1985-86	150.5	367.0	35.6	14.4	15.5	171.3	417.5	40.4				
1986-87	158.7	371.5	34.9	14.9	11.3	178.4	417.7	39.2				
1987-88	169.6	376.1	33.2	14.9	10.5	189.3	419.6	37.1				
1988-89	176.3	367.1	31.0	15.8	7.9	195.9	407.8	34.4				
1989-90	191.1	369.4	30.5	16.8	17.3	216.8	419.1	34.6				
1990-91	208.1	371.8	30.7	16.7	18.3	235.1	420.0	34.7				
1991-92	232.0	391.9	32.5	15.4	22.8	260.9	440.8	36.6				
1992-93	252.1	415.5	34.3	15.3	23.2	281.5	463.9	38.3				
1993-94	266.2	428.2	34.2	15.6	19.2	293.7	472.5	37.7				
1994-95	277.6	441.2	34.0	15.7	19.5	305.5	485.6	37.4				
1995-96	291.2	449.0	33.9	15.7	19.4	319.4	492.6	37.1				
1996-97	300.3	447.4	32.8	16.0	11.4	323.9	482.6	35.3				
1997-98	308.2	456.2	32.1	18.7	9.6	333.4	493.4	34.8				
1998-99	316.6	462.5	31.6	18.8	11.3	343.1	501.3	34.2				
1999-00	327.5	476.6	31.3	19.4	13.4	356.1	518.3	34.1				
2000-01	349.1	496.9	31.8	20.0	13.1	378.3	538.5	34.4				
2001-02	366.9	517.1	32.1	20.9	23.1	404.2	569.7	35.4				
2002-03	394.2	542.1	32.8	22.8	28.5	437.8	602.1	36.5				
2003-04	430.8	580.4	34.0	22.9	32.1	477.5	643.3	37.6				
2004-05	463.5	608.1	34.9	24.5	28.9	516.9	678.1	38.9				
2005-06	490.8	627.4	34.7	25.9	38.0	546.4	698.5	38.7				
2006-07	513.7	637.8	34.5	27.2	38.5	571.9	710.0	38.4				
2007-08	544.4	659.5	34.9	28.2	41.1	606.5	734.8	38.9				
2008-09	577.1	680.7	36.9	31.1	63.1	661.7	780.5	42.3				
2009-10	610.0	709.5	39.4	32.5	61.3	695.2	808.5	44.9				
2010-11	637.7	728.1	39.7	33.9	52.2	717.4	819.0	44.7				
2011-12	645.9	727.9	39.1	35.4	40.5	717.3	808.4	43.5				
2012-13	655.9	724.6	38.3	36.6	43.5	731.8	808.4	42.8				
2013-14	665.2	721.6	37.3	38.0	33.3	733.8	796.0	41.2				
2014-15	674.8	722.8	36.4	39.0	39.2	750.4	803.8	40.5				
2015-16	682.6	725.3	35.7	40.1	36.2	756.8	804.1	39.6				
2016-17	692.7	719.6	34.8	40.8	40.0	772.0	802.0	38.8				
2017-18	711.2	724.2	34.4	41.1	43.4	794.9	809.4	38.4				
2018-19	728.2	728.2	34.1	40.4	41.7	810.2	810.2	37.9				
2019-20	752.6	737.9	34.2	41.1	46.1	840.7	824.2	38.2				

<sup>(1)</sup> Real terms figures are the nominal figures adjusted to 2018-19 price levels using GDP deflators from the Office for National Statistics (released 28 June 2019).

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

**Table 4.2 Public sector expenditure on services by function, 1995-96 to 2018-19**

	National Statistics																							
	cash basis										accruals basis													
	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	2016-17 outturn	2017-18 outturn	2018-19 outturn
1. General public services of which: public and common services	36.3	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	59.5	63.5	67.9	63.8
of which: international services	6.1	6.2	6.2	7.2	8.0	7.9	9.2	9.8	10.9	12.1	12.8	12.7	12.5	14.0	13.8	12.8	11.5	11.2	11.2	11.5	11.3	12.5	12.5	13.2
of which: public sector debt interest	26.8	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	44.9	38.5
2. Defence <sup>(1)</sup>	22.5	22.1	21.7	24.5	25.1	25.7	25.4	27.0	28.8	29.8	31.0	32.2	33.7	36.8	37.7	39.3	38.7	36.3	36.4	36.7	36.6	37.1	38.7	40.2
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	30.5	30.2	30.1	31.5	32.4
4. Economic affairs of which: enterprise and economic development <sup>(2)</sup>	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	36.7	40.9	41.0	47.0	49.2	53.1	60.1
of which: science and technology	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	6.7	6.6	7.5	8.3	10.0	12.6
of which: employment policies	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	4.4	4.7	4.5	5.0	6.4
of which: agriculture, fisheries and forestry	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	3.8	2.9	2.4	2.4	2.6	2.7
of which: transport <sup>(3)</sup>	3.9	5.4	4.7	4.4	4.3	4.7	6.3	4.9	5.3	5.4	5.6	5.1	4.3	5.8	5.8	5.5	5.8	5.3	5.4	5.2	4.5	5.2	5.2	5.7
5. Environment protection	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	20.2	20.8	22.0	27.9	28.8	30.3	32.6
6. Housing and community amenities	4.1	3.7	4.0	4.3	4.9	5.1	5.4	6.0	6.2	7.0	8.5	9.4	9.6	9.2	10.4	10.9	10.5	10.7	11.2	11.6	11.6	11.0	11.8	11.2
7. Health	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	9.9	10.3	9.8	10.3	11.3	12.5
8. Recreation, culture and religion	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	121.3	124.3	129.4	134.1	138.5	142.6	147.3	152.9	152.9
9. Education <sup>(5)</sup>	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	11.6	12.4	11.4	11.6	11.5	11.2
10. Social protection	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	84.1	84.7	85.1	84.9	84.9	85.9	89.4
EU transactions <sup>(6)</sup>	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	254.2	261.1	264.9	265.4	268.7	274.7
Public sector expenditure on services	-4.1	-5.2	-3.7	-2.6	-2.7	-2.6	-4.8	-1.9	-2.1	-0.9	-0.6	-1.8	-1.5	-2.9	0.9	5.9	4.3	6.7	7.2	6.2	7.7	4.7	5.4	7.9
Accounting adjustments	295.9	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	676.1	688.4	702.2	710.5	733.0	756.2
<b>Total Managed Expenditure<sup>(7)</sup></b>	23.5	21.3	24.8	24.7	24.7	25.3	28.1	35.2	38.5	45.7	44.7	48.2	51.1	57.7	55.4	57.2	55.0	66.0	57.7	62.1	54.6	61.4	61.8	53.9
	<b>319.4</b>	<b>323.9</b>	<b>333.4</b>	<b>343.1</b>	<b>356.1</b>	<b>378.3</b>	<b>404.2</b>	<b>437.8</b>	<b>477.5</b>	<b>516.9</b>	<b>546.4</b>	<b>571.9</b>	<b>606.5</b>	<b>661.7</b>	<b>695.2</b>	<b>717.4</b>	<b>717.3</b>	<b>731.8</b>	<b>733.8</b>	<b>750.4</b>	<b>756.8</b>	<b>772.0</b>	<b>794.9</b>	<b>810.2</b>

<sup>(1)</sup> 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/orn/nato/hq/topics\\_49198.htm](http://www.nato.int/cps/orn/nato/hq/topics_49198.htm)

<sup>(2)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions.

<sup>(3)</sup> 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, and the 'transport' function shown here, from 2015-16.

<sup>(4)</sup> 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.

<sup>(5)</sup> 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.

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

<sup>(7)</sup> This excludes the temporary effects of banks being classified to the public sector.

**Table 4.3 Public sector expenditure on services by function in real terms,<sup>(1)</sup> 1995-96 to 2018-19**

	National Statistics																							
	cash basis												accruals basis											
	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
1. General public services	55.9	55.8	57.7	58.1	54.1	55.0	50.9	48.8	52.2	56.4	58.9	60.1	62.1	64.5	58.3	71.8	71.9	65.8	66.3	63.6	63.3	66.0	69.2	63.8
of which: public and common services	9.4	9.2	9.2	10.5	11.6	11.2	13.0	13.5	14.7	15.9	16.4	15.8	15.1	16.5	16.0	14.6	12.9	12.4	12.1	12.3	12.0	13.0	12.7	13.2
of which: international services	5.2	4.6	4.6	4.7	5.4	6.0	6.1	6.2	6.9	7.2	7.9	7.8	8.1	7.5	8.3	8.9	8.7	8.5	10.6	11.2	10.9	11.3	10.7	12.1
of which: public sector debt interest	41.3	41.9	43.9	42.9	37.1	37.8	31.9	29.1	30.6	33.4	34.6	36.5	38.8	40.4	34.0	48.2	50.2	44.9	43.5	40.1	40.4	41.7	45.7	38.5
2. Defence <sup>(2)</sup>	34.7	32.9	32.1	35.8	36.5	36.6	35.8	37.1	38.8	39.1	39.6	40.0	40.8	43.4	43.8	44.9	43.6	40.1	39.5	39.3	38.9	38.6	39.4	40.2
3. Public order and safety	24.7	24.4	25.3	26.3	26.8	29.0	32.6	33.6	35.6	37.4	37.5	37.7	38.4	39.7	39.7	37.8	36.1	34.6	32.1	32.7	32.1	31.2	32.0	32.4
4. Economic affairs	36.4	34.9	32.0	28.6	31.3	33.9	39.0	42.2	44.6	44.1	45.1	46.6	45.3	58.6	56.6	45.7	42.6	40.6	44.3	43.9	49.9	51.1	54.1	60.1
of which: enterprise and economic development <sup>(3)</sup>	6.9	6.4	6.4	4.5	6.4	7.0	7.2	8.1	8.1	8.5	8.2	7.8	8.6	19.1	14.2	5.6	5.4	5.5	7.3	7.0	7.9	8.6	10.2	12.6
of which: science and technology	1.9	2.1	2.1	2.0	2.0	2.0	2.4	2.9	3.1	3.3	3.8	3.6	4.0	3.8	4.2	3.9	4.1	3.7	4.5	4.7	5.0	4.7	5.1	6.4
of which: employment policies	4.8	4.2	3.7	4.2	5.1	5.4	4.7	4.1	4.3	4.2	4.2	4.1	2.5	4.1	4.8	5.4	3.6	3.2	4.1	3.1	2.6	2.5	2.7	2.7
of which: agriculture, fisheries and forestry	6.0	8.0	7.0	6.4	6.3	6.7	8.9	6.7	7.1	7.1	7.2	6.3	5.2	6.8	6.7	6.3	6.5	5.8	5.8	5.6	4.8	5.4	5.3	5.7
of which: transport <sup>(4), (5)</sup>	16.8	14.2	12.9	11.4	11.5	12.8	15.9	20.4	22.0	21.0	21.7	24.7	25.0	24.8	26.7	24.5	23.0	22.3	22.6	23.5	29.7	29.9	30.9	32.6
5. Environment protection	6.3	5.5	5.9	6.3	7.1	7.3	7.6	8.3	8.4	9.2	10.9	11.7	11.6	10.9	12.1	12.4	11.8	11.8	12.2	12.4	12.3	11.5	12.0	11.2
6. Housing and community amenities	9.3	8.5	7.3	8.0	6.8	7.8	8.7	7.4	9.0	10.5	13.7	14.3	15.7	18.0	19.0	15.2	11.4	11.0	10.7	11.0	10.4	10.7	11.5	12.5
7. Health	63.8	63.8	65.9	68.5	71.9	77.2	84.3	91.0	100.9	108.8	114.8	117.6	122.5	128.2	136.0	136.9	136.6	137.3	140.4	143.6	147.2	148.1	150.0	152.9
8. Recreation, culture and religion	8.5	8.5	9.5	10.5	11.2	11.1	12.1	12.8	13.1	13.8	14.2	14.4	14.6	15.4	14.6	14.8	14.1	14.0	12.6	13.3	12.1	12.1	11.7	11.2
9. Education <sup>(6)</sup>	57.1	56.3	57.1	58.4	61.4	65.3	72.2	75.2	82.2	85.4	89.2	90.6	95.3	97.9	102.9	104.5	97.5	92.9	91.9	91.1	90.2	88.2	87.5	89.4
10. Social protection	165.9	168.0	169.5	168.3	179.0	182.9	193.6	199.8	209.6	215.3	218.6	219.7	228.5	239.9	259.4	263.1	275.9	279.9	275.7	279.7	281.5	275.7	273.6	274.7
EU transactions <sup>(7)</sup>	-6.3	-7.7	-5.5	-3.8	-3.9	-3.7	-6.8	-2.6	-2.8	-1.2	-0.8	-2.2	-1.8	-3.4	1.0	6.7	4.9	7.4	7.8	6.7	8.2	4.9	5.5	7.9
<b>Public sector expenditure on services</b>	<b>456.3</b>	<b>450.8</b>	<b>456.7</b>	<b>465.2</b>	<b>482.4</b>	<b>502.4</b>	<b>530.1</b>	<b>553.6</b>	<b>591.5</b>	<b>618.1</b>	<b>641.4</b>	<b>650.2</b>	<b>672.9</b>	<b>712.4</b>	<b>744.1</b>	<b>753.7</b>	<b>746.4</b>	<b>735.5</b>	<b>733.4</b>	<b>737.3</b>	<b>746.1</b>	<b>738.1</b>	<b>746.5</b>	<b>756.2</b>
Accounting adjustments	36.3	31.7	36.7	36.1	35.9	36.0	39.6	48.4	51.9	60.0	57.1	59.8	61.9	68.1	64.4	65.3	62.0	73.0	62.6	66.5	58.0	63.8	63.0	53.9
<b>Total Managed Expenditure<sup>(8)</sup></b>	<b>492.6</b>	<b>482.6</b>	<b>493.4</b>	<b>501.3</b>	<b>518.3</b>	<b>538.5</b>	<b>569.7</b>	<b>602.1</b>	<b>643.3</b>	<b>678.1</b>	<b>698.5</b>	<b>710.0</b>	<b>734.8</b>	<b>780.5</b>	<b>808.5</b>	<b>819.0</b>	<b>808.4</b>	<b>808.4</b>	<b>796.0</b>	<b>803.8</b>	<b>804.1</b>	<b>802.0</b>	<b>809.4</b>	<b>810.2</b>

<sup>(1)</sup> Real terms figures are the nominal figures adjusted to 2018-19 price levels using GDP deflators from the Office for National Statistics (released 28 June 2019).

<sup>(2)</sup> 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/ory/nato/ha/topics\\_49198.htm](http://www.nato.int/cps/ory/nato/ha/topics_49198.htm)

<sup>(3)</sup> Transactions from 2008-09 onwards have been affected by financial sector interventions.

<sup>(4)</sup> Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail only appears in the Department for Transport budget, and the "transport" function shown here, from 2015-16.

<sup>(5)</sup> In order to align with ONS data, the transport function now includes expenditure relating to the local government part of the TL 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.

<sup>(6)</sup> 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.

<sup>(7)</sup> From 2010-11 onwards VAT-based payments are no longer deducted from EU transactions thus bringing these totals in-line with ESA10.

<sup>(8)</sup> This excludes the temporary effects of banks being classified to the public sector.

**Table 4.4 Public sector expenditure on services by function as a per cent of GDP, (1) 1995-96 to 2018-19**

	National Statistics																							
	cash basis												accruals basis											
	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
1. General public services	4.2	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	3.2	3.9	3.9	3.5	3.4	3.2	3.1	3.2	3.3	3.0
of which: public and common services	0.7	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	0.6	0.6
of which: international services	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	0.5	0.6	0.5	0.5	0.5	0.6
of which: public sector debt interest	3.1	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	2.2	1.8
2. Defence (2)	2.6	2.4	2.3	2.4	2.4	2.3	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.4	2.4	2.4	2.3	2.1	2.0	2.0	1.9	1.9	1.9	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	2.1	2.1	2.0	2.0	2.2	2.2	2.1	1.9	1.8	1.7	1.6	1.6	1.5	1.5	1.5
4. Economic affairs	2.7	2.6	2.3	2.0	2.1	2.2	2.4	2.6	2.6	2.5	2.5	2.4	3.2	3.1	2.5	2.3	2.1	2.3	2.2	2.2	2.5	2.5	2.6	2.8
of which: enterprise and economic development (3)	0.5	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	0.4	0.4	0.4	0.4	0.5	0.6
of which: science and technology	0.1	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	0.2	0.2	0.2	0.3
of which: employment policies	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.2	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	0.1	0.1
of which: agriculture, fisheries and forestry	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	0.2	0.3	0.3
of which: transport (4), (5)	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	1.3	1.5	1.3	1.2	1.2	1.2	1.2	1.2	1.5	1.4	1.5
5. Environment protection	0.5	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5
6. Housing and community amenities	0.7	0.6	0.5	0.5	0.4	0.5	0.5	0.4	0.5	0.6	0.8	0.8	1.0	1.1	1.1	0.8	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.6
7. Health	4.8	4.7	4.6	4.7	4.7	4.9	5.2	5.5	5.9	6.2	6.4	6.4	6.5	7.0	7.6	7.5	7.3	7.3	7.3	7.2	7.2	7.2	7.1	7.2
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	0.8	0.8	0.8	0.7	0.7	0.7	0.6	0.6	0.6	0.5
9. Education (6)	4.3	4.1	4.0	4.0	4.0	4.2	4.5	4.6	4.8	4.9	4.9	4.9	5.0	5.3	5.7	5.7	5.2	4.9	4.8	4.6	4.4	4.3	4.2	4.2
10. Social protection	12.5	12.3	11.9	11.5	11.8	11.7	12.0	12.1	12.3	12.4	12.1	11.9	12.1	13.0	14.4	14.3	14.8	14.8	14.3	14.1	13.9	13.3	13.0	12.9
EU transactions (7)	-0.5	-0.6	-0.4	-0.3	-0.3	-0.2	-0.4	-0.2	-0.2	-0.1	0.0	-0.1	-0.1	-0.2	0.1	0.4	0.3	0.4	0.4	0.3	0.4	0.2	0.3	0.4
<b>Public sector expenditure on services</b>	<b>34.4</b>	<b>33.0</b>	<b>32.2</b>	<b>31.7</b>	<b>31.7</b>	<b>32.1</b>	<b>33.0</b>	<b>33.5</b>	<b>34.6</b>	<b>35.5</b>	<b>35.2</b>	<b>35.6</b>	<b>38.6</b>	<b>41.4</b>	<b>41.1</b>	<b>40.1</b>	<b>38.9</b>	<b>38.0</b>	<b>37.1</b>	<b>36.7</b>	<b>35.7</b>	<b>35.5</b>	<b>35.4</b>	
Accounting adjustments	2.7	2.3	2.6	2.5	2.4	2.3	2.5	2.9	3.0	3.4	3.2	3.2	3.3	3.7	3.6	3.6	3.3	3.9	3.2	3.3	2.9	3.1	3.0	2.5
<b>Total Managed Expenditure (8)</b>	<b>37.1</b>	<b>35.3</b>	<b>34.8</b>	<b>34.2</b>	<b>34.1</b>	<b>34.4</b>	<b>35.4</b>	<b>36.5</b>	<b>37.6</b>	<b>38.9</b>	<b>38.7</b>	<b>38.4</b>	<b>38.9</b>	<b>42.3</b>	<b>44.9</b>	<b>44.7</b>	<b>43.5</b>	<b>42.8</b>	<b>41.2</b>	<b>40.5</b>	<b>39.6</b>	<b>38.8</b>	<b>38.4</b>	<b>37.9</b>

(1) GDP until 2018-19 is consistent with the latest figures from the Office for National Statistics (published 28 June 2019).

(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/orn/nato/hq/topics\\_49198.htm](http://www.nato.int/cps/orn/nato/hq/topics_49198.htm)

(3) Transactions from 2008-09 onwards have been affected by financial sector interventions.

(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, and the "transport" function shown here, from 2015-16.

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

(6) From 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.

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

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



# 5

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

---

**5.1** The analyses in this chapter present public sector expenditure for the years 2014-15 onwards, adjusted so that figures for all years are based on current definitions. All data are National Statistics and are based on the expenditure on services framework (explained in **Annex E**).

### What's new

**5.2** There have been no significant changes to the presentation of data within this chapter since PESA 2018.

### Relationship between functional series and departments

**5.3** **Table 5.1** shows public sector expenditure on services by function split across the different government departmental groups for 2018-19. Departmental spending can be spread across a variety of functions, particularly in the case of the devolved administrations.

### Public sector expenditure on services by sub-function

**5.4** **Table 5.2** provides the most detailed functional analysis of public sector expenditure on services. The tables are presented in a format generally consistent with the level 2 breakdown of the United Nations' Classification Of the Functions Of Government (UN COFOG). The table also shows, in italics, additional Treasury-defined sub-functional divisions that were used prior to the introduction of UN COFOG, but which do not map directly to COFOG level 2. Further information on COFOG has been made available by the International Monetary Fund (IMF)<sup>1</sup>.

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

### Public sector expenditure on services by economic category

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

---

<sup>1</sup> <https://www.imf.org/external/pubs/ft/gfs/manual/pdf/ch6ann.pdf>



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

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

## Public sector expenditure on services split by current and capital spending

**5.8 Table 5.4** gives a functional (COFOG level 1) breakdown of the current and capital expenditure of the public sector for the years from 2014-15. A functional split by sector is available in **Chapter 6** (central government), **Chapter 7** (local government) and **Chapter 8** (public corporations). Totals in **Chapter 5** in addition include expenditure by the Bank of England. The split between capital and current follows the National Accounts definition.

### Public sector gross procurement by function

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

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





**Table 5.1b Public sector capital expenditure on services by departmental group and function, 2018-19**

Departmental Grouping	Function	National Statistics										Public sector capital expenditure on services for each department									
		1. General public services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection		6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	EU transactions			
Defence			10,160															10,161			
Single Intelligence Account			656															656			
Home Office		1		556														557			
Foreign and Commonwealth Office		142																142			
International Development		3,074	2,722															3,074			
Health and Social Care																		5,449			
Work and Pensions		1	1		49	2	3	44										200			
Education																		2,857			
Business, Energy and Industrial Strategy		112	2	2	5,422	55	5,366	1		2,538		209	71	2,259				10,614			
Transport		0	0	10	13,150		23			13,127	0							13,160			
Exiting the European Union		0	0															0			
Digital, Culture, Media and Sport																		660			
Housing, Communities and Local Government		20	20		-10	-10												3,626			
Government		24	24	118	992	176	2			73	741	465	17	121	18			3,607			
Scotland		20	20	0	437	156	14			64	203	413	16	55	3			1,556			
Wales		57	57	103	488	70	11	2		71	394	249	31	214	0			1,476			
Northern Ireland				428														428			
Justice				16														16			
Law Officers' Departments					119					119								644			
Environment, Food and Rural Affairs					68	68					525	0						644			
HM Revenue and Customs	288	288										9			7			372			
HM Treasury	251	251			130	130												381			
Cabinet Office	126	126																126			
International Trade					17	17												17			
Small and Independent Bodies	213	213		0	28	21	2			4	0			6				248			
Local Government	1,609	1,609		697	8,994	2,554			128	6,311	575	30	1,260	3,416	440			20,016			
<b>Public sector expenditure on services for each function</b>		<b>5,937</b>	<b>3,071</b>	<b>2,866</b>	<b>-</b>	<b>10,816</b>	<b>1,931</b>	<b>29,884</b>	<b>3,179</b>	<b>5,422</b>	<b>47</b>	<b>459</b>	<b>20,777</b>	<b>3,696</b>	<b>9,361</b>	<b>6,815</b>	<b>2,053</b>	<b>8,977</b>	<b>623</b>	<b>-</b>	<b>80,042</b>

**Table 5.2 Public sector expenditure on services by sub-function, 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	9,969	9,875	10,409	10,734	11,441	
1.2 Foreign economic aid <sup>(1)</sup>	8,542	8,173	8,729	8,613	9,447	
1.3 General services	932	948	1,140	1,091	988	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	407	415	308	358	372	
1.6 General public services n.e.c.	2,156	2,111	2,804	2,209	3,017	
1.7 Public debt transactions <sup>(2), (3)</sup>	37,418	38,006	40,154	44,900	38,498	
<i>of which: central government debt interest</i>	45,371	45,127	48,659	55,037	48,658	
<i>of which: local government debt interest</i>	706	762	808	784	649	
<i>of which: public corporation debt interest</i>	3,739	3,821	3,842	2,620	351	
<i>of which: Bank of England</i>	-12,398	-11,704	-13,155	-13,541	-11,160	
<b>Total general public services</b>	<b>59,424</b>	<b>59,528</b>	<b>63,543</b>	<b>67,905</b>	<b>63,764</b>	
<b>2. Defence <sup>(4)</sup></b>						
2.1 Military defence	33,749	34,012	34,995	36,409	37,980	
2.2 Civil defence	49	46	45	42	44	
2.3 Foreign military aid	688	382	602	801	696	
2.4 R&D defence	2,009	1,981	1,296	1,249	1,339	
2.5 Defence n.e.c.	202	207	193	168	182	
<b>Total defence</b>	<b>36,697</b>	<b>36,627</b>	<b>37,132</b>	<b>38,670</b>	<b>40,241</b>	
<b>3. Public order and safety</b>						
3.1 Police services	16,662	16,569	16,371	17,503	17,991	
<i>of which: immigration and citizenship</i>	1,196	1,063	868	752	834	
<i>of which: other police services</i>	15,466	15,506	15,504	16,751	17,157	
3.2 Fire-protection services	2,807	2,720	2,722	2,731	2,739	
3.3 Law courts	6,331	5,745	5,810	6,074	6,267	
3.4 Prisons	3,828	4,158	4,249	4,314	4,556	
3.5 R&D public order and safety	38	35	38	31	30	
3.6 Public order and safety n.e.c.	820	980	880	814	795	
<b>Total public order and safety</b>	<b>30,487</b>	<b>30,207</b>	<b>30,070</b>	<b>31,467</b>	<b>32,377</b>	
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	7,752	8,094	8,380	8,827	11,566	
4.2 Agriculture, forestry, fishing and hunting	5,206	4,475	5,205	5,179	5,744	
<i>of which: market support under CAP</i>	3,080	2,580	3,265	3,093	3,396	
<i>of which: other agriculture, food and fisheries policy</i>	2,001	1,754	1,781	1,951	2,208	
<i>of which: forestry</i>	126	141	159	135	139	
4.3 Fuel and energy	450	463	480	702	583	
4.4 Mining, manufacturing and construction	39	168	858	2,222	2,210	
4.5 Transport	21,981	27,909	28,820	30,326	32,622	
<i>of which: national roads</i>	3,713	3,987	4,160	4,270	4,826	
<i>of which: local roads</i>	5,302	5,159	5,224	5,740	5,369	
<i>of which: local public transport</i>	2,519	2,438	2,495	2,501	2,659	
<i>of which: railway <sup>(5), (6)</sup></i>	9,329	14,791	15,480	16,199	17,922	
<i>of which: other transport</i>	1,118	1,534	1,461	1,616	1,845	
4.6 Communication	436	438	271	198	117	
4.7 Other industries	282	277	253	255	281	
4.8 R&D economic affairs	4,396	4,744	4,488	5,018	6,433	
4.9 Economic affairs n.e.c.	480	427	432	412	564	
<b>Total economic affairs</b>	<b>41,022</b>	<b>46,994</b>	<b>49,187</b>	<b>53,138</b>	<b>60,120</b>	
<b>5. Environment protection</b>						
5.1 Waste management	7,896	7,938	7,909	8,607	8,315	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	501	469	78	84	161	
5.4 Protection of biodiversity and landscape	475	598	418	361	338	
5.5 R&D environment protection	466	456	424	509	207	
5.6 Environment protection n.e.c.	2,250	2,148	2,215	2,212	2,157	
<b>Total environment protection</b>	<b>11,589</b>	<b>11,609</b>	<b>11,043</b>	<b>11,772</b>	<b>11,178</b>	

**Table 5.2 Public sector expenditure on services by sub-function, 2014-15 to 2018-19 (continued)**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>6. Housing and community amenities</b>						
6.1 Housing development	5,692	5,493	5,234	6,392	7,433	
<i>of which: local authority housing</i>	4,738	4,685	4,358	5,057	5,717	
<i>of which: other social housing</i>	954	808	876	1,336	1,715	
6.2 Community development	2,950	2,642	3,165	3,006	2,988	
6.3 Water supply	576	584	750	790	793	
6.4 Street lighting	790	814	847	830	906	
6.5 R&D housing and community amenities	–	2	0	1	2	
6.6 Housing and community amenities n.e.c.	263	300	304	268	339	
<b>Total housing and community amenities</b>	<b>10,271</b>	<b>9,835</b>	<b>10,301</b>	<b>11,288</b>	<b>12,460</b>	
<b>7. Health <sup>(7)</sup></b>						
Medical services	128,596	132,766	137,337	140,241	146,704	
Medical research	1,876	2,179	1,871	1,947	1,621	
Central and other health services	3,581	3,554	3,380	5,149	4,616	
<b>Total health</b>	<b>134,053</b>	<b>138,499</b>	<b>142,589</b>	<b>147,338</b>	<b>152,941</b>	
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	3,997	3,268	3,230	3,048	2,947	
8.2 Cultural services	4,056	3,777	3,860	4,054	3,797	
8.3 Broadcasting and publishing services	4,089	4,006	4,233	4,051	4,171	
8.4 Religious and other community services	76	85	58	80	78	
8.5 R&D recreation, culture and religion	174	168	156	170	73	
8.6 Recreation, culture and religion n.e.c.	58	63	68	90	101	
<b>Total recreation, culture and religion</b>	<b>12,450</b>	<b>11,366</b>	<b>11,606</b>	<b>11,493</b>	<b>11,167</b>	
<b>9. Education</b>						
9.1 Pre-primary and primary education	30,749	31,203	31,045	30,549	31,095	
<i>of which: under fives</i>	2,932	3,102	3,125	3,531	4,229	
<i>of which: primary education</i>	27,817	28,101	27,920	27,017	26,866	
9.2 Secondary education <sup>(8)</sup>	39,138	38,972	38,928	40,916	43,913	
9.3 Post-secondary non-tertiary education	580	508	594	581	607	
9.4 Tertiary education	6,680	6,164	6,066	5,419	4,621	
9.5 Education not definable by level	735	632	808	905	789	
9.6 Subsidiary services to education	3,727	3,504	3,393	3,385	3,557	
9.7 R&D education	1,573	1,573	1,703	1,815	2,259	
9.8 Education n.e.c.	1,872	2,358	2,369	2,344	2,584	
<b>Total education</b>	<b>85,054</b>	<b>84,914</b>	<b>84,905</b>	<b>85,912</b>	<b>89,426</b>	
<b>10. Social protection</b>						
<i>of which: personal social services</i>	30,268	30,437	31,142	32,090	33,116	
10.1 Sickness and disability	50,155	53,259	53,465	54,957	57,170	
<i>of which: personal social services</i>	9,422	9,814	9,919	10,308	10,858	
<i>of which: incapacity, disability and injury benefits</i>	40,733	43,445	43,546	44,649	46,312	
10.2 Old age	118,569	120,094	121,856	124,227	128,141	
<i>of which: personal social services</i>	10,552	10,037	10,442	10,491	11,112	
<i>of which: pensions</i>	108,016	110,057	111,413	113,736	117,029	
10.3 Survivors	1,153	1,167	1,157	1,020	1,127	
10.4 Family and children	25,250	25,340	24,934	25,045	24,928	
<i>of which: personal social services</i>	9,759	10,023	10,149	10,549	10,447	
<i>of which: family benefits, income support and tax credits</i>	15,491	15,317	14,785	14,495	14,481	
10.5 Unemployment	3,473	2,698	2,227	2,022	1,683	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	3,473	2,698	2,227	2,022	1,683	
10.6 Housing	26,421	26,211	25,153	23,925	22,468	
10.7 Social exclusion n.e.c. <sup>(9)</sup>	32,086	32,097	32,286	33,212	34,376	
<i>of which: personal social services</i>	534	562	632	741	699	
<i>family benefits, income support, Universal Credit and tax credits</i>	31,552	31,535	31,653	32,470	33,678	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	4,012	4,034	4,351	4,301	4,795	
<b>Total social protection</b>	<b>261,119</b>	<b>264,901</b>	<b>265,427</b>	<b>268,708</b>	<b>274,688</b>	

**Table 5.2 Public sector expenditure on services by sub-function, 2014-15 to 2018-19 (continued)**

	£ million				
	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
<b>EU transactions <sup>(10)</sup></b>					
VAT-based and GNI-based contributions (net of abatement and collection costs)	10,915	10,482	8,803	9,490	12,234
<i>derived as:</i>					
<i>EU gross contribution pre-abatement and after deduction of collection costs</i>	18,733	17,635	16,926	17,450	20,384
<i>Traditional Own Resources (without deduction of collection costs)</i>	-3,006	-3,085	-3,366	-3,413	-3,304
<i>UK abatement</i>	-4,811	-4,068	-4,757	-4,547	-4,846
EU receipts	-4,690	-2,811	-4,081	-4,130	-4,360
Attributed aid and Common Foreign and Security Policy	—	—	—	—	—
<b>Total EU transactions</b>	<b>6,225</b>	<b>7,671</b>	<b>4,723</b>	<b>5,360</b>	<b>7,874</b>
<b>Public sector expenditure on services</b>	<b>688,392</b>	<b>702,151</b>	<b>710,525</b>	<b>733,050</b>	<b>756,237</b>
Accounting adjustments	62,053	54,616	61,429	61,819	53,938
<b>Total Managed Expenditure <sup>(11)</sup></b>	<b>750,445</b>	<b>756,767</b>	<b>771,954</b>	<b>794,869</b>	<b>810,175</b>

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

<sup>(2)</sup> Debt interest figures show gross payments to the private sector and overseas.

<sup>(3)</sup> Bank of England public debt transactions shows data in respect of the Asset Purchase Facility and Special Liquidity Scheme.

<sup>(4)</sup> 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](http://www.nato.int/cps/on/natohq/topics_49198.htm)

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

<sup>(6)</sup> 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.

<sup>(7)</sup> The level of detail required for COFOG level 2 is not yet available in England and Wales. Health spending is therefore presented using HM Treasury's own sub-functional classification.

<sup>(8)</sup> The Department for Education is currently recording all central government academy expenditure as 'Secondary Education', across all years presented. While secondary schools currently account for the largest population in the academy sector, it is recognised that this will also cover some schools in primary and other functional categories. In future editions of PESA the Department for Education will look to improve apportionment of spending across the education categories.

<sup>(9)</sup> Social exclusion n.e.c. includes Child and Working Tax Credits. Also included here are Universal Credit additional costs that were previously scored in 10.9 Social protection n.e.c.

<sup>(10)</sup> An explanation of why the EU transactions are defined in TES in this way is given in Annex E. Complete transactions with the institutions of the EU are shown in Table C.1.

<sup>(11)</sup> This excludes the temporary effects of banks being classified to the public sector.



**Table 5.3 Public sector expenditure on services by economic category, 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Public sector current expenditure on services</b>						
Pay	166,621	171,602	174,952	183,252	190,951	
Gross current procurement	206,034	208,799	212,834	211,785	220,428	
Income from sales of goods and services	-53,035	-52,073	-56,309	-55,349	-57,468	
Current grants to persons and non-profit bodies	234,881	236,656	239,715	239,580	243,325	
Current grants abroad	12,402	13,694	11,381	12,317	14,613	
Subsidies to private sector companies	8,820	9,972	10,904	11,376	13,991	
Subsidies to public corporations	928	924	766	712	749	
Net public service pensions	10,182	9,649	8,891	9,262	10,003	
Public sector debt interest	37,418	38,006	40,154	44,900	38,498	
Other	289	215	478	993	1,105	
<b>Total public sector current expenditure on services</b>	<b>624,539</b>	<b>637,443</b>	<b>643,767</b>	<b>658,829</b>	<b>676,195</b>	
Accounting adjustments	50,278	45,172	48,943	52,328	51,968	
<b>Total public sector current expenditure</b>	<b>674,817</b>	<b>682,615</b>	<b>692,710</b>	<b>711,157</b>	<b>728,163</b>	
<b>Public sector capital expenditure on services</b>						
Capital grants	18,313	14,546	12,431	14,760	15,431	
Gross capital procurement	51,305	57,296	60,514	64,854	71,583	
Income from sales of capital assets	-5,765	-7,134	-6,186	-5,393	-6,972	
<b>Total public sector capital expenditure on services</b>	<b>63,852</b>	<b>64,708</b>	<b>66,759</b>	<b>74,221</b>	<b>80,042</b>	
Accounting adjustments	11,776	9,444	12,485	9,491	1,970	
<b>Total public sector capital expenditure</b>	<b>75,628</b>	<b>74,152</b>	<b>79,244</b>	<b>83,712</b>	<b>82,012</b>	
<b>Total public sector expenditure on services</b>	<b>688,392</b>	<b>702,151</b>	<b>710,525</b>	<b>733,050</b>	<b>756,237</b>	
Accounting adjustments	62,053	54,616	61,429	61,819	53,938	
<b>Total Managed Expenditure</b>	<b>750,445</b>	<b>756,767</b>	<b>771,954</b>	<b>794,869</b>	<b>810,175</b>	

**Table 5.4 Public sector current and capital expenditure on services by function, <sup>(1)</sup> 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Public sector current expenditure on services</b>						
1. General public services	55,464	56,111	58,797	64,296	57,826	
<i>of which: public and common services</i>	9,684	9,838	9,697	10,080	10,121	
<i>of which: international services</i>	8,362	8,267	8,945	9,316	9,208	
<i>of which: public sector debt interest<sup>(2)</sup></i>	37,418	38,006	40,154	44,900	38,498	
2. Defence <sup>(3)</sup>	27,448	27,796	27,881	28,399	29,425	
3. Public order and safety	29,235	28,928	28,954	29,437	30,446	
4. Economic affairs	20,351	23,843	24,551	25,656	30,237	
<i>of which: enterprise and economic development</i>	5,720	6,733	6,589	7,313	9,462	
<i>of which: science and technology</i>	496	875	978	1,098	1,011	
<i>of which: employment policies</i>	2,825	2,379	2,347	2,512	2,632	
<i>of which: agriculture, fisheries and forestry</i>	4,692	4,090	4,769	4,774	5,285	
<i>of which: transport<sup>(4)</sup></i>	6,618	9,765	9,868	9,960	11,846	
5. Environment protection	7,839	7,937	7,264	7,247	7,482	
6. Housing and community amenities	3,062	2,988	2,943	2,911	3,099	
7. Health	127,651	132,663	136,978	141,033	146,127	
8. Recreation, culture and religion	10,428	9,326	9,382	9,320	9,114	
9. Education	75,604	75,595	77,319	76,944	80,499	
10. Social protection	261,230	264,585	264,976	268,225	274,066	
EU transactions	6,225	7,671	4,723	5,360	7,874	
<b>Total public sector current expenditure on services</b>	<b>624,539</b>	<b>637,443</b>	<b>643,767</b>	<b>658,829</b>	<b>676,195</b>	
Accounting adjustments	50,278	45,172	48,943	52,328	51,968	
<b>Public sector current expenditure</b>	<b>674,817</b>	<b>682,615</b>	<b>692,710</b>	<b>711,157</b>	<b>728,163</b>	
<b>Public sector capital expenditure on services</b>						
1. General public services	3,960	3,417	4,746	3,608	5,937	
<i>of which: public and common services</i>	1,827	1,433	2,828	2,382	3,071	
<i>of which: international services</i>	2,133	1,984	1,918	1,227	2,866	
2. Defence <sup>(3)</sup>	9,249	8,831	9,250	10,271	10,816	
3. Public order and safety	1,252	1,279	1,116	2,030	1,931	
4. Economic affairs	20,671	23,152	24,636	27,481	29,884	
<i>of which: enterprise and economic development</i>	862	733	1,678	2,686	3,179	
<i>of which: science and technology</i>	3,900	3,868	3,510	3,920	5,422	
<i>of which: employment policies</i>	32	22	60	105	47	
<i>of which: agriculture, fisheries and forestry</i>	514	385	436	405	459	
<i>of which: transport<sup>(4), (5)</sup></i>	15,363	18,144	18,952	20,365	20,777	
5. Environment protection	3,750	3,672	3,779	4,525	3,696	
6. Housing and community amenities	7,209	6,847	7,358	8,377	9,361	
7. Health	6,402	5,836	5,611	6,304	6,815	
8. Recreation, culture and religion	2,022	2,040	2,225	2,173	2,053	
9. Education	9,450	9,319	7,587	8,968	8,927	
10. Social protection	-112	316	451	483	623	
<b>Total public sector capital expenditure on services</b>	<b>63,852</b>	<b>64,708</b>	<b>66,759</b>	<b>74,221</b>	<b>80,042</b>	
Accounting adjustments	11,776	9,444	12,485	9,491	11,970	
<b>Public sector capital expenditure</b>	<b>75,628</b>	<b>74,152</b>	<b>79,244</b>	<b>83,712</b>	<b>82,012</b>	
<b>Total public sector expenditure on services</b>	<b>688,392</b>	<b>702,151</b>	<b>710,525</b>	<b>733,050</b>	<b>756,237</b>	
Accounting adjustments	62,053	54,616	61,429	61,819	53,938	
<b>Total Managed Expenditure<sup>(6)</sup></b>	<b>750,445</b>	<b>756,767</b>	<b>771,954</b>	<b>794,869</b>	<b>810,175</b>	

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

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

<sup>(3)</sup> 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/ov/natohq/topics\\_49198.htm](http://www.nato.int/cps/ov/natohq/topics_49198.htm)

<sup>(4)</sup> 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 and the transport function shown here from 2015-16.

<sup>(5)</sup> 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.

<sup>(6)</sup> This excludes the temporary effects of banks being classified to the public sector.

**Table 5.5 Public sector gross current procurement expenditure on services by function, 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Public sector gross current procurement expenditure on services</b>						
1. General public services	12,024	12,162	11,583	11,473	11,564	
<i>of which: public and common services</i>	10,216	10,399	9,703	9,622	9,746	
<i>of which: international services</i>	1,808	1,763	1,881	1,852	1,819	
2. Defence	16,838	16,453	15,948	16,473	17,137	
3. Public order and safety	12,589	12,832	12,876	13,179	13,524	
4. Economic affairs	10,943	12,417	12,432	12,365	13,662	
<i>of which: enterprise and economic development</i>	2,881	2,794	2,557	2,710	2,915	
<i>of which: science and technology</i>	152	92	35	-6	25	
<i>of which: employment policies</i>	1,506	1,271	1,265	1,096	762	
<i>of which: agriculture, fisheries and forestry</i>	828	833	827	792	911	
<i>of which: transport<sup>(1)</sup></i>	5,576	7,427	7,748	7,773	9,050	
5. Environment protection	7,710	7,688	7,623	7,676	7,795	
6. Housing and community amenities	2,802	2,702	2,645	2,507	2,644	
7. Health	78,588	80,511	85,273	82,485	85,867	
8. Recreation, culture and religion	7,554	6,856	6,744	6,579	6,708	
9. Education	24,975	24,189	23,804	24,466	26,097	
10. Social protection	32,011	32,987	33,904	34,583	35,430	
<b>Total public sector gross current procurement expenditure on services</b>	<b>206,034</b>	<b>208,799</b>	<b>212,834</b>	<b>211,785</b>	<b>220,428</b>	

<sup>(1)</sup> 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 and the transport function shown here from 2015-16.

**Table 5.6 Public sector capital procurement expenditure on services by function, 2014-15 to 2018-19**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
<b>Public sector gross capital procurement expenditure on services</b>						
1. General public services	2,478	2,466	3,535	3,202	3,605	
<i>of which: public and common services</i>	2,331	2,322	3,394	2,887	3,448	
<i>of which: international services</i>	147	144	141	315	157	
2. Defence	9,783	9,661	9,504	10,379	11,397	
3. Public order and safety	1,607	1,561	1,790	2,223	2,204	
4. Economic affairs	11,978	19,413	20,596	22,349	25,796	
<i>of which: enterprise and economic development</i>	493	666	1,358	2,684	2,860	
<i>of which: science and technology</i>	591	596	591	660	1,201	
<i>of which: employment policies</i>	33	26	62	112	47	
<i>of which: agriculture, fisheries and forestry</i>	379	348	345	344	377	
<i>of which: transport<sup>(1)</sup></i>	10,482	17,777	18,239	18,549	21,311	
5. Environment protection	2,906	2,901	3,053	3,287	3,071	
6. Housing and community amenities	6,375	6,720	7,331	7,840	8,165	
7. Health	6,749	6,174	6,124	6,013	7,316	
8. Recreation, culture and religion	1,517	1,695	1,812	1,645	1,630	
9. Education	7,525	6,384	6,373	7,398	7,862	
10. Social protection	386	322	395	519	537	
<b>Total public sector gross capital procurement expenditure on services</b>	<b>51,305</b>	<b>57,296</b>	<b>60,514</b>	<b>64,854</b>	<b>71,583</b>	
<b>Plus public sector receipts from sales of assets</b>						
Central government						
Fixed assets	-2,195	-2,777	-2,137	-1,797	-3,236	
Intangible assets	-107	-37	-12	-32	-237	
<b>Total central government receipts</b>	<b>-2,303</b>	<b>-2,814</b>	<b>-2,148</b>	<b>-1,829</b>	<b>-3,473</b>	
<b>Local government</b>						
Fixed assets	-1,759	-2,358	-1,960	-1,571	-1,769	
Intangible assets	-	-	-	-	-	
<b>Total local government receipts</b>	<b>-1,759</b>	<b>-2,358</b>	<b>-1,960</b>	<b>-1,571</b>	<b>-1,769</b>	
<b>Total general government receipts</b>	<b>-4,062</b>	<b>-5,172</b>	<b>-4,108</b>	<b>-3,400</b>	<b>-5,242</b>	
<b>Public corporations</b>						
Fixed assets	-1,703	-1,962	-2,077	-1,993	-1,730	
Intangible assets	-	-	-	-	-	
<b>Total public corporations receipts</b>	<b>-1,703</b>	<b>-1,962</b>	<b>-2,077</b>	<b>-1,993</b>	<b>-1,730</b>	
<b>Total public sector income from sales of capital assets</b>	<b>-5,765</b>	<b>-7,134</b>	<b>-6,186</b>	<b>-5,393</b>	<b>-6,972</b>	

<sup>(1)</sup> 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 and the transport function shown here from 2015-16.



# 6

## Central government own expenditure

---

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

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

**6.3** Central government own expenditure accounts for about 78 per cent of Departmental Expenditure Limits (DEL) and about 93 per cent of departmental Annually Managed Expenditure (AME).

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

### What's new

**6.5** From 2019-20 the Department for Transport's DEL budget includes funding for expenditure by Network Rail. This was formerly part of the department's AME budget.

**6.6** Following the implementation of the Scotland Act 2016 and the associated fiscal Framework, new budgeting arrangements have been agreed with the Scottish Government which see its spend scored as AME rather than DEL. As a result, the DEL block grant paid by the UK Government to the Scottish Government is shown as zero in **Tables 6.1 to 6.3** with the expenditure that it funded shown as AME instead.

### Central government own expenditure by department

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

## Central government own resource and capital expenditure by department

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

## Central government own expenditure on services by sub-function

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

## Central government own expenditure on services by economic category

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

## Central government own current and capital expenditure on services by function

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

**Table 6.1 Central government own expenditure in budgets by departmental group,<sup>(1)</sup> 2014-15 to 2019-20**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>Within DEL</b>						
Defence	34,509	35,169	35,413	36,627	38,031	39,489
Single Intelligence Account	2,156	2,343	2,524	2,596	2,741	3,013
Home Office	2,475	2,236	2,332	2,363	2,674	3,173
Foreign and Commonwealth Office	1,866	1,889	1,997	1,808	2,403	2,617
International Development	9,650	9,250	9,992	10,262	10,295	9,684
Health and Social Care	110,921	114,022	116,821	121,614	127,254	134,866
Work and Pensions	6,576	6,031	5,865	5,910	5,527	5,381
Education	29,337	30,153	31,338	32,736	34,373	36,754
Business, Energy and Industrial Strategy	11,337	12,122	12,133	11,733	11,563	13,096
Transport <sup>(2)</sup>	6,652	3,015	3,628	5,549	7,504	17,397
Exiting the European Union	7	7	22	56	79	94
Digital, Culture, Media and Sport	1,344	1,363	1,531	1,649	1,797	2,227
MHCLG – Housing and Communities	2,482	1,521	2,460	3,896	4,029	7,298
MHCLG – Local Government	0	0	0	0	1	0
Scotland <sup>(3)</sup>	0	0	0	0	0	0
Wales	9,107	9,390	9,846	10,331	10,332	9,289
Northern Ireland	10,630	10,475	10,684	11,013	11,519	12,235
Justice	7,495	7,084	7,133	7,359	7,776	7,866
Law Officers' Departments	551	548	537	569	563	604
Environment, Food and Rural Affairs	2,031	1,846	1,964	2,002	2,180	2,150
HM Revenue and Customs	3,425	3,530	3,884	3,930	4,025	4,110
HM Treasury	159	-540	153	139	408	388
Cabinet Office	510	434	546	817	609	702
Department for International Trade	279	341	349	393	425	501
Small and Independent Bodies	1,298	1,366	1,394	1,817	1,655	2,066
<b>Total CG own expenditure within DEL</b>	<b>254,797</b>	<b>253,593</b>	<b>262,544</b>	<b>275,169</b>	<b>287,762</b>	<b>314,999</b>
<b>Within departmental AME</b>						
Defence	8,361	12,049	5,125	16,719	4,679	7,927
Single Intelligence Account	41	135	13	19	22	39
Home Office	582	-521	48	5	-5	50
Foreign and Commonwealth Office	-70	39	-53	142	31	100
International Development	151	656	473	721	635	1,013
Health and Social Care	21,948	48,539	27,796	39,657	40,704	35,283
Work and Pensions	143,775	149,652	149,954	155,528	160,834	173,056
Education	23,471	16,938	24,520	30,866	39,845	34,377
Business, Energy and Industrial Strategy	7,042	100,537	3,637	74,170	-105,915	3,054
Transport <sup>(2)</sup>	6,432	12,920	13,821	15,014	13,522	2,308
Exiting the European Union	0	0	0	0	0	1
Digital, Culture, Media and Sport	5,465	4,956	5,380	4,783	5,160	5,300
MHCLG – Housing and Communities	48	56	154	184	199	720
Scotland <sup>(3)</sup>	25,094	25,294	26,099	27,732	28,823	30,222
Wales	367	51	629	654	936	994
Northern Ireland	8,826	8,980	8,751	9,191	10,329	10,229
Justice	-144	483	549	244	1,301	785
Law Officers' Departments	13	-15	-1	11	2	4
Environment, Food and Rural Affairs	79	391	87	-28	-415	261
HM Revenue and Customs	42,931	43,194	42,329	41,845	40,604	42,700
HM Treasury <sup>(4)</sup>	-62,530	-42,735	-45,077	-4,314	-28,194	-2,174
Cabinet Office	10,573	10,366	9,140	11,203	14,245	11,817
Department for International Trade	0	0	0	0	0	3
Small and Independent Bodies	-116	-274	171	80	331	1,162
<b>Total CG own expenditure within dept AME</b>	<b>242,337</b>	<b>391,691</b>	<b>273,545</b>	<b>424,427</b>	<b>227,672</b>	<b>359,229</b>
Locally financed expenditure in Northern Ireland	661	651	585	595	625	643
Net expenditure transfers to the EU	11,658	11,253	9,160	10,188	12,899	13,415
Central government debt interest	45,371	45,127	48,659	55,037	48,658	51,084
Accounting and other adjustments	16,217	-124,014	-3,022	-150,182	56,836	-81,282
<b>Total CG own expenditure<sup>(5)</sup></b>	<b>571,041</b>	<b>578,301</b>	<b>591,470</b>	<b>615,234</b>	<b>634,452</b>	<b>658,087</b>

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

<sup>(2)</sup> Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail within DEL. The actual expenditure of Network Rail appears in the Department for Transport Resource departmental AME budget for 2015-16 to 2018-19 and in DEL from 2019-20. 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.

<sup>(3)</sup> To reflect new budgeting arrangements, all expenditure by the Scottish Government is now scored within AME.

<sup>(4)</sup> Transactions have been affected by financial sector interventions. See Box 2.A for details.

<sup>(5)</sup> This excludes the temporary effects of banks being classified to the public sector.



**Table 6.2 Central government own resource expenditure in budgets by departmental group, 2014-15 to 2019-20**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>Within resource DEL</b>						
Defence	25,716	26,763	26,661	26,923	27,745	29,705
Single Intelligence Account	1,606	1,768	1,920	2,020	2,134	2,327
Home Office	2,199	1,963	1,952	1,871	2,078	2,648
Foreign and Commonwealth Office	1,713	1,762	1,937	2,059	2,261	2,505
International Development	7,000	6,817	7,404	7,549	7,190	7,158
Health and Social Care	105,707	109,474	112,640	116,769	121,289	129,138
Work and Pensions	6,325	5,909	5,652	5,561	5,286	5,154
Education	27,098	26,774	28,717	30,418	31,621	33,497
Business, Energy and Industrial Strategy	2,164	2,223	1,603	1,464	959	1,785
Transport <sup>(1)</sup>	15	598	601	1,343	1,885	3,350
Exiting the European Union	7	7	22	55	79	94
Digital, Culture, Media and Sport	1,380	1,217	1,339	1,391	1,509	1,571
MHCLG – Housing and Communities	448	271	300	209	21	441
MHCLG – Local Government	0	0	0	0	1	0
Scotland <sup>(2)</sup>	0	0	0	0	0	0
Wales	8,149	8,470	8,880	9,079	9,065	7,677
Northern Ireland	9,543	9,756	9,735	9,932	10,323	10,605
Justice	7,200	6,818	6,730	6,949	7,346	7,449
Law Officers' Departments	547	546	524	559	547	595
Environment, Food and Rural Affairs	1,523	1,432	1,420	1,451	1,551	1,660
HM Revenue and Customs	3,191	3,302	3,557	3,649	3,663	3,804
HM Treasury	123	121	155	217	241	216
Cabinet Office	408	395	424	628	490	618
Department for International Trade	277	339	342	377	408	486
Small and Independent Bodies	1,215	1,275	1,291	1,528	1,407	1,587
<b>Total within resource DEL</b>	<b>213,556</b>	<b>218,000</b>	<b>223,809</b>	<b>232,002</b>	<b>239,097</b>	<b>254,070</b>
<b>Within resource departmental AME</b>						
Defence	8,311	12,020	5,125	16,675	4,679	7,927
Single Intelligence Account	41	135	13	19	22	39
Home Office	582	-612	48	5	-5	50
Foreign and Commonwealth Office	-70	39	-53	142	31	100
International Development	151	206	188	326	-101	116
Health and Social Care	21,952	48,530	27,782	39,657	40,708	35,268
Work and Pensions	143,899	149,800	150,041	155,565	160,699	172,620
Education	12,908	5,296	11,448	15,094	22,739	12,819
Business, Energy and Industrial Strategy	8,950	102,220	3,785	75,403	-105,619	3,233
Transport <sup>(1)</sup>	-264	6,125	6,921	7,415	7,996	2,663
Exiting the European Union	0	0	0	0	0	1
Digital, Culture, Media and Sport	4,912	4,481	4,725	4,291	4,753	4,911
MHCLG – Housing and Communities	48	56	154	184	199	720
Scotland <sup>(2)</sup>	22,293	22,349	22,942	24,293	25,461	26,368
Wales	10	-331	207	149	238	95
Northern Ireland	8,290	8,375	8,253	8,872	9,955	9,875
Justice	-144	483	549	244	1,301	785
Law Officers' Departments	13	-15	-1	11	2	4
Environment, Food and Rural Affairs	78	391	86	-28	-416	245
HM Revenue and Customs	42,931	43,194	42,329	41,845	40,601	42,700
HM Treasury <sup>(3)</sup>	-49,816	-13,669	-25,346	-617	-15,196	-21
Cabinet Office	10,573	10,366	9,140	11,203	14,245	11,817
Department for International Trade	0	0	0	0	0	3
Small and Independent Bodies	-123	-332	-98	-88	-95	152
<b>Total within resource departmental AME</b>	<b>235,525</b>	<b>399,106</b>	<b>268,239</b>	<b>400,661</b>	<b>212,199</b>	<b>332,489</b>
<b>Within resource other AME</b>						
Locally financed expenditure in Northern Ireland	661	651	585	595	625	643
Net expenditure transfers to the EU	11,658	11,253	9,160	10,188	12,899	13,415
Central government debt interest	45,371	45,127	48,659	55,037	48,658	51,084
Accounting and other adjustments	22,801	-138,123	-2,815	-130,451	70,358	-50,616
<b>Total CG own current expenditure</b>	<b>529,572</b>	<b>536,014</b>	<b>547,637</b>	<b>568,032</b>	<b>583,836</b>	<b>601,084</b>

<sup>(1)</sup> Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently Central Government own current expenditure includes Network Rail spending in all years shown. However, the actual expenditure of Network Rail only appears in the Department for Transport Resource departmental AME budget from 2015-16, before it is switched into DEL from 2019-20.

<sup>(2)</sup> To reflect new budgeting arrangements, all expenditure by the Scottish Government is now scored within AME.

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

**Table 6.3 Central government own capital expenditure by departmental group, 2014-15 to 2019-20**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>Within capital DEL</b>						
Defence	8,792	8,406	8,752	9,704	10,286	9,784
Single Intelligence Account	550	575	603	576	607	686
Home Office	276	273	380	493	597	525
Foreign and Commonwealth Office	153	126	60	-252	142	112
International Development	2,650	2,433	2,588	2,713	3,105	2,527
Health and Social Care	5,213	4,548	4,180	4,846	5,966	5,727
Work and Pensions	251	121	212	349	241	227
Education	2,238	3,378	2,621	2,318	2,752	3,257
Business, Energy and Industrial Strategy	9,173	9,898	10,530	10,269	10,604	11,311
Transport <sup>(1)</sup>	6,637	2,417	3,026	4,206	5,620	14,047
Exiting the European Union	0	0	0	1	0	0
Digital, Culture, Media and Sport	-36	146	192	258	288	655
MHCLG – Housing and Communities	2,034	1,250	2,159	3,688	4,008	6,857
Scotland <sup>(2)</sup>	0	0	0	0	0	0
Wales	958	921	966	1,252	1,267	1,612
Northern Ireland	1,086	719	949	1,080	1,195	1,630
Justice	295	266	403	410	431	417
Law Officers' Departments	4	3	13	10	16	8
Environment, Food and Rural Affairs	508	414	544	551	629	490
HM Revenue and Customs	234	228	326	281	362	307
HM Treasury	36	-660	-2	-78	167	172
Cabinet Office	103	39	121	188	119	84
Department for International Trade	2	2	6	16	17	14
Small and Independent Bodies	83	90	103	289	247	479
<b>Total within capital DEL</b>	<b>41,240</b>	<b>35,593</b>	<b>38,735</b>	<b>43,166</b>	<b>48,665</b>	<b>60,928</b>
<b>Within capital departmental AME</b>						
Defence	51	29	0	44	0	0
Home Office	0	91	0	0	0	0
International Development	0	450	285	395	736	897
Health and Social Care	-5	9	13	0	-5	15
Work and Pensions	-124	-148	-87	-37	135	436
Education	10,563	11,642	13,072	15,771	17,106	21,558
Business, Energy and Industrial Strategy	-1,908	-1,683	-149	-1,233	-297	-179
Transport <sup>(1)</sup>	6,695	6,795	6,900	7,599	5,526	-355
Digital, Culture, Media and Sport	554	475	655	492	407	389
MHCLG – Housing and Communities	0	0	0	0	0	0
Scotland <sup>(2)</sup>	2,801	2,945	3,157	3,440	3,362	3,853
Wales	357	382	422	505	698	899
Northern Ireland	536	605	498	318	374	354
Environment, Food and Rural Affairs	2	0	1	0	0	16
HM Revenue and Customs	0	0	0	0	2	0
HM Treasury <sup>(3)</sup>	-12,715	-29,066	-19,732	-3,697	-12,998	-2,153
Small and Independent Bodies	7	58	269	168	426	1,011
<b>Total within capital departmental AME</b>	<b>6,813</b>	<b>-7,414</b>	<b>5,306</b>	<b>23,767</b>	<b>15,473</b>	<b>26,740</b>
<b>Within capital other AME</b>						
Accounting and other adjustments	-6,584	14,108	-207	-19,731	-13,522	-30,665
<b>Total CG own capital expenditure <sup>(4)</sup></b>	<b>41,469</b>	<b>42,287</b>	<b>43,833</b>	<b>47,202</b>	<b>50,616</b>	<b>57,003</b>

<sup>(1)</sup> Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently Central Government own capital expenditure includes Network Rail spending in all years shown. However, the actual expenditure of Network Rail only appears in the Department for Transport Resource departmental AME budget from 2015-16, before it is switched into DEL from 2019-20.

<sup>(2)</sup> To reflect new budgeting arrangements, all expenditure by the Scottish Government is now scored within AME.

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

<sup>(4)</sup> This excludes the temporary effects of banks being classified to the public sector.

**Table 6.4 Central government own expenditure on services by sub-function, 2014-15 to 2019-20**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	7,993	8,141	8,317	8,651	9,109	9,990
1.2 Foreign economic aid <sup>(1)</sup>	8,542	8,173	8,729	8,613	9,447	8,702
1.3 General services	492	453	577	576	719	622
1.4 Basic research	—	—	—	—	—	—
1.5 R&D general public services	407	415	308	358	372	425
1.6 General public services n.e.c.	320	298	176	348	252	427
1.7 Public sector debt interest	45,371	45,127	48,659	55,037	48,658	51,084
<i>of which: central government debt interest <sup>(2)</sup></i>	<i>45,371</i>	<i>45,127</i>	<i>48,659</i>	<i>55,037</i>	<i>48,658</i>	<i>51,084</i>
<b>Total general public services</b>	<b>63,124</b>	<b>62,607</b>	<b>66,766</b>	<b>73,583</b>	<b>68,558</b>	<b>71,250</b>
<b>2. Defence <sup>(3)</sup></b>						
2.1 Military defence	33,749	34,012	34,995	36,409	37,980	39,600
2.2 Civil defence	—	—	—	—	—	—
2.3 Foreign military aid	688	382	602	801	696	412
2.4 R&D defence	1,950	1,922	1,268	1,231	1,339	1,418
2.5 Defence n.e.c.	202	207	193	168	182	158
<b>Total defence</b>	<b>36,589</b>	<b>36,523</b>	<b>37,059</b>	<b>38,609</b>	<b>40,198</b>	<b>41,588</b>
<b>3. Public order and safety</b>						
3.1 Police services	4,778	4,656	4,642	4,851	5,284	5,709
<i>of which: immigration and citizenship</i>	<i>1,196</i>	<i>1,063</i>	<i>868</i>	<i>752</i>	<i>834</i>	<i>960</i>
<i>of which: other police services</i>	<i>3,582</i>	<i>3,593</i>	<i>3,774</i>	<i>4,099</i>	<i>4,450</i>	<i>4,749</i>
3.2 Fire-protection services	444	470	461	471	485	463
3.3 Law courts	6,244	5,654	5,713	5,975	6,171	5,906
3.4 Prisons	3,828	4,158	4,249	4,314	4,556	4,945
3.5 R&D public order and safety	38	35	38	31	30	40
3.6 Public order and safety n.e.c.	820	980	880	814	795	858
<b>Total public order and safety</b>	<b>16,152</b>	<b>15,952</b>	<b>15,982</b>	<b>16,456</b>	<b>17,320</b>	<b>17,921</b>
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs <sup>(4)</sup>	6,858	7,550	7,542	8,108	10,807	10,132
4.2 Agriculture, forestry, fishing and hunting	4,904	4,185	4,918	4,944	5,518	5,583
<i>of which: market support under CAP</i>	<i>2,773</i>	<i>2,278</i>	<i>2,973</i>	<i>2,864</i>	<i>3,175</i>	<i>3,114</i>
<i>of which: other agriculture, food and fisheries policy</i>	<i>2,001</i>	<i>1,754</i>	<i>1,780</i>	<i>1,948</i>	<i>2,204</i>	<i>2,378</i>
<i>of which: forestry</i>	<i>131</i>	<i>153</i>	<i>165</i>	<i>132</i>	<i>139</i>	<i>91</i>
4.3 Fuel and energy	449	463	480	702	580	512
4.4 Mining, manufacturing and construction	6	8	14	35	31	11
4.5 Transport	10,688	16,829	17,836	18,610	21,275	24,849
<i>of which: national roads</i>	<i>3,712</i>	<i>3,986</i>	<i>4,158</i>	<i>4,266</i>	<i>4,822</i>	<i>5,096</i>
<i>of which: local roads</i>	<i>349</i>	<i>246</i>	<i>315</i>	<i>310</i>	<i>371</i>	<i>388</i>
<i>of which: local public transport</i>	<i>511</i>	<i>533</i>	<i>498</i>	<i>530</i>	<i>540</i>	<i>550</i>
<i>of which: railway <sup>(5)</sup></i>	<i>5,331</i>	<i>10,880</i>	<i>11,709</i>	<i>12,254</i>	<i>14,102</i>	<i>17,328</i>
<i>of which: other transport</i>	<i>784</i>	<i>1,183</i>	<i>1,156</i>	<i>1,250</i>	<i>1,440</i>	<i>1,487</i>
4.6 Communication	436	438	271	198	117	127
4.7 Other industries	175	179	154	161	179	134
4.8 R&D economic affairs	4,396	4,744	4,488	5,018	6,433	7,338
4.9 Economic affairs n.e.c.	480	427	432	412	564	526
<b>Total economic affairs</b>	<b>28,393</b>	<b>34,823</b>	<b>36,136</b>	<b>38,188</b>	<b>45,504</b>	<b>49,212</b>
<b>5. Environment protection</b>						
5.1 Waste management	2,344	2,277	2,314	2,483	2,461	2,393
5.2 Waste water management	—	—	—	—	—	—
5.3 Pollution abatement	501	469	78	84	161	255
5.4 Protection of biodiversity and landscape	473	596	416	359	336	316
5.5 R&D environment protection	466	456	424	509	207	159
5.6 Environment protection n.e.c.	1,603	1,537	1,632	1,637	1,545	1,491
<b>Total environment protection</b>	<b>5,388</b>	<b>5,335</b>	<b>4,864</b>	<b>5,072</b>	<b>4,710</b>	<b>4,613</b>
<b>6. Housing and community amenities</b>						
6.1 Housing development	1,000	966	1,046	1,566	2,010	2,845
<i>of which: local authority housing</i>	<i>66</i>	<i>152</i>	<i>166</i>	<i>227</i>	<i>290</i>	<i>261</i>
<i>of which: other social housing</i>	<i>934</i>	<i>814</i>	<i>880</i>	<i>1,339</i>	<i>1,720</i>	<i>2,584</i>
6.2 Community development	639	455	540	522	546	690
6.3 Water supply	265	256	261	292	284	280
6.4 Street lighting	25	26	20	23	28	13
6.5 R&D housing and community amenities	—	2	0	1	2	-1
6.6 Housing and community amenities n.e.c.	186	214	182	131	151	284
<b>Total housing and community amenities</b>	<b>2,115</b>	<b>1,919</b>	<b>2,049</b>	<b>2,534</b>	<b>3,019</b>	<b>4,111</b>

**Table 6.4 Central government own expenditure on services by sub-function, 2014-15 to 2019-20 (continued)**

	£ million					
	National Statistics					
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans
<b>7. Health <sup>(6)</sup></b>						
Medical services	125,853	129,604	133,839	136,866	143,367	150,862
Medical research	1,876	2,179	1,871	1,947	1,621	1,376
Central and other health services	3,526	3,499	3,325	5,098	4,566	6,412
<b>Total health</b>	<b>131,255</b>	<b>135,281</b>	<b>139,036</b>	<b>143,911</b>	<b>149,554</b>	<b>158,650</b>
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	1,196	553	629	551	567	484
8.2 Cultural services	2,142	1,891	2,037	2,211	2,010	1,989
8.3 Broadcasting and publishing services	4,089	4,006	4,233	4,051	4,171	4,621
8.4 Religious and other community services	74	102	97	129	137	80
8.5 R&D recreation, culture and religion	174	168	156	170	73	117
8.6 Recreation, culture and religion n.e.c	58	63	68	90	101	121
<b>Total recreation, culture and religion</b>	<b>7,732</b>	<b>6,784</b>	<b>7,221</b>	<b>7,202</b>	<b>7,059</b>	<b>7,412</b>
<b>9. Education</b>						
9.1 Pre-primary and primary education	835	814	821	797	828	902
<i>of which: under fives</i>	99	85	86	85	87	98
<i>of which: primary education</i>	736	729	735	712	741	804
9.2 Secondary education <sup>(7)</sup>	26,978	27,371	27,653	30,259	32,808	32,212
9.3 Post-secondary non-tertiary education	–	–	–	–	–	–
9.4 Tertiary education	6,680	6,164	6,066	5,419	4,621	3,950
9.5 Education not definable by level	560	473	655	747	637	972
9.6 Subsidiary services to education	573	507	475	535	595	593
9.7 R&D education	1,573	1,573	1,703	1,815	2,259	2,165
9.8 Education n.e.c	1,837	2,328	2,342	2,318	2,550	3,841
<b>Total education</b>	<b>39,035</b>	<b>39,230</b>	<b>39,715</b>	<b>41,890</b>	<b>44,297</b>	<b>44,636</b>
<b>10. Social protection</b>						
<i>of which: personal social services</i>	1,113	1,202	1,203	1,289	1,365	1,490
10.1 Sickness and disability	41,011	43,742	43,869	44,997	46,693	46,580
<i>of which: personal social services</i>	278	297	323	348	381	406
<i>of which: incapacity, disability and injury benefits</i>	40,733	43,445	43,546	44,649	46,312	46,175
10.2 Old age	107,679	109,813	111,049	113,466	116,810	113,432
<i>of which: personal social services</i>	467	489	495	514	542	569
<i>of which: pensions</i>	107,212	109,324	110,554	112,953	116,268	112,864
10.3 Survivors	1,153	1,167	1,157	1,020	1,127	1,103
10.4 Family and children	15,814	15,688	15,131	14,882	14,874	14,596
<i>of which: personal social services</i>	323	371	346	387	393	416
<i>of which: family benefits, income support and tax credits</i>	15,491	15,317	14,785	14,495	14,481	14,180
10.5 Unemployment <sup>(8)</sup>	3,473	2,698	2,227	2,022	1,683	1,045
<i>of which: personal social services</i>	–	–	–	–	–	–
<i>of which: other unemployment benefits</i>	3,473	2,698	2,227	2,022	1,683	1,045
10.6 Housing	619	590	583	556	532	576
10.7 Social exclusion n.e.c. <sup>(8) (9)</sup>	31,596	31,581	31,692	32,511	33,727	47,096
<i>of which: personal social services</i>	44	46	39	41	49	100
<i>of which: family benefits, income support, Universal Credit and tax credits</i>	31,552	31,535	31,653	32,470	33,678	46,996
10.8 R&D Social protection	–	–	–	–	–	–
10.9 Social protection n.e.c.	3,881	3,870	4,140	4,107	4,458	4,078
<b>Total social protection</b>	<b>205,226</b>	<b>209,149</b>	<b>209,847</b>	<b>213,562</b>	<b>219,904</b>	<b>228,507</b>

**Table 6.4 Central government own expenditure on services by sub-function, 2014-15 to 2019-20 (continued)**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>EU transactions <sup>(10)</sup></b>						
VAT-based and GNI-based contributions (net of abatement and collection costs) <i>derived as:</i>	10,915	10,482	8,803	9,490	12,234	12,740
<i>EU gross contribution pre-abatement and after deduction of collection costs</i>	18,733	17,635	16,926	17,450	20,384	20,433
<i>Traditional Own Resources (without deduction of collection costs)</i>	-3,006	-3,085	-3,366	-3,413	-3,304	-3,375
<i>UK abatement</i>	-4,811	-4,068	-4,757	-4,547	-4,846	-4,319
EU receipts	-4,690	-2,811	-4,081	-4,130	-4,360	-5,147
Attributed aid and Common Foreign and Security Policy	–	–	–	–	–	–
<b>Total EU transactions</b>	<b>6,225</b>	<b>7,671</b>	<b>4,723</b>	<b>5,360</b>	<b>7,874</b>	<b>7,593</b>
<b>Total central government own expenditure on services</b>	<b>541,234</b>	<b>555,273</b>	<b>563,399</b>	<b>586,369</b>	<b>607,998</b>	<b>635,492</b>
Accounting adjustments	29,807	23,028	28,071	28,865	26,454	22,595
<b>Total central government own expenditure <sup>(11)</sup></b>	<b>571,041</b>	<b>578,301</b>	<b>591,470</b>	<b>615,234</b>	<b>634,452</b>	<b>658,087</b>

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

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

<sup>(3)</sup> 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](http://www.nato.int/cps/on/natohq/topics_49198.htm)

<sup>(4)</sup> Transactions have been affected by financial sector interventions.

<sup>(5)</sup> 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 Department for Transport budgets and the transport function shown here from 2015-16.

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

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

<sup>(8)</sup> Figures in 2019-20 reflect a switch to Universal Credit, which forms part of 10.7 Social exclusion n.e.c.

<sup>(9)</sup> Social exclusion n.e.c. includes Child and Working Tax Credits. Also included here are Universal Credit additional costs that were previously scored in 10.9 Social protection n.e.c.

<sup>(10)</sup> An explanation of why the EU transactions are defined in TES in this way is given in Annex E. Complete transactions with the institutions of the EU are shown in Table C.1.

<sup>(11)</sup> This excludes the temporary effects of banks being classified to the public sector.

**Table 6.5 Central government own expenditure on services by economic category, 2014-15 to 2019-20**

	£ million					
	National Statistics					
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans
<b>Central government current expenditure on services</b>						
Pay	103,427	109,592	112,742	121,453	127,932	132,295
Gross current procurement	128,818	130,581	135,001	133,252	139,988	150,438
Income from sales of goods and services	-20,034	-18,579	-22,999	-21,057	-23,826	-24,450
Current grants to persons and non-profit bodies	210,564	212,413	216,275	217,279	222,595	238,951
Current grants abroad	12,402	13,694	11,381	12,317	14,613	13,600
Subsidies to private sector companies	7,463	8,604	9,631	10,077	12,753	11,603
Subsidies to public corporations	821	815	657	599	636	648
Net public service pensions	10,182	9,649	8,891	9,262	10,003	4,549
Central government debt interest	45,371	45,127	48,659	55,037	48,658	51,084
Other	289	215	478	993	1,105	81
<b>Total central government own current expenditure on services</b>	<b>499,302</b>	<b>512,109</b>	<b>520,717</b>	<b>539,212</b>	<b>554,457</b>	<b>578,800</b>
Accounting adjustments	30,270	23,905	26,920	28,820	29,379	22,284
<b>Total central government own current expenditure</b>	<b>529,572</b>	<b>536,014</b>	<b>547,637</b>	<b>568,032</b>	<b>583,836</b>	<b>601,084</b>
<b>Central government capital expenditure on services</b>						
Capital grants to persons and non-profit bodies	6,923	7,369	6,184	7,307	7,836	9,596
Capital grants to private sector companies <sup>(1) (2)</sup>	6,135	2,297	1,577	2,438	1,668	4,833
Capital grants abroad	2,754	2,753	2,686	2,244	3,565	2,765
Gross capital procurement <sup>(2)</sup>	28,424	33,558	34,383	36,997	43,945	40,535
Income from sales of capital assets	-2,303	-2,814	-2,148	-1,829	-3,473	-1,037
<b>Total central government own capital expenditure on services</b>	<b>41,933</b>	<b>43,163</b>	<b>42,682</b>	<b>47,157</b>	<b>53,541</b>	<b>56,692</b>
Accounting adjustments	-464	-876	1,151	45	-2,925	311
<b>Total central government own capital expenditure</b>	<b>41,469</b>	<b>42,287</b>	<b>43,833</b>	<b>47,202</b>	<b>50,616</b>	<b>57,003</b>
<b>Total central government own expenditure on services</b>	<b>541,234</b>	<b>555,273</b>	<b>563,399</b>	<b>586,369</b>	<b>607,998</b>	<b>635,492</b>
Accounting adjustments	29,807	23,028	28,071	28,865	26,454	22,595
<b>Total central government own expenditure <sup>(3)</sup></b>	<b>571,041</b>	<b>578,301</b>	<b>591,470</b>	<b>615,234</b>	<b>634,452</b>	<b>658,087</b>

<sup>(1)</sup> Transactions have been affected by financial sector interventions.

<sup>(2)</sup> 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 Resource departmental AME budget for 2015-16 to 2018-19 and in DEL from 2019-20. 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.

<sup>(3)</sup> This excludes the temporary effects of banks being classified to the public sector.

**Table 6.6 Central government own current and capital expenditure on services by function, 2014-15 to 2019-20**

	£ million					
	National Statistics					
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>Central government own current expenditure on services</b>						
1. General public services	60,099	59,829	63,897	71,088	64,467	67,624
<i>of which: public and common services</i>	6,366	6,435	6,293	6,734	6,601	7,206
<i>of which: international services</i>	8,362	8,267	8,945	9,316	9,208	9,333
<i>of which: public sector debt interest</i>	45,371	45,127	48,659	55,037	48,658	51,084
2. Defence <sup>(1)</sup>	27,399	27,750	27,836	28,357	29,382	31,093
3. Public order and safety	15,420	15,172	15,089	15,418	16,086	16,718
4. Economic affairs	15,906	19,907	20,819	22,054	26,571	26,342
<i>of which: enterprise and economic development<sup>(2)</sup></i>	4,809	6,120	5,887	6,758	8,975	7,297
<i>of which: science and technology</i>	496	875	978	1,098	1,011	1,286
<i>of which: employment policies</i>	2,825	2,379	2,347	2,512	2,632	3,420
<i>of which: agriculture, fisheries and forestry</i>	4,604	3,988	4,668	4,676	5,192	5,344
<i>of which: transport<sup>(3)</sup></i>	3,172	6,545	6,939	7,011	8,760	8,995
5. Environment protection	2,211	2,252	1,581	1,605	1,590	1,554
6. Housing and community amenities	843	868	925	885	945	1,086
7. Health	124,863	129,458	133,444	137,619	142,769	152,099
8. Recreation, culture and religion	6,857	5,988	6,231	6,336	6,266	6,218
9. Education	33,887	34,139	36,446	37,162	38,786	40,081
10. Social protection	205,591	209,075	209,726	213,328	219,722	228,393
EU transactions	6,225	7,671	4,723	5,360	7,874	7,593
<b>Total central government own current expenditure on services</b>	<b>499,302</b>	<b>512,109</b>	<b>520,717</b>	<b>539,212</b>	<b>554,457</b>	<b>578,800</b>
Accounting adjustments	30,270	23,905	26,920	28,820	29,379	22,284
<b>Total central government own current expenditure</b>	<b>529,572</b>	<b>536,014</b>	<b>547,637</b>	<b>568,032</b>	<b>583,836</b>	<b>601,084</b>
<b>Central government own capital expenditure on services</b>						
1. General public services	3,025	2,779	2,869	2,495	4,091	3,626
<i>of which: public and common services</i>	908	800	982	1,250	1,225	1,501
<i>of which: international services</i>	2,117	1,979	1,887	1,245	2,866	2,125
2. Defence <sup>(1)</sup>	9,190	8,773	9,223	10,252	10,816	10,496
3. Public order and safety	732	780	894	1,038	1,234	1,203
4. Economic affairs	12,486	14,916	15,317	16,134	18,934	22,869
<i>of which: enterprise and economic development<sup>(2)</sup></i>	738	545	601	241	623	699
<i>of which: science and technology</i>	3,900	3,868	3,510	3,920	5,422	6,052
<i>of which: employment policies</i>	32	22	60	105	47	26
<i>of which: agriculture, fisheries and forestry</i>	300	197	250	268	326	239
<i>of which: transport<sup>(3)</sup></i>	7,515	10,284	10,897	11,600	12,515	15,854
5. Environment protection	3,177	3,083	3,283	3,467	3,121	3,059
6. Housing and community amenities	1,272	1,051	1,124	1,650	2,074	3,025
7. Health	6,392	5,823	5,592	6,292	6,785	6,551
8. Recreation, culture and religion	875	796	990	866	793	1,194
9. Education	5,148	5,091	3,269	4,728	5,511	4,555
10. Social protection	-365	73	122	234	182	114
<b>Total central government own capital expenditure on services</b>	<b>41,933</b>	<b>43,163</b>	<b>42,682</b>	<b>47,157</b>	<b>53,541</b>	<b>56,692</b>
Accounting adjustments	-464	-876	1,151	45	-2,925	311
<b>Total central government own capital expenditure <sup>(4)</sup></b>	<b>41,469</b>	<b>42,287</b>	<b>43,833</b>	<b>47,202</b>	<b>50,616</b>	<b>57,003</b>

<sup>(1)</sup> 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](http://www.nato.int/cps/on/natohq/topics_49198.htm)

<sup>(2)</sup> Transactions have been affected by financial sector interventions.

<sup>(3)</sup> 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 Department for Transport budgets and the transport function shown here from 2015-16.

<sup>(4)</sup> This excludes the temporary effects of banks being classified to the public sector.

# 7

## Local government financing and expenditure

---

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

**7.2** Data for outturn years (to 2018-19) are covered by National Statistics protocols.

**7.3** Central government support data (**Tables 7.1 to 7.3**) for all years up to 2018-19 are final outturn figures and data from 2019-20 onwards are latest plans.

**7.4** Local government spending data (**Tables 7.4 to 7.8**) for all years up to 2017-18 are final outturn, while data for 2018-19 are based on budget plans and provisional outturns, where the latter are available.

### What's new

**7.5** There have been no significant changes to the presentation of data within this chapter since PESA 2018.

### The financing of local government expenditure

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

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

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



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

## Support for local government current spending

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

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

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

## Support for local government capital programmes

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

## Data sources and data quality

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

**7.14 Tables 7.1 to 7.3** show central government support for local government allocated by territory. There are several instances where support or grant payments cover more than one territory, for example Home Office grants that cover England and Wales. In these circumstances the grant or support has been allocated entirely to the majority territory, namely England.

## Local government expenditure

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

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

## Local government expenditure on services

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

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

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

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

## Data sources and data quality

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

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

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

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

**7.24** The Treasury are working with MHCLG and the ONS to improve the quality and timeliness of local government spending data.

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

**England – Ministry of Housing, Communities and Local Government**

- [<https://www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing>]
- [<https://www.gov.uk/government/collections/local-authority-capital-expenditure-receipts-and-financing>]

**Scotland – Scottish Government**

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

**Wales – Welsh Government**

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

**Table 7.1 Financing of local government in the United Kingdom by country, 2014-15 to 2019-20**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>Current finance in DEL</b>						
England	63,070	58,811	55,695	52,759	50,481	51,427
Scotland	30	28	25	22	0	-376
Wales	5,621	4,361	4,205	4,227	4,240	4,178
Northern Ireland	138	147	152	148	162	144
<b>Total current finance in DEL</b>	<b>68,860</b>	<b>63,346</b>	<b>60,077</b>	<b>57,156</b>	<b>54,884</b>	<b>55,374</b>
<b>Capital support in DEL</b>						
England	8,878	9,022	8,819	8,034	8,761	7,392
Scotland	0	0	0	0	0	-175
Wales	535	555	481	509	634	524
Northern Ireland	6	46	5	3	7	13
<b>Total capital support in DEL</b>	<b>9,419</b>	<b>9,623</b>	<b>9,305</b>	<b>8,546</b>	<b>9,402</b>	<b>7,755</b>
<b>Total central government support in DEL <sup>(1)</sup></b>	<b>78,279</b>	<b>72,968</b>	<b>69,382</b>	<b>65,702</b>	<b>64,285</b>	<b>63,128</b>
<b>Current finance in departmental AME</b>						
England	34,556	35,227	34,978	37,346	41,644	36,386
Scotland	9,035	8,551	8,187	8,307	8,512	8,466
Wales	1,025	1,023	1,026	1,006	948	784
Northern Ireland	–	–	–	–	–	–
<b>Total current finance in departmental AME</b>	<b>44,616</b>	<b>44,801</b>	<b>44,190</b>	<b>46,658</b>	<b>51,103</b>	<b>45,636</b>
<b>Capital support in departmental AME</b>						
England	310	333	110	-169	-205	0
Scotland	829	880	817	913	1,040	1,322
Wales	0	5	0	0	0	0
Northern Ireland	–	–	–	–	–	–
<b>Total capital support in departmental AME</b>	<b>1,139</b>	<b>1,219</b>	<b>926</b>	<b>743</b>	<b>835</b>	<b>1,322</b>
<b>Total central government support in departmental AME <sup>(2)</sup></b>	<b>45,755</b>	<b>46,020</b>	<b>45,117</b>	<b>47,402</b>	<b>51,939</b>	<b>46,958</b>
<b>Locally financed expenditure</b>						
Local authority self-financed expenditure	28,794	33,561	38,487	43,237	45,326	47,872
Locally financed support in Scotland <sup>(3)</sup>	2,650	2,789	2,769	2,666	2,636	2,853
Locally financed support in Wales <sup>(4)</sup>	–	1,875	977	1,059	1,050	1,061
<b>Total locally financed expenditure</b>	<b>31,443</b>	<b>38,225</b>	<b>42,232</b>	<b>46,962</b>	<b>49,012</b>	<b>51,786</b>
<b>Total financing of local government expenditure</b>	<b>155,477</b>	<b>157,213</b>	<b>156,731</b>	<b>160,065</b>	<b>165,235</b>	<b>161,873</b>
Accounting and other adjustments	14,895	14,219	15,992	14,892	11,229	21,614
<b>Total local government expenditure</b>	<b>170,372</b>	<b>171,432</b>	<b>172,723</b>	<b>174,957</b>	<b>176,464</b>	<b>183,486</b>

<sup>(1)</sup> Receipts from the EU offset in budgets against the subsequent payment to local government.

<sup>(2)</sup> Includes lottery grants.

<sup>(3)</sup> By convention, non-domestic rates income (NDRI) in Scotland (equivalent to non-domestic rate payments in England and Wales) is shown in PESA as locally raised central government support, as it is finance raised in Scotland rather than funding from Whitehall.

<sup>(4)</sup> From 2015-16 national non-domestic rates in Wales became classified as locally raised, prior to that they formed part of departmental DEL. 2015-16 includes borrowing to reform the HRA.

**Table 7.2 Central government current grants for local government in the United Kingdom by departmental group, 2014-15 to 2019-20**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>England</b>						
<b>Home Office</b>						
Police	10,300	9,952	10,267	10,399	10,623	11,279
Other	540	758	841	827	923	615
<b>Total Home Office</b>	<b>10,840</b>	<b>10,710</b>	<b>11,109</b>	<b>11,226</b>	<b>11,546</b>	<b>11,894</b>
<b>Health and Social Care</b>						
Social Care	80	56	–	–	–	–
Public Health	2,565	3,036	3,388	3,091	3,011	2,932
Other	20	26	–	59	59	–
<b>Total Health and Social Care</b>	<b>2,666</b>	<b>3,118</b>	<b>3,388</b>	<b>3,150</b>	<b>3,070</b>	<b>2,932</b>
<b>Work and Pensions</b>						
Housing benefits <sup>(1)</sup>	20,989	20,866	20,194	19,085	17,708	15,157
Other	676	443	419	439	508	430
<b>Total Work and Pensions</b>	<b>21,665</b>	<b>21,309</b>	<b>20,613</b>	<b>19,524</b>	<b>18,216</b>	<b>15,587</b>
<b>Education<sup>(2)</sup></b>						
Schools Grant	28,254	27,551	25,168	24,079	23,405	23,574
Pupil Premium	1,768	1,668	1,563	1,432	1,351	1,363
Private finance initiative grant	744	749	751	751	751	752
Other	1,965	2,406	3,673	3,962	4,362	5,066
<b>Total Education</b>	<b>32,731</b>	<b>32,374</b>	<b>31,154</b>	<b>30,224</b>	<b>29,869</b>	<b>30,755</b>
<b>Business, Energy and Industrial Strategy</b>						
Business, Energy and Industrial Strategy	18	26	12	10	22	24
<b>Total Business, Energy and Industrial Strategy</b>	<b>18</b>	<b>26</b>	<b>12</b>	<b>10</b>	<b>22</b>	<b>24</b>
<b>Transport</b>						
GLA transport	1,777	591	474	255	29	29
Strategic rail authority	52	126	5	86	87	94
Other	626	639	541	478	503	532
<b>Total Transport</b>	<b>2,456</b>	<b>1,356</b>	<b>1,020</b>	<b>820</b>	<b>619</b>	<b>656</b>
<b>MHCLG Housing and Communities</b>						
New Homes Bonus	917	1,168	1,462	1,227	948	918
PFI special grant (Housing)	183	184	192	192	192	187
Troubled Families	153	141	171	214	174	146
City Deals	–	1	102	91	122	134
Other	351	410	245	460	878	750
<b>Total MHCLG Housing and Communities</b>	<b>1,604</b>	<b>1,903</b>	<b>2,172</b>	<b>2,184</b>	<b>2,314</b>	<b>2,135</b>
<b>MHCLG Local Government</b>						
Non-domestic rate payments/Revenue Support Grant <sup>(3)</sup>	24,994	22,241	20,071	19,598	23,433	20,734
Independent Living Fund	–	140	177	171	166	161
PFI special grant	27	27	27	26	26	28
Other	298	524	367	2,671	2,397	2,616
<b>Total MHCLG Local Government</b>	<b>25,319</b>	<b>22,932</b>	<b>20,642</b>	<b>22,466</b>	<b>26,021</b>	<b>23,538</b>
<b>Environment, Food and Rural Affairs</b>						
Environment, Food and Rural Affairs	139	132	133	205	198	258
<b>Total Environment, Food and Rural Affairs</b>	<b>139</b>	<b>132</b>	<b>133</b>	<b>205</b>	<b>198</b>	<b>258</b>
Other government departments	189	177	430	296	248	36
<b>Total England</b>	<b>97,627</b>	<b>94,037</b>	<b>90,673</b>	<b>90,105</b>	<b>92,125</b>	<b>87,814</b>

**Table 7.2 Central government current grants for local government in the United Kingdom by departmental group, 2014-15 to 2019-20 (continued)**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>Scotland</b>						
<b>Work and Pensions</b>						
Housing benefits <sup>(1)</sup>	1,750	1,732	1,693	1,625	1,548	1,368
Other	30	28	25	22	0	0
<b>Total Work and Pensions</b>	<b>1,780</b>	<b>1,759</b>	<b>1,718</b>	<b>1,647</b>	<b>1,548</b>	<b>1,368</b>
<b>Scottish Government</b>						
Revenue Support Grant	7,165	7,151	6,839	6,799	6,885	6,449
Non-domestic rate income <sup>(4)</sup>	2,650	2,789	2,769	2,666	2,636	2,853
Other	120	114	119	309	418	649
<b>Total Scottish Government</b>	<b>9,934</b>	<b>10,054</b>	<b>9,726</b>	<b>9,773</b>	<b>9,939</b>	<b>9,951</b>
<b>Other government departments</b>	0	-445	-464	-425	-339	-376
<b>Total Scotland</b>	<b>11,715</b>	<b>11,368</b>	<b>10,981</b>	<b>10,995</b>	<b>11,148</b>	<b>10,943</b>
<b>Wales</b>						
<b>Home Office</b>						
Police	–	–	–	–	–	-30
Other	–	–	–	–	–	–
<b>Total Home Office</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-30</b>
<b>Work and Pensions</b>						
Housing benefits <sup>(1)</sup>	1,003	1,002	992	977	923	784
Other	16	14	13	12	0	0
<b>Total Work and Pensions</b>	<b>1,019</b>	<b>1,017</b>	<b>1,005</b>	<b>990</b>	<b>923</b>	<b>784</b>
<b>Welsh Assembly Government</b>						
Non-domestic rate payments/Revenue Support Grant	4,439	5,212	4,263	4,309	4,394	4,447
Other	1,189	1,030	939	993	921	822
<b>Total Welsh Assembly Government</b>	<b>5,628</b>	<b>6,242</b>	<b>5,202</b>	<b>5,302</b>	<b>5,315</b>	<b>5,269</b>
<b>Other government departments</b>	0	0	0	0	0	0
<b>Total Wales</b>	<b>6,646</b>	<b>7,259</b>	<b>6,207</b>	<b>6,292</b>	<b>6,238</b>	<b>6,023</b>
<b>Northern Ireland</b>						
<b>Northern Ireland Executive</b>						
	138	147	152	148	162	144
<b>Total Northern Ireland</b>	<b>138</b>	<b>147</b>	<b>152</b>	<b>148</b>	<b>162</b>	<b>144</b>
<b>Total current finance</b>	<b>116,126</b>	<b>112,811</b>	<b>108,013</b>	<b>107,539</b>	<b>109,673</b>	<b>104,924</b>

<sup>(1)</sup> Housing Benefit figures reflect the switch of payments from Housing Benefit to Universal Credit, which is funded directly from central government.

<sup>(2)</sup> Academies are now treated as part of central government, and so their expenditure falls within pay and procurement and is no longer recorded within grants for local government.

<sup>(3)</sup> The level of business rates retained by local authorities has been affected by a number of pilots for 100% rates retention since 2017-18.

<sup>(4)</sup> By convention, non-domestic rates income (NDRI) in Scotland (equivalent to non-domestic rate payments in England and Wales) is shown in PESA as locally raised central government support, i.e. It is finance raised in Scotland rather than funding from Whitehall.

**Table 7.3 Central government capital support for local government in the United Kingdom by country and departmental group, 2014-15 to 2019-20**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>England</b>						
<b>Capital grants</b>						
Home Office	244	548	130	131	148	105
Health and Social Care	227	221	621	516	66	170
Education	2,525	2,036	2,482	2,317	2,416	1,717
Business, Energy and Industrial Strategy	22	55	42	41	6	58
Transport	3,188	3,342	2,351	1,633	2,282	1,456
Digital, Culture, Media and Sport	409	225	232	227	175	0
MHCLG Housing and Communities	2,406	2,792	2,947	2,914	3,365	3,758
Justice	–	–	14	4	0	0
Environment, Food and Rural Affairs	164	137	109	79	97	128
Cabinet Office	3	–	–	2	1	0
<b>Total capital grants</b>	<b>9,188</b>	<b>9,355</b>	<b>8,928</b>	<b>7,864</b>	<b>8,557</b>	<b>7,392</b>
<b>Total England</b>	<b>9,188</b>	<b>9,355</b>	<b>8,928</b>	<b>7,864</b>	<b>8,557</b>	<b>7,392</b>
<b>Scotland</b>						
<b>Supported borrowing</b>						
Scottish Government	–	–	–	–	–	–
<b>Total supported borrowing</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Capital grants</b>						
Scottish Government	829	880	817	913	1,040	1,147
<b>Total capital grants</b>	<b>829</b>	<b>880</b>	<b>817</b>	<b>913</b>	<b>1,040</b>	<b>1,147</b>
<b>Total Scotland</b>	<b>829</b>	<b>880</b>	<b>817</b>	<b>913</b>	<b>1,040</b>	<b>1,147</b>
<b>Wales</b>						
<b>Supported Capital Expenditure (Revenue) <sup>(1)</sup></b>						
Welsh Assembly Government	89	89	89	89	89	89
<b>Total Supported Capital Expenditure (Revenue)</b>	<b>89</b>	<b>89</b>	<b>89</b>	<b>89</b>	<b>89</b>	<b>89</b>
<b>Capital grants</b>						
Welsh Assembly Government	446	471	392	421	545	435
<b>Total capital grants</b>	<b>446</b>	<b>471</b>	<b>392</b>	<b>421</b>	<b>545</b>	<b>435</b>
<b>Total Wales</b>	<b>535</b>	<b>560</b>	<b>481</b>	<b>509</b>	<b>634</b>	<b>524</b>
<b>Northern Ireland capital grants</b>						
Northern Ireland Executive	6	46	5	3	7	13
<b>Total Northern Ireland</b>	<b>6</b>	<b>46</b>	<b>5</b>	<b>3</b>	<b>7</b>	<b>13</b>
<b>Total United Kingdom</b>	<b>10,558</b>	<b>10,841</b>	<b>10,231</b>	<b>9,289</b>	<b>10,237</b>	<b>9,077</b>

<sup>(1)</sup> A full definition of Supported Capital expenditure (SCR) is given in Annex G.

**Table 7.4 Local government current and capital expenditure on services in the United Kingdom by function, 2014-15 to 2018-19**

	National Statistics				£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 plans
<b>Current</b>					
1. General public services	4,024	4,165	4,213	4,130	4,169
<i>of which: public and common services</i>	3,318	3,403	3,405	3,346	3,520
<i>of which: public sector debt interest<sup>(1)</sup></i>	706	762	808	784	649
2. Defence	49	46	45	42	44
3. Public order and safety	13,815	13,756	13,865	14,019	14,360
4. Economic affairs	4,445	3,936	3,732	3,602	3,666
<i>of which: enterprise and economic development</i>	911	613	702	555	487
<i>of which: agriculture, fisheries and forestry</i>	88	102	101	98	93
<i>of which: transport</i>	3,446	3,220	2,928	2,950	3,086
5. Environment protection	5,629	5,686	5,683	5,642	5,893
6. Housing and community amenities	2,219	2,119	2,018	2,027	2,154
7. Health	2,788	3,205	3,534	3,414	3,358
8. Recreation, culture and religion	3,571	3,338	3,151	2,984	2,848
9. Education	41,717	41,455	40,873	39,781	41,713
10. Social protection	55,639	55,510	55,250	54,897	54,344
<b>Total local government current expenditure on services</b>	<b>133,896</b>	<b>133,216</b>	<b>132,363</b>	<b>130,538</b>	<b>132,547</b>
Accounting adjustments	20,008	21,268	22,023	23,508	22,589
<b>Total local government current expenditure</b>	<b>153,904</b>	<b>154,484</b>	<b>154,386</b>	<b>154,046</b>	<b>155,136</b>
<b>Capital</b>					
1. General public services	878	947	1,732	1,158	1,609
<i>of which: public and common services</i>	878	947	1,732	1,158	1,609
3. Public order and safety	519	499	223	992	697
4. Economic affairs	6,451	6,492	7,523	9,544	8,994
<i>of which: enterprise and economic development</i>	84	128	1,019	2,431	2,554
<i>of which: agriculture, fisheries and forestry</i>	219	200	191	131	128
<i>of which: transport</i>	6,148	6,164	6,313	6,981	6,311
5. Environment protection	573	589	496	1,058	575
6. Housing and community amenities	2,543	2,098	2,503	2,756	2,995
7. Health	10	13	19	12	30
8. Recreation, culture and religion	1,146	1,244	1,235	1,307	1,260
9. Education	4,302	4,228	4,318	4,241	3,416
10. Social protection	256	241	327	247	440
<b>Total local government capital expenditure on services</b>	<b>16,679</b>	<b>16,351</b>	<b>18,375</b>	<b>21,314</b>	<b>20,016</b>
Accounting adjustments	-211	597	-38	-403	1,312
<b>Total local government capital expenditure</b>	<b>16,468</b>	<b>16,948</b>	<b>18,337</b>	<b>20,911</b>	<b>21,328</b>
<b>Total local government expenditure</b>	<b>170,372</b>	<b>171,432</b>	<b>172,723</b>	<b>174,957</b>	<b>176,464</b>

<sup>(1)</sup> This excludes all intra-public sector payments of debt interest.



**Table 7.5 Local government current expenditure on services in the United Kingdom by country and function, 2014-15 to 2018-19**

	National Statistics				£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 plans
<b>England</b>					
1. General public services	2,682	2,744	2,789	2,723	2,932
<i>of which: public and common services</i>	2,682	2,744	2,789	2,723	2,932
2. Defence	43	39	39	36	37
3. Public order and safety	13,014	12,999	13,101	13,229	13,543
4. Economic affairs	3,459	3,013	2,850	2,725	2,791
<i>of which: enterprise and economic development</i>	559	312	411	268	197
<i>of which: agriculture, fisheries and forestry</i>	72	80	83	80	74
<i>of which: transport</i>	2,827	2,620	2,356	2,377	2,520
5. Environment protection	4,467	4,523	4,498	4,456	4,677
6. Housing and community amenities	1,892	1,799	1,729	1,734	1,735
7. Health	2,737	3,152	3,480	3,365	3,314
8. Recreation, culture and religion	2,505	2,322	2,149	2,032	1,940
9. Education	34,477	34,133	33,382	32,265	33,862
10. Social protection	47,623	47,402	47,362	46,988	46,111
<b>Total England</b>	<b>112,898</b>	<b>112,127</b>	<b>111,379</b>	<b>109,554</b>	<b>110,942</b>
<b>Scotland</b>					
1. General public services	455	468	428	427	363
<i>of which: public and common services</i>	455	468	428	427	363
2. Defence	3	4	4	3	3
3. Public order and safety	—	—	—	—	—
4. Economic affairs	701	673	630	633	629
<i>of which: enterprise and economic development</i>	247	226	216	219	225
<i>of which: agriculture, fisheries and forestry</i>	10	15	10	9	11
<i>of which: transport</i>	444	432	404	405	393
5. Environment protection	633	644	647	649	683
6. Housing and community amenities	74	97	43	23	126
8. Recreation, culture and religion	609	566	539	537	524
9. Education	4,624	4,745	4,875	4,875	5,225
10. Social protection	5,065	5,163	4,909	4,848	5,192
<b>Total Scotland</b>	<b>12,164</b>	<b>12,359</b>	<b>12,076</b>	<b>11,996</b>	<b>12,745</b>
<b>Wales</b>					
1. General public services	181	191	188	195	225
<i>of which: public and common services</i>	181	191	188	195	225
2. Defence	4	3	2	3	3
3. Public order and safety	801	756	764	790	817
4. Economic affairs	258	227	222	221	218
<i>of which: enterprise and economic development</i>	77	52	46	45	38
<i>of which: agriculture, fisheries and forestry</i>	6	8	8	8	7
<i>of which: transport</i>	174	168	168	168	173
5. Environment protection	343	329	336	334	347
6. Housing and community amenities	155	124	121	116	106
8. Recreation, culture and religion	245	220	210	206	194
9. Education	2,616	2,577	2,616	2,642	2,626
10. Social protection	2,951	2,945	2,979	3,061	3,041
<b>Total Wales</b>	<b>7,553</b>	<b>7,373</b>	<b>7,438</b>	<b>7,568</b>	<b>7,577</b>
<b>Total Great Britain</b>	<b>132,615</b>	<b>131,858</b>	<b>130,892</b>	<b>129,118</b>	<b>131,265</b>
<b>Northern Ireland</b>					
4. Economic affairs	27	23	29	23	28
<i>of which: enterprise and economic development</i>	27	23	29	23	28
5. Environment protection	186	190	203	203	186
6. Housing and community amenities	99	100	124	153	186
7. Health	52	53	54	49	44
8. Recreation, culture and religion	211	230	252	208	190
<b>Total Northern Ireland</b>	<b>575</b>	<b>596</b>	<b>662</b>	<b>636</b>	<b>634</b>
Debt interest <sup>(1)</sup>	706	762	808	784	649
<b>Total local government current expenditure on services</b>	<b>133,896</b>	<b>133,216</b>	<b>132,363</b>	<b>130,538</b>	<b>132,547</b>
Accounting adjustments	20,008	21,268	22,023	23,508	22,589
<b>Total local government current expenditure</b>	<b>153,904</b>	<b>154,484</b>	<b>154,386</b>	<b>154,046</b>	<b>155,136</b>

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

**Table 7.6 Local government gross<sup>(1)</sup> capital expenditure on services in the United Kingdom by country and function, 2014-15 to 2018-19**

	National Statistics				£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 plans
<b>England</b>					
1. General public services	1,280	1,311	2,020	1,496	1,912
<i>of which: public and common services</i>	<i>1,280</i>	<i>1,311</i>	<i>2,020</i>	<i>1,496</i>	<i>1,912</i>
3. Public order and safety	740	785	813	1,072	818
4. Economic affairs	6,077	6,347	7,030	8,947	8,268
<i>of which: enterprise and economic development</i>	<i>296</i>	<i>472</i>	<i>1,017</i>	<i>2,309</i>	<i>2,218</i>
<i>of which: agriculture, fisheries and forestry</i>	<i>147</i>	<i>184</i>	<i>170</i>	<i>162</i>	<i>135</i>
<i>of which: transport</i>	<i>5,634</i>	<i>5,690</i>	<i>5,843</i>	<i>6,476</i>	<i>5,915</i>
5. Environment protection	491	492	378	995	468
6. Housing and community amenities	2,330	2,208	2,335	2,714	2,952
7. Health	7	10	18	10	23
8. Recreation, culture and religion	931	1,034	982	1,061	960
9. Education	3,647	3,367	3,216	2,998	2,560
10. Social protection	239	248	311	290	413
<b>Total England</b>	<b>15,742</b>	<b>15,802</b>	<b>17,103</b>	<b>19,583</b>	<b>18,375</b>
<b>Scotland</b>					
1. General public services	174	196	178	258	236
<i>of which: public and common services</i>	<i>174</i>	<i>196</i>	<i>178</i>	<i>258</i>	<i>236</i>
3. Public order and safety <sup>(2)</sup>	–	–	–	–	–
4. Economic affairs	570	573	697	700	894
<i>of which: enterprise and economic development</i>	<i>50</i>	<i>73</i>	<i>175</i>	<i>238</i>	<i>341</i>
<i>of which: agriculture, fisheries and forestry</i>	<i>85</i>	<i>65</i>	<i>47</i>	<i>43</i>	<i>53</i>
<i>of which: transport</i>	<i>435</i>	<i>436</i>	<i>475</i>	<i>419</i>	<i>500</i>
5. Environment protection	56	64	87	61	77
6. Housing and community amenities	173	174	175	159	192
8. Recreation, culture and religion	128	171	229	180	167
9. Education	559	653	854	898	595
10. Social protection	74	63	65	43	52
<b>Total Scotland</b>	<b>1,735</b>	<b>1,893</b>	<b>2,285</b>	<b>2,298</b>	<b>2,212</b>
<b>Wales</b>					
1. General public services	44	39	40	39	86
<i>of which: public and common services</i>	<i>44</i>	<i>39</i>	<i>40</i>	<i>39</i>	<i>86</i>
3. Public order and safety	48	57	43	52	89
4. Economic affairs	188	134	145	179	217
<i>of which: enterprise and economic development</i>	<i>25</i>	<i>18</i>	<i>22</i>	<i>48</i>	<i>83</i>
<i>of which: agriculture, fisheries and forestry</i>	<i>14</i>	<i>7</i>	<i>8</i>	<i>5</i>	<i>12</i>
<i>of which: transport</i>	<i>150</i>	<i>108</i>	<i>115</i>	<i>126</i>	<i>122</i>
5. Environment protection	26	32	32	21	43
6. Housing and community amenities	194	195	155	110	147
8. Recreation, culture and religion	47	54	44	56	48
9. Education	246	335	374	430	338
10. Social protection	23	13	15	17	18
<b>Total Wales</b>	<b>816</b>	<b>859</b>	<b>848</b>	<b>904</b>	<b>986</b>
<b>Total Great Britain</b>	<b>18,293</b>	<b>18,553</b>	<b>20,235</b>	<b>22,785</b>	<b>21,573</b>
<b>Northern Ireland</b>					
4. Economic affairs	4	15	5	2	17
<i>of which: enterprise and economic development</i>	<i>4</i>	<i>15</i>	<i>5</i>	<i>2</i>	<i>17</i>
5. Environment protection	12	8	6	10	11
6. Housing and community amenities	25	37	34	17	36
7. Health	4	3	2	2	7
8. Recreation, culture and religion	100	93	52	69	141
<b>Total Northern Ireland</b>	<b>145</b>	<b>155</b>	<b>100</b>	<b>101</b>	<b>211</b>
<b>Total United Kingdom</b>	<b>18,438</b>	<b>18,709</b>	<b>20,335</b>	<b>22,886</b>	<b>21,784</b>
<b>Memorandum</b>					
United Kingdom gross capital expenditure, from above	18,438	18,709	20,335	22,886	21,784
United Kingdom capital receipts (see table 7.7)	-1,759	-2,358	-1,960	-1,571	-1,769
<b>Total local government net capital expenditure on services</b>	<b>16,679</b>	<b>16,351</b>	<b>18,375</b>	<b>21,314</b>	<b>20,016</b>
Accounting adjustments	-211	597	-38	-403	1,312
<b>Total local government net capital expenditure</b>	<b>16,468</b>	<b>16,948</b>	<b>18,337</b>	<b>20,911</b>	<b>21,328</b>

<sup>(1)</sup> 'Gross' – before sales of capital assets and depreciation.

**Table 7.7 Local government capital receipts within expenditure on services in the United Kingdom by country and function, 2014-15 to 2018-19**

	National Statistics				£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 plans
<b>England</b>					
1. General public services	-574	-562	-463	-602	-593
<i>of which: public and common services</i>	-574	-562	-463	-602	-593
3. Public order and safety	-267	-340	-631	-130	-204
4. Economic affairs	-338	-433	-309	-259	-375
<i>of which: enterprise and economic development</i>	-262	-317	-159	-145	-81
<i>of which: agriculture, fisheries and forestry</i>	-27	-56	-34	-79	-71
<i>of which: transport</i>	-48	-60	-116	-35	-222
5. Environment protection	-8	-4	-3	-16	-15
6. Housing and community amenities	-147	-495	-177	-209	-309
8. Recreation, culture and religion	-22	-54	-42	-38	-40
9. Education	-120	-107	-108	-55	-35
10. Social protection	-69	-78	-57	-99	-30
<b>Total England</b>	<b>-1,544</b>	<b>-2,073</b>	<b>-1,790</b>	<b>-1,408</b>	<b>-1,601</b>
<b>Scotland</b>					
1. General public services	-26	-19	-21	-18	-20
<i>of which: public and common services</i>	-26	-19	-21	-18	-20
3. Public order and safety	-	-	-	-	-
4. Economic affairs	-39	-127	-16	-16	-20
<i>of which: enterprise and economic development</i>	-18	-118	-13	-11	-17
<i>of which: agriculture, fisheries and forestry</i>	0	0	-	0	0
<i>of which: transport</i>	-21	-10	-3	-4	-3
5. Environment protection	-1	-1	-2	-10	-8
6. Housing and community amenities	-5	0	0	-1	0
8. Recreation, culture and religion	-2	-3	-14	-1	-2
9. Education	-15	-16	-13	-12	-16
10. Social protection	-6	-1	-4	-3	-2
<b>Total Scotland</b>	<b>-94</b>	<b>-168</b>	<b>-69</b>	<b>-61</b>	<b>-68</b>
<b>Wales</b>					
1. General public services	-20	-18	-23	-16	-12
<i>of which: public and common services</i>	-20	-18	-23	-16	-12
3. Public order and safety	-2	-3	-2	-2	-5
4. Economic affairs	-11	-8	-28	-8	-6
<i>of which: enterprise and economic development</i>	-10	-7	-27	-8	-5
<i>of which: agriculture, fisheries and forestry</i>	-	-	-	-	-
<i>of which: transport</i>	-1	-1	0	-1	0
5. Environment protection	0	0	0	0	0
6. Housing and community amenities	-15	-13	-15	-27	-20
8. Recreation, culture and religion	0	-1	-1	-1	-1
9. Education	-15	-4	-6	-19	-27
10. Social protection	-5	-3	-3	-1	-11
<b>Total Wales</b>	<b>-68</b>	<b>-51</b>	<b>-78</b>	<b>-74</b>	<b>-80</b>
<b>Total Great Britain</b>	<b>-1,707</b>	<b>-2,292</b>	<b>-1,937</b>	<b>-1,544</b>	<b>-1,750</b>
<b>Northern Ireland</b>					
4. Economic affairs	-1	-8	-1	0	-2
<i>of which: enterprise and economic development</i>	-1	-8	-1	0	-2
5. Environment protection	-3	-1	-1	-1	-
6. Housing and community amenities	-13	-7	-3	-7	-4
7. Health	-1	0	-1	0	-
8. Recreation, culture and religion	-35	-49	-16	-19	-13
<b>Total Northern Ireland</b>	<b>-53</b>	<b>-66</b>	<b>-23</b>	<b>-27</b>	<b>-19</b>
<b>Total United Kingdom capital receipts</b>	<b>-1,759</b>	<b>-2,358</b>	<b>-1,960</b>	<b>-1,571</b>	<b>-1,769</b>

**Table 7.8 Local government expenditure on services in the United Kingdom by country and economic category, 2014-15 to 2018-19**

	National Statistics				£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 plans
<b>England</b>					
Pay	52,876	51,424	51,198	50,688	51,567
Gross current procurement	66,558	67,893	67,723	68,370	69,979
Income from sales of goods and services	-29,436	-30,019	-29,526	-30,454	-30,053
Subsidies to private sector companies	1,357	1,368	1,273	1,299	1,238
Subsidies to public corporations	14	14	12	13	14
Current grants to persons and non-profit bodies	21,529	21,447	20,699	19,638	18,197
Gross capital procurement	13,529	13,964	15,368	17,047	16,292
Income from sales of capital assets	-1,544	-2,073	-1,790	-1,408	-1,601
Capital grants	2,213	1,838	1,735	2,535	2,082
<b>Total England</b>	<b>127,096</b>	<b>125,855</b>	<b>126,692</b>	<b>127,728</b>	<b>127,716</b>
<b>Scotland</b>					
Pay	6,045	6,129	6,467	6,468	6,765
Gross current procurement	6,250	6,340	6,088	6,083	6,438
Income from sales of goods and services	-2,001	-1,978	-2,309	-2,327	-2,145
Subsidies to public corporations	93	95	97	100	100
Current grants to persons and non-profit bodies	1,776	1,772	1,733	1,671	1,588
Gross capital procurement	1,536	1,705	2,120	2,123	2,007
Income from sales of capital assets	-94	-168	-69	-61	-68
Capital grants	198	188	165	175	205
<b>Total Scotland</b>	<b>13,804</b>	<b>14,083</b>	<b>14,291</b>	<b>14,233</b>	<b>14,889</b>
<b>Wales</b>					
Pay	3,951	4,110	4,199	4,276	4,289
Gross current procurement	3,946	3,515	3,532	3,580	3,624
Income from sales of goods and services	-1,355	-1,276	-1,302	-1,280	-1,281
Current grants to persons and non-profit bodies	1,011	1,024	1,009	992	945
Gross capital procurement	728	765	766	845	915
Income from sales of capital assets	-68	-51	-78	-74	-80
Capital grants	88	94	82	58	71
<b>Total Wales</b>	<b>8,301</b>	<b>8,181</b>	<b>8,208</b>	<b>8,398</b>	<b>8,483</b>
<b>Great Britain</b>					
Pay	62,873	61,662	61,864	61,431	62,621
Gross current procurement	76,754	77,748	77,342	78,034	80,042
Income from sales of goods and services	-32,793	-33,274	-33,136	-34,061	-33,479
Subsidies to private sector companies	1,357	1,368	1,273	1,299	1,238
Subsidies to public corporations	107	109	109	113	113
Current grants to persons and non-profit bodies	24,317	24,244	23,441	22,301	20,729
Gross capital procurement	15,793	16,433	18,254	20,016	19,214
Income from sales of capital assets	-1,707	-2,292	-1,937	-1,544	-1,750
Capital grants	2,500	2,120	1,981	2,769	2,358
<b>Total Great Britain</b>	<b>149,201</b>	<b>148,119</b>	<b>149,191</b>	<b>150,359</b>	<b>151,088</b>
<b>Northern Ireland</b>					
Pay	321	348	346	368	398
Gross current procurement	463	469	491	499	398
Income from sales of goods and services	-209	-220	-174	-230	-162
Gross capital procurement	145	155	100	101	211
Income from sales of capital assets	-53	-66	-23	-27	-19
<b>Total Northern Ireland</b>	<b>668</b>	<b>686</b>	<b>739</b>	<b>710</b>	<b>826</b>
<b>United Kingdom</b>					
Pay	63,194	62,010	62,210	61,799	63,019
Gross current procurement	77,217	78,217	77,833	78,533	80,440
Income from sales of goods and services	-33,001	-33,494	-33,311	-34,291	-33,641
Subsidies to private sector companies	1,357	1,368	1,273	1,299	1,238
Subsidies to public corporations	107	109	109	113	113
Current grants to persons and non-profit bodies	24,317	24,244	23,441	22,301	20,729
Local government debt interest <sup>(1)</sup>	706	762	808	784	649
Gross capital procurement	15,938	16,589	18,354	20,117	19,426
Income from sales of capital assets	-1,759	-2,358	-1,960	-1,571	-1,769
Capital grants	2,500	2,120	1,981	2,769	2,358
<b>Total local government expenditure on services</b>	<b>150,575</b>	<b>149,567</b>	<b>150,738</b>	<b>151,853</b>	<b>152,563</b>
Accounting adjustments	19,797	21,865	21,985	23,104	23,901
<b>Total local government expenditure</b>	<b>170,372</b>	<b>171,432</b>	<b>172,723</b>	<b>174,957</b>	<b>176,464</b>

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



# 8

## Public Corporations

---

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

**8.2** Outturn data in this chapter up to 2018-19 are National Statistics.

### What's new

**8.3** The presentation of Housing Associations in **Table 8.3** has been changed to make it clearer that their expenditure, where still classified to the public sector, did not contribute to the 'total expenditure on services' measure. Instead they form part of the accounting adjustments line.

### Definition of public corporations

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

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

### Self financing public corporations (SFPCs)

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

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

### Trading funds

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

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

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

## The budgeting control framework

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

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

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

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

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

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

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

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

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

## The National Accounts

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

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

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

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

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

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

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



## Sources of data and data quality

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

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

## Further Information

**8.24** More information is available in the departmental reports of government departments and in the annual reports and accounts of individual public corporations. A fuller list of public corporations is available on the ONS website<sup>1</sup> in *Public Sector Classification Guide*<sup>1</sup>

---

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

**Table 8.1 Public corporations' contribution to budgets and Total Managed Expenditure,<sup>(1)</sup> 2014-15 to 2019-20**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>Resource DEL</b>						
CG dividends from PCs (-)	-115	-135	-121	-99	-122	-74
CG interest from PCs (-)	-6	-29	-31	-39	-36	0
Subsidies to PCs	747	639	487	430	418	480
Loans written off – mutual consent	–	–	–	–	–	–
<b>Total resource DEL</b>	<b>626</b>	<b>475</b>	<b>335</b>	<b>291</b>	<b>260</b>	<b>406</b>
<b>Resource departmental AME</b>						
CG dividends from PCs (-)	-101	-262	-194	-138	-124	-115
CG interest from PCs (-)	-109	-109	-64	-86	-106	-103
Subsidies to PCs	74	175	170	169	218	168
Loans written off – mutual consent	–	–	–	–	–	–
<b>Total resource departmental AME</b>	<b>-136</b>	<b>-195</b>	<b>-87</b>	<b>-54</b>	<b>-13</b>	<b>-50</b>
<b>Total public corporations' contribution to resource budget</b>	<b>489</b>	<b>280</b>	<b>248</b>	<b>237</b>	<b>247</b>	<b>356</b>
<b>Capital DEL</b>						
CG investment grants to PCs	320	277	252	208	371	247
Net lending to PCs	-1,008	-49	-259	-15	100	-11
Market and overseas borrowing	-9	-4	-12	36	91	–
<b>Total capital DEL</b>	<b>-697</b>	<b>224</b>	<b>-19</b>	<b>230</b>	<b>563</b>	<b>236</b>
<b>Capital departmental AME</b>						
CG investment grants to PCs	28	12	20	13	26	56
Net lending to PCs	335	90	175	229	86	206
<b>Total capital departmental AME</b>	<b>362</b>	<b>102</b>	<b>195</b>	<b>242</b>	<b>112</b>	<b>262</b>
<b>Total public corporations' contribution to capital budget</b>	<b>-335</b>	<b>326</b>	<b>175</b>	<b>472</b>	<b>674</b>	<b>498</b>
<b>Other AME</b>						
PC own-financed capital expenditure <sup>(2)</sup>	18,027	14,594	16,667	15,016	9,374	9,357
Accounting adjustments	3,206	3,500	3,782	2,472	102	-227
<b>Total other AME</b>	<b>21,233</b>	<b>18,094</b>	<b>20,449</b>	<b>17,488</b>	<b>9,476</b>	<b>9,130</b>
<b>Public corporations' expenditure in TME<sup>(3)</sup></b>	<b>21,388</b>	<b>18,700</b>	<b>20,872</b>	<b>18,197</b>	<b>10,397</b>	<b>9,984</b>
<i>of which:</i>						
PC current expenditure in TME	3,739	3,821	3,842	2,620	351	416
PC gross investment in TME	17,649	14,879	17,030	15,577	10,046	9,568

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

<sup>(2)</sup> Includes capital expenditure by local authority public corporations.

<sup>(3)</sup> This excludes the temporary effects of banks being classified to the public sector.

**Table 8.2 Public corporations' contribution to budgets by departmental group,<sup>(1)</sup> 2014-15 to 2019-20**

	National Statistics						£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans	
<b>Resource DEL</b>							
Defence	-84	-67	-70	-22	-13	-	
Home Office	-1	-	-	-	-	-	
Foreign and Commonwealth Office	150	157	159	173	163	183	
Health and Social Care	82	94	0	0	0	79	
Work and Pensions	111	16	17	8	14	64	
Education	-	-	-	-	2	-	
Business, Energy and Industrial Strategy	202	159	137	69	16	30	
Transport	25	-42	-37	-53	-29	-20	
Digital, Culture, Media and Sport	50	44	29	14	11	-	
MHCLG – Housing and Communities and MHCLG – Local Government	-2	-2	-1	-1	-2	-	
Wales	0	-1	0	-	-	-	
Northern Ireland	81	100	73	84	85	65	
International Trade	-	0	-	-	-	-	
Environment, Food and Rural Affairs	8	20	30	21	19	20	
Cabinet Office	1	-2	-2	-2	-6	-15	
Small and Independent Bodies	0	0	-	-	-	-	
<b>Total resource DEL</b>	<b>626</b>	<b>475</b>	<b>335</b>	<b>291</b>	<b>260</b>	<b>406</b>	
<b>Resource departmental AME</b>							
Business, Energy and Industrial Strategy	-1	-2	-5	-5	-7	-1	
Digital, Culture, Media and Sport	-5	-150	-44	-50	-60	-61	
Scotland	42	68	69	64	109	64	
Wales	-73	-	-	-	-	-	
HM Treasury	-97	-109	-107	-66	-58	-54	
Small and Independent Bodies	-4	-2	-1	2	2	2	
<b>Total resource departmental AME</b>	<b>-136</b>	<b>-195</b>	<b>-87</b>	<b>-54</b>	<b>-13</b>	<b>-50</b>	
<b>Total public corporations' contribution to resource budget</b>	<b>489</b>	<b>280</b>	<b>248</b>	<b>237</b>	<b>247</b>	<b>356</b>	
<b>Capital DEL</b>							
Defence	-57	-3	-63	-	9	-3	
Foreign and Commonwealth Office	5	5	-	-	-	-	
Health and Social Care	-469	-117	-245	-124	-95	23	
Work and Pensions	-	67	80	84	93	-	
Business, Energy and Industrial Strategy	90	170	147	82	204	92	
Transport	-378	1	3	33	70	-5	
Digital, Culture, Media and Sport	80	-	-	-1	-	-	
MHCLG – Housing and Communities and MHCLG – Local Government	14	14	8	32	51	71	
Wales	7	67	2	60	136	-1	
Northern Ireland	-7	0	51	65	95	60	
Environment, Food and Rural Affairs	19	19	-	-	0	-	
<b>Total capital DEL</b>	<b>-697</b>	<b>224</b>	<b>-19</b>	<b>230</b>	<b>563</b>	<b>236</b>	
<b>Capital departmental AME</b>							
Business, Energy and Industrial Strategy	292	53	134	36	-120	-	
Digital, Culture, Media and Sport	0	-	-	-20	-51	20	
Scotland	99	73	79	226	282	316	
Small and Independent Bodies	-29	-24	-19	-	-	-74	
<b>Total capital departmental AME</b>	<b>362</b>	<b>102</b>	<b>195</b>	<b>242</b>	<b>112</b>	<b>262</b>	
<b>Total public corporations' contribution to capital budget</b>	<b>-335</b>	<b>326</b>	<b>175</b>	<b>472</b>	<b>674</b>	<b>498</b>	
<b>Total public corporations' contribution to budgets</b>	<b>155</b>	<b>606</b>	<b>423</b>	<b>709</b>	<b>921</b>	<b>854</b>	

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

**Table 8.3 Public corporations' capital expenditure on services, 2014-15 to 2019-20**

	National Statistics						£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans	
<b>Defence</b>							
Defence Support Group	7	7	#	#	#	#	
Defence Aviation Repair Agency <sup>(1)</sup>	–	–	#	#	#	#	
Defence Science and Technology Laboratory <sup>(1)</sup>	41	41	33	#	#	#	
Hydrographic Office <sup>(1)</sup>	8	8	-6	18	#	#	
Navy, Army and Air Force Institute	3	3	#	#	#	#	
<b>Total Defence</b>	<b>59</b>	<b>59</b>	<b>27</b>	<b>18</b>	<b>#</b>	<b>#</b>	
<b>Foreign and Commonwealth Office</b>							
British Council	16	5	31	-18	#	#	
<b>Total Foreign and Commonwealth Office</b>	<b>16</b>	<b>5</b>	<b>31</b>	<b>-18</b>	<b>#</b>	<b>#</b>	
<b>International Development</b>							
CDC Group <sup>(5)</sup>	#	#	#	#	#	#	
Actis <sup>(5)</sup>	#	#	#	#	#	#	
<b>Total International Development</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	
<b>Health and Social Care</b>							
Medicines and Healthcare Products Regulatory Agency <sup>(1)</sup>	#	#	#	#	#	#	
NHS Estates <sup>(1)</sup>	#	#	#	#	#	#	
NHS Blood and Transplant	#	#	#	#	#	#	
<b>Total Health and Social Care</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	
<b>Work and Pensions</b>							
Remploy	–	–	–	#	#	#	
Pension Protection Fund	-3	1	3	2	0	#	
National Employment Savings Trust	3	4	1	2	1	#	
Office for Nuclear Regulation	0	0	0	0	2	#	
<b>Total Work and Pensions</b>	<b>1</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>#</b>	
<b>Business, Energy and Industrial Strategy</b>							
UK Intellectual Property Office	1	0	0	-1	#	#	
British Nuclear Fuels Limited <sup>(5)</sup>	–	–	#	#	#	#	
Companies House <sup>(1)</sup>	–	5	7	1	#	#	
Royal Mail Holdings <sup>(5)</sup>	–	–	#	#	#	#	
Land Registry <sup>(1)</sup>	2	#	#	#	#	#	
Ordnance Survey <sup>(1)</sup>	–	#	#	#	#	#	
Meteorological Office <sup>(1)</sup>	38	55	51	14	#	#	
<b>Total Business, Energy and Industrial Strategy</b>	<b>41</b>	<b>60</b>	<b>58</b>	<b>14</b>	<b>#</b>	<b>#</b>	
<b>Transport</b>							
Civil Aviation Authority	#	#	#	#	#	#	
Driving Standards Agency <sup>(1)</sup>	#	#	#	#	#	#	
Vehicle and Operator Services Agency <sup>(1)</sup>	#	#	#	#	#	#	
<b>Total Transport</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	
<b>Digital, Culture Media and Sport</b>							
Channel Four Television Corporation <sup>(5)</sup>	#	#	#	#	#	#	
Historic Royal Palaces Trust	#	#	#	#	#	#	
Tote <sup>(5)</sup>	#	#	#	#	#	#	
<b>Total Digital, Culture Media and Sport</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	
<b>MHCLG – Housing and Communities and MHCLG – Local Government</b>							
Fire Service College <sup>(1)</sup>	–	–	#	#	#	#	
QEII Conference Centre <sup>(1)</sup>	3	4	#	#	#	#	
<b>Total MHCLG – Housing and Communities and MHCLG – Local Government</b>	<b>3</b>	<b>4</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	
<b>Scotland</b>							
Caledonian MacBrayne	14	51	57	39	66	#	
Forest Enterprise	-5	-13	-6	3	1	#	
Scottish Water	312	328	489	498	509	#	
<b>Total Scotland</b>	<b>322</b>	<b>366</b>	<b>541</b>	<b>540</b>	<b>576</b>	<b>#</b>	
<b>Northern Ireland</b>							
Northern Ireland Driver and Vehicle Testing Agency <sup>(1)</sup>	0	0	2	4	4	11	
Northern Ireland Housing Executive	21	-6	-4	-3	-5	12	
Northern Ireland Public Trust Port Authority	22	23	54	46	65	98	
Northern Ireland Transport Holding Company	37	37	75	75	102	162	
Northern Ireland Water	–	–	–	–	–	–	
<b>Total Northern Ireland</b>	<b>79</b>	<b>55</b>	<b>126</b>	<b>121</b>	<b>167</b>	<b>283</b>	
<b>Environment Food and Rural Affairs</b>							
Covent Garden Market Authority	–	–	1	3	3	3	
<b>Total Environment Food and Rural Affairs</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>3</b>	

**Table 8.3 Public corporations' capital expenditure on services, 2014-15 to 2019-20 (continued)**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>HM Treasury</b>						
Crown Estate <sup>(5)</sup>	33	-321	113	-28	236	*
Royal Mint <sup>(5)(7)</sup>	–	–	–	–	–	–
<b>Total HM Treasury</b>	<b>33</b>	<b>-321</b>	<b>113</b>	<b>-28</b>	<b>236</b>	<b>*</b>
<b>Local Government</b>						
Transport Trading Limited	1,626	1,585	1,555	1,620	1,713	*
England Housing Revenue Account	2,297	2,607	2,465	2,614	2,725	2,911
Scotland Housing Revenue Account	595	561	538	613	740	791
Wales Housing Revenue Account	169	207	242	249	322	344
<b>Total Local Government</b>	<b>4,688</b>	<b>4,961</b>	<b>4,800</b>	<b>5,096</b>	<b>5,500</b>	<b>*</b>
<b>Total public corporations' capital expenditure on services</b>	<b>5,241</b>	<b>5,194</b>	<b>5,702</b>	<b>5,750</b>	<b>6,485</b>	<b>6,009</b>
Accounting Adjustments	12,408	9,685	11,328	9,827	3,561	3,559
<i>of which: Housing Associations</i>	9,316	6,392	8,427	7,009	634	215
<b>Total public corporations' capital expenditure</b>	<b>17,649</b>	<b>14,879</b>	<b>17,030</b>	<b>15,577</b>	<b>10,046</b>	<b>9,568</b>

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

<sup>(7)</sup> denotes public corporation with trading fund status.

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

<sup>(1)</sup> The Office for National Statistics has concluded that registered providers of social housing in England are private, market producers and as such were re-classified to the private non-financial corporations sector. This classification took effect from 16 November 2017.

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

**Table 8.4 Public corporations' current and capital expenditure on services by function, 2014-15 to 2019-20**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>Public corporations' current expenditure on services</b>						
1. General public services	3,739	3,821	3,842	2,620	351	416
<i>of which: public sector debt interest</i>	3,739	3,821	3,842	2,620	351	416
<b>Total public corporations' current expenditure on services</b>	<b>3,739</b>	<b>3,821</b>	<b>3,842</b>	<b>2,620</b>	<b>351</b>	<b>416</b>
Accounting adjustments	–	–	–	–	–	–
<b>Total public corporations' current expenditure</b>	<b>3,739</b>	<b>3,821</b>	<b>3,842</b>	<b>2,620</b>	<b>351</b>	<b>416</b>
<b>Public corporations' capital expenditure on services</b>						
1. General public services	57	-308	146	-44	237	–
<i>of which: public and common services</i>	41	-313	115	-26	237	–
<i>of which: international services</i>	16	5	31	-18	–	–
2. Defence	59	59	27	18	–	–
3. Public order and safety	–	–	–	–	–	–
4. Economic affairs	1,734	1,744	1,795	1,803	1,956	1,951
<i>of which: enterprise and economic development</i>	39	60	58	14	2	–
<i>of which: employment policies</i>	–	–	–	–	–	–
<i>of which: agriculture, fisheries and forestry</i>	-5	-13	-5	5	4	3
<i>of which: transport</i>	1,699	1,696	1,743	1,784	1,950	1,948
5. Environment protection	–	–	–	–	–	–
6. Housing and community amenities	3,394	3,698	3,731	3,971	4,292	4,058
7. Health	–	–	–	–	–	–
8. Recreation, culture and religion	–	–	–	–	–	–
10. Social protection	-3	1	3	2	0	–
<b>Total public corporations' capital expenditure on services</b>	<b>5,241</b>	<b>5,194</b>	<b>5,702</b>	<b>5,750</b>	<b>6,485</b>	<b>6,009</b>
Accounting adjustments	12,408	9,685	11,328	9,827	3,561	3,559
<b>Total public corporations' capital expenditure</b>	<b>17,649</b>	<b>14,879</b>	<b>17,030</b>	<b>15,577</b>	<b>10,046</b>	<b>9,568</b>

**Table 8.5 Public corporations' current and capital expenditure by economic category, 2014-15 to 2019-20**

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
<b>Public corporations' current expenditure on services</b>						
Public corporations' debt interest	3,739	3,821	3,842	2,620	351	416
<b>Total public corporations' current expenditure on services</b>	<b>3,739</b>	<b>3,821</b>	<b>3,842</b>	<b>2,620</b>	<b>351</b>	<b>416</b>
Accounting adjustments	0	0	0	0	0	0
<b>Total public corporations' current expenditure</b>	<b>3,739</b>	<b>3,821</b>	<b>3,842</b>	<b>2,620</b>	<b>351</b>	<b>416</b>
<b>Public corporations' capital expenditure on services</b>						
Gross capital procurement	6,943	7,150	7,777	7,740	8,212	6,032
Income from sales of assets	-1,703	-1,962	-2,077	-1,993	-1,730	-23
Capital grants	2	6	3	3	3	0
<b>Total public corporations' capital expenditure on services</b>	<b>5,241</b>	<b>5,194</b>	<b>5,702</b>	<b>5,750</b>	<b>6,485</b>	<b>6,009</b>
Accounting adjustments	12,408	9,685	11,328	9,827	3,561	3,559
<b>Total public corporations' capital expenditure</b>	<b>17,649</b>	<b>14,879</b>	<b>17,030</b>	<b>15,577</b>	<b>10,046</b>	<b>9,568</b>
<b>Total public corporations' expenditure on services</b>	<b>8,980</b>	<b>9,015</b>	<b>9,544</b>	<b>8,370</b>	<b>6,836</b>	<b>6,425</b>
Accounting adjustments	12,408	9,685	11,328	9,827	3,561	3,559
<b>Total public corporations' expenditure<sup>(1)</sup></b>	<b>21,388</b>	<b>18,700</b>	<b>20,872</b>	<b>18,197</b>	<b>10,397</b>	<b>9,984</b>

<sup>(1)</sup> This excludes the temporary effects of banks being classified to the public sector.

# 9

## Public expenditure by country, region and function

---

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

**9.2** The first is that the information in **Chapters 9 and 10** was gathered in a separate data collection exercise during the summer of 2018. Therefore, the figures in these chapters are not entirely consistent with the figures in other PESA chapters. Following the practice instituted in PESA 2017, data presented in these chapters are *identical* to that published on GOV.UK in the CRA National Statistics release from November 2018<sup>1</sup>. Therefore:

- TME, debt interest and EU transaction totals that feed into these tables are from data sourced in November 2018.
- Similarly, mid-year population estimates and GDP deflators used to produce ‘per head’ and ‘real terms’ tables respectively are also from the most up-to-date available sources as at November 2018. For clarification, the GDP deflators presented in Annex F of PESA are as of 28 June 2019 and are the source for ‘real terms’ tables seen elsewhere in this publication.

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

### What’s new

**9.4** No new tables or presentations of data are included in chapters 9 and 10 of PESA this year. The CRA dataset published in November 2018 included a methodology document giving users a brief overview of how 2017-18 expenditure was assigned to countries and regions by departments and HM Treasury, which covered over 99% of identifiable expenditure within the public sector. It can be found using the link at the foot of this page.

### How public expenditure is planned and controlled

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

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

---

<sup>1</sup> <https://www.gov.uk/government/statistics/country-and-regional-analysis-2018>



## The tables

**9.7** Most of the tables in this chapter provide an analysis of spending for the period 2013-14 to 2017-18. Information on methods and data quality is provided in the sections below.

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

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

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

**9.11** **Tables 9.17 to 9.20** provide a sectoral breakdown of **Tables 9.1 and 9.2**.

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

**9.13** For Scotland, Wales and Northern Ireland, **Table 9.21** shows the relative contributions of the devolved administrations, Whitehall departments and local government under each functional heading. This table covers 2017-18 only.

**9.14** A supplementary database and tables are available on GOV.UK alongside the November 2018 CRA release. This will include the information in **Table 9.21** for earlier years, while the interactive tables allow users to choose how they view the data.

## Methods

### The process of apportioning expenditure by country and region

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

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

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

### Identifiable expenditure on services

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

- Around 88 per cent of total expenditure on services is **identifiable** expenditure, which has been incurred for the benefit of individuals, enterprises or communities within particular regions. Examples are health, education, and social protection spending; and
- **non-identifiable** expenditure, constituting the remaining 12 per cent of total expenditure on services, is deemed to be incurred on behalf of the United Kingdom as a whole. Examples include the majority of expenditure on defence, overseas representation, and tax collection.

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

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

## How identifiable expenditure is attributed to countries and regions

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

**9.21** A number of issues can be identified that limit the ability to offer a complete picture of 'who benefits?':

- **practical difficulties:** for example, schools are not used solely by the residents of the region in which the facility is located. Definitional and border problems become increasingly significant the smaller the geographical unit considered;
- **conceptual problems:** for example, agricultural support is treated as benefiting the farmers who receive subsidies rather than the final consumers of food; and
- **data collection issues:** departments are encouraged, but not required, to allocate spending on the basis of 'who benefits?'. If spending is not significant (less than £20m annually on capital or current) or relevant information for allocating it to regions is not available, departments may use some statistical proxy instead. This might include using straight population shares, or the same allocation proportions as other related spending. It is neither considered practical nor cost-effective to collect local government spending data on the basis of 'who benefits?'. Instead, local government spending is assumed to benefit the area of the spending authority.

## Data on public expenditure by country and region

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

**9.23** The data cover central government, local government and public corporations.

**9.24** Subsequent inconsistencies between the CRA and earlier chapters in PESA reflect updates that have been made by departments and local authorities since the summer of 2018.

**9.25** Information on local government spending in the CRA is based on data supplied by the Ministry of Housing, Communities and Local Government (MHCLG) and the Department for Work and Pensions (DWP), as well as the devolved administrations. English local government spending is attributed to regions by the Treasury using information supplied by MHCLG.

## Data quality

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

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

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

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

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

**9.29** In their accompanying statements on data quality some departments have identified areas of their CRA return where the methods used have changed from previous years, are provisional, or do not fully meet the methodology set out in the CRA guidance. Specific comments made by departments on data quality are:

- **Department for Transport (DfT)** – The methodology applied by DfT in allocating regional spend in the CRA has remained largely unchanged since 2016-17, though a few areas previously allocated based on population have been updated to reflect a more robust allocation (such as for the British Transport Police). There have also been some changes to the methodology applied to High Speed 2 (HS2) allocations (see below). Otherwise, there have been no major revisions to the allocations completed in previous years. DfT have

explained that the complexity of transport networks and limited data sources mean that it is not always possible or appropriate to allocate transport spending on a 'who benefits' basis. Where this is the case, expenditure has been apportioned based on actual regional spend rather than where the benefit lies. This is particularly relevant for the rail network (including HS2 expenditure) and Highways regional allocations:

- Highways England's spend on motorways and major A roads is difficult to allocate on a 'who benefits' basis due to the nature of the network. Spend has therefore been assigned using actual regional data, with central expenditure apportioned across the regions;
- Following reclassification of Network Rail (NR) as a public body, changes to associated rail expenditure allocations were made and as a result, rail expenditure from 2015-16 is not directly comparable with previous years;
  - from 2015-16 all NR expenditure is reported, where in previous years only Government grants to NR were included. This means that the total public expenditure for NR increased substantially;
  - the method used to allocate many areas of rail expenditure changed in 2016-17 (backdated to 2015-16) to align more accurately with spending profiles across regions of Great Britain. This is done by matching NR route accounts to patterns of rail passenger demand. Allocations for 2017-18 remain consistent with the improved methodology.
- The methodology for allocating HS2 expenditure previously had two elements;
  - Where circumstance allowed, expenditure was allocated to specific regions where the money was spent. This was primarily used for property purchase costs, where postcode data was used to allocate spending based on the location of the property;
  - The remaining balance of expenditure was allocated in line with the most relevant regional benefit split for the full network from the economic business case. This is either:
    - Phase 1 regional split from 2013 in section 5.3 here: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/365065/S\\_A\\_1\\_Economic\\_case\\_0.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/365065/S_A_1_Economic_case_0.pdf)
    - or the 2016 economic case found on table 10 of HS2 Phase Two, West Midlands to Crewe, Economic Case; [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/490312/Economic\\_Case\\_report\\_2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/490312/Economic_Case_report_2016.pdf)
- As the scale of property purchase costs has increased, comprehensive post code data is no longer available and the methodology has been adjusted in 2017-18 so all HS2 spending back to 2013-14 uses the phase 1 and 2 regional benefit splits from the Economic business cases.
- HS2 property spend has been primarily in the south during phase 1 but will later move further north, this adjusted methodology therefore reflects the regional benefits the completed phase 1 project will bring rather than a look at where the capital is currently being spent.

- **Department for Business, Energy and Industrial Strategy (BEIS)** – The methodology for allocating expenditure for the Nuclear Decommissioning Authority has been updated this year. The allocation now uses up to date regional analysis of the Site Licensing Companies as published in the annual report and accounts.
- **Department for Education (DfE)** – DfE have updated their methodology for allocating Academies spending. This is now based on analysis of Academies block funding formulae, using a combination of funding levels and pupil numbers per region.
- **Armed Forces Pensions Schemes** – This year a report from the Armed Forces Pension Scheme payroll system, based on the residency location recorded, has been used to apportion expenditure. This means the country and regional breakdown is more reliable than in previous years, as the payroll data provides a live snapshot of all members' residency locations. The new methodology takes effect from 2014-15.

**Table 9.1 Total identifiable expenditure on services by country and region, 2013-14 to 2017-18**

	£ million						as a per cent of identifiable expenditure								
	National Statistics			National Statistics			National Statistics			National Statistics					
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn
North East	24,454	24,808	25,308	25,481	25,931	4	4	4	4	4	4	4	4	4	4
North West	64,820	66,284	67,591	68,233	71,185	11	11	11	11	11	11	11	11	11	11
Yorkshire and The Humber	45,474	46,719	47,635	47,999	48,865	8	8	8	8	8	8	8	8	8	8
East Midlands	37,032	38,191	38,591	39,155	40,024	6	6	6	6	6	6	6	6	6	6
West Midlands	48,244	50,249	50,166	51,502	52,551	8	8	8	8	8	8	8	8	8	8
East	46,590	48,475	49,641	49,866	51,562	8	8	8	8	8	8	8	8	8	8
London	83,335	84,430	87,578	88,475	91,585	14	14	14	14	14	14	14	14	14	14
South East	67,804	69,322	71,090	73,517	75,365	11	11	11	12	12	12	12	12	12	12
South West	43,931	45,256	45,871	46,846	47,964	7	7	7	7	7	7	7	7	7	7
<b>Total England</b>	<b>461,684</b>	<b>473,734</b>	<b>483,470</b>	<b>491,073</b>	<b>505,032</b>	<b>78</b>	<b>78</b>	<b>78</b>	<b>78</b>	<b>78</b>	<b>78</b>	<b>78</b>	<b>78</b>	<b>78</b>	<b>78</b>
Scotland	54,063	54,948	56,173	57,323	59,028	9	9	9	9	9	9	9	9	9	9
Wales	30,089	30,622	30,975	31,411	32,492	5	5	5	5	5	5	5	5	5	5
Northern Ireland	19,916	20,337	20,214	20,504	20,934	3	3	3	3	3	3	3	3	3	3
<b>UK identifiable expenditure</b>	<b>565,752</b>	<b>579,641</b>	<b>590,832</b>	<b>600,312</b>	<b>617,485</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>
Outside UK	26,655	27,019	25,705	25,320	26,589	4	4	4	4	4	4	4	4	4	4
<b>Total identifiable expenditure</b>	<b>592,407</b>	<b>606,660</b>	<b>616,536</b>	<b>625,632</b>	<b>644,075</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
	£ million						as a per cent of Total Managed Expenditure								
	National Statistics			National Statistics			National Statistics			National Statistics					
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn
Identifiable expenditure	592,407	606,660	616,536	625,632	644,075	81	81	81	81	81	81	81	81	81	81
Non-identifiable expenditure <sup>(1)</sup>	83,406	81,095	85,082	85,945	91,952	11	11	11	11	11	11	11	11	11	12
<b>Public sector expenditure on services</b>	<b>675,813</b>	<b>687,755</b>	<b>701,618</b>	<b>711,577</b>	<b>736,027</b>	<b>92</b>	<b>92</b>	<b>93</b>	<b>93</b>	<b>93</b>	<b>92</b>	<b>93</b>	<b>92</b>	<b>93</b>	<b>93</b>
Accounting adjustments	58,000	62,690	55,149	60,384	57,798	8	8	7	8	7	8	7	8	7	7
<b>Total Managed Expenditure <sup>(2)</sup></b>	<b>733,813</b>	<b>750,445</b>	<b>756,767</b>	<b>771,961</b>	<b>793,825</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

<sup>(1)</sup> Includes the effect of financial sector interventions. See PESA 2018 Box 5.A for details.

<sup>(2)</sup> This excludes the temporary effects of banks being classified to the public sector. See PESA 2018 Box 5.A for details.

**Table 9.2 Total identifiable expenditure on services by country and region, per head 2013-14 to 2017-18<sup>(1)</sup>**

	£ per head						Index (UK identifiable expenditure = 100)					
	National Statistics			National Statistics			National Statistics			National Statistics		
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		
North East	9,367	9,473	9,643	9,664	9,805	106	106	106	106	105		
North West	9,125	9,292	9,420	9,445	9,807	103	104	104	103	105		
Yorkshire and The Humber	8,519	8,716	8,837	8,847	8,966	97	97	97	97	96		
East Midlands	8,053	8,236	8,250	8,286	8,388	91	92	91	91	90		
West Midlands	8,501	8,795	8,717	8,863	8,967	96	98	96	97	96		
East	7,828	8,056	8,170	8,136	8,359	89	90	90	89	89		
London	9,900	9,887	10,105	10,089	10,378	112	110	111	110	111		
South East	7,711	7,812	7,944	8,141	8,299	87	87	88	89	89		
South West	8,169	8,345	8,383	8,491	8,628	93	93	92	93	92		
<b>England</b>	<b>8,571</b>	<b>8,722</b>	<b>8,825</b>	<b>8,885</b>	<b>9,080</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>		
Scotland	10,148	10,275	10,455	10,606	10,881	115	115	115	116	116		
Wales	9,762	9,904	9,995	10,090	10,397	111	110	110	110	111		
Northern Ireland	10,885	11,050	10,917	11,011	11,190	123	123	120	120	120		
<b>UK identifiable expenditure</b>	<b>8,825</b>	<b>8,973</b>	<b>9,074</b>	<b>9,144</b>	<b>9,350</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>		

<sup>(1)</sup> Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2018 release for details.

**Table 9.3 Total identifiable expenditure on services by country and region in real terms,<sup>(1)</sup> 2013-14 to 2017-18**

	National Statistics					£ million
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
North East	26,004	26,046	26,360	25,965	25,931	
North West	68,929	69,591	70,401	69,528	71,185	
Yorkshire and The Humber	48,357	49,050	49,615	48,911	48,865	
East Midlands	39,379	40,097	40,195	39,898	40,024	
West Midlands	51,302	52,756	52,252	52,480	52,551	
East	49,544	50,894	51,704	50,812	51,562	
London	88,618	88,643	91,219	90,155	91,585	
South East	72,102	72,782	74,045	74,912	75,365	
South West	46,715	47,514	47,777	47,736	47,964	
<b>England</b>	<b>490,949</b>	<b>497,373</b>	<b>503,569</b>	<b>500,397</b>	<b>505,032</b>	
Scotland	57,490	57,689	58,508	58,412	59,028	
Wales	31,997	32,150	32,263	32,007	32,492	
Northern Ireland	21,178	21,352	21,054	20,894	20,934	
<b>UK identifiable expenditure</b>	<b>601,614</b>	<b>608,564</b>	<b>615,394</b>	<b>611,710</b>	<b>617,485</b>	
Outside UK	28,345	28,367	26,773	25,801	26,589	
<b>Total identifiable expenditure</b>	<b>629,959</b>	<b>636,931</b>	<b>642,167</b>	<b>637,511</b>	<b>644,075</b>	
Non-identifiable expenditure <sup>(2)</sup>	88,693	85,142	88,619	87,577	91,952	
<b>Total Expenditure on Services</b>	<b>718,652</b>	<b>722,073</b>	<b>730,786</b>	<b>725,088</b>	<b>736,027</b>	
Accounting adjustments	61,677	65,818	57,442	61,530	57,798	
<b>Total Managed Expenditure<sup>(3)</sup></b>	<b>780,328</b>	<b>787,891</b>	<b>788,228</b>	<b>786,618</b>	<b>793,825</b>	

<sup>(1)</sup> Real terms figures are the nominal figures adjusted to 2017-18 price levels using GDP deflators from the Office for National Statistics (released 28 September 2018).

<sup>(2)</sup> Includes the effect of financial sector interventions. See PESA 2018 Box 5.A for details.

<sup>(3)</sup> This excludes the temporary effects of banks being classified to the public sector. See PESA 2018 Box 5.A for details.



**Table 9.4 Total identifiable expenditure on services by country and region per head<sup>(1)</sup> in real terms,<sup>(2)</sup> 2013-14 to 2017-18**

	National Statistics					£ per head
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
North East	9,961	9,946	10,043	9,848	9,805	
North West	9,703	9,756	9,812	9,625	9,807	
Yorkshire and The Humber	9,059	9,151	9,205	9,015	8,966	
East Midlands	8,563	8,646	8,593	8,443	8,388	
West Midlands	9,040	9,234	9,079	9,031	8,967	
East	8,324	8,458	8,510	8,290	8,359	
London	10,528	10,380	10,525	10,280	10,378	
South East	8,200	8,202	8,274	8,296	8,299	
South West	8,687	8,761	8,732	8,652	8,628	
<b>England</b>	<b>9,114</b>	<b>9,157</b>	<b>9,192</b>	<b>9,054</b>	<b>9,080</b>	
Scotland	10,791	10,788	10,889	10,808	10,881	
Wales	10,380	10,398	10,410	10,281	10,397	
Northern Ireland	11,575	11,601	11,371	11,220	11,190	
<b>UK identifiable expenditure</b>	<b>9,385</b>	<b>9,421</b>	<b>9,452</b>	<b>9,318</b>	<b>9,350</b>	

<sup>(1)</sup> Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2018 release for details.

<sup>(2)</sup> Real terms figures are the nominal figures adjusted to 2017-18 price levels using GDP deflators from the Office for National Statistics (released 28 September 2018).

**Table 9.5 Identifiable expenditure on general public services by country and region, 2013-14 to 2017-18**

	General public services												of which: current						of which: capital						£ million													
	National Statistics						National Statistics						2013-14			2014-15			2015-16			2016-17				2017-18												
	2013-14	2014-15	2015-16	2016-17	2017-18	2013-14	2014-15	2015-16	2016-17	2017-18	2013-14	2014-15	2015-16	2016-17	2017-18	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn		outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn		
North East	225	228	215	212	232	175	193	186	173	188	50	35	29	39	44																							
North West	574	564	545	498	556	470	471	479	410	413	104	93	67	88	143																							
Yorkshire and The Humber	407	358	354	363	375	294	277	273	254	283	113	81	81	110	92																							
East Midlands	433	398	378	421	440	329	316	298	314	330	104	82	80	107	109																							
West Midlands	439	499	421	515	529	380	427	427	436	430	59	72	-7	79	99																							
East	519	657	575	572	588	440	477	467	435	498	79	180	108	138	90																							
London	799	716	705	1,028	813	594	654	649	614	609	205	62	56	414	203																							
South East	798	843	724	1,340	952	609	672	601	646	718	190	171	123	694	234																							
South West	432	555	451	545	526	347	421	363	374	430	84	134	88	171	96																							
<b>England</b>	<b>4,626</b>	<b>4,817</b>	<b>4,367</b>	<b>5,493</b>	<b>5,011</b>	<b>3,636</b>	<b>3,907</b>	<b>3,742</b>	<b>3,655</b>	<b>3,899</b>	<b>989</b>	<b>910</b>	<b>625</b>	<b>1,839</b>	<b>1,112</b>																							
Scotland	1,109	1,134	1,128	1,094	1,087	920	948	945	896	805	188	186	183	197	282																							
Wales	506	527	492	510	528	443	478	466	466	482	63	49	25	44	46																							
Northern Ireland	417	457	392	348	366	374	380	358	309	317	44	77	34	40	49																							
<b>UK identifiable expenditure</b>	<b>6,658</b>	<b>6,935</b>	<b>6,378</b>	<b>7,445</b>	<b>6,992</b>	<b>5,373</b>	<b>5,713</b>	<b>5,511</b>	<b>5,326</b>	<b>5,504</b>	<b>1,285</b>	<b>1,222</b>	<b>867</b>	<b>2,119</b>	<b>1,488</b>																							
Outside the UK	8,496	9,480	9,225	9,801	9,786	7,694	7,199	7,062	7,661	7,929	802	2,281	2,163	2,139	1,857																							
<b>Total identifiable expenditure</b>	<b>15,153</b>	<b>16,415</b>	<b>15,603</b>	<b>17,246</b>	<b>16,778</b>	<b>13,067</b>	<b>12,912</b>	<b>12,573</b>	<b>12,987</b>	<b>13,433</b>	<b>2,087</b>	<b>3,503</b>	<b>3,030</b>	<b>4,259</b>	<b>3,345</b>																							
Non-identifiable expenditure	45,870	42,887	43,986	46,172	50,947	45,527	42,505	43,674	45,757	50,828	343	382	312	414	119																							
<b>Total Expenditure on Services</b>	<b>61,024</b>	<b>59,302</b>	<b>59,588</b>	<b>63,418</b>	<b>67,725</b>	<b>58,594</b>	<b>55,417</b>	<b>56,247</b>	<b>58,744</b>	<b>64,261</b>	<b>2,430</b>	<b>3,885</b>	<b>3,342</b>	<b>4,673</b>	<b>3,464</b>																							

**Table 9.5a Identifiable expenditure on general public services (of which: public and common services) by country and region, 2013-14 to 2017-18**

	Total public and common services												of which: current												of which: capital											
	National Statistics						National Statistics						National Statistics						National Statistics																	
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn													
North East	219	224	211	207	228		169	190	182	169	184		50	34	29	39	44		50	34	29	39	44													
North West	557	554	535	486	545		454	462	469	400	402		103	92	66	86	143		103	92	66	86	143													
Yorkshire and The Humber	394	350	346	354	366		282	269	266	246	275		112	80	80	108	91		112	80	80	108	91													
East Midlands	422	391	371	413	432		319	309	292	308	324		104	81	79	106	109		104	81	79	106	109													
West Midlands	425	490	412	505	520		367	419	419	427	421		59	72	-7	78	99		59	72	-7	78	99													
East	504	648	567	562	579		427	469	459	426	489		78	179	108	136	90		78	179	108	136	90													
London	779	703	692	1,013	799		575	642	637	602	596		204	61	56	412	203		204	61	56	412	203													
South East	777	830	711	1,325	938		589	660	588	633	705		188	170	122	691	233		188	170	122	691	233													
South West	419	547	443	535	518		335	414	356	366	422		84	133	88	169	96		84	133	88	169	96													
<b>England</b>	<b>4,496</b>	<b>4,737</b>	<b>4,288</b>	<b>5,402</b>	<b>4,925</b>		<b>3,515</b>	<b>3,834</b>	<b>3,666</b>	<b>3,577</b>	<b>3,818</b>		<b>981</b>	<b>903</b>	<b>622</b>	<b>1,825</b>	<b>1,107</b>		<b>981</b>	<b>903</b>	<b>622</b>	<b>1,825</b>	<b>1,107</b>													
Scotland	1,096	1,126	1,120	1,085	1,078		908	941	937	889	796		188	185	183	196	281		188	185	183	196	281													
Wales	499	522	487	505	523		436	474	462	462	477		63	48	25	43	46		63	48	25	43	46													
Northern Ireland	413	455	389	345	363		370	378	355	306	314		43	77	34	39	48		43	77	34	39	48													
<b>UK identifiable expenditure</b>	<b>6,504</b>	<b>6,840</b>	<b>6,285</b>	<b>7,337</b>	<b>6,889</b>		<b>5,229</b>	<b>5,627</b>	<b>5,421</b>	<b>5,234</b>	<b>5,406</b>		<b>1,275</b>	<b>1,213</b>	<b>864</b>	<b>2,103</b>	<b>1,482</b>		<b>1,275</b>	<b>1,213</b>	<b>864</b>	<b>2,103</b>	<b>1,482</b>													
Outside the UK	305	300	308	295	347		-	-	-	-	-		305	300	308	295	347		305	300	308	295	347													
<b>Total identifiable expenditure</b>	<b>6,809</b>	<b>7,140</b>	<b>6,593</b>	<b>7,632</b>	<b>7,236</b>		<b>5,229</b>	<b>5,627</b>	<b>5,421</b>	<b>5,234</b>	<b>5,406</b>		<b>1,580</b>	<b>1,513</b>	<b>1,172</b>	<b>2,398</b>	<b>1,829</b>		<b>1,580</b>	<b>1,513</b>	<b>1,172</b>	<b>2,398</b>	<b>1,829</b>													
Non-identifiable expenditure	4,312	4,249	4,548	4,769	4,984		4,083	4,010	4,363	4,411	4,605		228	239	186	357	379		228	239	186	357	379													
<b>Total Expenditure on Services</b>	<b>11,121</b>	<b>11,389</b>	<b>11,141</b>	<b>12,400</b>	<b>12,220</b>		<b>9,312</b>	<b>9,637</b>	<b>9,784</b>	<b>9,645</b>	<b>10,011</b>		<b>1,809</b>	<b>1,752</b>	<b>1,358</b>	<b>2,755</b>	<b>2,208</b>		<b>1,809</b>	<b>1,752</b>	<b>1,358</b>	<b>2,755</b>	<b>2,208</b>													

£ million

**Table 9.5b Identifiable expenditure on general public services (of which: international services) by country and region, 2013-14 to 2017-18**

	International services						of which: current						of which: capital						£ million
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics						
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn				
North East	6	4	4	4	4	6	3	4	4	4	0	0	0	1	0				
North West	17	10	10	12	11	16	10	10	10	11	1	1	1	2	1				
Yorkshire and The Humber	13	8	8	9	8	12	7	7	8	8	1	1	1	1	1				
East Midlands	11	7	7	8	7	10	6	6	7	7	1	1	1	1	0				
West Midlands	14	8	8	10	9	13	8	8	8	9	1	1	1	1	1				
East	14	9	9	10	10	13	8	8	9	9	1	1	1	2	1				
London	20	13	12	15	14	19	11	12	12	13	1	1	1	2	1				
South East	21	13	13	15	14	20	12	12	13	13	1	1	1	2	1				
South West	13	8	8	9	9	12	7	8	8	8	1	1	1	1	1				
<b>England</b>	<b>129</b>	<b>80</b>	<b>79</b>	<b>91</b>	<b>86</b>	<b>121</b>	<b>73</b>	<b>76</b>	<b>78</b>	<b>81</b>	<b>8</b>	<b>7</b>	<b>3</b>	<b>14</b>	<b>5</b>				
Scotland	13	8	8	9	9	12	7	7	8	9	1	1	1	1	1				
Wales	7	5	4	5	5	7	4	4	4	5	0	0	0	1	0				
Northern Ireland	4	3	3	3	3	4	2	3	3	3	0	0	0	0	0				
<b>UK identifiable expenditure</b>	<b>154</b>	<b>95</b>	<b>93</b>	<b>109</b>	<b>103</b>	<b>144</b>	<b>86</b>	<b>90</b>	<b>92</b>	<b>97</b>	<b>10</b>	<b>9</b>	<b>3</b>	<b>16</b>	<b>6</b>				
Outside the UK	8,191	9,180	8,917	9,506	9,439	7,694	7,199	7,062	7,661	7,929	497	1,981	1,854	1,845	1,510				
<b>Total identifiable expenditure</b>	<b>8,344</b>	<b>9,275</b>	<b>9,010</b>	<b>9,614</b>	<b>9,542</b>	<b>7,838</b>	<b>7,285</b>	<b>7,152</b>	<b>7,754</b>	<b>8,026</b>	<b>506</b>	<b>1,990</b>	<b>1,858</b>	<b>1,861</b>	<b>1,516</b>				
Non-identifiable expenditure	1,451	1,219	1,431	1,250	1,165	1,336	1,076	1,305	1,193	1,425	115	143	126	57	-260				
<b>Total Expenditure on Services</b>	<b>9,795</b>	<b>10,495</b>	<b>10,441</b>	<b>10,865</b>	<b>10,707</b>	<b>9,174</b>	<b>8,362</b>	<b>8,457</b>	<b>8,947</b>	<b>9,452</b>	<b>621</b>	<b>2,133</b>	<b>1,984</b>	<b>1,918</b>	<b>1,255</b>				

**Table 9.5c Identifiable expenditure on general public services (of which: public sector debt interest) by country and region, 2013-14 to 2017-18**

	Public sector debt interest												of which: capital						£ million
	National Statistics						National Statistics						National Statistics						
	2013-14	2014-15	2015-16	2016-17	2017-18		2013-14	2014-15	2015-16	2016-17	2017-18		2013-14	2014-15	2015-16	2016-17	2017-18		
	outturn	outturn	outturn	outturn	outturn		outturn	outturn	outturn	outturn	outturn		outturn	outturn	outturn	outturn	outturn		
North East	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
North West	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
Yorkshire and The Humber	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
East Midlands	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
West Midlands	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
East	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
London	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
South East	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
South West	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
<b>England</b>	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
Scotland	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
Wales	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
Northern Ireland	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
<b>UK identifiable expenditure</b>	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
Outside the UK	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
<b>Total identifiable expenditure</b>	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
Non-identifiable expenditure	40,108	37,418	38,006	40,153	44,798		40,108	37,418	38,006	40,153	44,798		-	-	-	-	-		
<b>Total Expenditure on Services</b>	<b>40,108</b>	<b>37,418</b>	<b>38,006</b>	<b>40,153</b>	<b>44,798</b>		<b>40,108</b>	<b>37,418</b>	<b>38,006</b>	<b>40,153</b>	<b>44,798</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		

**Table 9.6 Identifiable expenditure on defence by country and region, 2013-14 to 2017-18**

	Defence						of which: current						of which: capital						£ million		
	2013-14		2014-15		2015-16		2016-17		2017-18		2013-14		2014-15		2015-16		2016-17			2017-18	
	outturn	2013-14	outturn	2014-15	outturn	2015-16	outturn	2016-17	outturn	2017-18	outturn	2013-14	outturn	2014-15	outturn	2015-16	outturn	2016-17		outturn	2017-18
North East	2	2	1	2	1	2	1	2	1	1	2	2	1	2	1	2	1	2	1	1	—
North West	5	4	6	9	8	5	4	6	9	8	5	4	6	9	8	5	4	6	9	8	—
Yorkshire and The Humber	4	3	3	3	2	4	3	3	3	2	4	3	3	3	2	4	3	3	3	2	—
East Midlands	5	4	4	4	4	5	4	4	4	4	5	4	4	4	4	5	4	4	4	4	—
West Midlands	4	3	3	4	3	4	3	4	3	3	4	3	3	4	3	4	3	4	3	3	—
East	6	6	6	6	5	6	6	6	6	5	6	6	6	6	6	6	6	6	6	5	—
London	7	7	6	7	6	7	6	7	6	6	7	6	7	6	6	7	6	7	6	6	—
South East	9	9	7	8	7	9	8	7	8	7	9	8	7	8	7	9	8	7	8	7	—
South West	5	5	3	4	3	5	4	3	4	3	5	4	3	4	3	5	4	3	4	3	—
<b>England</b>	<b>47</b>	<b>43</b>	<b>39</b>	<b>48</b>	<b>38</b>	<b>47</b>	<b>43</b>	<b>39</b>	<b>48</b>	<b>38</b>	<b>47</b>	<b>43</b>	<b>39</b>	<b>48</b>	<b>38</b>	<b>47</b>	<b>43</b>	<b>39</b>	<b>48</b>	<b>38</b>	<b>—</b>
Scotland	3	3	4	4	3	3	3	4	4	3	3	3	4	4	3	3	3	4	4	3	—
Wales	4	4	3	2	3	4	4	3	2	3	4	4	3	2	3	4	4	3	2	3	—
Northern Ireland	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>UK identifiable expenditure</b>	<b>54</b>	<b>49</b>	<b>46</b>	<b>54</b>	<b>44</b>	<b>54</b>	<b>49</b>	<b>46</b>	<b>54</b>	<b>44</b>	<b>54</b>	<b>49</b>	<b>46</b>	<b>54</b>	<b>44</b>	<b>54</b>	<b>49</b>	<b>46</b>	<b>54</b>	<b>44</b>	<b>—</b>
Outside the UK	1,362	632	329	515	705	1,237	623	276	400	506	1,237	623	276	400	506	1,237	623	276	400	506	199
<b>Total identifiable expenditure</b>	<b>1,417</b>	<b>681</b>	<b>375</b>	<b>569</b>	<b>750</b>	<b>1,291</b>	<b>672</b>	<b>322</b>	<b>454</b>	<b>551</b>	<b>1,291</b>	<b>672</b>	<b>322</b>	<b>454</b>	<b>551</b>	<b>1,291</b>	<b>672</b>	<b>322</b>	<b>454</b>	<b>551</b>	<b>199</b>
Non-identifiable expenditure	34,989	36,016	36,252	36,572	37,904	26,281	26,776	27,474	27,436	27,851	26,281	26,776	27,474	27,436	27,851	26,281	26,776	27,474	27,436	27,851	10,053
<b>Total Expenditure on Services</b>	<b>36,406</b>	<b>36,697</b>	<b>36,627</b>	<b>37,140</b>	<b>38,653</b>	<b>27,572</b>	<b>27,448</b>	<b>27,796</b>	<b>27,890</b>	<b>28,401</b>	<b>27,572</b>	<b>27,448</b>	<b>27,796</b>	<b>27,890</b>	<b>28,401</b>	<b>27,572</b>	<b>27,448</b>	<b>27,796</b>	<b>27,890</b>	<b>28,401</b>	<b>10,252</b>

**Table 9.7 Identifiable expenditure on public order and safety by country and region, 2013-14 to 2017-18**

	Public order and safety						of which: current						of which: capital						£ million
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics						
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn				
North East	1,181	1,200	1,240	1,283	1,321	1,112	1,138	1,208	1,231	1,254	70	62	31	52	67				
North West	3,251	3,215	3,124	3,218	3,314	3,124	3,105	2,983	3,005	3,104	127	110	141	213	210				
Yorkshire and The Humber	2,216	2,215	2,172	2,254	2,368	2,102	2,101	2,037	2,120	2,232	114	114	136	134	137				
East Midlands	1,597	1,652	1,797	1,800	1,850	1,514	1,575	1,703	1,691	1,740	83	77	94	109	111				
West Midlands	2,168	2,255	2,282	2,325	2,375	2,091	2,155	2,154	2,197	2,252	77	100	128	128	123				
East	1,884	1,970	2,097	2,132	2,229	1,806	1,884	2,005	2,031	2,130	78	86	92	101	99				
London	5,565	5,754	5,562	5,361	6,081	5,433	5,635	5,476	5,533	5,539	131	118	85	-172	542				
South East	2,945	2,933	2,923	2,997	3,139	2,854	2,832	2,794	2,874	2,997	91	101	129	123	142				
South West	1,846	1,881	1,848	1,747	1,831	1,778	1,800	1,749	1,660	1,738	69	81	100	87	93				
<b>England</b>	<b>22,654</b>	<b>23,076</b>	<b>23,045</b>	<b>23,116</b>	<b>24,508</b>	<b>21,814</b>	<b>22,225</b>	<b>22,110</b>	<b>22,342</b>	<b>22,985</b>	<b>839</b>	<b>851</b>	<b>935</b>	<b>774</b>	<b>1,523</b>				
Scotland	2,388	2,649	2,650	2,584	2,696	2,265	2,543	2,588	2,522	2,592	123	107	61	61	103				
Wales	1,314	1,343	1,225	1,261	1,366	1,242	1,278	1,153	1,194	1,290	72	64	72	67	76				
Northern Ireland	1,357	1,271	1,244	1,219	1,211	1,293	1,206	1,162	1,155	1,139	64	65	82	64	71				
<b>UK identifiable expenditure</b>	<b>27,713</b>	<b>28,340</b>	<b>28,164</b>	<b>28,180</b>	<b>29,780</b>	<b>26,614</b>	<b>27,252</b>	<b>27,013</b>	<b>27,213</b>	<b>28,007</b>	<b>1,099</b>	<b>1,087</b>	<b>1,151</b>	<b>966</b>	<b>1,773</b>				
Outside the UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
<b>Total identifiable expenditure</b>	<b>27,713</b>	<b>28,340</b>	<b>28,164</b>	<b>28,180</b>	<b>29,780</b>	<b>26,614</b>	<b>27,252</b>	<b>27,013</b>	<b>27,213</b>	<b>28,007</b>	<b>1,099</b>	<b>1,087</b>	<b>1,151</b>	<b>966</b>	<b>1,773</b>				
Non-identifiable expenditure	1,890	2,147	2,043	1,882	1,779	1,730	1,983	1,915	1,732	1,525	159	164	128	150	254				
<b>Total Expenditure on Services</b>	<b>29,603</b>	<b>30,487</b>	<b>30,207</b>	<b>30,061</b>	<b>31,559</b>	<b>28,345</b>	<b>29,235</b>	<b>28,928</b>	<b>28,945</b>	<b>29,531</b>	<b>1,258</b>	<b>1,252</b>	<b>1,279</b>	<b>1,116</b>	<b>2,027</b>				

**Table 9.8 Identifiable expenditure on economic affairs by country and region, 2013-14 to 2017-18**

	Economic affairs												of which: capital											
	National Statistics						of which: current						National Statistics						of which: capital					
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn							
North East	1,448	1,321	1,495	1,585	1,628		855	713	808	880	931		593	609	686	704	697							
North West <sup>(1)</sup>	3,629	3,552	4,248	4,300	5,547		1,961	1,723	1,988	2,078	2,195		1,668	1,828	2,260	2,222	3,352							
Yorkshire and The Humber	3,023	3,024	3,388	3,168	3,097		1,770	1,573	1,746	1,733	1,850		1,253	1,451	1,642	1,435	1,247							
East Midlands	2,140	2,209	2,286	2,340	2,625		1,239	1,138	1,231	1,306	1,426		901	1,072	1,055	1,034	1,199							
West Midlands	2,637	2,780	2,880	3,275	3,808		1,489	1,362	1,481	1,620	1,762		1,149	1,418	1,399	1,656	2,046							
East	2,943	3,015	3,455	3,498	4,210		1,454	1,324	1,499	1,599	1,793		1,490	1,690	1,956	1,899	2,418							
London	7,425	7,435	9,585	9,997	11,469		2,706	2,366	3,568	3,693	4,063		4,719	5,069	6,018	6,304	7,406							
South East	4,100	4,037	4,894	5,624	6,535		1,993	1,835	2,102	2,376	2,641		2,107	2,202	2,792	3,248	3,894							
South West	2,435	2,557	2,785	3,251	3,503		1,434	1,364	1,467	1,695	1,731		1,002	1,192	1,318	1,556	1,772							
<b>England</b>	<b>29,782</b>	<b>29,929</b>	<b>35,016</b>	<b>37,038</b>	<b>42,423</b>		<b>14,901</b>	<b>13,398</b>	<b>15,891</b>	<b>16,980</b>	<b>18,391</b>		<b>14,882</b>	<b>16,531</b>	<b>19,125</b>	<b>20,058</b>	<b>24,032</b>							
Scotland	5,572	5,354	5,566	6,165	6,600		3,503	3,161	3,454	3,640	3,755		2,069	2,193	2,111	2,526	2,845							
Wales	2,398	2,344	2,441	2,398	2,642		1,504	1,394	1,514	1,505	1,601		893	951	927	893	1,041							
Northern Ireland	1,646	1,685	1,557	1,586	1,587		1,254	1,229	1,235	1,140	1,134		392	456	322	446	453							
<b>UK identifiable expenditure</b>	<b>39,398</b>	<b>39,313</b>	<b>44,580</b>	<b>47,187</b>	<b>53,253</b>		<b>21,163</b>	<b>19,182</b>	<b>22,094</b>	<b>23,264</b>	<b>24,881</b>		<b>18,236</b>	<b>20,131</b>	<b>22,486</b>	<b>23,923</b>	<b>28,372</b>							
Outside the UK	403	489	445	402	572		47	106	95	36	149		356	383	350	367	423							
<b>Total identifiable expenditure</b>	<b>39,801</b>	<b>39,802</b>	<b>45,025</b>	<b>47,589</b>	<b>53,825</b>		<b>21,210</b>	<b>19,288</b>	<b>22,189</b>	<b>23,300</b>	<b>25,031</b>		<b>18,591</b>	<b>20,514</b>	<b>22,836</b>	<b>24,290</b>	<b>28,794</b>							
Non-identifiable expenditure <sup>(2)</sup>	1,083	781	1,459	1,026	1,095		1,047	733	1,333	951	953		36	48	127	74	142							
<b>Total Expenditure on Services</b>	<b>40,884</b>	<b>40,583</b>	<b>46,484</b>	<b>48,615</b>	<b>54,920</b>		<b>22,256</b>	<b>20,021</b>	<b>23,522</b>	<b>24,251</b>	<b>25,983</b>		<b>18,628</b>	<b>20,562</b>	<b>22,963</b>	<b>24,364</b>	<b>28,937</b>							

<sup>(1)</sup> The increase in the North West in 2017-18 is in part due to local authority capital expenditure on the Mersey Gateway Bridge.

<sup>(2)</sup> Includes the effect of financial sector interventions. See PESA 2018 Box 5.A for details.



**Table 9.8a Identifiable expenditure on economic affairs (of which: enterprise and economic development) by country and region, 2013-14 to 2017-18**

	Enterprise and economic development										of which: current										of which: capital										£ million
	National Statistics					National Statistics					National Statistics					National Statistics					National Statistics										
	2013-14	2014-15	2015-16	2016-17	2017-18	2013-14	2014-15	2015-16	2016-17	2017-18	2013-14	2014-15	2015-16	2016-17	2017-18	2013-14	2014-15	2015-16	2016-17	2017-18	2013-14	2014-15	2015-16	2016-17	2017-18						
North East	314	187	190	241	241	214	151	170	190	219	100	36	20	20	51	22															
North West	644	511	595	643	623	471	438	521	563	564	172	73	74	81	59																
Yorkshire and The Humber	440	464	424	423	335	341	389	402	383	411	100	75	21	40	-76																
East Midlands	307	314	373	457	553	237	253	324	332	362	70	61	48	125	191																
West Midlands	441	443	220	493	441	352	374	368	397	431	89	69	-147	96	10																
East	305	369	357	464	609	286	301	307	374	455	19	68	50	90	154																
London	746	664	920	1,053	1,421	644	751	919	1,016	1,091	102	-87	1	36	329																
South East	539	535	750	1,211	1,842	450	470	569	626	749	89	65	182	586	1,093																
South West	336	361	400	471	744	297	325	363	397	429	39	36	38	74	315																
<b>England</b>	<b>4,072</b>	<b>3,848</b>	<b>4,229</b>	<b>5,457</b>	<b>6,807</b>	<b>3,293</b>	<b>3,452</b>	<b>3,943</b>	<b>4,278</b>	<b>4,710</b>	<b>780</b>	<b>396</b>	<b>286</b>	<b>1,179</b>	<b>2,097</b>																
Scotland	1,006	980	943	1,178	1,255	808	797	816	839	893	197	183	127	339	362																
Wales	537	546	453	428	505	378	361	366	335	371	159	185	88	93	134																
Northern Ireland	311	349	400	357	377	268	296	331	321	329	43	53	69	36	48																
<b>UK identifiable expenditure</b>	<b>5,927</b>	<b>5,723</b>	<b>6,025</b>	<b>7,420</b>	<b>8,945</b>	<b>4,748</b>	<b>4,906</b>	<b>5,455</b>	<b>5,772</b>	<b>6,303</b>	<b>1,179</b>	<b>817</b>	<b>570</b>	<b>1,647</b>	<b>2,642</b>																
Outside the UK	-	0	1	1	1	-	0	1	1	1	-	-	-	0	0																
<b>Total identifiable expenditure</b>	<b>5,927</b>	<b>5,723</b>	<b>6,025</b>	<b>7,420</b>	<b>8,945</b>	<b>4,748</b>	<b>4,906</b>	<b>5,456</b>	<b>5,773</b>	<b>6,303</b>	<b>1,179</b>	<b>817</b>	<b>570</b>	<b>1,647</b>	<b>2,642</b>																
Non-identifiable expenditure <sup>(1)</sup>	795	548	1,081	577	646	797	504	973	524	526	-1	45	109	53	120																
<b>Total Expenditure on Services</b>	<b>6,722</b>	<b>6,271</b>	<b>7,107</b>	<b>7,997</b>	<b>9,591</b>	<b>5,544</b>	<b>5,409</b>	<b>6,428</b>	<b>6,297</b>	<b>6,830</b>	<b>1,178</b>	<b>862</b>	<b>678</b>	<b>1,700</b>	<b>2,762</b>																

<sup>(1)</sup> Includes the effect of financial sector interventions. See PESA 2018 Box 5.A for details.

**Table 9.8b Identifiable expenditure on economic affairs (of which: science and technology) by country and region, 2013-14 to 2017-18**

	Science and technology						of which: current						of which: capital						£ million
	National Statistics						National Statistics						National Statistics						
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		
North East	160	174	195	157	176		16	24	68	34	38		143	150	127	123	138		
North West	386	407	419	397	430		45	59	90	104	108		340	348	329	293	322		
Yorkshire and The Humber	300	324	342	305	344		34	48	88	89	102		266	276	254	217	242		
East Midlands	256	296	268	309	352		25	37	65	85	98		231	260	202	224	253		
West Midlands	272	303	291	329	386		33	43	74	95	117		239	260	217	234	270		
East	457	468	527	452	500		31	39	63	87	100		426	429	464	365	400		
London	604	610	706	536	592		37	32	43	61	64		567	578	663	476	528		
South East	601	620	706	603	679		43	47	76	98	110		558	573	630	505	569		
South West	304	357	335	386	436		32	47	76	98	111		272	310	259	288	325		
<b>England</b>	<b>3,339</b>	<b>3,560</b>	<b>3,789</b>	<b>3,474</b>	<b>3,895</b>		<b>295</b>	<b>376</b>	<b>644</b>	<b>750</b>	<b>849</b>		<b>3,044</b>	<b>3,184</b>	<b>3,145</b>	<b>2,723</b>	<b>3,046</b>		
Scotland	380	406	479	488	556		26	50	102	146	182		354	356	377	342	374		
Wales	155	192	213	195	225		33	64	85	71	84		122	128	128	124	141		
Northern Ireland	58	61	91	71	76		4	5	42	11	11		54	56	49	59	65		
<b>UK identifiable expenditure</b>	<b>3,932</b>	<b>4,219</b>	<b>4,573</b>	<b>4,228</b>	<b>4,752</b>		<b>359</b>	<b>495</b>	<b>873</b>	<b>979</b>	<b>1,126</b>		<b>3,573</b>	<b>3,724</b>	<b>3,699</b>	<b>3,249</b>	<b>3,626</b>		
Outside the UK	253	253	244	259	310		3	1	1	-1	-		250	252	243	260	310		
<b>Total identifiable expenditure</b>	<b>4,185</b>	<b>4,472</b>	<b>4,817</b>	<b>4,487</b>	<b>5,063</b>		<b>362</b>	<b>495</b>	<b>874</b>	<b>978</b>	<b>1,126</b>		<b>3,823</b>	<b>3,976</b>	<b>3,943</b>	<b>3,509</b>	<b>3,936</b>		
Non-identifiable expenditure	8	0	2	1	1		1	1	1	-	-		8	0	1	1	1		
<b>Total Expenditure on Services</b>	<b>4,194</b>	<b>4,472</b>	<b>4,819</b>	<b>4,488</b>	<b>5,063</b>		<b>363</b>	<b>496</b>	<b>875</b>	<b>978</b>	<b>1,126</b>		<b>3,831</b>	<b>3,976</b>	<b>3,944</b>	<b>3,510</b>	<b>3,937</b>		

**Table 9.8c Identifiable expenditure on economic affairs (of which: employment policies) by country and region, 2013-14 to 2017-18**

	Employment policies												of which: current						of which: capital						£ million
	National Statistics						National Statistics						National Statistics												
	2013-14	2014-15	2015-16	2016-17	2017-18	2013-14	2014-15	2015-16	2016-17	2017-18	2013-14	2014-15	2015-16	2016-17	2017-18	2013-14	2014-15	2015-16	2016-17	2017-18					
North East	220	164	149	161	171	215	162	148	157	164	215	162	148	157	164	5	2	1	4	7					
North West	501	346	260	270	317	490	341	257	262	305	490	341	257	262	305	11	5	3	8	13					
Yorkshire and The Humber	409	309	262	257	279	401	306	259	251	268	401	306	259	251	268	9	4	3	7	11					
East Midlands	267	197	166	162	189	261	195	164	157	182	261	195	164	157	182	6	3	2	5	8					
West Midlands	393	288	238	265	302	385	285	236	259	290	385	285	236	259	290	8	3	2	6	13					
East	263	180	150	150	163	258	178	149	146	156	258	178	149	146	156	6	2	1	4	7					
London	521	392	344	345	372	510	387	341	337	357	510	387	341	337	357	11	4	3	8	15					
South East	310	218	186	199	225	303	215	184	194	215	303	215	184	194	215	7	2	2	5	9					
South West	199	136	114	122	122	194	135	113	119	117	194	135	113	119	117	4	2	1	3	5					
<b>England</b>	<b>3,083</b>	<b>2,231</b>	<b>1,870</b>	<b>1,930</b>	<b>2,141</b>	<b>3,017</b>	<b>2,204</b>	<b>1,852</b>	<b>1,881</b>	<b>2,053</b>	<b>3,017</b>	<b>2,204</b>	<b>1,852</b>	<b>1,881</b>	<b>2,053</b>	<b>66</b>	<b>27</b>	<b>18</b>	<b>50</b>	<b>88</b>					
Scotland	340	266	229	237	258	332	263	227	231	247	332	263	227	231	247	7	3	2	6	11					
Wales	197	158	136	133	134	193	156	134	130	129	193	156	134	130	129	4	2	1	3	6					
Northern Ireland	176	183	151	99	81	176	182	150	98	80	176	182	150	98	80	0	0	0	1	0					
<b>UK identifiable expenditure</b>	<b>3,795</b>	<b>2,838</b>	<b>2,385</b>	<b>2,399</b>	<b>2,613</b>	<b>3,718</b>	<b>2,806</b>	<b>2,363</b>	<b>2,340</b>	<b>2,509</b>	<b>3,718</b>	<b>2,806</b>	<b>2,363</b>	<b>2,340</b>	<b>2,509</b>	<b>77</b>	<b>32</b>	<b>22</b>	<b>60</b>	<b>105</b>					
Outside the UK	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—					
<b>Total identifiable expenditure</b>	<b>3,795</b>	<b>2,838</b>	<b>2,385</b>	<b>2,399</b>	<b>2,613</b>	<b>3,718</b>	<b>2,806</b>	<b>2,363</b>	<b>2,340</b>	<b>2,509</b>	<b>3,718</b>	<b>2,806</b>	<b>2,363</b>	<b>2,340</b>	<b>2,509</b>	<b>77</b>	<b>32</b>	<b>22</b>	<b>60</b>	<b>105</b>					
Non-identifiable expenditure	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—					
<b>Total Expenditure on Services</b>	<b>3,795</b>	<b>2,838</b>	<b>2,385</b>	<b>2,399</b>	<b>2,613</b>	<b>3,718</b>	<b>2,806</b>	<b>2,363</b>	<b>2,340</b>	<b>2,509</b>	<b>3,718</b>	<b>2,806</b>	<b>2,363</b>	<b>2,340</b>	<b>2,509</b>	<b>77</b>	<b>32</b>	<b>22</b>	<b>60</b>	<b>105</b>					

**Table 9.8d Identifiable expenditure on economic affairs (of which: agriculture, fisheries and forestry) by country and region, 2013-14 to 2017-18**

	Agriculture, fisheries and forestry												of which: capital												£ million
	National Statistics						National Statistics						National Statistics												
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn										
North East	205	185	178	203	193	182	170	161	189	176	23	15	17	14	17										
North West	332	313	303	369	344	324	303	273	335	315	8	10	30	34	29										
Yorkshire and The Humber	366	355	324	410	423	361	342	294	366	362	5	13	29	44	61										
East Midlands	389	372	294	381	365	392	370	286	365	361	-3	2	8	16	4										
West Midlands	322	290	244	310	265	315	292	246	301	294	8	-2	-1	9	-29										
East	501	479	391	446	458	496	464	360	433	441	5	15	31	13	16										
London	69	64	77	71	90	52	40	61	57	76	18	24	16	14	14										
South East	469	452	341	431	431	448	432	331	400	396	21	20	10	31	35										
South West	639	619	493	633	591	615	578	483	610	574	25	41	9	23	17										
<b>England</b>	<b>3,292</b>	<b>3,130</b>	<b>2,643</b>	<b>3,254</b>	<b>3,159</b>	<b>3,184</b>	<b>2,991</b>	<b>2,495</b>	<b>3,056</b>	<b>2,994</b>	<b>108</b>	<b>139</b>	<b>149</b>	<b>198</b>	<b>165</b>										
Scotland	953	923	819	932	913	789	731	687	811	801	164	192	132	121	112										
Wales	485	444	430	463	497	432	386	377	408	424	53	58	54	55	73										
Northern Ireland	577	572	487	505	498	523	486	446	465	454	54	86	42	40	44										
<b>UK identifiable expenditure</b>	<b>5,306</b>	<b>5,068</b>	<b>4,380</b>	<b>5,155</b>	<b>5,068</b>	<b>4,927</b>	<b>4,593</b>	<b>4,004</b>	<b>4,740</b>	<b>4,673</b>	<b>379</b>	<b>475</b>	<b>376</b>	<b>414</b>	<b>395</b>										
Outside the UK	72	145	109	58	124	38	99	86	29	124	34	46	23	29	0										
<b>Total identifiable expenditure</b>	<b>5,378</b>	<b>5,213</b>	<b>4,489</b>	<b>5,213</b>	<b>5,192</b>	<b>4,966</b>	<b>4,692</b>	<b>4,090</b>	<b>4,769</b>	<b>4,797</b>	<b>413</b>	<b>520</b>	<b>399</b>	<b>444</b>	<b>395</b>										
Non-identifiable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
<b>Total Expenditure on Services</b>	<b>5,378</b>	<b>5,213</b>	<b>4,489</b>	<b>5,213</b>	<b>5,192</b>	<b>4,966</b>	<b>4,692</b>	<b>4,090</b>	<b>4,769</b>	<b>4,797</b>	<b>413</b>	<b>520</b>	<b>399</b>	<b>444</b>	<b>395</b>										

**Table 9.8e Identifiable expenditure on economic affairs (of which: transport<sup>(1)</sup>) by country and region, 2013-14 to 2017-18**

	Transport												of which: capital												£ million
	National Statistics						of which: current						National Statistics						of which: capital						
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		
North East	550	612	782	823	847		227	206	261	310	334		323	406	521	512	512		323	406	521	512	512		
North West <sup>(2)</sup>	1,767	1,975	2,671	2,621	3,833		631	582	847	815	903		1,136	1,393	1,824	1,807	2,930		1,136	1,393	1,824	1,807	2,930		
Yorkshire and The Humber	1,508	1,572	2,037	1,773	1,717		634	488	703	644	708		874	1,084	1,335	1,129	1,009		874	1,084	1,335	1,129	1,009		
East Midlands	921	1,029	1,187	1,031	1,167		324	283	393	368	424		597	746	795	664	743		597	746	795	664	743		
West Midlands	1,209	1,456	1,887	1,878	2,413		405	369	557	567	630		804	1,087	1,329	1,311	1,783		804	1,087	1,329	1,311	1,783		
East	1,418	1,518	2,030	1,986	2,482		383	342	620	559	640		1,034	1,176	1,410	1,427	1,842		1,034	1,176	1,410	1,427	1,842		
London	5,485	5,704	7,538	7,992	8,994		1,463	1,154	2,202	2,222	2,475		4,022	4,549	5,335	5,770	6,519		4,022	4,549	5,335	5,770	6,519		
South East	2,181	2,212	2,911	3,180	3,358		748	670	942	1,059	1,170		1,432	1,542	1,968	2,121	2,188		1,432	1,542	1,968	2,121	2,188		
South West	958	1,083	1,443	1,640	1,610		296	280	433	471	500		662	803	1,011	1,169	1,110		662	803	1,011	1,169	1,110		
<b>England</b>	<b>15,996</b>	<b>17,160</b>	<b>22,485</b>	<b>22,923</b>	<b>26,421</b>		<b>5,112</b>	<b>4,375</b>	<b>6,958</b>	<b>7,015</b>	<b>7,785</b>		<b>10,885</b>	<b>12,786</b>	<b>15,528</b>	<b>15,908</b>	<b>18,636</b>		<b>10,885</b>	<b>12,786</b>	<b>15,528</b>	<b>15,908</b>	<b>18,636</b>		
Scotland	2,893	2,779	3,096	3,330	3,618		1,548	1,320	1,622	1,612	1,632		1,345	1,459	1,473	1,717	1,986		1,345	1,459	1,473	1,717	1,986		
Wales	1,024	1,005	1,208	1,178	1,281		468	427	552	562	594		556	578	657	617	687		556	578	657	617	687		
Northern Ireland	524	521	429	554	555		283	260	267	245	260		242	261	162	310	295		242	261	162	310	295		
<b>UK identifiable expenditure</b>	<b>20,437</b>	<b>21,466</b>	<b>27,218</b>	<b>27,986</b>	<b>31,875</b>		<b>7,410</b>	<b>6,383</b>	<b>9,398</b>	<b>9,433</b>	<b>10,270</b>		<b>13,027</b>	<b>15,083</b>	<b>17,820</b>	<b>18,552</b>	<b>21,605</b>		<b>13,027</b>	<b>15,083</b>	<b>17,820</b>	<b>18,552</b>	<b>21,605</b>		
Outside the UK	78	92	90	85	137		6	7	7	7	25		72	85	83	77	112		72	85	83	77	112		
<b>Total identifiable expenditure</b>	<b>20,515</b>	<b>21,557</b>	<b>27,309</b>	<b>28,070</b>	<b>32,012</b>		<b>7,416</b>	<b>6,389</b>	<b>9,406</b>	<b>9,441</b>	<b>10,295</b>		<b>13,099</b>	<b>15,168</b>	<b>17,903</b>	<b>18,630</b>	<b>21,717</b>		<b>13,099</b>	<b>15,168</b>	<b>17,903</b>	<b>18,630</b>	<b>21,717</b>		
Non-identifiable expenditure	279	232	376	448	448		249	229	359	427	426		30	4	17	21	21		30	4	17	21	21		
<b>Total Expenditure on Services</b>	<b>20,794</b>	<b>21,790</b>	<b>27,684</b>	<b>28,518</b>	<b>32,460</b>		<b>7,666</b>	<b>6,618</b>	<b>9,765</b>	<b>9,868</b>	<b>10,721</b>		<b>13,129</b>	<b>15,172</b>	<b>17,920</b>	<b>18,650</b>	<b>21,739</b>		<b>13,129</b>	<b>15,172</b>	<b>17,920</b>	<b>18,650</b>	<b>21,739</b>		

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

<sup>(2)</sup> The increase in the North West in 2017-18 is in part due to local authority capital expenditure on the Mersey Gateway Bridge.

**Table 9.9 Identifiable expenditure on environment protection by country and region, 2013-14 to 2017-18**

	Environment protection						of which: current						of which: capital						£ million
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics						
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn				
North East	331	364	319	307	299	277	278	272	260	249	54	86	48	47	50				
North West	2,499	2,596	2,597	2,642	3,269	1,160	1,127	1,180	1,011	1,101	1,338	1,469	1,417	1,631	2,168				
Yorkshire and The Humber	629	638	718	638	664	509	521	534	494	505	120	117	184	144	159				
East Midlands	537	520	516	488	488	419	429	434	414	414	118	91	81	75	74				
West Midlands	584	639	670	630	598	487	519	514	479	493	97	120	156	151	105				
East	969	1,026	1,061	902	917	651	687	739	622	639	318	338	322	280	277				
London	1,080	1,121	1,126	1,075	1,116	932	946	956	892	917	149	175	169	183	200				
South East	1,131	1,242	1,199	1,056	1,279	859	941	968	861	867	271	301	231	195	412				
South West	850	982	890	849	882	614	662	637	588	596	236	320	253	261	286				
<b>England</b>	<b>8,610</b>	<b>9,128</b>	<b>9,095</b>	<b>8,586</b>	<b>9,512</b>	<b>5,908</b>	<b>6,110</b>	<b>6,235</b>	<b>5,620</b>	<b>5,782</b>	<b>2,702</b>	<b>3,018</b>	<b>2,860</b>	<b>2,966</b>	<b>3,730</b>				
Scotland	1,293	1,270	1,256	1,225	1,266	923	946	938	875	908	370	324	318	350	358				
Wales	692	697	646	619	629	542	523	495	482	490	150	175	152	137	139				
Northern Ireland	258	270	264	263	264	234	243	242	243	230	24	28	22	20	35				
<b>UK identifiable expenditure</b>	<b>10,852</b>	<b>11,366</b>	<b>11,261</b>	<b>10,693</b>	<b>11,672</b>	<b>7,606</b>	<b>7,822</b>	<b>7,909</b>	<b>7,220</b>	<b>7,410</b>	<b>3,246</b>	<b>3,544</b>	<b>3,352</b>	<b>3,473</b>	<b>4,262</b>				
Outside the UK	9	2	0	0	5	7	2	0	0	1	1	0	0	—	4				
<b>Total identifiable expenditure</b>	<b>10,861</b>	<b>11,368</b>	<b>11,261</b>	<b>10,693</b>	<b>11,676</b>	<b>7,614</b>	<b>7,824</b>	<b>7,910</b>	<b>7,220</b>	<b>7,410</b>	<b>3,247</b>	<b>3,544</b>	<b>3,352</b>	<b>3,473</b>	<b>4,266</b>				
Non-identifiable expenditure	348	221	348	350	338	24	15	28	45	52	325	206	320	306	285				
<b>Total Expenditure on Services</b>	<b>11,209</b>	<b>11,589</b>	<b>11,609</b>	<b>11,043</b>	<b>12,014</b>	<b>7,637</b>	<b>7,839</b>	<b>7,937</b>	<b>7,264</b>	<b>7,463</b>	<b>3,572</b>	<b>3,750</b>	<b>3,672</b>	<b>3,779</b>	<b>4,551</b>				

**Table 9.10 Identifiable expenditure on housing and community amenities by country and region, 2013-14 to 2017-18**

	Housing and community amenities						of which: current						of which: capital						£ million
	National Statistics						National Statistics						National Statistics						
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		
North East	436	496	486	394	420		122	122	116	107	106		314	374	370	287	313		
North West	784	758	626	725	745		286	281	245	256	247		498	477	381	470	498		
Yorkshire and The Humber	634	696	728	848	882		239	230	210	214	207		395	467	518	634	675		
East Midlands	587	660	560	518	526		217	204	185	195	188		370	456	374	322	338		
West Midlands	688	869	435	753	676		248	235	212	217	215		440	634	222	536	461		
East	615	672	638	611	633		247	247	248	254	241		368	425	390	357	392		
London	1,825	1,786	2,002	2,006	2,620		475	486	463	461	454		1,350	1,299	1,540	1,545	2,166		
South East	843	924	869	914	1,055		394	407	391	393	377		449	517	478	521	678		
South West	525	475	509	526	510		252	235	222	215	208		273	241	287	311	303		
<b>England</b>	<b>6,936</b>	<b>7,336</b>	<b>6,852</b>	<b>7,295</b>	<b>8,068</b>		<b>2,480</b>	<b>2,447</b>	<b>2,292</b>	<b>2,311</b>	<b>2,243</b>		<b>4,456</b>	<b>4,889</b>	<b>4,561</b>	<b>4,984</b>	<b>5,824</b>		
Scotland	1,529	1,548	1,566	1,584	1,977		123	125	160	112	198		1,406	1,423	1,406	1,472	1,780		
Wales	615	607	702	712	714		139	130	169	165	167		476	477	533	546	547		
Northern Ireland	776	787	711	706	737		395	360	367	354	403		381	426	344	352	334		
<b>UK identifiable expenditure</b>	<b>9,855</b>	<b>10,277</b>	<b>9,832</b>	<b>10,296</b>	<b>11,496</b>		<b>3,136</b>	<b>3,062</b>	<b>2,988</b>	<b>2,943</b>	<b>3,010</b>		<b>6,719</b>	<b>7,215</b>	<b>6,844</b>	<b>7,353</b>	<b>8,486</b>		
Outside the UK	0	0	0	—	—		0	0	0	—	—		—	—	—	—	—		
<b>Total identifiable expenditure</b>	<b>9,855</b>	<b>10,277</b>	<b>9,832</b>	<b>10,296</b>	<b>11,496</b>		<b>3,136</b>	<b>3,062</b>	<b>2,988</b>	<b>2,943</b>	<b>3,010</b>		<b>6,719</b>	<b>7,215</b>	<b>6,844</b>	<b>7,353</b>	<b>8,486</b>		
<small>Non-identifiable expenditure</small>	—	—	—	—	—		—	—	—	—	—		—	—	—	—	—		
<b>Total Expenditure on Services</b>	<b>9,855</b>	<b>10,277</b>	<b>9,832</b>	<b>10,296</b>	<b>11,496</b>		<b>3,136</b>	<b>3,062</b>	<b>2,988</b>	<b>2,943</b>	<b>3,010</b>		<b>6,719</b>	<b>7,215</b>	<b>6,844</b>	<b>7,353</b>	<b>8,486</b>		

**Table 9.11 Identifiable expenditure on health by country and region, 2013-14 to 2017-18**

	Health												of which: capital												£ million
	National Statistics						National Statistics						National Statistics												
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn										
North East	5,675	5,771	6,039	6,065	6,231	5,357	5,508	5,807	5,847	5,984	317	262	232	218	246										
North West	14,661	15,395	16,045	16,449	16,969	13,846	14,697	15,427	15,863	16,294	815	698	618	586	675										
Yorkshire and The Humber	10,264	10,817	11,111	11,308	11,461	9,695	10,335	10,692	10,914	11,005	569	482	419	394	456										
East Midlands	8,120	8,533	8,781	9,066	9,138	7,663	8,149	8,440	8,748	8,770	457	384	340	318	369										
West Midlands	11,305	12,025	12,252	12,628	12,662	10,689	11,490	11,788	12,187	12,162	616	535	464	441	499										
East	10,321	10,909	11,303	11,348	11,897	9,711	10,397	10,842	10,931	11,401	611	513	461	417	496										
London	21,453	21,624	22,528	23,137	23,518	20,073	20,403	21,373	22,105	22,385	1,380	1,221	1,155	1,032	1,133										
South East	15,700	16,296	16,827	17,201	17,554	14,753	15,505	16,108	16,546	16,795	947	791	719	655	759										
South West	9,866	10,245	10,576	10,899	11,132	9,308	9,783	10,170	10,513	10,683	557	462	406	385	449										
<b>England</b>	<b>107,364</b>	<b>111,617</b>	<b>115,461</b>	<b>118,101</b>	<b>120,562</b>	<b>101,095</b>	<b>106,269</b>	<b>110,646</b>	<b>113,655</b>	<b>115,480</b>	<b>6,269</b>	<b>5,348</b>	<b>4,815</b>	<b>4,447</b>	<b>5,082</b>										
Scotland	11,459	11,592	12,131	12,600	12,767	10,825	11,106	11,565	11,976	12,270	634	486	566	624	497										
Wales	6,161	6,442	6,591	6,950	7,218	5,928	6,137	6,379	6,677	6,855	233	305	213	273	362										
Northern Ireland	3,870	3,910	4,034	4,176	4,314	3,615	3,679	3,829	3,934	4,092	255	232	205	242	222										
<b>UK identifiable expenditure</b>	<b>128,854</b>	<b>133,561</b>	<b>138,217</b>	<b>141,827</b>	<b>144,860</b>	<b>121,463</b>	<b>127,190</b>	<b>132,419</b>	<b>136,242</b>	<b>138,697</b>	<b>7,391</b>	<b>6,371</b>	<b>5,799</b>	<b>5,585</b>	<b>6,163</b>										
Outside the UK	535	492	282	762	952	505	461	245	736	923	30	31	37	26	30										
<b>Total identifiable expenditure</b>	<b>129,389</b>	<b>134,053</b>	<b>138,499</b>	<b>142,589</b>	<b>145,812</b>	<b>121,968</b>	<b>127,651</b>	<b>132,663</b>	<b>136,978</b>	<b>139,619</b>	<b>7,421</b>	<b>6,402</b>	<b>5,836</b>	<b>5,611</b>	<b>6,193</b>										
Non-identifiable expenditure	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—										
<b>Total Expenditure on Services</b>	<b>129,389</b>	<b>134,053</b>	<b>138,499</b>	<b>142,589</b>	<b>145,812</b>	<b>121,968</b>	<b>127,651</b>	<b>132,663</b>	<b>136,978</b>	<b>139,619</b>	<b>7,421</b>	<b>6,402</b>	<b>5,836</b>	<b>5,611</b>	<b>6,193</b>										



**Table 9.12 Identifiable expenditure on recreation, culture and religion by country and region, 2013-14 to 2017-18**

	Recreation, culture and religion												of which: capital						£ million
	National Statistics						National Statistics						National Statistics						
	2013-14	2014-15	2015-16	2016-17	2017-18		2013-14	2014-15	2015-16	2016-17	2017-18		2013-14	2014-15	2015-16	2016-17	2017-18		
	outturn	outturn	outturn	outturn	outturn		outturn	outturn	outturn	outturn	outturn		outturn	outturn	outturn	outturn	outturn		
North East	303	319	279	293	265		239	226	196	201	198		64	92	83	92	67		
North West	676	765	746	740	776		533	548	517	545	541		142	217	229	195	236		
Yorkshire and The Humber	574	612	551	562	571		466	488	394	402	398		107	125	157	160	173		
East Midlands	411	426	414	383	411		306	302	285	284	301		105	124	128	99	110		
West Midlands	565	520	500	488	491		416	409	367	374	392		150	111	133	113	99		
East	502	490	471	469	492		371	364	340	358	334		131	126	131	111	159		
London	1,272	1,388	1,179	1,159	1,314		1,032	1,099	939	909	993		240	289	240	250	321		
South East	734	797	777	811	806		583	587	525	534	513		151	210	252	278	293		
South West	440	480	426	450	507		335	378	312	336	338		105	102	114	114	169		
<b>England</b>	<b>5,477</b>	<b>5,796</b>	<b>5,343</b>	<b>5,355</b>	<b>5,635</b>		<b>4,280</b>	<b>4,401</b>	<b>3,877</b>	<b>3,944</b>	<b>4,007</b>		<b>1,196</b>	<b>1,396</b>	<b>1,466</b>	<b>1,411</b>	<b>1,627</b>		
Scotland	1,128	1,209	1,074	1,053	997		901	1,040	823	775	753		227	169	251	278	244		
Wales	523	516	494	477	542		443	439	410	409	438		81	77	84	68	104		
Northern Ireland	461	471	457	466	497		385	357	374	398	341		76	114	83	68	156		
<b>UK identifiable expenditure</b>	<b>7,589</b>	<b>7,993</b>	<b>7,367</b>	<b>7,351</b>	<b>7,671</b>		<b>6,009</b>	<b>6,237</b>	<b>5,483</b>	<b>5,525</b>	<b>5,540</b>		<b>1,580</b>	<b>1,756</b>	<b>1,884</b>	<b>1,825</b>	<b>2,131</b>		
Outside the UK	238	222	190	230	232		207	202	190	196	206		31	20	0	34	26		
<b>Total identifiable expenditure</b>	<b>7,827</b>	<b>8,215</b>	<b>7,557</b>	<b>7,581</b>	<b>7,903</b>		<b>6,217</b>	<b>6,439</b>	<b>5,673</b>	<b>5,721</b>	<b>5,746</b>		<b>1,610</b>	<b>1,776</b>	<b>1,883</b>	<b>1,860</b>	<b>2,156</b>		
Non-identifiable expenditure	3,781	4,235	3,809	4,025	4,016		3,537	3,989	3,652	3,660	3,746		244	246	156	365	269		
<b>Total Expenditure on Services</b>	<b>11,608</b>	<b>12,449</b>	<b>11,365</b>	<b>11,606</b>	<b>11,918</b>		<b>9,754</b>	<b>10,427</b>	<b>9,326</b>	<b>9,381</b>	<b>9,493</b>		<b>1,854</b>	<b>2,022</b>	<b>2,040</b>	<b>2,225</b>	<b>2,426</b>		

**Table 9.13 Identifiable expenditure on education by country and region, 2013-14 to 2017-18**

	Education												of which: capital												£ million
	National Statistics						National Statistics						National Statistics												
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn								
North East	3,478	3,480	3,426	3,507	3,536		3,203	3,161	3,131	3,164	3,197		274	319	295	343	339								
North West	9,217	9,082	9,045	9,027	9,063		8,372	8,246	8,220	8,284	8,245		845	836	826	743	818								
Yorkshire and The Humber	6,980	7,016	6,928	7,068	7,411		6,331	6,293	6,222	6,344	6,615		649	724	706	725	796								
East Midlands	5,894	5,831	5,720	5,932	6,084		5,219	5,123	5,107	5,337	5,409		674	708	613	595	675								
West Midlands	7,422	7,564	7,464	7,566	7,823		6,742	6,778	6,718	6,901	7,094		681	786	746	666	730								
East	7,259	7,557	7,528	7,735	7,763		6,459	6,590	6,563	6,823	6,841		800	967	964	911	922								
London	13,144	13,335	13,173	13,220	13,118		11,207	11,369	11,436	11,383	11,265		1,937	1,966	1,737	1,836	1,853								
South East	10,589	10,578	10,742	11,141	11,201		9,347	9,270	9,277	9,783	9,886		1,242	1,309	1,465	1,357	1,315								
South West	6,365	6,268	6,258	6,377	6,528		5,712	5,542	5,541	5,736	5,831		653	725	717	640	697								
<b>England</b>	<b>70,347</b>	<b>70,711</b>	<b>70,285</b>	<b>71,572</b>	<b>72,528</b>		<b>62,592</b>	<b>62,371</b>	<b>62,216</b>	<b>63,755</b>	<b>64,382</b>		<b>7,755</b>	<b>8,340</b>	<b>8,069</b>	<b>7,817</b>	<b>8,146</b>								
Scotland	7,558	7,613	7,838	8,273	8,398		6,922	6,979	7,107	7,300	7,518		636	634	731	973	880								
Wales	4,158	3,987	4,084	4,186	4,279		3,860	3,742	3,727	3,780	3,837		298	245	358	406	443								
Northern Ireland	2,617	2,742	2,707	2,715	2,701		2,485	2,511	2,546	2,483	2,500		132	231	161	232	202								
<b>UK identifiable expenditure</b>	<b>84,680</b>	<b>85,054</b>	<b>84,914</b>	<b>86,746</b>	<b>87,907</b>		<b>75,859</b>	<b>75,604</b>	<b>75,595</b>	<b>77,319</b>	<b>78,236</b>		<b>8,821</b>	<b>9,450</b>	<b>9,319</b>	<b>9,427</b>	<b>9,670</b>								
Outside the UK	1	1	0	0	-		0	0	0	-	-		0	0	-	0	-								
<b>Total identifiable expenditure</b>	<b>84,680</b>	<b>85,054</b>	<b>84,914</b>	<b>86,746</b>	<b>87,907</b>		<b>75,859</b>	<b>75,604</b>	<b>75,595</b>	<b>77,319</b>	<b>78,236</b>		<b>8,821</b>	<b>9,450</b>	<b>9,319</b>	<b>9,427</b>	<b>9,670</b>								
Non-identifiable expenditure	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-								
<b>Total Expenditure on Services</b>	<b>84,680</b>	<b>85,054</b>	<b>84,914</b>	<b>86,746</b>	<b>87,907</b>		<b>75,859</b>	<b>75,604</b>	<b>75,595</b>	<b>77,319</b>	<b>78,236</b>		<b>8,821</b>	<b>9,450</b>	<b>9,319</b>	<b>9,427</b>	<b>9,670</b>								

**Table 9.14 Identifiable expenditure on social protection by country and region, 2013-14 to 2017-18**

	Social protection										of which: current										of which: capital										£ million
	National Statistics					National Statistics					National Statistics					National Statistics															
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn											
North East	11,375	11,628	11,808	11,833	11,998	11,284	11,590	11,785	11,813	11,969	91	38	23	20	29																
North West	29,523	30,353	30,608	30,626	30,937	29,467	30,300	30,564	30,565	30,864	57	53	45	61	73																
Yorkshire and The Humber	20,743	21,340	21,682	21,786	22,033	20,716	21,302	21,661	21,762	21,990	28	38	21	24	43																
East Midlands	17,307	17,958	18,136	18,203	18,458	17,290	17,925	18,111	18,169	18,422	18	33	25	34	36																
West Midlands	22,431	23,095	23,260	23,318	23,587	22,417	23,076	23,236	23,272	23,541	14	18	24	46	46																
East	21,573	22,173	22,507	22,593	22,828	21,550	22,142	22,476	22,542	22,781	24	31	31	51	47																
London	30,765	31,266	31,713	31,485	31,529	30,750	31,236	31,701	31,447	31,508	15	30	12	38	20																
South East	30,956	31,663	32,129	32,425	32,839	30,917	31,628	32,097	32,363	32,775	39	34	32	62	64																
South West	21,166	21,807	22,124	22,200	22,541	21,147	21,794	22,104	22,181	22,514	20	13	20	19	28																
<b>England</b>	<b>205,841</b>	<b>211,281</b>	<b>213,967</b>	<b>214,469</b>	<b>216,749</b>	<b>205,537</b>	<b>210,993</b>	<b>213,734</b>	<b>214,115</b>	<b>216,363</b>	<b>305</b>	<b>288</b>	<b>233</b>	<b>354</b>	<b>386</b>																
Scotland	22,024	22,575	22,962	22,743	23,235	21,939	22,499	22,893	22,670	23,175	85	77	69	72	60																
Wales	13,718	14,155	14,297	14,297	14,571	13,697	14,132	14,281	14,278	14,542	22	23	15	19	28																
Northern Ireland	8,515	8,742	8,848	9,026	9,257	8,509	8,741	8,845	9,020	9,252	6	0	3	6	5																
<b>UK identifiable expenditure</b>	<b>250,098</b>	<b>256,753</b>	<b>260,073</b>	<b>260,534</b>	<b>263,811</b>	<b>249,682</b>	<b>256,365</b>	<b>259,754</b>	<b>260,083</b>	<b>263,332</b>	<b>417</b>	<b>388</b>	<b>320</b>	<b>451</b>	<b>479</b>																
Outside the UK	4,546	4,785	4,752	4,807	4,847	4,546	4,785	4,752	4,807	4,847	—	—	—	—	—																
<b>Total identifiable expenditure</b>	<b>254,645</b>	<b>261,538</b>	<b>264,826</b>	<b>265,341</b>	<b>268,658</b>	<b>254,228</b>	<b>261,150</b>	<b>264,506</b>	<b>264,890</b>	<b>268,179</b>	<b>417</b>	<b>388</b>	<b>320</b>	<b>451</b>	<b>479</b>																
Non-identifiable expenditure	-700	-500	-4	—	—	—	—	—	—	—	-700	-500	-4	—	—																
<b>Total Expenditure on Services</b>	<b>253,945</b>	<b>261,038</b>	<b>264,821</b>	<b>265,341</b>	<b>268,658</b>	<b>254,228</b>	<b>261,150</b>	<b>264,506</b>	<b>264,890</b>	<b>268,179</b>	<b>-283</b>	<b>-112</b>	<b>315</b>	<b>451</b>	<b>479</b>																

**Table 9.15 UK identifiable expenditure on services by function, country and region, per head<sup>(1)</sup>, 2013-14 to 2017-18**

Data in this table from 2013-14 to 2017-18 are National Statistics

	1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	Total Expenditure on Services	£ per head
<b>2013-14</b>																			
North East	86	84	2	1	453	555	120	61	84	79	211	127	167	2,174	116	1,332	4,357	9,367	
North West	81	78	2	1	458	511	91	54	71	47	249	352	110	2,064	95	1,298	4,156	9,125	
Yorkshire and The Humber	76	74	2	1	415	566	83	56	77	68	283	118	119	1,923	107	1,308	3,886	8,519	
East Midlands	94	92	2	1	347	465	67	56	58	85	200	117	128	1,766	89	1,282	3,764	8,053	
West Midlands	77	75	2	1	382	465	78	48	69	57	213	103	121	1,992	100	1,308	3,953	8,501	
East	87	85	2	1	316	495	51	77	44	84	238	163	103	1,734	84	1,220	3,625	7,828	
London	95	93	2	1	661	882	89	72	62	8	652	128	217	2,549	151	1,562	3,655	9,900	
South East	91	88	2	1	335	466	61	68	35	53	248	129	96	1,785	83	1,204	3,520	7,711	
South West	80	78	2	1	343	453	62	56	37	119	178	158	98	1,835	82	1,184	3,936	8,169	
<b>England</b>	<b>86</b>	<b>83</b>	<b>2</b>	<b>1</b>	<b>421</b>	<b>553</b>	<b>76</b>	<b>62</b>	<b>57</b>	<b>61</b>	<b>297</b>	<b>160</b>	<b>129</b>	<b>1,993</b>	<b>102</b>	<b>1,306</b>	<b>3,821</b>	<b>8,571</b>	
Scotland	208	206	2	1	448	1,046	189	71	64	179	543	243	287	2,151	212	1,419	4,134	10,148	
Wales	164	162	2	1	426	778	174	50	64	157	332	224	199	1,999	170	1,349	4,451	9,762	
Northern Ireland	228	226	2	-	742	900	170	32	96	315	287	141	424	2,115	252	1,430	4,653	10,885	
<b>UK identifiable expenditure</b>	<b>104</b>	<b>101</b>	<b>2</b>	<b>1</b>	<b>432</b>	<b>615</b>	<b>92</b>	<b>61</b>	<b>59</b>	<b>83</b>	<b>319</b>	<b>169</b>	<b>154</b>	<b>2,010</b>	<b>118</b>	<b>1,321</b>	<b>3,901</b>	<b>8,825</b>	
<b>2014-15</b>																			
North East	87	86	1	1	458	505	71	66	63	71	234	139	189	2,204	122	1,329	4,440	9,473	
North West	79	78	1	1	451	498	72	57	49	44	277	364	106	2,158	107	1,273	4,255	9,292	
Yorkshire and The Humber	67	65	1	1	413	564	86	61	58	66	293	119	130	2,018	114	1,309	3,981	8,716	
East Midlands	86	84	1	1	356	476	68	64	43	80	222	112	142	1,840	92	1,257	3,872	8,236	
West Midlands	87	86	1	1	395	487	78	53	50	51	255	112	152	2,105	91	1,324	4,042	8,795	
East	109	108	1	1	327	501	61	78	30	80	252	170	112	1,813	81	1,256	3,685	8,056	
London	84	82	1	1	674	871	78	71	46	8	668	131	209	2,532	162	1,562	3,661	9,887	
South East	95	94	1	1	331	455	60	70	25	51	249	140	104	1,836	90	1,192	3,568	7,812	
South West	102	101	1	1	347	471	67	66	25	114	200	181	88	1,889	89	1,156	4,021	8,345	
<b>England</b>	<b>89</b>	<b>87</b>	<b>1</b>	<b>1</b>	<b>425</b>	<b>551</b>	<b>71</b>	<b>66</b>	<b>41</b>	<b>58</b>	<b>316</b>	<b>168</b>	<b>135</b>	<b>2,055</b>	<b>107</b>	<b>1,302</b>	<b>3,890</b>	<b>8,722</b>	
Scotland	212	211	1	0	495	1,001	183	76	50	173	520	238	289	2,168	226	1,424	4,222	10,275	
Wales	170	169	1	1	434	758	177	62	51	144	325	226	196	2,083	167	1,290	4,578	9,904	
Northern Ireland	248	247	1	-	691	916	190	33	99	311	283	147	428	2,125	256	1,490	4,750	11,050	
<b>UK identifiable expenditure</b>	<b>107</b>	<b>106</b>	<b>1</b>	<b>1</b>	<b>439</b>	<b>609</b>	<b>89</b>	<b>65</b>	<b>44</b>	<b>78</b>	<b>332</b>	<b>176</b>	<b>159</b>	<b>2,068</b>	<b>124</b>	<b>1,317</b>	<b>3,975</b>	<b>8,973</b>	

**Table 9.15 UK identifiable expenditure on services by function, country and region, per head<sup>(1)</sup>, 2013-14 to 2017-18 (continued)**

		Data in this table from 2013-14 to 2017-18 are National Statistics										£ per head								
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	Total Expenditure on Services	
<b>2015-16</b>																				
North East	82	80	1	1	472	570	72	74	57	68	298	122	185	2,301	106	1,305	4,499	9,643		
North West	76	75	1	1	435	592	83	58	36	42	372	362	87	2,236	104	1,261	4,266	9,420		
Yorkshire and The Humber	66	64	1	1	403	629	79	63	49	60	378	133	135	2,061	102	1,285	4,023	8,837		
East Midlands	81	79	1	1	384	489	80	57	35	63	254	110	120	1,877	88	1,223	3,877	8,250		
West Midlands	73	72	1	1	396	500	38	51	41	42	328	116	76	2,129	87	1,297	4,042	8,717		
East	95	93	1	1	345	569	59	87	25	64	334	175	105	1,860	78	1,239	3,704	8,170		
London	81	80	1	1	642	1,106	106	81	40	9	870	130	231	2,599	136	1,520	3,659	10,105		
South East	81	79	1	1	327	547	84	79	21	38	325	134	97	1,880	87	1,200	3,590	7,944		
South West	82	81	1	1	338	509	73	61	21	90	264	163	93	1,933	78	1,144	4,043	8,383		
<b>England</b>	<b>80</b>	<b>78</b>	<b>1</b>	<b>1</b>	<b>421</b>	<b>639</b>	<b>77</b>	<b>69</b>	<b>34</b>	<b>48</b>	<b>410</b>	<b>166</b>	<b>125</b>	<b>2,107</b>	<b>98</b>	<b>1,283</b>	<b>3,905</b>	<b>8,825</b>		
Scotland	210	208	1	1	493	1,036	175	89	43	152	576	234	292	2,258	200	1,459	4,274	10,455		
Wales	159	157	1	1	395	788	146	69	44	139	390	209	226	2,127	159	1,318	4,613	9,995		
Northern Ireland	212	210	1	-	672	841	216	49	81	263	232	142	384	2,179	247	1,462	4,778	10,917		
<b>UK identifiable expenditure</b>	<b>98</b>	<b>97</b>	<b>1</b>	<b>1</b>	<b>433</b>	<b>685</b>	<b>93</b>	<b>70</b>	<b>37</b>	<b>67</b>	<b>418</b>	<b>173</b>	<b>151</b>	<b>2,123</b>	<b>113</b>	<b>1,304</b>	<b>3,994</b>	<b>9,074</b>		
<b>2016-17</b>																				
North East	80	79	2	1	487	601	92	59	61	77	312	116	149	2,300	111	1,330	4,488	9,664		
North West	69	67	2	1	445	595	89	55	37	51	363	366	100	2,277	102	1,250	4,239	9,445		
Yorkshire and The Humber	67	65	2	1	415	584	78	56	47	76	327	118	156	2,084	104	1,303	4,016	8,847		
East Midlands	89	87	2	1	381	495	97	65	34	81	218	103	110	1,918	81	1,255	3,852	8,286		
West Midlands	89	87	2	1	400	564	85	57	46	53	323	108	130	2,173	84	1,302	4,013	8,863		
East	93	92	2	1	348	571	76	74	24	73	324	147	100	1,852	77	1,262	3,686	8,136		
London	117	116	2	1	611	1,140	120	61	39	8	911	123	229	2,638	132	1,507	3,590	10,089		
South East	148	147	2	1	332	623	134	67	22	48	352	117	101	1,905	90	1,234	3,591	8,141		
South West	99	97	2	1	317	589	85	70	22	115	297	154	95	1,976	82	1,156	4,024	8,491		
<b>England</b>	<b>99</b>	<b>98</b>	<b>2</b>	<b>1</b>	<b>418</b>	<b>670</b>	<b>99</b>	<b>63</b>	<b>35</b>	<b>59</b>	<b>415</b>	<b>155</b>	<b>132</b>	<b>2,137</b>	<b>97</b>	<b>1,295</b>	<b>3,881</b>	<b>8,885</b>		
Scotland	202	201	2	1	478	1,141	218	90	44	173	616	227	293	2,331	195	1,531	4,208	10,606		
Wales	164	162	2	1	405	770	137	63	43	149	379	199	229	2,232	153	1,345	4,593	10,090		
Northern Ireland	187	185	2	-	655	851	192	38	53	271	298	141	379	2,243	250	1,458	4,847	11,011		
<b>UK identifiable expenditure</b>	<b>113</b>	<b>112</b>	<b>2</b>	<b>1</b>	<b>429</b>	<b>719</b>	<b>113</b>	<b>64</b>	<b>37</b>	<b>79</b>	<b>426</b>	<b>163</b>	<b>157</b>	<b>2,160</b>	<b>112</b>	<b>1,321</b>	<b>3,969</b>	<b>9,144</b>		

**Table 9.15 UK identifiable expenditure on services by function, country and region, per head<sup>(1)</sup>, 2013-14 to 2017-18 (continued)**

		£ per head																		
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	Total Expenditure on Services	
<b>2017-18</b>																				
North East		88	86	2	0	499	616	91	67	65	73	320	113	159	2,356	100	1,337	4,536	9,805	
North West		77	75	2	1	457	764	86	59	44	47	528	450	103	2,338	107	1,249	4,262	9,807	
Yorkshire and The Humber		69	67	2	0	435	568	61	63	51	78	315	122	162	2,103	105	1,360	4,043	8,966	
East Midlands		92	91	2	1	388	550	116	74	40	76	245	102	110	1,915	86	1,275	3,868	8,388	
West Midlands		90	89	2	0	405	650	75	66	52	45	412	102	115	2,160	84	1,335	4,025	8,967	
East		95	94	2	1	361	683	99	81	26	74	402	149	103	1,929	80	1,258	3,701	8,359	
London		92	91	2	1	689	1,300	161	67	42	10	1,019	127	297	2,665	149	1,486	3,573	10,378	
South East		105	103	2	1	346	720	203	75	25	47	370	141	116	1,933	89	1,234	3,616	8,299	
South West		95	93	2	0	329	630	134	78	22	106	290	159	92	2,002	91	1,174	4,055	8,628	
<b>England</b>		<b>90</b>	<b>89</b>	<b>2</b>	<b>1</b>	<b>441</b>	<b>763</b>	<b>122</b>	<b>70</b>	<b>38</b>	<b>57</b>	<b>475</b>	<b>171</b>	<b>145</b>	<b>2,168</b>	<b>101</b>	<b>1,304</b>	<b>3,897</b>	<b>9,080</b>	
Scotland		200	199	2	1	497	1,217	231	102	48	168	667	233	365	2,353	184	1,548	4,283	10,881	
Wales		169	167	2	1	437	846	162	72	43	159	410	201	228	2,310	173	1,369	4,662	10,397	
Northern Ireland		196	194	2	-	647	848	202	41	43	266	297	141	394	2,306	266	1,444	4,948	11,190	
<b>UK identifiable expenditure</b>		<b>106</b>	<b>104</b>	<b>2</b>	<b>1</b>	<b>451</b>	<b>806</b>	<b>135</b>	<b>72</b>	<b>40</b>	<b>77</b>	<b>483</b>	<b>177</b>	<b>174</b>	<b>2,194</b>	<b>116</b>	<b>1,331</b>	<b>3,995</b>	<b>9,350</b>	

<sup>(1)</sup> Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2017 release for details.

**Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2013-14 to 2017-18**

Data in this table from 2013-14 to 2017-18 are National Statistics

	Index (UK identifiable expenditure = 100)										Total Expenditure on Services					
	1. General public services <i>of which: public and common services</i>	2. Defence <i>of which: international services</i>	3. Public order and safety	4. Economic affairs <i>of which: enterprise and economic development</i> <i>of which: science and technology</i> <i>of which: employment policies</i>	5. Environment protection <i>of which: agriculture, fisheries and forestry</i> <i>of which: transport</i>	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection						
<b>2013-14</b>																
North East	83	100	83	90	130	100	142	95	66	75	109	108	98	101	112	106
North West	78	100	91	83	98	88	119	56	78	208	72	103	80	98	107	103
Yorkshire and The Humber	73	100	92	92	89	92	130	83	89	70	77	96	91	99	100	97
East Midlands	91	100	140	76	72	91	98	102	63	69	83	88	76	97	96	91
West Midlands	74	100	78	76	84	78	117	69	67	61	79	99	84	99	101	96
East	84	100	116	80	55	125	75	102	75	96	67	86	71	92	93	89
London	91	100	99	144	96	117	105	10	204	76	141	127	128	118	94	112
South East	87	100	116	76	66	111	59	64	78	76	62	89	71	91	90	87
South West	77	100	112	74	68	92	62	144	56	93	63	91	69	90	101	93
<b>England</b>	<b>83</b>	<b>100</b>	<b>104</b>	<b>90</b>	<b>82</b>	<b>101</b>	<b>97</b>	<b>74</b>	<b>93</b>	<b>94</b>	<b>84</b>	<b>99</b>	<b>86</b>	<b>99</b>	<b>98</b>	<b>97</b>
Scotland	200	203	73	104	204	116	108	216	170	143	187	107	179	107	106	115
Wales	158	159	144	99	127	82	108	190	104	133	130	99	143	102	114	111
Northern Ireland	220	222	-	172	146	52	163	381	90	83	276	105	213	108	119	123
<b>UK identifiable expenditure</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>2014-15</b>																
North East	81	100	85	104	81	101	143	90	70	79	119	107	98	101	112	106
North West	74	100	79	103	81	87	110	56	83	207	67	104	87	97	107	104
Yorkshire and The Humber	62	100	74	94	98	93	131	84	88	68	82	98	92	99	100	97
East Midlands	80	100	108	81	77	98	97	102	67	64	89	89	74	95	97	92
West Midlands	81	100	73	90	88	81	115	65	77	64	96	102	73	101	102	98
East	102	100	128	75	69	119	68	102	76	97	70	88	66	95	93	90
London	78	100	104	154	88	109	104	10	201	75	131	122	131	119	92	110
South East	89	100	132	75	68	107	56	65	75	80	65	89	73	91	90	87
South West	95	100	131	79	75	101	57	145	60	103	55	91	72	88	101	93
<b>England</b>	<b>83</b>	<b>100</b>	<b>104</b>	<b>97</b>	<b>80</b>	<b>100</b>	<b>94</b>	<b>73</b>	<b>95</b>	<b>96</b>	<b>85</b>	<b>99</b>	<b>86</b>	<b>99</b>	<b>98</b>	<b>97</b>
Scotland	198	199	64	113	207	116	113	220	156	135	182	105	183	108	106	115
Wales	159	159	155	99	125	95	116	183	98	128	123	101	135	98	115	110
Northern Ireland	231	233	-	157	150	50	226	396	85	84	269	103	207	113	119	123
<b>UK identifiable expenditure</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2013-14 to 2017-18 (continued)**

Data in this table from 2013-14 to 2017-18 are National Statistics

	Index (UK identifiable expenditure = 100)										Total Expenditure on Services							
	1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry		of which: transport						
<b>2015-16</b>																		
North East	83	83	100	72	109	83	78	106	155	101	71	70	123	108	94	100	113	106
North West	78	77	100	123	101	86	90	83	99	63	89	209	58	105	92	97	107	104
Yorkshire and The Humber	67	67	100	78	93	92	85	90	133	89	90	77	89	97	90	99	101	97
East Midlands	82	82	100	134	89	71	86	81	97	93	61	64	79	88	78	94	97	91
West Midlands	75	74	100	83	92	73	41	72	113	63	78	67	50	100	77	99	101	96
East	97	97	100	128	80	83	63	124	67	96	80	101	70	88	69	95	93	90
London	83	83	100	94	148	162	115	116	108	13	208	75	153	122	120	117	92	111
South East	83	82	100	105	76	80	91	112	57	57	78	77	64	89	77	92	90	88
South West	84	84	100	79	78	74	79	87	57	134	63	94	62	91	69	88	101	92
<b>England</b>	<b>81</b>	<b>81</b>	<b>100</b>	<b>102</b>	<b>97</b>	<b>93</b>	<b>83</b>	<b>98</b>	<b>93</b>	<b>72</b>	<b>98</b>	<b>96</b>	<b>83</b>	<b>99</b>	<b>86</b>	<b>98</b>	<b>98</b>	<b>97</b>
Scotland	214	216	100	98	114	151	190	127	116	227	138	135	193	106	177	112	107	115
Wales	162	163	100	136	91	115	158	98	119	206	93	121	150	100	141	101	115	110
Northern Ireland	216	218	100	-	155	123	233	70	222	391	55	82	254	103	218	112	120	120
<b>UK identifiable expenditure</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>2016-17</b>																		
North East	71	70	100	81	113	84	81	92	167	98	73	71	95	106	99	101	113	106
North West	61	60	100	149	104	83	79	85	102	65	85	225	64	105	92	95	107	103
Yorkshire and The Humber	59	58	100	79	97	81	69	87	130	96	77	72	100	96	93	99	101	97
East Midlands	79	78	100	114	89	69	86	101	94	103	51	63	70	89	72	95	97	91
West Midlands	78	78	100	84	93	78	75	88	125	68	76	67	83	101	75	99	101	97
East	82	82	100	121	81	79	67	114	67	93	76	90	64	86	68	96	93	89
London	103	103	100	100	142	159	106	95	108	10	214	75	146	122	118	114	90	110
South East	131	131	100	110	77	87	119	104	60	61	83	72	65	88	80	93	90	89
South West	87	87	100	82	74	82	75	109	60	146	70	94	61	91	73	87	101	93
<b>England</b>	<b>88</b>	<b>87</b>	<b>100</b>	<b>105</b>	<b>97</b>	<b>93</b>	<b>87</b>	<b>98</b>	<b>96</b>	<b>75</b>	<b>97</b>	<b>95</b>	<b>84</b>	<b>99</b>	<b>87</b>	<b>98</b>	<b>98</b>	<b>97</b>
Scotland	178	180	100	85	111	159	193	140	120	220	145	139	187	108	174	116	106	116
Wales	144	145	100	94	94	107	122	97	117	190	89	122	146	103	137	102	116	110
Northern Ireland	165	166	100	-	153	118	170	59	145	345	70	87	242	104	223	110	122	120
<b>UK identifiable expenditure</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>



**Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2013-14 to 2017-18 (continued)**

Data in this table from 2013-14 to 2017-18 are National Statistics

	Index (UK identifiable expenditure = 100)										Total Expenditure on Services							
	1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry		of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection
<b>2017-18</b>																		
North East	83	83	99	71	111	76	67	93	163	95	66	64	91	107	86	100	114	105
North West	72	72	99	160	101	95	63	82	111	62	109	255	59	107	92	94	107	105
Yorkshire and The Humber	65	64	99	68	96	70	45	88	130	101	65	69	93	96	90	102	101	96
East Midlands	87	87	99	114	86	68	86	102	100	100	51	58	63	87	74	96	97	90
West Midlands	85	85	99	74	90	81	56	92	130	59	85	58	66	98	72	100	101	96
East	90	90	99	123	80	85	73	113	67	97	83	84	59	88	69	95	93	89
London	87	87	99	96	153	161	119	93	107	13	211	72	171	121	128	112	89	111
South East	99	99	99	108	77	89	150	104	63	62	77	80	67	88	76	93	91	89
South West	89	89	99	71	73	78	99	109	55	139	60	90	53	91	79	88	102	92
<b>England</b>	<b>85</b>	<b>85</b>	<b>99</b>	<b>102</b>	<b>98</b>	<b>95</b>	<b>90</b>	<b>97</b>	<b>97</b>	<b>74</b>	<b>98</b>	<b>97</b>	<b>83</b>	<b>99</b>	<b>87</b>	<b>98</b>	<b>98</b>	<b>97</b>
Scotland	189	190	111	96	110	151	171	142	120	219	138	132	209	107	158	116	107	116
Wales	160	160	99	129	97	105	119	100	108	207	85	114	131	105	149	103	117	111
Northern Ireland	185	186	99	–	144	105	149	57	109	347	61	80	226	105	229	108	124	120
<b>UK identifiable expenditure</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table 9.17 Total local government identifiable expenditure on services by country and region, 2013-14 to 2017-18**

	£ million									
	National Statistics					National Statistics				
	2013-14 outrun	2014-15 outrun	2015-16 outrun	2016-17 outrun	2017-18 outrun	2013-14 outrun	2014-15 outrun	2015-16 outrun	2016-17 outrun	2017-18 outrun
North East	6,509	6,374	6,378	6,369	6,332	27	26	25	25	24
North West <sup>(1)</sup>	17,325	17,257	17,165	17,090	18,334	27	26	25	25	26
Yorkshire and The Humber	11,888	11,721	11,774	11,856	11,725	26	25	25	25	24
East Midlands	8,934	8,832	8,882	8,906	8,981	24	23	23	23	22
West Midlands	12,543	12,632	11,849	12,231	11,937	26	25	24	24	23
East	11,732	12,191	11,979	12,037	12,130	25	25	24	24	24
London	29,427	29,161	28,927	28,556	29,274	35	35	33	32	32
South East	18,057	18,094	18,112	19,018	19,265	27	26	25	26	26
South West	10,622	10,834	10,784	10,618	10,767	24	24	24	23	22
<b>Total England</b>	<b>127,038</b>	<b>127,096</b>	<b>125,851</b>	<b>126,681</b>	<b>128,744</b>	<b>28</b>	<b>27</b>	<b>26</b>	<b>26</b>	<b>25</b>
Scotland	13,818	13,804	14,083	14,291	14,743	26	25	25	25	25
Wales	8,396	8,301	8,181	8,208	8,397	28	27	26	26	26
Northern Ireland <sup>(2)</sup>	632	668	686	739	801	3	3	3	4	4
<b>UK local government identifiable expenditure</b>	<b>149,883</b>	<b>149,869</b>	<b>148,801</b>	<b>149,919</b>	<b>152,685</b>	<b>26</b>	<b>26</b>	<b>25</b>	<b>25</b>	<b>25</b>
Non-identifiable expenditure	547	706	762	807	695	1	1	1	1	1
<b>Total local government expenditure on services</b>	<b>150,430</b>	<b>150,575</b>	<b>149,563</b>	<b>150,726</b>	<b>153,380</b>	<b>22</b>	<b>22</b>	<b>21</b>	<b>21</b>	<b>21</b>
Accounting adjustments	19,786	19,797	21,869	21,994	19,879	34	32	40	36	34
<b>Total local government expenditure</b>	<b>170,216</b>	<b>170,372</b>	<b>171,432</b>	<b>172,720</b>	<b>173,259</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>22</b>	<b>22</b>

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

<sup>(2)</sup> The increase in the North West in 2017-18 is in part due to local authority capital expenditure on the Mersey Gateway Bridge.

**Table 9.18 Total local government identifiable expenditure on services by country and region, per head<sup>(1)</sup> 2013-14 to 2017-18**

	£ per head									
	National Statistics					National Statistics				
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn
North East	2,493	2,434	2,430	2,416	2,394	107	105	106	106	104
North West <sup>(2)</sup>	2,439	2,419	2,392	2,366	2,526	104	104	105	104	109
Yorkshire and The Humber	2,227	2,187	2,184	2,185	2,151	95	94	96	96	93
East Midlands	1,943	1,904	1,899	1,885	1,882	83	82	83	83	81
West Midlands	2,210	2,211	2,059	2,105	2,037	95	95	90	92	88
East	1,971	2,026	1,972	1,964	1,966	84	87	86	86	85
London	3,496	3,415	3,338	3,256	3,317	150	147	146	143	143
South East	2,054	2,039	2,024	2,106	2,122	88	88	89	92	92
South West	1,975	1,998	1,971	1,925	1,937	84	86	86	84	84
<b>Total England</b>	<b>2,358</b>	<b>2,340</b>	<b>2,297</b>	<b>2,292</b>	<b>2,315</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>100</b>	<b>100</b>
Scotland	2,594	2,581	2,621	2,644	2,718	111	111	115	116	118
Wales	2,724	2,685	2,640	2,636	2,687	116	116	116	115	116
Northern Ireland <sup>(3)</sup>	345	363	370	397	428	15	16	16	17	19
<b>UK local government identifiable expenditure</b>	<b>2,338</b>	<b>2,320</b>	<b>2,285</b>	<b>2,284</b>	<b>2,312</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

<sup>(1)</sup> Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2018 release for details.

<sup>(2)</sup> The increase in the North West in 2017-18 is in part due to local authority capital expenditure on the Mersey Gateway Bridge.

<sup>(3)</sup> The relative weighting of Northern Ireland is lower in these tables because spending that is undertaken by local government in Great Britain is mostly undertaken by Northern Ireland departments.

**Table 9.19 Total central government and public corporations' identifiable expenditure on services by country and region, 2013-14 to 2017-18**

	£ million										as a per cent of total spending in that region from 9.1									
	National Statistics					National Statistics					2017-18		2016-17		2015-16		2014-15		2013-14	
	2013-14	2014-15	2015-16	2016-17	2017-18	2013-14	2014-15	2015-16	2016-17	2017-18	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn
North East	17,945	18,435	18,929	19,111	19,599	73	74	75	75	76	73	74	75	75	75	75	75	75	75	76
North West	47,495	49,027	50,426	51,143	52,852	73	74	75	75	74	73	74	75	75	75	75	75	75	75	74
Yorkshire and The Humber	33,586	34,998	35,861	36,144	37,140	74	75	75	75	76	74	75	75	75	75	75	75	75	75	76
East Midlands	28,098	29,360	29,709	30,249	31,043	76	77	77	77	77	76	77	77	77	77	77	77	77	77	78
West Midlands	35,701	37,616	38,317	39,270	40,615	74	75	75	76	76	74	75	76	76	76	76	76	76	76	77
East	34,859	36,284	37,661	37,829	39,432	75	75	75	76	76	75	75	76	76	76	76	76	76	76	76
London	53,908	55,269	58,650	59,919	62,311	65	65	65	67	68	65	65	67	67	68	68	68	68	68	68
South East	49,747	51,228	52,978	54,499	56,100	73	74	74	74	74	73	74	74	74	74	74	74	74	74	74
South West	33,308	34,421	35,086	36,228	37,197	76	76	76	76	76	76	76	76	76	76	76	76	76	76	78
<b>Total England</b>	<b>334,646</b>	<b>346,638</b>	<b>357,618</b>	<b>364,392</b>	<b>376,288</b>	<b>72</b>	<b>73</b>	<b>74</b>	<b>74</b>	<b>75</b>	<b>72</b>	<b>73</b>	<b>74</b>	<b>74</b>	<b>74</b>	<b>74</b>	<b>74</b>	<b>74</b>	<b>74</b>	<b>75</b>
Scotland	40,245	41,144	42,090	43,032	44,285	74	75	75	75	75	74	75	75	75	75	75	75	75	75	75
Wales	21,694	22,321	22,794	23,203	24,094	72	73	73	74	74	72	73	74	74	74	74	74	74	74	74
Northern Ireland <sup>(1)</sup>	19,284	19,669	19,528	19,766	20,133	97	97	97	97	96	97	97	97	97	96	96	96	96	96	96
<b>UK central government and public corporations identifiable expenditure</b>	<b>415,868</b>	<b>429,772</b>	<b>442,031</b>	<b>450,393</b>	<b>464,800</b>	<b>74</b>	<b>74</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>74</b>	<b>74</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>
Outside UK	26,655	27,019	25,705	25,320	26,589	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
<b>Total central government and public corporations identifiable expenditure</b>	<b>442,524</b>	<b>456,791</b>	<b>467,735</b>	<b>475,713</b>	<b>491,389</b>	<b>75</b>	<b>75</b>	<b>76</b>	<b>76</b>	<b>76</b>	<b>75</b>	<b>75</b>	<b>76</b>	<b>76</b>	<b>76</b>	<b>76</b>	<b>76</b>	<b>76</b>	<b>76</b>	<b>76</b>
Non-identifiable expenditure <sup>(2)</sup>	95,424	92,787	96,024	98,293	104,798	114	114	114	113	114	114	114	113	114	114	114	114	114	114	114
<b>Total central government and public corporations' expenditure on services</b>	<b>537,948</b>	<b>549,578</b>	<b>563,759</b>	<b>574,006</b>	<b>596,188</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>81</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>81</b>	<b>81</b>	<b>81</b>	<b>81</b>	<b>81</b>	<b>81</b>
Accounting adjustments	38,186	42,851	33,242	38,338	37,897	66	68	60	63	66	66	68	60	63	66	63	63	63	63	66
<b>Total central government and public corporations' expenditure<sup>(3)</sup></b>	<b>576,134</b>	<b>592,429</b>	<b>597,001</b>	<b>612,344</b>	<b>634,085</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>80</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>80</b>

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

<sup>(2)</sup> Includes the effect of financial sector interventions. See Box 5.A of PESA 2018 for details.

<sup>(3)</sup> This excludes the temporary effects of banks being classified to the public sector. See Box 5.A of PESA 2018 for details.

**Table 9.20 Total central government and public corporations' identifiable expenditure on services by country and region per head<sup>(1)</sup>, 2013-14 to 2017-18**

	National Statistics					£ per head
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
North East	6,874	7,039	7,212	7,249	7,410	
North West	6,686	6,873	7,028	7,080	7,281	
Yorkshire and The Humber	6,292	6,529	6,653	6,662	6,815	
East Midlands	6,110	6,331	6,352	6,401	6,506	
West Midlands	6,291	6,584	6,658	6,758	6,930	
East	5,857	6,030	6,198	6,172	6,392	
London	6,404	6,472	6,767	6,833	7,061	
South East	5,657	5,773	5,920	6,035	6,178	
South West	6,194	6,347	6,412	6,567	6,691	
<b>Total England</b>	<b>6,213</b>	<b>6,382</b>	<b>6,528</b>	<b>6,593</b>	<b>6,765</b>	
Scotland	7,554	7,694	7,834	7,962	8,163	
Wales	7,038	7,219	7,355	7,453	7,710	
Northern Ireland <sup>(2)</sup>	10,539	10,687	10,547	10,615	10,762	
<b>UK central government and public corporations' identifiable expenditure</b>	<b>6,487</b>	<b>6,653</b>	<b>6,789</b>	<b>6,861</b>	<b>7,038</b>	

	National Statistics					Index (UK identifiable expenditure = 100)
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
North East	106	106	106	106	105	
North West	103	103	104	103	103	
Yorkshire and The Humber	97	98	98	97	97	
East Midlands	94	95	94	93	92	
West Midlands	97	99	98	99	98	
East	90	91	91	90	91	
London	99	97	100	100	100	
South East	87	87	87	88	88	
South West	95	95	94	96	95	
<b>Total England</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>	
Scotland	116	116	115	116	116	
Wales	108	109	108	109	110	
Northern Ireland <sup>(2)</sup>	162	161	155	155	153	
<b>UK central government and public corporations' identifiable expenditure</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	

<sup>(1)</sup> Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2018 release for details.

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

**Table 9.21 Identifiable expenditure on services for Scotland, Wales and Northern Ireland in 2017-18**

Function		National Statistics										Total Expenditure on Services					
		1. General public services <i>of which: public and common services</i>	2. Defence <i>of which: international services</i>	3. Public order and safety	4. Economic affairs <i>of which: enterprise and economic development</i>	<i>of which: science and technology</i>	<i>of which: employment policies</i>	<i>of which: agriculture, fisheries and forestry</i>	<i>of which: transport</i>	5. Environment protection	6. Housing and community amenities		7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	
<b>Scotland</b>		390	1	2,618	2,894	390	3	—	865	1,636	213	982	12,677	207	2,563	395	22,938
Scottish Government <sup>(1)</sup>		23	—	—	—	—	—	—	—	—	—	—	—	—	—	—	23
Scotland Office		595	—	—	1,387	465	—	43	879	745	996	—	—	700	5,809	5,202	15,437
Scottish local government		—	—	—	6	—	—	—	6	—	—	—	—	—	—	—	6
Local government public corporations		79	8	78	2,314	400	553	258	1,097	309	—	—	90	90	27	17,638	20,624
UK government departments		1,087	9	2,696	6,600	1,255	556	258	913	3,618	1,266	1,977	12,767	997	8,398	23,235	59,028
<b>Total identifiable expenditure in Scotland</b>																	
<b>Wales</b>		248	—	1	1,305	224	29	0	470	580	155	256	7,203	124	1,211	105	10,607
Welsh Government <sup>(1)</sup>		5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5
Wales Office		218	—	839	392	85	—	—	14	293	354	449	—	261	3,053	3,077	8,647
Welsh local government		—	—	—	4	—	—	—	—	4	—	—	—	—	—	—	4
Local government public corporations		58	5	526	942	196	196	134	13	403	120	9	14	157	15	11,388	13,229
UK government departments		528	5	1,366	2,642	505	225	134	497	1,281	629	714	7,218	542	4,279	14,571	32,492
<b>Total identifiable expenditure in Wales</b>																	
<b>Northern Ireland</b>		318	—	1,208	1,349	238	6	80	490	534	43	543	4,257	150	2,700	7,758	18,327
Northern Ireland Executive		21	—	—	—	—	—	—	—	—	—	—	—	—	—	—	21
Northern Ireland Office		—	—	—	40	40	—	—	—	—	201	194	51	316	—	—	801
Northern Irish local government		27	3	3	199	100	70	0	8	20	20	—	6	32	1	1,499	1,786
UK government departments		366	3	1,211	1,587	377	76	81	498	555	264	737	4,314	497	2,701	9,257	20,934
<b>Total identifiable expenditure in Northern Ireland</b>																	

<sup>(1)</sup> This includes public corporations sponsored by central government departments.



# 10 Public expenditure by country and sub-function

---

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

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

- as with **Chapter 9**, the information in **Chapter 10** was gathered in a separate data collection exercise during the summer of 2018. The **Chapter 10** tables are identical to those published in the CRA National Statistics release from November 2018<sup>1</sup>. Therefore mid-year population estimates used to produce the 'per head' tables in this chapter are from the most up-to-date available source as at November 2018.
- most public spending is planned to benefit categories of individuals and enterprises irrespective of location. The regional analyses presented in this chapter show where the individuals and enterprises that benefited from public spending were located. It does not mean that all such spending was planned to benefit a particular region because only a minority of public spending is planned on a regional basis.

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

**10.4** The interactive tables and database available on GOV.UK alongside the November 2018 CRA release will include information in **Table 10.9** for earlier years.

**10.5** Below is a summary of the tables presented in this chapter. Unless otherwise stated, these tables show outturn between 2013-14 and 2017-18:

- **Table 10.1** shows total identifiable expenditure on services for England by sub-function;
- **Table 10.2** shows total identifiable expenditure on services for Scotland by sub-function;
- **Table 10.3** shows total identifiable expenditure on services for Wales by sub-function;
- **Table 10.4** shows total identifiable expenditure on services for Northern Ireland by sub-function;
- **Table 10.5** shows total identifiable expenditure on services for England by sub-function per head;
- **Table 10.6** shows total identifiable expenditure on services for Scotland by sub-function per head;
- **Table 10.7** shows total identifiable expenditure on services for Wales by sub-function per head;
- **Table 10.8** shows total identifiable expenditure on services for Northern Ireland by sub-function per head;

---

<sup>1</sup> <https://www.gov.uk/government/statistics/country-and-regional-analysis-2018>



- **Table 10.9** shows total identifiable expenditure on services for each English region by sub-function for outturn period 2017-18 only and;
- **Table 10.10** shows total identifiable expenditure on services for each English region by sub-function per head for outturn period 2017-18 only.

**Table 10.1 Total identifiable expenditure on services in England by sub-function, 2013-14 to 2017-18**

	National Statistics					£ million
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	2,523	2,516	1,945	2,137	2,249	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	476	607	671	858	604	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	76	85	86	4	4	
1.6 General public services n.e.c.	1,551	1,609	1,665	2,494	2,155	
<b>Total general public services</b>	<b>4,626</b>	<b>4,817</b>	<b>4,367</b>	<b>5,493</b>	<b>5,011</b>	
<b>2. Defence</b>						
2.1 Military defence	–	–	–	–	–	
2.2 Civil defence	47	43	39	48	38	
2.3 Foreign military aid	–	–	–	–	–	
2.4 R&D defence	–	–	–	–	–	
2.5 Defence n.e.c.	–	–	–	–	–	
<b>Total defence</b>	<b>47</b>	<b>43</b>	<b>39</b>	<b>48</b>	<b>38</b>	
<b>3. Public order and safety</b>						
3.1 Police services	11,897	11,844	11,889	11,887	13,010	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	11,897	11,844	11,889	11,887	13,010	
3.2 Fire-protection services	2,253	2,215	2,097	2,114	2,188	
3.3 Law courts	4,584	5,342	4,826	4,885	5,150	
3.4 Prisons	3,450	3,168	3,563	3,633	3,670	
3.5 R&D public order and safety	29	30	28	27	15	
3.6 Public order and safety n.e.c.	441	477	642	570	474	
<b>Total public order and safety</b>	<b>22,654</b>	<b>23,076</b>	<b>23,045</b>	<b>23,116</b>	<b>24,508</b>	
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	6,018	5,186	5,117	5,707	5,712	
4.2 Agriculture, forestry, fishing and hunting	3,292	3,130	2,643	3,254	3,159	
<i>of which: market support under CAP</i>	1,845	1,721	1,329	1,967	1,828	
<i>of which: other agriculture, food and fisheries policy</i>	1,444	1,407	1,266	1,231	1,284	
<i>of which: forestry</i>	2	2	48	56	46	
4.3 Fuel and energy	353	334	313	340	598	
4.4 Mining, manufacturing and construction	269	36	161	869	2,196	
4.5 Transport	15,996	17,160	22,485	22,923	26,421	
<i>of which: national roads</i>	2,320	2,830	2,967	3,049	3,420	
<i>of which: local roads <sup>(1)</sup></i>	3,675	4,020	4,013	4,021	4,703	
<i>of which: local public transport</i>	2,018	2,140	2,077	2,110	2,122	
<i>of which: railway <sup>(2)</sup></i>	7,527	7,739	12,787	13,297	15,540	
<i>of which: other transport</i>	456	432	641	447	636	
4.6 Communication	–	–	–	–	–	
4.7 Other industries	120	119	123	116	112	
4.8 R&D economic affairs	3,339	3,560	3,789	3,474	3,895	
4.9 Economic affairs n.e.c.	395	404	384	355	330	
<b>Total economic affairs</b>	<b>29,782</b>	<b>29,929</b>	<b>35,016</b>	<b>37,038</b>	<b>42,423</b>	

**Table 10.1 Total identifiable expenditure on services in England by sub-function, 2013-14 to 2017-18 (continued)**

	National Statistics					£ million
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
<b>5. Environment protection</b>						
5.1 Waste management	6,345	6,470	6,498	6,422	7,329	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	122	431	403	55	65	
5.4 Protection of biodiversity and landscape	284	329	463	291	237	
5.5 R&D environment protection	422	397	385	359	427	
5.6 Environment protection n.e.c.	1,436	1,502	1,346	1,459	1,454	
<b>Total environment protection</b>	<b>8,610</b>	<b>9,128</b>	<b>9,095</b>	<b>8,586</b>	<b>9,512</b>	
<b>6. Housing and community amenities</b>						
6.1 Housing development	3,558	3,971	3,672	3,522	4,483	
<i>of which: local authority housing</i>	<i>3,036</i>	<i>3,623</i>	<i>3,440</i>	<i>3,175</i>	<i>3,791</i>	
<i>of which: other social housing</i>	<i>522</i>	<i>348</i>	<i>232</i>	<i>347</i>	<i>692</i>	
6.2 Community development	2,559	2,487	2,252	2,821	2,652	
6.3 Water supply	7	7	6	6	6	
6.4 Street lighting	671	707	735	775	806	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	141	164	187	170	120	
<b>Total housing and community amenities</b>	<b>6,936</b>	<b>7,336</b>	<b>6,852</b>	<b>7,295</b>	<b>8,068</b>	
<b>7. Health <sup>(3)</sup></b>						
Medical services	101,636	107,012	110,531	113,773	116,805	
Health research	1,749	1,650	1,896	1,569	1,670	
Central and other health services	3,979	2,954	3,034	2,759	2,087	
<b>Total health</b>	<b>107,364</b>	<b>111,617</b>	<b>115,461</b>	<b>118,101</b>	<b>120,562</b>	
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	2,324	2,464	2,296	2,279	2,084	
8.2 Cultural services	2,912	3,053	2,740	2,786	3,133	
8.3 Broadcasting and publishing services	157	182	198	201	280	
8.4 Religious and other community services	38	22	29	7	39	
8.5 R&D recreation, culture and religion	14	37	38	41	50	
8.6 Recreation, culture and religion n.e.c.	33	38	40	42	49	
<b>Total recreation, culture and religion</b>	<b>5,477</b>	<b>5,796</b>	<b>5,343</b>	<b>5,355</b>	<b>5,635</b>	
<b>9. Education</b>						
9.1 Pre-primary and primary education	25,261	25,452	25,706	25,260	25,131	
<i>of which: under fives</i>	<i>2,969</i>	<i>2,471</i>	<i>2,553</i>	<i>2,512</i>	<i>3,280</i>	
<i>of which: primary education</i>	<i>22,292</i>	<i>22,981</i>	<i>23,153</i>	<i>22,747</i>	<i>21,851</i>	
9.2 Secondary education <sup>(4)</sup>	32,033	33,730	33,373	34,982	35,817	
9.3 Post-secondary non-tertiary education	537	580	508	594	655	
9.4 Tertiary education	5,313	4,488	4,045	3,855	4,103	
9.5 Education not definable by level	202	324	304	501	589	
9.6 Subsidiary services to education	3,700	3,203	2,969	2,873	2,849	
9.7 R&D education	1,573	1,573	1,573	1,704	1,816	
9.8 Education n.e.c.	1,729	1,361	1,806	1,804	1,567	
<b>Total education</b>	<b>70,347</b>	<b>70,711</b>	<b>70,285</b>	<b>71,572</b>	<b>72,528</b>	

**Table 10.1 Total identifiable expenditure on services in England by sub-function, 2013-14 to 2017-18 (continued)**

	National Statistics				
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn
	<b>£ million</b>				
<b>10. Social protection</b>					
<i>of which: personal social services</i>	22,887	24,380	24,510	25,221	25,483
10.1 Sickness and disability	37,398	39,860	42,058	42,078	43,377
<i>of which: personal social services</i>	7,663	7,714	8,086	8,171	8,605
<i>of which: incapacity, disability and injury benefits</i>	29,735	32,146	33,973	33,907	34,772
10.2 Old age	90,543	93,871	95,170	96,713	98,808
<i>of which: personal social services</i>	7,804	8,037	7,542	7,975	8,238
<i>of which: pensions</i>	82,739	85,833	87,628	88,739	90,571
10.3 Survivors	795	791	804	796	795
10.4 Family and children	20,465	21,136	21,205	20,916	20,287
<i>of which: personal social services</i>	6,919	8,133	8,354	8,478	8,111
<i>of which: family benefits, income support and tax credits</i>	13,545	13,002	12,851	12,438	12,176
10.5 Unemployment	4,033	2,770	2,139	1,769	1,624
<i>of which: personal social services</i>	–	–	–	–	–
<i>of which: other unemployment benefits</i>	4,033	2,770	2,139	1,769	1,624
10.6 Housing	22,746	22,692	22,418	21,536	20,474
10.7 Social exclusion n.e.c.	26,928	27,024	27,046	27,251	28,010
<i>of which: personal social services</i>	500	495	528	597	528
<i>of which: family benefits, income support and tax credits</i>	26,428	26,529	26,518	26,654	27,482
10.8 R&D social protection	–	–	–	–	–
10.9 Social protection n.e.c.	2,934	3,138	3,126	3,409	3,373
<b>Total social protection</b>	<b>205,841</b>	<b>211,281</b>	<b>213,967</b>	<b>214,469</b>	<b>216,749</b>
<b>Total Expenditure on Services in England</b>	<b>461,684</b>	<b>473,734</b>	<b>483,470</b>	<b>491,073</b>	<b>505,032</b>

<sup>(1)</sup> The increase in 2017-18 is in part due to local authority capital expenditure on the Mersey Gateway Bridge in the North West.

<sup>(2)</sup> Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The sub-functional analysis shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' from that year.

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

<sup>(4)</sup> The Department for Education is currently recording all central government academy expenditure as 'Secondary Education', across all years presented. While secondary schools currently account for the largest population in the academy sector, it is recognised that this will also cover some schools in primary and other functional categories. In future editions of PESA and the CRA the Department for Education will look to improve apportionment of spending across the education categories.

**Table 10.2 Total identifiable expenditure on services in Scotland by sub-function, 2013-14 to 2017-18**

	National Statistics					£ million
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	700	737	818	844	860	
1.2 Foreign economic aid	–	–	–	–	1	
1.3 General services	38	52	43	64	44	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	13	15	14	9	7	
1.6 General public services n.e.c.	357	331	253	177	175	
<b>Total general public services</b>	<b>1,109</b>	<b>1,134</b>	<b>1,128</b>	<b>1,094</b>	<b>1,087</b>	
<b>2. Defence</b>						
2.1 Military defence	–	–	–	–	–	
2.2 Civil defence	3	3	4	4	3	
2.3 Foreign military aid	–	–	–	–	–	
2.4 R&D defence	–	–	–	–	–	
2.5 Defence n.e.c.	–	–	–	–	–	
<b>Total defence</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>3</b>	
<b>3. Public order and safety</b>						
3.1 Police services	1,262	1,464	1,475	1,424	1,522	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	1,262	1,464	1,475	1,424	1,522	
3.2 Fire-protection services	306	363	388	369	382	
3.3 Law courts	478	470	457	462	461	
3.4 Prisons	317	325	305	309	314	
3.5 R&D public order and safety	–	–	–	–	–	
3.6 Public order and safety n.e.c.	24	26	25	20	16	
<b>Total public order and safety</b>	<b>2,388</b>	<b>2,649</b>	<b>2,650</b>	<b>2,584</b>	<b>2,696</b>	
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	1,170	992	946	1,172	1,260	
4.2 Agriculture, forestry, fishing and hunting	953	923	819	932	913	
<i>of which: market support under CAP</i>	486	418	392	462	450	
<i>of which: other agriculture, food and fisheries policy</i>	361	390	329	368	387	
<i>of which: forestry</i>	106	114	98	103	77	
4.3 Fuel and energy	49	53	62	58	79	
4.4 Mining, manufacturing and construction	0	0	1	1	1	
4.5 Transport	2,893	2,779	3,096	3,330	3,618	
<i>of which: national roads</i>	569	620	708	754	875	
<i>of which: local roads</i>	691	678	691	673	646	
<i>of which: local public transport</i>	260	266	273	275	272	
<i>of which: railway<sup>(1)</sup></i>	971	849	1,048	1,240	1,422	
<i>of which: other transport</i>	402	366	376	388	403	
4.6 Communication	16	79	64	82	63	
4.7 Other industries	75	80	74	73	76	
4.8 R&D economic affairs	380	406	479	488	556	
4.9 Economic affairs n.e.c.	35	42	25	30	34	
<b>Total economic affairs</b>	<b>5,572</b>	<b>5,354</b>	<b>5,566</b>	<b>6,165</b>	<b>6,600</b>	

**Table 10.2 Total identifiable expenditure on services in Scotland by sub-function, 2013-14 to 2017-18 (continued)**

	National Statistics					£ million
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
<b>5. Environment protection</b>						
5.1 Waste management	890	830	843	881	898	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	9	37	36	7	9	
5.4 Protection of biodiversity and landscape	137	138	129	116	112	
5.5 R&D environment protection	36	34	35	32	39	
5.6 Environment protection n.e.c.	221	231	214	189	209	
<b>Total environment protection</b>	<b>1,293</b>	<b>1,270</b>	<b>1,256</b>	<b>1,225</b>	<b>1,266</b>	
<b>6. Housing and community amenities</b>						
6.1 Housing development	1,030	1,104	1,119	1,008	1,392	
<i>of which: local authority housing</i>	<i>734</i>	<i>780</i>	<i>772</i>	<i>685</i>	<i>927</i>	
<i>of which: other social housing</i>	<i>296</i>	<i>324</i>	<i>347</i>	<i>323</i>	<i>465</i>	
6.2 Community development	123	103	92	78	76	
6.3 Water supply	356	321	327	487	498	
6.4 Street lighting	6	5	8	6	6	
6.5 R&D housing and community amenities	–	–	2	0	1	
6.6 Housing and community amenities n.e.c.	13	15	19	3	3	
<b>Total housing and community amenities</b>	<b>1,529</b>	<b>1,548</b>	<b>1,566</b>	<b>1,584</b>	<b>1,977</b>	
<b>7. Health <sup>(2)</sup></b>						
Medical services	11,061	11,192	11,736	12,075	12,323	
Health research	131	134	192	209	170	
Central and other health services	267	265	202	315	274	
<b>Total health</b>	<b>11,459</b>	<b>11,592</b>	<b>12,131</b>	<b>12,600</b>	<b>12,767</b>	
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	654	733	527	517	475	
8.2 Cultural services	436	435	502	497	480	
8.3 Broadcasting and publishing services	24	27	29	24	33	
8.4 Religious and other community services	14	12	13	12	5	
8.5 R&D recreation, culture and religion	0	2	2	2	4	
8.6 Recreation, culture and religion n.e.c.	0	–	–	0	0	
<b>Total recreation, culture and religion</b>	<b>1,128</b>	<b>1,209</b>	<b>1,074</b>	<b>1,053</b>	<b>997</b>	
<b>9. Education</b>						
9.1 Pre-primary and primary education	2,916	2,955	3,134	3,366	3,450	
<i>of which: under fives</i>	<i>308</i>	<i>348</i>	<i>445</i>	<i>507</i>	<i>506</i>	
<i>of which: primary education</i>	<i>2,608</i>	<i>2,607</i>	<i>2,689</i>	<i>2,859</i>	<i>2,944</i>	
9.2 Secondary education	2,575	2,638	2,693	2,836	2,857	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education	1,488	1,458	1,413	1,484	1,478	
9.5 Education not definable by level	140	144	136	136	132	
9.6 Subsidiary services to education	228	225	242	217	238	
9.7 R&D education	–	–	0	0	-1	
9.8 Education n.e.c.	210	195	220	236	244	
<b>Total education</b>	<b>7,558</b>	<b>7,613</b>	<b>7,838</b>	<b>8,273</b>	<b>8,398</b>	

**Table 10.2 Total identifiable expenditure on services in Scotland by sub-function, 2013-14 to 2017-18 (continued)**

	National Statistics					£ million
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
<b>10. Social protection</b>						
<i>of which: personal social services</i>	3,115	3,170	3,202	3,105	3,259	
10.1 Sickness and disability	4,580	4,867	5,080	5,074	5,343	
<i>of which: personal social services</i>	872	891	903	866	1,005	
<i>of which: incapacity, disability and injury benefits</i>	3,708	3,976	4,177	4,208	4,338	
10.2 Old age	10,107	10,441	10,578	10,590	10,779	
<i>of which: personal social services</i>	1,391	1,405	1,388	1,350	1,321	
<i>of which: pensions</i>	8,716	9,036	9,190	9,240	9,458	
10.3 Survivors	160	168	171	172	35	
10.4 Family and children	2,110	2,068	2,082	2,006	2,024	
<i>of which: personal social services</i>	852	874	911	889	934	
<i>of which: family benefits, income support and tax credits</i>	1,258	1,194	1,171	1,116	1,091	
10.5 Unemployment	443	330	261	215	194	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	443	330	261	215	194	
10.6 Housing	1,933	1,945	2,001	1,856	1,941	
10.7 Social exclusion n.e.c.	2,313	2,292	2,310	2,342	2,434	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: family benefits, income support and tax credits</i>	2,313	2,292	2,310	2,342	2,434	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	378	465	479	487	485	
<b>Total social protection</b>	<b>22,024</b>	<b>22,575</b>	<b>22,962</b>	<b>22,743</b>	<b>23,235</b>	
<b>Total Expenditure on Services in Scotland</b>	<b>54,063</b>	<b>54,948</b>	<b>56,173</b>	<b>57,323</b>	<b>59,028</b>	

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

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

**Table 10.3 Total identifiable expenditure on services in Wales by sub-function, 2013-14 to 2017-18**

	National Statistics					£ million
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	413	436	396	412	416	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	16	14	14	21	22	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	4	5	5	–	–	
1.6 General public services n.e.c.	73	72	77	77	90	
<b>Total general public services</b>	<b>506</b>	<b>527</b>	<b>492</b>	<b>510</b>	<b>528</b>	
<b>2. Defence</b>						
2.1 Military defence	–	–	–	–	–	
2.2 Civil defence	4	4	3	2	3	
2.3 Foreign military aid	–	–	–	–	–	
2.4 R&D defence	–	–	–	–	–	
2.5 Defence n.e.c.	–	–	–	–	–	
<b>Total defence</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>3</b>	
<b>3. Public order and safety</b>						
3.1 Police services	691	718	677	685	710	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	691	718	677	685	710	
3.2 Fire-protection services	155	150	153	147	155	
3.3 Law courts	235	258	232	237	283	
3.4 Prisons	218	203	151	176	205	
3.5 R&D public order and safety	1	1	1	1	0	
3.6 Public order and safety n.e.c.	14	14	11	15	13	
<b>Total public order and safety</b>	<b>1,314</b>	<b>1,343</b>	<b>1,225</b>	<b>1,261</b>	<b>1,366</b>	
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	564	495	421	433	464	
4.2 Agriculture, forestry, fishing and hunting	485	444	430	463	497	
<i>of which: market support under CAP</i>	264	230	209	242	249	
<i>of which: other agriculture, food and fisheries policy</i>	218	211	220	221	244	
<i>of which: forestry</i>	3	2	1	1	4	
4.3 Fuel and energy	36	37	39	29	42	
4.4 Mining, manufacturing and construction	3	1	5	-13	23	
4.5 Transport	1,024	1,005	1,208	1,178	1,281	
<i>of which: national roads</i>	247	246	294	348	349	
<i>of which: local roads</i>	289	256	209	216	227	
<i>of which: local public transport</i>	52	47	45	45	64	
<i>of which: railway<sup>(1)</sup></i>	397	413	612	522	590	
<i>of which: other transport</i>	40	42	49	47	51	
4.6 Communication	65	103	78	38	30	
4.7 Other industries	37	36	29	28	33	
4.8 R&D economic affairs	155	192	213	195	225	
4.9 Economic affairs n.e.c.	28	32	17	46	46	
<b>Total economic affairs</b>	<b>2,398</b>	<b>2,344</b>	<b>2,441</b>	<b>2,398</b>	<b>2,642</b>	



**Table 10.3 Total identifiable expenditure on services in Wales by sub-function, 2013-14 to 2017-18 (continued)**

	£ million				
	National Statistics				
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn
<b>5. Environment protection</b>					
5.1 Waste management	405	401	400	397	397
5.2 Waste water management	–	–	–	–	–
5.3 Pollution abatement	2	17	16	0	1
5.4 Protection of biodiversity and landscape	6	6	6	10	11
5.5 R&D environment protection	21	20	20	18	22
5.6 Environment protection n.e.c.	258	254	204	193	197
<b>Total environment protection</b>	<b>692</b>	<b>697</b>	<b>646</b>	<b>619</b>	<b>629</b>
<b>6. Housing and community amenities</b>					
6.1 Housing development	304	335	473	498	549
<i>of which: local authority housing</i>	<i>304</i>	<i>335</i>	<i>473</i>	<i>498</i>	<i>549</i>
<i>of which: other social housing</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>
6.2 Community development	254	212	176	159	111
6.3 Water supply	–	–	–	–	–
6.4 Street lighting	49	53	44	45	47
6.5 R&D housing and community amenities	–	–	–	–	–
6.6 Housing and community amenities n.e.c.	8	7	8	9	8
<b>Total housing and community amenities</b>	<b>615</b>	<b>607</b>	<b>702</b>	<b>712</b>	<b>714</b>
<b>7. Health <sup>(2)</sup></b>					
Medical services	6,006	6,296	6,443	6,799	7,057
Health research	44	45	48	48	57
Central and other health services	111	100	101	103	103
<b>Total health</b>	<b>6,161</b>	<b>6,442</b>	<b>6,591</b>	<b>6,950</b>	<b>7,218</b>
<b>8. Recreation, culture and religion</b>					
8.1 Recreational and sporting services	233	224	208	192	190
8.2 Cultural services	198	190	182	179	230
8.3 Broadcasting and publishing services	77	80	80	81	83
8.4 Religious and other community services	2	0	-1	-2	-3
8.5 R&D recreation, culture and religion	0	1	1	1	2
8.6 Recreation, culture and religion n.e.c.	13	20	23	26	39
<b>Total recreation, culture and religion</b>	<b>523</b>	<b>516</b>	<b>494</b>	<b>477</b>	<b>542</b>
<b>9. Education</b>					
9.1 Pre-primary and primary education	1,560	1,555	1,588	1,618	1,668
<i>of which: under fives</i>	<i>52</i>	<i>46</i>	<i>44</i>	<i>39</i>	<i>39</i>
<i>of which: primary education</i>	<i>1,508</i>	<i>1,508</i>	<i>1,545</i>	<i>1,579</i>	<i>1,629</i>
9.2 Secondary education	1,906	1,749	1,868	1,910	1,944
9.3 Post-secondary non-tertiary education	–	–	–	–	–
9.4 Tertiary education	381	363	370	384	389
9.5 Education not definable by level	160	180	113	102	106
9.6 Subsidiary services to education	90	89	92	106	125
9.7 R&D education	–	–	–	–	–
9.8 Education n.e.c.	61	52	53	67	47
<b>Total education</b>	<b>4,158</b>	<b>3,987</b>	<b>4,084</b>	<b>4,186</b>	<b>4,279</b>

**Table 10.3 Total identifiable expenditure on services in Wales by sub-function, 2013-14 to 2017-18 (continued)**

	National Statistics					£ million
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
<b>10. Social protection</b>						
<i>of which: personal social services</i>	1,754	1,787	1,741	1,801	1,894	
10.1 Sickness and disability	3,056	3,264	3,332	3,358	3,469	
<i>of which: personal social services</i>	548	545	528	559	586	
<i>of which: incapacity, disability and injury benefits</i>	2,508	2,719	2,803	2,799	2,883	
10.2 Old age	5,909	6,145	6,238	6,275	6,413	
<i>of which: personal social services</i>	629	643	617	623	652	
<i>of which: pensions</i>	5,280	5,501	5,621	5,652	5,761	
10.3 Survivors	67	73	72	71	69	
10.4 Family and children	1,351	1,331	1,320	1,314	1,325	
<i>of which: personal social services</i>	539	560	560	584	619	
<i>of which: family benefits, income support and tax credits</i>	813	772	760	730	706	
10.5 Unemployment	256	194	156	122	102	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	256	194	156	122	102	
10.6 Housing	1,181	1,207	1,208	1,180	1,174	
10.7 Social exclusion n.e.c.	1,663	1,659	1,656	1,654	1,694	
<i>of which: personal social services</i>	39	39	35	35	36	
<i>of which: family benefits, income support and tax credits</i>	1,624	1,620	1,622	1,619	1,657	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	234	282	314	324	324	
<b>Total social protection</b>	<b>13,718</b>	<b>14,155</b>	<b>14,297</b>	<b>14,297</b>	<b>14,571</b>	
<b>Total Expenditure on Services in Wales</b>	<b>30,089</b>	<b>30,622</b>	<b>30,975</b>	<b>31,411</b>	<b>32,492</b>	

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

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

**Table 10.4 Total identifiable expenditure on services in Northern Ireland by sub-function, 2013-14 to 2017-18**

	National Statistics					£ million
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	174	170	142	170	183	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	171	205	181	161	167	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	2	3	3	0	–	
1.6 General public services n.e.c.	70	80	66	17	15	
<b>Total general public services</b>	<b>417</b>	<b>457</b>	<b>392</b>	<b>348</b>	<b>366</b>	
<b>2. Defence</b>						
2.1 Military defence	–	–	–	–	–	
2.2 Civil defence	–	–	–	–	–	
2.3 Foreign military aid	–	–	–	–	–	
2.4 R&D defence	–	–	–	–	–	
2.5 Defence n.e.c.	–	–	–	–	–	
<b>Total defence</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>3. Public order and safety</b>						
3.1 Police services	893	802	797	783	770	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	893	802	797	783	770	
3.2 Fire-protection services	87	81	82	83	92	
3.3 Law courts	246	257	226	222	199	
3.4 Prisons	131	132	139	131	150	
3.5 R&D public order and safety	–	–	–	–	0	
3.6 Public order and safety n.e.c.	–	–	–	–	–	
<b>Total public order and safety</b>	<b>1,357</b>	<b>1,271</b>	<b>1,244</b>	<b>1,219</b>	<b>1,211</b>	
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	432	460	446	364	371	
4.2 Agriculture, forestry, fishing and hunting	577	572	487	505	498	
<i>of which: market support under CAP</i>	326	316	276	304	309	
<i>of which: other agriculture, food and fisheries policy</i>	243	246	203	194	182	
<i>of which: forestry</i>	8	10	8	7	7	
4.3 Fuel and energy	6	13	39	52	41	
4.4 Mining, manufacturing and construction	1	1	1	1	2	
4.5 Transport	524	521	429	554	555	
<i>of which: national roads</i>	15	16	18	9	15	
<i>of which: local roads</i>	369	349	246	315	310	
<i>of which: local public transport</i>	68	65	44	64	62	
<i>of which: railway</i>	55	61	82	94	99	
<i>of which: other transport</i>	18	30	39	72	69	
4.6 Communication	6	8	14	3	6	
4.7 Other industries	41	48	50	35	37	
4.8 R&D economic affairs	58	61	91	71	76	
4.9 Economic affairs n.e.c.	1	2	0	1	1	
<b>Total economic affairs</b>	<b>1,646</b>	<b>1,685</b>	<b>1,557</b>	<b>1,586</b>	<b>1,587</b>	

**Table 10.4 Total identifiable expenditure on services in Northern Ireland by sub-function, 2013-14 to 2017-18 (continued)**

	National Statistics					£ million
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
<b>5. Environment protection</b>						
5.1 Waste management	188	195	197	209	202	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	0	9	9	0	0	
5.4 Protection of biodiversity and landscape	0	0	0	0	0	
5.5 R&D environment protection	12	12	12	11	13	
5.6 Environment protection n.e.c.	57	54	46	43	49	
<b>Total environment protection</b>	<b>258</b>	<b>270</b>	<b>264</b>	<b>263</b>	<b>264</b>	
<b>6. Housing and community amenities</b>						
6.1 Housing development	281	282	229	206	178	
<i>of which: local authority housing</i>	–	–	–	–	–	
<i>of which: other social housing</i>	281	282	229	206	178	
6.2 Community development	125	148	123	106	91	
6.3 Water supply	265	255	248	252	281	
6.4 Street lighting	24	25	26	20	23	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	80	77	86	122	164	
<b>Total housing and community amenities</b>	<b>776</b>	<b>787</b>	<b>711</b>	<b>706</b>	<b>737</b>	
<b>7. Health <sup>(1)</sup></b>						
Medical services	3,608	3,635	3,812	3,954	4,106	
Health research	15	15	6	19	18	
Central and other health services	247	261	217	203	190	
<b>Total health</b>	<b>3,870</b>	<b>3,910</b>	<b>4,034</b>	<b>4,176</b>	<b>4,314</b>	
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	236	260	235	242	257	
8.2 Cultural services	174	160	166	172	184	
8.3 Broadcasting and publishing services	10	9	12	10	12	
8.4 Religious and other community services	40	42	44	42	42	
8.5 R&D recreation, culture and religion	0	1	1	1	1	
8.6 Recreation, culture and religion n.e.c.	0	–	–	–	–	
<b>Total recreation, culture and religion</b>	<b>461</b>	<b>471</b>	<b>457</b>	<b>466</b>	<b>497</b>	
<b>9. Education</b>						
9.1 Pre-primary and primary education	737	787	774	802	776	
<i>of which: under fives</i>	66	67	60	67	65	
<i>of which: primary education</i>	671	721	714	735	711	
9.2 Secondary education	974	1,021	1,039	1,040	1,039	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education	352	371	336	343	336	
9.5 Education not definable by level	96	87	79	70	67	
9.6 Subsidiary services to education	212	210	200	197	222	
9.7 R&D education	–	–	–	–	–	
9.8 Education n.e.c.	246	264	279	263	261	
<b>Total education</b>	<b>2,617</b>	<b>2,742</b>	<b>2,707</b>	<b>2,715</b>	<b>2,701</b>	

**Table 10.4 Total identifiable expenditure on services in Northern Ireland by sub-function, 2013-14 to 2017-18 (continued)**

	National Statistics					£ million
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
<b>10. Social protection</b>						
<i>of which: personal social services</i>	901	931	984	1,016	1,068	
10.1 Sickness and disability	2,426	2,523	2,650	2,814	2,891	
<i>of which: personal social services</i>	265	273	297	323	348	
<i>of which: incapacity, disability and injury benefits</i>	2,161	2,250	2,353	2,491	2,544	
10.2 Old age	3,518	3,654	3,669	3,749	3,952	
<i>of which: personal social services</i>	449	467	489	495	514	
<i>of which: pensions</i>	3,069	3,187	3,180	3,254	3,438	
10.3 Survivors	73	76	78	77	78	
10.4 Family and children	658	672	693	667	688	
<i>of which: personal social services</i>	186	191	198	198	206	
<i>of which: family benefits, income support and tax credits</i>	472	481	496	470	482	
10.5 Unemployment	211	178	141	119	102	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	211	178	141	119	102	
10.6 Housing	564	577	584	581	552	
10.7 Social exclusion n.e.c.	1,044	1,040	1,016	994	978	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: family benefits, income support and tax credits</i>	1,044	1,040	1,016	994	978	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	21	21	15	24	15	
<b>Total social protection</b>	<b>8,515</b>	<b>8,742</b>	<b>8,848</b>	<b>9,026</b>	<b>9,257</b>	
<b>Total Expenditure on Services in Northern Ireland</b>	<b>19,916</b>	<b>20,337</b>	<b>20,214</b>	<b>20,504</b>	<b>20,934</b>	

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

**Table 10.5 Total identifiable expenditure on services in England by sub-function, per head, 2013-14 to 2017-18**

	National Statistics				
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn
					<b>£ per head</b>
<b>1. General public services</b>					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	47	46	36	39	40
1.2 Foreign economic aid	–	–	–	–	–
1.3 General services	9	11	12	16	11
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	1	2	2	0	0
1.6 General public services n.e.c.	29	30	30	45	39
<b>Total general public services</b>	<b>86</b>	<b>89</b>	<b>80</b>	<b>99</b>	<b>90</b>
<b>2. Defence</b>					
2.1 Military defence	–	–	–	–	–
2.2 Civil defence	1	1	1	1	1
2.3 Foreign military aid	–	–	–	–	–
2.4 R&D defence	–	–	–	–	–
2.5 Defence n.e.c.	–	–	–	–	–
<b>Total defence</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>3. Public order and safety</b>					
3.1 Police services	221	218	217	215	234
<i>of which: immigration and citizenship</i>	–	–	–	–	–
<i>of which: other police services</i>	221	218	217	215	234
3.2 Fire-protection services	42	41	38	38	39
3.3 Law courts	85	98	88	88	93
3.4 Prisons	64	58	65	66	66
3.5 R&D public order and safety	1	1	1	0	0
3.6 Public order and safety n.e.c.	8	9	12	10	9
<b>Total public order and safety</b>	<b>421</b>	<b>425</b>	<b>421</b>	<b>418</b>	<b>441</b>
<b>4. Economic affairs</b>					
4.1 General economic, commercial and labour affairs	112	95	93	103	103
4.2 Agriculture, forestry, fishing and hunting	61	58	48	59	57
<i>of which: market support under CAP</i>	34	32	24	36	33
<i>of which: other agriculture, food and fisheries policy</i>	27	26	23	22	23
<i>of which: forestry</i>	0	0	1	1	1
4.3 Fuel and energy	7	6	6	6	11
4.4 Mining, manufacturing and construction	5	1	3	16	39
4.5 Transport	297	316	410	415	475
<i>of which: national roads</i>	43	52	54	55	61
<i>of which: local roads <sup>(1)</sup></i>	68	74	73	73	85
<i>of which: local public transport</i>	37	39	38	38	38
<i>of which: railway <sup>(2)</sup></i>	140	142	233	241	279
<i>of which: other transport</i>	8	8	12	8	11
4.6 Communication	–	–	–	–	–
4.7 Other industries	2	2	2	2	2
4.8 R&D economic affairs	62	66	69	63	70
4.9 Economic affairs n.e.c.	7	7	7	6	6
<b>Total economic affairs</b>	<b>553</b>	<b>551</b>	<b>639</b>	<b>670</b>	<b>763</b>

**Table 10.5 Total identifiable expenditure on services in England by sub-function, per head, 2013-14 to 2017-18 (continued)**

	National Statistics					£ per head
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
<b>5. Environment protection</b>						
5.1 Waste management	118	119	119	116	132	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	2	8	7	1	1	
5.4 Protection of biodiversity and landscape	5	6	8	5	4	
5.5 R&D environment protection	8	7	7	6	8	
5.6 Environment protection n.e.c.	27	28	25	26	26	
<b>Total environment protection</b>	<b>160</b>	<b>168</b>	<b>166</b>	<b>155</b>	<b>171</b>	
<b>6. Housing and community amenities</b>						
6.1 Housing development	66	73	67	64	81	
<i>of which: local authority housing</i>	56	67	63	57	68	
<i>of which: other social housing</i>	10	6	4	6	12	
6.2 Community development	48	46	41	51	48	
6.3 Water supply	0	0	0	0	0	
6.4 Street lighting	12	13	13	14	14	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	3	3	3	3	2	
<b>Total housing and community amenities</b>	<b>129</b>	<b>135</b>	<b>125</b>	<b>132</b>	<b>145</b>	
<b>7. Health <sup>(3)</sup></b>						
Medical services	1,887	1,970	2,017	2,059	2,100	
Health research	32	30	35	28	30	
Central and other health services	74	54	55	50	38	
<b>Total health</b>	<b>1,993</b>	<b>2,055</b>	<b>2,107</b>	<b>2,137</b>	<b>2,168</b>	
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	43	45	42	41	37	
8.2 Cultural services	54	56	50	50	56	
8.3 Broadcasting and publishing services	3	3	4	4	5	
8.4 Religious and other community services	1	0	1	0	1	
8.5 R&D recreation, culture and religion	0	1	1	1	1	
8.6 Recreation, culture and religion n.e.c.	1	1	1	1	1	
<b>Total recreation, culture and religion</b>	<b>102</b>	<b>107</b>	<b>98</b>	<b>97</b>	<b>101</b>	
<b>9. Education</b>						
9.1 Pre-primary and primary education	469	469	469	457	452	
<i>of which: under fives</i>	55	45	47	45	59	
<i>of which: primary education</i>	414	423	423	412	393	
9.2 Secondary education <sup>(4)</sup>	595	621	609	633	644	
9.3 Post-secondary non-tertiary education	10	11	9	11	12	
9.4 Tertiary education	99	83	74	70	74	
9.5 Education not definable by level	4	6	6	9	11	
9.6 Subsidiary services to education	69	59	54	52	51	
9.7 R&D education	29	29	29	31	33	
9.8 Education n.e.c.	32	25	33	33	28	
<b>Total education</b>	<b>1,306</b>	<b>1,302</b>	<b>1,283</b>	<b>1,295</b>	<b>1,304</b>	

**Table 10.5 Total identifiable expenditure on services in England by sub-function, per head, 2013-14 to 2017-18 (continued)**

	National Statistics					£ per head
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
<b>10. Social protection</b>						
<i>of which: personal social services</i>	425	449	447	456	458	
10.1 Sickness and disability	694	734	768	761	780	
<i>of which: personal social services</i>	142	142	148	148	155	
<i>of which: incapacity, disability and injury benefits</i>	552	592	620	613	625	
10.2 Old age	1,681	1,728	1,737	1,750	1,777	
<i>of which: personal social services</i>	145	148	138	144	148	
<i>of which: pensions</i>	1,536	1,580	1,599	1,606	1,628	
10.3 Survivors	15	15	15	14	14	
10.4 Family and children	380	389	387	378	365	
<i>of which: personal social services</i>	128	150	152	153	146	
<i>of which: family benefits, income support and tax credits</i>	251	239	235	225	219	
10.5 Unemployment	75	51	39	32	29	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	75	51	39	32	29	
10.6 Housing	422	418	409	390	368	
10.7 Social exclusion n.e.c.	500	498	494	493	504	
<i>of which: personal social services</i>	9	9	10	11	9	
<i>of which: family benefits, income support and tax credits</i>	491	488	484	482	494	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	54	58	57	62	61	
<b>Total social protection</b>	<b>3,821</b>	<b>3,890</b>	<b>3,905</b>	<b>3,881</b>	<b>3,897</b>	
<b>Total Expenditure on Services in England</b>	<b>8,571</b>	<b>8,722</b>	<b>8,825</b>	<b>8,885</b>	<b>9,080</b>	

<sup>(1)</sup> The increase in 2017-18 is in part due to local authority capital expenditure on the Mersey Gateway Bridge in the North West.

<sup>(2)</sup> Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown, however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The sub-functional analysis shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' from that year.

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

<sup>(4)</sup> The Department for Education is currently recording all central government academy expenditure as 'Secondary Education', across all years presented. While secondary schools currently account for the largest population in the academy sector, it is recognised that this will also cover some schools in primary and other functional categories. In future editions of PESA and the CRA the Department for Education will look to improve apportionment of spending across the education categories.



**Table 10.6 Total identifiable expenditure on services in Scotland by sub-function, per head, 2013-14 to 2017-18**

	National Statistics				
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn
	<b>£ per head</b>				
<b>1. General public services</b>					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	131	138	152	156	158
1.2 Foreign economic aid	–	–	–	–	0
1.3 General services	7	10	8	12	8
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	3	3	3	2	1
1.6 General public services n.e.c.	67	62	47	33	32
<b>Total general public services</b>	<b>208</b>	<b>212</b>	<b>210</b>	<b>202</b>	<b>200</b>
<b>2. Defence</b>					
2.1 Military defence	–	–	–	–	–
2.2 Civil defence	1	0	1	1	1
2.3 Foreign military aid	–	–	–	–	–
2.4 R&D defence	–	–	–	–	–
2.5 Defence n.e.c.	–	–	–	–	–
<b>Total defence</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>3. Public order and safety</b>					
3.1 Police services	237	274	275	263	281
<i>of which: immigration and citizenship</i>	–	–	–	–	–
<i>of which: other police services</i>	237	274	275	263	281
3.2 Fire-protection services	57	68	72	68	70
3.3 Law courts	90	88	85	85	85
3.4 Prisons	59	61	57	57	58
3.5 R&D public order and safety	–	–	–	–	–
3.6 Public order and safety n.e.c.	5	5	5	4	3
<b>Total public order and safety</b>	<b>448</b>	<b>495</b>	<b>493</b>	<b>478</b>	<b>497</b>
<b>4. Economic affairs</b>					
4.1 General economic, commercial and labour affairs	220	186	176	217	232
4.2 Agriculture, forestry, fishing and hunting	179	173	152	173	168
<i>of which: market support under CAP</i>	91	78	73	85	83
<i>of which: other agriculture, food and fisheries policy</i>	68	73	61	68	71
<i>of which: forestry</i>	20	21	18	19	14
4.3 Fuel and energy	9	10	12	11	15
4.4 Mining, manufacturing and construction	0	0	0	0	0
4.5 Transport	543	520	576	616	667
<i>of which: national roads</i>	107	116	132	139	161
<i>of which: local roads</i>	130	127	129	125	119
<i>of which: local public transport</i>	49	50	51	51	50
<i>of which: railway<sup>(1)</sup></i>	182	159	195	229	262
<i>of which: other transport</i>	75	69	70	72	74
4.6 Communication	3	15	12	15	12
4.7 Other industries	14	15	14	14	14
4.8 R&D economic affairs	71	76	89	90	102
4.9 Economic affairs n.e.c.	7	8	5	6	6
<b>Total economic affairs</b>	<b>1,046</b>	<b>1,001</b>	<b>1,036</b>	<b>1,141</b>	<b>1,217</b>

**Table 10.6 Total identifiable expenditure on services in Scotland by sub-function, per head, 2013-14 to 2017-18 (continued)**

	National Statistics					£ per head
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
<b>5. Environment protection</b>						
5.1 Waste management	167	155	157	163	166	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	2	7	7	1	2	
5.4 Protection of biodiversity and landscape	26	26	24	21	21	
5.5 R&D environment protection	7	6	6	6	7	
5.6 Environment protection n.e.c.	42	43	40	35	38	
<b>Total environment protection</b>	<b>243</b>	<b>238</b>	<b>234</b>	<b>227</b>	<b>233</b>	
<b>6. Housing and community amenities</b>						
6.1 Housing development	193	206	208	187	257	
<i>of which: local authority housing</i>	138	146	144	127	171	
<i>of which: other social housing</i>	56	61	65	60	86	
6.2 Community development	23	19	17	14	14	
6.3 Water supply	67	60	61	90	92	
6.4 Street lighting	1	1	2	1	1	
6.5 R&D housing and community amenities	–	–	0	0	0	
6.6 Housing and community amenities n.e.c.	2	3	3	1	1	
<b>Total housing and community amenities</b>	<b>287</b>	<b>289</b>	<b>292</b>	<b>293</b>	<b>365</b>	
<b>7. Health <sup>(2)</sup></b>						
Medical services	2,076	2,093	2,184	2,234	2,272	
Health research	25	25	36	39	31	
Central and other health services	50	50	38	58	50	
<b>Total health</b>	<b>2,151</b>	<b>2,168</b>	<b>2,258</b>	<b>2,331</b>	<b>2,353</b>	
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	123	137	98	96	88	
8.2 Cultural services	82	81	94	92	88	
8.3 Broadcasting and publishing services	5	5	5	4	6	
8.4 Religious and other community services	3	2	2	2	1	
8.5 R&D recreation, culture and religion	0	0	0	0	1	
8.6 Recreation, culture and religion n.e.c.	0	–	–	–	–	
<b>Total recreation, culture and religion</b>	<b>212</b>	<b>226</b>	<b>200</b>	<b>195</b>	<b>184</b>	
<b>9. Education</b>						
9.1 Pre-primary and primary education	547	553	583	623	636	
<i>of which: under fives</i>	58	65	83	94	93	
<i>of which: primary education</i>	490	488	500	529	543	
9.2 Secondary education	483	493	501	525	527	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education	279	273	263	275	272	
9.5 Education not definable by level	26	27	25	25	24	
9.6 Subsidiary services to education	43	42	45	40	44	
9.7 R&D education	–	–	0	0	0	
9.8 Education n.e.c.	39	36	41	44	45	
<b>Total education</b>	<b>1,419</b>	<b>1,424</b>	<b>1,459</b>	<b>1,531</b>	<b>1,548</b>	

**Table 10.6 Total identifiable expenditure on services in Scotland by sub-function, per head, 2013-14 to 2017-18 (continued)**

	National Statistics					£ per head
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
<b>10. Social protection</b>						
<i>of which: personal social services</i>	585	593	596	575	601	
10.1 Sickness and disability	860	910	945	939	985	
<i>of which: personal social services</i>	164	167	168	160	185	
<i>of which: incapacity, disability and injury benefits</i>	696	743	777	779	800	
10.2 Old age	1,897	1,952	1,969	1,959	1,987	
<i>of which: personal social services</i>	261	263	258	250	243	
<i>of which: pensions</i>	1,636	1,690	1,710	1,710	1,744	
10.3 Survivors	30	31	32	32	7	
10.4 Family and children	396	387	387	371	373	
<i>of which: personal social services</i>	160	163	170	165	172	
<i>of which: family benefits, income support and tax credits</i>	236	223	218	207	201	
10.5 Unemployment	83	62	49	40	36	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	83	62	49	40	36	
10.6 Housing	363	364	372	343	358	
10.7 Social exclusion n.e.c.	434	429	430	433	449	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: family benefits, income support and tax credits</i>	434	429	430	433	449	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	71	87	89	90	89	
<b>Total social protection</b>	<b>4,134</b>	<b>4,222</b>	<b>4,274</b>	<b>4,208</b>	<b>4,283</b>	
<b>Total Expenditure on Services in Scotland</b>	<b>10,148</b>	<b>10,275</b>	<b>10,455</b>	<b>10,606</b>	<b>10,881</b>	

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

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

**Table 10.7 Total identifiable expenditure on services in Wales by sub-function, per head, 2013-14 to 2017-18**

	£ per head				
	National Statistics				
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn
<b>1. General public services</b>					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	134	141	128	132	133
1.2 Foreign economic aid	–	–	–	–	–
1.3 General services	5	5	5	7	7
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	1	1	1	–	–
1.6 General public services n.e.c.	24	23	25	25	29
<b>Total general public services</b>	<b>164</b>	<b>170</b>	<b>159</b>	<b>164</b>	<b>169</b>
<b>2. Defence</b>					
2.1 Military defence	–	–	–	–	–
2.2 Civil defence	1	1	1	1	1
2.3 Foreign military aid	–	–	–	–	–
2.4 R&D defence	–	–	–	–	–
2.5 Defence n.e.c.	–	–	–	–	–
<b>Total defence</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>3. Public order and safety</b>					
3.1 Police services	224	232	219	220	227
<i>of which: immigration and citizenship</i>	–	–	–	–	–
<i>of which: other police services</i>	224	232	219	220	227
3.2 Fire-protection services	50	48	49	47	50
3.3 Law courts	76	83	75	76	90
3.4 Prisons	71	66	49	56	65
3.5 R&D public order and safety	0	0	0	0	0
3.6 Public order and safety n.e.c.	4	4	4	5	4
<b>Total public order and safety</b>	<b>426</b>	<b>434</b>	<b>395</b>	<b>405</b>	<b>437</b>
<b>4. Economic affairs</b>					
4.1 General economic, commercial and labour affairs	183	160	136	139	148
4.2 Agriculture, forestry, fishing and hunting	157	144	139	149	159
<i>of which: market support under CAP</i>	86	75	68	78	80
<i>of which: other agriculture, food and fisheries policy</i>	71	68	71	71	78
<i>of which: forestry</i>	1	1	0	0	1
4.3 Fuel and energy	12	12	13	9	14
4.4 Mining, manufacturing and construction	1	0	2	-4	7
4.5 Transport	332	325	390	379	410
<i>of which: national roads</i>	80	80	95	112	112
<i>of which: local roads</i>	94	83	67	69	73
<i>of which: local public transport</i>	17	15	14	15	20
<i>of which: railway<sup>(1)</sup></i>	129	134	198	168	189
<i>of which: other transport</i>	13	14	16	15	16
4.6 Communication	21	33	25	12	10
4.7 Other industries	12	12	9	9	11
4.8 R&D economic affairs	50	62	69	63	72
4.9 Economic affairs n.e.c.	9	10	6	15	15
<b>Total economic affairs</b>	<b>778</b>	<b>758</b>	<b>788</b>	<b>770</b>	<b>846</b>

**Table 10.7 Total identifiable expenditure on services in Wales by sub-function, per head, 2013-14 to 2017-18 (continued)**

	National Statistics					£ per head
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
<b>5. Environment protection</b>						
5.1 Waste management	131	130	129	127	127	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	1	5	5	0	0	
5.4 Protection of biodiversity and landscape	2	2	2	3	4	
5.5 R&D environment protection	7	6	6	6	7	
5.6 Environment protection n.e.c.	84	82	66	62	63	
<b>Total environment protection</b>	<b>224</b>	<b>226</b>	<b>209</b>	<b>199</b>	<b>201</b>	
<b>6. Housing and community amenities</b>						
6.1 Housing development	99	108	153	160	176	
<i>of which: local authority housing</i>	<i>99</i>	<i>108</i>	<i>153</i>	<i>160</i>	<i>176</i>	
<i>of which: other social housing</i>	–	–	–	–	–	
6.2 Community development	82	68	57	51	35	
6.3 Water supply	–	–	–	–	–	
6.4 Street lighting	16	17	14	15	15	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	2	2	3	3	2	
<b>Total housing and community amenities</b>	<b>199</b>	<b>196</b>	<b>226</b>	<b>229</b>	<b>228</b>	
<b>7. Health <sup>(2)</sup></b>						
Medical services	1,948	2,036	2,079	2,184	2,258	
Health research	14	15	15	15	18	
Central and other health services	36	32	33	33	33	
<b>Total health</b>	<b>1,999</b>	<b>2,083</b>	<b>2,127</b>	<b>2,232</b>	<b>2,310</b>	
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	76	72	67	62	61	
8.2 Cultural services	64	61	59	57	73	
8.3 Broadcasting and publishing services	25	26	26	26	27	
8.4 Religious and other community services	1	0	0	-1	-1	
8.5 R&D recreation, culture and religion	0	0	0	0	1	
8.6 Recreation, culture and religion n.e.c.	4	7	7	8	13	
<b>Total recreation, culture and religion</b>	<b>170</b>	<b>167</b>	<b>159</b>	<b>153</b>	<b>173</b>	
<b>9. Education</b>						
9.1 Pre-primary and primary education	506	503	513	520	534	
<i>of which: under fives</i>	<i>17</i>	<i>15</i>	<i>14</i>	<i>12</i>	<i>12</i>	
<i>of which: primary education</i>	<i>489</i>	<i>488</i>	<i>498</i>	<i>507</i>	<i>521</i>	
9.2 Secondary education	618	566	603	613	622	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education	124	117	119	123	125	
9.5 Education not definable by level	52	58	37	33	34	
9.6 Subsidiary services to education	29	29	30	34	40	
9.7 R&D education	–	–	–	–	–	
9.8 Education n.e.c.	20	17	17	21	15	
<b>Total education</b>	<b>1,349</b>	<b>1,290</b>	<b>1,318</b>	<b>1,345</b>	<b>1,369</b>	

**Table 10.7 Total identifiable expenditure on services in Wales by sub-function, per head, 2013-14 to 2017-18 (continued)**

	£ per head				
	National Statistics				
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn
<b>10. Social protection</b>					
<i>of which: personal social services</i>	569	578	562	578	606
10.1 Sickness and disability	992	1,056	1,075	1,079	1,110
<i>of which: personal social services</i>	178	176	171	180	187
<i>of which: incapacity, disability and injury benefits</i>	814	879	905	899	923
10.2 Old age	1,917	1,987	2,013	2,016	2,052
<i>of which: personal social services</i>	204	208	199	200	209
<i>of which: pensions</i>	1,713	1,779	1,814	1,816	1,843
10.3 Survivors	22	24	23	23	22
10.4 Family and children	438	431	426	422	424
<i>of which: personal social services</i>	175	181	181	187	198
<i>of which: family benefits, income support and tax credits</i>	264	250	245	234	226
10.5 Unemployment	83	63	50	39	33
<i>of which: personal social services</i>	–	–	–	–	–
<i>of which: other unemployment benefits</i>	83	63	50	39	33
10.6 Housing	383	390	390	379	376
10.7 Social exclusion n.e.c.	539	537	534	531	542
<i>of which: personal social services</i>	13	13	11	11	12
<i>of which: family benefits, income support and tax credits</i>	527	524	523	520	530
10.8 R&D social protection	–	–	–	–	–
10.9 Social protection n.e.c.	76	91	101	104	104
<b>Total social protection</b>	<b>4,451</b>	<b>4,578</b>	<b>4,613</b>	<b>4,593</b>	<b>4,662</b>
<b>Total Expenditure on Services in Wales</b>	<b>9,762</b>	<b>9,904</b>	<b>9,995</b>	<b>10,090</b>	<b>10,397</b>

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

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

**Table 10.8 Total identifiable expenditure on services in Northern Ireland by sub-function, per head, 2013-14 to 2017-18**

	National Statistics					£ per head
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
<b>1. General public services</b>						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	95	92	77	91	98	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	94	112	98	87	89	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	1	1	1	0	–	
1.6 General public services n.e.c.	38	43	36	9	8	
<b>Total general public services</b>	<b>228</b>	<b>248</b>	<b>212</b>	<b>187</b>	<b>196</b>	
<b>2. Defence</b>						
2.1 Military defence	–	–	–	–	–	
2.2 Civil defence	–	–	–	–	–	
2.3 Foreign military aid	–	–	–	–	–	
2.4 R&D defence	–	–	–	–	–	
2.5 Defence n.e.c.	–	–	–	–	–	
<b>Total defence</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>3. Public order and safety</b>						
3.1 Police services	488	436	430	420	412	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	488	436	430	420	412	
3.2 Fire-protection services	48	44	44	45	49	
3.3 Law courts	134	140	122	119	107	
3.4 Prisons	72	72	75	71	80	
3.5 R&D public order and safety	–	–	–	–	0	
3.6 Public order and safety n.e.c.	–	–	–	–	–	
<b>Total public order and safety</b>	<b>742</b>	<b>691</b>	<b>672</b>	<b>655</b>	<b>647</b>	
<b>4. Economic affairs</b>						
4.1 General economic, commercial and labour affairs	236	250	241	195	198	
4.2 Agriculture, forestry, fishing and hunting	315	311	263	271	266	
<i>of which: market support under CAP</i>	178	172	149	163	165	
<i>of which: other agriculture, food and fisheries policy</i>	133	133	110	104	97	
<i>of which: forestry</i>	4	5	4	4	4	
4.3 Fuel and energy	3	7	21	28	22	
4.4 Mining, manufacturing and construction	1	1	1	1	1	
4.5 Transport	287	283	232	298	297	
<i>of which: national roads</i>	8	9	10	5	8	
<i>of which: local roads</i>	202	189	133	169	166	
<i>of which: local public transport</i>	37	35	24	34	33	
<i>of which: railway</i>	30	33	44	50	53	
<i>of which: other transport</i>	10	16	21	39	37	
4.6 Communication	3	4	7	2	3	
4.7 Other industries	23	26	27	19	20	
4.8 R&D economic affairs	32	33	49	38	41	
4.9 Economic affairs n.e.c.	0	1	0	0	1	
<b>Total economic affairs</b>	<b>900</b>	<b>916</b>	<b>841</b>	<b>851</b>	<b>848</b>	

**Table 10.8 Total identifiable expenditure on services in Northern Ireland by sub-function, per head, 2013-14 to 2017-18 (continued)**

	National Statistics					£ per head
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
<b>5. Environment protection</b>						
5.1 Waste management	103	106	106	112	108	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	0	5	5	0	0	
5.4 Protection of biodiversity and landscape	0	0	0	0	0	
5.5 R&D environment protection	7	6	6	6	7	
5.6 Environment protection n.e.c.	31	30	25	23	26	
<b>Total environment protection</b>	<b>141</b>	<b>147</b>	<b>142</b>	<b>141</b>	<b>141</b>	
<b>6. Housing and community amenities</b>						
6.1 Housing development	154	153	124	110	95	
<i>of which: local authority housing</i>	–	–	–	–	–	
<i>of which: other social housing</i>	154	153	124	110	95	
6.2 Community development	68	80	66	57	49	
6.3 Water supply	145	138	134	135	150	
6.4 Street lighting	13	14	14	11	12	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	44	42	46	65	88	
<b>Total housing and community amenities</b>	<b>424</b>	<b>428</b>	<b>384</b>	<b>379</b>	<b>394</b>	
<b>7. Health <sup>(1)</sup></b>						
Medical services	1,972	1,975	2,058	2,123	2,195	
Health research	8	8	3	10	10	
Central and other health services	135	142	117	109	102	
<b>Total health</b>	<b>2,115</b>	<b>2,125</b>	<b>2,179</b>	<b>2,243</b>	<b>2,306</b>	
<b>8. Recreation, culture and religion</b>						
8.1 Recreational and sporting services	129	141	127	130	137	
8.2 Cultural services	95	87	89	92	98	
8.3 Broadcasting and publishing services	6	5	6	5	7	
8.4 Religious and other community services	22	23	24	22	22	
8.5 R&D recreation, culture and religion	0	0	0	0	1	
8.6 Recreation, culture and religion n.e.c.	0	–	–	–	–	
<b>Total recreation, culture and religion</b>	<b>252</b>	<b>256</b>	<b>247</b>	<b>250</b>	<b>266</b>	
<b>9. Education</b>						
9.1 Pre-primary and primary education	403	428	418	431	415	
<i>of which: under fives</i>	36	36	32	36	35	
<i>of which: primary education</i>	367	392	386	395	380	
9.2 Secondary education	532	555	561	559	556	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education	192	202	182	184	180	
9.5 Education not definable by level	53	48	43	37	36	
9.6 Subsidiary services to education	116	114	108	106	119	
9.7 R&D education	–	–	–	–	–	
9.8 Education n.e.c.	135	144	150	141	140	
<b>Total education</b>	<b>1,430</b>	<b>1,490</b>	<b>1,462</b>	<b>1,458</b>	<b>1,444</b>	



**Table 10.8 Total identifiable expenditure on services in Northern Ireland by sub-function, per head, 2013-14 to 2017-18 (continued)**

	National Statistics					£ per head
	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	
<b>10. Social protection</b>						
<i>of which: personal social services</i>	492	506	531	545	571	
10.1 Sickness and disability	1,326	1,371	1,431	1,511	1,546	
<i>of which: personal social services</i>	145	148	160	173	186	
<i>of which: incapacity, disability and injury benefits</i>	1,181	1,223	1,271	1,338	1,360	
10.2 Old age	1,923	1,985	1,981	2,013	2,112	
<i>of which: personal social services</i>	246	254	264	266	275	
<i>of which: pensions</i>	1,677	1,732	1,718	1,748	1,838	
10.3 Survivors	40	41	42	41	42	
10.4 Family and children	359	365	374	358	368	
<i>of which: personal social services</i>	102	104	107	106	110	
<i>of which: family benefits, income support and tax credits</i>	258	261	268	252	258	
10.5 Unemployment	115	97	76	64	55	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	115	97	76	64	55	
10.6 Housing	308	313	316	312	295	
10.7 Social exclusion n.e.c.	571	565	549	534	523	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: family benefits, income support and tax credits</i>	571	565	549	534	523	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	12	12	8	13	8	
<b>Total social protection</b>	<b>4,653</b>	<b>4,750</b>	<b>4,778</b>	<b>4,847</b>	<b>4,948</b>	
<b>Total Expenditure on Services in Northern Ireland</b>	<b>10,885</b>	<b>11,050</b>	<b>10,917</b>	<b>11,011</b>	<b>11,190</b>	

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

**Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2017-18**

	National Statistics							£ million		
	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East	London		South East	South West
<b>1. General public services</b>										
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	93	282	189	181	234	285	402	388	195	2,249
1.2 Foreign economic aid	—	—	—	—	—	—	—	—	—	—
1.3 General services	27	86	39	55	92	45	130	84	45	604
1.4 Basic research	—	—	—	—	—	—	—	—	—	—
1.5 R&D general public services	0	1	0	0	0	0	1	1	0	4
1.6 General public services n.e.c.	112	188	147	204	202	257	279	479	287	2,155
<b>Total general public services</b>	<b>232</b>	<b>556</b>	<b>375</b>	<b>440</b>	<b>529</b>	<b>588</b>	<b>813</b>	<b>952</b>	<b>526</b>	<b>5,011</b>
<b>2. Defence</b>										
2.1 Military defence	—	—	—	—	—	—	—	—	—	—
2.2 Civil defence	1	8	2	4	3	5	6	7	3	38
2.3 Foreign military aid	—	—	—	—	—	—	—	—	—	—
2.4 R&D defence	—	—	—	—	—	—	—	—	—	—
2.5 Defence n.e.c.	—	—	—	—	—	—	—	—	—	—
<b>Total defence</b>	<b>1</b>	<b>8</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>3</b>	<b>38</b>
<b>3. Public order and safety</b>										
3.1 Police services	580	1,726	1,176	858	1,139	1,087	3,832	1,708	905	13,010
<i>of which: immigration and citizenship</i>	—	—	—	—	—	—	—	—	—	—
<i>of which: other police services</i>	580	1,726	1,176	858	1,139	1,087	3,832	1,708	905	13,010
3.2 Fire-protection services	143	296	205	159	205	219	415	334	213	2,188
3.3 Law courts	322	700	509	373	553	452	1,240	561	441	5,150
3.4 Prisons	249	520	430	427	427	432	472	477	236	3,670
3.5 R&D public order and safety	1	2	1	1	1	1	4	2	1	15
3.6 Public order and safety n.e.c.	27	70	46	32	49	39	118	57	36	474
<b>Total public order and safety</b>	<b>1,321</b>	<b>3,314</b>	<b>2,368</b>	<b>1,850</b>	<b>2,375</b>	<b>2,229</b>	<b>6,081</b>	<b>3,139</b>	<b>1,831</b>	<b>24,508</b>
<b>4. Economic affairs</b>										
4.1 General economic, commercial and labour affairs	309	753	503	447	638	510	1,299	806	447	5,712
4.2 Agriculture, forestry, fishing and hunting	193	344	423	365	265	458	90	431	591	3,159
<i>of which: market support under CAP</i>	102	165	219	249	188	306	6	233	359	1,828
<i>of which: other agriculture, food and fisheries policy</i>	87	173	198	111	74	146	83	191	221	1,284
<i>of which: forestry</i>	3	6	5	4	4	5	1	7	10	46
4.3 Fuel and energy	42	72	61	63	57	65	80	99	59	598
4.4 Mining, manufacturing and construction	39	59	11	198	5	151	326	1,091	315	2,196

**Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2017-18 (continued)**

	National Statistics										£ million											
	North East		North West		Yorkshire and The Humber		East Midlands		West Midlands			East		London		South East		South West		Total England		
<b>4. Economic affairs continued</b>																						
4.5 Transport	847	3,833	1,717	1,167	2,413	2,482	8,994	3,358	1,610	26,421												
of which: national roads	146	468	339	272	401	699	28	849	218	3,420												
of which: local roads	241	1,324	446	345	443	643	274	513	475	4,703												
of which: local public transport	56	187	151	114	108	79	1,234	98	95	2,122												
of which: railway	373	1,763	720	376	1,366	984	7,363	1,817	777	15,540												
of which: other transport	31	91	61	60	95	76	96	82	44	636												
4.6 Communication	—	—	—	—	—	—	—	—	—	—												
4.7 Other industries	6	13	11	5	8	8	35	16	11	112												
4.8 R&D economic affairs	176	430	344	352	386	500	592	679	436	3,895												
4.9 Economic affairs n.e.c.	16	44	27	28	36	37	53	55	33	330												
<b>Total economic affairs</b>	<b>1,628</b>	<b>5,547</b>	<b>3,097</b>	<b>2,625</b>	<b>3,808</b>	<b>4,210</b>	<b>11,469</b>	<b>6,535</b>	<b>3,503</b>	<b>42,423</b>												
<b>5. Environment protection</b>																						
5.1 Waste management	199	3,022	418	329	401	581	792	951	637	7,329												
5.2 Waste water management	—	—	—	—	—	—	—	—	—	—												
5.3 Pollution abatement	3	7	4	4	4	14	9	14	5	65												
5.4 Protection of biodiversity and landscape	9	30	38	39	35	19	12	26	29	237												
5.5 R&D environment protection	21	55	42	37	45	48	67	68	44	427												
5.6 Environment protection n.e.c.	67	155	162	79	113	255	236	219	168	1,454												
<b>Total environment protection</b>	<b>299</b>	<b>3,269</b>	<b>664</b>	<b>488</b>	<b>598</b>	<b>917</b>	<b>1,116</b>	<b>1,279</b>	<b>882</b>	<b>9,512</b>												
<b>6. Housing and community amenities</b>																						
6.1 Housing development	182	250	388	255	337	324	1,961	525	260	4,483												
of which: local authority housing	145	147	311	188	254	237	1,957	372	181	3,791												
of which: other social housing	38	103	77	68	83	88	4	153	79	692												
6.2 Community development	161	362	396	201	229	204	524	387	187	2,652												
6.3 Water supply	0	1	1	1	1	1	1	1	1	6												
6.4 Street lighting	70	117	86	60	98	91	110	122	52	806												
6.5 R&D housing and community amenities	—	—	—	—	—	—	—	—	—	—												
6.6 Housing and community amenities n.e.c.	5	15	11	9	12	13	25	19	11	120												
<b>Total housing and community amenities</b>	<b>420</b>	<b>745</b>	<b>882</b>	<b>526</b>	<b>676</b>	<b>633</b>	<b>2,620</b>	<b>1,055</b>	<b>510</b>	<b>8,068</b>												

**Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2017-18 (continued)**

	National Statistics										£ million	
	Yorkshire and The Humber					West Midlands						
	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East	London	South East	South West	Total England		
<b>7. Health<sup>(1)</sup></b>												
Medical services	6,063	16,511	11,123	8,837	12,300	11,492	22,758	16,935	10,785		116,805	
Health research	68	186	133	122	141	173	429	278	138		1,670	
Central and other health services	99	272	205	179	220	231	331	341	209		2,087	
<b>Total health</b>	<b>6,231</b>	<b>16,969</b>	<b>11,461</b>	<b>9,138</b>	<b>12,662</b>	<b>11,897</b>	<b>23,518</b>	<b>17,554</b>	<b>11,132</b>		<b>120,562</b>	
<b>8. Recreation, culture and religion</b>												
8.1 Recreational and sporting services	86	317	226	175	187	195	372	359	168		2,084	
8.2 Cultural services	164	405	312	199	269	247	866	370	302		3,133	
8.3 Broadcasting and publishing services	12	36	24	21	26	35	52	49	25		280	
8.4 Religious and other community services	0	6	0	8	-3	5	10	12	2		39	
8.5 R&D recreation, culture and religion	2	6	5	4	6	6	8	8	5		50	
8.6 Recreation, culture and religion n.e.c.	2	7	5	4	5	5	8	8	5		49	
<b>Total recreation, culture and religion</b>	<b>265</b>	<b>776</b>	<b>571</b>	<b>411</b>	<b>491</b>	<b>492</b>	<b>1,314</b>	<b>806</b>	<b>507</b>		<b>5,635</b>	
<b>9. Education</b>												
9.1 Pre-primary and primary education <i>of which: under fives</i>	1,157	3,579	2,406	1,864	2,669	2,599	5,034	3,860	1,963		25,131	
<i>of which: primary education</i>	155	483	314	244	359	329	637	504	254		3,280	
9.2 Secondary education	1,002	3,096	2,092	1,619	2,310	2,270	4,397	3,357	1,709		21,851	
9.3 Post-secondary non-tertiary education	1,765	4,071	3,857	3,264	3,991	4,167	5,727	5,467	3,508		35,817	
9.4 Tertiary education	32	74	37	22	58	64	227	77	63		655	
9.5 Education not definable by level	238	563	507	398	458	190	688	645	417		4,103	
9.6 Subsidiary services to education	28	78	58	49	64	65	94	96	58		589	
9.7 R&D education	165	322	237	236	299	323	570	452	244		2,849	
9.8 Education n.e.c.	78	167	154	114	113	179	540	354	118		1,816	
<b>Total education</b>	<b>3,536</b>	<b>9,063</b>	<b>7,411</b>	<b>6,084</b>	<b>7,823</b>	<b>7,763</b>	<b>13,118</b>	<b>11,201</b>	<b>6,528</b>		<b>72,528</b>	
<b>10. Social protection</b>												
<i>of which: personal social services</i>	1,338	3,450	2,521	1,983	2,537	2,655	4,557	3,901	2,541		25,483	
10.1 Sickness and disability <i>of which: personal social services</i>	2,657	7,135	4,548	3,784	4,775	4,369	5,812	6,002	4,295		43,377	
<i>of which: incapacity, disability and injury benefits</i>	390	1,206	745	662	839	1,063	1,345	1,435	921		8,605	
10.2 Old age <i>of which: personal social services</i>	2,267	5,930	3,803	3,122	3,936	3,307	4,467	4,567	3,374		34,772	
<i>of which: personal social services</i>	5,241	13,347	9,886	8,922	10,488	11,523	10,378	17,045	11,979		98,808	
<i>of which: pensions</i>	509	1,101	894	648	796	771	1,433	1,232	852		8,238	
	4,732	12,247	8,991	8,273	9,692	10,752	8,944	15,812	11,127		90,571	

**Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2017-18 (continued)**

	National Statistics										£ million	
	Yorkshire and The Humber					West Midlands						
	North East	North West	East Midlands	East	London	South East	South West	Total England				
<b>10. Social protection continued</b>												
10.3 Survivors	52	120	86	93	37	128	106	795				
10.4 Family and children of which: <i>personal social services</i>	1,054	2,801	1,698	2,143	3,469	2,938	1,849	20,287				
of which: <i>family benefits, income support and tax credits</i>	429	1,113	649	861	1,521	1,161	736	8,111				
10.5 Unemployment of which: <i>personal social services</i>	625	1,688	1,049	1,281	1,949	1,777	1,113	12,176				
of which: <i>other unemployment benefits</i>	129	208	131	204	293	188	103	1,624				
10.6 Housing	129	208	131	204	293	188	103	1,624				
10.7 Social exclusion n.e.c. of which: <i>personal social services</i>	1,043	2,460	1,231	1,647	5,971	2,791	1,637	20,474				
of which: <i>family benefits, income support and tax credits</i>	1,568	4,401	2,330	3,102	5,017	3,333	2,339	28,010				
10.8 R&D social protection	10	31	24	21	257	73	31	528				
10.9 Social protection n.e.c.	1,559	4,371	2,305	3,081	4,760	3,260	2,308	27,482				
<b>Total social protection</b>	254	465	275	412	553	413	232	3,373				
<b>Total expenditure on Services in the English Regions</b>	<b>11,998</b>	<b>30,937</b>	<b>18,458</b>	<b>22,033</b>	<b>31,529</b>	<b>32,839</b>	<b>22,541</b>	<b>216,749</b>				
	<b>25,931</b>	<b>71,185</b>	<b>40,024</b>	<b>48,865</b>	<b>91,585</b>	<b>75,365</b>	<b>47,964</b>	<b>505,032</b>				

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

**Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2017-18**

	National Statistics							£ per head			
	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East	London		South East	South West	Total England
<b>1. General public services</b>											
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	35	39	35	38	40	46	46	43	35	40	
1.2 Foreign economic aid	—	—	—	—	—	—	—	—	—	—	
1.3 General services	10	12	7	11	16	15	15	9	8	11	
1.4 Basic research	—	—	—	—	—	—	—	—	—	—	
1.5 R&D general public services	0	0	0	0	0	0	0	0	0	0	
1.6 General public services n.e.c.	42	26	27	43	35	32	32	53	52	39	
<b>Total general public services</b>	<b>88</b>	<b>77</b>	<b>69</b>	<b>92</b>	<b>90</b>	<b>92</b>	<b>95</b>	<b>105</b>	<b>95</b>	<b>90</b>	
<b>2. Defence</b>											
2.1 Military defence	—	—	—	—	—	—	—	—	—	—	
2.2 Civil defence	0	1	0	1	0	1	1	1	0	1	
2.3 Foreign military aid	—	—	—	—	—	—	—	—	—	—	
2.4 R&D defence	—	—	—	—	—	—	—	—	—	—	
2.5 Defence n.e.c.	—	—	—	—	—	—	—	—	—	—	
<b>Total defence</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	
<b>3. Public order and safety</b>											
3.1 Police services	219	238	216	180	194	434	176	188	163	234	
of which: immigration and citizenship	—	—	—	—	—	—	—	—	—	—	
of which: other police services	219	238	216	180	194	434	176	188	163	234	
3.2 Fire-protection services	54	41	38	33	35	47	35	37	38	39	
3.3 Law courts	122	96	93	78	94	141	73	62	79	93	
3.4 Prisons	94	72	79	89	73	53	70	53	42	66	
3.5 R&D public order and safety	0	0	0	0	0	0	0	0	0	0	
3.6 Public order and safety n.e.c.	10	10	9	7	8	13	6	6	6	9	
<b>Total public order and safety</b>	<b>499</b>	<b>457</b>	<b>435</b>	<b>388</b>	<b>405</b>	<b>689</b>	<b>361</b>	<b>346</b>	<b>329</b>	<b>441</b>	
<b>4. Economic affairs</b>											
4.1 General economic, commercial and labour affairs	117	104	92	94	109	147	83	89	80	103	
4.2 Agriculture, forestry, fishing and hunting	73	47	78	76	45	10	74	47	106	57	
of which: market support under CAP	39	23	40	52	32	1	50	26	65	33	
of which: other agriculture, food and fisheries policy	33	24	36	23	13	9	24	21	40	23	
of which: forestry	1	1	1	1	1	0	1	1	2	1	
4.3 Fuel and energy	16	10	11	13	10	9	10	11	11	11	
4.4 Mining, manufacturing and construction	15	8	2	42	1	37	25	120	57	39	

**Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2017-18 (continued)**

	National Statistics										£ per head	
	Yorkshire and The Humber					West Midlands						
	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East	London	South East	South West	Total England		
<b>4. Economic affairs continued</b>												
4.5 Transport	320	528	315	245	412	402	1,019	370	290	475		
of which: national roads	55	65	62	57	68	113	3	94	39	61		
of which: local roads	91	182	82	72	76	104	31	56	86	85		
of which: local public transport	21	26	28	24	18	13	140	11	17	38		
of which: railway	141	243	132	79	233	160	834	200	140	279		
of which: other transport	12	13	11	13	16	12	11	9	8	11		
4.6 Communication	—	—	—	—	—	—	—	—	—	—		
4.7 Other industries	2	2	2	1	1	1	4	2	2	2		
4.8 R&D economic affairs	67	59	63	74	66	81	67	75	78	70		
4.9 Economic affairs n.e.c.	6	6	5	6	6	6	6	6	6	6		
<b>Total economic affairs</b>	<b>616</b>	<b>764</b>	<b>568</b>	<b>550</b>	<b>650</b>	<b>683</b>	<b>1,300</b>	<b>720</b>	<b>630</b>	<b>763</b>		
<b>5. Environment protection</b>												
5.1 Waste management	75	416	77	69	68	94	90	105	115	132		
5.2 Waste water management	—	—	—	—	—	—	—	—	—	—		
5.3 Pollution abatement	1	1	1	1	1	2	1	2	1	1		
5.4 Protection of biodiversity and landscape	3	4	7	8	6	3	1	3	5	4		
5.5 R&D environment protection	8	8	8	8	8	8	8	8	8	8		
5.6 Environment protection n.e.c.	25	21	30	17	19	41	27	24	30	26		
<b>Total environment protection</b>	<b>113</b>	<b>450</b>	<b>122</b>	<b>102</b>	<b>102</b>	<b>149</b>	<b>127</b>	<b>141</b>	<b>159</b>	<b>171</b>		
<b>6. Housing and community amenities</b>												
6.1 Housing development	69	34	71	54	57	53	222	58	47	81		
of which: local authority housing	55	20	57	39	43	38	222	41	33	68		
of which: other social housing	14	14	14	14	14	14	1	17	14	12		
6.2 Community development	61	50	73	42	39	33	59	43	34	48		
6.3 Water supply	0	0	0	0	0	0	0	0	0	0		
6.4 Street lighting	26	16	16	13	17	15	12	13	9	14		
6.5 R&D housing and community amenities	—	—	—	—	—	—	—	—	—	—		
6.6 Housing and community amenities n.e.c.	2	2	2	2	2	2	3	2	2	2		
<b>Total housing and community amenities</b>	<b>159</b>	<b>103</b>	<b>162</b>	<b>110</b>	<b>115</b>	<b>103</b>	<b>297</b>	<b>116</b>	<b>92</b>	<b>145</b>		

**Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2017-18 (continued)**

	National Statistics										£ per head
	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East	London	South East	South West	Total England	
<b>7. Health<sup>(1)</sup></b>											
Medical services	2,292	2,275	2,041	1,852	2,099	1,863	2,579	1,865	1,940	2,100	
Health research	26	26	24	26	24	28	49	31	25	30	
Central and other health services	38	38	38	38	38	38	38	38	38	38	
<b>Total health</b>	<b>2,356</b>	<b>2,338</b>	<b>2,103</b>	<b>1,915</b>	<b>2,160</b>	<b>1,929</b>	<b>2,665</b>	<b>1,933</b>	<b>2,002</b>	<b>2,168</b>	
<b>8. Recreation, culture and religion</b>											
8.1 Recreational and sporting services	32	44	42	37	32	32	42	40	30	37	
8.2 Cultural services	62	56	57	42	46	40	98	41	54	56	
8.3 Broadcasting and publishing services	4	5	4	4	4	6	6	5	5	5	
8.4 Religious and other community services	0	1	-	2	-1	1	1	1	0	1	
8.5 R&D recreation, culture and religion	1	1	1	1	1	1	1	1	1	1	
8.6 Recreation, culture and religion n.e.c.	1	1	1	1	1	1	1	1	1	1	
<b>Total recreation, culture and religion</b>	<b>100</b>	<b>107</b>	<b>105</b>	<b>86</b>	<b>84</b>	<b>80</b>	<b>149</b>	<b>89</b>	<b>91</b>	<b>101</b>	
<b>9. Education</b>											
9.1 Pre-primary and primary education	437	493	442	391	455	421	570	425	353	452	
of which: under fives	59	67	58	51	61	53	72	55	46	59	
of which: primary education	379	427	384	339	394	368	498	370	307	393	
9.2 Secondary education	667	561	708	684	681	676	649	602	631	644	
9.3 Post-secondary non-tertiary education	12	10	7	5	10	10	26	8	11	12	
9.4 Tertiary education	90	78	93	83	78	31	78	71	75	74	
9.5 Education not definable by level	11	11	11	10	11	10	11	11	10	11	
9.6 Subsidiary services to education	62	44	44	50	51	52	65	50	44	51	
9.7 R&D education	29	23	28	24	19	29	61	39	21	33	
9.8 Education n.e.c.	28	29	28	29	29	29	27	28	28	28	
<b>Total education</b>	<b>1,337</b>	<b>1,249</b>	<b>1,360</b>	<b>1,275</b>	<b>1,335</b>	<b>1,258</b>	<b>1,486</b>	<b>1,234</b>	<b>1,174</b>	<b>1,304</b>	
<b>10. Social protection</b>											
of which: personal social services	506	475	463	416	433	430	516	430	457	458	
10.1 Sickness and disability	1,005	983	834	793	815	708	659	661	773	780	
of which: personal social services	147	166	137	139	143	172	152	158	166	155	
of which: incapacity, disability and injury benefits	857	817	698	654	672	536	506	503	607	625	
0.2 Old age	1,982	1,839	1,814	1,870	1,789	1,868	1,176	1,877	2,155	1,777	
of which: personal social services	193	152	164	136	136	125	162	136	153	148	
of which: pensions	1,789	1,687	1,650	1,734	1,654	1,743	1,013	1,741	2,002	1,628	



**Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2017-18 (continued)**

	National Statistics										£ per head	
	Yorkshire and The Humber					West Midlands						
	North East	North West	East Midlands	East of England	London	South East	South West	Total England				
<b>10. Social protection continued</b>												
10.3 Survivors	19	17	18	16	4	14	19	14	4	13	14	14
10.4 Family and children	398	386	356	388	393	324	333	365	393	334	324	365
of which: personal social services	162	153	136	149	172	128	132	146	172	125	128	146
of which: family benefits, income support and tax credits	236	233	220	240	221	196	200	219	221	209	196	219
10.5 Unemployment	49	29	27	40	33	21	19	29	33	21	21	29
of which: personal social services	—	—	—	—	—	—	—	—	—	—	—	—
of which: other unemployment benefits	49	29	27	40	33	21	19	29	33	21	21	29
10.6 Housing	394	339	258	326	677	307	295	368	677	289	307	368
10.7 Social exclusion n.e.c.	593	606	488	571	568	367	421	504	568	418	367	504
of which: personal social services	4	4	5	5	29	8	6	9	29	8	8	9
of which: family benefits, income support and tax credits	589	602	483	565	539	359	415	494	539	409	359	494
10.8 R&D social protection	—	—	—	—	—	—	—	—	—	—	—	—
10.9 Social protection n.e.c.	96	64	58	79	63	46	42	61	63	49	46	61
<b>Total social protection</b>	<b>4,536</b>	<b>4,262</b>	<b>3,868</b>	<b>4,025</b>	<b>3,573</b>	<b>3,616</b>	<b>4,055</b>	<b>3,897</b>	<b>3,573</b>	<b>3,701</b>	<b>3,616</b>	<b>3,897</b>
<b>Total Expenditure on Services in the English Regions</b>	<b>9,805</b>	<b>9,807</b>	<b>8,388</b>	<b>8,967</b>	<b>10,378</b>	<b>8,299</b>	<b>8,628</b>	<b>9,080</b>	<b>10,378</b>	<b>8,359</b>	<b>8,299</b>	<b>9,080</b>

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

# A

## Sources, data quality and conventions

---

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

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

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

### Sources of data

#### Central government and public corporations data

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

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

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

**A.4** Departments and devolved administrations can maintain up to ten years of live data depending on the year of the latest Spending Review. For PESA 2019 departments maintained the years 2014-15 to 2019-20. This involves:

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

---

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

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

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

## Local government data

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

## National Accounts aggregates

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

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

Two points worth noting are:

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

## Classification of the Functions of Government (COFOG)

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

**A.9** All departments and the devolved administrations are reporting data against COFOG level 2, with two notable exceptions. Both the Department of Health and Social Care and the Welsh Government are currently unable to report the health function on this basis as the NHS for these bodies is neither financed nor organised along the lines of COFOG level 2. The health sub-functional analysis is therefore presented against Treasury defined sub-functions.

## Data quality

**A.10** Departments (including agencies and ALBs) and devolved administrations aim to produce good quality data for internal management and control, as well as for external reporting via audited accounts. They also seek to ensure that the data they feed into OSCAR are of high quality. Several outputs directly relevant to Whitehall departments' operations and reporting are derived from OSCAR, including Supply Estimates and tables published in Departmental Reports.

**A.11** While Whitehall departments have clear incentives to ensure accurate data is reported on OSCAR, a number of factors can adversely affect data quality:

- complexity of the public expenditure system: data needs to be coded so that a wide range of outputs can be produced against a number of frameworks. Some data will be miscoded;
- although comprehensive guidance is made available, those recording data sometimes need to apply judgement to determine the right coding. Views on the right judgement to make may differ;
- while the budget-based numbers in PESA (for example in **Chapter 1**) are key control totals for departments and devolved administrations that are closely monitored, some of the economic category and sub-functional analyses do not appear in departmental outputs so may be less robust. The devolved administrations do not draw outputs directly from the Treasury's database; and
- the need to keep compliance costs down means that some data disaggregation is not justifiable.

**A.12** The Department for Education (DfE) continue to make efforts to improve the data underlying their budgetary aggregates. This includes expenditure listed by function (**chapters 4 and 5**) and on local government grants (**chapter 7**). While DfE and HMT have engaged in quality assurance on these data, due to the number of academies continuing to move between the local government and central government sectors further work is needed to provide consistent information across outturn and plans years. A programme of work at DfE and with academies is in place to further develop this data and improvements will be made in future editions of PESA.

**A.13** The aim of PESA is to provide a broad picture of where public expenditure goes. As a general rule, the more detailed the presentation, the less accurate the attribution to lower level categories. Small differences in numbers should not be taken as significant. We present many figures to the nearest £1m to prevent users from introducing rounding errors.

## Revisions policy

**A.14** The data in all PESA tables are open for revision to ensure that the latest data are published. Long-run data are published on a consistent classification basis, as far back as possible. The main data updates that will be included through the year are as follows:

- May – updated outturn for central government departments;
- July – Public Spending Statistics (PSS) comprising provisional outturn for central government (Whitehall) departments and PESA including revised spending plans consistent with the Budget;
- November – final outturn for central government (Whitehall) departments and provisional outturn for local government – updated Country and Regional Analysis (CRA); and
- February – final outturn for local government and Devolved Administrations;

**A.15** Further information on significant revisions since PESA 2018 is provided in chapter text.

**A.16** Where we discover errors after the production of PESA 2019 we will take the following action:

- minor errors will be corrected at the next National Statistics update or the next edition of PESA; and
- larger errors will lead to the publication of revised tables on the Treasury's website together with an explanatory note.

## Coverage of public bodies

**A.17** PESA generally aims to include the expenditure of all bodies classified to the public sector by the Office for National Statistics (ONS). However, when new public bodies are set up, or when bodies are reclassified to, or within, the public sector, there may be a delay before data are recorded in a way that allows their inclusion in PESA. The following explains where the PESA 2019 treatment differs from the ONS classification:

- The **Financial Services Compensation Scheme (FSCS)** and the **Financial Conduct Authority (FCA)** are classified by the ONS to the public sector but are not currently incorporated within the budgeting framework. While the spending of these bodies is not included within PESA, the Treasury loans to the FSCS are shown as payments to the private sector to reflect their ultimate destination;
- Banks classified to the public sector by the ONS (**Royal Bank of Scotland**) are treated in PESA as part of the private sector. More detail on the treatment of this support in the budgeting framework is set out in **Chapter 2**.

## Treatment of certain transactions in PESA

### The Private Finance Initiative

**A.18** The private finance initiative (PFI) is a means of procuring capital-intensive services. Instead of the public sector being responsible, for example, for building and maintaining a school building, the public sector contracts with the private sector for the provision of serviced school premises. The government entity that is purchasing services pays a single unitary charge to the PFI provider for as long as the services are provided to the required standard.

**A.19** PFI deals may be on or off the Government's balance sheet depending upon where the balance of risks in the project lies. For the period that this publication covers, independent public sector auditors take the balance sheet decision based on GAAP principles, and this decision is also normally used by the ONS for the National Accounts. If the project is on the Government's balance sheet, the capital expenditure is treated as part of public sector capital expenditure. If the project is off the Government's balance sheet, then the capital expenditure is considered to be undertaken by the private sector, with the unitary charge adding to public sector current expenditure.

**A.20** For on-balance sheet projects, PESA includes:

- the capital expenditure imputed to the public sector;
- the service and debt interest elements of the unitary charge; and
- the depreciation on the imputed asset.

**A.21** For off-balance sheet projects, where the asset economically as well as legally belongs to the private sector, PESA includes the whole general government payment of unitary charges as payments for services.

## Financial sector interventions

**A.22** In December 2009 the ONS created an alternative measure of Public Sector Net Borrowing (PSNBex). This treated the classification of banks to the public sector (Northern Rock, Bradford & Bingley, Dunfermline, Lloyds Banking Group and Royal Bank of Scotland) as temporary, reflecting the Government's intention to return these banks to the private sector. As a result, these institutions are treated as if they are outside the public sector. Only Royal Bank of Scotland is still classified to the public sector.

**A.23** In the budgeting tables, the support still scores within the HM Treasury Annually Managed Expenditure (AME) budget. All support to financial sector institutions is central government own spending.

**A.24** The expenditure on services tables reflects the impact of this support on public spending in the National Accounts, i.e. on Total Managed Expenditure within PSNBex. The only transactions that are treated as spending within this measure are:

- the element of the share purchase that the ONS have classified as a capital grant;
- the element of depositor compensation over and above their statutory entitlements; and
- fees received from underwriting commission and credit guarantee scheme income.

**A.25** Other transactions do not generally have an impact on Total Managed Expenditure, nor therefore on the expenditure on services tables, because:

- they take the form of financial transactions, such as loans or share purchases, which do not constitute spending (as one asset is exchanged for another); or
- they are offset by recoveries imputed in the National Accounts, such as for liabilities borne by the FSCS.

## Consistency with other publications

### Previous editions of PESA

**A.26** Data in previous editions of PESA may not be directly consistent with PESA 2019 due to changes in data coverage and classification changes. Details of the main budgetary classification changes are shown in **Annex C**. Readers are therefore strongly advised against simply splicing together data in different editions of PESA. The summary analysis in **Chapter 4** incorporates historical data adjusted to current definitions in order to show trends over a longer period.

### Public Sector Finance Statistics

**A.27** Total Managed Expenditure (TME) and its sectoral components are consistent with the joint ONS/Treasury Public Sector Finance Statistics monthly release published on 28 June 2019.

## Conventions

### Rounding

**A.28** The figures in this publication are generally shown to the nearest £1 million.

**A.29** In all chapters dashes in the tables show that there are no data, while zeros show that there are data that round to 0.

**A.30** Figures in tables may not sum due to rounding.

### **Real terms figures**

**A.31** A number of the tables in this publication give figures in real terms or as a percentage of GDP. Real terms figures are the current price outturns or plans adjusted to a constant price level by excluding the effect of general inflation as measured by the GDP deflator at market prices. The real terms figures in this publication are given in 2018-19 prices. The GDP data used in this publication are those given in **Annex F**.

### **Use of accruals data in tables**

**A.32** All data are presented on an accruals basis except in the long run tables covering years before 1998-99 (which contain some cash data).

# B

## Departmental Groups

**B.1** A number of tables in this publication present analyses by department. Rather than showing figures for all individual government departments separately, departments are grouped together. These groupings are set out below.

**B.2** This presentation is consistent with Spending Review 2015 and Budget 2018 documents.

<b>Title</b>	<b>Departments included</b>
Defence	Ministry of Defence
Single Intelligence Account	Single Intelligence Account
Home Office	Home Office
Foreign and Commonwealth Office	Foreign and Commonwealth Office
International Development	Department for International Development
Health and Social Care	Department of Health and Social Care (inc NHS)
Work and Pensions	Department for Work and Pensions
Education	Department for Education Office of Qualifications and Examinations Regulation (Ofqual)
Business, Energy and Industrial Strategy	Department for Business, Energy and Industrial Strategy
Transport	Department for Transport
Exiting the European Union	Department for Exiting the European Union
Digital, Culture, Media and Sport	Department for Digital, Culture, Media and Sport
MHCLG – Housing and Communities	Housing and Communities part of Ministry of Housing, Communities and Local Government
MHCLG – Local Government	Local Government part of Ministry of Housing, Communities and Local Government (mainly grants to English local authorities and the Greater London Authority)
Scotland	Scottish Government
Wales	Welsh Government
Northern Ireland	Northern Ireland Executive
Justice	Ministry of Justice
Law Officers' Departments	The Crown Prosecution Service Serious Fraud Office HM Procurator General and Treasury Solicitor
Environment, Food and Rural Affairs	Department for Environment, Food and Rural Affairs
HM Revenue and Customs	HM Revenue and Customs
HM Treasury	HM Treasury
Cabinet Office	Cabinet Office
International Trade	Department for International Trade



Title	Departments included
Small and Independent Bodies	Charity Commission Competition and Markets Authority Electoral Commission Export Credits Guarantee Department Food Standards Agency Government Actuary's Department House of Commons House of Lords Independent Parliamentary Standards Authority Local Government Boundary Commission for England National Audit Office National Savings and Investment Northern Ireland Office Office for Standards in Education, Children's Services and Skills. Office of Gas and Electricity Markets Office of Rail and Road Office of the Parliamentary Commissioner for Administration and Health Service Commissioners for England Scotland Office and Office of the Advocate General Statistics Board The National Archives United Kingdom Supreme Court Wales Office Water Services Regulatory Authority



# Public expenditure budgeting and control aggregates

---

**C.1** This annex describes the budgeting and control regime under the current resource budgeting framework that was first introduced for the 2002 Spending Review (full resource budgeting) and that has been modified since then.

**C.2** Departments have separate resource and capital budgets. These are split into Departmental Expenditure Limits (DEL) and departmental Annually Managed Expenditure (AME). Within DEL there are separate control totals for capital and resource DEL budgets; and within resource DEL there is a further control total for administration budgets and a ring-fence for depreciation. In addition to departmental AME, other AME covers spending that is not tied to a departmental budget. DEL plus AME, including accounting adjustments, sum to Total Managed Expenditure (TME), an aggregate that is drawn from National Accounts.

## Resource budgeting

**C.3** In 2003-04 the Government completed its staged move to a full resource basis for financial reporting and control. Since this point, budgets have been set and monitored in resource terms, as described below.

**C.4** There are separate departmental budgets for resource (i.e. current) and capital expenditure. These are also laid out in more detail below.

## Resource budget

**C.5** The **resource budget** controls the current expenditure of a department and largely follows the contents of resource accounts. Resource accounts are prepared in accordance with the Government Financial Reporting Manual, which follows International Financial Reporting Standards (IFRS) with such adaptations as are necessary for the public sector.

**C.6 Resource budgets** measure expenditure when it accrues rather than when the cash is spent. They do not include, as an in-year cost, prepayments for goods and services not consumed in that year but they will include resources consumed but paid for in later years or where pre-financed in earlier periods. Stock consumption scores in the resource budget whereas spending on adding to stocks does not. They include non-cash costs such as movements in provisions and charges for bad debts. Resource budgets record the cost of lending to students on the basis of an assessment of the subsidy implied in the low interest rate charged and the bad debt provision that is required. The annual resource cost to departments of the assets they use to deliver services is also included in resource budgets. This cost is in the form of charges for capital consumed in that year (depreciation).

**C.7** The resource (DEL) budget includes all administration costs of central government departments such as pay and employer pension contributions or superannuation charges paid to unfunded public service pensions schemes. It also includes most of departments' other purchases of services. It includes current grants and subsidies paid to the private sector.

**C.8** The resource budgets for the Department for International Development (DfID) and the Foreign and Commonwealth Office (FCO) include an attributed share of the EU's expenditure on overseas aid and the Common Foreign and Security Policy.

**C.9 Arms Length Bodies** – resource and capital budgets include the expenditure of most arms length bodies (ALBs) classified to the central government sector.

**C.10 Public Corporations** are budgeted for on an external finance basis. Resource budgets include subsidies paid to, and dividends and interest received from, all public corporations sponsored by a department. Capital grants, lending to public corporations, and private sector borrowing by public corporations are in the capital budget.

**C.11 Central government support for local government** – the resource budget scores current grants to local government. Capital support scores in capital budgets. More information on local government is in **Chapter 7**.

## Capital budget

**C.12 Capital budgets** include expenditure on fixed capital assets, capital grants and the acquisition of certain financial assets acquired or sold for policy reasons. Capital budgets include capital expenditure financed by finance leases and on balance sheet Private Finance Initiative transactions. Capital budgets are set net of the sale value of receipts from the sale of capital assets.

**C.13** In resource accounts proceeds from sales of assets are split between the book value and any profit/loss on disposal. Receipts relating to the book value are recorded in capital budgets. The profit/loss on disposal is recorded in the resource budget.

**C.14** Capital budgets generally include loans on a net basis, i.e. new loans issued *less* repayments of loan principal. Large (over £20m) prepayments and debtors score in capital budgets if they last more than 12 months.

**C.15 Central government support for local government** – current grants score in resource budgets. Capital grants (also called Supported Capital Expenditure (Capital) in England and Wales) score in capital budgets. Capital budgets also include amounts for local authority borrowing where central government has agreed to fund the resultant loan charges. These credit approvals are known as Supported Capital Expenditure (Revenue) in England and Wales, and supported borrowing in Scotland. More information on local government is in **Chapter 7**.

## Resource and capital budgets – summary table

**C.16** This table summarises the main standard contents of resource and capital budgets:

	Resource budget	Capital budget
<b>Department's own transactions</b>	Pay, current purchases, grants to individuals, subsidies Depreciation and impairments on the department's assets Take-up of provisions, movement in value of provisions and utilisation of provisions Bad debts Loss on sale of fixed assets Less income from sales of goods and services Less release of provisions Less profit on sale of fixed assets	Expenditure on new fixed assets Less book value sale proceeds of fixed assets Net lending to the private sector Investment grants to the private sector
<b>ALB transactions</b>	As the department	As the department
<b>Local government</b>	Current grants to local government	Capital grants to local government Credit approvals
<b>Public corporations on an external finance basis</b>	Subsidies paid to public corporations Less interest and dividends received from public corporations	Investment grants paid to public corporations Net lending to public corporations (including equity withdrawals from public corporations) Public corporations' market and overseas borrowing

## Departmental Expenditure Limits

**C.17** Around half of public expenditure (TME) by value is in DEL. But because AME includes a small number of large programmes, by far the majority of public expenditure programmes are in DEL. The main programmes in AME are set out later in this section.

**C.18** DELs are set for three or four years in a Spending Review. They represent firm plans for departmental spending that may only be increased in exceptional circumstances with the Treasury's agreement through a claim on the DEL Reserve. Departments may carry forward some unspent DEL from one year to the next with the agreement of Treasury under the system of Budget Exchange.

**C.19** DEL is net of certain receipts, mainly from sales of goods and services, asset sales, dividends, interest, rent of land and income from the European Union. It is also net of certain taxes, levies and fines where exceptionally the Chief Secretary to the Treasury has given specific agreement for a department to retain them in their DEL.

**C.20** DEL includes a Reserve to meet unexpected needs. When sums are allocated from the Reserve, individual departments' DELs are increased and the Reserve line reduced by the same amount.

**C.21 Public corporations** – most transactions in respect of public corporations score in DEL but those in respect of self-financing public corporations score in departmental AME (except where they receive grants and subsidies, which would score in DEL).

**C.22 Total DEL** is not a control total but a standard way of presenting the sum of current and capital spending in DEL. Total DEL is defined as resource DEL excluding depreciation *plus* capital DEL. Depreciation here includes impairments (including Student Loan provisions) and the release of the donated assets and government grant reserves.

## Annually Managed Expenditure

**C.23** The following text describes the components of AME, which for the purposes of PESA is divided into departmental AME and other AME. The items in bold correspond to the row names of **Table 1.1**.

### Departmental Annually Managed Expenditure

**C.24** Departmental AME programmes are set out in departmental reports. A programme is included in AME if it cannot reasonably be subject to firm three-year limits as for DEL. Typically this is where the programme expenditure is demand-led, volatile, and large in relation to the size of the department. But those are neither necessary nor sufficient conditions for inclusion in AME. Discretionary new spending programmes are always in DEL except where a special case can be made to demonstrate that treatment as AME is likely to deliver better control of expenditure.

**C.25** The main programmes in departmental AME are:

- social security benefits;
- tax credits for individuals;
- net lending to students;
- BBC domestic services;
- net public service pensions; and
- expenditure financed by the proceeds of the national lottery.

**C.26 Social security benefits** – includes payments of social security and National Insurance benefits by the Department for Work and Pensions (DWP) and the Northern Ireland Department for Communities. It includes central government support for certain social security benefits paid by local government, such as Housing Benefit. It includes payments by DWP to the BBC in respect of free television licences for the over-75s.

**C.27 Tax credits** – Until PESA 2011 tax credits in HMRC's AME did not include negative tax (i.e. where the amount paid is less than or equal to the tax liability of the household). In this PESA all tax credits are included in departmental AME, increasing departmental AME by approximately £5bn to £6bn per year. This aligns to the way tax credits appear in resource accounts.

**C.28 Student loans** – the transactions of loan principal score in capital departmental AME while resource departmental AME contains interest receivable and certain non-cash transactions. Resource DEL scores the changes in the impairment recognised by the issuing departments in their resource accounts.

**C.29 BBC domestic services** – the expenditure of the BBC on domestic broadcasting scores in departmental AME. Certain trading operations of the BBC are treated as self-financing public corporations in AME.

**C.30 Net public service pensions** – this line scores the majority of the operating costs, net of income, for the main public service unfunded pension schemes. Operating costs are measured under International Accounting Standard 19 (IAS 19) as amended for the public sector. The main schemes are those for NHS staff, the civil service, teachers and the armed forces. This line comprises an assessment of the increase in the liability relating to current employees *less* relevant receipts. It does not include an amount for the unwinding of the discount rate, which is shown as part of the non-cash items in AME.

**C.31** All the major unfunded pension schemes follow IAS 19 to report any increase (or decrease) in liabilities accrued in the period. In broad terms, there is a charge (or benefit) shown in this row equal to the gross increase in the provision that impacts on the operating statement of the scheme (excluding the unwinding of the discount rate) less pension contributions receivable from employers and employees, and less other income.

**C.32** Note that there may be several reasons for a difference in the level of contributions and the IAS 19 charge. In particular, calculations of contributions and of the IAS 19 charge use different discount rates and different actuarial methodologies. In addition, contribution rates are revised only every three or four years, after full actuarial valuations, so the contribution rate is set to reflect previous over- and under-assessment of contributions due to scheme-specific experience on issues such as pay and demography.

**C.33** Cash payments of members' continuing pensions, lump sums, spouses' benefits and similar payments, and bulk and individual transfers out, are all normally charged directly to the pension provision shown on the balance sheet. This means that they do not impact on the cost of the scheme as measured in this line, because the obligation to pay the pension had been recognised as adding to liabilities by an increase in the pension provision when the right to the pension accrued. However, if any cash payment is made that is not covered by a previously recognised liability then that payment would score in this AME line.

**C.34** Relevant receipts include employers' contributions (including accruing superannuation liability charges such as those paid by departments to the Principal Civil Service Pension Scheme), employees' contributions for ordinary pensions (including widows'/widowers' pensions) and for added years, and receipts of bulk and individual transfers in.

**C.35** This line does not reflect changes to the pension provision on the balance sheet resulting from changes in the actuarial assumptions made about the future (for example life expectancy, pay growth, inflation etc). Such changes result in the cost of providing already accrued pensions being higher (or lower) than previously thought. So if, for example, pensioners are living longer than previously thought then the overall liability of a scheme will rise. The effects of these changes are shown in a separate statement (Statement of Recognised Gains and Losses) in the pension schemes' resource accounts and do not score in budgets.

**C.36** For simplicity, and because of the immateriality of the amounts, some small unfunded schemes may report the difference between the cash paid out during the year and any contributions received.

**C.37** Note that this line does not cover:

- pension schemes with a real pensions fund, such as local government and most public corporations' pension schemes;
- the schemes for police officers and fire-fighters, which although unfunded are run by local government, and whose costs are therefore in local government expenditure; and
- pensions of some ALBs and other offices in the central government sector which operate their own pay-as-you-go pensions schemes and which are in DEL, generally on an IAS 19 basis.

**C.38** C.39 Future payments of pensions are discounted in order to obtain the value of the liability in today's terms. Each year, future payments come a year closer and so the effects of discounting are reduced. That unwinding of the discount rate is a cost that is recognised in the accounts. In budgets, the amount for the unwinding of the discount rate on the liability is part of the **non-cash items** row.

**C.39** The amount for the unwinding of the discount rate can be seen as loosely equivalent to the amount of interest the government would have had to pay if the schemes had been funded, and is sometimes referred to as interest on scheme liabilities (note that the discount rate is set in accordance with IFRS principles as endorsed by the Financial Reporting Advisory Board and is not automatically a gilt rate). So this item reflects the fact that the schemes are unfunded. Showing this item in the non-cash items row separates out the costs that the government bears as employer from guaranteeing the schemes (which are the costs in the net public service pensions row) from the notional costs that result because the schemes are unfunded.

**C.40** The cost of pension schemes as measured on an IFRS basis does not impact directly on TME or the other fiscal aggregates. **Annex D** explains how the IFRS measures for the main public service pension schemes in departmental AME can be reconciled to their impact on TME, and this is shown in detail in **Table D.1**.

**C.41** The overall change over the year in the schemes' balance sheet pensions liability measured on an IFRS basis is normally given by:

- current service cost and other pension costs (e.g. liabilities transferred in);
- *plus* unwinding of the discount rate;
- *less* pensions paid out;
- *plus or less* changes in actuarial assumptions and other balance sheet adjustments.

**C.42** With the exception of the last item, which is not an expenditure or budget item, figures for the components listed above are shown in **Table D.1**.

**C.43** Expenditure on services includes the cost of public service pensions on a TME basis in the social protection function.

**C.44 National Lottery** – expenditure on good causes funded from the proceeds of the National Lottery is in this line. The Big Lottery Fund was officially established by Parliament on 1 December 2006 and at the same time assumed the residual responsibilities of the dissolved National Lottery Charities Board (Community Fund), the New Opportunities Fund and the Millennium Commission. The Big Lottery Fund rolls out grants to health, education, environment and charitable causes across the UK.

**C.45 Non-cash items** include:

- large, demand-led non-cash items that could not reasonably be included in DEL budgets, such as provisions for nuclear decommissioning liabilities and the increase in the liability of public service pensions schemes due to the unwinding of the discount rate; and
- non-cash items in respect of departmental AME programmes.

**C.46 Financial sector interventions** – includes all transactions that relate to the support provided by the Treasury to financial institutions since 2008-09. The underlying components are set out in **Box 2.A** in **Chapter 2**.

**C.47** Other departmental expenditure includes:

- transactions in respect of Self-Financing Public Corporations;
- Export Credits Guarantee Department (part);
- expenditure on tax credits for companies (research and development for Small and Medium Enterprises, contaminated land clearance) and charities calculated on an OECD basis, which reflects payments in excess of tax liability;

- HM Revenue and Customs (HMRC) payments in respect of Child Trust Funds;
- rates paid on behalf of embassies, net of beneficial portion receipts;
- Housing Subsidy in England and Wales, and Housing Support Grant in Scotland;
- Redundancy Payments Scheme;
- coal health liabilities;
- adjustments to prior years' National Non-Domestic Rates (NNDR) collection;
- support to local government in respect of police officers' and fire-fighters' pension schemes;
- debt repayment grants to local authorities;
- expenditure of certain levy-funded bodies; and
- acceptances of artworks in lieu of Inheritance Tax.

## Other Annually Managed Expenditure

**C.48 Locally Financed Expenditure (LFE)** – this line comprises the following items:

- Local Authority Self-Financed Expenditure (LASFE) in the UK;
- expenditure financed from the product of the Scottish Non-Domestic Rates;
- expenditure financed from the product of the Welsh Non-Domestic Rates and
- central government expenditure financed from the product of Northern Ireland Regional Rates (NIRR) and from borrowing from the National Loans Fund under the Re-investment & Reform Initiative (RRI).

**C.49** LASFE is that part of total local authority expenditure not met by central government support. Its largest single financing component is the product of the Council Tax. Other components include the surpluses of trading activities, interest receipts, unsupported borrowing and the use of reserves.

**C.50** Northern Ireland Regional Rates (NIRR) are set by the central government in Northern Ireland and can be used to finance any public sector expenditure within Northern Ireland. By convention it is treated in PESA as locally financed central government expenditure. The product of NIRR is treated as a transfer from AME into DEL, so this means that DEL is set net of the product of the NIRR.

**C.51** Expenditure financed by borrowing from the National Loans Fund under the RRI is shown under LFE because the loans will be serviced and repaid out of the product of the NIRR.

**C.52 Net expenditure transfers to the European Union** – Plans data in 2019-20 are taken directly from the OBR's March 2019 Forecast. The OBR will revise their forecast in Budget 2019. Transactions with the institutions of the European Union are shown in **Table C.1** and comprise the following concepts:

- net expenditure transfers to the European Union;
- net payments to EU institutions; and
- the net contribution to the EU budget.



**C.53** The TME effect of EU membership is therefore given by:

- GNI-based contributions
- *Plus* VAT-based payments to the EU
- *less* the UK's abatement and
- *less* an amount in respect of the cost of collecting Traditional Own Resources.

**Table C.1 Transactions with the institutions of the European Union, 2014-15 to 2019-20**

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans <sup>(1)</sup>
GNI based contribution	14,154	12,570	11,440	11,761	14,606	14,732
UK abatement	-4,811	-4,068	-4,757	-4,547	-4,846	-4,319
VAT-based payments to the EU <sup>(2)</sup>	2,316	2,751	2,477	2,974	3,138	3,001
<b>Net expenditure transfers to the EU</b>	<b>11,658</b>	<b>11,253</b>	<b>9,160</b>	<b>10,188</b>	<b>12,899</b>	<b>13,415</b>
Receipts to cover collection costs in respect of collecting Traditional Own Resources (TOR) <sup>(3)</sup>	-743	-771	-357	-698	-664	-675
<b>to give contribution to TME <sup>(2)</sup></b>	<b>10,915</b>	<b>10,482</b>	<b>8,803</b>	<b>9,490</b>	<b>12,234</b>	<b>12,740</b>
TOR <sup>(3)</sup>	3,006	3,085	3,366	3,413	3,304	3,375
<b>Gross contribution to the EU budget</b>	<b>13,921</b>	<b>13,567</b>	<b>12,169</b>	<b>12,903</b>	<b>15,538</b>	<b>16,114</b>
Public sector EU receipts <sup>(4)</sup>	-4,690	-2,811	-4,081	-4,130	-4,360	-5,147
<b>Net contributions to the EU budget</b>	<b>9,231</b>	<b>10,756</b>	<b>8,088</b>	<b>8,773</b>	<b>11,178</b>	<b>10,967</b>
<i>less</i> Other attributed costs <sup>(5)</sup>	-	-	-	-	-	-
<b>Net payments to EU institutions</b>	<b>9,231</b>	<b>10,756</b>	<b>8,088</b>	<b>8,773</b>	<b>11,178</b>	<b>10,967</b>

<sup>(1)</sup> Consistent with forecasts published by the OBR in March 2019.

<sup>(2)</sup> VAT-based payments to the EU are included in the TME subtotal, reflecting changes in the European System of Accounts 2010.

<sup>(3)</sup> TOR comprises customs duties (including those on agricultural products) and sugar levies.

<sup>(4)</sup> Receipts are shown here on a cash basis. EU receipts in budgets are on an accruals basis.

<sup>(5)</sup> The UK's contribution to the cost of EU aid to states outside the EU is attributed to departmental budgets.

**C.54 Public Corporations' Own-Financed Capital Expenditure** – this line comprises the capital expenditure of public corporations net of any capital grants or loans given by its parent department and net of public corporations' market and overseas borrowing where that scores to departmental budgets.

**C.55** This line also includes the whole amount of capital expenditure of public corporations accountable to local government, whether own-financed or supported by local government: an accounting adjustment removes local government support to public corporations to avoid this spending being double counted.

**C.56 Central government debt interest** – this line includes interest paid to the private sector and overseas, but not interest paid to other parts of the public sector. The capital uplift on index-linked gilts is scored as interest at the time it accrues. This line includes the amortisation of discounts/premia on gilts at issue.

**C.57 Accounting adjustments** are described in **Annex D**.

## Total Managed Expenditure

**C.58** Total Managed Expenditure (TME) is an aggregate drawn from National Accounts. It covers the current and capital expenditure of the public sector, net of some receipts. It therefore includes expenditure of central and local government and also the capital expenditure of public corporations. TME excludes grants and interest payments between parts of the public sector (as it is a consolidated measure) as well as all financial transactions (such as lending). So TME is the expenditure side of the equation that gives public sector net borrowing, a measure of the fiscal stance.

**C.59** As in **Table 1.1**, TME can be shown to equal Total DEL + AME (including accounting adjustments).

**C.60** In addition, TME may be expressed as the sum of:

- public sector current expenditure;
- public sector net investment; and
- public sector depreciation.

**C.61** In this presentation, depreciation represents the amount of capital expenditure required to make good the depreciation of assets, and net investment represents the amount of capital expenditure that adds to the overall stock of assets.



# D

## Accounting adjustments in the budgeting presentation of TME

---

### The need for accounting adjustments

**D.1** The National Accounts, produced by the Office for National Statistics (ONS), follow international guidelines and provide a widely accepted framework for analysing the economic activity of the country. Total Managed Expenditure (TME) is an aggregate drawn from National Accounts that measures the sum of public sector current and capital spending.

**D.2** Government departments budget and account for their spending in resource terms. From 2009-10 onwards this was based on International Financial Reporting Standards (IFRS) and prior to that was based on UK's Generally Accepted Accounting Practice. Both accounting frameworks differ in a number of ways from National Accounts, which are based on the European System of Accounts 2010 (ESA10). The main difference is that ESA10, in the main, recognises liabilities and assets only when they crystallise.

**D.3** As a consequence of this, a number of adjustments are needed to reconcile budgets to the component parts of TME – these are known as accounting adjustments. **Table 1.1** shows resource DEL plus resource AME equalling public sector current expenditure, and capital DEL plus capital AME equalling public sector gross investment. Public sector current expenditure (PSCE) plus public sector gross investment (PSGI) then equals TME. In this presentation the AME totals include the accounting adjustments.

**D.4** The accounting adjustments are shown separately for resource and capital in **Table 1.14**, the former shows the breakdown of those adjustments necessary to reconcile to PSCE and the latter those adjustments necessary to reconcile to PSGI. In each table the accounting adjustments are broken down into three categories;

- a. data that are removed from budgets because the National Accounts uses a different data source;
- b. data that are removed from budgets because they are not part of spending as defined by the National Accounts; and
- c. accounting adjustments that are made to budgets to move them to a basis and economic categorisation consistent with spending as defined by the National Accounts.

**D.5** The accounting adjustments in the first two categories above are shown separately according to whether they are in DEL or AME. The main accounting adjustments within the third category are shown separately for the Central Government and Local Government sectors arranged by the economic categories within TME. The section below goes through the main adjustments giving a description of the nature of the adjustment and the reason that it needs to be made. For each economic category there are a large number of smaller adjustments that are not shown separately – the total for these is in the 'other' category. These adjustments include the part of the timing adjustments published at the bottom of **Table 1.14** that is applicable to each economic category and a number of less significant accounting adjustments, including those that switch misreported data on OSCAR between economic categories.

## List of the accounting adjustments in Table 1.14

### Resource Accounting Adjustments

#### Remove data in budgets which form part of public sector current expenditure but where a different source is used for National Accounts

##### Capital consumption and NHS capital consumption

**D.6** These items are removed from both DEL and AME because, as is common international practice, estimates of capital consumption in the National Accounts are produced using a Perpetual Inventory Model (PIM) rather than the data reported by departments as part of their budgets.

##### Interest

**D.7** This item is removed from both DEL and AME as the ONS sources its Central Government interest transaction from a variety of sources with none being the data in budgets reported by departments. In **Table 1.1** Gross Debt Interest is shown separately from accounting adjustments under other AME. This is far larger than the interest items deducted from budgets as it includes the interest the Debt Management Office pays on its Gilts as well as interest paid by departments.

##### Subsidy element of renewable obligation certificates and other environmental levies

**D.8** Where there is a compulsory and unrequited payment imposed by Government, even if the payment is not to a public sector body, National Accounts sometimes require the payment to be imputed in the public finances as offsetting taxation and subsidy spending. This is the case with renewable obligation certificates (ROCs), where companies not meeting their renewable obligations have to purchase ROCs from companies who have exceeded their obligations. The Department for Business, Energy and Industrial Strategy (BEIS) have already included estimates in their AME forecast for the subsidy elements, however ONS and the Office for Budget Responsibility (OBR) are currently using a different source for their estimates of the value of this subsidy so the BEIS estimates are removed from AME. This also applies for other environmental levies such as Feed-in Tariffs and the Renewable Heat Initiative so these are also removed.

##### Other

**D.9** The items deducted from both DEL and AME under this category include dividends and rent. In both cases ONS use sources other than the data reported by departments as part of their budgets.

##### Adjustment for different data used by OBR in PSCE forecast

**D.10** The forecast data for departments' DEL and AME budgets for 2019-20 used in this publication are taken from the data submitted by departments on OSCAR. The OBR used OSCAR data consistent with PESA 2018 as a starting point for their forecast in the March 2019 Economic and Fiscal Outlook (EFO). These adjustments are to reconcile the data used by the OBR in their forecast with that in PESA. For AME, the OBR used the forecasts provided to them by departments, which should also have been reflected on OSCAR. For DEL the OBR used plans from PESA 2018 adjusted to reflect policy announcements made during the year. For 2019-20, the OBR also included an estimate of the expected level of underspending by departments.

## Remove data in budgets which do not form part of public sector current expenditure

### Impairments

**D.11** Impairments as defined in budgets, in both DEL and AME, can result from a number of factors which do not affect PSCE as defined in the National Accounts. Examples of these are impairments resulting from the revaluation of assets or from unexpected losses which are treated as balance sheet movements only in National Accounts. Impairments from wear and tear in the course of normal business are treated as part of PSCE capital consumption in the National Accounts and are accounted for as part of the PIM discussed in D.6 above. As a result all impairments as reported in budgets by departments are removed from both DEL and AME as they do not form part of public expenditure.

### Fees, levies and charges, receipts treated as negative DEL but revenue in National Accounts, and miscellaneous current transfers

**D.12** Some receipts included under these categories benefit resource budgets, in both DEL and AME, even where they are included on the revenue side of the National Accounts. The deduction of such receipts in budgets needs to be reversed in the calculation of TME.

**D.13** The central government receipts that are removed in the adjustment are:

- certain taxes collected, including licences issued by the utility regulators;
- certain fines;
- current donations;
- current compensation;
- rent of land; and
- dividends and interest from the private sector and overseas.

### Change in pension scheme liabilities, unwinding of discount rate on pension scheme liabilities and release of provisions covering payments of pension benefits.

**D.14** Pension costs are measured differently in resource accounts (and predominantly AME budgets) and National Accounts due to the different way these frameworks deal with provision liabilities.

**D.15** In the National Accounts, the following transactions are included within TME:

- payments to pensioners, surviving spouses etc and transfers out to other schemes;
- less receipts of contributions by employees and employers, and transfers in from other schemes.

**D.16** In resource accounts a provision liability is recognised on the balance sheet equal to the net present value of the expected future cash benefits to be paid. Broadly speaking, changes in this liability impact on the operating cost statement. The net public service pensions line in departmental AME presents expenditure on this basis. The line consists of the following:

- the gross change in the liability that scores in the operating statement of the schemes;
- plus payments of pensions or transfers out that are not covered by a previously recognised liability;
- less receipts of contributions by employees and employers, and transfers in from other schemes.

**D.17** The unwinding of the discount rate that is applied to the future cash flows is also a cost in the operating statement in accounts. This cost is recorded separately in the non-cash items in departmental AME. See **Annex C** for further details.

**D.18 Table D.1** reconciles pensions expenditure as presented in **Table 1.1**, in resource accounts and in TME. So the table presents:

- the three main contributions to the net public service pensions line in **Table 1.1** (as in D.16 above);
- the pensions element of the non-cash items line in **Table 1.1** (i.e. the unwinding of the discount on the liability);
- the sum of these elements, which is the contribution of pension schemes to departmental AME;
- the accounting adjustments required to reach the contribution to TME (see D.19 below); and
- the contribution of the main public service pensions schemes to TME.

**D.19** The adjustments are as follows:

- remove changes in liabilities scored in the net public service pensions line;
- remove changes in liabilities arising from the unwinding of the discount rate that are scored in the non-cash items line in AME; and
- add cash payments to pensioners, surviving spouses etc and transfers out to other schemes.

**Table D.1 Pay as you go public service pensions schemes in AME and in TME, 2014-15 to 2019-20**

	<b>£ million</b>					
	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
	<b>outturn</b>	<b>outturn</b>	<b>outturn</b>	<b>outturn</b>	<b>outturn</b>	<b>plans</b>
<b>Departmental AME (GAAP basis)</b>						
Change in liability <sup>(1)</sup>	34,769	37,596	36,245	54,213	82,105	57,240
Contributions received*	-24,676	-25,934	-26,802	-27,455	-28,507	-35,790
Cash payments in OCS not covered by release of provision*	95	168	81	154	180	185
<b>Net public service pensions (GAAP basis)<sup>(2)</sup></b>	<b>10,188</b>	<b>11,830</b>	<b>9,524</b>	<b>26,912</b>	<b>53,777</b>	<b>21,635</b>
Unwinding of discount rate (= contribution to non-cash items)	46,255	42,882	42,002	42,663	40,041	45,008
<b>Total Departmental AME (GAAP basis)</b>	<b>56,443</b>	<b>54,712</b>	<b>51,526</b>	<b>69,575</b>	<b>93,819</b>	<b>66,644</b>
<b>Accounting adjustments</b>						
Remove change in liability	-34,769	-37,596	-36,245	-54,213	-82,105	-57,240
Remove increased liability due to unwinding of discount rate	-46,255	-42,882	-42,002	-42,663	-40,041	-45,008
Add pensions in payment covered by release of provision*+	34,222	35,327	35,533	36,475	38,248	40,089
<b>Accounting adjustments (Pensions)</b>	<b>-46,802</b>	<b>-45,150</b>	<b>-42,714</b>	<b>-60,401</b>	<b>-83,899</b>	<b>-62,160</b>
<b>Contribution to TME (National Accounts basis)</b>	<b>9,641</b>	<b>9,561</b>	<b>8,812</b>	<b>9,174</b>	<b>9,920</b>	<b>4,484</b>
<i>of which:</i>						
Pensions in payment*	34,318	35,496	35,614	36,629	38,427	40,274
Contributions received*	-24,676	-25,934	-26,802	-27,455	-28,507	-35,790

\* Includes bulk and individual transfers, including transfers of liabilities within government.

+ offsets change in gross liability.

<sup>(1)</sup> The increase in 2018-19 is due to higher provisions for past service costs.

<sup>(2)</sup> The change from 2017-18 is due to the reduction in the "discount rate net of CPI" used to measure the costs of public service pensions accruing over the year on an accounting basis.

## **Grant equivalent element of student lending**

**D.20** In budgets this is the provision that represents the net present value of the interest support element of student loans that scores in DEL and AME as the loans are issued. In the National Accounts the impact on the current balance is determined by the difference between interest payments made on government debt and interest income receivable from students. These values therefore need to be removed from DEL and AME as an accounting adjustment.

## **Stock write-offs**

**D.21** In budgets the write-off of stocks covers items such as military expenditure and medical stocks that are treated as being consumed at the point of purchase in National Accounts. This adjustment therefore removes the value of these stocks from DEL.

## **Northern Ireland Executive transfers between DEL and AME**

**D.22** As explained in Annex C, expenditure financed by Northern Ireland Rates is treated as a transfer from AME into DEL and by convention treated as part of locally financed expenditure in **Table 1.1**. This is removed from DEL and added back in the section which removes data from Local Government expenditure.

## **Profit or loss – sale of company securities**

**D.23** Departmental resource DEL and AME budgets include the profit or loss on the sale of company securities. These are removed as an adjustment as they are scored as financial transactions in the National Accounts.

## **Profit or loss – sale of other assets**

**D.24** Departmental resource DEL and AME budgets include the profit or loss on sales of tangible and intangible fixed assets. In the National Accounts, these are treated as capital transactions rather than resource transactions and so this adjustment is necessary to remove them from PSCE.

## **Fee income treated as capital in National Accounts**

**D.25** The Government announced the intention to instigate the Asset Protection Scheme for Lloyds Banking Group (LBG) and RBS in February 2009. In December 2009, RBS signed the contract to participate in the scheme and LBG announced it would not take part in the scheme. The Government received an exit fee from LBG and a fee from RBS for the implicit guarantee provided between February and December 2009. These fees were treated as capital receipts in the National Accounts but as negative resource AME (receipts) in HM Treasury's budget. This adjustment removes the receipts from PSCE.

## **Imputed tax element of renewable obligation certificates and other environmental levies**

**D.26** As explained above, National Accounts requires payments of ROCs and other environmental levies to be imputed in the public finances as offsetting taxation and subsidy spending. BEIS have already included estimates in their AME forecast for the tax elements, however these are treated as part of receipts rather than spending in the National Accounts and so are removed in this adjustment.



## Other

**D.27** There are a number of other items that are removed from DEL and AME because they do not score as part of TME in the National Accounts. These include:

- notional audit fees, which are not scored in TME as no money flows;
- some other miscellaneous transactions that are scored in budgets but treated as financial transactions in the National Accounts; and
- some transfers between different parts of central government that are excluded from the National Accounts as they are within the same sector in the National Accounts.

## Central Government Adjustments in the National Accounts

### Expenditure on Goods and Services

#### VAT refunds

**D.28** VAT is a tax that is paid by final consumers, i.e. government and households. Producers pay VAT on materials that they use in the course of production, but are able to claim those VAT payments back from HMRC. Producers then charge VAT on sales and pass these monies to HMRC. Where a public sector body is engaged in production and receives such a VAT refund, this refund would not add to TME, nor would it be included in their spending data, which is measured net of recoverable VAT. Therefore, in these cases no adjustment is needed to reconcile to TME.

**D.29** However, some public sector bodies additionally receive refunds of VAT that they have paid in respect of contracted out services for non-business purposes, including the free-to-enter public museums. These VAT payments by general government bodies form part of the prices paid as a final consumer, and therefore form part of final government consumption within TME (as well as part of current receipts). However, departmental budgets, and other spending data, are net of all recoverable VAT. This adjustment therefore adds back VAT refunded to central government departments in respect of contracted out services for non-business purposes and VAT refunds to free public museums in respect of non-business activities.

#### EU tax collection costs

**D.30** The UK receives a payment from the EU for collecting Traditional Own Resources (customs duties, agricultural and sugar levies) on behalf of the EU. This receipt (which is actually netted off the payment made to the EU) is treated as a government receipt and reduces TME. This income is recorded here.

#### Capital consumption

**D.31** As explained above, departmental estimates for capital consumption are removed from both DEL and AME because, as is common international practice, estimates of capital consumption in the National Accounts are produced using a Perpetual Inventory Model (PIM). This adjustment adds in the PIM estimates.

#### Net Social Benefits

##### Switch between net social benefits and other current grants

**D.32** When COINS, the predecessor of OSCAR, was first set up, departments misclassified net social payments as other current grants due to issues with the mapping of codes to the previous reporting systems. These misclassifications continue on a smaller scale today and this adjustment corrects this misclassification.

## Public service pensions contribution up-rate

**D.33** This adjustment accounts for the additional receipts from the increase in contribution rates from 2012-13 announced in the 2010 Spending Review. The receipts were included in the OBR forecast in the 2012 March EFO at a global level since details about how it will impact across pension schemes had not yet been announced.

## Net Current Grants Abroad

### DfID funding for capital projects scored in resource DEL

**D.34** A proportion of the Department for International Development's (DFID) bilateral aid budget is deemed to be a capital grant to the rest of the world in the National Accounts, although all bilateral aid grants are shown in resource DEL budgets. This adjustment removes the part that is deemed to be capital spending so that it is not included in PSCE. This is not reflected in the forecast years as the composition of the DFID aid budget has changed.

### EU receipts and EU funded expenditure

**D.35** EU grant expenditure routed through government departments is treated in the National Accounts as a transaction between the EU and the end-recipient of the grant. Both the receipt from the EU and the spending funded by the EU are included in departments' DEL budgets. This adjustment therefore removes the receipt of the EU finance by departments, which is scored as part of their DEL budget. There are adjustments within the "other" category in Other Current Grants and in Subsidies that remove the spending.

## Subsidies

### Renewable obligation certificates and other environmental levies

**D.36** As mentioned above, ROCs and some other environmental levies are treated as imputed subsidies (and tax) in the National Accounts. This adjustment adds in ONS's and OBR's valuation of the imputed subsidy (BEIS's OSCAR data having been removed in the first section of the table).

### Company tax credits outside departmental AME

**D.37** Currently ONS treat all company tax credits payments as part of TME. These include research and development tax credits, transitional relief to charities formerly entitled to receive tax credits on dividends, film tax credits and tax relief on clearing contaminated land. This adjustment adds the part of the payments of these tax credits that are not in HMRC's AME budget.

## Local Government Adjustments in the National Accounts

**D.38** As explained in Annex C, the contribution to AME from the Local Government sector is locally financed expenditure. This comprises the parts of local authority expenditure not met by central government support in the UK (known as LASFE), expenditure financed by Scottish NNDR, expenditure financed by Welsh NNDR and expenditure financed by Northern Ireland Regional Rates. LASFE is calculated as total Local Government expenditure, sourced from Local Government data (as outlined in Annex A), adjusted to a National Accounts basis, less CG support, based on data in Central Government departments' budgets. The accounting adjustments listed below are therefore the main adjustments to Local Government source data needed to transform it to a National Accounts basis and to reconcile Central and Local Government sources for PSCE.

## **Remove data which do not form part of public sector current expenditure**

### **Retirement benefits**

**D.39** An adjustment is required here to remove items in the local government source data which do not reflect actual payments.

### **Debt interest payments to central government**

**D.40** Interest payments to central government are removed as they represent flows between two parts of the public sector and so do not score towards TME.

## **Adjustments to reconcile use of different data sources**

### **Central government support**

**D.41** As mentioned above, the data for Central Government support used in the calculation of LASFE is based on data in Central Government departments' budgets and the total spending is from the Local Government sources. This adjustment is therefore necessary to reconcile Central Government and Local Government sources of information for current Central Government support. The data based on Central Government departments' budgets are the data deducted in the calculation of LASFE as these are felt to be more reliable and are available at a more detailed level for quality assurance.

### **Debt interest**

**D.42** This adjustment reconciles differences between the data source used for the calculation of debt interest payments to the private sector by Local Authorities in the National Accounts and that used in Local Government sources.

## **Expenditure on Goods and Services**

### **VAT refunds**

**D.43** As mentioned in the section on Central Government adjustments to expenditure on goods and services above, public sector bodies, including Local Authorities, receive refunds of VAT that they have paid in respect of contracted out services for non-business purposes. Central government support in resource DEL (and AME) and current LASFE are measured net of these VAT refunds, but in TME the expenditure is recorded including the VAT paid and therefore an adjustment is made to add back these refunds.

### **Capital consumption**

**D.44** As also mentioned above, in the section on Central Government adjustments to expenditure on goods and services, estimates of capital consumption in the National Accounts are sourced from the ONS's PIM model. This adjustment adds in these estimates for the Local Government sector.

### **Rates**

**D.45** This deducts payments of National Non-domestic Rates (NNDR) paid by local government which are in locally financed expenditure but do not form part of TME.

## Subsidies

### Equity injection into Housing Revenue Account

**D.46** The HRA is treated as a Public Corporation in National Accounts. This means that the regular deficit resulting from its operations is treated in National Accounts as an imputed subsidy (if a regular profit were made it would be treated as an imputed dividend). The deficit (or profit) is calculated as the gross operating surplus less gross capital expenditure. Gross, rather than net, capital expenditure is used as sales of housing stock are treated as financial transactions which reduce LG equity in the HRA. Since 2004-05 the HRA have had a regular deficit so a subsidy is imputed from Local Government to the PC sector. This adjustment adds in the subsidy to Local Government spending. (Unlike grants subsidies from one part of the public sector to another are included in TME).

## Net Social Benefits

### Housing benefits and rent rebates

**D.47** ONS use data from DWP in respect of housing benefits and rent rebates. An adjustment is necessary to bring data from Local Government sources into line with that from DWP.

## Public Corporations

**D.48** The main adjustment in relation to Public Corporations data is their payment of debt interest to the private sector. This is the only part of Public Corporation own expenditure other than Public Corporations' Own Financed Capital Expenditure (see Annex C) that scores in TME. This adjustment adds in the data used in the National Accounts for their debt interest payments to the private sector.

## Capital Accounting Adjustments

### Remove data in budgets which form part of public sector gross investment but where a different source is used for National Accounts

#### Change in inventories and acquisitions less disposals of valuables

**D.49** The data in the National Accounts for both of these are sourced from ONS surveys and administrative sources other than OSCAR.

#### Adjustment for different data used by OBR in PSGI forecast

**D.50** As explained above for resource spending, the forecast data for departments' DEL and AME budgets for 2019-20 used in this PESA publication differ from those used by the OBR in their March 2019 EFO. These adjustments are to reconcile the data used by the OBR with those on OSCAR used in PESA.

### Remove data in budgets which do not form part of public sector gross investment

#### Net lending to private sector and the purchase and sale of company securities

**D.51** These types of transactions are treated as financial transactions which do not score as spending in the National Accounts, because they involve a swap of financial assets and so are excluded from PSGI and TME. However, they are included in DEL and AME in order to have control over departments' impact on Public Sector Net Debt (PSND) so this adjustment is necessary to exclude them from TME.

## **Capital support for public corporations and local government supported capital expenditure**

**D.52** These transactions are excluded from TME as they are lending from central government to support capital expenditure by other parts of the public sector.

## **Northern Ireland Executive transfers between DEL and AME**

**D.53** This is the capital equivalent of the transfers described in D.22 above.

## **Other**

**D.54** There are a number of other items that are removed from DEL and AME because they do not score as part of PSGI in the National Accounts. These include:

- some capital provisions;
- some other miscellaneous transactions that are scored in budgets but treated as financial transactions in the National Accounts; and
- some transfers between different parts of central government that are excluded from the National Accounts as they are within the same sector in the National Accounts.

## **Central Government adjustments in National Accounts**

### **Gross Fixed Capital Formation**

#### **Profit or loss – sale of other assets (from resource budgets)**

**D.55** As mentioned in the section on resource accounting adjustments, in National Accounts the profit or loss on sales of tangible and intangible fixed assets are treated as capital expenditure and therefore as part of PSGI. However, they are treated as part of resource DEL and AME. This adjustment is necessary to add them to PSGI.

### **Capital grants to and from the private sector**

#### **VAT refunds**

**D.56** Refunds of VAT are also available on certain items to householders who are building their own home or converting a non-residential building into a home for them to live in. As mentioned above, spending in National Accounts is recorded inclusive of refunded VAT and therefore the value of these refunds is included in PSGI as a capital grant to the household sector (and also included in total VAT receipts) but not in Budgets. This adjustment adds the value of these refunds to PSGI.

#### **Fee income treated as capital in National Accounts**

**D.57** As outlined in the section on resource accounting adjustments, certain fees received from RBS and LBG in respect of the Asset Protection Scheme were treated as capital receipts in the National Accounts and resource receipts in HM Treasury's AME. This adjustment ensures that these receipts are included in PSGI.

#### **DfID funding for capital projects scored in resource DEL**

**D.58** As also stated above, in the section on resource accounting adjustments a proportion of DFID's bilateral aid budget is deemed to be a capital grant to the rest of the world in the National Accounts, although all bilateral aid grants are shown in their resource DEL budgets. This adjustment adds the part deemed to be capital so that it scores in PSGI.

## Local Government Adjustments in National Accounts

**D.59** The overall rationale behind the accounting adjustments for Local Government is explained in the section on resource accounting adjustments. The accounting adjustments listed below are the main adjustments to Local Government source data needed to transform it to a National Accounts basis and to reconcile Central and Local Government sources for PSGI.

### Adjustments to reconcile use of different data sources

#### Central government support

**D.60** As mentioned above, the data for Central Government support used in the calculation of LASFE is based on data in Central Government departments' budgets and the total spending is from the Local Government sources. This adjustment is therefore necessary to reconcile Central Government and Local Government sources of information for Central Government support via capital grants. The data based on Central Government departments' budgets are the data deducted in the calculation of LASFE as these are felt to be more reliable and are available at a detailed level for quality assurance.

#### Financial transactions

**D.61** Financial transactions, which do not score as spending in the National Accounts because they involve a swap of financial assets, are excluded from PSGI and TME. This adjustment removes the parts of capital LASFE that need to be excluded as they are financial transactions.

#### Capital grants from private sector

**D.62** In some cases receipts are treated as financing expenditure in AME when National Accounts treat them as reducing expenditure. The value of the receipts needs to be included in TME. An adjustment is therefore made to add to public sector net investment the local authority receipts of investment grants from private sector developers.

#### Gross Fixed Capital Formation

##### VAT refunds

**D.63** As mentioned above, Local Authorities receive refunds of VAT that they have paid in respect of contracted-out services for non-business purposes, including on capital expenditure. Central government capital grants to Local Authorities in resource DEL (and AME) and capital LASFE are measured net of these VAT refunds, but in TME the expenditure is recorded including the VAT paid. This adjustment therefore adds the value of the refunds to PSGI.

##### Roads de-trunking

**D.64** De-trunking of roads involves transferring the ownership and control of roads from the Highways Agency (part of central government) to Local Authorities. In National Accounts this involves recording the payment for the receipts of an asset by Local Authorities. As this is not recorded in LASFE an adjustment is necessary to add this in to PSGI.

#### Capital Grants to Public Corporations

**D.65** Local government capital expenditure includes grants paid to public corporations. The capital expenditure that this finances is included as part of Public Corporations' Own-Financed Capital Expenditure (PCOFCE), as this contains capital spending other than that financed by central government. An adjustment is therefore required to avoid double counting this spending in TME. This mainly concerns payments by Transport for London to London Underground.

## **Other capital adjustments**

### **Public Corporations**

**D.66** The Public Corporation element of TME is effectively composed of PCOFCE plus central government support for public corporations. This adjustment adds back an element of the net lending subtracted above, to ensure that the level of PC spending is properly reflected.

### **Housing Revenue Account reform receipts**

**D.67** This represents a receipt by central government of net capital grants from local authorities that implement the reform of council house financing announced in the Spending Review. This net receipt is completely offset by a net payment included within capital LASFE, so this has no impact on the overall public finances.

# E

## Expenditure on services framework

---

**E.1** Tables in **Chapters 4 to 8**, showing public expenditure by function and/or economic category are all based on the public sector expenditure on services framework.

**E.2** Public sector or total expenditure on services (TES) broadly represents the current and capital expenditure of the public sector, and so is similar to the National Accounts measure of Total Managed Expenditure (TME). For the avoidance of doubt, expenditure on services is the spending required to deliver services, not just the purchasing of services.

**E.3** The introduction of the Online System for Central Accounting and Reporting (OSCAR) was accompanied by changes to the chart of accounts, against which departments record their expenditure. Most of the changes to the expenditure on services framework have been minor. The most significant has been the removal of the attributed share of the EU's aid. Departmental budgets include this attributed expenditure, but it doesn't increase TME as it is actually part of EU spending financed by the UK's budgetary contributions. This change brings TES closer into line with the National Accounts.

**E.4** Expenditure on services is a more stable measure of public spending than departments' budgets, as it is not affected by the creation or amalgamation of departments or by programmes of work moving between departments.

### Expenditure on services and TME

**E.5** TME is the current and capital expenditure of the public sector on a National Accounts basis. Public sector expenditure on services is similar, but with minor divergences. The divergences mainly reflect the difficulty of attributing certain types of spending to the correct functions in all cases, which, if attempted, would result in a lack of consistency between functions. The main difference from TME is that expenditure on services does not include general government capital consumption (depreciation) and does not reverse the deduction of certain VAT refunds in the budget-based expenditure data. It also includes a small number of items that are in budgets but not in TME. Public sector expenditure on services is worth about 93% of TME.

### EU transactions in expenditure on services

**E.6** EU transactions score in their entirety within public sector expenditure on services in the same way as in TME. However, expenditure on services scores EU funded payments, for instance on agriculture, as UK government spending within the appropriate function, whereas the National Accounts score these as direct payments from the EU to enterprises and households.

### Expenditure on services and budgets

**E.7** Expenditure on services can be built up from departmental budgets (resource DEL, capital DEL and departmental AME). Essentially, (most) transfers to other parts of the public sector are removed, as are transactions that do not score as spending in the National Accounts. Spending by local government and public corporations is then added.



## Departmental budgets (resource Departmental Expenditure Limits + capital Departmental Expenditure Limits + departmental Annually Managed Expenditure)

Less	grants to local government; capital grants to public corporations; depreciation (includes the impairment costs of Student Loans); provisions; spending classified as financial transactions in the National Accounts; interest and dividends; items classified as revenue in the National Accounts which are netted off spending in budgets; EU receipts; other items that are not classified as spending in National Accounts (e.g. transfers between central government departments); and most intra-public sector transfers, the main exceptions being subsidies to public corporations and trading bodies.
Plus	local government current and capital expenditure; Northern Ireland locally financed expenditure; public corporations' capital expenditure; public sector debt interest; and EU transactions.

**E.8** Table E.1 shows the derivation of expenditure on services from departmental groups' budgets.

### Classification changes

**E.9** Classification changes since PESA 2018 are detailed in **Chapter 4**, where they affect expenditure on services or the functional split, and **Chapter 5**, where they affect expenditure on services, the sub-functional split or the economic breakdown.

**Table E.1 Derivation of public sector expenditure on services from departmental groups' budgets, 2018-19**

	Defence	Single Intelligence Account	Home Office	Foreign and Commonwealth Office	International Development	Health and Social care	Work and Pensions	Education	Business, Energy and Industrial Strategy	Transport	Exiting the European Union	Digital, Culture, Media and Sport	Housing and Communities and Local Government	Scotland	Wales	Northern Ireland	Justice	Law Officers' Departments	Environment, Food and Rural Affairs	HM Revenue and Customs	HM Treasury	Cabinet Office	International Trade	Small and Independent Bodies	Local Government Expenditure	Total for all departments
<b>Departmental Budgets</b>																										
Resource DEL	34,353	2,541	11,227	2,410	7,196	125,278	5,967	70,444	1,246	3,894	79	1,658	7,162	16,255	14,006	11,008	8,035	557	1,944	3,952	246	553	413	1,510	-	331,935
Capital DEL	10,294	607	744	142	3,105	5,937	334	5,169	10,814	8,273	0	366	7,424	3,876	2,037	1,297	431	16	727	362	167	120	17	247	-	62,505
Resource Departmental AME	4,679	22	2,695	31	-101	40,708	180,877	22,739	-105,625	7,657	-	4,739	21,387	17,919	262	9,955	1,301	2	-416	40,601	-15,254	14,245	0	-95	-	248,331
Capital Departmental AME	-	-	-	-	736	-5	135	17,106	-417	5,225	-	453	-	809	698	374	-	-	0	2	-12,998	-	-	426	-	12,544
<b>Remove</b>																										
Grants to local government	-	-	-11,694	-	-	-3,137	-20,686	-32,286	-28	-2,562	-	-240	-11,582	-8,343	-4,899	-169	-165	-	-296	-	-	-19	0	0	-	-96,105
Capital grants to public corporations	-	-	-	-	-	-	-	0	-167	0	-	-1	-51	-25	0	-153	-	-	0	-	-	-	-	-	-	-397
Depreciation	-6,708	-425	-303	-195	-6	-1,750	-88	-9,024	1,651	-7,163	0	-379	-191	-1,673	-698	-707	-574	-10	-200	-289	13,998	-50	-5	-136	-	-14,927
Provisions	-2,777	-4	5	1	129	-39,826	1,618	-22,583	104,353	-431	-	-674	-13	-4,263	-103	-3,320	-1,209	2	266	-59	-103	-10,860	0	-277	-	19,873
Financial transactions	-9	-	-	-	-453	100	-423	-17,136	334	3	-	27	-3,855	-1,022	-921	-250	-	-	-2	-	12,975	-	-427	-	-	-11,059
Interest and dividends	-183	-29	-31	23	6	-333	24	5,449	151	-1,256	-	22	74	2	140	-16	-7	0	0	0	1,463	20	-	73	-	5,590
Items classified as revenue in National Accounts	117	0	827	61	-414	-2,050	-221	-1,162	1,990	4,874	-	1,052	71	48	46	3	1,294	34	301	16	517	16	39	197	-	7,654
EU receipts	-	-	-	-	-	-	602	198	26	48	-	-	568	708	689	432	-	-	2,477	-	-	-	-	-	-	5,748
Other items not in TME	258	49	-213	-	-314	-730	-319	64	-94	508	-	210	-19,652	-338	-273	8	1	23	18	-49	-	6	-	-15	-	-20,852
<b>Add</b>																										
Local government current expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	131,898
Local government capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,016
Northern Ireland locally financed expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	625	-	-	-	-	-	-	-	-	-	625
Public corporations' capital expenditure	-	-	-	-	-	-	3	-	-	1,713	-	-	2,725	1,316	322	167	-	-	3	-	236	-	-	-	-	6,485
Public sector debt interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38,498
EU transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,874
Loans written off by mutual consent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Public sector expenditure on services</b>	<b>40,025</b>	<b>2,761</b>	<b>3,257</b>	<b>2,473</b>	<b>9,884</b>	<b>124,193</b>	<b>167,824</b>	<b>38,978</b>	<b>14,234</b>	<b>20,781</b>	<b>79</b>	<b>7,232</b>	<b>4,066</b>	<b>25,267</b>	<b>11,306</b>	<b>19,254</b>	<b>9,106</b>	<b>625</b>	<b>4,822</b>	<b>44,537</b>	<b>46,971</b>	<b>4,032</b>	<b>464</b>	<b>1,502</b>	<b>152,563</b>	<b>756,237</b>



# F

## GDP deflators

**F.1** This annex presents the GDP deflators used in this release.

### GDP deflators

**F.2** A number of the tables in this publication give figures in real terms. Real terms figures are the current price outturns or plans adjusted to a constant price level by excluding the effect of general inflation as measured by the GDP deflator at market prices. The real terms figures in this publication are given in 2018-19 prices. The GDP deflators used in this publication are those given below. The most up to date deflators can be found on the GOV.UK website.<sup>1</sup> Please note that these deflators do not apply to the real terms tables presented in chapter 9 of this publication.

**Table F.1 GDP deflators and money GDP**

**Outturn data are based on the June 2019 National Accounts figures from ONS**  
**Forecast data are consistent with the 2019 Spring Statement**

Financial year	GDP deflator at market prices		Money GDP £ million
	2018-19 = 100	Per cent change on previous year	
1976-77	16.822	13.92	142,000
1977-78	19.137	13.77	165,996
1978-79	21.280	11.20	192,181
1979-80	24.872	16.88	232,495
1980-81	29.639	19.16	267,471
1981-82	32.753	10.51	297,954
1982-83	35.139	7.29	327,120
1983-84	36.809	4.75	357,828
1984-85	38.885	5.64	385,681
1985-86	41.021	5.49	423,462
1986-87	42.718	4.14	455,085
1987-88	45.107	5.59	510,371
1988-89	48.031	6.48	569,310
1989-90	51.730	7.70	627,117
1990-91	55.970	8.20	676,943
1991-92	59.185	5.74	712,877
1992-93	60.682	2.53	734,387
1993-94	62.158	2.43	778,018
1994-95	62.909	1.21	815,769
1995-96	64.841	3.07	859,841
1996-97	67.125	3.52	916,578
1997-98	67.569	0.66	959,331
1998-99	68.441	1.29	1,003,372
1999-00	68.703	0.38	1,045,091
2000-01	70.252	2.25	1,099,246
2001-02	70.955	1.00	1,141,377
2002-03	72.715	2.48	1,200,616
2003-04	74.224	2.08	1,268,445
2004-05	76.224	2.69	1,327,919
2005-06	78.222	2.62	1,412,939
2006-07	80.547	2.97	1,487,530

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

**Table F.1 GDP deflators and money GDP (continued)**

**Outturn data are based on the June 2019 National Accounts figures from ONS**  
**Forecast data are consistent with the 2019 Spring Statement**

Financial year	GDP deflator at market prices		Money GDP £ million
	2018-19 = 100	Per cent change on previous year	
2007-08	82.543	2.48	1,558,747
2008-09	84.783	2.71	1,563,555
2009-10	85.984	1.42	1,547,137
2010-11	87.584	1.86	1,606,602
2011-12	88.736	1.31	1,650,370
2012-13	90.522	2.01	1,710,685
2013-14	92.183	1.83	1,781,350
2014-15	93.367	1.28	1,855,049
2015-16	94.114	0.80	1,912,472
2016-17	96.258	2.28	1,989,398
2017-18	98.199	2.02	2,067,387
2018-19	100.000	1.83	2,135,752
2019-20	101.999	2.00	2,199,839

GDP Deflator: Financial years 1976-77 to 2018-19 taken from ONS series L8GG.

2019-20: derived from Office for Budget Responsibility (OBR) forecasts for GDP deflator increases as at the Spring Statement 2019

Money GDP: For years 1976-77 to 2018-19: ONS data for money GDP (not seasonally adjusted, BKTL)

2019-20: OBR forecasts for money GDP as of the 2019 Spring Statement

## Population numbers and GDP deflators used for country and regional tables

**F.3** Following the practice instituted at PESA 2017, the tables in chapters 9 and 10 are identical to those published in the November 2018 Country and Regional Analysis (CRA) release.

Therefore mid-year population estimates used for the November 2018 CRA publication can be found within the annex of that release. Similarly, GDP deflators used to produce ‘real terms’ tables in chapter 9 of this publication can also be found within this annex. A link to the November 2018 CRA is provided below:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/759560/Country\\_and\\_Regional\\_Analysis\\_November\\_2018\\_rvsd.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/759560/Country_and_Regional_Analysis_November_2018_rvsd.pdf)

# G

## Glossary

---

*Within an explanation of a term, words in bold are themselves explained elsewhere in the glossary.*

### Acronyms

ALBs	<b>Arms Length Bodies</b>
AME	<b>Annually Managed Expenditure</b>
ASLCs	<b>Accruing Superannuation Liability Charges</b>
CAP	<b>Common Agricultural Policy</b>
CRA	<b>Country and Regional Analysis</b>
DEL	<b>Departmental Expenditure Limit</b>
EFO	<b>Economic and Fiscal Outlook</b>
GAAP	<b>Generally Accepted Accounting Practice</b>
GDP	<b>Gross Domestic Product</b>
IFRS	<b>International Financial Reporting Standards</b>
LASFE	<b>Local Authority Self-Financed Expenditure</b>
LIBOR	<b>London Inter-bank Offered Rate</b>
OSCAR	<b>Online System for Central Accounting and Reporting</b>
PCOFCE	<b>Public Corporations' Own-Financed Capital Expenditure</b>
PSCE	<b>Public sector current expenditure</b>
PSNB	<b>Public sector net borrowing</b>
PSND	<b>Public sector net debt</b>
PSNI	<b>Public sector net investment</b>
RAB	<b>Resource Accounting and Budgeting</b>
SUME	<b>Single Use Military Equipment</b>
TES	<b>Total Expenditure on Services</b>
TME	<b>Total Managed Expenditure</b>

## Terms

**Accounting adjustments** shown in, for example, **Table 1.1** are certain items of expenditure that account for the difference between the **National Accounts** aggregate **TME** and the sum of the **resource budgeting** items **DEL**, **departmental AME** and **other AME**. Accounting adjustments are required because there are certain components in TME that are not included in the **resource** and **capital budgets** that form the basis of planning and control of departmental spending under resource budgeting, and there are some items in resource budgeting aggregates that are not part of TME. Annex D has full details.

**Accruals** – apart from some of the older data in the historical tables in Chapter 4, all the data in PESA are based on accruals. Accruals accounting recognises when costs occur rather than when the payment is made, i.e. having the heating on is a cost that accrues each day whereas the bill might be paid quarterly.

**Accruing Superannuation Liability Charges (ASLCs)** are employer pension contributions paid to the bodies responsible for paying and accounting for unfunded public service occupational pensions. For example, government departments pay ASLCs in respect of serving civil servants. The payments represent an actuarial assessment of the accruing discounted future cost of public expenditure on pensions arising from the current employment of staff. ASLCs are included within **DEL**.

**Administration budget** – the costs of running a central government department (including their ALBs) that do not relate to the delivery of frontline services; it includes the pay of most of the civil servants who work in the department, and associated expenditure such as **ASLCs**, accommodation, travel and training. Administration budgets are a subset of resource **DEL** that are set net of income arising from departments' administrative activities.

**Alignment (or 'Clear Line of Sight') project** – in order to simplify public spending reporting, this project aims to align more closely the treatment of spending in departmental budgets, **Estimates** and **Resource Accounts**. More information is available on the Treasury's website.<sup>1</sup>

**Annually Managed Expenditure (AME)** is spending included in **TME** that does not fall within **DELS**. Expenditure in AME is generally less predictable and more difficult to control than expenditure in DEL. AME is split into **departmental AME** and **other AME**.

**Arms Length Bodies** – refers to a department's executive NDPBs and Trading Funds where these bodies have been classified as being within Central Government by the Office for National Statistics.

**Assets** can be either financial or non-financial:

- financial assets include monetary gold, bank deposits, IMF Special Drawing Rights, loans granted, bonds, shares, accounts receivable, and the value of the government's stake in public corporations; and
- non-financial assets consist of fixed capital (such as buildings and vehicles); stocks; land and valuables.

**Billion** – a thousand million.

**Budget Exchange** – a mechanism that allows departments to surrender an underspend in advance of the end of the financial year in return for a corresponding increase in the following year, subject to Treasury agreement.

---

<sup>1</sup> [http://webarchive.nationalarchives.gov.uk/20130405170223/http://www.hm-treasury.gov.uk/psr\\_clear\\_line\\_of\\_sight\\_intro.htm](http://webarchive.nationalarchives.gov.uk/20130405170223/http://www.hm-treasury.gov.uk/psr_clear_line_of_sight_intro.htm)

**Capital budget** – a department’s capital budget covers **capital expenditure**. The capital budget is divided into **DEL** and **departmental AME**. The capital budget is not a control total; capital DEL is a control total and capital AME is a planning total. The capital budget includes:

- **capital formation** and the acquisition of assets (including under finance leases) such as land, buildings, machinery and vehicles. In both capital budgets and **National Accounts**, acquisition of assets is recorded net of the sale value of any assets disposed of (where sale value is the aggregate of the net book value and any profit or loss on disposal);
- **net lending** undertaken for policy purposes; net means after the repayment of debt principal;
- **in-house development of assets** such as computer software and databases. This can be capitalised in government accounts provided certain conditions are met. It is sometimes called “own account capital formation”;
- large (over £20m) **debtors** or **prepayments** that are long term (over 12 months). These are included in capital budgets on the same basis as **net lending**, i.e. on an additions less reductions basis; and
- **capital grants**.

**Capital consumption** – see **depreciation**.

**Capital expenditure** can be understood in several ways:

- in **National Accounts**, capital expenditure is usually understood to mean **capital formation**, net acquisition of land, and expenditure on **capital grants**. Certain types of significant computer software development are treated as capital expenditure. The **pay** of civil servants engaged in inhouse capital formation is also recorded as capital expenditure, not as pay. **Public sector net investment** is given by capital expenditure as defined above (also known as public sector gross investment) less **depreciation**;
- under **resource accounting**, capital expenditure also includes loans that are given and the net acquisition of shares. In other words, it includes the net acquisition of financial assets that are acquired for policy reasons rather than for managing the government’s funds. Such policy lending also generally scores in **DEL**, in the **capital budget**, but is removed by the **accounting adjustments**, as it does not score in **TME**; and
- some presentations of central government capital expenditure include **Supported Capital Expenditure** (Revenue) allocations given to local authorities in England and Wales (the equivalent in Scotland is supported borrowing). Northern Ireland does not have an equivalent concept as their local government sector is much smaller.

**Capital formation** is expenditure, net of sales, on fixed assets (such as buildings, vehicles and machinery) and net stock building, and can be measured gross or net of **depreciation**. Fixed assets are assets that can be used repeatedly to produce goods and services and generally last more than one year. Sometimes a minimum cost threshold (say £1,000) is applied to further define capital assets.

**Capital grants** (also called investment grants) are payments made by government on the condition that the recipient uses the funds for **capital formation** (for example building a school or factory or buying a machine). Capital grants are also used in **National Accounts** to record debt writeoffs made by government for policy reasons, and some other transfers of accumulated wealth. In the case of debt write-offs, two transactions are recorded: a capital grant from government to the debtor; and the repayment of debt by the debtor. Capital grants are treated as resource expenditure in resource accounts and **Estimates** but are included in the **capital budget**.



**Central government** is a sector in **National Accounts**. It comprises Parliament; government departments and their executive agencies; the devolved assemblies of Scotland, Wales and Northern Ireland; government funds such as the **National Loans Fund**; the foreign exchange official reserves; most **ALBs**; and various other non-market public bodies that are controlled by central government. Central government does not include **public corporations**, nor those non-profit institutions that receive significant government funding but are not controlled by government and so belong in the private sector (for example universities, further education colleges, and housing associations).

**Central government own expenditure** is expenditure that central government makes to the private sector plus subsidies to **public corporations**. It excludes central government support to **local government** and capital support to public corporations.

**Classification changes** are changes in the way public expenditure is recorded, rather than an actual change in the amount of cash spent or resources consumed. Classification changes can increase or decrease the recorded level of public expenditure. When there is a classification change the data are normally restated for all years in order to provide a consistent series.

**Classification Of the Functions Of Government (COFOG)** – a UN-defined system for functional analysis of government spending. The PESA analysis is consistent with UN COFOG at level 2, with the exception of the health function, which continues to be presented against the HM Treasury's own sub-functional classification. Further information on COFOG is available available in an Annex document produced by the IMF.<sup>2</sup>

**Common Foreign and Security Policy (CFSP)** is an EU programme. Its costs are attributed to the Foreign and Commonwealth Office's DEL.

**Control total – resource budget DEL, depreciation** in DEL, **administration budget** in DEL and **capital budget** DEL are control totals. This means that departments have to manage spending within set limits.

**Cost of capital charge** used to be a notional charge that was applied to each department's budget in order to make departments aware of the full cost of holding assets. As part of the **alignment project** this charge has been removed from budgets.

**Country and Regional Analysis (CRA)** – the CRA presents statistical estimates for the allocation of **identifiable expenditure** between the UK countries and nine English regions. See **Chapters 9 and 10** in PESA for more information.

**Current expenditure** – this is spending on items that are consumed in the process of providing public services or, in other words, is recurring spending. This includes, for example, wages and salaries, benefits, and purchasing goods and services.

**Current grants** are unrequited payments to individuals or bodies, which means that no specific goods or services are received in return. In **National Accounts** current grants to persons are called **social benefits** and those to trading businesses are called **subsidies**.

**Debtors** are **assets** on the balance sheet. They are recognised where a transaction has accrued, but cash is yet to be received. For example where a public sector body sells an asset but defers cash receipts – the fact that cash is yet to be received means that **PSND** has not benefited from the accrued transaction. Where a department or its **ALB** has a large (over £20m), long term (over 12 months) debtor, this is included in their **capital budget** on the same basis as net lending.

---

<sup>2</sup> <https://www.imf.org/external/pubs/ft/gfs/manual/pdf/ch6ann.pdf>

**Dedicated Schools Grants (DSG)** is a hypothecated (ring-fenced) **current grant** from central government to local authorities, paid by the Department for Education and allocated to schools on a formula basis. This was introduced from 2006-07 replacing part of the **Revenue Support Grant** (RSG) paid by Communities and Local Government (CLG).

**Departmental AME** is spending that is outside **DEL** but included in departmental budgets. Main categories include social security benefits and tax credits for individuals.

**Departmental Expenditure Limits (DELs)** are firm plans for three years for a specific part of a department's expenditure. DEL covers all administration costs and programme expenditure except where:

- some programme spending cannot reasonably be subject to close control over a three-year period; or
- spending relates to non-cash costs other than depreciation and impairments.

Departmental spending not in DEL is included in **departmental AME**. Both **resource** and **capital budgets** are divided into DEL and departmental AME.

**Departmental Unallocated Provision (DUP)** is an amount that a department keeps within its budget to meet unplanned increases in spending, and which is not allocated to any particular programme at the start of a year.

**Depreciation** is also termed capital consumption. It is a measure of the reduction in value of an asset due to the effects of wear and tear. **TME** includes depreciation as an item of **current expenditure**. **Public sector net investment** is given by deducting depreciation from gross capital expenditure. The depreciation ring fence includes depreciation, **impairments** and student loans **provisions** recently classified as **impairments**.

**Economic categories** – these represent broad classifications of the economic impact of transactions. Examples of economic categories are **pay**, **social benefits** and **subsidies**. The main categories in expenditure on services, based on **National Accounts** definitions, are set out in Table 5.3 and described in Chapter 5. The equivalent budgeting presentation, based on resource accounting, is shown in Table 2.1 and described in Chapter 2.

**Economic and Fiscal Outlook** – is a bi-annual publication. It sets out the OBR forecasts for the economy and the public finances, and an assessment of whether the Government is likely to achieve its fiscal mandate and supplementary target

**Estimated outturn** is a forecast of spending incurred on the basis of actual expenditure to date.

**Estimates** – see **Supply Expenditure**.

**European System of Accounts 2010 (ESA10)** – This is the system used by the **Office for National Statistics** for measuring and presenting UK **National Accounts**. The system is compulsory for EU member states reporting economic statistics to the EU Commission. ESA10 is consistent with the earlier System of National Accounts 2008 (SNA08), which was developed by a number of international organisations.

**Expenditure on services** (known as TES) is an aggregate used in PESA to analyse the capital and current spending of the public sector. The current and capital elements of expenditure on services are sometimes shown separately as current expenditure on services and capital expenditure on services. Note that TES and its components represent the overall cost of providing services, rather than just the cost of purchasing services from third parties, and includes expenditure on **assets**. See Annex E for a full definition.

**Financial Reporting Standard 17 (FRS17)** sets out the **GAAP** basis for recording pensions.

**Financial Statement and Budget Report (FSBR)** – the FSBR is published each year by the Treasury on Budget day. It has been known as the Red Book. Since 1999 it has been published alongside the Economic and Fiscal Strategy Report in a single Budget document.

**Financial transactions** are payments and receipts relating to changes in holdings of financial assets or liabilities. Financial assets entitle their owners to unconditional financial claims on the units that have the liability (except for gold where there is no liability on another unit). Government departments' financial assets include bank deposits; foreign currency held; bonds and shares owned; loans given; accounts receivable in respect of, for example, income accrued but not yet paid; and **public dividend capital** and the value of government's other stakes in **public corporations**. Physical assets such as buildings and land are not financial assets. Transactions in some financial assets are undertaken to manage cash flows, for example movements in bank deposits, but some are undertaken to further a policy such as lending to students. These types of financial transactions are sometimes called policy lending and are normally included in a department's **DEL capital budget**.

**General Government** is the consolidated combination of the **central government** and **local government** sectors in **National Accounts**.

**Generally accepted accounting practice (GAAP)** – there is no statutory definition of GAAP, but it is taken to be the accounting and disclosure requirements of the Companies Act, pronouncements by the Accounting Standards Board (e.g. financial reporting standards), and the body of accounting knowledge built up over time. **Public sector** bodies have recently moved from GAAP to **International Financial Reporting Standards (IFRS)**.

**Grants** – see **current grants** and **capital grants**.

**Gross Domestic Product (GDP)** (at market prices) is the value of goods and services produced in the UK. "Gross" means there is no deduction for **depreciation**. Economic data are often quoted as a per cent of GDP to give an indication of trends through time and to make international comparisons easier.

**Housing Revenue Account (HRA)** – the HRA represents the current income and expenditure of local authority social housing provision. The HRA is treated as a quasicorporation in **National Accounts**. The surplus of income (which includes rent rebates and subsidies paid by other parts of government) over expenditure is treated as being paid over to local authorities as a notional dividend. This net amount is then included as revenue rather than spending in the **National Accounts**, which means that the current expenditure of local authority housing departments is not included in **TME**. The cost of rent rebates and subsidies is included in TME; these items are within the **AME** lines for social security benefits and other departmental expenditure in AME. Local authority **capital expenditure** on housing associated with the HRA scores as capital spending in the **public corporation** sector, following the implementation of **ONS's** reclassification decision in June 2006. PESA had previously shown this spending in the local government sector. Payments of interest on housing related debt will continue to be treated as part of local government expenditure.

**Identifiable expenditure** is expenditure that can be recognised as having been incurred for the benefit of individuals, enterprises or communities within a particular country or region. Examples are most health and education services, and spending on social security and pensions. See Chapter 9 of PESA for further details.

**Impairments** are recorded where there is the permanent loss or write-off of the recoverable value of a fixed or current asset below the value recorded on the balance sheet in accounts. Impairments are a non-cash charge in the **resource budget** alongside the **depreciation**

charge, but are separately identified. In order to provide support for departments' management decisions, impairments are split into six different categories, some of which are scored in **AME** and others in **DEL**. Further information can be obtained from the Consolidated Budgeting Guidance (CBG).<sup>3</sup> In the Public Spending Statistics budgeting-based presentations impairments are included in the depreciation line, and it is the combined total that is used in the calculation of **Total DEL**. In the **National Accounts**, impairments resulting from accidental damage are included alongside depreciation; other sorts of impairment are not counted in the main expenditure measures.

**International Financial Reporting Standards (IFRS)** have been implemented by **public sector** bodies to replace **GAAP**-based **resource accounting**. Departments have reported 2009-10 resource accounts against IFRS, whilst local authorities moved onto this basis in 2010-11.

**Local Authority Self-Financed Expenditure (LASFE)** is aggregate **local government** expenditure less its receipts of **central government** current and capital support including distribution of **National Non-Domestic Rates** in England and Wales. It represents local government expenditure financed from local resources such as council tax, trading surpluses, investment income, capital receipts, self-financed borrowing, and use of reserves. LASFE does not include **depreciation**.

**Locally Financed Expenditure (LFE)** is LASFE plus expenditure financed by non-domestic rates in Scotland, Wales and Northern Ireland Regional Rates (NIRR).

**Local government** is a sector in **National Accounts**. It comprises all local authorities in the UK including county councils, metropolitan districts, parish councils, police and fire authorities, residuary bodies, passenger transport authorities, Transport for London, London boroughs, and the Greater London Assembly.

**National Accounts** – this is a statistical system that represents the UK's economic transactions. The system provides a number of key economic statistics including **Gross Domestic Product (GDP)**, consumers' expenditure, the balance of payments with the rest of the world, and the public sector balances. The National Accounts is presented by the ONS in the Blue Book.

**National Loans Fund (NLF)** – the NLF is a government account with the Bank of England set up under the National Loans Fund Act 1968. All government borrowing transactions are handled through this fund.

**National Lottery Distribution Fund (NLDF)** – the NLDF is a central government fund, administered by the Department for Culture, Media and Sport (DCMS). The Fund receives a proportion of the proceeds from national lottery ticket sales (receipt of that proportion is treated as a tax in **National Accounts**). The Fund passes it to the Lottery Distributors, independent public sector bodies responsible for awarding national lottery grants to good causes. Payments by the Distributors are treated in the National Accounts as **central government** expenditure in **AME**.

**National Non-Domestic Rates (NNDR)** in England is a tax paid by the occupiers of nondomestic property, principally businesses. Most NNDR is collected from businesses by local authorities and then paid into a **central government** pool. Some large businesses with national activity (such as utility companies) pay directly into the pool (the Central List). The pool is distributed back to local authorities in the form of central government grants. Similar systems apply in Wales and Scotland. The grant is in DEL for England and Wales, but in the **AME** line for **Locally Financed Expenditure** in Scotland. NNDR payments by **central government** or **local government** in respect of the occupation of property are consolidated out through the **accounting adjustments** to arrive at **TME**.

---

<sup>3</sup> <https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2018-to-2019>

**Net lending** has two meanings:

- in **National Accounts** it is the balance of the current and capital accounts and is often quoted with sign reversed as “net borrowing”, which is sometimes called the government deficit; and
- in this publication net lending is more likely to mean lending by government net of any repayments of previous lending. It includes transactions in shares – so, for example, privatisation receipts count as negative net lending. Government lends to students, some industries, **public corporations, local government**, some overseas governments and some international bodies that supply foreign aid.

**Non-budget** income and expenditure normally refers to income and expenditure that pass through a government department’s books and that are not included in **DEL** or departmental **AME**. For example, the grant-in-aid paid to **ALBs** is normally a nonbudget transfer – it is the ALB’s income and expenditure that scores in budgets.

**Non-cash** refers to various transactions that appear in the **operating cost statement** under **resource accounting**, but are not directly included in the **National Accounts** measure of Surplus on the Current Budget. The major non-cash transactions are **depreciation, impairments** and the taking and release of **provisions**. Most depreciation and impairments are in DEL but following changes to the budgeting framework as part of the **alignment project**, most other non-cash items are in **AME**.

**Non-identifiable expenditure** is expenditure that cannot be recognised as benefiting a particular country or region, so is deemed to be incurred on behalf of the United Kingdom as a whole, e.g. most defence expenditure, overseas representation and tax collection.

**Non-voted** expenditure is expenditure that is not voted by Parliament through the Supply procedure. It includes spending funded from various funds, such as the National Insurance Fund.

**Office for National Statistics (ONS)** – the ONS is an independent public sector body that produces many official statistics such as the **National Accounts**. ONS decisions about the classification of bodies are the basis for determining which bodies are included within Public Spending Statistics and PESA and as part of which sector.

**Online System for Central Accounting and Reporting (OSCAR)** – the Treasury’s database that holds public expenditure data.

**Other AME** is public spending that is outside both **DEL** and **departmental AME**. It includes net transfers to the EU, **locally financed expenditure**, debt interest, **public corporations’** own-financed capital expenditure and **accounting adjustments**.

**Outturn** describes expenditure actually incurred and will generally have been included in the resource accounts of the relevant body.

**Pay** includes salaries, employers’ National Insurance Contributions, and accruing pension costs, such as **ASLCs**. The pay of staff engaged in ownaccount **capital formation** is treated as **capital expenditure**.

**Prepayments** are assets on the balance sheet. They are recognised where cash payments are made to suppliers of services in advance of those services being delivered. In resource accounts these are cash movements on the balance sheet and do not score as expenditure in **TME**. The reduction in cash held by the public sector increases **PSND**. Where a department or its **ALB** makes a large (over £20m) prepayment that is long term (over 12 months) this is included in the **capital budget** on the same basis as net lending. When the service is delivered this is scored as appropriate, e.g. as the consumption of goods and services in **resource DEL** within **TME**.

**Private Finance Initiative (PFI)** is a system for purchasing capital intensive services for the public sector. Typically, the private sector designs, finances, builds, and maintains infrastructure, and other fixed capital **assets**, and then operates those assets to sell services to the **public sector**. In a proportion of cases the capital assets are accounted for on the balance sheet of the private sector operator; in other cases they are on the public sector's books. Annex A has more information on the treatment of PFI in Public Spending Statistics.

**Privatisation receipts** are the receipts from the sale of shares, other securities and debt in **public corporations** that were sold as part of the privatisation programme. The proceeds are recorded as negative **net lending**. A corporation is said to be privatised when it is no longer controlled by government.

**Procurement** spending is now shown gross throughout Public Spending Statistics, rather than net of sales as was previously the case within certain tables. It is shown as current or capital procurement as follows:

- current procurement is expenditure on goods and services, including hire and rentals under PFI and non-PFI operating leases, payments for contract and agency staff and payments for consultancy and audit services. It also includes the purchase of services from GPs. Purchase of minor maintenance and minor pieces of equipment and IT systems that are not treated as capital would be counted as current procurement;
- capital procurement is expenditure on the purchase of fixed **assets** such as buildings, machinery and large-scale IT projects.

**Provider Trusts** sell health services in England and Wales. In England they can either be classified as NHS or Foundation Trusts, the latter having more financial and operational independence. In Wales they are known as Health Trusts. In Scotland trusts have been reabsorbed back into Health Boards. All Provider Trusts throughout the UK are in the **central government** sector.

**Provisions** – departments take provisions in accounts and budgets when a past event means that they should recognise a future liability of uncertain amount or timing. Budgets also score the release of the provision and the expenditure that the release finances. Provisions score as part of the resource budget, usually in **AME** unless they relate to pensions or are scored by independent bodies exceptionally allowed to score provisions in **DEL**.

**Public corporations** are publicly controlled **trading bodies** with substantial financial and operational independence from **central** and **local government** – they are legally separate institutional units responsible for their own day-to-day operations and producing their own accounts. To be classed as trading they must receive the majority of their income from sales into a market, rather than grant funding from government. They include Royal Mail Holdings, and most **trading funds** such as the Meteorological Office and Companies House.

**Public Corporations' Own-Financed Capital Expenditure (PCOFCE)** is aggregate **public corporation capital expenditure** less its receipts of **central government** capital support in budgets.

**Public Dividend Capital (PDC)** is a form of long-term government finance for some **public corporations**. The government receives a return in the form of dividends rather than fixed interest payments.

**Public expenditure** is spending by public bodies. The definition of aggregate public expenditure most frequently used in this publication is **Total Managed Expenditure (TME)**.

**Public sector** – the public sector comprises **central government, local government** and **public corporations**.



### **Public sector current expenditure (PSCE):**

- is the sum of the **current expenditure** of **central government** and **local government**, plus certain transactions (interest and rent) paid by **public corporations** to the private sector and abroad;
- does not include expenditure incurred in producing goods and services for sale where undertaken by **public corporations** – rather the surplus of sale receipts over operating costs for public corporations is scored as a public sector receipt and does not affect expenditure measures;
- is net of certain receipts such as: receipts of contributions to public sector occupational pension schemes; receipts of grants from abroad including the EU abatement; sales of goods and services; and income from rent of buildings; and
- includes non-trading capital consumption. This is the **depreciation** of the fixed **assets** held by **central government** and **local government**. It excludes depreciation on assets used to produce goods and services for sale including the assets of public corporations and local authority housing.

Within Public Spending Statistics, PSCE is presented consistent with a measure of **public sector net borrowing** excluding the temporary effects of the financial sector interventions (PSNBex).

**Public sector net borrowing (PSNB)** is the difference between **public sector** receipts and expenditure as measured by **National Accounts**. It also equals the net balance of the public sector's net acquisition of financial liabilities less its acquisition of financial assets. Data imprecision means that the different ways of measuring net borrowing never give exactly the same answer – the difference is called the statistical discrepancy in **ESA10**. In December 2009 the ONS defined an alternative measure of PSNB excluding the temporary effects of the financial sector interventions (PSNBex). Spending aggregates consistent with PSNBex are used throughout this release.

**Public sector net debt (PSND)** is the sum of the public sector's financial liabilities at nominal value, less its liquid financial assets.

**Public sector net investment (PSNI)** is all **capital expenditure** by the **public sector** less an amount representing public sector **depreciation**. Broadly, the amount of capital expenditure that equals the depreciation charge could be seen as keeping the stock of assets stable. Net investment therefore represents the increase in the asset base after allowing for depreciation. For this release, PSNI is presented consistent with a measure of **public sector net borrowing** excluding the temporary effects of the financial sector interventions (PSNBex).

**Public sector gross investment (PSGI)** – see **capital expenditure**

**Quasi-corporations** are entities that meet the economic definition of a public corporation (i.e. trading income covers at least half their costs) but that do not take a separate legal form. Examples are Export Credits Guarantee Department and local authority housing. They score in the **National Accounts** like public corporations (although interest on housing related debt is treated as local authority expenditure).

**RAB** – see **resource accounting** and **resource budgeting**.

**Real terms** figures are amounts adjusted for the effect of general price inflation as measured by the **GDP** market price deflator.

**Reserve** – an amount within **DEL** not allocated to departmental programmes, which provides a margin to cover emergencies and genuinely unforeseen contingencies.

**Resource accounting** is the accounting system used to record expenditure in departmental accounts. It applies **International Financial Reporting Standards** (IFRS) to departmental transactions.

**Resource budget** is the budget for **current expenditure** on an accruals basis. It is divided into resource **DEL** (which is a **control total**) and resource **departmental AME** (a planning total).

**Resource budgeting** is the budgeting regime based on **resource accounting** introduced for the spending plans set in the 2000 Spending Review and which has been used for in-year spending control from 2001-02. Under RAB Stage I (2001-02 to 2002-03) resource **DEL** included **near-cash** transactions measured on an **accruals** basis while **non-cash** transactions were in Departmental **AME**. Under RAB Stage II (from 2003-04) most non-cash transactions were included in resource DEL. Near-cash controls were introduced in 2003-04 and clarified in 2005-06 such that near-cash in resource DEL was a control total. However, under the 2011-12 framework on which this release is based, the near-cash control within resource DEL has been removed as part of the **alignment project**. Resource budgeting is largely derived from resource accounting rules, but there are a number of differences in treatment between resource accounts and resource budgets. For example, **capital grants** are capital in budgets (and in the **National Accounts**), but current in departmental resource accounts. See Annex C for further information.

**Revenue Support Grant** is an unhypothecated (i.e. non ring-fenced) current grant from **central government** to local authorities, paid by Communities and Local Government (CLG).

**Social benefits** include social security, tax credits and similar payments to individuals. They also include unrequited grants to not-for-profit nonmarket bodies such as charities (although purchases of services from charities count as **procurement**). Public service pension payments are included in social benefits.

**Special reserve** is **reserve** specifically set aside to cover military operations.

**Spending Reviews** set **DELs** for the following three or four years. The first was the Comprehensive Spending Review in 1998 with further SRs held every two years until 2004. A second Comprehensive Spending Review reported in autumn 2007 and set budgets for 2008-09 to 2010-11. A further Spending Review in autumn 2010 set budgets for 2011-12 to 2014-15. A Spending Round in June 2013 set budgets for 2015-16. In November 2015 a further spending review set capital budgets for all departments for 2016-17 to 2020-21. Resource budgets were set for all departments up to 2019-20, and for protected departments up to 2020-21 (Health, Defence and International Development).

**Spending sectors** are the part of the **public sector** that are making the expenditure, either **central government**, **local government** or **public corporations**.

**Statement of Comprehensive Net Expenditure (SoCNE)** – this is the statement in departmental resource accounts that shows the current income and expenditure of the department on an accruals basis. It is similar to the profit and loss statement in commercial accounts

**Stock building** (also known as the net acquisition of inventories) is the value of the physical increase in stocks. In government accounts it relates mainly to buildings within urban regeneration areas.

**Subsidies** are payments by government and the EU to trading businesses to help pay for current costs. These include payments to farmers under the EU's Common Agricultural Policy. Subsidies may be paid to **public corporations** as well as to private sector firms.



**Supply expenditure** is expenditure that is voted by Parliament either in the annual Main Estimates (at the start of the year) or in Supplementary Estimates in-year.

**Supported borrowing** – this is the equivalent of **Supported Capital Expenditure** (Revenue) in Scotland.

**Supported Capital Expenditure (SCE)** – Supported Capital Expenditure (Revenue) (SCE(R)) is the amount of borrowing by a local authority in England and Wales (to fund capital expenditure) towards which central government is prepared to provide revenue grant. This support is provided either through Revenue Support Grant (RSG) or **Housing Revenue Account** (HRA) subsidy. It is known as **supported borrowing** in Scotland but there is no equivalent in Northern Ireland as their local government sector is much smaller. Supported Capital Expenditure (Capital) (SCE(C)) is sometimes used to refer to central government **capital grants** paid to local authorities, although capital grants remains the more commonly used terminology.

**Tax credits** are the Working Tax Credit and Child Tax Credit. They replaced former personal tax credits in 2003/04. In budgets tax credits score in departmental AME including negative tax, this is aligned with resource accounts. Tax credits score in **TME** (within departmental **AME**) when the amount paid exceeds the tax liability of the household but as negative tax when the amount paid is less than or equal to the tax liability of the household.

**Total DEL** is the sum of the **resource budget DEL** and the **capital budget DEL**, less **depreciation**. Depreciation is excluded from Total DEL as scoring both **capital expenditure** and depreciation may be seen as double counting. In the calculation of Total DEL, depreciation includes **impairments**, release from donated asset reserve and release from government grant reserve. Total DEL is not a **control total**: it is purely used for presentation.

**Total Expenditure on Services (TES)** – see **Expenditure on services**.

**Total Managed Expenditure (TME)** is a definition of aggregate public spending derived from **National Accounts**. It is the consolidated sum of **current** and **capital expenditure** of **central** and **local government**, and **public corporations**. TME can also be presented as the sum of **DEL** and **AME**. For Public Spending Statistics, TME and its components are presented consistent with **public sector net borrowing** excluding the temporary effects of the financial sector interventions (PSNBex).

**Trading bodies** are publicly owned or controlled trading businesses. **Public corporations** and **quasi-corporations** are trading bodies. There may also be some trading activities that are closely integrated within **central government** or **local government** and do not have enough independence to be classified as a public corporation or quasicorporation. **Capital expenditure** of trading bodies is included in public expenditure measures, but the surplus of current income over **current expenditure** is included as a revenue item called gross trading surplus. There are examples in the **local government** sector such as some theatres and sports facilities.

**Trading Funds** are government departments or parts of government departments. They have financing frameworks that allow them to meet outgoings without the cash flows passing through Supply Estimates. Generally they cover their costs from trading receipts. In **National Accounts** they are normally treated as **public corporations**.

**Traditional Own Resources (TOR)** – the European Union's Traditional Own Resources are customs duties, including those on agricultural products and sugar levies.

**VAT refunds** are given to departments in relation to payments for contracted out services to remove a disincentive to contracting out services that might otherwise have been performed in-house.