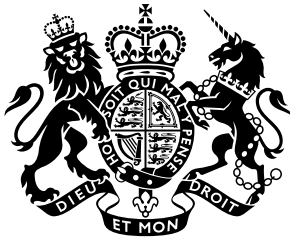




HM Treasury

Public Expenditure

Statistical Analyses 2020



Public Expenditure

Statistical Analyses 2020

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

July 2020



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How to use PESA

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

What is PESA?

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

Table i.1 Spending frameworks used in PESA

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

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

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

Section	Chapter	Budgeting framework	Expenditure on services framework
Budgets	1. Departmental budgets	All tables	–
	2. Economic analyses of budgets	All tables	–
	3. Changes in departmental budgets	All tables	–
Public sector spending	4. Trends in public sector expenditure	–	All tables
	5. Public sector expenditure by function, sub-function and economic category	–	All tables
Sectoral analyses	6. Central government own expenditure	Tables 6.1-6.3	Tables 6.4-6.6
	7. Local government financing and expenditure	Tables 7.1-7.3 (financing)	Tables 7.4-7.8 (expenditure)
	8. Public corporations	Tables 8.1-8.2	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;
- **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**;
- **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;
- 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 2019. 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;
- 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 2020 normally cover the years 2015-16 to 2020-21, although some show only the latest year (2019-20) 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 2020, **Table 1.1**);
- resource and capital elements of Departmental Expenditure Limits and Annually Managed Expenditure by departmental group (PESA 2020, **Tables 1.3 and 1.8**);
- public sector expenditure on services by function (PESA 2020, **Table 4.2**);
- public sector expenditure on services by economic category (PESA 2020, **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:

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London
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e-mail: pesa@hmtreasury.gsi.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;
- **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;
- **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 1996-97) for public sector expenditure on services by function. Expenditure on services by function are better suited to presentation in long-run series than budgeting aggregates as they are less impacted by restructuring of government departments and the movement of spending programmes between departments.

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. For years prior to the latest five years of outturn, the PESA team maintain a summarised version of 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 IMF¹. The mapping between the HM Treasury functions and UN COFOG level 2 is as follows:

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

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

A number of the tables in this publication give figures in real terms. Real terms figures are the actual (known as nominal) spend adjusted to exclude the effect of general inflation, as measured by the GDP deflator at market prices. The real terms figures in this publication are given in 2019-20 prices. The GDP deflators and GDP actuals used in this publication are those given in **Annex F**. The most up-to-date deflators and GDP numbers are available on the gov.uk website².

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

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



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1

Departmental budgets

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

What's new

1.2 The departmental DEL and AME budgets for 2020-21 presented in this edition of PESA are consistent with those published in the Main Estimates on 4th May 2020¹ and therefore won't reflect spending announcements made since April 2020. Budgets will be updated in the Supplementary Estimates later in the financial year to reflect any spending announcements not already included. More information on the contents of departments' Main Estimates can be found on the Parliament.UK website².

1.3 Due to significant pressures experienced by some departments responding to the COVID-19 pandemic, the administrative deadline for laying the 2019-20 departmental annual reports and accounts (ARAs) has been extended to 30th September 2020³. As a result, the 2019-20 outturn published in PESA may be subject to data quality issues due to the inability of some departments, taking advantage of the extension, to align outturn data accurately to their ARAs. It is likely that some departments will revise their outturn data to align fully with the publication of their ARAs later in the year. The public spending statistics (PSS) release, published on a quarterly basis, will reflect any later revisions made by departments for their 2019-20 outturn.

The budgeting and reporting framework

1.4 **Table 1.1** summarises public expenditure both in terms of the Treasury's budgeting and control framework⁴, 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'

¹ <https://www.gov.uk/government/publications/main-supply-estimates-2020-to-2021>

² <https://www.parliament.uk/mps-lords-and-offices/offices/commons/scrutinyunit/reports-and-publications/main-estimates-2020-21/>

³ <https://www.gov.uk/government/publications/financial-reporting-manual-addendum-2019-20>

⁴ <https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2019-to-2020>

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

Reconciliation of budgeting and National Accounts aggregates

1.8 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 to 2019-20) and Spending Round 2019 (2020-21). 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, i.e. 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 arm's length bodies (ALBs) classified to central government;
- 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);
- 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;
- 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 PESA now includes the following table on spending and plans relating to NHS England. This data is presented in terms of Total Departmental Expenditure Limits (TDEL) and Resource Departmental Expenditure Limits excluding depreciation, as set out in Spending Review 2015 and Spending Round 2019. The data is also presented in real terms and for both outturn and plan years for the periods covered in Spending Review 2015 and Spending Round 2019.

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

NHS England - Departmental Expenditure Limits, 2015-16 to 2020-21

		National Statistics					£ million
		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
		outturn	outturn	outturn	outturn	outturn	plans
Total DEL⁽¹⁾	NHS England ⁽²⁾	100,754	105,975	109,833	114,552	124,002	129,986
	NHS England ⁽²⁾ - real terms ⁽³⁾	109,233	112,235	114,346	116,769	124,002	127,475
Resource DEL (exc depreciation)	NHS England ⁽²⁾	100,572	105,735	109,605	114,331	123,737	129,681
	NHS England ⁽²⁾ - real terms ⁽³⁾	109,035	111,981	114,108	116,543	123,737	127,176

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

⁽²⁾ For further information on NHS England expenditure please refer to the Department of Health and Social Care Annual Report and Accounts 2020-21.

⁽³⁾ Real-terms figures are the cash figures adjusted to 2019-20 price levels using GDP deflators. The deflators are calculated from data published by the Office for National Statistics. See Annex F for more detail.

Table 1.1 Total Managed Expenditure, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
CURRENT EXPENDITURE						
Resource DEL						
Resource DEL excluding depreciation	306,748	304,332	303,197	308,819	333,336	387,283
Depreciation in resource DEL	18,742	25,247	28,637	23,598	35,582	28,784
Total resource DEL	325,490	329,580	331,833	332,417	368,918	416,067
Resource departmental AME						
Social security benefits	187,687	189,298	192,728	199,381	208,814	231,884
Tax credits ⁽¹⁾	28,482	27,393	26,293	22,345	18,082	31,524
Net public service pensions ⁽²⁾	11,830	9,524	26,912	54,349	34,072	42,101
National lottery	904	1,080	1,132	840	1,056	1,119
BBC domestic services	3,631	3,567	3,410	3,447	3,769	3,812
Student loans	-1,683	-2,031	-3,001	-5,667	-5,915	-6,358
Non-cash items	185,537	61,752	147,001	-61,042	63,083	63,706
Financial sector interventions	-12,492	-24,832	-216	-15,090	-36,270	-22
Other departmental expenditure	14,076	25,823	38,659	45,999	88,533	102,485
Total resource departmental AME	417,971	291,574	432,919	244,562	375,223	470,251
Resource other AME						
Net expenditure transfers to the EU	11,253	9,160	10,188	12,892	11,549	9,709
Locally financed expenditure	30,294	33,956	33,692	35,462	40,707	42,480
Central government gross debt interest	45,127	48,659	55,037	48,795	47,839	44,684
Accounting adjustments ⁽³⁾	-117,026	12,410	-121,932	84,594	-59,816	-167,415
Total resource other AME	-30,353	104,185	-23,015	181,743	40,279	-70,543
Total resource AME	387,618	395,759	409,904	426,305	415,502	399,709
Public sector current expenditure	713,108	725,339	741,737	758,722	784,420	815,775
CAPITAL EXPENDITURE						
Capital DEL						
Total capital DEL	48,603	51,298	55,633	62,583	70,375	81,351
Capital departmental AME						
National lottery	407	479	426	337	225	261
BBC domestic services	130	248	118	160	132	371
Student loans	12,597	14,025	16,870	18,385	22,475	25,122
Financial sector interventions	-11,315	-3,514	-942	-2,509	-1,618	-1,613
Other departmental expenditure	-11,076	-8,059	4,654	-3,742	2,037	7,951
Total capital departmental AME	-9,257	3,179	21,127	12,631	23,251	32,091
Capital other AME						
Locally financed expenditure	8,466	8,741	13,937	13,080	13,114	10,944
Public corporations' own-financed capital expenditure	14,857	16,939	15,481	9,187	9,479	9,748
Accounting adjustments ⁽³⁾	17,719	7,135	-12,863	-4,505	-19,207	-22,204
Total capital other AME	41,041	32,815	16,556	17,761	3,385	-1,512
Total capital AME	31,784	35,994	37,683	30,392	26,636	30,580
Public sector gross investment ⁽⁴⁾	80,387	87,292	93,316	92,975	97,011	111,930
less public sector depreciation	47,273	48,521	48,980	48,813	49,414	52,217
Public sector net investment ⁽⁴⁾	33,114	38,771	44,336	44,162	47,597	59,713
TOTAL MANAGED EXPENDITURE ^{(4) (5)}	793,495	812,631	835,053	851,697	881,431	927,706
<i>of which:</i>						
Total DEL ⁽⁵⁾	355,351	355,630	358,830	371,403	403,710	468,633
Departmental AME	408,713	294,752	454,045	257,192	398,474	502,343
Other AME	29,431	162,248	22,178	223,102	79,247	-43,270

⁽¹⁾ Tax credits include working tax credits, stakeholder pension credits and Child Tax Credits. Child allowances paid as part of Income Support and Jobseekers' Allowance are shown within social security benefits. Tax credits include elements that are treated as negative tax in National Accounts.

⁽²⁾ The 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.

⁽³⁾ Transactions have been affected by financial sector interventions and COVID-19 measures, see Boxes 2.A and 2.B in Chapter 2.

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

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

Table 1.2 Total Managed Expenditure in real terms⁽¹⁾, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
CURRENT EXPENDITURE						
Resource DEL						
Resource DEL excluding depreciation	332,562	322,312	315,655	314,796	333,336	379,800
Depreciation in resource DEL	20,319	26,739	29,814	24,055	35,582	28,228
Total resource DEL	352,881	349,051	345,469	338,850	368,918	408,028
Resource departmental AME						
Social security benefits	203,481	200,481	200,648	203,239	208,814	227,404
Tax credits ⁽²⁾	30,879	29,011	27,374	22,777	18,082	30,915
Net public service pensions ⁽³⁾	12,825	10,087	28,018	55,401	34,072	41,288
National lottery	980	1,144	1,178	857	1,056	1,097
BBC domestic services	3,936	3,778	3,550	3,514	3,769	3,738
Student loans	-1,824	-2,151	-3,124	-5,776	-5,915	-6,235
Non-cash items	201,151	65,400	153,041	-62,224	63,083	62,475
Financial sector interventions	-13,544	-26,299	-225	-15,382	-36,270	-21
Other departmental expenditure	15,260	27,349	40,248	46,889	88,533	100,505
Total resource departmental AME	453,144	308,799	450,708	249,295	375,223	461,166
Resource other AME						
Net expenditure transfers to the EU	12,200	9,701	10,606	13,141	11,549	9,521
Locally financed expenditure	32,843	35,962	35,077	36,148	40,707	41,660
Central government gross debt interest	48,925	51,534	57,299	49,739	47,839	43,820
Accounting adjustments ⁽⁴⁾	-126,875	13,143	-126,942	86,231	-59,816	-164,181
Total resource other AME	-32,907	110,340	-23,961	185,260	40,279	-69,180
Total resource AME	420,237	419,140	426,747	434,554	415,502	391,986
Public sector current expenditure	773,118	768,191	772,216	773,405	784,420	800,014
CAPITAL EXPENDITURE						
Capital DEL						
Total capital DEL	52,693	54,329	57,919	63,794	70,375	79,779
Capital departmental AME						
National lottery	442	508	443	343	225	256
BBC domestic services	141	262	123	163	132	364
Student loans	13,657	14,854	17,564	18,741	22,475	24,636
Financial sector interventions	-12,267	-3,722	-981	-2,557	-1,618	-1,582
Other departmental expenditure	-12,009	-8,535	4,845	-3,814	2,037	7,798
Total capital departmental AME	-10,036	3,366	21,995	12,875	23,251	31,471
Capital other AME						
Locally financed expenditure	9,178	9,258	14,510	13,333	13,114	10,733
Public corporations' own-financed capital expenditure	16,107	17,940	16,117	9,365	9,479	9,559
Accounting adjustments ⁽⁴⁾	19,210	7,556	-13,391	-4,592	-19,207	-21,775
Total capital other AME	44,495	34,754	17,236	18,105	3,385	-1,482
Total capital AME	34,458	38,120	39,231	30,980	26,636	29,989
Public sector gross investment ⁽⁵⁾	87,152	92,449	97,151	94,774	97,011	109,768
less public sector depreciation	51,251	51,388	50,993	49,758	49,414	51,208
Public sector net investment ⁽⁵⁾	35,901	41,062	46,158	45,017	47,597	58,560
TOTAL MANAGED EXPENDITURE ^{(5) (6)}	860,270	860,640	869,367	868,179	881,431	909,782
<i>of which:</i>						
Total DEL ⁽⁶⁾	385,255	376,640	373,575	378,590	403,710	459,579
Departmental AME	443,108	312,166	472,703	262,170	398,474	492,637
Other AME	31,907	171,834	23,089	227,420	79,247	-42,434

⁽¹⁾ Real terms figures are the cash figures adjusted to 2019-20 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National statistics on 30 June 2020. The forecasts are consistent with the 2020 Budget.

⁽²⁾ Tax credits include working tax credits, stakeholder pension credits and Child Tax Credits. Child allowances paid as part of Income Support and Jobseekers' Allowance are shown within social security benefits. Tax credits include elements that are treated as negative tax in National Accounts.

⁽³⁾ 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.

⁽⁴⁾ Transactions have been affected by financial sector interventions and COVID-19 measures, see Boxes 2.A and 2.B in Chapter 2.

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

⁽⁶⁾ Total DEL is given by resource DEL excluding depreciation plus capital DEL.

Table 1.3 Resource budgets, 2015-16 to 2020-21

	£ million					
	National Statistics					2020-21 plans
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
Resource DEL by departmental group						
Health and Social Care	113,710	117,031	120,650	125,278	134,137	144,836
Education	63,947	69,831	75,148	70,444	78,665	74,195
Home Office	10,757	10,977	10,911	11,226	11,869	13,181
Justice	7,348	7,406	7,627	8,035	8,321	8,903
Law Officers' Departments	553	530	567	557	621	696
Defence	34,424	35,423	34,199	34,571	36,408	39,249
Single Intelligence Account	2,174	2,268	2,390	2,541	2,779	2,843
Foreign and Commonwealth Office	1,953	2,058	2,208	2,410	2,581	2,756
International Development	6,829	7,413	7,558	7,196	8,004	7,548
MHCLG - Housing and Communities	2,174	2,488	2,372	2,328	2,481	2,688
MHCLG - Local Government	10,758	8,229	6,714	4,834	8,572	16,955
Transport ⁽¹⁾	3,029	2,927	3,673	3,902	11,461	14,192
Business, Energy and Industrial Strategy	2,494	1,962	1,714	1,245	2,838	15,941
Digital, Culture, Media and Sport	1,390	1,551	1,585	1,658	1,809	1,856
Environment, Food and Rural Affairs	1,732	1,740	1,833	1,959	2,240	4,332
International Trade	341	345	381	410	470	567
Work and Pensions	6,551	6,236	6,187	5,966	5,883	6,199
HM Revenue and Customs	3,576	3,836	3,946	3,952	4,279	4,331
HM Treasury	129	163	225	246	354	277
Cabinet Office	450	501	757	633	993	910
Scotland ⁽²⁾	26,338	21,377	14,946	16,495	17,731	25,555
Wales ⁽³⁾	13,329	13,325	14,002	14,011	12,858	15,376
Northern Ireland	10,156	10,475	10,625	11,006	11,941	13,613
Small and Independent Bodies	1,349	1,489	1,617	1,513	1,622	2,369
Reserves ⁽⁸⁾	–	–	–	–	–	–
OBR allowance for shortfall	–	–	–	–	–	-3,245
Adjustment for Budget Exchange ⁽⁴⁾	–	–	–	–	–	-55
Total resource DEL	325,490	329,580	331,833	332,417	368,918	416,067
Resource departmental AME by departmental group						
Health and Social Care ⁽⁵⁾	48,530	27,782	39,657	40,645	30,409	39,067
Education	5,296	11,448	15,094	22,739	23,714	15,894
Home Office	1,551	2,396	2,489	2,695	2,622	2,455
Justice	483	549	244	1,301	689	738
Law Officers' Departments	-15	-1	11	2	3	7
Defence	12,020	5,125	16,675	594	7,877	8,201
Single Intelligence Account	135	13	19	22	21	39
Foreign and Commonwealth Office	39	-53	142	31	5	100
International Development	206	188	326	-101	-142	43
MHCLG - Housing and Communities	56	154	184	198	-106	1,610
MHCLG - Local Government	12,174	12,413	15,752	21,188	18,646	16,813
Transport ⁽⁶⁾	5,680	6,457	6,989	7,456	1,243	2,409
Business, Energy and Industrial Strategy ⁽⁵⁾	102,217	3,781	75,398	-105,665	9,378	14,967
Digital, Culture, Media and Sport	4,348	4,702	4,265	4,739	4,954	5,001
Environment, Food and Rural Affairs	391	86	-28	-501	626	292
International Trade	0	–	0	1	1	3
Work and Pensions	173,400	172,921	177,252	180,877	190,782	213,482
HM Revenue and Customs	43,194	42,329	41,845	40,232	39,021	108,831
HM Treasury ⁽⁷⁾	-13,778	-25,452	-684	-15,254	2,512	303
Cabinet Office	10,366	9,140	11,203	14,247	12,353	11,830
Scotland	3,951	9,203	17,123	19,196	17,767	17,461
Wales	-311	240	177	260	2,456	158
Northern Ireland	8,375	8,253	8,872	9,753	10,582	10,131
Small and Independent Bodies	-336	-101	-88	-94	-189	417
Total resource departmental AME	417,971	291,574	432,919	244,562	375,223	470,251
Total resource budget	743,461	621,154	764,752	576,979	744,141	886,318

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

⁽²⁾ As agreed in the Scottish Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax and welfare powers. For detailed funding information on the devolution of tax and welfare powers see the Block Grant Transparency publication available on GOV.UK.

⁽³⁾ As agreed in the Welsh Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax powers. For detailed funding information on the devolution of tax powers see the Block Grant Transparency publication available on GOV.UK.

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

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

⁽⁶⁾ Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently, Total Managed Expenditure (TME) includes Network Rail spending in all years shown. From 2019-20 expenditure by Network Rail forms part of Transport DEL budgets.

⁽⁷⁾ Transactions have been affected by financial sector interventions, see Box 2.8 in Chapter 2.

⁽⁸⁾ The 2020-21 Reserve will be updated at the next fiscal event.

Table 1.4 Resource budgets in real terms⁽¹⁾, 2015-16 to 2020-21

	£ million					
	National Statistics					
	2015-16	2016-17	2017-18	2018-19	2019-20	
	outturn	outturn	outturn	outturn	outturn	plans
Resource DEL by departmental group						
Health and Social Care	123,279	123,945	125,608	127,703	134,137	142,037
Education	69,328	73,957	78,236	71,807	78,665	72,761
Home Office	11,663	11,626	11,360	11,443	11,869	12,927
Justice	7,966	7,843	7,941	8,191	8,321	8,731
Law Officers' Departments	600	561	591	568	621	682
Defence	37,321	37,515	35,604	35,241	36,408	38,491
Single Intelligence Account	2,357	2,402	2,488	2,591	2,779	2,788
Foreign and Commonwealth Office	2,117	2,179	2,298	2,457	2,581	2,702
International Development	7,404	7,851	7,868	7,336	8,004	7,403
MHCLG - Housing and Communities	2,356	2,635	2,469	2,373	2,481	2,636
MHCLG - Local Government	11,663	8,715	6,989	4,927	8,572	16,627
Transport ⁽²⁾	3,284	3,100	3,824	3,977	11,461	13,918
Business, Energy and Industrial Strategy	2,704	2,078	1,784	1,269	2,838	15,633
Digital, Culture, Media and Sport	1,507	1,642	1,650	1,691	1,809	1,820
Environment, Food and Rural Affairs	1,878	1,843	1,908	1,997	2,240	4,248
International Trade	370	365	396	418	470	556
Work and Pensions	7,103	6,604	6,441	6,081	5,883	6,079
HM Revenue and Customs	3,877	4,062	4,108	4,028	4,279	4,247
HM Treasury	140	172	235	251	354	272
Cabinet Office	488	531	788	645	993	893
Scotland ⁽³⁾	28,554	22,640	15,560	16,814	17,731	25,061
Wales ⁽⁴⁾	14,451	14,112	14,577	14,282	12,858	15,079
Northern Ireland	11,011	11,094	11,062	11,219	11,941	13,350
Small and Independent Bodies	1,462	1,577	1,684	1,542	1,622	2,323
Reserves ⁽⁹⁾	–	–	–	–	–	–
OBR allowance for shortfall	–	–	–	–	–	-3,182
Adjustment for Budget Exchange ⁽⁵⁾	–	–	–	–	–	-54
Total resource DEL	352,881	349,051	345,469	338,850	368,918	408,028
Resource departmental AME by departmental group						
Health and Social Care ⁽⁶⁾	52,614	29,424	41,287	41,431	30,409	38,312
Education	5,742	12,124	15,715	23,179	23,714	15,587
Home Office	1,681	2,538	2,591	2,748	2,622	2,408
Justice	524	582	254	1,326	689	724
Law Officers' Departments	-17	-1	12	2	3	7
Defence	13,032	5,428	17,360	606	7,877	8,043
Single Intelligence Account	146	14	20	23	21	38
Foreign and Commonwealth Office	42	-56	148	32	5	98
International Development	223	199	340	-103	-142	42
MHCLG - Housing and Communities	60	163	192	202	-106	1,579
MHCLG - Local Government	13,199	13,147	16,399	21,598	18,646	16,488
Transport ⁽⁷⁾	6,158	6,838	7,276	7,600	1,243	2,362
Business, Energy and Industrial Strategy ⁽⁶⁾	110,819	4,004	78,496	-107,710	9,378	14,677
Digital, Culture, Media and Sport	4,714	4,980	4,440	4,830	4,954	4,904
Environment, Food and Rural Affairs	424	91	-29	-511	626	286
International Trade	0	–	0	1	1	3
Work and Pensions	187,992	183,137	184,536	184,378	190,782	209,357
HM Revenue and Customs	46,829	44,830	43,564	41,010	39,021	106,729
HM Treasury ⁽⁸⁾	-14,937	-26,956	-712	-15,549	2,512	297
Cabinet Office	11,238	9,680	11,664	14,522	12,353	11,601
Scotland	4,283	9,746	17,826	19,568	17,767	17,124
Wales	-337	254	185	265	2,456	155
Northern Ireland	9,080	8,741	9,237	9,941	10,582	9,935
Small and Independent Bodies	-365	-107	-91	-96	-189	409
Total resource departmental AME	453,144	308,799	450,708	249,295	375,223	461,166
Total resource budget	806,025	657,850	796,177	588,145	744,141	869,194

⁽¹⁾ Real terms figures are the cash figures adjusted to 2019-20 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National Statistics on 30 June 2020. The forecasts are consistent with the 2020 Budget.

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

⁽³⁾ As agreed in the Scottish Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax and welfare powers. For detailed funding information on the devolution of tax and welfare powers see the Block Grant Transparency publication available on GOV.UK.

⁽⁴⁾ As agreed in the Welsh Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax powers. For detailed funding information on the devolution of tax powers see the Block Grant Transparency publication available on GOV.UK.

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

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

⁽⁷⁾ 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. From 2019-20 expenditure by Network Rail forms part of Transport DEL budgets.

⁽⁸⁾ Transactions have been affected by financial sector interventions, see Box 2.B in Chapter 2.

⁽⁹⁾ The 2020-21 Reserve will be updated at the next fiscal event.

Table 1.5 Resource DEL excluding depreciation, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
Resource DEL excluding depreciation by departmental group						
Health and Social Care	112,592	116,028	119,918	124,359	133,447	143,873
Education	59,149	59,871	60,643	61,491	63,537	67,806
Home Office	10,510	10,712	10,614	10,923	11,507	12,829
Justice	6,894	6,915	7,135	7,511	7,853	8,297
Law Officers' Departments	546	524	559	547	610	680
Defence	26,696	26,592	26,901	27,732	29,501	30,749
Single Intelligence Account	1,768	1,920	2,020	2,134	2,338	2,445
Foreign and Commonwealth Office	1,762	1,934	2,061	2,236	2,404	2,606
International Development	6,817	7,404	7,549	7,190	7,994	7,529
MHCLG - Housing and Communities	2,173	2,471	2,391	2,333	2,467	2,660
MHCLG - Local Government	10,758	8,229	6,714	4,834	8,572	16,955
Transport ⁽¹⁾	1,913	1,585	2,110	2,479	4,067	6,902
Business, Energy and Industrial Strategy	2,225	1,607	1,448	935	2,507	15,604
Digital, Culture, Media and Sport	1,262	1,407	1,436	1,524	1,567	1,651
Environment, Food and Rural Affairs	1,564	1,553	1,656	1,761	2,016	4,093
International Trade	339	343	378	406	462	565
Work and Pensions	6,368	6,079	6,000	5,760	5,695	6,005
HM Revenue and Customs	3,302	3,557	3,649	3,663	3,983	3,952
HM Treasury	121	155	217	241	350	271
Cabinet Office	431	479	722	581	919	839
Scotland ⁽²⁾	25,566	20,598	14,177	14,982	16,717	24,409
Wales ⁽³⁾	12,815	13,072	13,293	13,307	12,047	14,687
Northern Ireland	9,901	9,885	10,078	10,481	11,355	13,026
Small and Independent Bodies	1,275	1,411	1,528	1,411	1,421	2,151
Reserves ⁽⁵⁾	–	–	–	–	–	–
OBR allowance for shortfall	–	–	–	–	–	-3,245
Adjustment for Budget Exchange ⁽⁴⁾	–	–	–	–	–	-55
Total Resource DEL less depreciation	306,748	304,332	303,197	308,819	333,336	387,283

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

⁽²⁾ As agreed in the Scottish Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax and welfare powers. For detailed funding information on the devolution of tax and welfare powers see the Block Grant Transparency publication available on GOV.UK.

⁽³⁾ As agreed in the Welsh Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax powers. For detailed funding information on the devolution of tax powers see the Block Grant Transparency publication available on GOV.UK.

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

⁽⁵⁾ The 2020-21 Reserve will be updated at the next fiscal event.

Table 1.6 Resource DEL excluding depreciation in real terms⁽¹⁾, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	outturn	outturn	outturn	outturn	outturn	plans
Resource DEL excluding depreciation by departmental group						
Health and Social Care	122,067	122,883	124,846	126,765	133,447	141,093
Education	64,126	63,409	63,135	62,681	63,537	66,496
Home Office	11,395	11,345	11,050	11,134	11,507	12,581
Justice	7,474	7,323	7,428	7,656	7,853	8,136
Law Officers' Departments	592	555	582	558	610	667
Defence	28,943	28,163	28,007	28,268	29,501	30,155
Single Intelligence Account	1,917	2,034	2,103	2,175	2,338	2,398
Foreign and Commonwealth Office	1,910	2,049	2,146	2,279	2,404	2,555
International Development	7,390	7,842	7,859	7,329	7,994	7,384
MHCLG - Housing and Communities	2,356	2,617	2,490	2,378	2,467	2,609
MHCLG - Local Government	11,663	8,715	6,989	4,927	8,572	16,627
Transport ⁽²⁾	2,074	1,678	2,196	2,527	4,067	6,769
Business, Energy and Industrial Strategy	2,412	1,702	1,507	953	2,507	15,303
Digital, Culture, Media and Sport	1,369	1,491	1,495	1,553	1,567	1,619
Environment, Food and Rural Affairs	1,696	1,645	1,724	1,795	2,016	4,014
International Trade	368	363	394	414	462	555
Work and Pensions	6,904	6,439	6,246	5,871	5,695	5,889
HM Revenue and Customs	3,580	3,768	3,799	3,734	3,983	3,875
HM Treasury	131	164	226	245	350	266
Cabinet Office	467	507	752	593	919	822
Scotland ⁽³⁾	27,718	21,815	14,759	15,272	16,717	23,937
Wales ⁽⁴⁾	13,894	13,844	13,840	13,565	12,047	14,404
Northern Ireland	10,734	10,469	10,492	10,684	11,355	12,774
Small and Independent Bodies	1,383	1,495	1,591	1,438	1,421	2,109
Reserves ⁽⁶⁾	–	–	–	–	–	–
OBR allowance for shortfall	–	–	–	–	–	-3,182
Adjustment for Budget Exchange ⁽⁵⁾	–	–	–	–	–	-54
Total Resource DEL less depreciation	332,562	322,312	315,655	314,796	333,336	379,800

⁽¹⁾ Real terms figures are the cash figures adjusted to 2019-20 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National Statistics on 30 June 2020. The forecasts are consistent with the 2020 Budget.

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

⁽³⁾ As agreed in the Scottish Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax and welfare powers. For detailed funding information on the devolution of tax and welfare powers see the Block Grant Transparency publication available on GOV.UK.

⁽⁴⁾ As agreed in the Welsh Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax powers. For detailed funding information on the devolution of tax powers see the Block Grant Transparency publication available on GOV.UK.

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

⁽⁶⁾ The 2020-21 Reserve will be updated at the next fiscal event.

Table 1.7 Administration budgets, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	outturn	outturn	outturn	outturn	outturn	plans
Health and Social Care	2,554	2,400	2,304	2,273	2,305	2,558
Education	482	508	530	507	509	494
Home Office	384	375	355	360	358	361
Justice	571	510	450	398	405	466
Law Officers' Departments	43	43	42	38	56	56
Defence	1,505	1,497	1,467	1,681	1,908	1,982
Single Intelligence Account	63	67	70	75	79	77
Foreign and Commonwealth Office	111	116	176	129	129	208
International Development	104	97	100	125	113	128
MHCLG - Housing and Communities	275	242	224	254	242	322
Transport	267	259	265	279	295	302
Business, Energy and Industrial Strategy	435	392	383	461	502	573
Digital, Culture, Media and Sport	159	143	157	205	226	238
Environment, Food and Rural Affairs	497	453	473	623	723	858
International Trade	27	30	76	118	145	209
Work and Pensions	835	879	799	779	797	792
HM Revenue and Customs	792	757	842	840	821	997
HM Treasury	134	160	165	186	203	252
Cabinet Office	176	234	256	277	334	381
Small and Independent Bodies	281	256	250	556	276	295
Adjustment for Budget Exchange ⁽¹⁾	–	–	–	–	–	-55
Total administration budgets	9,695	9,418	9,385	10,162	10,427	11,496
<i>of which: administration costs paybill</i>	6,601	6,462	6,509	7,401	8,011	7,210
Administration budgets as a percentage of Total Managed Expenditure⁽²⁾	1.0	1.0	1.0	1.0	1.0	1.0

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

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

Table 1.8 Capital budgets, 2015-16 to 2020-21

	£ million					
	National Statistics					2020-21 plans
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
Capital DEL by departmental group						
Health and Social Care	4,652	4,556	5,238	5,941	7,006	8,231
Education	5,414	5,103	4,634	5,169	4,852	4,327
Home Office	476	510	624	744	782	791
Justice	266	417	414	431	505	873
Law Officers' Departments	3	13	10	16	8	8
Defence	8,402	8,689	9,704	10,294	10,261	10,535
Single Intelligence Account	575	603	576	607	637	809
Foreign and Commonwealth Office	131	60	-252	142	148	102
International Development	2,433	2,588	2,713	3,105	2,036	2,623
MHCLG - Housing and Communities	3,849	5,114	6,634	7,424	8,299	13,337
Transport ⁽¹⁾	6,001	5,419	6,175	8,274	14,342	18,064
Business, Energy and Industrial Strategy	10,123	10,749	10,458	10,955	11,228	13,523
Digital, Culture, Media and Sport	349	275	351	366	583	630
Environment, Food and Rural Affairs	570	653	630	727	766	902
International Trade	2	6	16	17	19	14
Work and Pensions	188	292	433	334	81	225
HM Revenue and Customs	228	326	278	349	335	365
HM Treasury	-660	-2	-78	104	139	10
Cabinet Office	39	121	193	132	109	311
Scotland	3,164	3,248	3,625	3,872	4,260	5,498
Wales	1,543	1,449	1,821	2,037	2,132	2,430
Northern Ireland	766	1,005	1,148	1,297	1,347	1,737
Small and Independent Bodies	90	103	289	247	500	531
Reserves ⁽⁵⁾	-	-	-	-	-	-
OBR allowance for shortfall	-	-	-	-	-	-3,909
Adjustment for Budget Exchange ⁽²⁾	-	-	-	-	-	-617
Total capital DEL	48,603	51,298	55,633	62,583	70,735	81,351
Capital departmental AME by departmental group						
Health and Social Care	9	13	-	-5	-6	15
Education	11,642	13,072	15,771	17,106	20,978	23,619
Home Office	437	-	-	-	-	-
Defence	29	-	44	-	-	-
International Development	450	285	395	736	956	1,134
MHCLG - Housing and Communities	207	-	-	-	-	-
Transport ⁽³⁾	6,544	6,855	7,291	5,168	169	470
Business, Energy and Industrial Strategy	-1,630	-15	-1,197	-312	-137	650
Digital, Culture, Media and Sport	497	804	605	453	409	758
Environment, Food and Rural Affairs	0	1	0	0	11	15
Work and Pensions	-148	-87	-37	135	309	1,637
HM Revenue and Customs	0	0	0	0	0	0
HM Treasury ⁽⁴⁾	-29,066	-19,732	-3,697	-12,935	-2,064	-1,330
Scotland	744	811	959	787	1,174	995
Wales	388	422	505	698	803	989
Northern Ireland	605	498	318	374	340	354
Small and Independent Bodies	34	251	168	426	308	2,787
Total capital departmental AME	-9,257	3,179	21,127	12,631	23,251	32,091
Total capital budget	39,346	54,477	76,760	75,214	93,626	113,442

⁽¹⁾ Following implementation of ESA10, Network rail is now classified to Central Government. 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.

⁽²⁾ 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.

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

⁽⁴⁾ Transactions have been affected by financial sector interventions, see Box 2.B in Chapter 2.

⁽⁵⁾ The 2020-21 Reserve will be updated at the next fiscal event.

Table 1.9 Capital budgets in real terms ⁽¹⁾, 2015-16 to 2020-21

	£ million					
	National Statistics					2020-21 plans
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
Capital DEL by departmental group						
Health and Social Care	5,044	4,825	5,453	6,056	7,006	8,072
Education	5,870	5,405	4,825	5,269	4,852	4,244
Home Office	516	540	649	759	782	776
Justice	288	442	431	439	505	856
Law Officers' Departments	3	14	10	16	8	8
Defence	9,110	9,202	10,102	10,494	10,261	10,331
Single Intelligence Account	623	639	600	618	637	793
Foreign and Commonwealth Office	143	63	-262	144	148	100
International Development	2,638	2,741	2,825	3,165	2,036	2,573
MHCLG - Housing and Communities	4,173	5,416	6,906	7,567	8,299	13,079
Transport ⁽²⁾	6,506	5,739	6,429	8,434	14,342	17,715
Business, Energy and Industrial Strategy	10,975	11,384	10,888	11,167	11,228	13,262
Digital, Culture, Media and Sport	378	291	365	373	583	618
Environment, Food and Rural Affairs	618	691	656	741	766	885
International Trade	2	7	16	18	19	14
Work and Pensions	204	309	451	341	81	220
HM Revenue and Customs	247	346	290	356	335	358
HM Treasury	-716	-2	-81	106	139	10
Cabinet Office	42	128	201	134	109	305
Scotland	3,430	3,440	3,774	3,947	4,260	5,392
Wales	1,672	1,535	1,896	2,076	2,132	2,383
Northern Ireland	830	1,065	1,195	1,322	1,347	1,703
Small and Independent Bodies	98	109	301	252	500	521
Reserves ⁽⁶⁾	–	–	–	–	–	–
OBR allowance for shortfall	–	–	–	–	–	-3,833
Adjustment for Budget Exchange ⁽³⁾	–	–	–	–	–	-605
Total capital DEL	52,693	54,329	57,919	63,794	70,375	79,779
Capital departmental AME by departmental group						
Health and Social Care	10	14	–	-5	-6	15
Education	12,622	13,844	16,420	17,437	20,978	23,162
Home Office	473	–	–	–	–	–
Defence	32	–	46	–	–	–
International Development	488	302	411	750	956	1,112
MHCLG - Housing and Communities	224	–	–	–	–	–
Transport ⁽⁴⁾	7,095	7,260	7,590	5,268	169	461
Business, Energy and Industrial Strategy	-1,767	-15	-1,246	-318	-137	637
Digital, Culture, Media and Sport	539	852	630	462	409	743
Environment, Food and Rural Affairs	0	1	0	0	11	14
Work and Pensions	-161	-92	-38	137	309	1,605
HM Revenue and Customs	0	0	0	0	0	0
HM Treasury ⁽⁵⁾	-31,512	-20,897	-3,849	-13,185	-2,064	-1,304
Scotland	807	859	999	802	1,174	976
Wales	420	447	526	712	803	970
Northern Ireland	656	527	332	381	340	347
Small and Independent Bodies	37	266	175	435	308	2,733
Total capital departmental AME	-10,036	3,366	21,995	12,875	23,251	31,471
Total capital budget	42,657	57,695	79,914	76,669	93,626	111,250

⁽¹⁾ Real terms figures are the cash figures adjusted to 2019-20 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National statistics on 30 June 2020. The forecasts are consistent with the 2020 Budget.

⁽²⁾ Following implementation of ESA10, Network rail is now classified to Central Government. 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.

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

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

⁽⁵⁾ Transactions from 2015-16 onwards have been affected by financial sector interventions, see Box 2.B in Chapter 2.

⁽⁶⁾ The 2020-21 Reserve will be updated at the next fiscal event.

Table 1.10 Total Departmental Expenditure Limits⁽¹⁾, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	outturn	outturn	outturn	outturn	outturn	plans
Total DEL by departmental group						
Health and Social Care	117,245	120,584	125,156	130,300	140,453	152,104
Education	64,563	64,975	65,277	66,659	68,389	72,133
Home Office	10,986	11,222	11,237	11,667	12,290	13,621
Justice	7,160	7,332	7,549	7,941	8,357	9,170
Law Officers' Departments	548	537	569	563	618	689
Defence	35,099	35,280	36,605	38,026	39,762	41,284
Single Intelligence Account	2,343	2,524	2,596	2,741	2,974	3,253
Foreign and Commonwealth Office	1,893	1,994	1,809	2,378	2,553	2,708
International Development	9,250	9,992	10,262	10,295	10,030	10,153
MHCLG - Housing and Communities	6,022	7,585	9,025	9,757	10,766	15,997
MHCLG - Local Government	10,758	8,229	6,714	4,834	8,572	16,955
Transport ⁽²⁾	7,914	7,004	8,284	10,753	18,409	24,966
Business, Energy and Industrial Strategy	12,348	12,356	11,905	11,889	13,735	29,127
Digital, Culture, Media and Sport	1,611	1,682	1,786	1,890	2,150	2,280
Environment, Food and Rural Affairs	2,134	2,206	2,285	2,488	2,783	4,995
International Trade	341	349	394	424	481	580
Work and Pensions	6,556	6,371	6,433	6,094	5,776	6,230
HM Revenue and Customs	3,530	3,884	3,927	4,012	4,318	4,317
HM Treasury	-540	153	139	345	489	281
Cabinet Office	469	600	915	713	1,028	1,150
Scotland ⁽³⁾	28,730	23,846	17,802	18,854	20,977	29,907
Wales ⁽⁴⁾	14,358	14,521	15,115	15,344	14,179	17,117
Northern Ireland	10,667	10,890	11,226	11,778	12,702	14,763
Small and Independent Bodies	1,366	1,514	1,817	1,658	1,921	2,682
Reserves ⁽⁶⁾	–	–	–	–	–	–
OBR allowance for shortfall	–	–	–	–	–	-7,154
Adjustment for Budget Exchange ⁽⁵⁾	–	–	–	–	–	-672
Total DEL by departmental group	355,351	355,630	358,830	371,403	403,710	468,633

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

⁽²⁾ Following implementation of ESA10, Network rail is now classified to Central Government. 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.

⁽³⁾ As agreed in the Scottish Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax and welfare powers. For detailed funding information on the devolution of tax and welfare powers see the Block Grant Transparency publication available on GOV.UK.

⁽⁴⁾ As agreed in the Welsh Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax powers. For detailed funding information on the devolution of tax powers see the Block Grant Transparency publication available on GOV.UK.

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

⁽⁶⁾ The 2020-21 Reserve will be updated at the next fiscal event.

Table 1.11 Total Departmental Expenditure Limits⁽¹⁾ in real terms⁽²⁾, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	outturn	outturn	outturn	outturn	outturn	plans
Total DEL by departmental group						
Health and Social Care	127,111	127,708	130,299	132,822	140,453	149,165
Education	69,996	68,813	67,959	67,949	68,389	70,740
Home Office	11,910	11,885	11,699	11,893	12,290	13,357
Justice	7,763	7,765	7,859	8,095	8,357	8,992
Law Officers' Departments	595	569	593	574	618	675
Defence	38,052	37,365	38,109	38,762	39,762	40,486
Single Intelligence Account	2,540	2,673	2,703	2,794	2,974	3,191
Foreign and Commonwealth Office	2,053	2,112	1,884	2,424	2,553	2,655
International Development	10,028	10,582	10,684	10,494	10,030	9,957
MHCLG - Housing and Communities	6,529	8,033	9,396	9,946	10,766	15,688
MHCLG - Local Government	11,663	8,715	6,989	4,927	8,572	16,627
Transport ⁽³⁾	8,580	7,418	8,625	10,961	18,409	24,483
Business, Energy and Industrial Strategy	13,387	13,086	12,395	12,119	13,735	28,564
Digital, Culture, Media and Sport	1,747	1,782	1,860	1,926	2,150	2,236
Environment, Food and Rural Affairs	2,313	2,336	2,379	2,536	2,783	4,899
International Trade	369	369	410	432	481	569
Work and Pensions	7,108	6,748	6,697	6,212	5,776	6,109
HM Revenue and Customs	3,827	4,113	4,089	4,090	4,318	4,234
HM Treasury	-585	162	145	351	489	275
Cabinet Office	509	636	953	727	1,028	1,128
Scotland ⁽⁴⁾	31,148	25,255	18,533	19,219	20,977	29,329
Wales ⁽⁵⁾	15,566	15,379	15,736	15,641	14,179	16,786
Northern Ireland	11,565	11,534	11,688	12,006	12,702	14,477
Small and Independent Bodies	1,481	1,604	1,892	1,690	1,921	2,630
Reserves ⁽⁷⁾	–	–	–	–	–	–
OBR allowance for shortfall	–	–	–	–	–	-7,016
Adjustment for Budget Exchange ⁽⁶⁾	–	–	–	–	–	-659
Total DEL by departmental group	385,255	376,640	373,575	378,590	403,710	459,579

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

⁽²⁾ Real terms figures are the cash figures adjusted to 2019-20 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National statistics on 30 June 2020. The forecasts are consistent with the 2020 Budget.

⁽³⁾ Following implementation of ESA10, Network rail is now classified to Central Government. 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.

⁽⁴⁾ As agreed in the Scottish Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax and welfare powers. For detailed funding information on the devolution of tax and welfare powers see the Block Grant Transparency publication available on GOV.UK.

⁽⁵⁾ As agreed in the Welsh Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax powers. For detailed funding information on the devolution of tax powers see the Block Grant Transparency publication available on GOV.UK.

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

⁽⁷⁾ The 2020-21 Reserve will be updated at the next fiscal event.

Table 1.12 Total Managed Expenditure by departmental group and other expenditure , 2015-16 to 2020-21

	£ million					
	National Statistics					2020-21 plans
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
Total Managed Expenditure by departmental group						
Health and Social Care ⁽¹⁾	165,784	148,380	164,813	170,940	170,856	191,186
Education	81,501	89,495	96,143	106,504	113,081	111,646
Home Office	12,973	13,619	13,726	14,362	14,912	16,076
Justice	7,643	7,881	7,793	9,242	9,046	9,908
Law Officers' Departments	533	537	581	566	621	696
Defence	47,148	40,405	53,324	38,620	47,639	49,485
Single Intelligence Account	2,478	2,537	2,615	2,763	2,995	3,292
Foreign and Commonwealth Office	1,932	1,941	1,952	2,409	2,557	2,808
International Development	9,906	10,465	10,983	10,930	10,844	11,329
MHCLG - Housing and Communities	6,285	7,739	9,209	9,955	10,660	17,607
MHCLG - Local Government	22,932	20,642	22,466	26,022	27,218	33,768
Transport	20,138	20,316	22,564	23,377	19,820	27,844
Business, Energy and Industrial Strategy ⁽¹⁾	112,936	16,122	86,106	-94,088	22,976	44,743
Digital, Culture, Media and Sport	6,456	7,189	6,656	7,081	7,513	8,039
Environment, Food and Rural Affairs	2,525	2,293	2,257	1,987	3,420	5,301
International Trade	340	349	394	424	482	583
Work and Pensions	179,808	179,205	183,648	187,106	196,868	221,349
HM Revenue and Customs	46,723	46,213	45,772	44,244	43,339	113,149
HM Treasury ⁽⁴⁾	-43,383	-45,031	-4,242	-27,844	938	-746
Cabinet Office	10,835	9,740	12,119	14,960	13,381	12,980
Scotland ⁽²⁾	33,425	33,859	35,884	38,836	39,918	48,364
Wales ⁽³⁾	14,435	15,183	15,797	16,302	17,439	18,263
Northern Ireland	19,647	19,642	20,417	21,905	23,624	25,248
Small and Independent Bodies	1,063	1,663	1,897	1,990	2,039	5,886
Total departmental expenditure ⁽⁵⁾	764,064	650,383	812,875	628,595	802,184	978,802
Central government gross debt interest	45,127	48,659	55,037	48,795	47,839	44,684
Locally financed expenditure	38,760	42,698	47,630	48,542	53,820	53,425
Public sector depreciation	47,273	48,521	48,980	48,813	49,414	52,217
Net expenditure transfers to the EU	11,253	9,160	10,188	12,892	11,549	9,709
Public corporations' own-financed capital expenditure	14,857	16,939	15,481	9,187	9,479	9,748
Accounting adjustments	-127,839	-3,729	-155,138	54,874	-92,854	-213,052
Reserves ⁽⁹⁾	-	-	-	-	-	-
OBR allowance for shortfall	-	-	-	-	-	-7,154
Adjustment for Budget Exchange ⁽⁶⁾	-	-	-	-	-	-672
Total other expenditure ⁽⁷⁾	29,431	162,248	22,178	223,102	79,247	-51,096
Total Managed Expenditure ⁽⁸⁾	793,495	812,631	835,053	851,697	881,431	927,706

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

⁽²⁾ As agreed in the Scottish Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax and welfare powers. For detailed funding information on the devolution of tax and welfare powers see the Block Grant Transparency publication available on GOV.UK.

⁽³⁾ As agreed in the Welsh Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax powers. For detailed funding information on the devolution of tax powers see the Block Grant Transparency publication available on GOV.UK.

⁽⁴⁾ Transactions have been affected by financial sector interventions, see Box 2.B in Chapter 2.

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

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

⁽⁷⁾ Total other expenditure is other AME spend within Total Managed Expenditure.

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

⁽⁹⁾ The 2020-21 Reserve will be updated at the next fiscal event.

Table 1.13 Total Managed Expenditure by departmental group and other expenditure in real terms⁽¹⁾, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
Total Managed Expenditure by departmental group						
Health and Social Care ⁽²⁾	179,735	157,146	171,586	174,248	170,856	187,492
Education	88,360	94,782	100,093	108,565	113,081	109,489
Home Office	14,065	14,423	14,290	14,640	14,912	15,765
Justice	8,286	8,347	8,113	9,421	9,046	9,716
Law Officers' Departments	578	568	604	577	621	682
Defence	51,116	42,792	55,515	39,368	47,639	48,529
Single Intelligence Account	2,686	2,687	2,722	2,816	2,995	3,229
Foreign and Commonwealth Office	2,095	2,056	2,032	2,456	2,557	2,753
International Development	10,739	11,083	11,435	11,141	10,844	11,110
MHCLG - Housing and Communities	6,814	8,196	9,587	10,148	10,660	17,267
MHCLG - Local Government	24,862	21,862	23,389	26,526	27,218	33,115
Transport	21,833	21,516	23,492	23,830	19,820	27,306
Business, Energy and Industrial Strategy ⁽²⁾	122,439	17,074	89,645	-95,909	22,976	43,879
Digital, Culture, Media and Sport	6,999	7,613	6,930	7,218	7,513	7,884
Environment, Food and Rural Affairs	2,737	2,428	2,350	2,026	3,420	5,199
International Trade	369	369	410	432	482	572
Work and Pensions	194,940	189,792	191,195	190,727	196,868	217,072
HM Revenue and Customs	50,655	48,943	47,653	45,100	43,339	110,963
HM Treasury ⁽⁵⁾	-47,034	-47,691	-4,416	-28,383	938	-732
Cabinet Office	11,747	10,316	12,617	15,249	13,381	12,729
Scotland ⁽³⁾	36,238	35,860	37,358	39,588	39,918	47,429
Wales ⁽⁴⁾	15,650	16,079	16,446	16,617	17,439	17,911
Northern Ireland	21,301	20,802	21,256	22,328	23,624	24,760
Small and Independent Bodies	1,153	1,762	1,975	2,028	2,039	5,772
Total departmental expenditure ⁽⁶⁾	828,363	688,806	846,277	640,760	802,184	959,891
Central government gross debt interest	48,925	51,534	57,299	49,739	47,839	43,820
Locally financed expenditure	42,022	45,220	49,587	49,481	53,820	52,393
Public sector depreciation	51,251	51,388	50,993	49,758	49,414	51,208
Net expenditure transfers to the EU	12,200	9,701	10,606	13,141	11,549	9,521
Public corporations' own-financed capital expenditure	16,107	17,940	16,117	9,365	9,479	9,559
Accounting adjustments	-138,597	-3,949	-161,513	55,936	-92,854	-208,936
Reserves ⁽¹⁰⁾	-	-	-	-	-	-
OBR allowance for shortfall	-	-	-	-	-	-7,016
Adjustment for Budget Exchange ⁽⁷⁾	-	-	-	-	-	-659
Total other expenditure ⁽⁸⁾	31,907	171,834	23,089	227,420	79,247	-50,109
Total Managed Expenditure ⁽⁹⁾	860,270	860,640	869,367	868,179	881,431	909,782

⁽¹⁾ Real terms figures are the cash figures adjusted to 2019-20 price levels using GDP deflators. The deflators are calculated from the data released by the Office for National statistics on 30 June 2020. The forecasts are consistent with the 2020 Budget.

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

⁽³⁾ As agreed in the Scottish Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax and welfare powers. For detailed funding information on the devolution of tax and welfare powers see the Block Grant Transparency publication available on GOV.UK.

⁽⁴⁾ As agreed in the Welsh Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax powers. For detailed funding information on the devolution of tax powers see the Block Grant Transparency publication available on GOV.UK.

⁽⁵⁾ Transactions have been affected by financial sector interventions, see Box 2.B in Chapter 2.

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

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

⁽⁸⁾ Total other expenditure is other AME spend within Total Managed Expenditure.

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

⁽¹⁰⁾ The 2020-21 Reserve will be updated at the next fiscal event.

Table 1.14 Accounting adjustments,⁽¹⁾ 2015-16 to 2020-21

	National Statistics					£ billion
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	outturn	outturn	outturn	outturn	outturn	plans
Remove data in budgets which form part of public sector current expenditure but where a different source is used for National Accounts						
Resource DEL						
Capital consumption (excluding NHS)	-14.6	-15.3	-13.9	-14.2	-21.0	-23.8
NHS capital consumption	-1.9	-1.9	-1.9	-1.9	-2.0	-2.0
Interest	-0.1	-0.2	-0.4	-0.4	-0.2	0.3
Public corporation subsidies	-0.6	-0.5	-0.4	-0.4	-0.4	-0.5
Other	0.0	0.0	0.0	0.0	0.3	0.3
Total resource DEL	-17.3	-17.8	-16.6	-16.9	-23.4	-25.8
Resource departmental AME						
Capital consumption	-6.3	-6.7	-6.3	-6.5	-4.1	-2.1
Interest	3.4	1.9	2.3	5.1	4.8	5.0
Subsidy element of renewable obligation certificates	–	–	–	–	–	–
Subsidy element of other environmental levies	-0.4	-0.5	-0.7	-0.8	-0.8	-1.2
NNDR outturn adjustment	–	0.0	0.0	0.0	0.0	-0.3
Public corporation subsidies	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Other	0.0	0.3	0.1	1.1	1.2	0.1
Total resource departmental AME	-3.5	-5.2	-4.8	-1.3	0.9	1.3
Adjustment for different data used by OBR in PSCE forecast	–	–	–	–	–	-96.1
<i>of which DEL</i>	–	–	–	–	–	-0.7
<i>of which AME</i>	–	–	–	–	–	-95.4
Total resource budget data replaced by different source data	-20.8	-23.0	-21.4	-18.3	-22.5	-120.6
Remove data in budgets which do not form part of public sector current expenditure						
Resource DEL						
Impairments	-0.4	-0.7	-1.0	-0.6	-0.2	0.0
Receipts treated as negative DEL but revenue in National Accounts	0.1	0.0	0.0	0.0	0.0	–
Fees, levies and charges	–	–	–	–	–	–
Grant equivalent element of student lending	-3.7	-9.3	-13.7	-8.8	-14.4	-4.9
Stock write-offs	0.0	0.0	0.2	0.2	0.1	0.1
Change in pension scheme liabilities	0.0	0.0	-0.1	0.0	0.0	0.0
Miscellaneous current transfers	2.5	2.7	1.7	2.8	2.6	3.3
Northern Ireland Executive transfers between DEL and AME ⁽²⁾	0.7	0.6	0.6	0.9	3.0	0.5
Profit or loss - sale of company securities	0.1	0.1	0.1	0.1	0.1	–
Profit or loss - sale of other assets (capital in National Accounts)	0.3	0.3	0.1	-0.1	0.1	0.1
EU funded expenditure	0.0	-0.4	-0.3	-0.2	-0.2	-0.2
Other	1.1	1.0	0.8	1.2	-0.2	1.0
Total resource DEL	0.6	-5.7	-11.7	-4.5	-9.1	-0.1
Resource departmental AME						
Impairments	-5.0	22.4	-6.0	15.1	25.4	-4.8
Bad debts	-0.4	-0.2	-0.4	-0.6	-0.3	-0.1
Grant equivalent element of student lending	7.5	0.1	0.0	0.0	-0.1	0.3
Provisions	-127.5	-12.8	-93.7	107.9	-45.4	-22.6
Change in pension scheme liabilities	-37.6	-36.2	-54.2	-82.7	-70.2	-80.0
Unwinding of discount rate on pension scheme liabilities	-42.9	-42.0	-42.7	-40.0	-45.9	-34.3
Release of provisions covering payments of pension benefits	35.3	35.5	36.5	38.2	39.9	42.0
Fees, levies and charges	–	–	–	–	–	–
Profit or loss - sale of other assets (capital in National Accounts)	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	–	–	–	–
Other	6.7	3.1	2.6	0.4	-0.1	-3.5
Total resource departmental AME	-163.8	-30.0	-157.9	38.7	-96.7	-102.9
Total resource budget data not in public sector current expenditure	-163.2	-35.7	-169.6	34.2	-105.8	-103.0

Table 1.14 Accounting adjustments⁽¹⁾, 2015-16 to 2020-21 (continued)

	National Statistics					£ billion
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
Central government adjustments in National Accounts						
Expenditure on goods and services	34.3	39.0	34.7	34.9	37.6	38.3
<i>of which: VAT refunds</i>	5.0	5.0	7.9	8.6	8.7	8.9
<i>of which: Single use military expenditure</i>	–	–	–	–	–	–
<i>of which: payment from EU for tax collection costs</i>	-0.8	-0.8	-0.7	-0.7	-0.7	-0.7
<i>of which: capital consumption</i>	26.7	27.6	28.2	28.4	28.7	30.4
<i>of which: ONS R&D Adjustment</i>	-2.7	–	–	–	–	–
<i>of which: Network Rail</i>	–	–	–	–	–	–
<i>of which: other</i>	5.9	7.2	-0.8	-1.4	0.8	-0.3
Net social benefits ⁽²⁾	0.2	0.9	0.4	1.2	0.7	0.7
<i>of which: switch between benefits and other current grants</i>	0.1	–	–	–	–	–
<i>of which: other</i>	0.2	0.9	0.4	1.2	0.7	0.7
Net current grants abroad	1.1	0.8	0.7	1.0	1.1	0.7
<i>of which: attributed aid</i>	–	–	–	–	–	–
<i>of which: EU receipts</i>	0.1	0.1	0.1	0.2	–	–
<i>of which: other</i>	1.0	0.7	0.6	0.8	1.1	0.7
Other current grants	0.0	-2.8	-0.2	0.0	-0.2	-0.3
<i>of which: switch between other current grants and benefits</i>	-0.1	–	–	–	–	–
<i>of which: other</i>	0.1	-2.8	-0.2	0.0	-0.2	-0.3
Subsidies	6.0	7.8	9.5	9.5	9.8	9.1
<i>of which: Renewable Obligation Certificates</i>	3.9	4.7	6.2	7.1	7.1	7.1
<i>of which: other environmental levies</i>	0.4	0.5	1.2	1.3	1.3	1.3
<i>of which: company tax credits outside departmental AME</i>	–	–	–	–	–	–
<i>of which: other</i>	1.7	2.6	2.2	1.0	1.4	0.7
VAT and GNI based EU contributions	4.2	0.4	0.0	0.0	0.0	–
<i>of which: other</i>	4.2	0.4	0.0	0.0	0.0	–
Total central government resource adjustments	45.9	46.0	45.2	46.6	49.1	48.5
Local government adjustments in National Accounts						
Remove data which do not form part of public sector current expenditure	-0.6	-0.5	-0.5	0.0	-0.6	-5.1
<i>of which: Northern Ireland regional rates</i>	-0.7	-0.6	-0.6	-0.6	-0.7	-0.5
<i>of which: retirement benefits</i>	–	–	–	–	–	–
<i>of which: debt interest payments to central government</i>	–	–	–	–	–	-3.9
<i>of which: other</i>	0.1	0.1	0.1	0.6	0.1	-0.7
Adjustments to reconcile use of different data sources	-2.4	-3.3	-3.8	-7.5	-8.5	-19.5
<i>of which: central government support</i>	-1.6	-2.3	-2.7	-5.6	-5.2	-15.8
<i>of which: debt interest</i>	0.4	0.4	0.2	0.1	0.8	-0.1
<i>of which: police and fire top up grants</i>	–	–	–	–	–	–
<i>of which: other</i>	-1.2	-1.3	-1.3	-2.0	-4.1	-3.6
Expenditure on goods and services	19.1	19.9	19.9	20.5	20.7	22.0
<i>of which: VAT refunds</i>	7.6	7.8	7.4	7.6	7.5	8.0
<i>of which: Local Authority Pension Scheme</i>	0.4	0.2	0.1	0.0	0.0	–
<i>of which: capital consumption</i>	11.6	12.0	12.4	12.7	13.0	13.7
<i>of which: rates</i>	-1.4	-1.4	-1.4	-1.4	-1.4	-1.4
<i>of which: other</i>	0.9	1.3	1.4	1.6	1.5	1.6
Subsidies	0.6	0.8	1.1	1.3	2.1	1.6
<i>of which: equity injection into Housing Revenue Account</i>	0.6	0.8	1.1	1.3	2.1	1.6
<i>of which: other</i>	–	–	–	–	–	–
Net social benefits	0.7	0.7	0.5	0.5	-2.3	-1.4
<i>of which: housing benefits and rent rebates</i>	0.0	0.0	-0.2	-0.4	-2.9	–
<i>of which: other</i>	0.7	0.7	0.7	1.0	0.6	-1.4
Other current grants and current grants abroad	0.1	0.1	0.1	0.1	0.1	0.1
Total local government resource adjustments	17.5	17.7	17.3	15.0	11.6	-2.3
Other resource adjustments						
Public corporations	19.6	20.3	19.9	18.4	18.3	20.2
Asset Purchase Facility and Special Liquidity Scheme	-11.7	-13.2	-13.5	-11.3	-11.4	-10.2
Other	-4.3	0.2	0.2	0.1	0.9	0.0
Total other resource adjustments	3.6	7.4	6.6	7.2	7.8	10.0
Total resource adjustments	-117.0	12.4	-121.9	84.6	-59.8	-167.4
<i>of which:</i>						
Timing adjustments ⁽³⁾						
Central government	11.0	6.3	0.7	-3.2	1.8	–
Local government	1.7	2.0	2.2	2.7	2.4	–

Table 1.14 Accounting adjustments,⁽¹⁾ 2015-16 to 2020-21 (continued)

	National Statistics					£ billion
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
Remove data in budgets which form part of public sector gross investment but where a different source is used for National Accounts						
Capital DEL						
Change in inventories	0.0	-0.3	-0.7	-0.7	-0.5	-0.4
Acquisitions less disposals of valuables	0.0	0.0	-0.1	0.0	-0.1	–
Total capital DEL	0.0	-0.3	-0.8	-0.7	-0.5	-0.4
Adjustment for different data used by OBR in PSGI forecast	–	–	–	–	–	-2.0
<i>of which DEL</i>	–	–	–	–	–	6.7
<i>of which AME</i>	–	–	–	–	–	-8.8
Total capital budget data replaced by different source data	0.0	-0.3	-0.8	-0.7	-0.5	-2.4
Remove data in budgets which do not form part of public sector gross investment						
Capital DEL						
Net lending to private sector	-1.9	-3.9	-5.0	-4.0	-4.4	-5.2
Capital support for public corporations	0.1	0.3	0.0	-0.2	-0.2	-0.2
Local government supported capital expenditure	-0.3	-0.2	-0.2	-0.5	-0.9	0.1
Northern Ireland Executive transfers between DEL and AME	0.3	0.2	0.0	0.1	0.0	–
Other	0.0	-1.8	0.3	-0.3	-0.4	-3.0
Total Capital DEL	-1.8	-5.4	-4.9	-4.9	-5.9	-8.3
Capital departmental AME						
Net lending to private sector	17.2	4.7	-13.3	-7.0	-22.8	-30.1
Capital support for public corporations	-0.1	-0.2	-0.2	-0.1	-0.3	-1.1
Purchase of company securities	–	–	–	–	–	–
Sale of company securities	–	–	–	–	–	–
Northern Ireland Executive transfers between DEL and AME ⁽²⁾	-0.3	-0.2	0.0	-0.1	0.0	–
Other	-0.3	-0.4	-1.1	0.5	0.7	0.2
Total capital departmental AME	16.5	4.0	-14.7	-6.7	-22.4	-30.9
Total capital budget data not in public sector gross investment	14.6	-1.4	-19.6	-11.6	-28.3	-39.2
Central government adjustments in National Accounts						
Gross fixed capital formation	-0.3	0.0	-1.0	-2.3	-2.6	-0.3
<i>of which: profit or loss - sale of other assets (from resource budgets)</i>	-0.3	-0.4	-0.1	-0.2	-0.2	-0.1
<i>of which: Network Rail</i>	–	–	–	–	–	–
<i>of which: Single use military expenditure</i>	–	–	–	–	–	–
<i>of which: other</i>	0.0	0.4	-0.9	-2.1	-2.4	-0.2
Capital grants to and from the private sector	5.2	8.2	9.7	10.9	11.1	16.0
<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>	–	–	–	–	–	–
<i>of which: other</i>	5.2	8.1	9.6	10.8	11.0	15.9
Total central government capital adjustments	4.9	8.2	8.7	8.6	8.5	15.7
Local government adjustments in National Accounts						
Adjustments to reconcile use of different data sources	-4.7	-2.2	-4.1	-5.6	-0.9	1.1
<i>of which: overhanging debt</i>	–	–	–	–	–	–
<i>of which: central government support</i>	1.0	1.9	-0.3	0.3	3.8	4.3
<i>of which: financial transactions</i>	-4.4	-2.5	-2.3	-4.1	-2.8	-1.2
<i>of which: capital grants from private sector</i>	-1.4	-1.5	-1.5	-1.9	-1.9	-2.0
Gross fixed capital formation	3.9	3.5	2.9	3.4	0.3	1.3
<i>of which: VAT refunds</i>	2.1	1.7	2.0	2.1	2.0	2.4
<i>of which: roads de-trunking</i>	–	0.0	–	–	–	–
<i>of which: other</i>	1.9	1.8	0.9	1.3	-1.7	-1.1
Capital grants	-0.9	-1.2	-0.6	-0.2	-0.3	-0.2
<i>of which: grants to public corporations</i>	–	–	–	–	–	–
<i>of which: other</i>	-0.9	-1.2	-0.6	-0.2	-0.3	-0.2
Total local government capital adjustments	-1.7	0.1	-1.8	-2.5	-0.9	2.2

Table 1.14 Accounting adjustments,⁽¹⁾ 2015-16 to 2020-21 (continued)

	National Statistics					£ billion
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	outturn	outturn	outturn	outturn	outturn	plans
Other capital adjustments						
Public corporations	0.1	-0.1	0.3	0.3	0.5	1.3
Housing Revenue Account reform receipts	–	–	–	–	–	–
Other	-0.2	0.6	0.4	1.4	1.5	0.3
Total other capital adjustments	-0.1	0.5	0.7	1.7	2.1	1.5
Total capital adjustments	17.7	7.1	-12.9	-4.5	-19.2	-22.2
<i>of which:</i>						
Timing adjustments ⁽³⁾						
Central government	5.9	7.8	8.8	9.7	8.5	–
Local government	0.2	0.0	0.4	0.0	0.0	–

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

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

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

Table 1.15 Total Managed Expenditure by spending sector, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
Central government own expenditure						
DEL ⁽¹⁾	253,533	262,541	275,235	287,850	313,718	351,810
Departmental AME ^{(1) (2)}	391,522	273,545	424,334	223,019	371,457	486,069
Locally financed support in Northern Ireland	651	585	595	625	656	487
Net expenditure transfers to the EU	11,253	9,160	10,188	12,892	11,549	9,709
Central government debt interest	45,127	48,659	55,037	48,795	47,839	44,684
Accounting and other adjustments	-104,570	18,140	-129,371	83,745	-62,497	-180,312
Total central government own expenditure	597,515	612,630	636,018	656,926	682,722	712,448
Local government expenditure						
Central government support in DEL	72,968	69,382	65,702	64,298	68,748	94,360
Central government support in departmental AME	46,020	45,117	47,402	51,966	47,832	45,175
Locally financed support in Scotland	2,789	2,769	2,666	2,636	2,853	2,790
Locally financed support in Wales	1,875	977	1,059	1,050	1,061	1,136
Local authority self-financed expenditure	33,445	38,368	43,310	44,231	49,250	49,011
Accounting and other adjustments	15,791	17,900	15,694	11,942	10,012	431
Total local government expenditure	172,888	174,512	175,832	176,123	179,757	192,904
Public corporations' expenditure						
DEL	120	-139	91	401	268	381
Departmental AME	-98	-63	111	1,060	161	1,006
Public corporations' own-financed capital expenditure	14,857	16,939	15,481	9,187	9,479	9,748
Accounting and other adjustments	19,879	21,863	21,038	19,286	20,386	21,389
Total public corporations' expenditure	34,758	38,600	36,722	29,934	30,293	32,524
Bank of England ⁽³⁾	-11,666	-13,111	-13,519	-11,286	-11,341	-10,169
Total Managed Expenditure	793,495	812,631	835,053	851,697	881,431	927,706

⁽¹⁾ 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.

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

⁽³⁾ Asset Purchase facility and Special Liquidity Scheme.

2

Economic analyses of budgets

2.1 This chapter provides an economic category analysis of the budgeting aggregates presented in **Chapter 1**. All outturn data in this chapter (to 2019-20) fall within the scope of National Statistics.

What's new

2.2 The departmental DEL and AME budgets for 2020-21 presented in this edition of PESA are consistent with those published in the Main Estimates on 4th May 2020¹ and therefore won't reflect spending announcements made since April 2020. Budgets will be updated in the Supplementary Estimates later in the financial year to reflect any spending announcements not already included. More information on the contents of departments' Main Estimates can be found on the Parliament.UK website².

2.3 Following the Coronavirus outbreak in 2020, the government announced it was making additional funding available to provide support for households and businesses (see Box 2.A below).

2.4 The Department for Exiting the European Union (DEEU) was closed on 31st January 2020. All outturn data for DEEU are now shown within the totals for the Cabinet Office. Those of its functions which are still required have been transferred to relevant government departments.

2.5 Under the EU Withdrawal Agreement, the UK will continue to participate in all EU programmes financed under the EU's 2014-2020 multi-annual budget. The UK will leave the EU's CAP Direct Payments scheme in 2020, earlier than all other EU programmes, as 2020 Direct Payments are funded from the 2021 EU budget. The UK Government has committed to match the current budget available to farmers in every year of this Parliament and funding for future years will be allocated at the Comprehensive Spending Review. In **Table 2.1**, the figure for **Current grants abroad in 2020-21** is significantly higher than earlier years reflecting the fact that CAP receipts from the EU are no longer being included.

2.6 Due to significant pressures experienced by some departments responding to the COVID-19 pandemic, the administrative deadline for laying the 2019-20 departmental annual reports and accounts (ARAs) has been extended to 30th September 2020³. As a result, the 2019-20 outturn published in PESA may be subject to data quality issues due to the inability of some departments, taking advantage of the extension, to align outturn data accurately to their ARAs. It is likely that some departments will revise their outturn data to align fully with the publication of their ARAs later in the year. The public spending statistics (PSS) release, published on a quarterly basis, will reflect any later revisions made by departments for their 2019-20 outturn.

¹ <https://www.gov.uk/government/publications/main-supply-estimates-2020-to-2021>

² <https://www.parliament.uk/mps-lords-and-offices/offices/commons/scrutinyunit/reports-and-publications/main-estimates-2020-21/>

³ <https://www.gov.uk/government/publications/financial-reporting-manual-addendum-2019-20>

Spending by economic category

2.7 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. Total spending by the Scottish government is not affected.

2.8 **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**.

Box 2.A: Treatment of Coronavirus funding in department's budgets

Following the Coronavirus outbreak in 2020, the government announced it was making additional funding available to provide support for households and businesses. Departments' budgets were increased at the 2020-21 Main Estimates and additional funding will be provided to departments in the Supplementary Estimates later in the year. The outbreak will have also affected the expenditure of various departments in 2019-20, which will form part of the outturn totals that departments have provided. This includes £3.4 billion of current grants to local government which were brought forward to 2019-20 from 2020-21.

Funding currently in departments' budgets in 2020-21 is treated as follows in **Table 2.1**:

DEL Resource budget

- Staff costs: £0.2 billion in 2020-21 to increase departmental operational resilience;
- Gross current procurement: £3.6 billion in 2020-21, which is mainly additional funding for health services;
- Current grants to local government: £24.0 billion in 2020-21. This is business support grant schemes, compensation for business rates reliefs and the Hardship Fund;
- Subsidies to private sector companies: £3.9 billion in 2020-21, for the Coronavirus Business Interruption Loan Scheme (CBILS) and additional support for rail services.

AME Resource budget

- Subsidies to private sector companies: £52.0 billion in 2020-21. This is the Job Retention and Self-employed Income Support Schemes.

DEL Capital budget

- Capital grants to private sector companies: £0.3 billion in 2020-21 for CBILS;
- Gross capital procurement: £0.2 billion in 2020-21 for ventilator procurement.

In addition, the Devolved Authorities have been provided with DEL funding following the application of the Barnett formula to the increased DEL spending set out above. Increased welfare spending, for example on Universal Credit, will be seen in current grants to persons and non-profit bodies in Resource departmental AME.

2.9 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**.

2.10 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.

2.11 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.

2.12 Current grants include all transfer payments other than subsidies (see 2.13 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.

2.13 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).

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

2.15 Depreciation, also termed capital consumption, represents the amount of capital used up in respect of fixed assets measured using 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. As mentioned above, depreciation now 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.

2.16 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 Box 2.B).

2.17 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**.

Box 2.B: 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: £0.0 billion in 2015-16, -£0.1 billion in 2016-17 and £0.0 billion for 2017-18 to 2020-21. This is mainly underwriting commission and guarantee fee income;
- Depreciation: There was a gain of £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 gains of £14.0 billion in 2018-19 and £35.2 billion in 2019-20;
- Other: income of -£6.2 billion in 2015-16, -£1.7 billion in 2016-17, -£0.5 billion in 2017-18 and -£1.1 billion in both 2018-19 and 2019-20. This is mainly interest paid to government and from the sale of shares.

Capital budget

- Net lending to the private sector: -£11.3 billion in 2015-16, -£3.5 billion in 2016-17 -£0.9 billion in 2017-18, -£2.5 billion in 2018-19 and -£1.6 billion in both 2019-20 and 2020-21. This is mainly lending to banks, the Financial Services Compensation Scheme and the Republic of Ireland 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**.

2.18 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 2.19 and 2.20).

2.19 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**.

2.20 Capital support for public corporations comprises capital grants, net lending (see paragraph 2.23) and public corporations' market and overseas borrowing where this scores in the parent department's budget.

2.21 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.

2.22 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.

2.23 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.

2.24 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.

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

2.26 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, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	outturn	outturn	outturn	outturn	outturn	plans
Resource DEL						
Staff costs ⁽¹⁾	101,237	104,991	109,697	115,513	129,360	128,131
Gross current procurement ⁽¹⁾	104,524	109,001	109,534	113,034	120,785	141,893
Income from sales of goods and services	-15,683	-19,910	-18,372	-18,628	-19,397	-18,252
Current grants to local government ⁽¹⁾	63,346	60,077	57,156	54,896	58,892	83,366
Current grants to persons and non-profit bodies	17,218	19,417	16,412	16,976	16,543	17,759
Current grants abroad	2,997	3,638	3,746	2,245	3,434	6,345
Subsidies to private sector companies ⁽¹⁾	3,888	4,528	4,643	4,933	4,947	8,910
Subsidies to public corporations	639	487	430	418	403	491
Net public service pensions ⁽²⁾	88	78	88	83	77	69
Rentals	7,737	6,467	6,502	5,565	5,449	4,070
Depreciation ⁽³⁾	18,742	25,247	28,637	23,598	35,582	28,784
Take up of provisions	44	2	1	44	99	0
Release of provisions	-2	0	0	0	0	32
Change in pension scheme liabilities	16	15	86	29	36	5
Unwinding of the discount rate on pension scheme liabilities	2	1	1	2	0	0
Release of provisions covering payments of pensions benefits	0	0	0	0	0	0
Other	20,697	15,541	13,273	13,710	12,706	17,763
<i>Plus unallocated funds</i>	-	-	-	-	-	-3,300
Total resource DEL	325,490	329,580	331,833	332,417	368,918	416,067
Of which: administration budgets in resource DEL						
Staff costs	6,601	6,462	6,509	7,401	8,011	7,210
Gross current procurement	4,198	3,789	3,755	3,893	3,690	5,754
Income from sales of goods and services	-1,288	-1,264	-1,171	-1,505	-2,044	-1,558
Rentals	309	407	398	326	302	11
Depreciation	479	429	390	422	532	651
Other	-605	-405	-496	-375	-64	-571
Total administration budgets in resource DEL	9,695	9,418	9,385	10,162	10,427	11,496
Resource departmental AME						
Staff costs	13,201	12,373	12,584	13,250	12,323	11,392
Gross current procurement	12,756	13,346	13,703	17,102	13,771	18,824
Income from sales of goods and services ⁽⁴⁾	-2,181	-1,973	-1,606	-4,151	-3,576	-3,653
Current grants to local government	44,801	44,190	46,658	51,131	46,517	44,101
Current grants to persons and non-profit bodies	195,585	197,262	201,090	205,478	213,488	255,048
Current grants abroad	-520	-553	-578	-726	-597	-70
Subsidies to private sector companies ⁽¹⁾	4,716	5,103	5,434	7,899	10,802	65,736
Subsidies to public corporations	175	170	169	175	166	160
Net public service pensions ⁽²⁾	9,561	8,812	9,174	9,924	3,814	4,091
Rentals	81	204	91	86	374	386
Depreciation ⁽⁴⁾	3,776	-15,885	12,148	-8,669	-21,265	6,558
Take up of provisions ⁽⁴⁾	132,966	19,259	101,243	-99,142	54,543	27,629
Release of provisions	-5,420	-6,430	-7,505	-8,771	-9,082	-5,070
Change in pension scheme liabilities	37,596	36,245	54,213	82,661	70,156	79,993
Unwinding of the discount rate on pension scheme liabilities	42,882	42,002	42,663	39,995	45,875	34,281
Release of provisions covering payments of pensions benefits ⁽⁵⁾	-35,327	-35,533	-36,475	-38,236	-39,898	-41,982
Other	-36,678	-27,021	-20,089	-23,444	-22,188	-27,173
Total resource departmental AME	417,971	291,574	432,919	244,562	375,223	470,251

Table 2.1 Budgets by economic category of spending, 2015-16 to 2020-21 (continued)

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
Resource budgets						
Staff costs	114,438	117,363	122,281	128,763	141,683	139,523
Gross current procurement ⁽¹⁾	117,280	122,347	123,238	130,136	134,556	160,717
Income from sales of goods and services ⁽⁴⁾	-17,864	-21,883	-19,978	-22,779	-22,973	-21,905
Current grants to local government ⁽¹⁾	108,147	104,267	103,814	106,027	105,409	127,467
Current grants to persons and non-profit bodies	212,804	216,680	217,503	222,453	230,031	272,807
Current grants abroad	2,477	3,085	3,169	1,519	2,838	6,275
Subsidies to private sector companies ⁽¹⁾	8,604	9,631	10,077	12,832	15,749	74,646
Subsidies to public corporations	815	657	599	593	569	651
Net public service pensions ⁽²⁾	9,649	8,891	9,262	10,007	3,891	4,160
Rentals	7,818	6,671	6,593	5,651	5,822	4,456
Depreciation ^{(3) (4)}	22,518	9,362	40,785	14,929	14,318	35,342
Take up of provisions ⁽⁴⁾	133,010	19,261	101,243	-99,098	54,643	27,629
Release of provisions	-5,421	-6,430	-7,505	-8,771	-9,082	-5,038
Change in pension scheme liabilities	37,612	36,259	54,299	82,690	70,191	79,998
Unwinding of the discount rate on pension scheme liabilities	42,883	42,003	42,664	39,997	45,875	34,281
Release of provisions covering payments of pensions benefits ⁽⁵⁾	-35,328	-35,533	-36,475	-38,236	-39,898	-41,982
Other	-15,981	-11,479	-6,816	-9,734	-9,482	-9,410
<i>Plus unallocated funds</i>	—	—	—	—	—	-3,300
Total resource budgets	743,461	621,154	764,752	576,979	744,141	886,318
Capital DEL						
Capital support for local government	9,623	9,305	8,546	9,402	9,856	10,995
Capital grants to persons and non-profit bodies	6,507	5,567	6,851	7,778	7,966	9,771
Capital grants to private sector companies ⁽¹⁾	1,822	1,912	2,335	1,877	2,256	2,916
Capital grants abroad	2,486	2,581	2,172	3,174	2,335	3,164
Capital support for public corporations	282	172	340	569	497	476
Release of provisions	—	—	—	—	—	—
Gross capital procurement ⁽¹⁾	25,432	24,821	28,818	33,431	40,200	44,904
Income from sales of assets	-2,278	-1,624	-1,580	-1,646	-1,662	-767
Net lending and investment to the private sector and abroad ⁽⁴⁾	1,905	4,548	4,889	3,928	4,174	4,962
Other	2,824	4,018	3,261	4,071	4,753	9,457
Plus unallocated funds in capital DEL	—	—	—	—	—	-4,526
Total capital DEL	48,603	51,298	55,633	62,583	70,375	81,351
Capital departmental AME						
Capital support for local government	1,219	926	743	835	1,316	1,074
Capital grants to persons and non-profit bodies	853	459	497	520	503	698
Capital grants to private sector companies	427	674	821	1,261	1,478	1,995
Capital grants abroad	-77	-27	-26	-32	-35	-42
Capital support for public corporations	272	195	335	1,292	384	1,161
Take up of provisions	83	8	545	-234	2	23
Release of provisions	-99	-72	-66	-395	-429	-770
Gross capital procurement	8,134	8,532	8,149	8,381	1,844	2,880
Income from sales of assets	-243	-126	-144	-1,218	-67	-56
Net lending and investment to the private sector and abroad	-17,501	-4,745	12,594	5,808	22,744	30,031
Other	-2,324	-2,645	-2,321	-3,588	-4,489	-4,902
Total capital departmental AME	-9,257	3,179	21,127	12,631	23,251	32,091

Table 2.1 Budgets by economic category of spending, 2015-16 to 2020-21 (continued)

	National Statistics					£ million
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	outturn	outturn	outturn	outturn	outturn	plans
Capital budgets						
Capital support for local government	10,841	10,231	9,289	10,237	11,172	12,069
Capital grants to persons and non-profit bodies	7,360	6,026	7,348	8,299	8,469	10,469
Capital grants to private sector companies	2,249	2,585	3,157	3,138	3,734	4,911
Capital grants abroad	2,409	2,554	2,146	3,142	2,300	3,122
Capital support for public corporations	553	366	675	1,861	882	1,637
Take up of provisions	83	8	545	-234	2	23
Release of provisions	-99	-72	-66	-395	-429	-770
Gross capital procurement	33,566	33,353	36,967	41,812	42,044	47,784
Income from sales of assets	-2,521	-1,750	-1,724	-2,864	-1,729	-823
Net lending and investment to the private sector and abroad	-15,596	-197	17,482	9,735	26,918	34,992
Other	500	1,373	940	483	264	4,555
<i>Plus unallocated funds in capital DEL</i>	–	–	–	–	–	-4,526
Total capital budgets	39,346	54,477	76,760	75,214	93,626	113,442

⁽¹⁾ Transactions have been affected by COVID-19 measures. See Box 2.A for details.

⁽²⁾ 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 public service pensions is used in Table 1.1.

⁽³⁾ Excludes NHS Trusts' depreciation as exceptionally this is not removed in the calculation of TDEL.

⁽⁴⁾ Transactions have been affected by financial sector interventions. See Box 2.B for details.

⁽⁵⁾ Payments that release provision include bulk and individual transfers, including the transfer of liabilities within government.

Table 2.2 Gross current procurement in budgets, 2015-16 to 2020-21

	£ million					
	National Statistics					2020-21 plans
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
Gross current procurement in budgets						
Health and Social Care	60,359	64,553	63,408	64,256	67,008	83,075
Education	4,302	4,711	5,259	5,717	6,155	6,479
Home Office	2,445	2,508	2,545	2,943	2,980	3,736
Justice	4,466	4,873	5,033	4,993	5,070	5,815
Law Officers' Departments	313	292	323	321	331	386
Defence	11,223	11,017	11,510	12,253	13,115	13,057
Single Intelligence Account	1,084	1,107	1,198	1,223	1,357	1,504
Foreign and Commonwealth Office	542	592	680	763	863	801
International Development	1,193	1,170	1,117	1,028	1,085	412
MHCLG - Housing and Communities	310	318	124	204	208	321
MHCLG - Local Government	-	-	-	0	-	-
Transport	3,604	3,792	4,329	5,260	5,309	5,876
Business, Energy and Industrial Strategy	2,135	2,015	2,040	2,082	3,558	2,285
Digital, Culture, Media and Sport	3,213	3,263	3,104	3,395	3,628	4,598
Environment, Food and Rural Affairs	1,032	895	903	1,045	793	998
International Trade	211	203	212	217	221	351
Work and Pensions	2,329	2,124	1,922	2,098	1,953	1,845
HM Revenue and Customs	1,245	1,365	1,238	1,272	1,289	2,042
HM Treasury	885	499	745	927	391	606
Cabinet Office	333	319	464	554	532	1,033
Scotland	7,504	8,074	8,088	10,412	10,629	14,202
Wales	3,566	3,854	3,987	4,149	4,176	4,139
Northern Ireland	4,275	4,154	4,207	4,482	4,634	5,931
Small and Independent Bodies	709	650	801	721	751	1,225
Total gross current procurement in budgets	117,280	122,347	123,238	130,312	136,039	160,717

Table 2.3 Gross capital procurement in budgets, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	outturn	outturn	outturn	outturn	outturn	plans
Gross capital procurement in budgets						
Health and Social Care	5,089	4,850	4,901	5,973	6,665	7,744
Education	2,163	790	2,157	2,422	1,984	1,112
Home Office	271	347	437	528	568	812
Justice	297	436	450	522	566	892
Law Officers' Departments	3	13	10	16	8	8
Defence	9,015	8,836	9,737	10,731	10,590	10,645
Single Intelligence Account	581	631	623	666	674	857
Foreign and Commonwealth Office	134	104	142	148	154	117
International Development	77	64	252	67	55	100
MHCLG - Housing and Communities	139	231	395	272	384	516
Transport	9,232	9,463	10,019	12,392	11,941	16,409
Business, Energy and Industrial Strategy	3,095	3,157	3,366	3,664	3,513	3,285
Digital, Culture, Media and Sport	383	591	314	355	655	600
Environment, Food and Rural Affairs	191	242	265	280	290	215
International Trade	2	6	16	17	18	14
Work and Pensions	102	181	341	200	113	61
HM Revenue and Customs	229	328	306	374	420	463
HM Treasury	2	3	8	22	10	13
Cabinet Office	102	123	200	153	134	323
Scotland	1,113	1,203	1,097	969	1,064	1,218
Wales	467	589	660	676	632	723
Northern Ireland	786	1,052	980	1,116	1,105	1,124
Small and Independent Bodies	92	115	289	249	501	531
Total gross capital procurement in budgets	33,566	33,353	36,967	41,812	42,044	47,784

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 2018-19, estimated outturn published in PESA 2019 (CP 143) is compared with the final outturn in **Chapter 1**;
- for 2019-20, the plans published in PESA 2019 are reconciled to final plans and compared to the estimated outturn in **Chapter 1**;
- For 2020-21 latest plans are compared with the published figures in Spending Round 2019 (CP 170).

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 2018-19;
- **Tables 3.5, 3.6, 3.7 and 3.8** show changes for 2019-20;
- **Tables 3.9-3.11** show plans for 2020-21.

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.

What's new

3.3 The departmental DEL and AME budgets for 2020-21 presented in this edition of PESA are consistent with those published in the Main Estimates on 4th May 2020¹ and therefore won't reflect spending announcements made since April 2020. Budgets will be updated in the Supplementary Estimates later in the financial year to reflect any spending announcements not already included. More information on the contents of departments' Main Estimates can be found on the Parliament.UK website².

3.4 Due to significant pressures experienced by some departments responding to the COVID-19 pandemic, the administrative deadline for laying the 2019-20 departmental annual reports and accounts (ARAs) has been extended to 30th September 2020³. As a result, the 2019-20 outturn published in PESA may be subject to data quality issues due to the inability of some departments, taking advantage of the extension, to align outturn data accurately to their ARAs. It is likely that some departments will revise their outturn data to align fully with the publication of their ARAs later in the year. The public spending statistics (PSS) release, published on a quarterly basis, will reflect any later revisions made by departments to their 2019-20 outturn.

¹ <https://www.gov.uk/government/publications/main-supply-estimates-2020-to-2021>

² <https://www.parliament.uk/mps-lords-and-offices/offices/commons/scrutinyunit/reports-and-publications/main-estimates-2020-21/>

³ <https://www.gov.uk/government/publications/financial-reporting-manual-addendum-2019-20>

Types of changes

3.5 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);
- 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 2019-20 to 2020-21 under the Budget Exchange system.

Machinery of Government and classification changes

3.6 The Department for Exiting the European Union (DExEU) was closed on 31st January 2020. All outturn data for DExEU are now shown within the totals for the Cabinet Office. Those of its functions which are still required have been transferred to relevant government departments.

Policy changes

3.7 This section sets out the key spending policy decisions taken since PESA 2019. This mainly includes:

- measures announced at Budget 2020;
- claims on the Reserve;
- carry forward of estimated resource and capital DEL underspends (with the agreement of the Treasury) from 2019-20 under the Budget Exchange (BX) system.

Policy changes in 2019-20 Tables 3.5 to 3.7

3.8 The impact of policy decisions on resource DEL and capital DEL budgets in 2019-20 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 2019-20 were:

- BEIS received £1.5 billion in respect of various programmes;
- Cabinet Office received £0.3 billion mainly to cover the costs of the General Election and EU exit preparation;
- MHCLG Communities was awarded £0.3 billion mainly to cover IFRS9 accounting changes for expected credit losses;
- DDCMS was given £0.1 billion in relation to various programme costs;
- MoD received £0.2 billion mainly in respect of conflict prevention;
- Education was given £12.1 billion mainly to provide budget cover for impairment of the student loan book;
- DEFRA was awarded £0.2 billion, mainly for EU exit preparation;
- FCO received £0.3 billion to cover depreciation and impairments and programme costs;

- DHSC was given £1.1 billion to cover the impact of the change in the Personal Injury Discount Rate, IFRS9 accounting changes for expected credit losses and other programme costs;
- HMRC received £0.2 billion for EU exit preparation and other programme costs;
- HM Treasury was given £0.2 billion in regards to various programme costs;
- Home Office was given £0.2 billion for various programme costs;
- DfID received £0.4 billion to assist it in meeting the Official Development Assistance (ODA) target;
- MoJ was given £0.4 billion in relation to delays in implementing Probate Fee reform, Courts reform and other programme costs;
- the Northern Ireland Executive received £0.3 billion mainly in respect of Budget Exchange drawdown from 2018-19 and Barnett consequentials arising from reserve claims by UK Government departments;
- the Scottish Government received £0.6 billion mainly in respect of Budget Exchange drawdown from 2018-19 and Barnett consequentials arising from reserve claims by UK Government departments;
- DfT received £1.1bn, of which £0.6 billion related to support for passenger rail services, High Speed Two and other programmes and £0.5 billion was to cover the cost of depreciation;
- the Welsh Government received £0.6 billion mainly in respect of Budget Exchange drawdown from 2018-19 and Barnett consequentials arising from reserve claims by UK Government departments;
- DWP received £0.1 billion for EU exit preparation.

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

- BEIS received £0.7 billion, mainly for the British Business Bank;
- DDCMS received £0.2 billion for the treatment of leases under IFRS16;
- MoD was given £0.3 billion to support various programmes;
- DHSC was given £1.2 billion to cover capital spending by NHS Trusts;
- DfT received £1.8 billion mainly in respect of Crossrail and High Speed Two.

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

- BEIS gave up £0.3 billion of forecast CDEL underspends, mainly reflecting additional Repayable Launch Investments income and unused funding for Green Investment Bank;
- MHCLG Communities gave up £1.8 billion of forecast CDEL underspends, mainly relating to financial transactions;
- MoD switched £0.3 billion from RDEL to CDEL and gave up £0.7 billion of forecast underspends in the RDEL depreciation budget;
- Education gave up £0.3 billion of forecast RDEL underspends;
- Home Office switched £0.1 billion from RDEL to CDEL;
- DfID switched £0.4 billion from CDEL to RDEL;

- DfT gave up £0.3 billion of forecast underspends in RDEL and £2 billion in CDEL. A further £0.5 billion of CDEL was reprofiled into 2020-21.

3.9 Under the Budget Exchange system departments carried forward £0.1 billion resource DEL and £0.4 billion capital DEL from 2019-20 into 2020-21.

Policy changes in 2020-21 Tables 3.9 to 3.11

3.10 The impact of policy decisions on resource DEL and capital DEL budgets in 2020-21 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 2020-21 were:

- BEIS was given £13.4 billion for measures to support businesses during COVID-19;
- MHCLG Local Government was given £11.5 billion to support local government during COVID-19;
- MoD was given an additional £0.3 billion to cover costs of operations and peacekeeping;
- DEFRA received £0.2 billion for COVID-19 response measures;
- DHSC was given £3.4 billion to cover COVID-19 costs;
- DfT received an additional £2.9 billion for COVID-19 response measures;
- DWP was given £0.2 billion to cover COVID-19 costs.

The main claims on the capital DEL Reserve in 2020-21 were:

- BEIS received £5.6 billion, mainly for expenditure on research and development;
- Cabinet Office was given £0.3 billion, mainly to cover COVID-19 costs;
- DfID was given £0.4 billion for expenditure on Research and Development;
- MoJ received £0.2 billion in respect of prison construction;
- DfT was given an additional £0.3 billion for the Transforming Cities Fund.

The other main policy decisions affecting 2020-21 DELs were:

- BEIS switched £0.1 billion from RDEL to CDEL and gave up £0.2 billion of RDEL. An additional £0.6 billion of CDEL was provided at the Budget mainly in respect of research excellence;
- MHCLG Communities was given £0.1 billion RDEL at the Budget for various programmes and £1.2 billion of CDEL mainly to fund the removal of unsafe cladding;
- MHCLG Local Government gave up £2.3 billion of RDEL in respect of business rates retention measures;
- MoD was provided an additional £0.1 billion of CDEL at the Budget for research and development;
- DEFRA received £1.9 billion of RDEL at the Budget mainly relating to farm support payments and £0.3 billion of CDEL mainly for flood defence programmes;
- DHSC received an additional £1.1 billion of RDEL at the Budget, mainly for the recruitment and retention of nurses and GP appointments, as well as £1.2 billion of CDEL for various programmes. In addition, £0.1 billion was switched from CDEL to RDEL;

- HM Revenue and Customs was given £0.1 billion at the Budget for various programmes;
- HM Treasury gave up £0.1 billion of CDEL, following the reprofiling of capital infrastructure programmes;
- Home Office was provided with an additional £0.1 billion of CDEL at the Budget for various programmes;
- DfID switched £1.1 billion from CDEL to Capital AME in respect of financial support provided to CDC Group plc.;
- MoJ was given £0.1 billion of CDEL at the Budget for prison maintenance;
- DfT was given an additional £0.8 billion of CDEL at the Budget for road maintenance and air quality programmes, but also gave up a net £0.6 billion of CDEL;
- the Scottish Government was given an additional £4.7 billion for direct payments to farmers and Barnett consequentials arising from Budget 2020 and response measures to COVID-19. An additional £3 billion of RDEL was also provided due to the devolution of welfare powers. The Scottish Government was given a further £0.5 billion of CDEL for Barnett consequentials from Budget 2020;
- the Welsh Government received £2.3 billion for direct payments to farmers and Barnett consequentials arising from Budget 2020 and response measures to COVID-19;
- the Northern Ireland Executive received an additional £1.9 billion of RDEL mainly as a result of funding provided for the New Decade, New Approach agreement, direct payments to farmers and Barnett consequentials arising from Budget 2020 and response measures to COVID-19.

Table 3.1 Resource DEL 2018-19; changes since PESA 2019

				£ million	
	Final provision adjusted for MoG	Outturn in PESA 2019 adjusted for MoG	Transfers and classification changes since PESA 2019	Other changes since PESA 2019	Outturn
Resource DEL					
Health and Social Care	125,924	125,278	–	–	125,278
Education	79,552	70,444	–	–	70,444
Home Office	11,329	11,227	–	-1	11,226
Justice	8,107	8,035	–	–	8,035
Law Officers' Departments	583	557	–	–	557
Defence	36,758	34,353	–	218	34,571
Single Intelligence Account	2,567	2,541	–	–	2,541
Foreign and Commonwealth Office	2,430	2,410	–	–	2,410
International Development	7,325	7,196	–	–	7,196
MHCLG - Housing and Communities	2,536	2,328	–	–	2,328
MHCLG - Local Government	4,838	4,834	–	–	4,834
Transport	4,525	3,894	–	8	3,902
Business, Energy and Industrial Strategy	1,434	1,246	–	-1	1,245
Digital, Culture, Media and Sport	1,821	1,658	–	–	1,658
Environment, Food and Rural Affairs	2,052	1,943	–	16	1,959
Exiting the European Union	12	–	–	–	–
International Trade	422	413	–	-3	410
Work and Pensions	6,043	5,966	–	–	5,966
HM Revenue and Customs	4,075	3,952	–	–	3,952
HM Treasury	262	246	–	–	246
Cabinet Office	665	633	–	0	633
Scotland	16,708	16,255	–	240	16,495
Wales	14,479	14,007	–	4	14,011
Northern Ireland	11,231	11,008	–	-2	11,006
Small and Independent Bodies	1,590	1,510	–	3	1,513
Total resource DEL	347,267	331,935	–	483	332,417

Table 3.2 Resource DEL excluding depreciation 2018-19; changes since PESA 2019

				£ million	
	Final provision adjusted for MoG	Outturn in PESA 2019 adjusted for MoG	Transfers and classification changes since PESA 2019	Other changes since PESA 2019	Outturn
Resource DEL excluding depreciation					
Health and Social Care	124,393	124,359	–	0	124,359
Education	62,439	61,491	–	–	61,491
Home Office	10,970	10,924	–	-1	10,923
Justice	7,517	7,511	–	–	7,511
Law Officers' Departments	568	547	–	–	547
Defence	27,826	27,732	–	–	27,732
Single Intelligence Account	2,134	2,134	–	–	2,134
Foreign and Commonwealth Office	2,248	2,236	–	–	2,236
International Development	7,307	7,190	–	–	7,190
MHCLG - Housing and Communities	2,416	2,333	–	–	2,333
MHCLG - Local Government	4,838	4,834	–	–	4,834
Transport	2,726	2,475	–	4	2,479
Business, Energy and Industrial Strategy	1,057	936	–	-1	935
Digital, Culture, Media and Sport	1,635	1,524	–	–	1,524
Environment, Food and Rural Affairs	1,811	1,749	–	13	1,761
Exiting the European Union	11	–	–	–	–
International Trade	418	408	–	-2	406
Work and Pensions	5,878	5,760	–	–	5,760
HM Revenue and Customs	3,673	3,663	–	–	3,663
HM Treasury	257	241	–	–	241
Cabinet Office	595	581	–	–	581
Scotland	15,053	14,742	–	240	14,982
Wales	13,574	13,306	–	2	13,307
Northern Ireland	10,620	10,483	–	-2	10,481
Small and Independent Bodies	1,460	1,407	–	3	1,411
Total resource DEL	311,426	308,564	–	255	308,819

Table 3.3 Capital DEL 2018-19; changes since PESA 2019

				£ million	
	Final provision adjusted for MoG	Outturn in PESA 2019 adjusted for MoG	Transfers and classification changes since PESA 2019	Other changes since PESA 2019	Outturn
Capital DEL					
Health and Social Care	5,983	5,937	–	4	5,941
Education	5,524	5,169	–	–	5,169
Home Office	750	744	–	0	744
Justice	517	431	–	–	431
Law Officers' Departments	18	16	–	–	16
Defence	10,401	10,294	–	–	10,294
Single Intelligence Account	607	607	–	–	607
Foreign and Commonwealth Office	157	142	–	–	142
International Development	3,132	3,105	–	–	3,105
MHCLG - Housing and Communities	8,118	7,424	–	–	7,424
Transport	8,501	8,273	–	2	8,274
Business, Energy and Industrial Strategy	11,496	10,814	–	141	10,955
Digital, Culture, Media and Sport	448	366	–	–	366
Environment, Food and Rural Affairs	740	726	–	1	727
Exiting the European Union	–	–	–	–	–
International Trade	19	17	–	1	17
Work and Pensions	375	334	–	–	334
HM Revenue and Customs	363	349	–	–	349
HM Treasury	181	167	–	-63	104
Cabinet Office	134	134	–	-2	132
Scotland	4,018	3,876	–	-4	3,872
Wales	2,041	2,037	–	0	2,037
Northern Ireland	1,495	1,297	–	0	1,297
Small and Independent Bodies	281	247	–	0	247
Total capital DEL	65,299	62,505	–	78	62,583

Table 3.4 Total Managed Expenditure 2018-19; changes since PESA 2019

	£ million			
	Outturn in PESA 2019	Transfers and classification changes since PESA 2019	Other changes since PESA 2019	Outturn
CURRENT EXPENDITURE				
<i>Resource DEL</i>				
Total resource DEL	331,935	–	483	332,417
<i>Resource departmental AME</i>				
Social security benefits	199,381	–	0	199,381
Tax credits	22,715	–	-370	22,345
Net public service pensions	53,777	–	572	54,349
National lottery	840	–	–	840
BBC domestic services	3,447	–	–	3,447
Student loans	-5,667	–	–	-5,667
Non-cash items	-56,672	–	-4,371	-61,042
Financial sector interventions	-15,090	–	–	-15,090
Other departmental expenditure	45,599	–	400	45,999
Total resource departmental AME	248,331	–	-3,769	244,562
<i>Resource other AME</i>				
Net expenditure transfers to the EU	12,899	–	-7	12,892
Locally financed expenditure	35,495	–	-32	35,462
Central government gross debt interest	48,658	–	137	48,795
Accounting adjustments	50,846	–	33,748	84,594
Total resource other AME	147,897	–	33,845	181,743
Total resource AME	396,228	–	30,076	426,305
Public sector current expenditure	728,163	–	30,559	758,722
CAPITAL EXPENDITURE				
<i>Capital DEL</i>				
Total capital DEL	62,505	–	78	62,583
<i>Capital departmental AME</i>				
National lottery	337	–	–	337
BBC domestic services	160	–	–	160
Student loans	18,385	–	0	18,385
Financial sector interventions	-2,509	–	–	-2,509
Other departmental expenditure	-3,828	–	86	-3,742
Total capital departmental AME	12,544	–	86	12,631
<i>Capital other AME</i>				
Locally financed expenditure	14,142	–	-1,062	13,080
Public corporations' own-financed capital expenditure	9,374	–	-187	9,187
Accounting adjustments	-16,553	–	12,048	-4,505
Total capital other AME	6,963	–	10,798	17,761
Total capital AME	19,507	–	10,885	30,392
Public sector gross investment	82,012	–	10,963	92,975
<i>less public sector depreciation</i>	40,361	–	8,452	48,813
Public sector net investment	41,651	–	2,511	44,162
Total Managed Expenditure	810,175	–	41,522	851,697

Table 3.5 Resource DEL 2019-20; changes since PESA 2019

	£ million				
	Plans in PESA 2019 adjusted for MOG	Transfers and classification changes since PESA 2019	Other changes since PESA 2019	Final provision	Outturn
Resource DEL					
Health and Social Care	133,601	158	868	134,628	134,137
Education	70,641	-2	11,830	82,469	78,665
Home Office	11,959	-144	96	11,912	11,869
Justice	8,052	6	352	8,409	8,321
Law Officers' Departments	611	2	26	638	621
Defence	38,205	-51	-732	37,422	36,408
Single Intelligence Account	2,777	-9	36	2,804	2,779
Foreign and Commonwealth Office	2,617	-134	162	2,645	2,581
International Development	7,177	68	836	8,080	8,004
MHCLG - Housing and Communities	2,601	-40	287	2,847	2,481
MHCLG - Local Government	5,206	33	-53	5,186	8,572
Transport	10,710	70	805	11,585	11,461
Business, Energy and Industrial Strategy	2,111	8	1,435	3,555	2,838
Digital, Culture, Media and Sport	1,770	20	116	1,906	1,809
Environment, Food and Rural Affairs	2,157	11	119	2,288	2,240
Exiting the European Union	1	-2	2	–	–
International Trade	488	-18	8	479	470
Work and Pensions	5,738	-7	174	5,905	5,883
HM Revenue and Customs	4,183	-6	193	4,370	4,279
HM Treasury	222	26	121	369	354
Cabinet Office	757	26	282	1,065	993
Scotland	17,445	23	613	18,082	17,731
Wales	12,575	-56	598	13,117	12,858
Northern Ireland	11,335	7	452	11,794	11,941
Small and Independent Bodies	1,809	9	45	1,863	1,622
Reserves	3,656	–	-3,656	–	–
OBR allowance for shortfall	-2,500	–	2,500	–	–
Adjustment for Budget Exchange	-646	–	646	–	–
Total resource DEL	355,258	–	18,162	373,420	368,918

Table 3.6 Resource DEL excluding depreciation 2019-20; changes since PESA 2019

	£ million				
	Plans in PESA 2019 adjusted for MOG	Transfers and classification changes since PESA 2019	Other changes since PESA 2019	Final provision	Outturn
Resource DEL excluding depreciation					
Health and Social Care	132,070	159	1,103	133,333	133,447
Education	64,252	-2	-196	64,054	63,537
Home Office	11,650	-144	75	11,581	11,507
Justice	7,449	6	352	7,806	7,853
Law Officers' Departments	595	2	29	626	610
Defence	29,705	-51	-37	29,617	29,501
Single Intelligence Account	2,327	-9	33	2,351	2,338
Foreign and Commonwealth Office	2,505	-134	94	2,466	2,404
International Development	7,158	68	836	8,061	7,994
MHCLG - Housing and Communities	2,576	-40	287	2,822	2,467
MHCLG - Local Government	5,206	33	-53	5,186	8,572
Transport	3,592	70	261	3,923	4,067
Business, Energy and Industrial Strategy	1,789	8	1,435	3,232	2,507
Digital, Culture, Media and Sport	1,571	20	81	1,672	1,567
Environment, Food and Rural Affairs	1,918	11	119	2,049	2,016
Exiting the European Union	1	-2	2	–	–
International Trade	486	-18	5	474	462
Work and Pensions	5,583	-7	137	5,713	5,695
HM Revenue and Customs	3,804	-6	193	3,991	3,983
HM Treasury	216	26	121	363	350
Cabinet Office	696	25	282	1,004	919
Scotland	16,299	23	613	16,936	16,717
Wales	11,885	-56	313	12,142	12,047
Northern Ireland	10,748	7	398	11,153	11,355
Small and Independent Bodies	1,587	9	46	1,642	1,421
Reserves	3,656	–	-3,656	–	–
OBR allowance for shortfall	-2,500	–	2,500	–	–
Adjustment for Budget Exchange	-646	–	646	–	–
Total resource DEL	326,179	–	6,019	332,198	333,336

Table 3.7 Capital DEL 2019-20; changes since PESA 2019

				£ million	
	Plans in PESA 2019 adjusted for MOG	Transfers and classification changes since PESA 2019	Other changes since PESA 2019	Final provision	Outturn
Capital DEL					
Health and Social Care	5,920	5	1,200	7,125	7,006
Education	4,974	14	-75	4,913	4,852
Home Office	630	8	169	806	782
Justice	417	2	85	505	505
Law Officers' Departments	8	–	3	11	8
Defence	9,781	-4	578	10,354	10,261
Single Intelligence Account	686	-19	-23	644	637
Foreign and Commonwealth Office	112	2	38	152	148
International Development	2,527	-4	-463	2,060	2,036
MHCLG - Housing and Communities	10,686	-17	-2,085	8,584	8,299
Transport	15,324	-2	-626	14,696	14,342
Business, Energy and Industrial Strategy	11,461	-15	390	11,835	11,228
Digital, Culture, Media and Sport	655	-3	-7	646	583
Environment, Food and Rural Affairs	618	3	162	783	766
Exiting the European Union	–	–	–	–	–
International Trade	14	0	8	22	19
Work and Pensions	224	0	-28	195	81
HM Revenue and Customs	275	0	88	364	335
HM Treasury	172	0	19	190	139
Cabinet Office	115	17	-17	115	109
Scotland	4,494	8	-139	4,363	4,260
Wales	2,134	5	87	2,226	2,132
Northern Ireland	1,703	1	-69	1,635	1,347
Small and Independent Bodies	479	–	-6	473	500
Reserves	2,563	–	-2,563	–	–
OBR allowance for shortfall	-2,700	–	2,700	–	–
Adjustment for Budget Exchange	-446	–	446	–	–
Total capital DEL	72,827	–	-129	72,697	70,375

Table 3.8 Total Managed Expenditure 2019-20; changes since PESA 2019

	Plans in PESA 2019	Transfers and classification changes since PESA 2019	Other changes since PESA 2019	£ million Outturn
CURRENT EXPENDITURE				
<i>Resource DEL</i>				
Total resource DEL	355,258	–	13,660	368,918
<i>Resource departmental AME</i>				
Social security benefits	207,927	–	887	208,814
Tax credits	25,124	–	-7,042	18,082
Net public service pensions	21,635	–	12,436	34,072
National lottery	1,056	–	–	1,056
BBC domestic services	3,769	–	–	3,769
Student loans	-5,627	–	-288	-5,915
Non-cash items	63,597	–	-515	63,083
Financial sector interventions	-79	–	-36,191	-36,270
Other departmental expenditure	44,205	–	44,328	88,533
Total resource departmental AME	361,608	–	13,615	375,223
<i>Resource other AME</i>				
Net expenditure transfers to the EU	13,415	–	-1,865	11,549
Locally financed expenditure	40,127	–	580	40,707
Central government gross debt interest	51,084	–	-3,245	47,839
Accounting adjustments	-68,879	–	9,063	-59,816
Total resource other AME	35,746	–	4,533	40,279
Total resource AME	397,354	–	18,148	415,502
Public sector current expenditure	752,612	–	31,808	784,420
CAPITAL EXPENDITURE				
<i>Capital DEL</i>				
Total capital DEL	72,827	–	-2,452	70,375
<i>Capital departmental AME</i>				
National lottery	225	–	–	225
BBC domestic services	132	–	–	132
Student loans	22,950	–	-474	22,475
Financial sector interventions	-1,613	–	-5	-1,618
Other departmental expenditure	2,140	–	-103	2,037
Total capital departmental AME	23,833	–	-582	23,251
<i>Capital other AME</i>				
Locally financed expenditure	12,303	–	811	13,114
Public corporations' own-financed capital expenditure	9,357	–	122	9,479
Accounting adjustments	-30,206	–	10,998	-19,207
Total capital other AME	-8,546	–	11,931	3,385
Total capital AME	15,287	–	11,349	26,636
Public sector gross investment	88,114	–	8,897	97,011
<i>less public sector depreciation</i>	41,096	–	8,318	49,414
Public sector net investment	47,018	–	579	47,597
Total Managed Expenditure	840,726	–	40,705	881,431

Table 3.9 Resource DEL 2020-21; changes since SR 2019

	2020-21			£ million
	Plans in SR2019 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
Resource DEL				
Health and Social Care	140,391	448	3,997	144,836
Education	74,191	-14	18	74,195
Home Office	13,160	-218	239	13,181
Justice	8,745	17	141	8,903
Law Officers' Departments	684	12	0	696
Defence	39,344	-361	265	39,249
Single Intelligence Account	2,550	337	-44	2,843
Foreign and Commonwealth Office	1,213	1,500	43	2,756
International Development	9,665	-2,106	-11	7,548
MHCLG - Housing and Communities	1,665	923	100	2,688
MHCLG - Local Government	8,634	-907	9,228	16,955
Transport	11,258	-13	2,947	14,192
Business, Energy and Industrial Strategy	2,789	-52	13,204	15,941
Digital, Culture, Media and Sport	1,807	18	31	1,856
Environment, Food and Rural Affairs	2,246	21	2,064	4,332
Exiting the European Union	–	–	–	–
International Trade	522	23	23	567
Work and Pensions	5,949	-34	283	6,199
HM Revenue and Customs	4,205	9	117	4,331
HM Treasury	215	10	52	277
Cabinet Office	560	282	68	910
Scotland	17,772	33	7,750	25,555
Wales	13,045	49	2,282	15,376
Northern Ireland	11,664	12	1,936	13,613
Small and Independent Bodies	2,117	9	243	2,369
Reserves	7,000	–	-7,000	–
OBR allowance for shortfall	–	–	-3,245	-3,245
Adjustment for Budget Exchange	–	–	-55	-55
Total resource DEL	381,391	–	34,676	416,067

Table 3.10 Resource DEL excluding depreciation 2020-21; changes since SR 2019

	2020-21			£ million
	Plans in SR2019 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
Resource DEL excluding depreciation				
Health and Social Care	138,860	448	4,565	143,873
Education	67,802	-14	18	67,806
Home Office	12,851	-218	197	12,829
Justice	8,142	17	137	8,297
Law Officers' Departments	668	12	0	680
Defence	30,844	-361	265	30,749
Single Intelligence Account	2,100	337	8	2,445
Foreign and Commonwealth Office	1,101	1,500	4	2,606
International Development	9,646	-2,106	-11	7,529
MHCLG - Housing and Communities	1,640	923	97	2,660
MHCLG - Local Government	8,634	-907	9,228	16,955
Transport	4,140	-13	2,774	6,902
Business, Energy and Industrial Strategy	2,466	-52	13,190	15,604
Digital, Culture, Media and Sport	1,608	18	24	1,651
Environment, Food and Rural Affairs	2,007	21	2,064	4,093
Exiting the European Union	–	–	–	–
International Trade	520	23	23	565
Work and Pensions	5,794	-34	244	6,005
HM Revenue and Customs	3,826	9	117	3,952
HM Treasury	209	10	52	271
Cabinet Office	499	282	57	839
Scotland	16,626	33	7,750	24,409
Wales	12,355	49	2,284	14,687
Northern Ireland	11,077	12	1,936	13,026
Small and Independent Bodies	1,895	9	247	2,151
Reserves	7,000	–	-7,000	–
OBR allowance for shortfall	–	–	-3,245	-3,245
Adjustment for Budget Exchange	–	–	-55	-55
Total resource DEL	352,311	–	34,971	387,283

Table 3.11 Capital DEL 2020-21; changes since SR 2019

	2020-21			£ million
	Plans in SR2019 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
Capital DEL				
Health and Social Care	7,060	146	1,025	8,231
Education	4,461	-130	-4	4,327
Home Office	585	16	190	791
Justice	620	–	253	873
Law Officers' Departments	8	–	–	8
Defence	10,455	-39	119	10,535
Single Intelligence Account	683	36	90	809
Foreign and Commonwealth Office	98	4	–	102
International Development	4,377	-1,046	-708	2,623
MHCLG - Housing and Communities	10,803	185	2,349	13,337
Transport	17,760	-66	369	18,064
Business, Energy and Industrial Strategy	6,365	819	6,339	13,523
Digital, Culture, Media and Sport	480	11	138	630
Environment, Food and Rural Affairs	532	1	369	902
Exiting the European Union	–	–	–	–
International Trade	14	–	0	14
Work and Pensions	221	-1	5	225
HM Revenue and Customs	283	0	82	365
HM Treasury	107	0	-97	10
Cabinet Office	5	26	280	311
Scotland	5,021	21	456	5,498
Wales	2,281	12	137	2,430
Northern Ireland	1,576	7	154	1,737
Small and Independent Bodies	403	-2	129	531
Reserves	1,167	–	-1,167	–
Capital spending not yet in budgets	6,523	–	-6,523	–
OBR allowance for shortfall	–	–	-3,909	-3,909
Adjustment for Budget Exchange	–	–	-617	-617
Total resource DEL	81,890	–	-539	81,351

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 Due to significant pressures experienced by some departments responding to the COVID-19 pandemic, the administrative deadline for laying the 2019-20 departmental annual reports and accounts (ARAs) has been extended to 30th September 2020¹. As a result, the 2019-20 outturn published in PESA may be subject to data quality issues due to the inability of some departments, taking advantage of the extension, to align outturn data accurately to their ARAs. It is likely that some departments will revise their outturn data to align fully with the publication of their ARAs later in the year. The public spending statistics (PSS) release, published on a quarterly basis, will reflect any later revisions made by departments for their 2019-20 outturn.

Public spending aggregates

4.4 **Table 4.1** shows trends in public spending since 1977-78 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 2019-20 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 2020-21 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 2020 Budget.

Public sector expenditure on services by function

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

4.8 Public sector expenditure on services includes central government spending, but excludes the part that is finance to local government and capital finance to public corporations. This central government own expenditure is then combined with actual spending by local

¹ <https://www.gov.uk/government/publications/financial-reporting-manual-addendum-2019-20>

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 1996-97. **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 2019-20. 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 2015-16 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, 1977-78 to 2020-21

	Public sector current expenditure				Depreciation		Public sector net investment			Total Managed Expenditure ⁽²⁾		
	Real terms ⁽¹⁾		Per cent of GDP	Nominal		Real terms ⁽¹⁾	Real terms ⁽¹⁾		Nominal	Real terms ⁽¹⁾		Per cent of GDP
	Nominal	£ billion		£ billion	£ billion		Nominal	£ billion		£ billion	£ billion	
1977-78	57.5	310.2	34.7	7.4		5.2	28.3	70.2	378.3	42.3		
1978-79	66.1	320.3	34.4	8.4		5.2	25.2	79.7	386.2	41.5		
1979-80	79.6	330.1	34.3	10.0		5.8	23.9	95.3	395.3	41.0		
1980-81	96.8	337.1	36.3	12.1		5.8	20.2	114.7	399.4	42.9		
1981-82	110.8	349.0	37.2	13.2		4.1	13.0	128.2	403.6	43.1		
1982-83	121.6	356.8	37.2	13.9		6.1	18.0	141.6	415.4	43.3		
1983-84	131.3	367.5	36.7	14.6		7.6	21.2	153.4	429.5	42.9		
1984-85	142.0	376.1	36.8	14.8		7.3	19.4	164.1	434.6	42.5		
1985-86	150.5	377.7	35.5	14.4		6.3	15.9	171.3	429.7	40.4		
1986-87	158.7	382.5	34.9	15.9		3.9	9.3	178.5	430.0	39.2		
1987-88	170.4	388.7	33.3	19.4		0.2	0.5	190.0	433.4	37.2		
1988-89	177.2	379.6	31.1	20.7		-1.1	-2.4	196.8	421.6	34.5		
1989-90	192.4	382.5	30.6	22.6		3.2	6.3	218.2	433.6	34.7		
1990-91	209.8	385.3	30.9	22.2		4.7	8.7	236.8	434.9	34.9		
1991-92	233.9	406.1	32.7	21.4		7.6	13.1	262.8	456.2	36.8		
1992-93	254.9	431.2	34.6	21.5		7.9	13.3	284.2	480.8	38.6		
1993-94	268.9	444.0	34.4	21.8		5.7	9.4	296.4	489.4	38.0		
1994-95	280.6	457.3	34.3	21.8		6.1	9.9	308.5	502.8	37.7		
1995-96	294.5	466.4	34.1	22.3		6.0	9.5	322.7	511.1	37.4		
1996-97	303.7	462.6	33.0	22.0		1.6	2.5	327.3	498.6	35.6		
1997-98	317.9	482.1	33.0	22.7		2.7	4.1	343.3	520.7	35.6		
1998-99	327.6	489.2	32.5	23.4		3.3	4.9	354.2	529.1	35.1		
1999-00	339.1	504.4	32.1	24.4		4.3	6.4	367.8	547.2	34.9		
2000-01	361.5	527.4	32.6	25.3		3.8	5.5	390.5	569.8	35.2		
2001-02	379.9	547.6	33.1	26.3		10.7	15.4	416.9	600.9	36.3		
2002-03	407.8	574.4	33.7	27.7		15.5	21.8	451.0	635.2	37.2		
2003-04	445.6	615.3	35.0	28.3		19.3	26.7	493.2	681.0	38.8		
2004-05	478.6	642.7	35.8	29.8		24.7	33.1	533.1	715.8	39.9		
2005-06	508.0	665.8	35.8	32.2		25.1	32.9	565.3	741.0	39.8		
2006-07	532.0	678.1	35.6	34.2		25.4	32.3	591.5	754.0	39.6		
2007-08	564.9	701.4	36.0	36.4		26.8	33.2	628.1	779.8	40.0		
2008-09	599.3	725.6	38.1	39.6		46.5	56.3	685.5	829.9	43.6		
2009-10	633.8	754.9	40.7	41.5		45.7	54.5	721.0	858.8	46.3		
2010-11	661.5	774.6	40.8	41.9		39.3	46.0	742.7	869.7	45.8		
2011-12	670.0	772.8	40.2	43.1		32.1	37.0	745.2	859.5	44.7		
2012-13	681.7	770.4	39.5	44.3		34.2	38.7	760.2	859.2	44.1		
2013-14	692.1	767.3	38.3	45.4		29.4	32.6	766.8	850.2	42.5		
2014-15	702.4	768.1	37.5	46.4		36.2	39.6	785.0	858.4	41.9		
2015-16	713.1	773.1	36.9	47.3		33.1	35.9	793.5	860.3	41.0		
2016-17	725.3	768.2	35.9	48.5		38.8	41.1	812.6	860.6	40.2		
2017-18	741.7	772.2	35.6	49.0		44.3	46.2	835.1	869.4	40.0		
2018-19	758.7	773.4	35.0	48.8		44.2	45.0	851.7	868.2	39.3		
2019-20	784.4	784.4	35.4	49.4		47.6	47.6	881.4	881.4	39.8		
2020-21	815.8	800.0	35.4	52.2		59.7	58.6	927.7	909.8	40.3		

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2019-20 price levels using GDP deflators from the Office for National Statistics (released 30 June 2020).

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

Table 4.2 Public sector expenditure on services by function, 1996-97 to 2019-20

	National Statistics																				£ billion			
	cash basis		accruals basis																					
	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 of which: public and common services	37.4	45.2	46.3	44.1	46.1	44.0	43.9	47.6	52.4	56.1	59.0	62.5	66.7	62.8	75.9	76.7	73.0	75.3	74.4	75.2	80.0	85.2	81.5	81.7
of which: international services	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	11.2	12.5	12.5	12.8	14.5
of which: public sector debt interest	3.1	3.1	3.2	3.7	4.2	4.3	4.5	5.1	5.5	6.2	6.3	6.7	6.4	7.1	7.8	7.7	7.7	9.8	10.5	10.2	10.8	10.5	11.9	11.8
2. Defence ⁽¹⁾	28.1	35.9	35.9	32.4	34.0	30.5	29.6	31.6	34.8	37.1	40.0	43.3	46.3	41.9	55.3	57.6	54.1	54.3	52.3	53.8	56.6	62.2	56.7	55.4
3. Public order and safety	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	42.2
4. Economic affairs of which: enterprise and economic development ⁽²⁾	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	34.5
of which: science and technology	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	53.3	60.7	65.4
of which: employment policies of which: agriculture, fisheries and forestry	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	13.2	15.7
of which: transport ⁽³⁾	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	6.8
5. Environment protection	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	2.3
6. Housing and community amenities	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	5.9
7. Health	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	30.4	32.7	34.7
8. Recreation, culture and religion	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	11.0	11.7
9. Education ⁽⁵⁾	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	11.4	12.0	14.5
10. Social protection	42.8	44.5	46.9	49.4	54.2	59.8	66.2	74.9	82.9	89.8	94.7	101.1	108.7	116.9	119.9	121.3	124.3	129.4	134.1	138.5	142.6	147.3	152.9	164.1
EU transactions ⁽⁶⁾	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	11.4	12.1
Public sector expenditure on services	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	86.1	88.1	92.4
Accounting adjustments	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	274.8	275.3
Total Managed Expenditure ⁽⁷⁾	-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	6.1
Public sector expenditure on services	302.6	314.8	324.9	338.3	360.4	384.0	411.0	447.9	480.5	511.7	534.3	566.7	616.0	652.5	673.2	675.3	679.3	690.3	703.3	717.9	726.9	750.7	773.0	799.8
Accounting adjustments	24.7	28.5	29.3	29.5	30.1	32.9	40.0	45.4	52.6	53.6	57.2	61.4	69.5	68.5	69.5	69.9	80.9	76.5	81.7	75.6	85.7	84.4	78.7	81.6
Total Managed Expenditure ⁽⁷⁾	327.3	343.3	354.2	367.8	390.5	416.9	451.0	493.2	533.1	565.3	591.5	628.1	685.5	721.0	742.7	745.2	760.2	766.8	785.0	793.5	812.6	835.1	851.7	881.4

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

⁽²⁾ Transactions in 2008-09 onwards have been affected by financial sector interventions.

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

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

⁽⁵⁾ From 2011-12 onwards the grant-equivalent element of student loans¹ is no longer part of the TES framework and has therefore been removed from the Education function. Therefore figures are not directly comparable between 2010-11 and 2011-12. A full explanation of this decision can be found in PESA 2016 Annex E.

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

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

Table 4.3 Public sector expenditure on services by function in real terms⁽¹⁾, 1996-97 to 2019-20

	National Statistics																				£ billion			
	cash basis		accruals basis																					
	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	57.0	68.6	69.2	65.6	67.2	63.4	61.8	65.7	70.3	73.6	75.2	77.6	80.7	74.8	88.9	88.5	82.5	83.5	81.3	81.6	84.7	88.7	83.0	81.7
of which: public and common services	9.4	9.4	10.8	11.9	11.5	13.3	13.8	15.1	16.2	16.8	16.2	15.5	17.0	16.4	15.0	13.2	12.6	12.4	12.6	12.2	13.2	13.0	13.0	14.5
of which: international services	4.7	4.7	4.8	5.5	6.1	6.2	6.3	7.0	7.4	8.1	8.0	8.3	7.7	8.5	9.1	8.9	8.7	10.9	11.5	11.1	11.5	10.9	12.2	11.8
of which: public sector debt interest	42.8	54.5	53.7	48.2	49.6	43.9	41.6	43.6	46.7	48.6	51.0	53.8	56.0	49.9	64.8	66.4	61.2	60.2	57.2	58.3	60.0	64.8	57.8	55.4
2. Defence ⁽²⁾	33.7	32.9	36.6	37.3	37.5	36.6	38.0	39.8	40.0	40.6	41.0	41.8	44.6	44.9	46.0	44.6	41.1	40.4	40.1	39.7	39.3	40.3	41.0	42.2
3. Public order and safety	25.0	25.9	26.9	27.4	29.8	33.3	34.4	36.5	38.3	38.4	38.7	39.4	40.8	40.6	38.8	37.0	35.4	32.8	33.3	32.7	31.8	32.8	33.0	34.5
4. Economic affairs	35.6	32.8	29.3	32.0	34.7	39.9	43.2	45.7	45.1	46.3	47.8	46.4	60.2	58.0	46.8	43.6	41.5	45.3	44.9	50.9	52.1	55.5	61.9	65.4
of which: enterprise and economic development ⁽³⁾	6.5	6.5	4.6	6.5	7.2	7.4	8.3	8.3	8.7	8.4	8.0	8.8	19.6	14.5	5.7	5.5	5.7	7.5	7.2	8.1	8.8	10.4	13.4	15.7
of which: science and technology	2.1	2.1	2.1	2.1	2.0	2.5	3.0	3.2	3.4	3.9	3.7	4.1	3.9	4.3	4.0	4.2	3.8	4.6	4.8	5.1	4.8	5.3	6.6	6.8
of which: employment policies	4.3	3.8	4.3	5.2	5.5	4.8	4.2	4.4	4.3	4.3	4.2	2.6	4.2	4.9	5.5	3.7	3.3	4.2	3.1	2.6	2.5	2.7	2.7	2.3
of which: agriculture, fisheries and forestry	8.2	7.1	6.6	6.4	6.9	9.1	6.9	7.3	7.3	7.3	6.5	5.3	7.0	6.9	6.4	6.7	6.0	6.0	5.7	4.8	5.5	5.4	5.8	5.9
of which: transport ^{(4),(5)}	14.5	13.2	11.6	11.8	13.1	16.3	20.8	22.5	21.5	22.3	25.4	25.6	25.4	27.4	25.2	23.6	22.9	23.1	24.0	30.3	30.5	31.7	33.3	34.7
5. Environment protection	5.6	6.1	6.4	7.3	7.4	7.8	8.5	8.6	9.4	11.1	12.0	11.9	11.1	12.4	12.8	12.1	12.1	12.4	12.7	12.6	11.7	12.3	11.3	11.7
6. Housing and community amenities	8.7	7.4	8.2	7.0	8.0	8.9	7.6	9.3	10.7	14.0	14.7	16.1	18.5	19.4	15.6	11.7	11.3	10.9	11.2	10.7	10.9	11.8	12.3	14.5
7. Health	65.2	67.5	70.0	73.5	79.1	86.2	93.2	103.4	111.3	117.7	120.7	125.5	131.6	139.2	140.4	139.9	140.5	143.5	146.6	150.2	151.0	153.4	155.9	164.1
8. Recreation, culture and religion	8.7	9.7	10.8	11.5	11.4	12.4	13.1	13.4	13.4	14.2	14.5	14.8	15.0	15.7	15.2	14.4	14.4	12.9	13.6	12.3	12.3	12.0	11.6	12.1
9. Education ⁽⁶⁾	57.6	58.5	59.7	62.8	67.0	73.8	77.0	84.2	87.4	91.5	93.0	97.7	100.5	105.4	107.1	99.7	95.1	93.9	93.0	92.1	89.9	89.6	89.8	92.4
10. Social protection	171.8	173.7	172.1	183.0	187.5	198.0	204.7	214.9	220.4	224.2	225.6	234.2	246.3	265.6	269.8	282.4	286.3	281.8	285.5	287.2	281.1	279.8	280.1	275.3
EU transactions ⁽⁷⁾	-7.9	-5.6	-3.9	-4.0	-3.8	-6.9	-2.7	-2.9	-1.2	-0.8	-2.3	-1.9	-3.5	1.1	6.9	5.0	7.6	8.0	6.8	8.3	5.0	5.6	8.0	6.1
Public sector expenditure on services	461.0	477.5	485.3	503.3	525.9	553.4	578.9	618.4	645.2	670.8	681.0	703.7	745.8	777.2	788.4	778.9	767.7	765.4	769.1	778.3	769.9	781.5	787.9	799.8
Accounting adjustments	37.6	43.2	43.7	43.9	44.0	47.5	56.3	62.6	70.6	70.2	72.9	76.2	84.2	81.6	81.4	80.6	91.5	84.8	89.3	82.0	90.7	87.8	80.3	81.6
Total Managed Expenditure⁽⁸⁾	498.6	520.7	529.1	547.2	569.8	600.9	635.2	681.0	715.8	741.0	754.0	779.8	829.9	858.8	869.7	859.5	859.2	850.2	858.4	860.3	860.6	869.4	868.2	881.4

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2019-20 price levels using GDP deflators from the Office for National Statistics (released 30 June 2020).

⁽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

⁽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 from 2015-16. The functional analysis shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' from that year.

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

⁽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.

Table 4.4 Public sector expenditure on services by function as a per cent of GDP⁽¹⁾, 1996-97 to 2019-20

	National Statistics										per cent													
	cash basis					accruals basis																		
	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	2019-20
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn
1. General public services	4.1	4.7	4.6	4.2	4.2	3.8	3.6	3.7	3.9	4.0	4.0	4.0	4.0	4.0	4.7	4.6	4.2	4.2	4.0	3.9	4.0	4.1	3.8	3.7
of which: public and common services	0.7	0.6	0.7	0.8	0.7	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.8	0.9	0.8	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7
of which: international services	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.4	0.5	0.6	0.5	0.5	0.5	0.5	0.5
of which: public sector debt interest	3.1	3.7	3.6	3.1	3.1	2.7	2.4	2.5	2.6	2.7	2.8	2.7	2.8	2.9	3.4	3.4	3.1	3.0	2.8	2.8	2.8	3.0	2.6	2.5
2. Defence ⁽²⁾	2.4	2.3	2.4	2.4	2.3	2.2	2.2	2.3	2.2	2.2	2.2	2.2	2.1	2.3	2.4	2.3	2.1	2.0	2.0	1.9	1.8	1.9	1.9	1.9
3. Public order and safety	1.8	1.8	1.8	1.7	1.8	2.0	2.0	2.1	2.1	2.1	2.0	2.0	2.1	2.2	2.0	1.9	1.8	1.6	1.6	1.6	1.5	1.5	1.5	1.6
4. Economic affairs	2.5	2.2	1.9	2.0	2.1	2.4	2.5	2.6	2.5	2.5	2.5	2.4	3.2	3.1	2.5	2.3	2.1	2.3	2.2	2.4	2.4	2.6	2.8	2.9
of which: enterprise and economic development ⁽³⁾	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	0.7
of which: science and technology	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	0.2	0.3
of which: employment policies	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	0.2	0.1	0.1	0.1	0.1
of which: agriculture, fisheries and forestry	0.6	0.5	0.4	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.3	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.2	0.3	0.3
of which: transport ^{(4), (5)}	1.0	0.9	0.8	0.7	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	1.4	1.4	1.5	1.5	1.6
5. Environment protection	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.5	0.5
6. Housing and community amenities	0.6	0.5	0.5	0.4	0.5	0.4	0.5	0.6	0.6	0.8	0.8	0.8	1.0	1.0	0.8	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.6	0.7
7. Health	4.7	4.6	4.7	4.7	4.9	5.2	5.5	5.9	6.2	6.3	6.3	6.4	6.9	7.5	7.4	7.3	7.2	7.2	7.2	7.2	7.1	7.1	7.1	7.4
8. Recreation, culture and religion	0.6	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.6	0.7	0.6	0.6	0.5	0.5
9. Education ⁽⁶⁾	4.1	4.0	4.0	4.0	4.1	4.5	4.5	4.8	4.9	4.9	4.9	5.0	5.3	5.7	5.6	5.2	4.9	4.7	4.5	4.4	4.2	4.1	4.1	4.2
10. Social protection	12.3	11.9	11.4	11.7	11.6	12.0	12.0	12.2	12.3	12.0	11.9	12.0	12.9	14.3	14.2	14.7	14.7	14.1	14.0	13.7	13.1	12.9	12.7	12.4
EU transactions ⁽⁷⁾	-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	0.3
Public sector expenditure on services	32.9	32.7	32.2	32.1	32.5	33.5	33.9	35.2	36.0	36.0	35.8	36.1	39.1	41.9	41.5	40.5	39.4	38.2	37.6	37.1	36.0	36.0	35.7	36.1
Accounting adjustments	2.7	3.0	2.9	2.8	2.7	2.9	3.3	3.6	3.9	3.8	3.8	3.9	4.4	4.4	4.3	4.2	4.7	4.2	4.4	3.9	4.2	4.0	3.6	3.7
Total Managed Expenditure ⁽⁸⁾	35.6	35.6	35.1	34.9	35.2	36.3	37.2	38.8	39.9	39.8	39.6	40.0	43.6	46.3	45.8	44.7	44.1	42.5	41.9	41.0	40.2	40.0	39.3	39.8

⁽¹⁾ GDP until 2019-20 is consistent with the latest figures from the Office for National Statistics (published 30 June 2020).

⁽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/ory/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 from 2015-16. The functional analysis shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' from that year.

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

⁽⁶⁾ From 2011-12 onwards the grant-equivalent element of student loans⁸ 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 2015-16 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 In order to reflect the department order used for the 2019 Spending Round and at the March 2020 Budget, the ordering of the departmental groupings have been changed in **Tables 5.1, 5.1a and 5.1b**.

5.3 Since the September 2019 Public Sector Finances publication, the ONS have included Public Sector Pensions within their measure of TME. This change has been reflected within the tables throughout this chapter. Additionally, a line for Public Sector Pensions debt interest is now included in **Table 5.2**.

5.4 Due to significant pressures experienced by some departments responding to the COVID-19 pandemic, the administrative deadline for laying the 2019-20 departmental annual reports and accounts (ARAs) has been extended to 30th September 2020¹. As a result, the 2019-20 outturn published in PESA may be subject to data quality issues due to the inability of some departments, taking advantage of the extension, to align outturn data accurately to their ARAs. It is likely that some departments will revise their outturn data to align fully with the publication of their ARAs later in the year. The public spending statistics (PSS) release, published on a quarterly basis, will reflect any later revisions made by departments for their 2019-20 outturn.

Relationship between functional series and departments

5.5 **Tables 5.1, 5.1a and 5.1b** show public sector expenditure on services by function split across the different government departmental groups for 2019-20. 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

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

¹ <https://www.gov.uk/government/publications/financial-reporting-manual-addendum-2019-20>

² <https://www.imf.org/external/pubs/ft/gfs/manual/pdf/ch6ann.pdf>

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

Public sector expenditure on services by economic category

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

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

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

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

Public sector expenditure on services split by current and capital spending

5.10 Table 5.4 gives a functional (COFOG level 1) breakdown of the current and capital expenditure of the public sector for the years from 2015-16. 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

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

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

Table 5.1 Public sector expenditure on services by departmental group and function, 2019-20

Departmental Grouping	Function	National Statistics										Public sector expenditure on services on services for each department										
		1. General public services	of which: public and common services	of which: international services	of which: public sector debt interest	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies		of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	EU transactions	
Health and Social Care																						130,937
Education																						39,491
Home Office																						3,436
Justice																						9,373
Law Officers' Departments																						674
Defence																						40,844
Single Intelligence Account																						2,997
Foreign and Commonwealth Office																						2,622
International Development																						2,622
Housing, Communities and Local Government																						9,548
Government																						5,503
Transport																						22,370
Business, Energy and Industrial Strategy																						14,883
Digital, Culture, Media and Sport																						7,680
Environment, Food and Rural Affairs																						4,812
International Trade																						502
Work and Pensions																						178,669
HM Revenue and Customs																						43,215
HM Treasury																						61,681
Cabinet Office																						4,402
Scotland																						26,377
Wales																						11,513
Northern Ireland																						20,264
Small and Independent Bodies																						2,035
Local Government																						156,019
Public sector expenditure on services for each function		81,653	14,484	11,787	55,382	42,171	34,454	65,372	15,744	6,807	2,254	5,867	34,700	11,665	14,462	164,130	12,065	92,395	275,350	6,132	799,848	

£ million

Table 5.1a Public sector current expenditure on services by departmental group and function, 2019-20

Departmental Grouping	Function	National Statistics											Public sector current expenditure on services for each department											
		1. General public services	of which: public and common services	of which: international services	of which: public sector debt interest	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry		of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	EU transactions			
Health and Social Care																							124,566	
Education																								37,249
Home Office																								2,846
Justice																								8,887
Law Officers' Departments																								666
Defence																								30,697
Single Intelligence Account																								2,309
Foreign and Commonwealth Office																								2,474
International Development																								2,474
International Development																								7,526
Housing, Communities and Local Government																								209
Government																								208
Transport																								
Business, Energy and Industrial Strategy																								532
Digital, Culture, Media and Sport																								8,794
Environment, Food and Rural Affairs																								
International Trade																								
Work and Pensions																								483
HM Revenue and Customs																								178,691
HM Treasury																								42,868
Cabinet Office																								61,486
Scotland																								4,268
Wales																								22,252
Northern Ireland																								9,925
Small and Independent Bodies																								18,802
Local Government																								1,534
																								134,584
Public sector expenditure on services for each function		76,762	11,342	10,038	55,382	31,337	32,209	34,626	12,594	1,020	2,253	5,353	13,406	7,792	3,284	156,501	9,145	83,806	274,877	6,132	6,132	716,472	716,472	

Table 5.1b Public sector capital expenditure on services by departmental group and function, 2019-20

Departmental Grouping	Function	National Statistics												Public sector capital expenditure on services for each department									
		1. General public services	of which: public and common services	of which: international services	of which: public sector debt interest	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport		5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	EU transactions		
Health and Social Care																6,371						6,371	
Education																		2,239	3			2,242	
Home Office																						590	
Justice																							486
Law Officers' Departments																							8
Defence																							10,147
Single Intelligence Account																							688
Foreign and Commonwealth Office		148																					148
International Development		1,963	367	1,597																			1,963
Housing, Communities and Local Government		12	13	0																			4,971
Transport		0	0																				13,576
Business, Energy and Industrial Strategy		107	104	4																			10,871
Digital, Culture, Media and Sport																							913
Environment, Food and Rural Affairs																							615
International Trade																							19
Work and Pensions																							-21
HM Revenue and Customs		209	209																				347
HM Treasury		57	57																				196
Cabinet Office		134	134																				134
Scotland		32	32																				4,125
Wales		8	8																				1,588
Northern Ireland		46	46																				1,462
Small and Independent Bodies		471	471																				501
Local Government		1,701	1,701																				21,435
Public sector expenditure on services for each function		4,891	3,142	1,748	-	10,834	2,246	30,745	3,149	5,787	2	514	21,294	3,872	11,178	7,628	2,920	8,588	473	-	-	83,376	

£ million

Table 5.2 Public sector expenditure on services by sub-function, 2015-16 to 2019-20

	£ million				
	National Statistics				
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	9,808	10,345	10,664	11,447	12,236
1.2 Foreign economic aid ⁽¹⁾	8,173	8,729	8,613	9,447	9,134
1.3 General services	948	1,140	1,091	1,304	1,138
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	415	308	358	372	376
1.6 General public services n.e.c.	2,111	2,804	2,236	2,157	3,388
1.7 Public debt transactions ^{(2),(3)}	53,788	56,642	62,206	56,728	55,382
<i>of which: central government debt interest</i>	45,127	48,659	55,037	48,795	47,839
<i>of which: local government debt interest</i>	776	847	831	832	610
<i>of which: public corporation debt interest</i>	3,821	3,842	2,619	311	198
<i>of which: Bank of England</i>	-11,704	-13,155	-13,541	-11,312	-11,367
<i>of which: Public Sector Pensions</i>	15,768	16,449	17,260	18,102	18,102
Total general public services	75,243	79,967	85,168	81,455	81,653
2. Defence ⁽⁴⁾					
2.1 Military defence	34,012	34,995	36,409	37,980	40,198
2.2 Civil defence	46	45	42	41	46
2.3 Foreign military aid	382	602	801	696	474
2.4 R&D defence	1,981	1,296	1,249	1,339	1,233
2.5 Defence n.e.c.	207	193	168	182	220
Total defence	36,627	37,132	38,670	40,238	42,171
3. Public order and safety					
3.1 Police services	16,569	16,371	17,503	18,016	18,538
<i>of which: immigration and citizenship</i>	1,063	868	752	834	480
<i>of which: other police services</i>	15,506	15,504	16,751	17,183	18,058
3.2 Fire-protection services	2,720	2,722	2,731	2,739	2,998
3.3 Law courts	5,745	5,810	6,074	6,275	6,932
3.4 Prisons	4,158	4,249	4,314	4,555	4,365
3.5 R&D public order and safety	35	38	31	30	1
3.6 Public order and safety n.e.c.	980	880	814	795	1,620
Total public order and safety	30,207	30,070	31,467	32,410	34,454
4. Economic affairs					
4.1 General economic, commercial and labour affairs	8,094	8,379	8,820	11,622	14,402
4.2 Agriculture, forestry, fishing and hunting	4,472	5,203	5,177	5,733	5,867
<i>of which: market support under CAP</i>	2,580	3,265	3,093	3,403	3,397
<i>of which: other agriculture, food and fisheries policy</i>	1,754	1,781	1,951	2,196	2,378
<i>of which: forestry</i>	137	157	133	134	92
4.3 Fuel and energy	463	480	702	407	431
4.4 Mining, manufacturing and construction	168	858	2,222	2,870	2,179
4.5 Transport	27,909	28,820	30,431	32,705	34,700
<i>of which: national roads</i>	3,986	4,163	4,274	4,820	5,608
<i>of which: local roads</i>	5,159	5,224	5,766	5,304	5,330
<i>of which: local public transport</i>	2,438	2,495	2,503	2,484	3,462
<i>of which: railway, ⁽⁵⁾</i>	14,794	15,484	16,272	18,246	17,799
<i>of which: other transport</i>	1,532	1,455	1,615	1,851	2,501
4.6 Communication	438	271	198	115	96
4.7 Other industries	277	253	255	276	274
4.8 R&D economic affairs	4,744	4,488	5,047	6,434	6,807
4.9 Economic affairs n.e.c.	427	432	412	564	617
Total economic affairs	46,991	49,184	53,263	60,727	65,372
5. Environment protection					
5.1 Waste management	7,938	7,909	8,620	8,164	8,847
5.2 Waste water management	–	–	–	–	–
5.3 Pollution abatement	469	78	84	161	197
5.4 Protection of biodiversity and landscape	598	418	361	340	314
5.5 R&D environment protection	459	426	511	208	167
5.6 Environment protection n.e.c.	2,148	2,215	2,211	2,176	2,139
Total environment protection	11,612	11,045	11,788	11,049	11,665

Table 5.2 Public sector expenditure on services by sub-function, 2015-16 to 2019-20 (continued)

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
6. Housing and community amenities						
6.1 Housing development	5,493	5,234	6,468	7,161	8,821	
<i>of which: local authority housing</i>	4,685	4,358	5,132	5,447	6,481	
<i>of which: other social housing</i>	808	876	1,336	1,714	2,340	
6.2 Community development	2,642	3,165	2,998	3,000	3,527	
6.3 Water supply	584	750	790	793	798	
6.4 Street lighting	814	847	831	775	855	
6.5 R&D housing and community amenities	2	0	1	2	1	
6.6 Housing and community amenities n.e.c.	300	304	268	316	461	
Total housing and community amenities	9,835	10,301	11,356	12,047	14,462	
7. Health ⁽⁶⁾						
Medical services	132,766	137,337	140,241	145,056	156,487	
Medical research	2,179	1,871	1,947	1,621	1,638	
Central and other health services	3,554	3,380	5,149	6,240	6,005	
Total health	138,499	142,589	147,338	152,917	164,130	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	3,268	3,230	3,036	3,144	3,345	
8.2 Cultural services	3,777	3,860	4,051	3,807	4,050	
8.3 Broadcasting and publishing services	4,006	4,233	4,051	4,171	4,377	
8.4 Religious and other community services	85	58	80	92	58	
8.5 R&D recreation, culture and religion	168	156	170	73	89	
8.6 Recreation, culture and religion n.e.c.	63	68	90	101	146	
Total recreation, culture and religion	11,366	11,606	11,479	11,388	12,065	
9. Education						
9.1 Pre-primary and primary education	31,203	31,045	30,634	30,566	31,670	
<i>of which: under fives</i>	3,102	3,125	3,544	3,926	4,396	
<i>of which: primary education</i>	28,101	27,920	27,090	26,640	27,273	
9.2 Secondary education ⁽⁷⁾	38,972	38,928	40,971	43,089	46,555	
9.3 Post-secondary non-tertiary education	508	594	581	485	586	
9.4 Tertiary education	6,164	6,066	5,419	4,621	4,373	
9.5 Education not definable by level	632	808	908	803	950	
9.6 Subsidiary services to education	3,504	3,393	3,385	3,646	3,870	
9.7 R&D education	1,573	1,703	1,815	2,259	2,324	
9.8 Education n.e.c.	2,358	2,369	2,344	2,582	2,068	
Total education	84,914	84,905	86,057	88,051	92,395	
10. Social protection						
<i>of which: personal social services</i>	30,437	31,142	32,073	33,883	34,848	
10.1 Sickness and disability	53,259	53,465	54,937	57,105	58,149	
<i>of which: personal social services</i>	9,814	9,919	10,288	10,747	11,408	
<i>of which: incapacity, disability and injury benefits</i>	43,445	43,546	44,649	46,358	46,740	
10.2 Old age	120,094	121,856	124,214	128,030	124,478	
<i>of which: personal social services</i>	10,037	10,442	10,478	11,061	11,552	
<i>of which: pensions</i>	110,057	111,413	113,736	116,968	112,927	
10.3 Survivors	1,167	1,157	1,020	1,128	1,166	
10.4 Family and children	25,340	24,934	25,061	25,632	25,429	
<i>of which: personal social services</i>	10,023	10,149	10,566	11,151	11,023	
<i>of which: family benefits, income support and tax credits</i>	15,317	14,785	14,495	14,481	14,406	
10.5 Unemployment	2,698	2,227	2,022	1,683	1,189	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	2,698	2,227	2,022	1,683	1,189	
10.6 Housing	26,211	25,153	23,964	22,315	19,977	
10.7 Social exclusion n.e.c. ⁽⁸⁾	32,097	32,286	33,212	34,231	40,285	
<i>of which: personal social services</i>	562	632	741	923	865	
<i>family benefits, income support, Universal Credit and tax credits</i>	31,535	31,653	32,470	33,308	39,421	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	4,034	4,350	4,298	4,686	4,676	
Total social protection	264,901	265,426	268,728	274,811	275,350	

Table 5.2 Public sector expenditure on services by sub-function, 2015-16 to 2019-20 (continued)

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
EU transactions ⁽⁹⁾						
VAT-based and GNI-based contributions (net of abatement and collection costs)	10,482	8,803	9,490	12,227	10,886	
<i>derived as:</i>						
<i>EU gross contribution pre-abatement and after deduction of collection costs</i>	17,635	16,926	17,450	20,377	18,355	
<i>Traditional Own Resources (without deduction of collection costs)</i>	-3,085	-3,366	-3,413	-3,304	-3,320	
<i>UK abatement</i>	-4,068	-4,757	-4,547	-4,846	-4,149	
EU receipts	-2,811	-4,081	-4,130	-4,360	-4,754	
Other attributed costs and repayments	—	—	—	—	—	
Total EU transactions	7,671	4,723	5,360	7,867	6,132	
Public sector expenditure on services	717,866	726,948	750,673	772,960	799,848	
Accounting adjustments	75,629	85,683	84,380	78,737	81,583	
Total Managed Expenditure ⁽¹⁰⁾	793,495	812,631	835,053	851,697	881,431	

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

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

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

⁽⁴⁾ 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

⁽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.

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

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

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

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

⁽¹⁰⁾ This excludes the temporary effects of banks being classified to the public sector.

Table 5.3 Public sector expenditure on services by economic category, 2015-16 to 2019-20

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
Public sector current expenditure on services						
Pay	171,598	174,940	183,392	187,455	203,559	
Gross current procurement	208,732	212,777	211,852	224,464	232,927	
Income from sales of goods and services	-52,070	-56,305	-55,339	-58,984	-60,413	
Current grants to persons and non-profit bodies	236,656	239,715	239,580	242,949	248,283	
Current grants abroad	13,694	11,381	12,317	14,609	13,552	
Subsidies to private sector companies	9,972	10,904	11,376	13,949	17,410	
Subsidies to public corporations	924	766	714	713	687	
Net public service pensions	9,649	8,891	9,262	10,007	3,891	
Public sector debt interest	53,788	56,642	62,206	56,728	55,382	
Other	215	478	993	1,105	1,194	
Total public sector current expenditure on services	653,158	660,190	676,353	692,994	716,472	
Accounting adjustments	59,950	65,149	65,384	65,728	67,948	
Total public sector current expenditure	713,108	725,339	741,737	758,722	784,420	
Public sector capital expenditure on services						
Capital grants	14,546	12,431	14,760	15,356	14,942	
Gross capital procurement	57,296	60,514	64,953	71,180	72,950	
Income from sales of capital assets	-7,134	-6,186	-5,393	-6,570	-4,517	
Total public sector capital expenditure on services	64,708	66,759	74,320	79,966	83,376	
Accounting adjustments	15,679	20,533	18,996	13,009	13,635	
Total public sector capital expenditure	80,387	87,292	93,316	92,975	97,011	
Total public sector expenditure on services	717,866	726,948	750,673	772,960	799,848	
Accounting adjustments	75,629	85,683	84,380	78,737	81,583	
Total Managed Expenditure	793,495	812,631	835,053	851,697	881,431	

Table 5.4 Public sector current and capital expenditure on services by function, ⁽¹⁾ 2015-16 to 2019-20

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
Public sector current expenditure on services						
1. General public services	71,826	75,221	81,560	76,015	76,762	
<i>of which: public and common services</i>	9,778	9,656	10,092	10,204	11,342	
<i>of which: international services</i>	8,260	8,923	9,261	9,083	10,038	
<i>of which: public sector debt interest ⁽²⁾</i>	53,788	56,642	62,206	56,728	55,382	
2. Defence ⁽³⁾	27,796	27,881	28,399	29,422	31,337	
3. Public order and safety	28,928	28,954	29,437	30,438	32,209	
4. Economic affairs	23,843	24,550	25,685	30,325	34,626	
<i>of which: enterprise and economic development</i>	6,733	6,589	7,306	9,398	12,594	
<i>of which: science and technology</i>	875	978	1,126	1,011	1,020	
<i>of which: employment policies</i>	2,379	2,347	2,512	2,632	2,253	
<i>of which: agriculture, fisheries and forestry</i>	4,090	4,769	4,774	5,320	5,353	
<i>of which: transport ⁽⁴⁾</i>	9,765	9,868	9,967	11,963	13,406	
5. Environment protection	7,937	7,264	7,260	7,365	7,792	
6. Housing and community amenities	2,988	2,943	2,979	3,086	3,284	
7. Health	132,663	136,978	141,033	145,899	156,501	
8. Recreation, culture and religion	9,326	9,382	9,306	9,267	9,145	
9. Education	75,595	77,319	77,088	79,051	83,806	
10. Social protection	264,585	264,975	268,245	274,261	274,877	
EU transactions	7,671	4,723	5,360	7,867	6,132	
Total public sector current expenditure on services	653,158	660,190	676,353	692,994	716,472	
Accounting adjustments	59,950	65,149	65,384	65,728	67,948	
Public sector current expenditure	713,108	725,339	741,737	758,722	784,420	
Public sector capital expenditure on services						
1. General public services	3,417	4,746	3,608	5,441	4,891	
<i>of which: public and common services</i>	1,433	2,828	2,382	2,575	3,142	
<i>of which: international services</i>	1,984	1,918	1,226	2,866	1,748	
2. Defence ⁽³⁾	8,831	9,250	10,271	10,816	10,834	
3. Public order and safety	1,279	1,116	2,030	1,972	2,246	
4. Economic affairs	23,148	24,634	27,578	30,402	30,745	
<i>of which: enterprise and economic development</i>	733	1,678	2,686	3,778	3,149	
<i>of which: science and technology</i>	3,868	3,510	3,920	5,422	5,787	
<i>of which: employment policies</i>	22	60	105	47	2	
<i>of which: agriculture, fisheries and forestry</i>	381	434	403	413	514	
<i>of which: transport</i>	18,144	18,952	20,464	20,741	21,294	
5. Environment protection	3,675	3,781	4,527	3,684	3,872	
6. Housing and community amenities	6,847	7,358	8,377	8,961	11,178	
7. Health	5,836	5,611	6,304	7,018	7,628	
8. Recreation, culture and religion	2,040	2,225	2,173	2,121	2,920	
9. Education	9,319	7,587	8,968	9,000	8,588	
10. Social protection	316	451	483	550	473	
Total public sector capital expenditure on services	64,708	66,759	74,320	79,966	83,376	
Accounting adjustments	15,679	20,533	18,996	13,009	13,635	
Public sector capital expenditure	80,387	87,292	93,316	92,975	97,011	
Total public sector expenditure on services	717,866	726,948	750,673	772,960	799,848	
Accounting adjustments	75,629	85,683	84,380	78,737	81,583	
Total Managed Expenditure ⁽⁵⁾	793,495	812,631	835,053	851,697	881,431	

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

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

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

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

⁽⁵⁾ 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, 2015-16 to 2019-20

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
Public sector gross current procurement expenditure on services						
1. General public services	12,095	11,527	11,475	11,586	12,677	
<i>of which: public and common services</i>	10,336	9,657	9,646	9,796	10,705	
<i>of which: international services</i>	1,759	1,870	1,829	1,790	1,972	
2. Defence	16,453	15,948	16,473	17,133	18,032	
3. Public order and safety	12,832	12,876	13,179	13,788	14,109	
4. Economic affairs	12,417	12,432	12,400	13,883	13,780	
<i>of which: enterprise and economic development</i>	2,794	2,557	2,717	2,797	2,445	
<i>of which: science and technology</i>	92	35	23	25	37	
<i>of which: employment policies</i>	1,271	1,265	1,095	762	682	
<i>of which: agriculture, fisheries and forestry</i>	833	827	792	906	1,105	
<i>of which: transport ⁽¹⁾</i>	7,427	7,748	7,773	9,394	9,510	
5. Environment protection	7,688	7,623	7,667	7,682	7,884	
6. Housing and community amenities	2,702	2,645	2,491	2,663	2,799	
7. Health	80,511	85,273	82,485	88,324	91,624	
8. Recreation, culture and religion	6,856	6,744	6,567	6,804	6,621	
9. Education	24,189	23,804	24,481	26,028	27,779	
10. Social protection	32,987	33,904	34,634	36,573	37,623	
Total public sector gross current procurement expenditure on services	208,732	212,777	211,852	224,464	232,927	

⁽¹⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown.

Table 5.6 Public sector capital procurement expenditure on services by function, 2015-16 to 2019-20

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
Public sector gross capital procurement expenditure on services						
1. General public services	2,466	3,535	3,202	3,184	3,429	
<i>of which: public and common services</i>	2,322	3,394	2,887	3,027	3,267	
<i>of which: international services</i>	144	141	314	156	162	
2. Defence	9,661	9,504	10,379	11,397	11,263	
3. Public order and safety	1,561	1,790	2,223	2,188	2,396	
4. Economic affairs	19,410	20,594	22,446	26,349	24,981	
<i>of which: enterprise and economic development</i>	666	1,358	2,684	3,529	2,898	
<i>of which: science and technology</i>	596	591	660	1,201	1,251	
<i>of which: employment policies</i>	26	62	112	47	30	
<i>of which: agriculture, fisheries and forestry</i>	344	343	342	371	422	
<i>of which: transport ⁽¹⁾</i>	17,777	18,239	18,648	21,201	20,380	
5. Environment protection	2,904	3,055	3,289	3,054	3,246	
6. Housing and community amenities	6,720	7,331	7,840	7,781	9,130	
7. Health	6,174	6,124	6,013	7,096	7,597	
8. Recreation, culture and religion	1,695	1,812	1,645	1,688	2,526	
9. Education	6,384	6,373	7,398	7,925	7,911	
10. Social protection	322	395	519	519	471	
Total public sector gross capital procurement expenditure on services	57,296	60,514	64,953	71,180	72,950	
Plus public sector receipts from sales of assets						
Central government						
Fixed assets	-2,777	-2,137	-1,797	-3,060	-1,782	
Intangible assets	-37	-12	-32	-12	-159	
Total central government receipts	-2,814	-2,148	-1,829	-3,072	-1,941	
Local government						
Fixed assets	-2,358	-1,960	-1,571	-1,853	-1,316	
Intangible assets	-	-	-	-	-	
Total local government receipts	-2,358	-1,960	-1,571	-1,853	-1,316	
Total general government receipts	-5,172	-4,108	-3,400	-4,925	-3,257	
Public corporations						
Fixed assets	-1,962	-2,077	-1,993	-1,645	-1,260	
Intangible assets	-	-	-	-	-	
Total public corporations receipts	-1,962	-2,077	-1,993	-1,645	-1,260	
Total public sector income from sales of capital assets	-7,134	-6,186	-5,393	-6,570	-4,517	

⁽¹⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown.

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 79 per cent of Departmental Expenditure Limits (DEL) and about 91 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 The departmental DEL and AME budgets for 2020-21 presented in this edition of PESA are consistent with those published in the Main Estimates on 4th May 2020¹ and therefore won't reflect spending announcements made since April 2020. Budgets will be updated in the Supplementary Estimates later in the financial year to reflect any spending announcements not already included. More information on the contents of departments' Main Estimates can be found on the Parliament.UK website².

6.6 Due to significant pressures experienced by some departments responding to the COVID-19 pandemic, the administrative deadline for laying the 2019-20 departmental annual reports and accounts (ARAs) has been extended to 30th September 2020³. As a result, the 2019-20 outturn published in PESA may be subject to data quality issues due to the inability of some departments, taking advantage of the extension, to align outturn data accurately to their ARAs. It is likely that some departments will revise their outturn data to align fully with the publication of their ARAs later in the year. The public spending statistics (PSS) release, published on a quarterly basis, will reflect any later revisions made by departments for their 2019-20 outturn.

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

¹ <https://www.gov.uk/government/publications/main-supply-estimates-2020-to-2021>

² <https://www.parliament.uk/mps-lords-and-offices/offices/commons/scrutinyunit/reports-and-publications/main-estimates-2020-21/>

³ <https://www.gov.uk/government/publications/financial-reporting-manual-addendum-2019-20>

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⁽¹⁾, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
Within DEL						
Health and Social Care	114,021	116,821	121,614	127,261	137,136	148,687
Education	30,153	31,338	32,736	34,373	36,936	38,742
Home Office	2,236	2,332	2,363	2,674	2,663	2,895
Justice	7,084	7,133	7,359	7,776	8,215	9,170
Law Officers' Departments	548	537	569	563	618	689
Defence	35,169	35,413	36,627	38,031	39,806	41,284
Single Intelligence Account	2,343	2,524	2,596	2,741	2,974	3,253
Foreign and Commonwealth Office	1,889	1,997	1,808	2,403	2,555	2,708
International Development	9,250	9,992	10,262	10,295	10,030	10,153
MHCLG - Housing and Communities	1,521	2,464	3,897	4,030	4,856	8,441
MHCLG - Local Government	–	–	–	1	-1	–
Transport ⁽²⁾	3,015	3,628	5,549	7,510	14,941	21,175
Business, Energy and Industrial Strategy	12,062	12,125	11,798	11,702	13,492	16,583
Digital, Culture, Media and Sport	1,363	1,531	1,649	1,797	2,086	2,252
Environment, Food and Rural Affairs	1,846	1,964	2,002	2,180	2,455	4,644
International Trade	341	349	393	424	481	580
Work and Pensions	6,031	5,864	5,909	5,527	5,313	5,787
HM Revenue and Customs	3,530	3,884	3,927	4,012	4,318	4,317
HM Treasury	-540	153	139	345	489	281
Cabinet Office	441	568	875	700	1,009	1,156
Scotland ⁽³⁾	–	–	–	–	–	–
Wales	9,390	9,846	10,331	10,334	8,960	11,986
Northern Ireland	10,475	10,684	11,013	11,516	12,466	14,348
Small and Independent Bodies	1,366	1,394	1,817	1,658	1,921	2,682
Total CG own expenditure within DEL	253,533	262,541	275,235	287,850	313,718	351,810
Within departmental AME						
Health and Social Care	48,539	27,796	39,657	40,640	30,403	39,082
Education	16,938	24,520	30,866	39,845	44,692	39,513
Home Office	-521	48	5	-31	261	75
Justice	483	549	244	1,301	689	738
Law Officers' Departments	-15	-1	11	2	3	7
Defence	12,049	5,125	16,719	594	7,877	8,201
Single Intelligence Account	135	13	19	22	21	39
Foreign and Commonwealth Office	39	-53	142	31	5	100
International Development	656	473	721	635	814	1,177
MHCLG - Housing and Communities	56	154	184	199	-106	1,610
Transport ⁽²⁾	12,920	13,821	15,014	13,264	1,412	2,878
Business, Energy and Industrial Strategy	100,367	3,637	74,077	-105,851	9,211	14,817
Digital, Culture, Media and Sport	4,956	5,380	4,783	5,160	5,368	5,634
Environment, Food and Rural Affairs	391	87	-28	-501	637	306
International Trade	0	–	0	1	1	3
Work and Pensions	149,652	149,954	155,528	160,834	173,279	197,798
HM Revenue and Customs	43,194	42,329	41,845	40,232	39,021	108,831
HM Treasury ⁽⁴⁾	-42,735	-45,077	-4,314	-29,311	498	-973
Cabinet Office	10,366	9,140	11,203	14,247	12,353	11,830
Scotland ⁽³⁾	25,294	26,099	27,732	30,314	30,751	39,431
Wales	51	629	654	933	3,228	1,146
Northern Ireland	8,980	8,751	9,191	10,127	10,922	10,485
Small and Independent Bodies	-274	171	80	332	118	3,340
Total CG own expenditure within dept AME	391,522	273,545	424,334	223,019	371,457	486,069
Locally financed expenditure in Northern Ireland	651	585	595	625	656	487
Net expenditure transfers to the EU	11,253	9,160	10,188	12,892	11,549	9,709
Central government debt interest	45,127	48,659	55,037	48,795	47,839	44,684
Accounting and other adjustments	-104,570	18,140	-129,371	83,745	-62,497	-180,312
Total CG own expenditure ⁽⁵⁾	597,515	612,630	636,018	656,926	682,722	712,448

⁽¹⁾ Shown on a full resource budgeting basis, i.e. resource DEL less depreciation plus Capital DEL.⁽²⁾ Following implementation of ESA10, Network Rail is now classified to Central Government. 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.⁽³⁾ To reflect new budgeting arrangements, all expenditure by the Scottish Government is now scored within AME.⁽⁴⁾ Transactions have been affected by financial sector interventions. See Box 2.B for details.⁽⁵⁾ 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, 2015-16 to 2020-21

	National Statistics					
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
£ million						
Within resource DEL						
Health and Social Care	109,474	112,640	116,769	121,289	130,453	140,594
Education	26,774	28,717	30,418	31,621	34,014	36,116
Home Office	1,963	1,952	1,871	2,077	2,034	2,104
Justice	6,818	6,730	6,949	7,346	7,710	8,297
Law Officers' Departments	546	524	559	547	610	680
Defence	26,763	26,661	26,923	27,745	29,545	30,749
Single Intelligence Account	1,768	1,920	2,020	2,134	2,338	2,445
Foreign and Commonwealth Office	1,762	1,937	2,059	2,261	2,406	2,606
International Development	6,817	7,404	7,549	7,190	7,994	7,529
MHCLG - Housing and Communities	271	300	209	21	263	487
MHCLG - Local Government	–	–	–	1	-1	–
Transport ⁽¹⁾	598	601	1,343	1,889	3,616	6,039
Business, Energy and Industrial Strategy	2,223	1,603	1,464	958	2,360	3,204
Digital, Culture, Media and Sport	1,217	1,339	1,391	1,509	1,563	1,651
Environment, Food and Rural Affairs	1,432	1,420	1,451	1,550	1,824	3,819
International Trade	339	342	377	406	462	565
Work and Pensions	5,909	5,651	5,560	5,285	5,303	5,677
HM Revenue and Customs	3,302	3,557	3,649	3,663	3,983	3,952
HM Treasury	121	155	217	241	350	271
Cabinet Office	402	447	684	569	900	844
Scotland ⁽²⁾	–	–	–	–	–	–
Wales	8,470	8,880	9,079	9,067	7,595	10,247
Northern Ireland	9,756	9,735	9,932	10,321	11,207	12,877
Small and Independent Bodies	1,275	1,291	1,528	1,411	1,421	2,151
Total within resource DEL	218,000	223,809	232,002	239,100	257,951	282,903
Within resource departmental AME						
Health and Social Care	48,530	27,782	39,657	40,645	30,409	39,067
Education	5,296	11,448	15,094	22,739	23,714	15,894
Home Office	-612	48	5	-31	261	75
Justice	483	549	244	1,301	689	738
Law Officers' Departments	-15	-1	11	2	3	7
Defence	12,020	5,125	16,675	594	7,877	8,201
Single Intelligence Account	135	13	19	22	21	39
Foreign and Commonwealth Office	39	-53	142	31	5	100
International Development	206	188	326	-101	-142	43
MHCLG - Housing and Communities	56	154	184	199	-106	1,610
Transport ⁽¹⁾	6,125	6,921	7,415	7,795	1,243	2,409
Business, Energy and Industrial Strategy	102,220	3,785	75,403	-105,658	9,385	14,968
Digital, Culture, Media and Sport	4,481	4,725	4,291	4,753	4,979	5,001
Environment, Food and Rural Affairs	391	86	-28	-501	626	292
International Trade	–	0	–	1	1	3
Work and Pensions	149,800	150,041	155,565	160,699	172,969	196,161
HM Revenue and Customs	43,194	42,329	41,845	40,232	39,021	108,831
HM Treasury ⁽³⁾	-13,669	-25,346	-617	-15,196	2,561	357
Cabinet Office	10,366	9,140	11,203	14,247	12,353	11,830
Scotland ⁽²⁾	22,349	22,942	24,293	26,978	26,960	34,384
Wales	-331	207	149	235	2,425	158
Northern Ireland	8,375	8,253	8,872	9,753	10,582	10,131
Small and Independent Bodies	-332	-98	-88	-94	-189	417
Total within resource departmental AME	399,106	268,239	400,661	208,644	345,646	450,715
Within resource other AME						
Locally financed expenditure in Northern Ireland	651	585	595	625	656	487
Net expenditure transfers to the EU	11,253	9,160	10,188	12,892	11,549	9,709
Central government debt interest	45,127	48,659	55,037	48,795	47,839	44,684
Accounting and other adjustments	-124,658	11,702	-118,081	85,348	-43,721	-150,363
Total CG own current expenditure	549,479	562,154	580,402	595,403	619,921	638,134

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

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

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

Table 6.3 Central government own capital expenditure by departmental group, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
Within capital DEL						
Health and Social Care	4,546	4,180	4,846	5,972	6,683	8,094
Education	3,378	2,621	2,318	2,752	2,922	2,626
Home Office	273	380	493	597	629	791
Justice	266	403	410	431	505	873
Law Officers' Departments	3	13	10	16	8	8
Defence	8,406	8,752	9,704	10,286	10,261	10,535
Single Intelligence Account	575	603	576	607	637	809
Foreign and Commonwealth Office	126	60	-252	142	148	102
International Development	2,433	2,588	2,713	3,105	2,036	2,623
MHCLG - Housing and Communities	1,250	2,164	3,688	4,009	4,593	7,954
Transport ⁽¹⁾	2,417	3,026	4,206	5,621	11,325	15,136
Business, Energy and Industrial Strategy	9,839	10,523	10,334	10,745	11,131	13,378
Digital, Culture, Media and Sport	146	192	258	288	522	602
Environment, Food and Rural Affairs	414	544	551	629	631	825
International Trade	2	6	16	17	19	14
Work and Pensions	121	212	349	241	9	110
HM Revenue and Customs	228	326	278	349	335	365
HM Treasury	-660	-2	-78	104	139	10
Cabinet Office	39	121	191	131	109	311
Scotland ⁽²⁾	-	-	-	-	-	-
Wales	921	966	1,252	1,267	1,365	1,739
Northern Ireland	719	949	1,080	1,195	1,258	1,471
Small and Independent Bodies	90	103	289	247	500	531
Total within capital DEL	35,532	38,732	43,233	48,751	55,766	68,908
Within capital departmental AME						
Health and Social Care	9	13	0	-5	-6	15
Education	11,642	13,072	15,771	17,106	20,978	23,619
Home Office	91	-	-	-	-	-
Defence	29	-	44	-	-	-
International Development	450	285	395	736	956	1,134
MHCLG - Housing and Communities	-	-	-	-	-	-
Transport ⁽¹⁾	6,795	6,900	7,599	5,469	169	470
Business, Energy and Industrial Strategy	-1,853	-149	-1,326	-192	-174	-150
Digital, Culture, Media and Sport	475	655	492	407	389	633
Environment, Food and Rural Affairs	0	1	0	0	11	15
Work and Pensions	-148	-87	-37	135	309	1,637
HM Revenue and Customs	0	0	0	0	0	0
HM Treasury ⁽³⁾	-29,066	-19,732	-3,697	-14,115	-2,064	-1,330
Scotland ⁽²⁾	2,945	3,157	3,440	3,336	3,790	5,047
Wales	382	422	505	698	803	989
Northern Ireland	605	498	318	374	340	354
Small and Independent Bodies	58	269	168	426	308	2,923
Total within capital departmental AME	-7,584	5,306	23,673	14,376	25,811	35,354
Within capital other AME						
Accounting and other adjustments	20,088	6,438	-11,290	-1,603	-18,776	-29,948
Total CG own capital expenditure ⁽⁴⁾	48,036	50,476	55,616	61,523	62,801	74,314

⁽¹⁾ 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.

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

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

⁽⁴⁾ 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, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	8,074	8,254	8,575	9,254	10,104	11,699
1.2 Foreign economic aid ⁽¹⁾	8,173	8,729	8,613	9,447	9,134	9,215
1.3 General services	453	577	576	718	857	802
1.4 Basic research	—	—	—	—	—	—
1.5 R&D general public services	415	308	358	372	376	447
1.6 General public services n.e.c.	298	176	348	251	556	687
1.7 Public sector debt interest	45,127	48,659	55,037	48,795	47,839	44,684
<i>of which: central government debt interest ⁽²⁾</i>	<i>45,127</i>	<i>48,659</i>	<i>55,037</i>	<i>48,795</i>	<i>47,839</i>	<i>44,684</i>
Total general public services	62,540	66,702	73,507	68,837	68,865	67,533
2. Defence ⁽³⁾						
2.1 Military defence	34,012	34,995	36,409	37,980	40,198	42,059
2.2 Civil defence	—	—	—	—	—	—
2.3 Foreign military aid	382	602	801	696	474	416
2.4 R&D defence	1,922	1,268	1,231	1,339	1,233	1,333
2.5 Defence n.e.c.	207	193	168	182	220	178
Total defence	36,523	37,059	38,609	40,198	42,125	43,985
3. Public order and safety						
3.1 Police services	4,656	4,642	4,851	5,290	4,939	5,596
<i>of which: immigration and citizenship</i>	<i>1,063</i>	<i>868</i>	<i>752</i>	<i>834</i>	<i>480</i>	<i>1,311</i>
<i>of which: other police services</i>	<i>3,593</i>	<i>3,774</i>	<i>4,099</i>	<i>4,456</i>	<i>4,460</i>	<i>4,286</i>
3.2 Fire-protection services	470	461	471	485	490	476
3.3 Law courts	5,654	5,713	5,975	6,172	6,818	6,893
3.4 Prisons	4,158	4,249	4,314	4,555	4,365	5,336
3.5 R&D public order and safety	35	38	31	30	1	—
3.6 Public order and safety n.e.c.	980	880	814	795	1,620	1,880
Total public order and safety	15,952	15,982	16,456	17,326	18,233	20,181
4. Economic affairs						
4.1 General economic, commercial and labour affairs ^{(4), (5)}	7,550	7,542	8,108	10,800	13,537	68,494
4.2 Agriculture, forestry, fishing and hunting	4,182	4,916	4,942	5,555	5,516	5,797
<i>of which: market support under CAP</i>	<i>2,278</i>	<i>2,973</i>	<i>2,864</i>	<i>3,230</i>	<i>3,052</i>	<i>2,690</i>
<i>of which: other agriculture, food and fisheries policy</i>	<i>1,754</i>	<i>1,780</i>	<i>1,948</i>	<i>2,193</i>	<i>2,374</i>	<i>3,024</i>
<i>of which: forestry</i>	<i>150</i>	<i>163</i>	<i>130</i>	<i>132</i>	<i>90</i>	<i>84</i>
4.3 Fuel and energy	463	480	702	405	431	515
4.4 Mining, manufacturing and construction	8	14	35	31	38	51
4.5 Transport	16,829	17,836	18,582	21,620	23,145	31,007
<i>of which: national roads</i>	<i>3,985</i>	<i>4,161</i>	<i>4,270</i>	<i>4,815</i>	<i>5,604</i>	<i>6,288</i>
<i>of which: local roads</i>	<i>246</i>	<i>315</i>	<i>310</i>	<i>371</i>	<i>382</i>	<i>413</i>
<i>of which: local public transport</i>	<i>533</i>	<i>498</i>	<i>530</i>	<i>540</i>	<i>546</i>	<i>590</i>
<i>of which: railway ⁽⁶⁾</i>	<i>10,884</i>	<i>11,713</i>	<i>12,229</i>	<i>14,483</i>	<i>14,513</i>	<i>22,009</i>
<i>of which: other transport</i>	<i>1,180</i>	<i>1,149</i>	<i>1,242</i>	<i>1,410</i>	<i>2,100</i>	<i>1,707</i>
4.6 Communication	438	271	198	115	96	185
4.7 Other industries	179	154	161	177	172	159
4.8 R&D economic affairs ⁽⁷⁾	4,744	4,488	5,047	6,434	6,807	10,009
4.9 Economic affairs n.e.c.	427	432	412	564	617	871
Total economic affairs	34,819	36,134	38,186	45,701	50,359	117,088
5. Environment protection						
5.1 Waste management	2,277	2,314	2,483	2,461	2,712	2,820
5.2 Waste water management	—	—	—	—	—	—
5.3 Pollution abatement	469	78	84	161	197	342
5.4 Protection of biodiversity and landscape	596	416	359	336	308	324
5.5 R&D environment protection	459	426	511	208	167	141
5.6 Environment protection n.e.c.	1,537	1,632	1,637	1,549	1,486	2,236
Total environment protection	5,338	4,865	5,074	4,716	4,870	5,864
6. Housing and community amenities						
6.1 Housing development	966	1,046	1,566	2,008	2,675	2,808
<i>of which: local authority housing</i>	<i>152</i>	<i>166</i>	<i>227</i>	<i>290</i>	<i>325</i>	<i>351</i>
<i>of which: other social housing</i>	<i>814</i>	<i>880</i>	<i>1,339</i>	<i>1,719</i>	<i>2,350</i>	<i>2,456</i>
6.2 Community development	455	540	522	546	558	632
6.3 Water supply	256	261	292	284	285	270
6.4 Street lighting	26	20	23	28	28	13
6.5 R&D housing and community amenities	2	0	1	2	1	-1
6.6 Housing and community amenities n.e.c.	214	182	131	151	234	274
Total housing and community amenities	1,919	2,049	2,534	3,019	3,781	3,996

Table 6.4 Central government own expenditure on services by sub-function, 2015-16 to 2020-21 (continued)

	£ million					
	National Statistics					
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	outturn	outturn	outturn	outturn	outturn	plans
7. Health ⁽⁸⁾						
Medical services	129,604	133,839	136,866	141,757	153,217	163,997
Medical research	2,179	1,871	1,947	1,621	1,638	1,231
Central and other health services	3,499	3,325	5,098	6,189	5,962	9,183
Total health	135,281	139,036	143,911	149,568	160,817	174,411
8. Recreation, culture and religion						
8.1 Recreational and sporting services	553	629	551	567	511	613
8.2 Cultural services	1,891	2,037	2,211	2,010	2,145	1,938
8.3 Broadcasting and publishing services	4,006	4,233	4,051	4,171	4,377	4,775
8.4 Religious and other community services	102	97	129	137	121	73
8.5 R&D recreation, culture and religion	168	156	170	73	89	93
8.6 Recreation, culture and religion n.e.c	63	68	90	101	146	161
Total recreation, culture and religion	6,784	7,221	7,202	7,059	7,389	7,653
9. Education						
9.1 Pre-primary and primary education	814	821	797	828	914	1,038
<i>of which: under fives</i>	85	86	85	87	84	122
<i>of which: primary education</i>	729	735	712	741	830	916
9.2 Secondary education ⁽⁹⁾	27,371	27,653	30,259	32,808	34,954	35,989
9.3 Post-secondary non-tertiary education	–	–	–	–	–	–
9.4 Tertiary education	6,164	6,066	5,419	4,621	4,373	4,031
9.5 Education not definable by level	473	655	747	637	794	765
9.6 Subsidiary services to education	507	475	535	595	645	590
9.7 R&D education ⁽⁷⁾	1,573	1,703	1,815	2,259	2,324	696
9.8 Education n.e.c	2,328	2,342	2,318	2,549	2,025	2,027
Total education	39,230	39,715	41,890	44,297	46,029	45,136
10. Social protection						
<i>of which: personal social services</i>	1,202	1,203	1,289	1,363	1,454	1,528
10.1 Sickness and disability	43,742	43,869	44,997	46,739	47,158	50,001
<i>of which: personal social services</i>	297	323	348	381	418	433
<i>of which: incapacity, disability and injury benefits</i>	43,445	43,546	44,649	46,358	46,740	49,568
10.2 Old age	109,813	111,049	113,466	116,812	112,687	116,529
<i>of which: personal social services</i>	489	495	514	542	568	617
<i>of which: pensions</i>	109,324	110,554	112,953	116,271	112,119	115,912
10.3 Survivors	1,167	1,157	1,020	1,128	1,166	1,101
10.4 Family and children	15,688	15,131	14,882	14,874	14,818	15,023
<i>of which: personal social services</i>	371	346	387	394	412	429
<i>of which: family benefits, income support and tax credits</i>	15,317	14,785	14,495	14,481	14,406	14,594
10.5 Unemployment ⁽¹⁰⁾	2,698	2,227	2,022	1,683	1,189	1,668
<i>of which: personal social services</i>	–	–	–	–	–	–
<i>of which: other unemployment benefits</i>	2,698	2,227	2,022	1,683	1,189	1,668
10.6 Housing	590	583	556	532	483	593
10.7 Social exclusion n.e.c. ^{(10), (11)}	31,581	31,692	32,511	33,355	39,477	72,960
<i>of which: personal social services</i>	46	39	41	47	56	50
<i>of which: family benefits, income support, Universal Credit and tax credits</i>	31,535	31,653	32,470	33,308	39,421	72,910
10.8 R&D Social protection	–	–	–	–	–	–
10.9 Social protection n.e.c.	3,870	4,139	4,107	4,458	4,368	5,097
Total social protection	209,149	209,847	213,561	219,581	221,346	262,973

Table 6.4 Central government own expenditure on services by sub-function, 2015-16 to 2020-21 (continued)

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
EU transactions ⁽¹²⁾						
VAT-based and GNI-based contributions (net of abatement and collection costs) <i>derived as:</i>	10,482	8,803	9,490	12,227	10,886	9,227
<i>EU gross contribution pre-abatement and after deduction of collection costs</i>	17,635	16,926	17,450	20,377	18,355	15,066
<i>Traditional Own Resources (without deduction of collection costs)</i>	-3,085	-3,366	-3,413	-3,304	-3,320	-2,410
<i>UK abatement</i>	-4,068	-4,757	-4,547	-4,846	-4,149	-3,429
EU receipts	-2,811	-4,081	-4,130	-4,360	-4,754	-2,265
Other attributed costs and repayments	—	—	—	—	—	-249
Total EU transactions	7,671	4,723	5,360	7,867	6,132	6,713
Total central government own expenditure on services	555,206	563,334	586,293	608,168	629,945	755,534
Accounting adjustments	42,309	49,296	49,725	48,758	52,777	-43,086
Total central government own expenditure ⁽¹³⁾	597,515	612,630	636,018	656,926	682,722	712,448

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

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

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

⁽⁴⁾ Transactions have been affected by financial sector interventions.

⁽⁵⁾ Expenditure in 2020-21 has been affected by Covid-19 measures.

⁽⁶⁾ The increase in expenditure seen in 2020-21 can be largely attributed to an increase in High Speed 2 spending and an increase in support for rail passenger services due to the Covid-19 situation.

⁽⁷⁾ The increase in '4.8 R&D economic affairs' during 2020-21 can largely be attributed to the department for Business, Energy and Industrial Strategy switching expenditure from '9.7 R&D education'.

⁽⁸⁾ 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.

⁽⁹⁾ 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.

⁽¹⁰⁾ Figures in 2019-20 reflect a switch to Universal Credit, which forms part of 10.7 Social exclusion n.e.c.

⁽¹¹⁾ 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.

⁽¹²⁾ 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.

⁽¹³⁾ 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, 2015-16 to 2020-21

	National Statistics						£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans	
Central government current expenditure on services							
Pay	109,588	112,730	121,421	125,437	138,267	139,523	
Gross current procurement ⁽¹⁾	130,514	134,945	133,204	142,883	148,005	163,167	
Income from sales of goods and services	-18,576	-22,995	-21,053	-24,081	-24,010	-22,819	
Current grants to persons and non-profit bodies	212,413	216,275	217,279	222,219	229,899	271,875	
Current grants abroad	13,694	11,381	12,317	14,609	13,552	14,480	
Subsidies to private sector companies ⁽¹⁾	8,604	9,631	10,077	12,832	15,749	74,646	
Subsidies to public corporations	815	657	599	593	569	651	
Net public service pensions	9,649	8,891	9,262	10,007	3,891	4,160	
Central government debt interest	45,127	48,659	55,037	48,795	47,839	44,684	
Other	215	478	993	1,105	1,194	6	
Total central government own current expenditure on services	512,042	520,652	539,136	554,400	574,955	690,372	
Accounting adjustments	37,437	41,502	41,266	41,003	44,966	-52,238	
Total central government own current expenditure	549,479	562,154	580,402	595,403	619,921	638,134	
Central government capital expenditure on services							
Capital grants to persons and non-profit bodies	7,369	6,184	7,307	7,912	8,459	10,465	
Capital grants to private sector companies ⁽¹⁾⁽²⁾	2,297	1,577	2,438	1,665	1,833	4,687	
Capital grants abroad	2,753	2,686	2,244	3,565	2,521	3,234	
Gross capital procurement ⁽¹⁾⁽²⁾	33,558	34,383	36,997	43,699	44,119	47,709	
Income from sales of capital assets	-2,814	-2,148	-1,829	-3,072	-1,941	-933	
Total central government own capital expenditure on services	43,163	42,682	47,157	53,768	54,990	65,161	
Accounting adjustments	4,873	7,794	8,459	7,755	7,811	9,152	
Total central government own capital expenditure	48,036	50,476	55,616	61,523	62,801	74,314	
Total central government own expenditure on services	555,206	563,334	586,293	608,168	629,945	755,534	
Accounting adjustments	42,309	49,296	49,725	48,758	52,777	-43,086	
Total central government own expenditure ⁽³⁾	597,515	612,630	636,018	656,926	682,722	712,448	

⁽¹⁾ Transactions have been affected by COVID-19 measures.

⁽²⁾ Transactions have been affected by financial sector interventions.

⁽³⁾ 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, 2015-16 to 2020-21

	£ million					
	National Statistics					
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
Central government own current expenditure on services						
1. General public services	59,762	63,833	71,012	64,676	65,675	63,448
<i>of which: public and common services</i>	6,375	6,251	6,714	6,798	7,798	9,093
<i>of which: international services</i>	8,260	8,923	9,261	9,083	10,038	9,671
<i>of which: public sector debt interest</i>	45,127	48,659	55,037	48,795	47,839	44,684
2. Defence ⁽¹⁾	27,750	27,836	28,357	29,382	31,290	32,593
3. Public order and safety	15,172	15,089	15,418	16,089	16,923	18,202
4. Economic affairs	19,907	20,819	22,054	26,825	30,233	89,397
<i>of which: enterprise and economic development ^{(2), (3)}</i>	6,120	5,887	6,758	8,790	11,931	67,212
<i>of which: science and technology</i>	875	978	1,126	1,011	1,020	1,544
<i>of which: employment policies</i>	2,379	2,347	2,512	2,632	2,253	1,916
<i>of which: agriculture, fisheries and forestry</i>	3,988	4,668	4,676	5,232	5,260	5,496
<i>of which: transport ⁽⁵⁾</i>	6,545	6,939	6,982	9,159	9,770	13,230
5. Environment protection	2,252	1,581	1,605	1,592	1,824	1,712
6. Housing and community amenities	868	925	885	944	1,009	1,138
7. Health	129,458	133,444	137,619	142,571	153,221	165,633
8. Recreation, culture and religion	5,988	6,231	6,336	6,265	6,335	6,273
9. Education	34,139	36,446	37,162	38,786	41,011	42,309
10. Social protection	209,075	209,725	213,327	219,402	221,301	262,954
EU transactions	7,671	4,723	5,360	7,867	6,132	6,713
Total central government own current expenditure on services	512,042	520,652	539,136	554,400	574,955	690,372
Accounting adjustments	37,437	41,502	41,266	41,003	44,966	-52,238
Total central government own current expenditure	549,479	562,154	580,402	595,403	619,921	638,134
Central government own capital expenditure on services						
1. General public services	2,779	2,869	2,495	4,160	3,189	4,085
<i>of which: public and common services</i>	800	982	1,251	1,295	1,441	1,855
<i>of which: international services</i>	1,979	1,887	1,244	2,866	1,748	2,230
2. Defence ⁽¹⁾	8,773	9,223	10,252	10,816	10,834	11,392
3. Public order and safety	780	894	1,038	1,236	1,310	1,980
4. Economic affairs	14,912	15,315	16,132	18,876	20,126	27,691
<i>of which: enterprise and economic development ^{(2), (3)}</i>	545	601	241	623	706	1,144
<i>of which: science and technology ⁽⁴⁾</i>	3,868	3,510	3,920	5,422	5,787	8,465
<i>of which: employment policies</i>	22	60	105	47	2	3
<i>of which: agriculture, fisheries and forestry</i>	194	248	266	323	256	302
<i>of which: transport ⁽⁵⁾</i>	10,284	10,897	11,600	12,460	13,375	17,777
5. Environment protection	3,086	3,285	3,469	3,124	3,046	4,152
6. Housing and community amenities	1,051	1,124	1,650	2,074	2,772	2,858
7. Health	5,823	5,592	6,292	6,997	7,596	8,778
8. Recreation, culture and religion	796	990	866	793	1,054	1,380
9. Education ⁽⁴⁾	5,091	3,269	4,728	5,511	5,018	2,827
10. Social protection	73	122	234	179	45	19
Total central government own capital expenditure on services	43,163	42,682	47,157	53,768	54,990	65,161
Accounting adjustments	4,873	7,794	8,459	7,755	7,811	9,152
Total central government own capital expenditure ⁽⁶⁾	48,036	50,476	55,616	61,523	62,801	74,314

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

⁽²⁾ Transactions have been affected by financial sector interventions.

⁽³⁾ Expenditure in 2020-21 has been affected by Covid-19 measures.

⁽⁴⁾ The increase in 'Economic affairs: science and technology' during 2020-21 can largely be attributed to the department for Business, Energy and Industrial Strategy switching expenditure from Education R&D services.

⁽⁵⁾ The increase in expenditure seen in 2020-21 is largely due to Railways, in particular; an increase in High Speed 2 spending and an increase in support for rail passenger services due to the Covid-19 situation.

⁽⁶⁾ 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 2019-20) are covered by National Statistics protocols.

7.3 Central government support data (**Tables 7.1 to 7.3**) for all years up to 2019-20 are final outturn figures and data from 2020-21 onwards are latest plans.

7.4 Local government spending data (**Tables 7.4 to 7.8**) for all years up to 2018-19 are final outturn, while data for 2019-20 are based on budget plans and provisional outturns, where the latter are available.

What's new

7.5 Due to significant pressures experienced by some departments responding to the COVID-19 pandemic, the administrative deadline for laying the 2019-20 departmental annual reports and accounts (ARAs) has been extended to 30th September 2020¹. As a result, the 2019-20 outturn published in PESA may be subject to data quality issues due to the inability of some departments, taking advantage of the extension, to align outturn data accurately to their ARAs. It is likely that some departments will revise their outturn data to align fully with the publication of their ARAs later in the year. The public spending statistics (PSS) release, published on a quarterly basis, will reflect any later revisions made by departments for their 2019-20 outturn.

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.

¹ <https://www.gov.uk/government/publications/financial-reporting-manual-addendum-2019-20>

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;
- 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;
- **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, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
Current finance in DEL						
England	58,811	55,695	52,759	50,494	54,262	78,775
Scotland	28	25	22	0	19	0
Wales	4,361	4,205	4,227	4,240	4,462	4,441
Northern Ireland	147	152	148	162	150	150
Total current finance in DEL	63,346	60,077	57,156	54,896	58,892	83,366
Capital support in DEL						
England	9,022	8,819	8,034	8,761	9,188	10,238
Scotland	0	0	0	0	0	0
Wales	555	481	509	634	656	619
Northern Ireland	46	5	3	7	11	138
Total capital support in DEL	9,623	9,305	8,546	9,402	9,856	10,995
Total central government support in DEL ⁽¹⁾	72,968	69,382	65,702	64,298	68,748	94,360
Current finance in departmental AME						
England	35,227	34,978	37,346	41,670	36,542	34,258
Scotland	8,551	8,187	8,307	8,514	9,064	8,988
Wales	1,023	1,026	1,006	948	911	856
Northern Ireland	–	–	–	–	–	–
Total current finance in departmental AME	44,801	44,190	46,658	51,131	46,517	44,101
Capital support in departmental AME						
England	333	110	-169	-205	–	–
Scotland	880	817	913	1,040	1,316	1,074
Wales	5	–	–	–	–	–
Northern Ireland	–	–	–	–	–	–
Total capital support in departmental AME	1,219	926	743	835	1,316	1,074
Total central government support in departmental AME ⁽²⁾	46,020	45,117	47,402	51,966	47,832	45,175
Locally financed expenditure						
Local authority self-financed expenditure	33,445	38,368	43,310	44,231	49,250	49,011
Locally financed support in Scotland ⁽³⁾	2,789	2,769	2,666	2,636	2,853	2,790
Locally financed support in Wales ⁽⁴⁾	1,875	977	1,059	1,050	1,061	1,136
Total locally financed expenditure	38,109	42,113	47,034	47,917	53,164	52,937
Total financing of local government expenditure	157,097	156,612	160,138	164,181	169,745	192,473
Accounting and other adjustments	15,791	17,900	15,694	11,942	10,012	431
Total local government expenditure	172,888	174,512	175,832	176,123	179,757	192,904

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

⁽²⁾ Includes lottery grants.

⁽³⁾ 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.

⁽⁴⁾ 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, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
England						
Health and Social Care						
Social Care	56	–	–	–	–	–
Public Health	3,036	3,388	3,091	3,011	2,932	3,279
Other	26	–	59	59	62	–
Total Health and Social Care	3,118	3,388	3,150	3,070	2,994	3,279
Education ⁽²⁾						
Schools Grant	27,551	25,168	24,079	23,405	22,789	24,427
Pupil Premium	1,668	1,563	1,432	1,351	1,273	1,288
Private finance initiative grant	749	751	751	751	751	752
Other	2,406	3,673	3,962	4,362	4,706	5,222
Total Education	32,374	31,154	30,224	29,869	29,520	31,690
Home Office						
Police	9,952	10,267	10,399	10,623	11,346	11,965
Other	758	841	827	949	489	1,141
Total Home Office	10,710	11,109	11,226	11,572	11,835	13,106
MHCLG Housing and Communities						
New Homes Bonus	1,168	1,462	1,227	948	918	907
PFI special grant (Housing)	184	192	192	192	187	185
Troubled Families	141	171	214	174	155	165
City Deals	1	102	91	122	130	176
Other	410	245	460	878	817	741
Total MHCLG Housing and Communities	1,903	2,172	2,184	2,314	2,206	2,173
MHCLG Local Government						
Non-domestic rate payments/Revenue Support Grant ⁽³⁾	22,241	20,071	19,598	23,433	22,736	29,391
Independent Living Fund	140	177	171	166	161	161
PFI special grant	27	27	26	26	26	28
Other	524	367	2,671	2,397	4,296	4,188
Total MHCLG Local Government	22,932	20,642	22,466	26,021	27,218	33,768
Transport						
GLA transport	591	474	255	29	28	3
Strategic rail authority	126	5	86	87	0	88
Other	639	541	478	503	510	787
Total Transport	1,356	1,020	820	619	538	878
Business, Energy and Industrial Strategy						
Business, Energy and Industrial Strategy	26	12	10	22	183	12,421
Total Business, Energy and Industrial Strategy	26	12	10	22	183	12,421
Environment, Food and Rural Affairs						
Environment, Food and Rural Affairs	132	133	205	211	193	274
Total Environment, Food and Rural Affairs	132	133	205	211	193	274
Work and Pensions						
Housing benefits ⁽¹⁾	20,866	20,194	19,085	17,708	15,499	15,065
Other	443	419	439	508	402	370
Total Work and Pensions	21,309	20,613	19,524	18,216	15,901	15,435
Other government departments	177	430	296	248	215	10
Total England	94,037	90,673	90,105	92,164	90,804	113,033

Table 7.2 Central government current grants for local government in the United Kingdom by departmental group, 2015-16 to 2020-21 (continued)

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
Scotland						
Work and Pensions						
Housing benefits ⁽¹⁾	1,732	1,693	1,625	1,548	1,434	1,400
Other	28	25	22	–	19	–
Total Work and Pensions	1,759	1,718	1,647	1,548	1,453	1,400
Scottish Government						
Revenue Support Grant	7,151	6,839	6,799	6,885	6,937	6,763
Non-domestic rate income ⁽⁴⁾	2,789	2,769	2,666	2,636	2,853	2,790
Other	114	119	309	420	693	824
Total Scottish Government	10,054	9,726	9,773	9,941	10,483	10,377
Other government departments	-445	-464	-425	-339	0	0
Total Scotland	11,368	10,981	10,995	11,150	11,936	11,778
Wales						
Home Office						
Police	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total Home Office	–	–	–	–	–	–
Work and Pensions						
Housing benefits ⁽¹⁾	1,002	992	977	923	880	856
Other	14	13	12	–	10	–
Total Work and Pensions	1,017	1,005	990	923	889	856
Welsh Assembly Government						
Non-domestic rate payments/Revenue Support Grant	5,212	4,263	4,309	4,394	4,488	4,681
Other	1,030	939	993	921	1,056	896
Total Welsh Assembly Government	6,242	5,202	5,302	5,315	5,544	5,577
Other government departments	0	0	0	0	0	0
Total Wales	7,259	6,207	6,292	6,238	6,433	6,432
Northern Ireland						
Northern Ireland Executive	147	152	148	162	150	150
Total Northern Ireland	147	152	148	162	150	150
Total current finance	112,811	108,013	107,539	109,713	109,323	131,393

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

⁽²⁾ 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.

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

⁽⁴⁾ 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, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
England						
Capital grants						
Health and Social Care	221	621	516	66	305	100
Education	2,036	2,482	2,317	2,416	1,930	1,701
Home Office	548	130	131	148	153	–
Justice	–	14	4	–	–	–
MHCLG Housing and Communities	2,792	2,947	2,914	3,365	3,636	5,319
Transport	3,342	2,351	1,633	2,282	3,007	2,933
Business, Energy and Industrial Strategy	55	42	41	6	2	85
Digital, Culture, Media and Sport	225	232	227	175	61	22
Environment, Food and Rural Affairs	137	109	79	97	94	77
Cabinet Office	–	–	2	1	–	–
Total capital grants	9,355	8,928	7,864	8,557	9,188	10,238
Total England	9,355	8,928	7,864	8,557	9,188	10,238
Scotland						
Supported borrowing						
Scottish Government	–	–	–	–	–	–
Total supported borrowing	–	–	–	–	–	–
Capital grants						
Scottish Government	880	817	913	1,040	1,316	1,074
Total capital grants	880	817	913	1,040	1,316	1,074
Total Scotland	880	817	913	1,040	1,316	1,074
Wales						
Supported Capital Expenditure (Revenue) ⁽¹⁾						
Welsh Assembly Government	89	89	89	89	89	89
Total Supported Capital Expenditure (Revenue)	89	89	89	89	89	89
Capital grants						
Welsh Assembly Government	471	392	421	545	567	491
Total capital grants	471	392	421	545	567	491
Total Wales	560	481	509	634	656	580
Northern Ireland capital grants						
Northern Ireland Executive	46	5	3	7	11	138
Total Northern Ireland	46	5	3	7	11	138
Total United Kingdom	10,841	10,231	9,289	10,237	11,172	12,030

⁽¹⁾ 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, 2015-16 to 2019-20

	National Statistics				£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
Current					
1. General public services	4,179	4,252	4,209	4,237	4,154
<i>of which: public and common services</i>	3,403	3,405	3,378	3,405	3,544
<i>of which: public sector debt interest ⁽¹⁾</i>	776	847	831	832	610
2. Defence	46	45	42	41	46
3. Public order and safety	13,756	13,865	14,019	14,348	15,286
4. Economic affairs	3,936	3,732	3,631	3,500	4,393
<i>of which: enterprise and economic development</i>	613	702	548	608	664
<i>of which: agriculture, fisheries and forestry</i>	102	101	98	88	93
<i>of which: transport</i>	3,220	2,928	2,985	2,804	3,636
5. Environment protection	5,686	5,683	5,655	5,773	5,969
6. Housing and community amenities	2,119	2,018	2,094	2,142	2,275
7. Health	3,205	3,534	3,414	3,327	3,281
8. Recreation, culture and religion	3,338	3,151	2,970	3,001	2,810
9. Education	41,455	40,873	39,926	40,265	42,795
10. Social protection	55,510	55,250	54,918	54,859	53,576
Total local government current expenditure on services	133,230	132,402	130,880	131,494	134,584
Accounting adjustments	22,538	23,421	23,853	24,633	22,891
Total local government current expenditure	155,768	155,823	154,733	156,127	157,475
Capital					
1. General public services	947	1,732	1,158	1,043	1,701
<i>of which: public and common services</i>	947	1,732	1,158	1,043	1,701
3. Public order and safety	499	223	992	736	935
4. Economic affairs	6,492	7,523	9,544	9,663	8,921
<i>of which: enterprise and economic development</i>	128	1,019	2,431	3,153	2,443
<i>of which: agriculture, fisheries and forestry</i>	200	191	131	85	252
<i>of which: transport</i>	6,164	6,313	6,981	6,425	6,227
5. Environment protection	589	496	1,058	560	826
6. Housing and community amenities	2,098	2,503	2,756	2,641	3,155
7. Health	13	19	12	21	32
8. Recreation, culture and religion	1,244	1,235	1,307	1,328	1,866
9. Education	4,228	4,318	4,241	3,489	3,570
10. Social protection	241	327	247	370	428
Total local government capital expenditure on services	16,351	18,375	21,314	19,851	21,435
Accounting adjustments	769	314	-215	145	847
Total local government capital expenditure	17,120	18,689	21,099	19,996	22,282
Total local government expenditure	172,888	174,512	175,832	176,123	179,757

⁽¹⁾ 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, 2015-16 to 2019-20

	National Statistics				£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
England					
1. General public services	2,744	2,789	2,723	2,884	2,995
<i>of which: public and common services</i>	2,744	2,789	2,723	2,884	2,995
2. Defence	39	39	36	35	40
3. Public order and safety	12,999	13,101	13,229	13,527	14,425
4. Economic affairs	3,013	2,850	2,725	2,633	3,529
<i>of which: enterprise and economic development</i>	312	411	268	331	347
<i>of which: agriculture, fisheries and forestry</i>	80	83	80	73	75
<i>of which: transport</i>	2,620	2,356	2,377	2,229	3,106
5. Environment protection	4,523	4,498	4,456	4,572	4,765
6. Housing and community amenities	1,799	1,729	1,734	1,717	1,771
7. Health	3,152	3,480	3,365	3,278	3,242
8. Recreation, culture and religion	2,322	2,149	2,032	2,003	1,921
9. Education	34,133	33,382	32,265	32,233	34,296
10. Social protection	47,402	47,362	46,988	46,863	45,341
Total England	112,127	111,379	109,554	109,746	112,324
Scotland					
1. General public services	468	428	460	348	329
<i>of which: public and common services</i>	468	428	460	348	329
2. Defence	4	4	3	3	3
3. Public order and safety	—	—	—	—	—
4. Economic affairs	673	630	662	621	618
<i>of which: enterprise and economic development</i>	226	216	212	205	237
<i>of which: agriculture, fisheries and forestry</i>	15	10	9	7	11
<i>of which: transport</i>	432	404	441	409	370
5. Environment protection	644	647	662	657	669
6. Housing and community amenities	97	43	91	135	165
8. Recreation, culture and religion	566	539	524	578	533
9. Education	4,745	4,875	5,020	5,332	5,771
10. Social protection	5,163	4,909	4,868	4,897	5,178
Total Scotland	12,359	12,076	12,290	12,572	13,266
Wales					
1. General public services	191	188	195	174	220
<i>of which: public and common services</i>	191	188	195	174	220
2. Defence	3	2	3	2	3
3. Public order and safety	756	764	790	821	861
4. Economic affairs	227	222	221	220	220
<i>of which: enterprise and economic development</i>	52	46	45	46	53
<i>of which: agriculture, fisheries and forestry</i>	8	8	8	8	7
<i>of which: transport</i>	168	168	168	166	160
5. Environment protection	329	336	334	350	347
6. Housing and community amenities	124	121	116	110	111
8. Recreation, culture and religion	220	210	206	206	183
9. Education	2,577	2,616	2,642	2,700	2,728
10. Social protection	2,945	2,979	3,061	3,099	3,057
Total Wales	7,373	7,438	7,568	7,682	7,731
Total Great Britain	131,858	130,892	129,412	130,000	133,321
Northern Ireland					
4. Economic affairs	23	29	23	26	27
<i>of which: enterprise and economic development</i>	23	29	23	26	27
5. Environment protection	190	203	203	194	187
6. Housing and community amenities	100	124	153	180	227
7. Health	53	54	49	49	39
8. Recreation, culture and religion	230	252	208	213	173
Total Northern Ireland	596	662	636	661	653
Debt interest ⁽¹⁾	776	847	831	832	610
Total local government current expenditure on services	133,230	132,402	130,880	131,494	134,584
Accounting adjustments	22,538	23,421	23,853	24,633	22,891
Total local government current expenditure	155,768	155,823	154,733	156,127	157,475

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

Table 7.6 Local government gross⁽¹⁾ capital expenditure on services in the United Kingdom by country and function, 2015-16 to 2019-20

	National Statistics				£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
England					
1. General public services	1,311	2,020	1,496	1,548	1,840
<i>of which: public and common services</i>	1,311	2,020	1,496	1,548	1,840
3. Public order and safety	785	813	1,072	831	936
4. Economic affairs	6,347	7,030	8,947	9,088	8,046
<i>of which: enterprise and economic development</i>	472	1,017	2,309	2,980	2,269
<i>of which: agriculture, fisheries and forestry</i>	184	170	162	171	197
<i>of which: transport</i>	5,690	5,843	6,476	5,937	5,580
5. Environment protection	492	378	995	409	530
6. Housing and community amenities	2,208	2,335	2,714	2,546	2,955
7. Health	10	18	10	20	29
8. Recreation, culture and religion	1,034	982	1,061	1,058	1,130
9. Education	3,367	3,216	2,998	2,565	2,583
10. Social protection	248	311	290	336	370
Total England	15,802	17,103	19,583	18,400	18,418
Scotland					
1. General public services	196	178	258	184	314
<i>of which: public and common services</i>	196	178	258	184	314
3. Public order and safety	–	–	–	–	–
4. Economic affairs	573	697	700	839	885
<i>of which: enterprise and economic development</i>	73	175	238	322	277
<i>of which: agriculture, fisheries and forestry</i>	65	47	43	37	71
<i>of which: transport</i>	436	475	419	480	537
5. Environment protection	64	87	61	119	204
6. Housing and community amenities	174	175	159	206	186
8. Recreation, culture and religion	171	229	180	166	615
9. Education	653	854	898	665	725
10. Social protection	63	65	43	56	52
Total Scotland	1,893	2,285	2,298	2,235	2,980
Wales					
1. General public services	39	40	39	50	105
<i>of which: public and common services</i>	39	40	39	50	105
3. Public order and safety	57	43	52	48	88
4. Economic affairs	134	145	179	252	283
<i>of which: enterprise and economic development</i>	18	22	48	62	111
<i>of which: agriculture, fisheries and forestry</i>	7	8	5	7	14
<i>of which: transport</i>	108	115	126	183	158
5. Environment protection	32	32	21	32	84
6. Housing and community amenities	195	155	110	137	209
8. Recreation, culture and religion	54	44	56	62	43
9. Education	335	374	430	330	339
10. Social protection	13	15	17	26	20
Total Wales	859	848	904	937	1,171
Total Great Britain	18,553	20,235	22,785	21,573	22,569
Northern Ireland					
4. Economic affairs	15	5	2	4	24
<i>of which: enterprise and economic development</i>	15	5	2	4	24
5. Environment protection	8	6	10	12	15
6. Housing and community amenities	37	34	17	24	33
7. Health	3	2	2	2	4
8. Recreation, culture and religion	93	52	69	89	105
Total Northern Ireland	155	100	101	131	182
Total United Kingdom	18,709	20,335	22,886	21,703	22,751
Memorandum					
United Kingdom gross capital expenditure, from above	18,709	20,335	22,886	21,703	22,751
United Kingdom capital receipts (see table 7.7)	-2,358	-1,960	-1,571	-1,853	-1,316
Total local government net capital expenditure on services	16,351	18,375	21,314	19,851	21,435
Accounting adjustments	769	314	-215	145	847
Total local government net capital expenditure	17,120	18,689	21,099	19,996	22,282

⁽¹⁾ '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, 2015-16 to 2019-20

	National Statistics				£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
England					
1. General public services	-562	-463	-602	-684	-475
<i>of which: public and common services</i>	-562	-463	-602	-684	-475
3. Public order and safety	-340	-631	-130	-141	-57
4. Economic affairs	-433	-309	-259	-478	-274
<i>of which: enterprise and economic development</i>	-317	-159	-145	-179	-202
<i>of which: agriculture, fisheries and forestry</i>	-56	-34	-79	-129	-31
<i>of which: transport</i>	-60	-116	-35	-171	-41
5. Environment protection	-4	-3	-16	-6	-1
6. Housing and community amenities	-495	-177	-209	-241	-211
8. Recreation, culture and religion	-54	-42	-38	-32	-9
9. Education	-107	-108	-55	-44	-47
10. Social protection	-78	-57	-99	-42	-9
Total England	-2,073	-1,790	-1,408	-1,669	-1,084
Scotland					
1. General public services	-19	-21	-18	-39	-70
<i>of which: public and common services</i>	-19	-21	-18	-39	-70
3. Public order and safety	–	–	–	–	–
4. Economic affairs	-127	-16	-16	-27	-24
<i>of which: enterprise and economic development</i>	-118	-13	-11	-23	-20
<i>of which: agriculture, fisheries and forestry</i>	0	–	0	–	–
<i>of which: transport</i>	-10	-3	-4	-4	-5
5. Environment protection	-1	-2	-10	-3	-6
6. Housing and community amenities	0	0	-1	-1	-1
8. Recreation, culture and religion	-3	-14	-1	-1	-2
9. Education	-16	-13	-12	-21	-23
10. Social protection	-1	-4	-3	-1	-1
Total Scotland	-168	-69	-61	-92	-126
Wales					
1. General public services	-18	-23	-16	-15	-13
<i>of which: public and common services</i>	-18	-23	-16	-15	-13
3. Public order and safety	-3	-2	-2	-2	-31
4. Economic affairs	-8	-28	-8	-11	-11
<i>of which: enterprise and economic development</i>	-7	-27	-8	-11	-9
<i>of which: agriculture, fisheries and forestry</i>	–	–	–	–	–
<i>of which: transport</i>	-1	0	-1	-1	-2
5. Environment protection	0	0	0	0	0
6. Housing and community amenities	-13	-15	-27	-15	-12
8. Recreation, culture and religion	-1	-1	-1	0	0
9. Education	-4	-6	-19	-7	-6
10. Social protection	-3	-3	-1	-4	-3
Total Wales	-51	-78	-74	-56	-77
Total Great Britain	-2,292	-1,937	-1,544	-1,817	-1,287
Northern Ireland					
4. Economic affairs	-8	-1	0	-3	-8
<i>of which: enterprise and economic development</i>	-8	-1	0	-3	-8
5. Environment protection	-1	-1	-1	-2	-1
6. Housing and community amenities	-7	-3	-7	-15	-4
7. Health	0	-1	0	0	-1
8. Recreation, culture and religion	-49	-16	-19	-15	-16
Total Northern Ireland	-66	-23	-27	-36	-29
Total United Kingdom capital receipts	-2,358	-1,960	-1,571	-1,853	-1,316

Table 7.8 Local government expenditure on services in the United Kingdom by country and economic category, 2015-16 to 2019-20

	National Statistics				£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 plans
England					
Pay	51,424	51,198	50,688	50,526	53,108
Gross current procurement	67,893	67,723	68,370	70,843	73,703
Income from sales of goods and services	-30,019	-29,526	-30,454	-30,952	-32,253
Subsidies to private sector companies	1,368	1,273	1,299	1,117	1,662
Subsidies to public corporations	14	12	13	15	15
Current grants to persons and non-profit bodies	21,447	20,699	19,638	18,197	16,089
Gross capital procurement	13,964	15,368	17,047	16,515	16,621
Income from sales of capital assets	-2,073	-1,790	-1,408	-1,669	-1,084
Capital grants	1,838	1,735	2,535	1,885	1,797
Total England	125,855	126,692	127,728	126,478	129,659
Scotland					
Pay	6,129	6,467	6,640	6,925	7,475
Gross current procurement	6,340	6,088	6,199	6,303	6,864
Income from sales of goods and services	-1,978	-2,309	-2,322	-2,349	-2,617
Subsidies to public corporations	95	97	102	105	102
Current grants to persons and non-profit bodies	1,772	1,733	1,671	1,588	1,442
Gross capital procurement	1,705	2,120	2,123	1,977	2,746
Income from sales of capital assets	-168	-69	-61	-92	-126
Capital grants	188	165	175	258	234
Total Scotland	14,083	14,291	14,527	14,714	16,120
Wales					
Pay	4,110	4,199	4,276	4,170	4,293
Gross current procurement	3,515	3,532	3,580	3,879	3,949
Income from sales of goods and services	-1,276	-1,302	-1,280	-1,311	-1,364
Current grants to persons and non-profit bodies	1,024	1,009	992	945	853
Gross capital procurement	765	766	845	874	1,080
Income from sales of capital assets	-51	-78	-74	-56	-77
Capital grants	94	82	58	63	91
Total Wales	8,181	8,208	8,398	8,564	8,824
Great Britain					
Pay	61,662	61,864	61,604	61,621	64,876
Gross current procurement	77,748	77,342	78,150	81,025	84,516
Income from sales of goods and services	-33,274	-33,136	-34,056	-34,611	-36,234
Subsidies to private sector companies	1,368	1,273	1,299	1,117	1,662
Subsidies to public corporations	109	109	115	120	117
Current grants to persons and non-profit bodies	24,244	23,441	22,301	20,729	18,383
Gross capital procurement	16,433	18,254	20,016	19,366	20,448
Income from sales of capital assets	-2,292	-1,937	-1,544	-1,817	-1,287
Capital grants	2,120	1,981	2,769	2,206	2,122
Total Great Britain	148,119	149,191	150,653	149,756	154,603
Northern Ireland					
Pay	348	346	368	397	417
Gross current procurement	469	491	499	556	405
Income from sales of goods and services	-220	-174	-230	-292	-169
Gross capital procurement	155	100	101	131	182
Income from sales of capital assets	-66	-23	-27	-36	-29
Total Northern Ireland	686	739	710	757	807
United Kingdom					
Pay	62,010	62,210	61,971	62,018	65,293
Gross current procurement	78,217	77,833	78,649	81,581	84,922
Income from sales of goods and services	-33,494	-33,311	-34,287	-34,903	-36,403
Subsidies to private sector companies	1,368	1,273	1,299	1,117	1,662
Subsidies to public corporations	109	109	115	120	117
Current grants to persons and non-profit bodies	24,244	23,441	22,301	20,729	18,383
Local government debt interest ⁽¹⁾	776	847	831	832	610
Gross capital procurement	16,589	18,354	20,117	19,497	20,630
Income from sales of capital assets	-2,358	-1,960	-1,571	-1,853	-1,316
Capital grants	2,120	1,981	2,769	2,206	2,122
Total local government expenditure on services	149,581	150,777	152,194	151,344	156,019
Accounting adjustments	23,307	23,735	23,638	24,779	23,738
Total local government expenditure	172,888	174,512	175,832	176,123	179,757

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

8

Public Corporations

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

8.2 Outturn data in this chapter up to 2019-20 are National Statistics.

What's new

8.3 Due to significant pressures experienced by some departments responding to the COVID-19 pandemic, the administrative deadline for laying the 2019-20 departmental annual reports and accounts (ARAs) has been extended to 30th September 2020¹. As a result, the 2019-20 outturn published in PESA may be subject to data quality issues due to the inability of some departments, taking advantage of the extension, to align outturn data accurately to their ARAs. It is likely that some departments will revise their outturn data to align fully with the publication of their ARAs later in the year. The public spending statistics (PSS) release, published on a quarterly basis, will reflect any later revisions made by departments for their 2019-20 outturn.

The Public Corporations' component of Total Managed Expenditure in Chapter 8 now includes the separate Public Corporations, Bank of England and Public Sector Pensions sectors in the ONS' Public Sector Finances release.

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;
- 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.

¹ <https://www.gov.uk/government/publications/financial-reporting-manual-addendum-2019-20>

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;
- 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;
- 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;
- 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 in *Public Sector Classification Guide*²

² <https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/datasets/publicsectorclassificationguide>

Table 8.1 Public corporations' contribution to budgets and Total Managed Expenditure⁽¹⁾, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
Resource DEL						
CG dividends from PCs (-)	-135	-121	-99	-122	-185	-53
CG interest from PCs (-)	-29	-31	-39	-36	-40	-42
Subsidies to PCs	639	487	430	418	403	491
Loans written off - mutual consent	-	-	-	-	-	-
Total resource DEL	475	335	291	260	179	396
Resource departmental AME						
CG dividends from PCs (-)	-262	-194	-138	-124	-110	-54
CG interest from PCs (-)	-109	-64	-86	-107	-113	-102
Subsidies to PCs	175	170	169	175	166	160
Loans written off - mutual consent	-	-	-	-	-	-
Total resource departmental AME	-195	-87	-54	-57	-57	4
Total public corporations' contribution to resource budget	280	248	237	203	121	400
Capital DEL						
CG investment grants to PCs	277	252	208	371	285	282
Net lending to PCs	12	-226	-15	96	179	194
Market and overseas borrowing	-4	-12	36	91	28	-
Total capital DEL	284	13	229	559	493	476
Capital departmental AME						
CG investment grants to PCs	12	20	13	26	52	101
Net lending to PCs	260	175	322	1,266	332	1,061
Total capital departmental AME	272	195	335	1,292	384	1,161
Total public corporations' contribution to capital budget	556	208	564	1,850	877	1,637
Other AME						
PC own-financed capital expenditure ⁽²⁾	14,857	16,939	15,481	9,187	9,479	9,748
Accounting adjustments	7,399	8,095	6,920	7,407	8,475	10,569
Total other AME	22,256	25,034	22,402	16,594	17,954	20,317
Public corporations' expenditure in TME ⁽³⁾	23,092	25,489	23,203	18,648	18,952	22,354
<i>of which:</i>						
PC current expenditure in TME	7,861	7,362	6,602	7,192	7,024	10,049
PC gross investment in TME	15,231	18,127	16,601	11,456	11,928	12,305

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

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

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

Table 8.2 Public corporations' contribution to budgets by departmental group⁽¹⁾, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
Resource DEL						
Health and Social Care	94	–	–	–	–	74
Education	–	–	–	2	3	–
Home Office	–	–	–	–	–	–
Defence	-67	-70	-22	-13	-44	0
Foreign and Commonwealth Office	157	159	173	163	189	193
Total MHCLG - Housing and Communities and MHCLG - Local Government	-2	-1	-1	-2	-2	–
Transport	-42	-37	-53	-29	-87	3
Business, Energy and Industrial Strategy	159	137	69	16	14	29
Digital, Culture, Media and Sport	44	29	14	11	12	–
Environment, Food and Rural Affairs	20	30	21	19	17	19
International Trade	0	–	–	–	–	–
Work and Pensions	16	17	8	14	10	-4
Cabinet Office	-2	-2	-2	-6	-14	-16
Wales	-1	0	–	–	–	–
Northern Ireland	100	73	84	85	81	99
Small and Independent Bodies	0	–	–	–	–	–
Total resource DEL	475	335	291	260	179	396
Resource departmental AME						
Business, Energy and Industrial Strategy	-2	-5	-5	-7	-7	-1
Digital, Culture, Media and Sport	-150	-44	-50	-60	-61	–
HM Treasury	-109	-107	-66	-58	-49	-54
Scotland	68	69	64	65	57	57
Wales	–	–	–	–	–	–
Small and Independent Bodies	-2	-1	2	2	2	2
Total resource departmental AME	-195	-87	-54	-57	-57	4
Total public corporations' contribution to resource budget	280	248	237	203	121	400
Capital DEL						
Health and Social Care	-115	-245	-124	-97	18	37
Defence	-3	-63	–	9	–	–
Foreign and Commonwealth Office	5	–	–	–	–	–
Total MHCLG - Housing and Communities and MHCLG - Local Government	14	3	31	49	69	64
Transport	1	3	33	70	10	-5
Business, Energy and Industrial Strategy	229	184	82	204	95	60
Digital, Culture, Media and Sport	–	–	-1	–	–	6
Environment, Food and Rural Affairs	19	–	–	0	41	–
Work and Pensions	67	80	84	93	72	115
Wales	67	2	60	136	111	72
Northern Ireland	0	51	65	95	77	127
Total capital DEL	284	13	229	559	493	476
Capital departmental AME						
Business, Energy and Industrial Strategy	223	134	129	-120	37	800
Digital, Culture, Media and Sport	–	–	-20	-51	20	125
HM Treasury	–	–	–	1,180	–	–
Scotland	73	79	226	282	327	372
Small and Independent Bodies	-24	-19	–	–	–	-136
Total capital departmental AME	272	195	335	1,292	384	1,161
Total public corporations' contribution to capital budget	556	208	564	1,850	877	1,637
Total public corporations' contribution to budgets	836	455	801	2,054	998	2,038

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

Table 8.3 Public corporations' capital expenditure on services, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
Health and Social Care						
Medicines and Healthcare Products Regulatory Agency ⁽¹⁾	#	#	#	#	#	#
NHS Estates ⁽¹⁾	#	#	#	#	#	#
NHS Blood and Transplant	#	#	#	#	#	#
Total Health and Social Care	#	#	#	#	#	#
Defence						
Defence Support Group	7	#	#	#	#	#
Defence Aviation Repair Agency ⁽¹⁾	#	#	#	#	#	#
Defence Science and Technology Laboratory ⁽¹⁾	41	33	#	#	#	#
Hydrographic Office ⁽¹⁾	8	-6	18	#	#	#
Navy, Army and Air Force Institute	3	#	#	#	#	#
Total Defence	59	27	18	#	#	#
Foreign and Commonwealth Office						
British Council	5	31	-18	#	#	#
Total Foreign and Commonwealth Office	5	31	-18	#	#	#
International Development						
CDC Group ⁽⁵⁾	#	#	#	#	#	#
Actis ⁽⁵⁾	#	#	#	#	#	#
Total International Development	#	#	#	#	#	#
Total MHCLG - Housing and Communities and MHCLG - Local Government						
Fire Service College ⁽¹⁾	-	#	#	#	#	#
QEI Conference Centre ⁽¹⁾	4	#	#	#	#	#
Total MHCLG - Housing and Communities and MHCLG - Local Government	4	#	#	#	#	#
Transport						
Civil Aviation Authority	#	#	#	#	#	#
Driving Standards Agency ⁽¹⁾	#	#	#	#	#	#
Vehicle and Operator Services Agency ⁽¹⁾	#	#	#	#	#	#
Total Transport	#	#	#	#	#	#
Business, Energy and Industrial Strategy						
UK Intellectual Property Office	0	0	-1	#	#	#
British Nuclear Fuels Limited ⁽⁵⁾	-	#	#	#	#	#
Companies House ⁽¹⁾	5	7	1	#	#	#
Royal Mail Holdings ⁽⁵⁾	-	#	#	#	#	#
Land Registry ⁽¹⁾	#	#	#	#	#	#
Ordnance Survey ⁽¹⁾	#	#	#	#	#	#
Meteorological Office ⁽¹⁾	55	51	14	#	#	#
Total Business, Energy and Industrial Strategy	60	58	14	#	#	#
Digital, Culture Media and Sport						
Channel Four Television Corporation ⁽⁵⁾	#	#	#	#	#	#
Historic Royal Palaces Trust	#	#	#	#	#	#
Tote ⁽⁵⁾	#	#	#	#	#	#
Total Digital, Culture Media and Sport	#	#	#	#	#	#
Environment Food and Rural Affairs						
Covent Garden Market Authority	-	1	3	3	4	3
Total Environment Food and Rural Affairs	-	1	3	3	4	3
Work and Pensions						
Remploy	-	-	#	#	#	#
Pension Protection Fund	1	3	2	0	#	#
National Employment Savings Trust	4	1	2	1	#	#
Office for Nuclear Regulation	0	0	0	2	#	#
Total Work and Pensions	5	4	3	3	#	#
HM Treasury						
Crown Estate ⁽⁵⁾	-321	113	-28	236	*	*
Royal Mint ⁽⁵⁾⁽¹⁾	-	-	-	-	#	#
Total HM Treasury	-321	113	-28	236	*	*
Scotland						
Caledonian MacBrayne	51	57	39	66	65	#
Forest Enterprise	-13	-6	3	2	2	#
Scottish Water	328	489	498	509	513	#
Total Scotland	366	541	540	576	580	#

Table 8.3 Public corporations' capital expenditure on services, 2015-16 to 2020-21 (continued)

	£ million					
	National Statistics					
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	outturn	outturn	outturn	outturn	outturn	plans
Northern Ireland						
Northern Ireland Driver and Vehicle Testing Agency ⁽¹⁾	0	2	4	4	4	17
Northern Ireland Housing Executive	-6	-4	-3	-5	-10	41
Northern Ireland Public Trust Port Authority	23	54	46	62	62	107
Northern Ireland Transport Holding Company	37	75	75	102	100	107
Northern Ireland Water	—	—	—	—	—	—
Total Northern Ireland	55	126	121	165	156	272
Local Government						
Transport Trading Limited	1,585	1,555	1,719	1,621	1,461	*
England Housing Revenue Account	2,607	2,465	2,614	2,749	3,438	3,925
Scotland Housing Revenue Account	561	538	613	723	944	1,077
Wales Housing Revenue Account	207	242	249	270	367	419
Total Local Government	4,961	4,800	5,195	5,363	6,210	*
Total public corporations' capital expenditure on services	5,194	5,702	5,849	6,347	6,950	7,319
Accounting Adjustments	10,037	12,425	10,752	5,109	4,978	4,987
<i>of which: Housing Associations</i>	6,392	8,427	7,009	1,331	225	233
Total public corporations' capital expenditure	15,231	18,127	16,601	11,456	11,928	12,305

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

⁽¹⁾ Denotes public corporation with trading fund status.

⁽²⁾ 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.

⁽³⁾ 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.

⁽⁴⁾ 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, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
Public corporations' current expenditure on services						
1. General public services	7,885	7,136	6,338	7,101	6,933	10,049
<i>of which: public sector debt interest ⁽¹⁾</i>	7,885	7,136	6,338	7,101	6,933	10,049
Total public corporations' current expenditure on services	7,885	7,136	6,338	7,101	6,933	10,049
Accounting adjustments	-24	226	264	91	91	-
Total public corporations' current expenditure	7,861	7,362	6,602	7,192	7,024	10,049
Public corporations' capital expenditure on services						
1. General public services	-308	146	-44	237	-	-
<i>of which: public and common services</i>	-313	115	-26	237	-	-
<i>of which: international services</i>	5	31	-18	-	-	-
2. Defence	59	27	18	-	-	-
3. Public order and safety	-	-	-	-	-	-
4. Economic affairs	1,744	1,795	1,902	1,863	1,698	1,857
<i>of which: enterprise and economic development</i>	60	58	14	2	-	-
<i>of which: employment policies</i>	-	-	-	-	-	-
<i>of which: agriculture, fisheries and forestry</i>	-13	-5	5	5	5	3
<i>of which: transport</i>	1,696	1,743	1,883	1,856	1,693	1,854
5. Environment protection	-	-	-	-	-	-
6. Housing and community amenities	3,698	3,731	3,971	4,246	5,252	5,462
7. Health	-	-	-	-	-	-
8. Recreation, culture and religion	-	-	-	-	-	-
10. Social protection	1	3	2	0	-	-
Total public corporations' capital expenditure on services	5,194	5,702	5,849	6,347	6,950	7,319
Accounting adjustments	10,037	12,425	10,752	5,109	4,978	4,987
Total public corporations' capital expenditure	15,231	18,127	16,601	11,456	11,928	12,305

⁽¹⁾ Includes expenditure by the Public Corporations, Bank of England and Public Sector Pensions sectors in the ONS' Public Sector Finances release.

Table 8.5 Public corporations' current and capital expenditure by economic category, 2015-16 to 2020-21

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
Public corporations' current expenditure on services						
Public corporations' debt interest ⁽¹⁾	7,885	7,136	6,338	7,101	6,933	10,049
Total public corporations' current expenditure on services	7,885	7,136	6,338	7,101	6,933	10,049
Accounting adjustments	-24	226	264	91	91	-
Total public corporations' current expenditure	7,861	7,362	6,602	7,192	7,024	10,049
Public corporations' capital expenditure on services						
Gross capital procurement	7,150	7,777	7,839	7,984	8,202	7,345
Income from sales of assets	-1,962	-2,077	-1,993	-1,645	-1,260	-26
Capital grants	6	3	3	7	8	-
Total public corporations' capital expenditure on services	5,194	5,702	5,849	6,347	6,950	7,319
Accounting adjustments	10,037	12,425	10,752	5,109	4,978	4,987
Total public corporations' capital expenditure	15,231	18,127	16,601	11,456	11,928	12,305
Total public corporations' expenditure on services	13,079	12,838	12,187	13,448	13,883	17,368
Accounting adjustments	10,013	12,651	11,016	5,200	5,069	4,987
Total public corporations' expenditure ⁽²⁾	23,092	25,489	23,203	18,648	18,952	22,354

⁽¹⁾ Includes expenditure by the Public Corporations, Bank of England and Public Sector Pensions sectors in the ONS' Public Sector Finances release.

⁽²⁾ 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 2019¹. Therefore:

- TME, debt interest and EU transaction totals that feed into these tables are from data sourced in November 2019.
- 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 2019. For clarification, the GDP deflators presented in Annex F of PESA are as of 30 June 2020 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 Users following the link to the November 2019 publication at the foot of this page will note the radical redesign of the release document and that chapter A and B tables are provided in excel format only. These tables have been carried over into chapters 9 and 10 of PESA respectively. Chapter 9 includes four new tables (**9.3a, 9.3b, 9.4a, and 9.4b**) that have been introduced to provide breakdowns of capital and current expenditure in nominal, real terms, and per head variations. As per last year, the November 2019 publication includes a methodology document giving users a brief overview of how 2018-19 expenditure was assigned to countries and regions by departments and HM Treasury.

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.

¹ <https://www.gov.uk/government/statistics/country-and-regional-analysis-2019>

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

The tables

9.7 Most of the tables in this chapter provide an analysis of spending for the period 2014-15 to 2018-19. Information on methods and data quality is provided in the sections below.

9.8 **Table 9.1a** shows identifiable public sector expenditure on services by country and region. This spending is also shown in **Table 9.1b** on a per head basis, **Table 9.2a** in real terms and **Table 9.2b** in real terms on a per head basis.

9.9 **Table 9.3a** shows identifiable public sector expenditure on services by country and region with a breakdown for capital and current expenditure. This spending is shown in **Table 9.3b** on a per head basis, **Table 9.4a** in real terms and **Table 9.4b** in real terms on a per head basis.

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

9.11 **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.

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

9.13 **Tables 9.17 to 9.20** provide a sector breakdown of **Tables 9.1a and 9.1b**. **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 total expenditure on services *excluding* local government spending.

9.14 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 2018-19 only.

9.15 A supplementary database and tables are available on GOV.UK alongside the November 2019 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

9.16 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 spending by the devolved administration 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.

9.17 The figures in this release includes 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

9.18 The country and regional analyses are set within the overall total expenditure on services (TES) framework, which broadly represents total current and capital spending of the public sector. As such, it is similar to the National Accounts measure of Total Managed Expenditure (TME). 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 departments' budget-based expenditure data. 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 86 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 14 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, tax collection and debt interest.

9.19 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.

9.20 Expenditure financed by EU receipts can be classified as identifiable or non-identifiable depending on 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. In 2018-19 departments and devolved administrations were provided with funding for the purpose of EU Exit preparation. Although it is not possible to identify this expenditure separately in any of the tables or data published in the CRA, it is included within the spending aggregates. The amounts allocated to individual departments have been published elsewhere².

How identifiable expenditure is attributed to countries and regions

9.21 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.

9.22 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 they are 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;

² <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-03-13/HCW5540/>

- **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

9.23 The tables in this release 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.

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

9.25 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 2019.

9.26 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.

Non-identifiable expenditure

9.27 Non-identifiable expenditure, which is deemed to be incurred on behalf of the United Kingdom as a whole, makes up around 14 per cent of total public sector expenditure on services. The main elements are:

- Public sector debt interest payments;
- Defence spending by the Ministry of Defence (MoD) and the Security and Intelligence Agencies. Expenditure by the MoD which is not classed as part of the defence function (e.g. war pension benefits and military museums) is included within identifiable expenditure;
- Receipts from the European Union (see page 8 above for treatment of spending financed by EU receipts);
- Expenditure by the BBC (classified as part of the Central Government sector by the Office for National Statistics);
- Expenditure on tax collection by HM Revenue & Customs;
- Home Office expenditure on UK border and migration policy and the Passport Office;
- Expenditure by the Foreign and Commonwealth Office (FCO) on UK representation overseas.

9.28 This year, no major new areas of spend have been classified as non-identifiable.

Data quality

9.29 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.

9.30 In order not to overstate the accuracy of the figures provided, numbers in the CRA are 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;
- 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.

9.31 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 statistics Head of Profession, finance director, or a 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).

9.32 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)** – Rail spend is allocated based on a regional matrix of train operating companies (TOC) demand. From 2018-19, the model from which this matrix is produced was phased out. As a result a new model was used in 2018-19. In the previous model, demand was allocated based on the origin/destination of each journey. The new model allocates demand based on origin/destination but also gives a weighting to regions the train travels through, reflecting the benefits felt by these regions. Rail tickets enable passengers to exit or interchange at intermediate stations throughout their journey. There are also wider benefits felt by intermediate regions, such as reduced road traffic and environmental benefits. Improvements to rail infrastructure to accommodate large numbers of through passengers (such as new track, signalling and rolling stock) ultimately also provide benefits to residents and passengers of that region.

Table 9.1a Total identifiable expenditure on services by country and region, 2014-15 to 2018-19

	£ million						as a per cent of identifiable expenditure								
	National Statistics			National Statistics			National Statistics			National Statistics					
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
North East	24,844	25,344	25,566	25,743	27,064	4	4	4	4	4	4	4	4	4	4
North West	66,271	67,577	68,278	70,862	71,933	11	11	11	11	11	11	11	11	11	11
Yorkshire and The Humber	46,806	47,699	48,068	48,513	49,992	8	8	8	8	8	8	8	8	8	7
East Midlands	38,219	38,620	39,140	39,890	41,321	6	6	6	6	6	6	6	6	6	6
West Midlands	50,275	50,193	51,452	52,197	54,533	8	8	8	8	8	8	8	8	8	8
East	48,342	49,525	49,753	51,489	54,171	8	8	8	8	8	8	8	8	8	8
London	84,515	87,642	88,565	90,854	92,867	14	14	14	14	14	14	14	14	14	14
South East	69,334	71,112	73,529	75,127	78,559	11	12	12	12	12	12	12	12	12	12
South West	45,263	45,896	46,906	48,005	49,895	7	7	7	7	7	7	7	7	7	7
Total England	473,869	483,608	491,256	502,681	520,336	78	78	78	78	78	78	78	78	78	78
Scotland	54,931	56,184	57,356	58,669	61,160	9	9	9	9	9	9	9	9	9	9
Wales	30,608	30,959	31,401	32,409	33,447	5	5	5	5	5	5	5	5	5	5
Northern Ireland	20,327	20,210	20,491	20,782	21,808	3	3	3	3	3	3	3	3	3	3
UK identifiable expenditure	579,736	590,960	600,504	614,541	636,750	96	96	96	96	96	96	96	96	96	95
Outside UK	27,080	25,762	25,411	26,658	30,202	4	4	4	4	4	4	4	4	4	5
Total identifiable expenditure	606,816	616,722	625,915	641,199	666,952	100	100	100	100	100	100	100	100	100	100
	as a per cent of Total Managed Expenditure														
	£ million						National Statistics						National Statistics		
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
Identifiable expenditure	606,816	616,722	625,915	641,199	666,952	77	78	77	77	78	77	78	77	77	78
Non-identifiable expenditure	96,439	101,144	102,874	109,317	106,110	12	13	13	13	12	13	13	13	13	12
Public sector expenditure on services	703,255	717,866	728,789	750,516	773,062	90	90	90	90	91	90	90	90	90	91
Accounting adjustments	81,811	75,553	83,759	83,459	79,761	10	10	10	10	9	10	10	10	10	9
Total Managed Expenditure	785,066	793,419	812,548	833,975	852,823	100	100	100	100	100	100	100	100	100	100

Table 9.1b Total identifiable expenditure on services by country and region, per head 2014-15 to 2018-19⁽¹⁾

	£ per head						Index (UK identifiable expenditure = 100)								
	National Statistics			National Statistics			National Statistics			National Statistics					
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
North East	9,487	9,656	9,696	9,734	10,183	106	106	106	105	106	106	106	105	105	106
North West	9,291	9,418	9,452	9,762	9,865	104	104	103	105	103	104	103	105	103	103
Yorkshire and The Humber	8,732	8,849	8,860	8,901	9,123	97	97	97	96	97	97	97	96	95	95
East Midlands	8,242	8,257	8,283	8,360	8,601	92	91	91	90	91	91	91	90	90	90
West Midlands	8,799	8,722	8,855	8,906	9,242	98	96	97	96	97	96	97	96	96	96
East	8,034	8,151	8,118	8,347	8,736	90	90	89	90	89	90	89	90	91	91
London	9,897	10,112	10,099	10,295	10,425	110	111	110	111	110	111	110	111	109	109
South East	7,813	7,946	8,142	8,273	8,601	87	88	89	89	88	88	89	89	89	90
South West	8,346	8,388	8,502	8,635	8,910	93	92	93	93	92	92	93	93	93	93
England	8,724	8,827	8,889	9,038	9,296	97	97	97	97	97	97	97	97	97	97
Scotland	10,272	10,457	10,612	10,815	11,247	114	115	116	116	115	116	116	116	117	117
Wales	9,899	9,990	10,087	10,370	10,656	110	110	110	111	110	110	110	111	111	111
Northern Ireland	11,044	10,915	11,004	11,108	11,590	123	120	120	119	120	120	120	119	121	121
UK identifiable expenditure	8,975	9,076	9,147	9,306	9,584	100	100	100	100	100	100	100	100	100	100

⁽¹⁾ Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2019 release for details.

Table 9.2a Total identifiable expenditure on services by country and region in real terms,⁽¹⁾ 2014-15 to 2018-19

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
North East	26,579	26,882	26,490	26,231	27,064	
North West	70,899	71,678	70,748	72,206	71,933	
Yorkshire and The Humber	50,075	50,595	49,806	49,433	49,992	
East Midlands	40,888	40,965	40,555	40,647	41,321	
West Midlands	53,786	53,239	53,313	53,186	54,533	
East	51,718	52,531	51,552	52,466	54,171	
London	90,417	92,962	91,768	92,577	92,867	
South East	74,176	75,429	76,188	76,552	78,559	
South West	48,424	48,681	48,603	48,915	49,895	
England	506,961	512,962	509,023	512,213	520,336	
Scotland	58,768	59,594	59,431	59,781	61,160	
Wales	32,746	32,838	32,537	33,024	33,447	
Northern Ireland	21,747	21,436	21,232	21,176	21,808	
UK identifiable expenditure	620,221	626,831	622,223	626,194	636,750	
Outside UK	28,971	27,325	26,330	27,164	30,202	
Total identifiable expenditure	649,192	654,156	648,552	653,358	666,952	
Non-identifiable expenditure	103,174	107,283	106,595	111,390	106,110	
Total Expenditure on Services	752,366	761,440	755,147	764,748	773,062	
Accounting adjustments	87,525	80,140	86,789	85,042	79,761	
Total Managed Expenditure	839,891	841,579	841,936	849,790	852,823	

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2018-19 price levels using GDP deflators from the Office for National Statistics (released 30 September 2019).

Table 9.2b Total identifiable expenditure on services by country and region per head⁽¹⁾ in real terms,⁽²⁾ 2014-15 to 2018-19

	National Statistics					£ per head
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
North East	10,150	10,242	10,047	9,918	10,183	
North West	9,939	9,990	9,793	9,948	9,865	
Yorkshire and The Humber	9,342	9,386	9,180	9,070	9,123	
East Midlands	8,817	8,758	8,582	8,518	8,601	
West Midlands	9,414	9,251	9,175	9,075	9,242	
East	8,595	8,646	8,411	8,506	8,736	
London	10,588	10,726	10,464	10,490	10,425	
South East	8,359	8,428	8,437	8,430	8,601	
South West	8,929	8,897	8,810	8,799	8,910	
England	9,333	9,363	9,210	9,209	9,296	
Scotland	10,990	11,091	10,996	11,020	11,247	
Wales	10,590	10,596	10,452	10,567	10,656	
Northern Ireland	11,816	11,577	11,402	11,319	11,590	
UK identifiable expenditure	9,601	9,627	9,478	9,482	9,584	

⁽¹⁾ Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2019 release for details.

⁽²⁾ Real terms figures are the nominal figures adjusted to 2018-19 price levels using GDP deflators from the Office for National Statistics (released 30 September 2019).

Table 9.3a Total current and capital identifiable expenditure by country and region, 2014-15 to 2018-19

	Total expenditure on services												of which: current												of which: capital											
	National Statistics						National Statistics						National Statistics						National Statistics																	
	2014-15	2015-16	2016-17	2017-18	2018-19		2014-15	2015-16	2016-17	2017-18	2018-19		2014-15	2015-16	2016-17	2017-18	2018-19		2014-15	2015-16	2016-17	2017-18	2018-19													
North East	24,844	25,344	25,566	25,743	27,064	outturn	22,969	23,548	23,757	23,930	24,656	outturn	1,875	1,796	1,809	1,813	2,408	outturn	5,762	5,972	6,223	7,864	6,959													
North West	66,271	67,577	68,278	70,862	71,933	outturn	60,509	61,604	62,055	62,998	64,974	outturn	3,587	3,853	3,763	3,668	3,803	outturn	3,587	3,853	3,763	3,668	3,803													
Yorkshire and The Humber	46,806	47,699	48,068	48,513	49,992	outturn	43,219	43,846	44,305	44,845	46,190	outturn	3,015	2,780	2,683	2,918	2,983	outturn	3,015	2,780	2,683	2,918	2,983													
East Midlands	38,219	38,620	39,140	39,890	41,321	outturn	35,205	35,841	36,456	36,973	38,338	outturn	3,789	3,271	3,805	3,830	4,712	outturn	3,789	3,271	3,805	3,830	4,712													
West Midlands	50,275	50,193	51,452	52,197	54,533	outturn	46,487	46,922	47,647	48,367	49,820	outturn	4,357	4,462	4,278	4,838	5,729	outturn	4,357	4,462	4,278	4,838	5,729													
East	48,342	49,525	49,753	51,489	54,171	outturn	43,986	45,063	45,475	46,651	48,442	outturn	10,394	11,154	11,632	13,122	12,967	outturn	10,394	11,154	11,632	13,122	12,967													
London	84,515	87,642	88,565	90,854	92,867	outturn	74,121	76,488	76,933	77,732	79,900	outturn	5,656	6,229	7,100	7,646	8,625	outturn	5,656	6,229	7,100	7,646	8,625													
South East	69,334	71,112	73,529	75,127	78,559	outturn	63,678	64,883	66,428	67,481	69,934	outturn	3,260	3,297	3,553	3,794	4,049	outturn	3,260	3,297	3,553	3,794	4,049													
South West	45,263	45,896	46,906	48,005	49,895	outturn	42,003	42,599	43,353	44,211	45,846	outturn	41,694	42,815	44,847	49,493	52,234	outturn	41,694	42,815	44,847	49,493	52,234													
England	473,869	483,608	491,256	502,681	520,336	outturn	432,175	440,793	446,409	453,188	468,102	outturn	41,694	42,815	44,847	49,493	52,234	outturn	41,694	42,815	44,847	49,493	52,234													
Scotland	54,931	56,184	57,356	58,669	61,160	outturn	49,354	50,478	50,774	51,681	53,956	outturn	5,577	5,706	6,582	6,988	7,204	outturn	5,577	5,706	6,582	6,988	7,204													
Wales	30,608	30,959	31,401	32,409	33,447	outturn	28,252	28,590	28,959	29,661	30,448	outturn	2,356	2,368	2,443	2,748	2,998	outturn	2,356	2,368	2,443	2,748	2,998													
Northern Ireland	20,327	20,210	20,491	20,782	21,808	outturn	18,699	18,955	19,031	19,373	20,021	outturn	1,629	1,255	1,460	1,409	1,786	outturn	1,629	1,255	1,460	1,409	1,786													
UK identifiable expenditure	579,736	590,960	600,504	614,541	636,750	outturn	528,481	538,816	545,173	553,903	572,528	outturn	51,255	52,144	55,331	60,637	64,222	outturn	51,255	52,144	55,331	60,637	64,222													
Outside the UK	27,080	25,762	25,411	26,658	30,202	outturn	24,343	23,146	22,711	24,132	26,567	outturn	2,737	2,616	2,699	2,526	3,634	outturn	2,737	2,616	2,699	2,526	3,634													
Total identifiable expenditure	606,816	616,722	625,915	641,199	666,952	outturn	552,824	561,961	567,884	578,035	599,095	outturn	53,992	54,760	58,030	63,164	67,857	outturn	53,992	54,760	58,030	63,164	67,857													
Non-identifiable expenditure	96,439	101,144	102,874	109,317	106,110	outturn	86,578	91,196	92,305	98,231	94,006	outturn	9,861	9,948	10,569	11,086	12,104	outturn	9,861	9,948	10,569	11,086	12,104													
Total Expenditure on Services	703,255	717,866	728,789	750,516	773,062	outturn	639,402	653,158	660,190	676,266	693,102	outturn	63,852	64,708	68,599	74,250	79,960	outturn	63,852	64,708	68,599	74,250	79,960													
Accounting adjustments	81,811	75,553	83,759	83,459	79,761	outturn	63,057	59,874	65,066	64,809	64,157	outturn	18,755	15,679	18,693	18,650	15,604	outturn	18,755	15,679	18,693	18,650	15,604													
Total Managed Expenditure	785,066	793,419	812,548	833,975	852,823	outturn	702,459	713,032	725,256	741,075	757,259	outturn	82,607	80,387	87,292	92,900	95,564	outturn	82,607	80,387	87,292	92,900	95,564													

£ million

Table 9.3b Total current and capital identifiable expenditure by country and region, per head 2014-15 to 2018-19⁽¹⁾

	Total expenditure on services										of which: current						of which: capital						£ per head			
	National Statistics					National Statistics					2014-15			2015-16			2016-17			2017-18				2018-19		
	2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16		2016-17	2017-18	2018-19
North East	9,487	9,656	9,696	9,734	10,183	8,771	8,972	9,010	9,048	9,277	716	684	686	685	906											
North West	9,291	9,418	9,452	9,762	9,865	8,483	8,586	8,590	8,679	8,910	808	832	861	1,083	954											
Yorkshire and The Humber	8,732	8,849	8,860	8,901	9,123	8,063	8,134	8,166	8,228	8,429	669	715	694	673	694											
East Midlands	8,242	8,257	8,283	8,360	8,601	7,591	7,663	7,715	7,748	7,980	650	594	568	611	621											
West Midlands	8,799	8,722	8,855	8,906	9,242	8,136	8,153	8,200	8,253	8,443	663	568	655	654	799											
East	8,034	8,151	8,118	8,347	8,736	7,310	7,417	7,420	7,563	7,812	724	734	698	784	924											
London	9,897	10,112	10,099	10,295	10,425	8,680	8,825	8,773	8,808	8,969	1,217	1,287	1,326	1,487	1,456											
South East	7,813	7,946	8,142	8,273	8,601	7,176	7,250	7,356	7,431	7,657	637	696	786	842	944											
South West	8,346	8,388	8,502	8,635	8,910	7,745	7,785	7,858	7,953	8,187	601	603	644	682	723											
England	8,724	8,827	8,889	9,038	9,296	7,957	8,046	8,077	8,148	8,362	768	781	811	890	933											
Scotland	10,272	10,457	10,612	10,815	11,247	9,229	9,395	9,394	9,527	9,922	1,043	1,062	1,218	1,288	1,325											
Wales	9,899	9,990	10,087	10,370	10,656	9,137	9,225	9,302	9,491	9,701	762	764	785	879	955											
Northern Ireland	11,044	10,915	11,004	11,108	11,590	10,160	10,237	10,220	10,355	10,640	885	678	784	753	949											
UK identifiable expenditure	8,975	9,076	9,147	9,306	9,584	8,181	8,275	8,304	8,387	8,618	793	801	843	918	967											

⁽¹⁾ Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2019 release for details.

Table 9.4a Total current and capital identifiable expenditure by country and region in real terms⁽¹⁾, 2014-15 to 2018-19

	Total expenditure on services												of which: current						of which: capital										
	National Statistics						National Statistics						2014-15			2015-16			2016-17			2017-18			2018-19				
	2014-15	2015-16	2016-17	2017-18	2018-19		2014-15	2015-16	2016-17	2017-18	2018-19		2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16	2016-17	2017-18	2018-19		
outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn		
North East	26,579	26,882	26,490	26,231	27,064		24,573	24,977	24,616	24,384	24,656		2,006	1,905	1,874	1,847	2,408												
North West	70,899	71,678	70,748	72,206	71,933		64,734	65,343	64,300	64,193	64,974		6,164	6,335	6,448	8,013	6,959												
Yorkshire and The Humber	50,075	50,595	49,806	49,433	49,992		46,237	46,508	45,907	45,695	46,190		3,838	4,087	3,899	3,738	3,803												
East Midlands	40,888	40,965	40,555	40,647	41,321		37,663	38,016	37,775	37,674	38,338		3,225	2,948	2,780	2,973	2,983												
West Midlands	53,786	53,239	53,313	53,186	54,533		49,733	49,770	49,370	49,284	49,820		4,053	3,469	3,943	3,903	4,712												
East	51,718	52,531	51,552	52,466	54,171		47,057	47,798	47,120	47,536	48,442		4,661	4,733	4,433	4,930	5,729												
London	90,417	92,962	91,768	92,577	92,867		79,297	81,131	79,715	79,206	79,900		11,120	11,831	12,053	13,371	12,967												
South East	74,176	75,429	76,188	76,552	78,559		68,125	68,821	68,831	68,761	69,934		6,051	6,607	7,357	7,791	8,625												
South West	48,424	48,681	48,603	48,915	49,895		44,937	45,184	44,921	45,050	45,846		3,487	3,497	3,681	3,866	4,049												
England	506,961	512,962	509,023	512,213	520,336		462,356	467,549	462,555	461,782	468,102		44,605	45,413	46,469	50,431	52,234												
Scotland	58,768	59,594	59,431	59,781	61,160		52,801	53,542	52,611	52,661	53,956		5,967	6,053	6,820	7,120	7,204												
Wales	32,746	32,838	32,537	33,024	33,447		30,225	30,326	30,006	30,224	30,448		2,520	2,512	2,531	2,800	2,998												
Northern Ireland	21,747	21,436	21,232	21,176	21,808		20,004	20,105	19,719	19,740	20,021		1,742	1,331	1,512	1,436	1,786												
UK identifiable expenditure	620,221	626,831	622,223	626,194	636,750		565,387	571,521	564,891	564,407	572,528		54,834	55,309	57,332	61,787	64,222												
Outside the UK	28,971	27,325	26,330	27,164	30,202		26,043	24,551	23,533	24,589	26,567		2,928	2,775	2,797	2,574	3,634												
Total identifiable expenditure	649,192	654,156	648,552	653,358	666,952		591,430	596,072	588,423	588,996	599,095		57,762	58,084	60,129	64,361	67,857												
Non-identifiable expenditure	103,174	107,283	106,595	111,390	106,110		92,624	96,732	95,644	100,094	94,006		10,549	10,551	10,951	11,296	12,104												
Total Expenditure on Services	752,366	761,440	755,147	764,748	773,062		684,055	692,804	684,067	689,090	693,102		68,312	68,636	71,080	75,658	79,960												
Accounting adjustments	87,525	80,140	86,789	85,042	79,761		67,460	63,509	67,420	66,038	64,157		20,064	16,631	19,369	19,004	15,604												
Total Managed Expenditure	839,891	841,579	841,936	849,790	852,823		751,515	756,313	751,487	755,128	757,259		88,376	85,266	90,449	94,662	95,564												

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2018-19 price levels using GDP deflators from the Office for National Statistics (released 30 September 2019).

Table 9.4b Total current and capital identifiable expenditure by country and region, per head⁽¹⁾ in real terms⁽²⁾, 2014-15 to 2018-19

	Total expenditure on services												of which: current						of which: capital						£ per head			
	National Statistics						National Statistics						2014-15			2015-16			2016-17			2017-18				2018-19		
	2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16	2016-17	2017-18		2018-19		
North East	10,150	10,242	10,047	9,918	10,183	9,383	9,517	9,336	9,220	9,277	9,383	9,517	9,336	9,220	9,277	766	726	711	698	906	766	726	711	698	906			
North West	9,939	9,990	9,793	9,948	9,865	9,075	9,107	8,901	8,844	8,910	9,075	9,107	8,901	8,844	8,910	864	883	893	1,104	954	864	883	893	1,104	954			
Yorkshire and The Humber	9,342	9,386	9,180	9,070	9,123	8,626	8,628	8,462	8,384	8,429	8,626	8,628	8,462	8,384	8,429	716	758	719	686	694	716	758	719	686	694			
East Midlands	8,817	8,758	8,582	8,518	8,601	8,122	8,128	7,994	7,895	7,980	8,122	8,128	7,994	7,895	7,980	695	630	588	623	621	695	630	588	623	621			
West Midlands	9,414	9,251	9,175	9,075	9,242	8,705	8,648	8,496	8,409	8,443	8,705	8,648	8,496	8,409	8,443	709	603	679	666	799	709	603	679	666	799			
East	8,595	8,646	8,411	8,506	8,736	7,820	7,867	7,688	7,706	7,812	7,820	7,867	7,688	7,706	7,812	775	779	723	799	924	775	779	723	799	924			
London	10,588	10,726	10,464	10,490	10,425	9,286	9,361	9,090	8,975	8,969	9,286	9,361	9,090	8,975	8,969	1,302	1,365	1,374	1,515	1,456	1,302	1,365	1,374	1,515	1,456			
South East	8,359	8,428	8,437	8,430	8,601	7,677	7,690	7,622	7,572	7,657	7,677	7,690	7,622	7,572	7,657	682	738	815	858	944	682	738	815	858	944			
South West	8,929	8,897	8,810	8,799	8,910	8,286	8,258	8,142	8,103	8,187	8,286	8,258	8,142	8,103	8,187	643	639	667	695	723	643	639	667	695	723			
England	9,333	9,363	9,210	9,209	9,296	8,512	8,534	8,369	8,303	8,362	8,512	8,534	8,369	8,303	8,362	821	829	841	907	933	821	829	841	907	933			
Scotland	10,990	11,091	10,996	11,020	11,247	9,874	9,965	9,734	9,707	9,922	9,874	9,965	9,734	9,707	9,922	1,116	1,127	1,262	1,313	1,325	1,116	1,127	1,262	1,313	1,325			
Wales	10,590	10,596	10,452	10,567	10,656	9,775	9,785	9,638	9,671	9,701	9,775	9,785	9,638	9,671	9,701	815	811	813	896	955	815	811	813	896	955			
Northern Ireland	11,816	11,577	11,402	11,319	11,590	10,869	10,858	10,590	10,552	10,640	10,869	10,858	10,590	10,552	10,640	947	719	812	767	949	947	719	812	767	949			
UK identifiable expenditure	9,601	9,627	9,478	9,482	9,584	8,753	8,778	8,605	8,546	8,618	8,753	8,778	8,605	8,546	8,618	849	849	873	936	967	849	849	873	936	967			

⁽¹⁾ Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2019 release for details.

⁽²⁾ Real terms figures are the nominal figures adjusted to 2018-19 price levels using GDP deflators from the Office for National Statistics (released 30 September 2019).

Table 9.5 Identifiable expenditure on general public services by country and region, 2014-15 to 2018-19

	General public services												of which: current						of which: capital								
	National Statistics						National Statistics						2014-15			2015-16			2016-17			2017-18			2018-19		
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn		2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn		2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn		2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn				
North East	227	215	211	238	254		192	186	172	189	185		35	29	39	49	68		93	67	88	155	159				
North West	562	543	496	619	590		469	476	408	464	432		81	81	110	100	131		81	81	110	100	131				
Yorkshire and The Humber	356	352	362	331	389		275	272	252	231	258		82	79	107	117	50		82	79	107	117	50				
East Midlands	396	377	420	435	364		314	297	313	319	314		72	-7	79	108	154		180	108	137	100	169				
West Midlands	497	419	513	571	576		425	426	434	462	421		62	56	414	217	119		62	56	414	217	119				
East	655	575	571	565	663		475	466	433	465	494		171	123	693	248	392		171	123	693	248	392				
London	713	702	1,025	832	682		651	646	611	614	563		134	88	171	105	119		134	88	171	105	119				
South East	841	720	1,337	908	1,067		669	598	643	659	675		910	624	1,838	1,200	1,361		910	624	1,838	1,200	1,361				
South West	553	448	543	486	514		419	360	372	381	396		186	183	197	282	286		186	183	197	282	286				
England	4,800	4,352	5,477	4,985	5,098		3,890	3,728	3,639	3,785	3,738		910	624	1,838	1,200	1,361		910	624	1,838	1,200	1,361				
Scotland	1,133	1,128	1,092	1,207	1,278		947	944	895	925	992		49	25	44	51	81		49	25	44	51	81				
Wales	526	490	509	536	537		477	465	465	485	456		77	34	40	53	73		77	34	40	53	73				
Northern Ireland	456	392	348	375	394		379	358	308	323	321		1,221	867	2,119	1,586	1,800		1,221	867	2,119	1,586	1,800				
UK identifiable expenditure	6,914	6,361	7,427	7,104	7,308		5,692	5,495	5,308	5,518	5,507		2,281	2,163	2,139	1,857	3,100		2,281	2,163	2,139	1,857	3,100				
Outside the UK	9,480	9,225	9,801	9,786	10,759		7,199	7,062	7,661	7,929	7,659		3,503	3,029	4,258	3,442	4,900		3,503	3,029	4,258	3,442	4,900				
Total identifiable expenditure	16,394	15,586	17,228	16,890	18,066		12,891	12,557	12,969	13,448	13,167		457	388	488	194	555		457	388	488	194	555				
Non-identifiable expenditure	57,892	59,657	62,739	68,211	62,914		57,435	59,269	62,251	68,016	62,359		3,960	3,417	4,746	3,637	5,455		3,960	3,417	4,746	3,637	5,455				
Total Expenditure on Services	74,287	75,243	79,967	85,101	80,980		70,327	71,826	75,221	81,464	75,526		3,960	3,417	4,746	3,637	5,455		3,960	3,417	4,746	3,637	5,455				

£ million

Table 9.5a Identifiable expenditure on general public services (of which: public and common services) by country and region, 2014-15 to 2018-19

	Total public and common services												of which: current						of which: capital						£ million					
	National Statistics						National Statistics						2014-15			2015-16			2016-17			2017-18				2018-19				
	2014-15	2015-16	2016-17	2017-18	2018-19		2014-15	2015-16	2016-17	2017-18	2018-19		2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16		2016-17	2017-18	2018-19		
	outturn	outturn	outturn	outturn	outturn		outturn	outturn	outturn	outturn	outturn		outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn		
North East	223	211	207	234	249		189	183	168	186	181		34	29	39	48	68													
North West	551	533	484	608	578		460	466	398	454	420		92	66	86	154	158													
Yorkshire and The Humber	348	345	353	323	379		268	264	244	223	249		80	80	108	100	130													
East Midlands	389	370	412	428	356		308	291	306	312	306		81	79	105	116	49													
West Midlands	489	411	504	562	566		417	418	426	454	412		71	-7	78	108	153													
East	646	566	561	556	653		467	458	425	456	484		179	108	136	99	168													
London	700	690	1,011	818	667		640	634	599	601	548		61	56	412	216	118													
South East	827	708	1,322	894	1,052		657	585	631	646	660		170	122	691	248	391													
South West	545	440	534	478	505		412	353	365	373	387		133	88	169	105	118													
England	4,720	4,273	5,386	4,899	5,004		3,817	3,652	3,561	3,704	3,649		903	622	1,825	1,195	1,355													
Scotland	1,125	1,120	1,083	1,198	1,268		940	937	888	916	983		185	183	196	282	285													
Wales	521	485	504	531	532		473	460	461	481	451		48	25	43	51	81													
Northern Ireland	453	389	345	372	391		376	355	306	320	318		77	34	39	52	73													
UK identifiable expenditure	6,819	6,268	7,319	7,001	7,194		5,606	5,404	5,216	5,421	5,401		1,213	864	2,103	1,579	1,794													
Outside the UK	300	308	295	347	353		-	-	-	-	-		300	308	295	347	353													
Total identifiable expenditure	7,119	6,576	7,613	7,348	7,547		5,606	5,404	5,216	5,421	5,401		1,513	1,172	2,398	1,927	2,146													
Non-identifiable expenditure	4,326	4,628	4,848	5,061	4,834		4,012	4,367	4,417	4,607	4,404		314	261	431	455	429													
Total Expenditure on Services	11,445	11,204	12,461	12,409	12,381		9,618	9,771	9,633	10,028	9,805		1,827	1,433	2,828	2,381	2,576													

Table 9.5b Identifiable expenditure on general public services (of which: international services) by country and region, 2014-15 to 2018-19

	International services						of which: current						of which: capital						£ million	
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics			National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn		2017-18 outturn
North East	4	4	4	4	4	3	4	4	4	4	0	0	0	0	0	0	0	0	0	0
North West	10	10	12	11	12	10	10	10	11	12	1	0	0	1	1	1	0	2	1	1
Yorkshire and The Humber	8	8	9	8	9	7	7	8	8	9	1	0	0	1	1	1	0	1	1	1
East Midlands	7	7	8	7	8	6	6	7	7	8	1	0	0	1	0	1	0	1	0	0
West Midlands	8	8	10	9	10	8	8	8	9	9	1	0	0	1	1	1	0	1	1	1
East	9	9	10	10	10	8	8	9	9	10	1	0	0	2	1	1	0	2	1	1
London	13	12	15	14	15	11	12	12	13	14	1	0	0	2	1	1	0	2	1	1
South East	13	13	15	14	15	12	12	13	13	15	1	0	0	2	1	1	0	2	1	1
South West	8	8	9	9	9	7	8	8	8	9	1	0	0	1	1	1	0	1	1	1
England	80	79	91	86	95	73	76	78	81	89	7	3	14	5	6	7	3	14	5	6
Scotland	8	8	9	9	10	7	7	8	9	10	1	0	0	1	1	1	0	1	1	1
Wales	5	4	5	5	5	4	4	4	5	5	0	0	0	1	0	0	0	1	0	0
Northern Ireland	3	3	3	3	3	2	3	3	3	3	0	0	0	0	0	0	0	0	0	0
UK identifiable expenditure	95	93	109	103	113	86	90	92	97	107	9	3	16	6	7	9	3	16	6	7
Outside the UK	9,180	8,917	9,506	9,439	10,406	7,199	7,062	7,661	7,929	7,659	1,981	1,854	1,845	1,510	2,747	1,990	1,858	1,861	1,516	2,754
Total identifiable expenditure	9,275	9,010	9,614	9,542	10,520	7,285	7,152	7,754	8,026	7,766	1,990	1,858	1,861	1,516	2,754	1,990	1,858	1,861	1,516	2,754
Non-identifiable expenditure	1,219	1,241	1,249	1,029	1,521	1,076	1,115	1,192	1,290	1,396	143	126	57	-260	125	2,133	1,984	1,918	1,255	2,879
Total Expenditure on Services	10,495	10,251	10,863	10,572	12,041	8,362	8,267	8,945	9,316	9,162	2,133	1,984	1,918	1,255	2,879	2,133	1,984	1,918	1,255	2,879

Table 9.5c Identifiable expenditure on general public services (of which: public sector debt interest) by country and region, 2014-15 to 2018-19

	Public sector debt interest												of which: capital						£ million
	National Statistics						National Statistics						National Statistics						
	2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16	2016-17	2017-18	2018-19				
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn				
North East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
North West	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Yorkshire and The Humber	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
East Midlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
West Midlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
London	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
South East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
South West	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
England	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Scotland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Wales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Northern Ireland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
UK identifiable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Outside the UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Total identifiable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Non-identifiable expenditure	52,347	53,788	56,642	62,120	56,559	52,347	53,788	56,642	62,120	56,559	52,347	53,788	56,642	62,120	56,559				
Total Expenditure on Services	52,347	53,788	56,642	62,120	56,559	52,347	53,788	56,642	62,120	56,559	52,347	53,788	56,642	62,120	56,559				

Table 9.6 Identifiable expenditure on defence by country and region, 2014-15 to 2018-19

	Defence										of which: current										of which: capital										£ million
	National Statistics					National Statistics					National Statistics					National Statistics															
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn											
North East	2	1	1	2	2	2	1	1	1	2	2	1	1	2	2	—	—	—	—	—											
North West	4	6	8	5	5	4	6	8	5	5	—	—	—	—	—	—	—	—	—	—											
Yorkshire and The Humber	3	3	3	2	3	3	3	3	2	3	3	3	3	2	3	—	—	—	—	—											
East Midlands	4	4	4	3	3	4	4	4	3	3	4	4	4	3	3	—	—	—	—	—											
West Midlands	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	—	—	—	—	—											
East	6	6	5	5	5	6	6	5	5	5	6	6	6	5	5	—	—	—	—	—											
London	7	6	6	6	6	7	6	6	6	6	7	6	6	6	6	—	—	—	—	—											
South East	9	7	7	7	8	9	7	7	7	7	8	7	7	7	8	—	—	—	—	—											
South West	5	3	3	3	4	5	3	3	3	3	4	3	3	3	4	—	—	—	—	—											
England	43	39	39	36	39	43	39	39	36	39	39	39	39	36	39	—	—	—	—	—											
Scotland	3	4	4	3	3	3	4	4	3	3	3	4	4	3	3	—	—	—	—	—											
Wales	4	3	2	3	2	4	3	2	3	2	4	3	2	3	2	—	—	—	—	—											
Northern Ireland	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—											
UK identifiable expenditure	49	46	45	42	45	49	46	45	42	45	45	46	45	42	45	—	—	—	—	—											
Outside the UK	688	382	602	801	696	679	330	487	597	602	602	487	597	602	602	9	53	115	203	94											
Total identifiable expenditure	737	428	647	843	741	728	375	532	640	647	647	375	532	640	647	9	53	115	203	94											
Non-identifiable expenditure	35,960	36,199	36,484	37,827	39,502	26,721	27,420	27,349	27,760	28,779	28,779	27,349	27,760	27,760	28,779	9,240	8,779	9,135	10,067	10,723											
Total Expenditure on Services	36,697	36,627	37,132	38,670	40,243	27,448	27,796	27,881	28,399	29,427	29,427	27,881	28,399	28,399	29,427	9,249	8,831	9,250	10,271	10,816											

Table 9.7 Identifiable expenditure on public order and safety by country and region, 2014-15 to 2018-19

	Public order and safety						of which: current						of which: capital					
	National Statistics						National Statistics						National Statistics					
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn		2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn		2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
North East	1,200	1,240	1,283	1,292	1,299		1,138	1,208	1,231	1,225	1,255		62	31	52	67	45	
North West	3,215	3,124	3,219	3,222	3,287		3,105	2,983	3,006	3,012	3,108		110	141	213	210	178	
Yorkshire and The Humber	2,215	2,172	2,255	2,378	2,415		2,101	2,037	2,121	2,241	2,285		114	136	134	137	130	
East Midlands	1,652	1,797	1,801	1,836	1,916		1,575	1,703	1,692	1,726	1,802		77	94	109	110	113	
West Midlands	2,255	2,282	2,326	2,347	2,389		2,155	2,154	2,198	2,224	2,254		100	128	128	123	136	
East	1,970	2,097	2,133	2,241	2,312		1,884	2,005	2,032	2,142	2,219		86	92	101	99	93	
London	5,754	5,562	5,363	6,045	6,174		5,635	5,476	5,534	5,502	5,767		118	85	-172	543	407	
South East	2,933	2,923	2,998	3,125	3,279		2,832	2,794	2,875	2,983	3,077		101	129	123	142	202	
South West	1,881	1,848	1,748	1,944	2,013		1,800	1,749	1,661	1,851	1,907		81	100	87	93	106	
England	23,076	23,045	23,125	24,431	25,084		22,225	22,110	22,351	22,905	23,674		851	935	774	1,526	1,410	
Scotland	2,649	2,650	2,583	2,701	2,836		2,543	2,588	2,522	2,597	2,716		107	61	61	103	120	
Wales	1,343	1,225	1,261	1,360	1,422		1,278	1,153	1,194	1,284	1,347		64	72	67	76	74	
Northern Ireland	1,271	1,244	1,219	1,211	1,245		1,206	1,162	1,155	1,139	1,142		65	82	64	72	103	
UK identifiable expenditure	28,340	28,164	28,188	29,702	30,587		27,252	27,013	27,222	27,926	28,879		1,087	1,151	966	1,776	1,707	
Outside the UK	—	—	—	—	—		—	—	—	—	—		—	—	—	—	—	
Total identifiable expenditure	28,340	28,164	28,188	29,702	30,587		27,252	27,013	27,222	27,926	28,879		1,087	1,151	966	1,776	1,707	
Non-identifiable expenditure	2,147	2,043	1,882	1,765	1,813		1,983	1,915	1,732	1,511	1,551		164	128	150	254	262	
Total Expenditure on Services	30,487	30,207	30,070	31,467	32,400		29,235	28,928	28,954	29,437	30,430		1,252	1,279	1,116	2,030	1,969	

£ million

Table 9.8 Identifiable expenditure on economic affairs by country and region, 2014-15 to 2018-19

	Economic affairs												of which: current						of which: capital						£ million			
	National Statistics						National Statistics						2014-15			2015-16			2016-17			2017-18				2018-19		
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn		2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn		2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn		2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn					
North East	1,320	1,491	1,586	1,523	2,232		714	806	878	828	994		605	685	709	695	1,238		1,816	2,252	2,237	3,123	2,751					
North West ⁽¹⁾	3,554	4,238	4,310	5,192	5,278		1,737	1,985	2,073	2,070	2,526		1,816	2,252	2,237	3,123	2,751		1,438	1,631	1,438	1,224	1,298					
Yorkshire and The Humber	3,029	3,376	3,167	3,036	3,422		1,591	1,745	1,729	1,813	2,124		1,438	1,631	1,438	1,224	1,298		1,059	1,044	1,024	1,165	1,263					
East Midlands	2,199	2,274	2,329	2,533	2,970		1,140	1,230	1,305	1,368	1,708		1,059	1,044	1,024	1,165	1,263		1,411	1,404	1,645	1,739	2,427					
West Midlands	2,779	2,886	3,262	3,422	4,504		1,368	1,482	1,617	1,683	2,077		1,411	1,404	1,645	1,739	2,427		1,691	1,964	1,917	2,376	2,871					
East	3,012	3,464	3,515	4,136	5,146		1,321	1,501	1,599	1,760	2,275		1,691	1,964	1,917	2,376	2,871		5,234	6,161	6,507	6,785	7,023					
London	7,582	9,740	10,203	10,788	11,399		2,348	3,579	3,696	4,003	4,375		2,221	2,800	3,216	3,838	4,607		2,221	2,800	3,216	3,838	4,607					
South East	4,052	4,907	5,596	6,295	7,866		1,831	2,107	2,381	2,457	3,259		1,181	1,312	1,564	1,753	1,858		1,181	1,312	1,564	1,753	1,858					
South West	2,544	2,777	3,258	3,493	3,962		1,363	1,465	1,694	1,739	2,104		1,181	1,312	1,564	1,753	1,858		1,181	1,312	1,564	1,753	1,858					
England	30,069	35,152	37,227	40,419	46,778		13,413	15,901	16,971	17,721	21,442		16,657	19,252	20,256	22,698	25,337		2,178	2,119	2,550	2,775	2,959					
Scotland	5,346	5,576	6,203	6,497	6,902		3,169	3,457	3,653	3,723	3,944		2,178	2,119	2,550	2,775	2,959		941	917	883	1,008	1,117					
Wales	2,332	2,428	2,388	2,586	2,800		1,391	1,511	1,505	1,579	1,682		941	917	883	1,008	1,117		453	320	437	435	585					
Northern Ireland	1,680	1,554	1,573	1,552	1,804		1,227	1,234	1,136	1,117	1,218		453	320	437	435	585		20,228	22,607	24,126	26,915	29,998					
UK identifiable expenditure	39,427	44,710	47,391	51,055	58,284		19,199	22,103	23,265	24,140	28,286		20,228	22,607	24,126	26,915	29,998		395	363	384	411	404					
Outside the UK	502	460	421	550	503		106	97	36	139	100		395	363	384	411	404		20,623	22,971	24,511	27,326	30,402					
Total identifiable expenditure	39,929	45,170	47,812	51,605	58,788		19,306	22,199	23,301	24,278	28,386		20,623	22,971	24,511	27,326	30,402		48	181	125	155	228					
Non-identifiable expenditure	1,093	1,824	1,374	1,570	1,925		1,046	1,643	1,249	1,415	1,697		48	181	125	155	228		20,671	23,152	24,636	27,481	30,629					
Total Expenditure on Services	41,022	46,995	49,186	53,174	60,713		20,351	23,843	24,550	25,693	30,083		20,671	23,152	24,636	27,481	30,629											

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

Table 9.8a Identifiable expenditure on economic affairs (of which: enterprise and economic development) by country and region, 2014-15 to 2018-19

	Enterprise and economic development										of which: capital									
	National Statistics					National Statistics					National Statistics					National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
North East	186	189	236	268	320	150	169	188	249	299	36	20	48	19	22					
North West	509	592	631	608	950	436	518	559	557	732	73	74	72	51	218					
Yorkshire and The Humber	462	423	415	348	641	388	403	381	430	553	74	20	34	-82	88					
East Midlands	314	372	451	541	607	253	325	331	355	459	61	48	121	186	149					
West Midlands	443	220	485	466	646	373	368	396	463	594	69	-148	89	3	52					
East	369	356	455	575	850	301	306	372	428	594	68	50	83	146	255					
London	668	923	1,042	1,458	1,980	755	922	1,016	1,139	1,665	-87	1	26	319	315					
South East	536	751	1,201	1,733	2,384	471	569	625	651	944	65	182	576	1,082	1,440					
South West	360	399	462	718	874	324	361	395	410	551	36	38	67	309	323					
England	3,848	4,226	5,380	6,715	9,252	3,452	3,940	4,263	4,683	6,391	396	286	1,116	2,032	2,861					
Scotland	980	942	1,184	1,237	1,559	797	815	850	883	1,053	183	127	334	354	506					
Wales	544	452	423	497	644	359	364	334	367	434	185	88	90	131	210					
Northern Ireland	349	400	354	360	399	296	330	320	324	373	53	69	34	36	27					
UK identifiable expenditure	5,721	6,019	7,341	8,810	11,854	4,904	5,450	5,767	6,256	8,251	817	570	1,574	2,553	3,603					
Outside the UK	0	1	1	1	1	0	1	1	1	1	-	-	0	0	-					
Total identifiable expenditure	5,721	6,020	7,341	8,810	11,855	4,904	5,450	5,767	6,257	8,251	817	570	1,574	2,553	3,603					
Non-identifiable expenditure	861	1,447	925	1,181	1,477	816	1,283	822	1,048	1,264	44	163	103	133	214					
Total Expenditure on Services	6,582	7,466	8,267	9,991	13,332	5,720	6,733	6,589	7,306	9,515	862	733	1,678	2,686	3,817					

£ million

Table 9.8b Identifiable expenditure on economic affairs (of which: science and technology) by country and region, 2014-15 to 2018-19

	Science and technology						of which: current						of which: capital						£ million
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics						
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn				
North East	172	191	157	177	215	24	66	34	38	37	147	125	123	139	178				
North West	401	411	398	430	589	60	89	104	108	98	341	322	295	322	491				
Yorkshire and The Humber	319	335	306	344	481	49	86	88	102	96	270	249	218	242	385				
East Midlands	291	262	310	352	428	37	64	84	98	94	255	198	226	253	334				
West Midlands	298	284	330	386	484	43	73	95	117	110	255	211	235	270	374				
East	463	524	454	501	585	39	65	87	100	86	424	460	367	400	499				
London	600	704	540	593	901	29	47	62	65	32	571	657	479	529	869				
South East	610	701	607	680	864	45	79	99	111	83	565	623	508	570	782				
South West	353	329	387	436	552	48	75	98	111	100	305	254	289	325	452				
England	3,506	3,744	3,491	3,899	5,099	373	645	751	849	735	3,133	3,099	2,740	3,050	4,364				
Scotland	391	458	473	539	697	51	101	146	181	186	340	357	327	358	511				
Wales	187	205	192	221	264	65	83	71	83	84	121	121	121	137	180				
Northern Ireland	56	87	70	75	91	4	42	11	11	5	53	45	58	64	86				
UK identifiable expenditure	4,141	4,493	4,226	4,734	6,151	494	871	978	1,126	1,011	3,647	3,622	3,248	3,609	5,141				
Outside the UK	255	248	261	311	280	1	3	0	1	0	254	245	262	311	280				
Total identifiable expenditure	4,396	4,741	4,487	5,046	6,432	495	874	978	1,126	1,011	3,901	3,867	3,509	3,919	5,421				
Non-identifiable expenditure	0	2	1	1	1	1	1	—	—	—	0	1	1	1	1				
Total Expenditure on Services	4,396	4,743	4,488	5,047	6,433	496	875	978	1,126	1,011	3,900	3,868	3,510	3,920	5,422				

Table 9.8c Identifiable expenditure on economic affairs (of which: employment policies) by country and region, 2014-15 to 2018-19

	Employment policies												of which: current												of which: capital												£ million
	National Statistics						National Statistics						National Statistics						National Statistics																		
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2018-19 outturn																			
North East	165	150	161	171	175	175	163	149	157	164	172	172	2	1	4	7	3	3																			
North West	349	262	271	319	360	360	344	259	263	306	354	354	5	3	8	13	6	6																			
Yorkshire and The Humber	311	263	258	280	299	299	307	261	251	269	294	294	4	3	7	12	5	5																			
East Midlands	199	167	163	190	210	210	196	165	158	182	207	207	3	2	5	8	4	4																			
West Midlands	290	240	266	303	296	296	287	238	259	290	291	291	3	2	6	13	5	5																			
East	182	152	151	164	167	167	180	150	147	157	165	165	2	1	4	7	3	3																			
London	395	347	346	374	375	375	390	344	338	359	368	368	4	3	8	16	6	6																			
South East	221	188	201	227	227	227	218	187	196	217	223	223	3	2	5	9	4	4																			
South West	138	116	123	123	110	110	136	115	120	118	109	109	2	1	3	5	2	2																			
England	2,249	1,885	1,938	2,151	2,221	2,221	2,222	1,867	1,889	2,063	2,183	2,183	27	18	50	88	38	38																			
Scotland	268	230	237	259	265	265	265	228	231	248	260	260	3	2	6	11	5	5																			
Wales	159	136	134	135	131	131	157	135	130	129	129	129	2	1	3	6	2	2																			
Northern Ireland	181	149	98	80	99	99	181	149	97	80	97	97	0	0	1	0	2	2																			
UK identifiable expenditure	2,857	2,401	2,407	2,625	2,716	2,716	2,825	2,379	2,347	2,520	2,669	2,669	32	22	60	105	47	47																			
Outside the UK	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—																			
Total identifiable expenditure	2,857	2,401	2,407	2,625	2,716	2,716	2,825	2,379	2,347	2,520	2,669	2,669	32	22	60	105	47	47																			
Non-identifiable expenditure	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—																			
Total Expenditure on Services	2,857	2,401	2,407	2,625	2,716	2,716	2,825	2,379	2,347	2,520	2,669	2,669	32	22	60	105	47	47																			

Table 9.8d Identifiable expenditure on economic affairs (of which: agriculture, fisheries and forestry) by country and region, 2014-15 to 2018-19

	Agriculture, fisheries and forestry												of which: capital						£ million	
	National Statistics						National Statistics						National Statistics							
	2014-15		2015-16		2016-17		2017-18		2018-19		2014-15		2015-16		2016-17		2017-18			2018-19
	outturn	2014-15	outturn	2015-16	outturn	2016-17	outturn	2017-18	outturn	2018-19	outturn	2014-15	outturn	2015-16	outturn	2016-17	outturn	2017-18	outturn	2018-19
North East	184	178	202	192	230	169	161	188	175	213	15	17	14	17	17	14	17	17	17	17
North West	313	302	368	344	376	303	273	334	315	356	10	29	34	29	34	29	34	29	20	20
Yorkshire and The Humber	355	323	409	425	487	342	294	366	364	426	13	29	43	29	43	61	61	61	61	61
East Midlands	372	293	381	367	439	370	285	365	364	426	2	8	16	4	16	4	4	4	14	14
West Midlands	290	244	310	265	319	291	245	301	294	339	-2	-1	9	-29	9	-29	-29	-29	-20	-20
East	479	390	446	457	486	464	359	433	442	522	15	31	13	16	13	16	16	16	-36	-36
London	64	77	71	90	96	40	61	57	76	80	24	16	14	14	14	15	15	15	16	16
South East	451	340	430	431	537	432	330	399	395	479	20	10	31	35	31	35	35	35	58	58
South West	618	492	632	589	702	577	482	609	573	686	41	9	23	16	23	16	16	16	16	16
England	3,126	2,639	3,248	3,161	3,673	2,987	2,491	3,052	2,999	3,526	139	148	196	162	196	162	162	162	146	146
Scotland	920	808	929	908	890	734	690	814	784	763	186	118	115	124	115	124	124	124	127	127
Wales	445	431	464	498	520	387	377	409	424	448	58	54	55	74	55	74	74	74	72	72
Northern Ireland	572	487	505	498	548	486	446	465	454	476	86	42	40	44	40	44	44	44	72	72
UK identifiable expenditure	5,062	4,366	5,147	5,066	5,630	4,593	4,004	4,740	4,661	5,212	469	361	407	405	407	405	405	405	418	418
Outside the UK	145	109	58	113	87	99	86	29	112	73	46	23	29	0	29	0	0	0	14	14
Total identifiable expenditure	5,206	4,475	5,205	5,179	5,717	4,692	4,090	4,769	4,774	5,285	514	385	436	405	436	405	405	405	432	432
Non-identifiable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure on Services	5,206	4,475	5,205	5,179	5,717	4,692	4,090	4,769	4,774	5,285	514	385	436	405	436	405	405	405	432	432

Table 9.8e Identifiable expenditure on economic affairs (of which: transport^{(1),(2)}) by country and region, 2014-15 to 2018-19

	Transport												of which: capital												£ million
	National Statistics						of which: current						National Statistics												
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn										
North East	613	783	829	714	1,291	207	261	310	201	273	405	522	519	513	1,018										
North West ⁽³⁾	1,983	2,669	2,642	3,492	3,002	595	847	813	784	986	1,388	1,823	1,828	2,708	2,016										
Yorkshire and The Humber	1,582	2,031	1,778	1,639	1,514	505	701	643	648	755	1,077	1,330	1,136	991	759										
East Midlands	1,023	1,179	1,024	1,083	1,286	285	391	366	368	523	739	788	657	715	763										
West Midlands	1,459	1,898	1,871	2,002	2,758	374	559	566	519	744	1,085	1,339	1,305	1,483	2,015										
East	1,519	2,042	2,009	2,439	3,058	337	620	560	632	909	1,182	1,422	1,449	1,807	2,149										
London	5,854	7,689	8,203	8,272	8,047	1,134	2,204	2,223	2,365	2,229	4,720	5,484	5,980	5,907	5,818										
South East	2,233	2,925	3,158	3,224	3,854	665	943	1,062	1,082	1,529	1,569	1,982	2,097	2,142	2,324										
South West	1,074	1,441	1,655	1,626	1,724	277	432	473	527	659	797	1,009	1,182	1,099	1,065										
England	17,340	22,659	23,169	24,492	26,534	4,378	6,958	7,016	7,127	8,606	12,962	15,700	16,153	17,365	17,927										
Scotland	2,787	3,138	3,381	3,554	3,492	1,322	1,623	1,613	1,627	1,682	1,465	1,515	1,768	1,928	1,810										
Wales	997	1,204	1,174	1,235	1,240	423	551	561	575	587	574	653	613	660	653										
Northern Ireland	521	431	547	539	667	260	267	244	248	268	261	163	304	291	399										
UK identifiable expenditure	21,646	27,431	28,271	29,820	31,933	6,383	9,399	9,433	9,576	11,143	15,263	18,032	18,838	20,243	20,789										
Outside the UK	102	102	101	125	135	6	7	7	25	26	96	95	94	100	109										
Total identifiable expenditure	21,748	27,533	28,372	29,945	32,068	6,389	9,406	9,441	9,601	11,169	15,359	18,127	18,931	20,344	20,899										
Non-identifiable expenditure	232	376	448	388	446	229	359	427	366	434	4	17	21	21	13										
Total Expenditure on Services	21,981	27,909	28,820	30,332	32,514	6,618	9,765	9,868	9,967	11,603	15,363	18,144	18,952	20,365	20,911										

⁽¹⁾ Following implementation of ESA 2010, Network Rail is now classified to Central Government. The Transport analysis shown includes Network Rail spending from 2015-16 onwards.

⁽²⁾ The Department for Transport (DfT) have changed their methodology to calculate the split across regions for railway spending. This mainly effects the regions travel through as well as their origins and destinations. As a result users will notice a change from 2018-19 onwards.

⁽³⁾ 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, 2014-15 to 2018-19

	Environment protection						of which: current						of which: capital						£ million	
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics			National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn		2017-18 outturn
North East	364	319	307	293	301	278	272	260	243	250	86	48	47	50	51					
North West ⁽¹⁾	2,596	2,597	2,642	3,198	2,643	1,127	1,180	1,011	1,030	1,043	1,469	1,417	1,631	2,168	1,600					
Yorkshire and The Humber	638	718	638	655	632	521	534	494	495	496	117	184	144	159	135					
East Midlands	520	516	488	487	508	429	434	414	413	420	91	81	75	74	88					
West Midlands	639	670	630	596	585	519	514	479	492	504	120	156	151	105	81					
East	1,026	1,061	902	891	931	688	739	622	614	628	338	322	280	277	303					
London	1,121	1,126	1,075	1,054	1,109	946	956	892	855	883	175	169	183	200	226					
South East	1,243	1,199	1,056	1,244	1,088	942	968	861	832	863	301	231	195	412	226					
South West	982	890	849	887	876	662	637	588	601	625	320	253	261	286	250					
England	9,130	9,095	8,586	9,304	8,672	6,112	6,235	5,620	5,575	5,712	3,018	2,860	2,966	3,730	2,960					
Scotland	1,270	1,256	1,225	1,234	1,257	946	938	875	894	930	324	318	350	339	326					
Wales	697	646	619	629	620	523	495	482	490	488	175	152	137	139	132					
Northern Ireland	270	264	263	276	255	243	242	243	248	230	28	22	20	27	25					
UK identifiable expenditure	11,368	11,261	10,693	11,443	10,804	7,824	7,909	7,220	7,207	7,361	3,544	3,352	3,473	4,236	3,443					
Outside the UK	0	0	0	5	4	0	0	0	1	1	0	0	—	4	3					
Total identifiable expenditure	11,368	11,261	10,693	11,448	10,808	7,824	7,910	7,220	7,208	7,361	3,544	3,352	3,473	4,240	3,446					
Non-identifiable expenditure	221	348	350	338	283	15	28	45	52	95	206	320	306	285	188					
Total Expenditure on Services	11,589	11,609	11,043	11,786	11,091	7,839	7,937	7,264	7,260	7,457	3,750	3,672	3,779	4,525	3,634					

⁽¹⁾ The increase in the North West in 2017-18 is mainly due to the Greater Manchester Waste Disposal Authority's public finance initiative buyout.

Table 9.10 Identifiable expenditure on housing and community amenities by country and region, 2014-15 to 2018-19

	Housing and community amenities										of which: current						of which: capital						£ million			
	National Statistics					National Statistics					2014-15			2015-16			2016-17			2017-18				2018-19		
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn								
North East	496	486	394	416	422	122	116	107	103	107	374	370	287	374	370	287	313	315								
North West	758	626	725	736	751	281	245	256	238	250	477	381	469	477	381	469	497	501								
Yorkshire and The Humber	697	728	848	872	896	230	210	214	197	205	468	518	634	468	518	634	675	691								
East Midlands	658	560	518	518	517	203	185	195	179	187	456	374	322	456	374	322	339	330								
West Midlands	869	435	753	674	723	235	212	217	212	224	634	222	536	634	222	536	462	500								
East	672	635	606	631	797	248	244	249	239	247	425	390	357	425	390	357	392	551								
London	1,785	2,002	2,007	2,640	2,426	486	463	461	474	484	1,299	1,539	1,546	1,299	1,539	1,546	2,167	1,942								
South East	924	872	919	1,081	1,211	408	394	397	404	424	516	478	521	516	478	521	678	788								
South West	475	509	526	523	569	235	222	215	221	232	240	287	311	240	287	311	302	337								
England	7,336	6,853	7,295	8,091	8,313	2,447	2,292	2,311	2,267	2,359	4,889	4,561	4,984	4,889	4,561	4,984	5,824	5,953								
Scotland	1,542	1,569	1,589	1,847	2,222	125	160	112	158	206	1,417	1,409	1,477	1,417	1,409	1,477	1,689	2,016								
Wales	607	702	712	711	816	130	169	165	167	156	477	533	546	477	533	546	544	660								
Northern Ireland	787	711	706	706	774	360	367	354	387	414	426	344	352	426	344	352	319	359								
UK identifiable expenditure	10,271	9,835	10,301	11,356	12,124	3,062	2,988	2,943	2,979	3,136	7,209	6,847	7,358	7,209	6,847	7,358	8,377	8,988								
Outside the UK	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—								
Total identifiable expenditure	10,271	9,835	10,301	11,356	12,124	3,062	2,988	2,943	2,979	3,136	7,209	6,847	7,358	7,209	6,847	7,358	8,377	8,988								
Non-identifiable expenditure	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—								
Total Expenditure on Services	10,271	9,835	10,301	11,356	12,124	3,062	2,988	2,943	2,979	3,136	7,209	6,847	7,358	7,209	6,847	7,358	8,377	8,988								

Table 9.11 Identifiable expenditure on health by country and region, 2014-15 to 2018-19

	Health												of which: capital						£ million					
	National Statistics						National Statistics						National Statistics											
	2014-15		2015-16		2016-17		2017-18		2018-19		2014-15		2015-16		2016-17		2017-18			2018-19				
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn				
North East	5,771	6,039	6,117	6,295	6,500	6,500	6,500	6,500	6,500	6,500	5,508	5,807	5,898	6,041	6,215	6,215	6,215	6,215	6,215	262	232	218	255	285
North West	15,395	16,045	16,485	17,151	17,937	17,937	17,937	17,937	17,937	17,937	14,697	15,427	15,899	16,457	17,147	17,147	17,147	17,147	17,147	698	618	586	695	790
Yorkshire and The Humber	10,817	11,111	11,312	11,619	12,071	12,071	12,071	12,071	12,071	12,071	10,335	10,692	10,918	11,154	11,549	11,549	11,549	11,549	11,549	482	419	394	465	522
East Midlands	8,533	8,781	9,027	9,290	9,712	9,712	9,712	9,712	9,712	9,712	8,149	8,440	8,709	8,913	9,295	9,295	9,295	9,295	9,295	384	340	318	377	417
West Midlands	12,025	12,252	12,576	12,833	13,239	13,239	13,239	13,239	13,239	13,239	11,490	11,788	12,135	12,319	12,664	12,664	12,664	12,664	12,664	535	464	441	513	575
East	10,909	11,303	11,349	12,093	12,596	12,596	12,596	12,596	12,596	12,596	10,397	10,842	10,932	11,585	12,047	12,047	12,047	12,047	12,047	513	461	417	508	549
London	21,624	22,528	23,109	23,686	24,706	24,706	24,706	24,706	24,706	24,706	20,403	21,373	22,077	22,528	23,539	23,539	23,539	23,539	23,539	1,221	1,155	1,032	1,158	1,167
South East	16,296	16,827	17,216	17,845	18,460	18,460	18,460	18,460	18,460	18,460	15,505	16,108	16,561	17,071	17,643	17,643	17,643	17,643	17,643	791	719	655	773	817
South West	10,245	10,576	10,910	11,300	11,812	11,812	11,812	11,812	11,812	11,812	9,783	10,170	10,525	10,841	11,298	11,298	11,298	11,298	11,298	462	406	385	459	514
England	111,617	115,461	118,101	122,111	127,032	127,032	127,032	127,032	127,032	127,032	106,269	110,646	113,655	116,909	121,396	121,396	121,396	121,396	121,396	5,348	4,815	4,447	5,202	5,636
Scotland	11,592	12,131	12,600	12,750	13,030	13,030	13,030	13,030	13,030	13,030	11,106	11,565	11,976	12,253	12,537	12,537	12,537	12,537	12,537	486	566	624	497	493
Wales	6,442	6,591	6,950	7,221	7,538	7,538	7,538	7,538	7,538	7,538	6,137	6,379	6,677	6,859	7,121	7,121	7,121	7,121	7,121	305	213	273	362	418
Northern Ireland	3,910	4,034	4,176	4,313	4,585	4,585	4,585	4,585	4,585	4,585	3,679	3,829	3,934	4,096	4,327	4,327	4,327	4,327	4,327	232	205	242	218	257
UK identifiable expenditure	133,561	138,217	141,827	146,395	152,185	152,185	152,185	152,185	152,185	152,185	127,190	132,419	136,242	140,116	145,381	145,381	145,381	145,381	145,381	6,371	5,799	5,585	6,279	6,804
Outside the UK	492	282	762	943	723	723	723	723	723	723	461	245	736	917	715	715	715	715	715	31	37	26	26	8
Total identifiable expenditure	134,053	138,499	142,589	147,338	152,908	152,908	152,908	152,908	152,908	152,908	127,651	132,663	136,978	141,033	146,096	146,096	146,096	146,096	146,096	6,402	5,836	5,611	6,304	6,812
Non-identifiable expenditure	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure on Services	134,053	138,499	142,589	147,338	152,908	152,908	152,908	152,908	152,908	152,908	127,651	132,663	136,978	141,033	146,096	146,096	146,096	146,096	146,096	6,402	5,836	5,611	6,304	6,812

Table 9.12 Identifiable expenditure on recreation, culture and religion by country and region, 2014-15 to 2018-19

	Recreation, culture and religion										of which: current						of which: capital						£ million			
	National Statistics					National Statistics					2014-15			2015-16			2016-17			2017-18				2018-19		
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn								
North East	319	279	293	260	252	226	196	201	196	193	92	83	92	92	83	92	64	59								
North West	764	746	740	763	734	548	517	545	539	534	216	229	195	216	229	224	200									
Yorkshire and The Humber	612	551	562	580	543	488	394	402	406	386	125	157	160	125	157	174	157									
East Midlands	426	414	383	416	413	302	285	284	309	305	124	128	99	124	128	107	108									
West Midlands	520	500	488	491	511	409	367	374	393	403	111	133	113	111	133	98	107									
East	490	471	469	509	514	364	340	359	354	345	126	131	111	126	131	155	169									
London	1,387	1,179	1,159	1,303	1,119	1,099	939	909	982	855	288	240	250	288	240	320	263									
South East	797	777	811	823	787	587	525	534	522	514	210	252	278	210	252	301	273									
South West	480	426	450	490	489	378	312	336	336	319	102	114	114	102	114	154	169									
England	5,795	5,343	5,356	5,635	5,360	4,401	3,878	3,944	4,039	3,855	1,394	1,466	1,411	1,394	1,466	1,596	1,506									
Scotland	1,209	1,074	1,053	1,001	1,015	1,040	823	775	756	795	169	251	278	169	251	245	220									
Wales	516	494	477	536	519	439	410	409	439	416	77	84	68	77	84	96	104									
Northern Ireland	473	457	466	437	529	357	374	398	357	359	115	83	68	115	83	80	170									
UK identifiable expenditure	7,994	7,367	7,351	7,609	7,424	6,238	5,484	5,526	5,592	5,424	1,756	1,884	1,825	1,756	1,884	2,017	2,000									
Outside the UK	222	190	230	232	256	202	190	196	207	230	20	0	34	20	0	26	26									
Total identifiable expenditure	8,215	7,557	7,582	7,841	7,680	6,440	5,674	5,722	5,798	5,654	1,776	1,883	1,860	1,776	1,883	2,043	2,026									
Non-identifiable expenditure	4,235	3,809	4,025	3,638	3,683	3,989	3,652	3,660	3,508	3,535	246	156	365	246	156	130	148									
Total Expenditure on Services	12,450	11,366	11,606	11,479	11,363	10,428	9,326	9,382	9,306	9,189	2,022	2,040	2,225	2,022	2,040	2,173	2,174									

Table 9.13 Identifiable expenditure on education by country and region, 2014-15 to 2018-19

	Education												of which: capital						£ million
	National Statistics						National Statistics						National Statistics						
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn		2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn		2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn		
North East	3,517	3,464	3,541	3,428	3,543		3,198	3,169	3,196	3,137	3,218		319	295	344	291	325		
North West	9,074	9,043	9,025	8,943	9,036		8,238	8,217	8,282	8,225	8,338		836	826	742	719	698		
Yorkshire and The Humber	7,097	7,004	7,137	7,104	7,258		6,373	6,297	6,410	6,413	6,554		725	707	727	691	704		
East Midlands	5,870	5,762	5,969	5,877	5,983		5,163	5,148	5,373	5,284	5,402		707	614	596	593	581		
West Midlands	7,592	7,486	7,586	7,592	7,821		6,806	6,739	6,920	6,956	7,133		786	747	666	636	688		
East	7,428	7,404	7,624	7,556	7,848		6,462	6,442	6,716	6,673	6,873		966	962	908	884	975		
London	13,275	13,084	13,138	12,872	13,123		11,309	11,349	11,304	11,159	11,381		1,967	1,736	1,834	1,712	1,742		
South East	10,575	10,748	11,148	10,917	11,198		9,267	9,283	9,790	9,727	9,937		1,308	1,465	1,358	1,189	1,261		
South West	6,288	6,292	6,406	6,294	6,526		5,562	5,575	5,765	5,681	5,859		726	717	641	614	667		
England	70,718	70,288	71,574	70,584	72,336		62,378	62,218	63,757	63,254	64,694		8,340	8,069	7,817	7,329	7,642		
Scotland	7,612	7,836	8,272	8,493	8,475		6,978	7,105	7,299	7,498	7,775		634	731	973	995	701		
Wales	3,987	4,083	4,185	4,280	4,285		3,741	3,726	3,779	3,837	3,907		245	358	406	443	379		
Northern Ireland	2,738	2,706	2,715	2,700	2,778		2,507	2,545	2,483	2,499	2,564		231	161	232	202	214		
UK identifiable expenditure	85,054	84,914	86,746	86,057	87,874		75,604	75,595	77,319	77,088	78,939		9,450	9,319	9,427	8,968	8,935		
Outside the UK	1	0	0	—	—		0	0	—	—	—		0	—	0	—	—		
Total identifiable expenditure	85,054	84,914	86,746	86,057	87,874		75,604	75,595	77,319	77,088	78,939		9,450	9,319	9,427	8,968	8,935		
Non-identifiable expenditure	—	—	—	—	—		—	—	—	—	—		—	—	—	—	—		
Total Expenditure on Services	85,054	84,914	86,746	86,057	87,874		75,604	75,595	77,319	77,088	78,939		9,450	9,319	9,427	8,968	8,935		

Table 9.14 Identifiable expenditure on social protection by country and region, 2014-15 to 2018-19

	Social protection												of which: capital						£ million
	National Statistics						National Statistics						National Statistics						
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn				
North East	11,629	11,809	11,832	11,996	12,259	11,590	11,786	11,812	11,967	12,238	38	23	21	29	21				
North West	30,348	30,609	30,628	31,032	31,672	30,301	30,566	30,568	30,958	31,591	47	42	61	74	81				
Yorkshire and The Humber	21,341	21,684	21,785	21,935	22,365	21,302	21,663	21,761	21,892	22,330	39	22	24	43	35				
East Midlands	17,959	18,137	18,202	18,494	18,935	17,925	18,112	18,168	18,459	18,901	34	25	34	36	34				
West Midlands	23,096	23,260	23,315	23,668	24,182	23,077	23,236	23,269	23,622	24,137	19	24	46	46	45				
East	22,174	22,509	22,579	22,862	23,359	22,143	22,478	22,528	22,815	23,310	31	31	51	47	49				
London	31,267	31,713	31,480	31,629	32,124	31,236	31,701	31,443	31,609	32,048	31	12	38	20	77				
South East	31,664	32,132	32,441	32,884	33,594	31,629	32,100	32,379	32,820	33,537	35	32	62	64	58				
South West	21,808	22,126	22,213	22,584	23,131	21,795	22,106	22,194	22,556	23,102	13	20	19	28	29				
England	211,286	213,980	214,475	217,084	221,622	210,998	213,747	214,121	216,696	221,193	287	233	354	387	429				
Scotland	22,576	22,961	22,736	22,934	24,142	22,499	22,892	22,663	22,872	24,058	77	69	72	63	84				
Wales	14,155	14,297	14,299	14,548	14,907	14,132	14,281	14,280	14,519	14,874	24	15	19	29	33				
Northern Ireland	8,742	8,847	9,025	9,211	9,446	8,741	8,845	9,019	9,207	9,446	0	3	6	4	—				
UK identifiable expenditure	256,758	260,085	260,535	263,777	270,116	256,370	259,765	260,084	263,294	269,570	388	320	451	483	546				
Outside the UK	4,780	4,741	4,791	4,852	5,025	4,780	4,741	4,791	4,852	5,025	—	—	—	—	—				
Total identifiable expenditure	261,538	264,826	265,326	268,630	275,142	261,150	264,506	264,875	268,147	274,596	388	320	451	483	546				
Non-identifiable expenditure	-420	75	101	99	350	80	79	100	98	349	-500	-4	0	0	1				
Total Expenditure on Services	261,119	264,901	265,427	268,728	275,492	261,230	264,585	264,976	268,245	274,944	-112	316	451	483	547				

Table 9.15 UK identifiable expenditure on services by function, country and region, per head ⁽¹⁾, 2014-15 to 2018-19

Data in this table from 2014-15 to 2018-19 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	
2014-15																			
North East	87	85	1	1	458	504	71	66	63	70	234	139	190	2,204	122	1,343	4,441	9,487	
North West	79	77	1	1	451	498	71	56	49	44	278	364	106	2,158	107	1,272	4,255	9,291	
Yorkshire and The Humber	66	65	1	1	413	565	86	60	58	66	295	119	130	2,018	114	1,324	3,981	8,732	
East Midlands	85	84	1	1	356	474	68	63	43	80	221	112	142	1,840	92	1,266	3,873	8,242	
West Midlands	87	86	1	1	395	486	77	52	51	51	255	112	152	2,105	91	1,329	4,042	8,799	
East	109	107	1	1	327	501	61	77	30	80	252	171	112	1,813	81	1,234	3,685	8,034	
London	83	82	1	1	674	888	78	70	46	8	686	131	209	2,532	162	1,555	3,661	9,897	
South East	95	93	1	1	331	457	60	69	25	51	252	140	104	1,836	90	1,192	3,568	7,813	
South West	102	101	1	1	347	469	66	65	25	114	198	181	88	1,889	89	1,159	4,021	8,346	
England	88	87	1	1	425	554	71	65	41	58	319	168	135	2,055	107	1,302	3,890	8,724	
Scotland	212	210	1	0	495	1,000	183	73	50	172	521	238	288	2,168	226	1,423	4,222	10,272	
Wales	170	169	1	1	434	754	176	60	51	144	323	226	196	2,083	167	1,289	4,578	9,899	
Northern Ireland	248	246	1	-	691	913	190	31	99	311	283	147	427	2,125	257	1,488	4,750	11,044	
UK identifiable expenditure	107	106	1	1	439	610	89	64	44	78	335	176	159	2,068	124	1,317	3,975	8,975	
2015-16																			
North East	82	81	1	1	472	568	72	73	57	68	298	122	185	2,301	106	1,320	4,499	9,656	
North West	76	74	1	1	435	591	83	57	37	42	372	362	87	2,236	104	1,260	4,266	9,418	
Yorkshire and The Humber	65	64	1	1	403	626	78	62	49	60	377	133	135	2,061	102	1,299	4,023	8,849	
East Midlands	81	79	1	1	384	486	80	56	36	63	252	110	120	1,877	88	1,232	3,878	8,257	
West Midlands	73	71	1	1	396	501	38	49	42	42	330	116	76	2,129	87	1,301	4,042	8,722	
East	95	93	1	1	345	570	59	86	25	64	336	175	104	1,860	78	1,219	3,705	8,151	
London	81	80	1	1	642	1,124	107	81	40	9	887	130	231	2,599	136	1,510	3,659	10,112	
South East	81	79	1	1	327	548	84	78	21	38	327	134	97	1,880	87	1,201	3,590	7,946	
South West	82	80	1	1	338	508	73	60	21	90	263	163	93	1,933	78	1,150	4,044	8,388	
England	79	78	1	1	421	642	77	68	34	48	414	166	125	2,107	98	1,283	3,906	8,827	
Scotland	210	208	1	1	493	1,038	175	85	43	150	584	234	292	2,258	200	1,458	4,273	10,457	
Wales	158	157	1	1	395	783	146	66	44	139	388	209	226	2,127	159	1,318	4,613	9,990	
Northern Ireland	212	210	1	-	672	839	216	47	81	263	233	142	384	2,179	247	1,462	4,778	10,915	
UK identifiable expenditure	98	96	1	1	433	687	92	69	37	67	421	173	151	2,123	113	1,304	3,995	9,076	

Table 9.15 UK identifiable expenditure on services by function, country and region, per head⁽¹⁾, 2014-15 to 2018-19 (continued)

		Data in this table from 2014-15 to 2018-19 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
2016-17																			
	80	78	2	1	487	602	90	60	61	77	314	116	149	2,320	111	1,343	4,488	9,696	
North East																			
North West	69	67	2	1	446	597	87	55	37	51	366	366	100	2,282	103	1,249	4,240	9,452	
Yorkshire and The Humber	67	65	2	0	416	584	77	56	48	75	328	118	156	2,085	104	1,315	4,015	8,860	
East Midlands	89	87	2	1	381	493	96	66	34	81	217	103	110	1,910	81	1,263	3,852	8,283	
West Midlands	88	87	2	1	400	561	84	57	46	53	322	108	130	2,164	84	1,305	4,012	8,855	
East	93	91	2	1	348	574	74	74	25	73	328	147	99	1,852	77	1,244	3,684	8,118	
London	117	115	2	1	611	1,163	119	62	39	8	935	123	229	2,635	132	1,498	3,590	10,099	
South East	148	146	2	1	332	620	133	67	22	48	350	117	102	1,906	90	1,234	3,592	8,142	
South West	98	97	2	1	317	591	84	70	22	114	300	154	95	1,978	82	1,161	4,026	8,502	
England	99	97	2	1	418	674	97	63	35	59	419	155	132	2,137	97	1,295	3,881	8,889	
Scotland	202	200	2	1	478	1,148	219	87	44	172	625	227	294	2,331	195	1,531	4,207	10,612	
Wales	164	162	2	1	405	767	136	62	43	149	377	199	229	2,232	153	1,344	4,593	10,087	
Northern Ireland	187	185	2	-	655	845	190	37	52	271	294	141	379	2,243	250	1,458	4,847	11,004	
UK identifiable expenditure	113	111	2	1	429	722	112	64	37	78	431	163	157	2,160	112	1,321	3,969	9,147	
2017-18																			
North East	90	88	2	1	488	576	102	67	65	73	270	111	157	2,380	98	1,296	4,536	9,734	
North West	85	84	2	1	444	715	84	59	44	47	481	441	101	2,363	105	1,232	4,275	9,762	
Yorkshire and The Humber	61	59	2	0	436	557	64	63	51	78	301	120	160	2,132	107	1,303	4,025	8,901	
East Midlands	91	90	2	1	385	531	113	74	40	77	227	102	109	1,947	87	1,232	3,876	8,360	
West Midlands	97	96	2	1	400	584	80	66	52	45	342	102	115	2,190	84	1,295	4,038	8,906	
East	92	90	2	1	363	671	93	81	27	74	395	144	102	1,960	82	1,225	3,706	8,347	
London	94	93	2	1	685	1,222	165	67	42	10	937	119	299	2,684	148	1,459	3,584	10,295	
South East	100	98	2	1	344	693	191	75	25	47	355	137	119	1,965	91	1,202	3,621	8,273	
South West	87	86	2	1	350	628	129	78	22	106	292	160	94	2,033	88	1,132	4,062	8,635	
England	90	88	2	1	439	727	121	70	39	57	440	167	145	2,195	101	1,269	3,903	9,038	
Scotland	223	221	2	1	498	1,198	228	99	48	167	655	227	340	2,350	185	1,566	4,228	10,815	
Wales	172	170	2	1	435	828	159	71	43	159	395	201	227	2,311	171	1,369	4,655	10,370	
Northern Ireland	201	199	2	-	647	830	192	40	43	266	288	147	378	2,305	234	1,443	4,924	11,108	
UK identifiable expenditure	108	106	2	1	450	773	133	72	40	77	452	173	172	2,217	115	1,303	3,994	9,306	

Table 9.15 UK identifiable expenditure on services by function, country and region, per head⁽¹⁾, 2014-15 to 2018-19 (continued)

	Data in this table from 2014-15 to 2018-19 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
2018-19																		
North East	95	94	2	1	489	840	120	81	66	87	486	113	159	2,445	95	1,333	4,612	10,183
North West	81	79	2	1	451	724	130	81	49	52	412	362	103	2,460	101	1,239	4,343	9,865
Yorkshire and The Humber	71	69	2	0	441	624	117	88	55	89	276	115	164	2,203	99	1,325	4,082	9,123
East Midlands	76	74	2	1	399	618	126	89	44	91	268	106	108	2,022	86	1,245	3,941	8,601
West Midlands	98	96	2	1	405	763	110	82	50	54	467	99	123	2,244	87	1,325	4,098	9,242
East	107	105	2	1	373	830	137	94	27	78	493	150	129	2,031	83	1,266	3,767	8,736
London	77	75	2	1	693	1,280	222	101	42	11	903	124	272	2,773	126	1,473	3,606	10,425
South East	117	115	2	1	359	861	261	95	25	59	422	119	133	2,021	86	1,226	3,678	8,601
South West	92	90	2	1	360	708	156	99	20	125	308	156	102	2,109	87	1,165	4,131	8,910
England	91	89	2	1	448	836	165	91	40	66	474	155	149	2,269	96	1,292	3,959	9,296
Scotland	235	233	2	1	521	1,269	287	128	49	164	642	231	409	2,396	187	1,558	4,439	11,247
Wales	171	169	2	1	453	892	205	84	42	166	395	198	260	2,402	165	1,365	4,749	10,656
Northern Ireland	209	208	2	-	662	959	212	48	53	291	354	135	411	2,436	281	1,476	5,020	11,590
UK identifiable expenditure	110	108	2	1	460	877	178	93	41	85	481	163	182	2,291	112	1,323	4,066	9,584

⁽¹⁾ Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2019 release for details.

Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2014-15 to 2018-19

		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	
2014-15																				
North East	81	81	100	100	85	104	83	80	102	142	90	70	79	119	107	98	102	112	106	
North West	74	73	100	100	79	103	82	81	88	110	56	83	207	67	104	87	97	107	104	
Yorkshire and The Humber	62	62	100	100	74	94	93	97	93	131	84	88	68	82	98	92	101	100	97	
East Midlands	80	80	100	100	108	81	78	76	98	97	102	66	64	89	89	74	96	97	92	
West Midlands	81	81	100	100	73	90	80	87	81	115	65	76	64	96	102	73	101	102	98	
East	102	102	100	100	128	75	82	69	120	68	102	75	97	70	88	66	94	93	90	
London	78	78	100	100	104	154	145	88	110	105	10	205	75	131	122	131	118	92	110	
South East	88	88	100	100	132	75	75	68	107	56	65	75	80	65	89	73	91	90	87	
South West	95	95	100	100	131	79	77	75	102	57	145	59	103	55	91	72	88	101	93	
England	83	82	100	100	104	97	91	80	101	94	73	95	96	85	99	86	99	98	97	
Scotland	198	199	100	100	64	113	164	207	114	113	220	156	135	181	105	183	108	106	114	
Wales	159	160	100	100	155	99	124	199	94	116	183	96	128	123	101	135	98	115	110	
Northern Ireland	231	233	100	100	-	157	150	214	48	223	396	85	83	269	103	208	113	119	123	
UK identifiable expenditure	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
2015-16																				
North East	84	84	100	100	72	109	83	78	106	155	101	71	70	123	108	94	101	113	106	
North West	77	77	100	100	123	101	86	89	83	99	63	88	209	58	105	92	97	107	104	
Yorkshire and The Humber	67	66	100	100	78	93	91	85	90	133	89	89	77	89	97	90	100	101	97	
East Midlands	82	82	100	100	134	89	71	86	81	97	93	60	64	79	88	78	94	97	91	
West Midlands	75	74	100	100	83	92	73	41	72	113	63	78	67	50	100	77	100	101	96	
East	97	97	100	100	128	80	83	63	125	68	96	80	101	69	88	69	93	93	90	
London	83	83	100	100	94	148	164	115	118	109	13	211	75	153	122	120	116	92	111	
South East	82	82	100	100	105	76	80	91	114	57	57	78	77	65	89	77	92	90	88	
South West	84	84	100	100	79	78	74	79	87	57	134	63	94	62	91	69	88	101	92	
England	81	81	100	100	102	97	93	83	99	93	72	98	96	83	99	86	98	98	97	
Scotland	215	216	100	100	98	114	151	190	123	116	224	139	135	193	106	177	112	107	115	
Wales	162	163	100	100	136	91	114	158	96	119	207	92	121	150	100	141	101	115	110	
Northern Ireland	217	218	100	100	-	155	122	233	68	218	393	55	82	254	103	218	112	120	120	
UK identifiable expenditure	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	

Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2014-15 to 2018-19 (continued)

		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	
2016-17																				
	North East	71	70	100	74	113	83	80	93	167	98	73	71	95	107	99	102	113	106	
	North West	61	60	100	155	104	83	78	86	102	65	85	225	64	106	92	95	107	103	
	Yorkshire and The Humber	59	58	100	71	97	81	68	88	130	96	76	72	100	97	92	100	101	97	
	East Midlands	78	78	100	114	89	68	85	102	94	103	50	63	70	88	72	96	97	91	
	West Midlands	78	78	100	78	93	78	75	88	125	68	75	67	83	100	75	99	101	97	
	East	82	82	100	122	81	79	66	115	67	93	76	90	63	86	68	94	93	89	
	London	103	103	100	97	142	161	106	96	108	10	217	75	146	122	118	113	90	110	
	South East	131	131	100	108	77	86	119	104	61	61	81	72	65	88	80	93	91	89	
	South West	87	87	100	75	74	82	75	109	61	146	70	94	61	92	73	88	101	93	
	England	88	87	100	103	97	93	87	98	96	75	97	95	84	99	87	98	98	97	
	Scotland	179	180	100	101	111	159	196	136	120	219	145	139	187	108	174	116	106	116	
	Wales	145	145	100	112	94	106	122	96	117	190	88	122	146	103	137	102	116	110	
	Northern Ireland	165	166	100	-	152	117	170	58	143	346	68	87	242	104	223	110	122	120	
	UK identifiable expenditure	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
2017-18																				
	North East	84	83	99	102	109	74	76	93	163	95	60	64	91	107	85	99	114	105	
	North West	79	79	99	106	99	93	63	83	110	62	107	254	59	107	91	95	107	105	
	Yorkshire and The Humber	56	56	99	69	97	72	48	88	129	102	67	69	93	96	92	100	101	96	
	East Midlands	85	85	99	103	86	69	85	103	100	100	50	59	63	88	76	95	97	90	
	West Midlands	91	90	99	82	89	76	60	92	130	59	76	59	67	99	73	99	101	96	
	East	85	85	99	119	81	87	70	113	67	97	88	83	60	88	72	94	93	90	
	London	88	87	99	102	152	158	124	94	107	13	208	69	174	121	128	112	90	111	
	South East	93	93	99	122	77	90	143	105	63	62	79	79	69	89	79	92	91	89	
	South West	81	81	99	92	78	81	97	109	56	138	65	92	55	92	76	87	102	93	
	England	83	83	99	102	98	94	91	98	97	74	98	97	85	99	88	97	98	97	
	Scotland	207	208	111	98	111	155	171	139	120	218	145	131	198	106	160	120	106	116	
	Wales	160	160	99	135	97	107	119	99	108	208	88	116	132	104	149	105	117	111	
	Northern Ireland	186	188	99	-	144	107	144	56	108	347	64	85	220	104	203	111	123	119	
	UK identifiable expenditure	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	

Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2014-15 to 2018-19 (continued)

Data in this table from 2014-15 to 2018-19 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
2018-19																		
North East	87	87	99	104	106	96	68	87	161	102	101	70	87	107	85	101	113	106
North West	74	73	99	108	98	82	73	87	121	61	86	223	56	107	90	94	107	103
Yorkshire and The Humber	64	64	99	71	96	71	66	95	134	105	57	71	90	96	89	100	100	95
East Midlands	69	68	99	105	87	70	71	96	107	108	56	65	59	88	77	94	97	90
West Midlands	89	89	99	83	88	87	61	89	123	64	97	61	67	98	77	100	101	96
East	97	97	99	121	81	95	77	102	66	93	103	92	70	89	74	96	93	91
London	70	69	99	103	151	146	125	109	103	13	188	77	149	121	112	111	89	109
South East	106	106	99	124	78	98	146	102	61	69	88	73	73	88	77	93	90	90
South West	83	83	99	94	78	81	88	106	48	148	64	96	56	92	78	88	102	93
England	83	83	99	103	97	95	93	98	97	77	99	95	81	99	86	98	97	97
Scotland	214	215	110	93	113	145	161	138	119	193	134	142	224	105	167	118	109	117
Wales	156	157	99	115	98	102	115	91	102	195	82	122	142	105	148	103	117	111
Northern Ireland	190	192	99	–	144	109	119	52	129	343	74	83	225	106	251	112	123	121
UK identifiable expenditure	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Table 9.17 Total local government identifiable expenditure on services by country and region, 2014-15 to 2018-19

	as a per cent of total spending in that region (from Table 9.1)														
	National Statistics						National Statistics								
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
	£ million														
North East	6,374	6,378	6,370	6,167	6,147	26	25	25	24	24	26	25	25	24	23
North West ⁽¹⁾	17,257	17,165	17,091	18,295	17,136	26	25	25	26	26	26	25	26	26	24
Yorkshire and The Humber	11,721	11,774	11,856	11,422	11,374	25	25	25	24	24	25	25	24	24	23
East Midlands	8,832	8,882	8,906	8,874	8,714	23	23	23	22	22	23	23	22	22	21
West Midlands	12,632	11,850	12,232	11,917	12,093	25	24	24	23	23	25	24	23	22	22
East	12,191	11,979	12,037	11,994	12,130	25	24	24	23	23	25	24	23	23	22
London	29,161	28,930	28,565	29,291	28,580	35	33	32	32	32	35	33	32	32	31
South East	18,094	18,112	19,019	18,970	19,514	26	25	26	25	25	26	25	26	25	25
South West	10,834	10,784	10,618	10,799	10,796	24	23	23	22	22	24	23	23	22	22
Total England	127,096	125,855	126,692	127,728	126,483	27	26	26	25	25	27	26	26	25	24
Scotland	13,804	14,083	14,291	14,527	14,889	25	25	25	25	25	25	25	25	25	24
Wales	8,301	8,181	8,208	8,398	8,564	27	26	26	26	26	27	26	26	26	26
Northern Ireland ⁽²⁾	668	686	739	710	826	3	3	4	3	3	3	4	3	3	4
UK local government identifiable expenditure	149,869	148,805	149,930	151,363	150,763	26	25	25	25	25	26	25	25	25	24
Non-identifiable expenditure	710	776	847	745	661	1	1	1	1	1	1	1	1	1	1
Total local government expenditure on services	150,579	149,581	150,777	152,108	151,424	21	21	21	21	21	21	21	21	20	20
Accounting adjustments	21,246	23,307	23,735	23,224	25,355	26	31	28	28	28	26	31	28	28	32
Total local government expenditure	171,825	172,888	174,512	175,332	176,779	22	22	22	21	21	22	22	21	21	21

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

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

Table 9.18 Total local government identifiable expenditure on services by country and region, per head⁽¹⁾ 2014-15 to 2018-19

	£ per head									
	National Statistics					National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
North East	2,434	2,430	2,416	2,332	2,313	105	106	106	102	102
North West ⁽²⁾	2,419	2,392	2,366	2,521	2,350	104	105	104	110	104
Yorkshire and The Humber	2,187	2,184	2,185	2,096	2,076	94	96	96	91	91
East Midlands	1,904	1,899	1,885	1,860	1,814	82	83	83	81	80
West Midlands	2,211	2,059	2,105	2,033	2,049	95	90	92	89	90
East	2,026	1,972	1,964	1,944	1,956	87	86	86	85	86
London	3,415	3,338	3,257	3,319	3,208	147	146	143	145	141
South East	2,039	2,024	2,106	2,089	2,137	88	89	92	91	94
South West	1,998	1,971	1,925	1,942	1,928	86	86	84	85	85
Total England	2,340	2,297	2,292	2,296	2,260	101	101	100	100	100
Scotland	2,581	2,621	2,644	2,678	2,738	111	115	116	117	121
Wales	2,685	2,640	2,636	2,687	2,729	116	116	115	117	120
Northern Ireland ⁽³⁾	363	370	397	380	439	16	16	17	17	19
UK local government identifiable expenditure	2,320	2,285	2,284	2,292	2,269	100	100	100	100	100

⁽¹⁾ Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2019 release for details.

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

⁽³⁾ 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 expenditure on services excluding local government ⁽¹⁾ by country and region, 2014-15 to 2018-19

	£ million						as a per cent of total spending in that region (from Table 9.1)					
	National Statistics			National Statistics			National Statistics			National Statistics		
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn		
North East	18,470	18,965	19,196	19,576	20,918	74	75	75	76	77		
North West	49,014	50,411	51,188	52,566	54,797	74	75	75	74	76		
Yorkshire and The Humber	35,085	35,925	36,212	37,091	38,619	75	75	75	76	77		
East Midlands	29,388	29,739	30,233	31,017	32,607	77	77	77	78	79		
West Midlands	37,643	38,343	39,220	40,279	42,440	75	76	76	77	78		
East	36,152	37,545	37,716	39,496	42,041	75	76	76	77	78		
London	55,354	58,712	60,000	61,563	64,287	65	67	68	68	69		
South East	51,240	53,000	54,510	56,158	59,045	74	75	74	75	75		
South West	34,428	35,111	36,288	37,206	39,099	76	77	77	78	78		
Total England	346,773	357,752	364,564	374,952	393,853	73	74	74	75	76		
Scotland	41,127	42,101	43,065	44,142	46,271	75	75	75	75	76		
Wales	22,307	22,778	23,194	24,012	24,883	73	74	74	74	74		
Northern Ireland ⁽²⁾	19,659	19,524	19,752	20,072	20,981	97	97	96	97	96		
UK identifiable expenditure excluding local government	429,867	442,155	450,574	463,178	485,988	74	75	75	75	76		
Outside UK	27,080	25,762	25,411	26,658	30,202	100	100	100	100	100		
Total identifiable expenditure on services excluding local government	456,947	467,917	475,985	489,836	516,189	75	76	76	76	77		
Non-identifiable expenditure	95,729	100,368	102,027	108,572	105,449	99	99	99	99	99		
Total expenditure on services excluding local government	552,676	568,285	578,012	598,408	621,638	79	79	79	80	80		
Accounting adjustments	60,565	52,246	60,024	60,235	54,406	74	69	72	72	68		
Total Managed Expenditure excluding local government	613,241	620,531	638,036	658,643	676,044	78	78	79	79	79		

⁽¹⁾ Expenditure in this table covers central government, public corporations and Bank of England less public sector pensions expenditure.

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

Table 9.20 UK identifiable expenditure excluding local government⁽¹⁾ by country and region per head⁽²⁾, 2014-15 to 2018-19

	£ per head				
	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
North East	7,053	7,226	7,281	7,402	7,870
North West	6,871	7,026	7,086	7,242	7,515
Yorkshire and The Humber	6,546	6,665	6,675	6,806	7,048
East Midlands	6,337	6,358	6,398	6,500	6,787
West Midlands	6,588	6,663	6,750	6,873	7,192
East	6,008	6,179	6,154	6,403	6,780
London	6,482	6,774	6,842	6,976	7,217
South East	5,774	5,922	6,036	6,184	6,465
South West	6,348	6,417	6,578	6,693	6,982
Total England	6,384	6,530	6,596	6,741	7,036
Scotland	7,691	7,836	7,968	8,137	8,509
Wales	7,214	7,350	7,450	7,683	7,928
Northern Ireland ⁽³⁾	10,682	10,544	10,607	10,729	11,151
UK identifiable expenditure excluding local government	6,655	6,791	6,863	7,014	7,315

	Index (UK identifiable expenditure = 100)				
	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
North East	106	106	106	106	108
North West	103	103	103	103	103
Yorkshire and The Humber	98	98	97	97	96
East Midlands	95	94	93	93	93
West Midlands	99	98	98	98	98
East	90	91	90	91	93
London	97	100	100	99	99
South East	87	87	88	88	88
South West	95	94	96	95	95
Total England	96	96	96	96	96
Scotland	116	115	116	116	116
Wales	108	108	109	110	108
Northern Ireland ⁽³⁾	161	155	155	153	152
UK identifiable expenditure excluding local government	100	100	100	100	100

⁽¹⁾ Expenditure in this table covers central government, public corporations and Bank of England less public sector pensions expenditure.

⁽²⁾ Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2019 release for details.

⁽³⁾ 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 2018-19

All the data in this table are National Statistics

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
Scotland		583	1	2,756	2,882	470	2	818	1,592	225	1,163	13,002	239	2,655	862	24,367
Scottish Government ⁽¹⁾		10	—	—	—	—	—	—	—	—	—	—	—	—	—	10
Scotland Office		579	—	—	1,503	549	—	64	890	751	1,059	—	689	5,804	5,241	15,629
Scottish local government		—	—	—	5	—	—	—	5	—	—	—	—	—	—	5
Local government public corporations		106	9	79	2,513	541	695	8	1,005	281	—	28	87	16	18,038	21,148
UK government departments		1,278	10	2,836	6,902	1,559	697	890	3,492	1,257	2,222	13,030	1,015	8,475	24,142	61,160
Total identifiable expenditure in Scotland																
Wales		255	—	2	1,231	299	19	492	421	136	303	7,534	124	1,253	117	10,955
Welsh Government ⁽¹⁾		5	—	—	—	—	—	—	—	—	—	—	—	—	—	5
Wales Office		208	—	867	460	97	—	15	348	382	501	—	268	3,023	3,121	8,834
Welsh local government		—	—	—	3	—	—	—	3	—	—	—	—	—	—	3
Local government public corporations		69	5	552	1,105	248	245	13	468	102	12	5	127	9	11,669	13,650
UK government departments		537	5	1,422	2,800	644	264	520	1,240	620	816	7,538	519	4,285	14,907	33,447
Total identifiable expenditure in Wales																
Northern Ireland		338	—	1,242	1,525	217	11	542	657	47	555	4,532	178	2,778	8,061	19,254
Northern Ireland Executive ⁽¹⁾		19	—	—	—	—	—	—	—	—	—	—	—	—	—	19
Northern Ireland Office		—	—	—	43	43	—	—	—	197	218	50	318	—	—	826
Northern Irish local government		37	3	3	236	139	80	6	10	12	—	2	33	0	1,385	1,708
UK government departments		394	3	1,245	1,804	399	91	548	667	255	774	4,585	529	2,778	9,446	21,808
Total identifiable expenditure in Northern Ireland																

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

10 Public expenditure by country and sub-function

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

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

- as with **Chapter 9**, the information in **Chapter 10** was gathered in a separate data collection exercise during the summer of 2019. The **Chapter 10** tables are identical to those published in the CRA National Statistics release from November 2019¹. 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 2019.
- 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 2019 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 2014-15 and 2018-19:

- **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;

¹ <https://www.gov.uk/government/statistics/country-and-regional-analysis-2019>

- **Table 10.9** shows total identifiable expenditure on services for each English region by sub-function for outturn period 2018-19 only and;
- **Table 10.10** shows total identifiable expenditure on services for each English region by sub-function per head for outturn period 2018-19 only.

Table 10.1 Total identifiable expenditure on services in England 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	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	2,499	1,931	2,122	2,384	2,611	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	607	670	858	825	640	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	85	86	4	4	5	
1.6 General public services n.e.c.	1,609	1,665	2,494	1,773	1,843	
Total general public services	4,800	4,352	5,477	4,985	5,098	
2. Defence						
2.1 Military defence	–	–	–	–	–	
2.2 Civil defence	43	39	39	36	39	
2.3 Foreign military aid	–	–	–	–	–	
2.4 R&D defence	–	–	–	–	–	
2.5 Defence n.e.c.	–	–	–	–	–	
Total defence	43	39	39	36	39	
3. Public order and safety						
3.1 Police services	11,844	11,889	11,887	13,036	13,311	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	11,844	11,889	11,887	13,036	13,311	
3.2 Fire-protection services	2,215	2,097	2,123	2,102	2,100	
3.3 Law courts	5,342	4,826	4,885	5,135	5,303	
3.4 Prisons	3,168	3,563	3,633	3,643	3,848	
3.5 R&D public order and safety	30	28	27	15	15	
3.6 Public order and safety n.e.c.	477	642	570	501	508	
Total public order and safety	23,076	23,045	23,125	24,431	25,084	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	5,203	5,129	5,649	5,685	7,667	
4.2 Agriculture, forestry, fishing and hunting	3,126	2,639	3,248	3,161	3,673	
<i>of which: market support under CAP</i>	1,721	1,329	1,967	1,825	2,092	
<i>of which: other agriculture, food and fisheries policy</i>	1,403	1,266	1,231	1,295	1,533	
<i>of which: forestry</i>	2	44	51	41	47	
4.3 Fuel and energy	331	312	329	547	441	
4.4 Mining, manufacturing and construction	36	161	869	2,196	2,830	
4.5 Transport	17,340	22,659	23,169	24,492	26,534	
<i>of which: national roads</i>	2,830	2,965	3,050	3,089	3,876	
<i>of which: local roads ⁽¹⁾</i>	4,020	4,013	4,021	4,583	4,036	
<i>of which: local public transport</i>	2,140	2,077	2,110	2,097	2,052	
<i>of which: railway ⁽²⁾</i>	7,916	12,958	13,535	14,039	15,829	
<i>of which: other transport</i>	435	645	454	684	740	
4.6 Communication	–	–	–	–	0	
4.7 Other industries	119	123	116	109	118	
4.8 R&D economic affairs	3,506	3,744	3,491	3,899	5,099	
4.9 Economic affairs n.e.c.	407	386	355	330	417	
Total economic affairs	30,069	35,152	37,227	40,419	46,778	

Table 10.1 Total identifiable expenditure on services in England 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	
5. Environment protection						
5.1 Waste management	6,470	6,498	6,422	7,131	6,671	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	431	403	55	65	120	
5.4 Protection of biodiversity and landscape	331	463	291	237	212	
5.5 R&D environment protection	397	385	359	427	172	
5.6 Environment protection n.e.c.	1,502	1,346	1,459	1,445	1,497	
Total environment protection	9,130	9,095	8,586	9,304	8,672	
6. Housing and community amenities						
6.1 Housing development	3,971	3,672	3,522	4,473	4,738	
<i>of which: local authority housing</i>	<i>3,623</i>	<i>3,440</i>	<i>3,175</i>	<i>3,781</i>	<i>3,814</i>	
<i>of which: other social housing</i>	<i>348</i>	<i>232</i>	<i>347</i>	<i>692</i>	<i>924</i>	
6.2 Community development	2,487	2,252	2,821	2,736	2,717	
6.3 Water supply	7	6	6	6	7	
6.4 Street lighting	707	735	775	756	707	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	164	187	170	120	143	
Total housing and community amenities	7,336	6,853	7,295	8,091	8,313	
7. Health ⁽³⁾						
Medical services	107,012	110,531	113,773	115,852	121,730	
Health research	1,650	1,896	1,569	1,676	1,352	
Central and other health services	2,954	3,034	2,759	4,583	3,951	
Total health	111,617	115,461	118,101	122,111	127,032	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	2,463	2,296	2,279	2,164	2,160	
8.2 Cultural services	3,053	2,740	2,786	2,966	2,717	
8.3 Broadcasting and publishing services	183	199	201	281	339	
8.4 Religious and other community services	22	29	7	30	20	
8.5 R&D recreation, culture and religion	37	38	41	146	62	
8.6 Recreation, culture and religion n.e.c.	38	40	42	49	62	
Total recreation, culture and religion	5,795	5,343	5,356	5,635	5,360	
9. Education						
9.1 Pre-primary and primary education	25,452	25,706	25,260	24,802	24,072	
<i>of which: under fives</i>	<i>2,471</i>	<i>2,553</i>	<i>2,512</i>	<i>2,938</i>	<i>3,425</i>	
<i>of which: primary education</i>	<i>22,981</i>	<i>23,153</i>	<i>22,747</i>	<i>21,865</i>	<i>20,647</i>	
9.2 Secondary education ⁽⁴⁾	33,730	33,373	34,982	34,977	37,765	
9.3 Post-secondary non-tertiary education	580	508	594	581	514	
9.4 Tertiary education	4,491	4,045	3,855	3,215	2,467	
9.5 Education not definable by level	327	307	503	591	492	
9.6 Subsidiary services to education	3,203	2,969	2,873	2,799	2,777	
9.7 R&D education	1,573	1,573	1,704	1,816	2,259	
9.8 Education n.e.c.	1,361	1,806	1,804	1,802	1,990	
Total education	70,718	70,288	71,574	70,584	72,336	

Table 10.1 Total identifiable expenditure on services in England 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	
10. Social protection						
<i>of which: personal social services</i>	24,380	24,510	25,221	26,036	27,335	
10.1 Sickness and disability	39,864	42,067	42,093	43,268	44,835	
<i>of which: personal social services</i>	7,714	8,086	8,171	8,496	8,827	
<i>of which: incapacity, disability and injury benefits</i>	32,151	33,982	33,922	34,772	36,007	
10.2 Old age	93,871	95,171	96,713	98,510	101,572	
<i>of which: personal social services</i>	8,037	7,542	7,975	7,992	8,416	
<i>of which: pensions</i>	85,833	87,629	88,738	90,518	93,156	
10.3 Survivors	791	804	796	795	765	
10.4 Family and children	21,136	21,209	20,921	21,031	21,274	
<i>of which: personal social services</i>	8,133	8,354	8,478	8,843	9,396	
<i>of which: family benefits, income support and tax credits</i>	13,003	12,855	12,443	12,188	11,877	
10.5 Unemployment	2,770	2,139	1,769	1,624	1,370	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	2,770	2,139	1,769	1,624	1,370	
10.6 Housing	22,692	22,418	21,536	20,402	19,002	
10.7 Social exclusion n.e.c.	27,024	27,046	27,250	28,091	29,104	
<i>of which: personal social services</i>	495	528	597	705	696	
<i>of which: family benefits, income support and tax credits</i>	26,528	26,518	26,653	27,386	28,408	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	3,138	3,126	3,397	3,364	3,702	
Total social protection	211,286	213,980	214,475	217,084	221,622	
Total Expenditure on Services in England	473,869	483,608	491,256	502,681	520,336	

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

⁽²⁾ Following implementation of ESA 2010, Network Rail is now classified to Central Government. The Transport analysis shown includes Network Rail spending from 2015-16 onwards.

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

⁽⁴⁾ 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, 2014-15 to 2018-19

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	735	817	843	929	1,050	
1.2 Foreign economic aid	–	–	–	1	1	
1.3 General services	52	43	64	43	43	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	15	14	9	7	14	
1.6 General public services n.e.c.	331	253	177	227	169	
Total general public services	1,133	1,128	1,092	1,207	1,278	
2. Defence						
2.1 Military defence	–	–	–	–	–	
2.2 Civil defence	3	4	4	3	3	
2.3 Foreign military aid	–	–	–	–	–	
2.4 R&D defence	–	–	–	–	–	
2.5 Defence n.e.c.	–	–	–	–	–	
Total defence	3	4	4	3	3	
3. Public order and safety						
3.1 Police services	1,464	1,475	1,424	1,526	1,618	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	1,464	1,475	1,424	1,526	1,618	
3.2 Fire-protection services	363	388	369	383	391	
3.3 Law courts	470	457	462	458	488	
3.4 Prisons	325	305	309	318	320	
3.5 R&D public order and safety	–	–	–	–	–	
3.6 Public order and safety n.e.c.	26	25	20	16	18	
Total public order and safety	2,649	2,650	2,583	2,701	2,836	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	994	946	1,165	1,248	1,571	
4.2 Agriculture, forestry, fishing and hunting	920	808	929	908	890	
<i>of which: market support under CAP</i>	418	392	462	430	514	
<i>of which: other agriculture, food and fisheries policy</i>	390	329	368	396	296	
<i>of which: forestry</i>	112	87	99	82	80	
4.3 Fuel and energy	55	63	70	76	70	
4.4 Mining, manufacturing and construction	0	1	1	1	1	
4.5 Transport	2,787	3,138	3,381	3,554	3,492	
<i>of which: national roads</i>	620	708	754	848	648	
<i>of which: local roads</i>	678	691	673	645	653	
<i>of which: local public transport</i>	266	273	275	277	286	
<i>of which: railway⁽¹⁾</i>	849	1,048	1,241	1,373	1,435	
<i>of which: other transport</i>	374	418	438	411	470	
4.6 Communication	79	64	82	63	31	
4.7 Other industries	80	74	73	74	77	
4.8 R&D economic affairs	391	458	473	539	697	
4.9 Economic affairs n.e.c.	40	24	30	34	75	
Total economic affairs	5,346	5,576	6,203	6,497	6,902	

Table 10.2 Total identifiable expenditure on services in Scotland by sub-function, 2014-15 to 2018-19 (continued)

	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
	£ million				
5. Environment protection					
5.1 Waste management	830	843	881	879	900
5.2 Waste water management	–	–	–	–	–
5.3 Pollution abatement	37	36	7	9	16
5.4 Protection of biodiversity and landscape	138	129	116	111	116
5.5 R&D environment protection	34	35	32	39	14
5.6 Environment protection n.e.c.	231	214	189	195	210
Total environment protection	1,270	1,256	1,225	1,234	1,257
6. Housing and community amenities					
6.1 Housing development	1,104	1,119	1,008	1,271	1,616
<i>of which: local authority housing</i>	<i>780</i>	<i>772</i>	<i>685</i>	<i>806</i>	<i>1,007</i>
<i>of which: other social housing</i>	<i>324</i>	<i>347</i>	<i>323</i>	<i>465</i>	<i>610</i>
6.2 Community development	103	92	78	64	85
6.3 Water supply	315	330	492	503	513
6.4 Street lighting	5	8	6	5	6
6.5 R&D housing and community amenities	–	2	0	1	2
6.6 Housing and community amenities n.e.c.	15	19	3	3	–
Total housing and community amenities	1,542	1,569	1,589	1,847	2,222
7. Health ⁽²⁾					
Medical services	11,192	11,736	12,075	12,306	12,574
Health research	134	192	209	170	200
Central and other health services	265	202	315	274	256
Total health	11,592	12,131	12,600	12,750	13,030
8. Recreation, culture and religion					
8.1 Recreational and sporting services	733	527	517	467	454
8.2 Cultural services	435	502	497	474	503
8.3 Broadcasting and publishing services	27	29	24	33	40
8.4 Religious and other community services	12	13	12	11	11
8.5 R&D recreation, culture and religion	2	2	2	16	7
8.6 Recreation, culture and religion n.e.c.	–	–	0	0	0
Total recreation, culture and religion	1,209	1,074	1,053	1,001	1,015
9. Education					
9.1 Pre-primary and primary education	2,955	3,134	3,366	3,387	3,399
<i>of which: under fives</i>	<i>348</i>	<i>445</i>	<i>507</i>	<i>502</i>	<i>527</i>
<i>of which: primary education</i>	<i>2,607</i>	<i>2,689</i>	<i>2,859</i>	<i>2,885</i>	<i>2,871</i>
9.2 Secondary education	2,638	2,693	2,836	3,011	2,971
9.3 Post-secondary non-tertiary education	–	–	–	–	–
9.4 Tertiary education	1,458	1,413	1,484	1,478	1,481
9.5 Education not definable by level	142	134	135	145	126
9.6 Subsidiary services to education	225	242	217	238	257
9.7 R&D education	–	0	0	-1	0
9.8 Education n.e.c.	195	220	236	235	242
Total education	7,612	7,836	8,272	8,493	8,475

Table 10.2 Total identifiable expenditure on services in Scotland 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	
10. Social protection						
<i>of which: personal social services</i>	3,170	3,202	3,105	3,076	3,370	
10.1 Sickness and disability	4,867	5,081	5,071	5,196	5,600	
<i>of which: personal social services</i>	891	903	866	858	1,032	
<i>of which: incapacity, disability and injury benefits</i>	3,976	4,178	4,205	4,338	4,568	
10.2 Old age	10,441	10,578	10,590	10,768	11,091	
<i>of which: personal social services</i>	1,405	1,388	1,350	1,320	1,379	
<i>of which: pensions</i>	9,036	9,190	9,240	9,449	9,712	
10.3 Survivors	168	171	172	35	175	
10.4 Family and children	2,068	2,080	2,003	1,988	2,015	
<i>of which: personal social services</i>	874	911	889	898	959	
<i>of which: family benefits, income support and tax credits</i>	1,194	1,169	1,114	1,090	1,056	
10.5 Unemployment	330	261	215	194	159	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	330	261	215	194	159	
10.6 Housing	1,945	2,001	1,856	1,836	1,851	
10.7 Social exclusion n.e.c.	2,293	2,310	2,342	2,439	2,669	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: family benefits, income support and tax credits</i>	2,293	2,310	2,342	2,439	2,669	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	465	479	486	478	581	
Total social protection	22,576	22,961	22,736	22,934	24,142	
Total Expenditure on Services in Scotland	54,931	56,184	57,356	58,669	61,160	

⁽¹⁾ Following implementation of ESA 2010, Network Rail is now classified to Central Government. The Transport analysis shown includes Network Rail spending from 2015-16 onwards.

⁽²⁾ The level of detail required for COFOG level 2 is not yet available in all UK countries. 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, 2014-15 to 2018-19

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	435	395	411	425	413	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	14	13	21	21	24	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	5	5	–	–	–	
1.6 General public services n.e.c.	72	77	77	90	100	
Total general public services	526	490	509	536	537	
2. Defence						
2.1 Military defence	–	–	–	–	–	
2.2 Civil defence	4	3	2	3	2	
2.3 Foreign military aid	–	–	–	–	–	
2.4 R&D defence	–	–	–	–	–	
2.5 Defence n.e.c.	–	–	–	–	–	
Total defence	4	3	2	3	2	
3. Public order and safety						
3.1 Police services	718	677	685	710	749	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	718	677	685	710	749	
3.2 Fire-protection services	150	153	147	155	156	
3.3 Law courts	258	232	237	277	271	
3.4 Prisons	203	151	176	203	231	
3.5 R&D public order and safety	1	1	1	0	0	
3.6 Public order and safety n.e.c.	14	11	15	14	14	
Total public order and safety	1,343	1,225	1,261	1,360	1,422	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	495	421	430	459	576	
4.2 Agriculture, forestry, fishing and hunting	445	431	464	498	520	
<i>of which: market support under CAP</i>	230	209	242	249	248	
<i>of which: other agriculture, food and fisheries policy</i>	211	220	221	244	268	
<i>of which: forestry</i>	3	2	2	5	4	
4.3 Fuel and energy	36	39	29	40	34	
4.4 Mining, manufacturing and construction	1	5	-13	23	38	
4.5 Transport	997	1,204	1,174	1,235	1,240	
<i>of which: national roads</i>	247	294	348	332	287	
<i>of which: local roads</i>	256	209	216	227	279	
<i>of which: local public transport</i>	47	45	45	64	45	
<i>of which: railway⁽¹⁾</i>	409	613	523	568	581	
<i>of which: other transport</i>	38	44	42	45	48	
4.6 Communication	103	78	38	30	20	
4.7 Other industries	36	29	28	33	34	
4.8 R&D economic affairs	187	205	192	221	264	
4.9 Economic affairs n.e.c.	31	16	46	46	72	
Total economic affairs	2,332	2,428	2,388	2,586	2,800	

Table 10.3 Total identifiable expenditure on services in Wales 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	
5. Environment protection						
5.1 Waste management	401	400	397	397	422	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	17	16	0	1	2	
5.4 Protection of biodiversity and landscape	6	6	10	11	11	
5.5 R&D environment protection	20	20	18	22	8	
5.6 Environment protection n.e.c.	254	204	193	197	176	
Total environment protection	697	646	619	629	620	
6. Housing and community amenities						
6.1 Housing development	335	473	498	545	626	
<i>of which: local authority housing</i>	<i>335</i>	<i>473</i>	<i>498</i>	<i>545</i>	<i>626</i>	
<i>of which: other social housing</i>	–	–	–	–	–	
6.2 Community development	212	176	159	111	139	
6.3 Water supply	–	–	–	–	–	
6.4 Street lighting	53	44	45	47	44	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	7	8	9	8	8	
Total housing and community amenities	607	702	712	711	816	
7. Health ⁽²⁾						
Medical services	6,296	6,443	6,799	7,061	7,290	
Health research	45	48	48	57	47	
Central and other health services	100	101	103	103	202	
Total health	6,442	6,591	6,950	7,221	7,538	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	224	208	192	193	213	
8.2 Cultural services	190	182	179	217	181	
8.3 Broadcasting and publishing services	80	80	81	83	87	
8.4 Religious and other community services	0	-1	-2	-3	-2	
8.5 R&D recreation, culture and religion	1	1	1	6	3	
8.6 Recreation, culture and religion n.e.c.	20	23	26	39	38	
Total recreation, culture and religion	516	494	477	536	519	
9. Education						
9.1 Pre-primary and primary education	1,555	1,588	1,618	1,668	1,650	
<i>of which: under fives</i>	<i>46</i>	<i>44</i>	<i>39</i>	<i>39</i>	<i>40</i>	
<i>of which: primary education</i>	<i>1,508</i>	<i>1,545</i>	<i>1,579</i>	<i>1,629</i>	<i>1,611</i>	
9.2 Secondary education	1,749	1,868	1,910	1,944	1,945	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education	363	370	384	389	349	
9.5 Education not definable by level	179	112	101	106	106	
9.6 Subsidiary services to education	89	92	106	125	150	
9.7 R&D education	–	–	–	–	–	
9.8 Education n.e.c.	52	53	67	47	85	
Total education	3,987	4,083	4,185	4,280	4,285	

Table 10.3 Total identifiable expenditure on services in Wales 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	
10. Social protection						
<i>of which: personal social services</i>	1,787	1,741	1,801	1,894	2,038	
10.1 Sickness and disability	3,265	3,332	3,362	3,469	3,636	
<i>of which: personal social services</i>	545	528	559	586	631	
<i>of which: incapacity, disability and injury benefits</i>	2,720	2,804	2,803	2,884	3,006	
10.2 Old age	6,145	6,238	6,275	6,411	6,603	
<i>of which: personal social services</i>	643	617	623	652	696	
<i>of which: pensions</i>	5,501	5,621	5,652	5,758	5,907	
10.3 Survivors	73	72	71	69	64	
10.4 Family and children	1,331	1,319	1,312	1,324	1,346	
<i>of which: personal social services</i>	560	560	584	619	667	
<i>of which: family benefits, income support and tax credits</i>	771	759	728	705	680	
10.5 Unemployment	194	156	122	102	81	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	194	156	122	102	81	
10.6 Housing	1,207	1,208	1,180	1,174	1,108	
10.7 Social exclusion n.e.c.	1,660	1,656	1,655	1,674	1,764	
<i>of which: personal social services</i>	39	35	35	36	45	
<i>of which: family benefits, income support and tax credits</i>	1,621	1,622	1,620	1,638	1,719	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	282	314	323	323	304	
Total social protection	14,155	14,297	14,299	14,548	14,907	
Total Expenditure on Services in Wales	30,608	30,959	31,401	32,409	33,447	

⁽¹⁾ Following implementation of ESA 2010, Network Rail is now classified to Central Government. The Transport analysis shown includes Network Rail spending from 2015-16 onwards.

⁽²⁾ The level of detail required for COFOG level 2 is not yet available in all UK countries. 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, 2014-15 to 2018-19

	National Statistics					£ million
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	168	141	170	193	204	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	205	182	161	167	172	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	3	3	0	–	0	
1.6 General public services n.e.c.	80	66	17	15	18	
Total general public services	456	392	348	375	394	
2. Defence						
2.1 Military defence	–	–	–	–	–	
2.2 Civil defence	–	–	–	–	–	
2.3 Foreign military aid	–	–	–	–	–	
2.4 R&D defence	–	–	–	–	–	
2.5 Defence n.e.c.	–	–	–	–	–	
Total defence	–	–	–	–	–	
3. Public order and safety						
3.1 Police services	802	797	783	770	792	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	802	797	783	770	792	
3.2 Fire-protection services	81	82	83	92	92	
3.3 Law courts	257	226	222	199	204	
3.4 Prisons	132	139	131	150	157	
3.5 R&D public order and safety	–	–	–	0	0	
3.6 Public order and safety n.e.c.	–	–	–	–	–	
Total public order and safety	1,271	1,244	1,219	1,211	1,245	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	459	444	360	355	418	
4.2 Agriculture, forestry, fishing and hunting	572	487	505	498	548	
<i>of which: market support under CAP</i>	316	276	304	309	314	
<i>of which: other agriculture, food and fisheries policy</i>	246	203	194	182	226	
<i>of which: forestry</i>	10	8	7	7	8	
4.3 Fuel and energy	13	39	51	40	39	
4.4 Mining, manufacturing and construction	1	1	1	2	1	
4.5 Transport	521	431	547	539	667	
<i>of which: national roads</i>	16	18	9	4	16	
<i>of which: local roads</i>	349	246	315	310	371	
<i>of which: local public transport</i>	65	44	64	66	91	
<i>of which: railway</i>	61	82	94	99	110	
<i>of which: other transport</i>	30	41	66	60	79	
4.6 Communication	8	14	3	6	1	
4.7 Other industries	48	50	35	37	39	
4.8 R&D economic affairs	56	87	70	75	91	
4.9 Economic affairs n.e.c.	2	0	1	1	1	
Total economic affairs	1,680	1,554	1,573	1,552	1,804	

Table 10.4 Total identifiable expenditure on services in Northern Ireland 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
5. Environment protection					
5.1 Waste management	195	197	209	214	198
5.2 Waste water management	–	–	–	–	–
5.3 Pollution abatement	9	9	0	0	0
5.4 Protection of biodiversity and landscape	0	0	0	0	0
5.5 R&D environment protection	12	12	11	13	5
5.6 Environment protection n.e.c.	54	46	43	49	51
Total environment protection	270	264	263	276	255
6. Housing and community amenities					
6.1 Housing development	282	229	206	178	181
<i>of which: local authority housing</i>	–	–	–	–	–
<i>of which: other social housing</i>	282	229	206	178	181
6.2 Community development	148	123	106	87	103
6.3 Water supply	255	248	252	281	273
6.4 Street lighting	25	26	20	23	28
6.5 R&D housing and community amenities	–	–	–	–	–
6.6 Housing and community amenities n.e.c.	77	86	122	138	188
Total housing and community amenities	787	711	706	706	774
7. Health ⁽¹⁾					
Medical services	3,635	3,812	3,954	4,106	4,362
Health research	15	6	19	18	15
Central and other health services	261	217	203	190	208
Total health	3,910	4,034	4,176	4,313	4,585
8. Recreation, culture and religion					
8.1 Recreational and sporting services	261	235	242	212	255
8.2 Cultural services	160	166	172	167	206
8.3 Broadcasting and publishing services	9	12	10	12	18
8.4 Religious and other community services	42	44	42	42	49
8.5 R&D recreation, culture and religion	1	1	1	3	1
8.6 Recreation, culture and religion n.e.c.	–	–	–	–	–
Total recreation, culture and religion	473	457	466	437	529
9. Education					
9.1 Pre-primary and primary education	787	774	802	777	806
<i>of which: under fives</i>	67	60	67	65	65
<i>of which: primary education</i>	721	714	735	712	741
9.2 Secondary education	1,021	1,039	1,040	1,039	1,063
9.3 Post-secondary non-tertiary education	–	–	–	–	–
9.4 Tertiary education	368	336	343	336	324
9.5 Education not definable by level	87	78	69	66	66
9.6 Subsidiary services to education	210	200	197	222	246
9.7 R&D education	–	–	–	–	–
9.8 Education n.e.c.	264	279	263	261	273
Total education	2,738	2,706	2,715	2,700	2,778

Table 10.4 Total identifiable expenditure on services in Northern Ireland 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	
10. Social protection						
<i>of which: personal social services</i>	931	984	1,016	1,067	1,145	
10.1 Sickness and disability	2,523	2,650	2,814	2,881	3,031	
<i>of which: personal social services</i>	273	297	323	348	381	
<i>of which: incapacity, disability and injury benefits</i>	2,250	2,353	2,491	2,533	2,650	
10.2 Old age	3,654	3,669	3,749	3,919	4,042	
<i>of which: personal social services</i>	467	489	495	514	542	
<i>of which: pensions</i>	3,187	3,180	3,254	3,406	3,500	
10.3 Survivors	76	78	77	80	82	
10.4 Family and children	672	693	666	688	810	
<i>of which: personal social services</i>	191	198	198	206	222	
<i>of which: family benefits, income support and tax credits</i>	481	495	469	482	587	
10.5 Unemployment	178	141	119	102	73	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	178	141	119	102	73	
10.6 Housing	577	584	581	552	529	
10.7 Social exclusion n.e.c.	1,040	1,016	994	973	864	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: family benefits, income support and tax credits</i>	1,040	1,016	994	973	864	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	21	15	24	15	16	
Total social protection	8,742	8,847	9,025	9,211	9,446	
Total Expenditure on Services in Northern Ireland	20,327	20,210	20,491	20,782	21,808	

⁽¹⁾ The level of detail required for COFOG level 2 is not yet available in all UK countries. 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, 2014-15 to 2018-19

	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
	£ per head				
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	46	35	38	43	47
1.2 Foreign economic aid	–	–	–	–	–
1.3 General services	11	12	16	15	11
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	2	2	0	0	0
1.6 General public services n.e.c.	30	30	45	32	33
Total general public services	88	79	99	90	91
2. Defence					
2.1 Military defence	–	–	–	–	–
2.2 Civil defence	1	1	1	1	1
2.3 Foreign military aid	–	–	–	–	–
2.4 R&D defence	–	–	–	–	–
2.5 Defence n.e.c.	–	–	–	–	–
Total defence	1	1	1	1	1
3. Public order and safety					
3.1 Police services	218	217	215	234	238
<i>of which: immigration and citizenship</i>	–	–	–	–	–
<i>of which: other police services</i>	218	217	215	234	238
3.2 Fire-protection services	41	38	38	38	38
3.3 Law courts	98	88	88	92	95
3.4 Prisons	58	65	66	65	69
3.5 R&D public order and safety	1	1	0	0	0
3.6 Public order and safety n.e.c.	9	12	10	9	9
Total public order and safety	425	421	418	439	448
4. Economic affairs					
4.1 General economic, commercial and labour affairs	96	94	102	102	137
4.2 Agriculture, forestry, fishing and hunting	58	48	59	57	66
<i>of which: market support under CAP</i>	32	24	36	33	37
<i>of which: other agriculture, food and fisheries policy</i>	26	23	22	23	27
<i>of which: forestry</i>	0	1	1	1	1
4.3 Fuel and energy	6	6	6	10	8
4.4 Mining, manufacturing and construction	1	3	16	39	51
4.5 Transport	319	414	419	440	474
<i>of which: national roads</i>	52	54	55	56	69
<i>of which: local roads ⁽¹⁾</i>	74	73	73	82	72
<i>of which: local public transport</i>	39	38	38	38	37
<i>of which: railway⁽²⁾</i>	146	237	245	252	283
<i>of which: other transport</i>	8	12	8	12	13
4.6 Communication	–	–	–	–	–
4.7 Other industries	2	2	2	2	2
4.8 R&D economic affairs	65	68	63	70	91
4.9 Economic affairs n.e.c.	7	7	6	6	7
Total economic affairs	554	642	674	727	836

Table 10.5 Total identifiable expenditure on services in England by sub-function, per head, 2014-15 to 2018-19 (continued)

	National Statistics					£ per head
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
5. Environment protection						
5.1 Waste management	119	119	116	128	119	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	8	7	1	1	2	
5.4 Protection of biodiversity and landscape	6	8	5	4	4	
5.5 R&D environment protection	7	7	6	8	3	
5.6 Environment protection n.e.c.	28	25	26	26	27	
Total environment protection	168	166	155	167	155	
6. Housing and community amenities						
6.1 Housing development	73	67	64	80	85	
<i>of which: local authority housing</i>	<i>67</i>	<i>63</i>	<i>57</i>	<i>68</i>	<i>68</i>	
<i>of which: other social housing</i>	<i>6</i>	<i>4</i>	<i>6</i>	<i>12</i>	<i>17</i>	
6.2 Community development	46	41	51	49	49	
6.3 Water supply	0	0	0	0	0	
6.4 Street lighting	13	13	14	14	13	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	3	3	3	2	3	
Total housing and community amenities	135	125	132	145	149	
7. Health⁽³⁾						
Medical services	1,970	2,017	2,059	2,083	2,175	
Health research	30	35	28	30	24	
Central and other health services	54	55	50	82	71	
Total health	2,055	2,107	2,137	2,195	2,269	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	45	42	41	39	39	
8.2 Cultural services	56	50	50	53	49	
8.3 Broadcasting and publishing services	3	4	4	5	6	
8.4 Religious and other community services	0	1	0	1	0	
8.5 R&D recreation, culture and religion	1	1	1	3	1	
8.6 Recreation, culture and religion n.e.c.	1	1	1	1	1	
Total recreation, culture and religion	107	98	97	101	96	
9. Education						
9.1 Pre-primary and primary education	469	469	457	446	430	
<i>of which: under fives</i>	<i>45</i>	<i>47</i>	<i>45</i>	<i>53</i>	<i>61</i>	
<i>of which: primary education</i>	<i>423</i>	<i>423</i>	<i>412</i>	<i>393</i>	<i>369</i>	
9.2 Secondary education ⁽⁴⁾	621	609	633	629	675	
9.3 Post-secondary non-tertiary education	11	9	11	10	9	
9.4 Tertiary education	83	74	70	58	44	
9.5 Education not definable by level	6	6	9	11	9	
9.6 Subsidiary services to education	59	54	52	50	50	
9.7 R&D education	29	29	31	33	40	
9.8 Education n.e.c.	25	33	33	32	36	
Total education	1,302	1,283	1,295	1,269	1,292	

Table 10.5 Total identifiable expenditure on services in England by sub-function, per head, 2014-15 to 2018-19 (continued)

	National Statistics					£ per head
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
10. Social protection						
<i>of which: personal social services</i>	449	447	456	468	488	
10.1 Sickness and disability	734	768	762	778	801	
<i>of which: personal social services</i>	142	148	148	153	158	
<i>of which: incapacity, disability and injury benefits</i>	592	620	614	625	643	
10.2 Old age	1,728	1,737	1,750	1,771	1,815	
<i>of which: personal social services</i>	148	138	144	144	150	
<i>of which: pensions</i>	1,580	1,599	1,606	1,627	1,664	
10.3 Survivors	15	15	14	14	14	
10.4 Family and children	389	387	379	378	380	
<i>of which: personal social services</i>	150	152	153	159	168	
<i>of which: family benefits, income support and tax credits</i>	239	235	225	219	212	
10.5 Unemployment	51	39	32	29	24	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	51	39	32	29	24	
10.6 Housing	418	409	390	367	339	
10.7 Social exclusion n.e.c.	498	494	493	505	520	
<i>of which: personal social services</i>	9	10	11	13	12	
<i>of which: family benefits, income support and tax credits</i>	488	484	482	492	507	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	58	57	61	60	66	
Total social protection	3,890	3,906	3,881	3,903	3,959	
Total Expenditure on Services in England	8,724	8,827	8,889	9,038	9,296	

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

⁽²⁾ Following implementation of ESA 2010, Network Rail is now classified to Central Government. The Transport analysis shown includes Network Rail spending from 2015-16 onwards.

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

⁽⁴⁾ 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, 2014-15 to 2018-19

	£ per head				
	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	137	152	156	171	193
1.2 Foreign economic aid	–	–	–	0	0
1.3 General services	10	8	12	8	8
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	3	3	2	1	3
1.6 General public services n.e.c.	62	47	33	42	31
Total general public services	212	210	202	223	235
2. Defence					
2.1 Military defence	–	–	–	–	–
2.2 Civil defence	0	1	1	1	1
2.3 Foreign military aid	–	–	–	–	–
2.4 R&D defence	–	–	–	–	–
2.5 Defence n.e.c.	–	–	–	–	–
Total defence	0	1	1	1	1
3. Public order and safety					
3.1 Police services	274	275	263	281	298
<i>of which: immigration and citizenship</i>	–	–	–	–	–
<i>of which: other police services</i>	274	275	263	281	298
3.2 Fire-protection services	68	72	68	71	72
3.3 Law courts	88	85	85	84	90
3.4 Prisons	61	57	57	59	59
3.5 R&D public order and safety	–	–	–	–	–
3.6 Public order and safety n.e.c.	5	5	4	3	3
Total public order and safety	495	493	478	498	521
4. Economic affairs					
4.1 General economic, commercial and labour affairs	186	176	216	230	289
4.2 Agriculture, forestry, fishing and hunting	172	150	172	167	164
<i>of which: market support under CAP</i>	78	73	85	79	95
<i>of which: other agriculture, food and fisheries policy</i>	73	61	68	73	54
<i>of which: forestry</i>	21	16	18	15	15
4.3 Fuel and energy	10	12	13	14	13
4.4 Mining, manufacturing and construction	0	0	0	0	0
4.5 Transport	521	584	625	655	642
<i>of which: national roads</i>	116	132	140	156	119
<i>of which: local roads</i>	127	129	125	119	120
<i>of which: local public transport</i>	50	51	51	51	53
<i>of which: railway⁽¹⁾</i>	159	195	230	253	264
<i>of which: other transport</i>	70	78	81	76	86
4.6 Communication	15	12	15	12	6
4.7 Other industries	15	14	14	14	14
4.8 R&D economic affairs	73	85	87	99	128
4.9 Economic affairs n.e.c.	8	4	6	6	14
Total economic affairs	1,000	1,038	1,148	1,198	1,269

Table 10.6 Total identifiable expenditure on services in Scotland by sub-function, per head, 2014-15 to 2018-19 (continued)

	National Statistics					£ per head
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
5. Environment protection						
5.1 Waste management	155	157	163	162	165	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	7	7	1	2	3	
5.4 Protection of biodiversity and landscape	26	24	21	21	21	
5.5 R&D environment protection	6	6	6	7	3	
5.6 Environment protection n.e.c.	43	40	35	36	39	
Total environment protection	238	234	227	227	231	
6. Housing and community amenities						
6.1 Housing development	206	208	187	234	297	
<i>of which: local authority housing</i>	146	144	127	149	185	
<i>of which: other social housing</i>	61	65	60	86	112	
6.2 Community development	19	17	14	12	16	
6.3 Water supply	59	61	91	93	94	
6.4 Street lighting	1	2	1	1	1	
6.5 R&D housing and community amenities	–	0	0	0	0	
6.6 Housing and community amenities n.e.c.	3	3	1	1	–	
Total housing and community amenities	288	292	294	340	409	
7. Health ⁽²⁾						
Medical services	2,093	2,184	2,234	2,268	2,312	
Health research	25	36	39	31	37	
Central and other health services	50	38	58	50	47	
Total health	2,168	2,258	2,331	2,350	2,396	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	137	98	96	86	84	
8.2 Cultural services	81	94	92	87	92	
8.3 Broadcasting and publishing services	5	5	4	6	7	
8.4 Religious and other community services	2	2	2	2	2	
8.5 R&D recreation, culture and religion	0	0	0	3	1	
8.6 Recreation, culture and religion n.e.c.	–	–	–	–	–	
Total recreation, culture and religion	226	200	195	185	187	
9. Education						
9.1 Pre-primary and primary education	553	583	623	624	625	
<i>of which: under fives</i>	65	83	94	93	97	
<i>of which: primary education</i>	488	500	529	532	528	
9.2 Secondary education	493	501	525	555	546	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education	273	263	275	272	272	
9.5 Education not definable by level	27	25	25	27	23	
9.6 Subsidiary services to education	42	45	40	44	47	
9.7 R&D education	–	0	0	0	0	
9.8 Education n.e.c.	36	41	44	43	45	
Total education	1,423	1,458	1,531	1,566	1,558	

Table 10.6 Total identifiable expenditure on services in Scotland by sub-function, per head, 2014-15 to 2018-19 (continued)

	National Statistics					£ per head
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
10. Social protection						
<i>of which: personal social services</i>	593	596	575	567	620	
10.1 Sickness and disability	910	946	938	958	1,030	
<i>of which: personal social services</i>	167	168	160	158	190	
<i>of which: incapacity, disability and injury benefits</i>	744	778	778	800	840	
10.2 Old age	1,952	1,969	1,959	1,985	2,040	
<i>of which: personal social services</i>	263	258	250	243	254	
<i>of which: pensions</i>	1,690	1,710	1,710	1,742	1,786	
10.3 Survivors	31	32	32	7	32	
10.4 Family and children	387	387	371	366	371	
<i>of which: personal social services</i>	163	170	165	165	176	
<i>of which: family benefits, income support and tax credits</i>	223	218	206	201	194	
10.5 Unemployment	62	49	40	36	29	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	62	49	40	36	29	
10.6 Housing	364	372	343	338	340	
10.7 Social exclusion n.e.c.	429	430	433	450	491	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: family benefits, income support and tax credits</i>	429	430	433	450	491	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	87	89	90	88	107	
Total social protection	4,222	4,273	4,207	4,228	4,439	
Total Expenditure on Services in Scotland	10,272	10,457	10,612	10,815	11,247	

⁽¹⁾ Following implementation of ESA 2010, Network Rail is now classified to Central Government. The Transport analysis shown includes Network Rail spending from 2015-16 onwards.

⁽²⁾ The level of detail required for COFOG level 2 is not yet available in all UK countries. 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, 2014-15 to 2018-19

	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
					£ per head
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	141	127	132	136	132
1.2 Foreign economic aid	–	–	–	–	–
1.3 General services	5	4	7	7	8
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	1	1	–	–	–
1.6 General public services n.e.c.	23	25	25	29	32
Total general public services	170	158	164	172	171
2. Defence					
2.1 Military defence	–	–	–	–	–
2.2 Civil defence	1	1	1	1	1
2.3 Foreign military aid	–	–	–	–	–
2.4 R&D defence	–	–	–	–	–
2.5 Defence n.e.c.	–	–	–	–	–
Total defence	1	1	1	1	1
3. Public order and safety					
3.1 Police services	232	219	220	227	239
<i>of which: immigration and citizenship</i>	–	–	–	–	–
<i>of which: other police services</i>	232	219	220	227	239
3.2 Fire-protection services	48	49	47	50	50
3.3 Law courts	83	75	76	89	86
3.4 Prisons	66	49	56	65	74
3.5 R&D public order and safety	0	0	0	0	0
3.6 Public order and safety n.e.c.	4	4	5	4	4
Total public order and safety	434	395	405	435	453
4. Economic affairs					
4.1 General economic, commercial and labour affairs	160	136	138	147	184
4.2 Agriculture, forestry, fishing and hunting	144	139	149	159	166
<i>of which: market support under CAP</i>	75	68	78	80	79
<i>of which: other agriculture, food and fisheries policy</i>	68	71	71	78	85
<i>of which: forestry</i>	1	1	1	2	1
4.3 Fuel and energy	12	13	9	13	11
4.4 Mining, manufacturing and construction	0	2	-4	7	12
4.5 Transport	323	388	377	395	395
<i>of which: national roads</i>	80	95	112	106	92
<i>of which: local roads</i>	83	67	69	73	89
<i>of which: local public transport</i>	15	14	15	20	14
<i>of which: railway⁽¹⁾</i>	132	198	168	182	185
<i>of which: other transport</i>	12	14	13	14	15
4.6 Communication	33	25	12	10	7
4.7 Other industries	12	9	9	11	11
4.8 R&D economic affairs	60	66	62	71	84
4.9 Economic affairs n.e.c.	10	5	15	15	23
Total economic affairs	754	783	767	828	892

Table 10.7 Total identifiable expenditure on services in Wales by sub-function, per head, 2014-15 to 2018-19 (continued)

	National Statistics					£ per head
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
5. Environment protection						
5.1 Waste management	130	129	127	127	135	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	5	5	0	0	1	
5.4 Protection of biodiversity and landscape	2	2	3	4	4	
5.5 R&D environment protection	6	6	6	7	3	
5.6 Environment protection n.e.c.	82	66	62	63	56	
Total environment protection	226	209	199	201	198	
6. Housing and community amenities						
6.1 Housing development	108	153	160	174	199	
<i>of which: local authority housing</i>	<i>108</i>	<i>153</i>	<i>160</i>	<i>174</i>	<i>199</i>	
<i>of which: other social housing</i>	–	–	–	–	–	
6.2 Community development	68	57	51	35	44	
6.3 Water supply	–	–	–	–	–	
6.4 Street lighting	17	14	15	15	14	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	2	3	3	2	2	
Total housing and community amenities	196	226	229	227	260	
7. Health ⁽²⁾						
Medical services	2,036	2,079	2,184	2,259	2,323	
Health research	15	15	15	18	15	
Central and other health services	32	33	33	33	64	
Total health	2,083	2,127	2,232	2,311	2,402	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	72	67	62	62	68	
8.2 Cultural services	61	59	57	69	58	
8.3 Broadcasting and publishing services	26	26	26	27	28	
8.4 Religious and other community services	0	0	-1	-1	-1	
8.5 R&D recreation, culture and religion	0	0	0	2	1	
8.6 Recreation, culture and religion n.e.c.	7	7	8	13	12	
Total recreation, culture and religion	167	159	153	171	165	
9. Education						
9.1 Pre-primary and primary education	503	513	520	534	526	
<i>of which: under fives</i>	<i>15</i>	<i>14</i>	<i>12</i>	<i>12</i>	<i>13</i>	
<i>of which: primary education</i>	<i>488</i>	<i>498</i>	<i>507</i>	<i>521</i>	<i>513</i>	
9.2 Secondary education	566	603	613	622	620	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education	117	119	123	125	111	
9.5 Education not definable by level	58	36	33	34	34	
9.6 Subsidiary services to education	29	30	34	40	48	
9.7 R&D education	–	–	–	–	–	
9.8 Education n.e.c.	17	17	21	15	27	
Total education	1,289	1,318	1,344	1,369	1,365	

Table 10.7 Total identifiable expenditure on services in Wales by sub-function, per head, 2014-15 to 2018-19 (continued)

	National Statistics					£ per head
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
10. Social protection						
<i>of which: personal social services</i>	578	562	578	606	649	
10.1 Sickness and disability	1,056	1,075	1,080	1,110	1,159	
<i>of which: personal social services</i>	176	171	180	187	201	
<i>of which: incapacity, disability and injury benefits</i>	880	905	900	923	958	
10.2 Old age	1,987	2,013	2,016	2,051	2,104	
<i>of which: personal social services</i>	208	199	200	209	222	
<i>of which: pensions</i>	1,779	1,814	1,816	1,843	1,882	
10.3 Survivors	24	23	23	22	20	
10.4 Family and children	431	426	421	424	429	
<i>of which: personal social services</i>	181	181	187	198	212	
<i>of which: family benefits, income support and tax credits</i>	250	245	234	226	217	
10.5 Unemployment	63	50	39	33	26	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	63	50	39	33	26	
10.6 Housing	390	390	379	376	353	
10.7 Social exclusion n.e.c.	537	535	531	536	562	
<i>of which: personal social services</i>	13	11	11	12	14	
<i>of which: family benefits, income support and tax credits</i>	524	523	520	524	548	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	91	101	104	104	97	
Total social protection	4,578	4,613	4,593	4,655	4,749	
Total Expenditure on Services in Wales	9,899	9,990	10,087	10,370	10,656	

⁽¹⁾ Following implementation of ESA 2010, Network Rail is now classified to Central Government. The Transport analysis shown includes Network Rail spending from 2015-16 onwards.

⁽²⁾ The level of detail required for COFOG level 2 is not yet available in all UK countries. 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, 2014-15 to 2018-19

	£ per head				
	National Statistics				
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	91	76	91	103	108
1.2 Foreign economic aid	–	–	–	–	–
1.3 General services	112	98	87	89	92
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	1	1	0	–	0
1.6 General public services n.e.c.	43	36	9	8	10
Total general public services	248	212	187	201	209
2. Defence					
2.1 Military defence	–	–	–	–	–
2.2 Civil defence	–	–	–	–	–
2.3 Foreign military aid	–	–	–	–	–
2.4 R&D defence	–	–	–	–	–
2.5 Defence n.e.c.	–	–	–	–	–
Total defence	–	–	–	–	–
3. Public order and safety					
3.1 Police services	436	430	420	411	421
<i>of which: immigration and citizenship</i>	–	–	–	–	–
<i>of which: other police services</i>	436	430	420	411	421
3.2 Fire-protection services	44	44	45	49	49
3.3 Law courts	140	122	119	107	108
3.4 Prisons	72	75	71	80	84
3.5 R&D public order and safety	–	–	–	0	0
3.6 Public order and safety n.e.c.	–	–	–	–	–
Total public order and safety	691	672	655	647	662
4. Economic affairs					
4.1 General economic, commercial and labour affairs	249	240	193	189	222
4.2 Agriculture, forestry, fishing and hunting	311	263	271	266	291
<i>of which: market support under CAP</i>	172	149	163	165	167
<i>of which: other agriculture, food and fisheries policy</i>	133	110	104	97	120
<i>of which: forestry</i>	5	4	4	4	4
4.3 Fuel and energy	7	21	28	21	21
4.4 Mining, manufacturing and construction	1	1	1	1	1
4.5 Transport	283	233	294	288	354
<i>of which: national roads</i>	9	10	5	2	8
<i>of which: local roads</i>	189	133	169	166	197
<i>of which: local public transport</i>	35	24	34	35	49
<i>of which: railway</i>	33	44	50	53	58
<i>of which: other transport</i>	16	22	35	32	42
4.6 Communication	4	7	2	3	0
4.7 Other industries	26	27	19	20	21
4.8 R&D economic affairs	31	47	37	40	48
4.9 Economic affairs n.e.c.	1	0	0	1	0
Total economic affairs	913	839	845	830	959

Table 10.8 Total identifiable expenditure on services in Northern Ireland by sub-function, per head, 2014-15 to 2018-19 (continued)

	National Statistics					£ per head
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
5. Environment protection						
5.1 Waste management	106	106	112	114	105	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	5	5	0	0	0	
5.4 Protection of biodiversity and landscape	0	0	0	0	0	
5.5 R&D environment protection	6	6	6	7	3	
5.6 Environment protection n.e.c.	30	25	23	26	27	
Total environment protection	147	142	141	147	135	
6. Housing and community amenities						
6.1 Housing development	153	124	110	95	96	
<i>of which: local authority housing</i>	–	–	–	–	–	
<i>of which: other social housing</i>	153	124	110	95	96	
6.2 Community development	80	66	57	47	55	
6.3 Water supply	138	134	135	150	145	
6.4 Street lighting	14	14	11	12	15	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	42	46	65	74	100	
Total housing and community amenities	427	384	379	378	411	
7. Health ⁽¹⁾						
Medical services	1,975	2,058	2,123	2,194	2,318	
Health research	8	3	10	10	8	
Central and other health services	142	117	109	101	111	
Total health	2,125	2,179	2,243	2,305	2,436	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	142	127	130	114	135	
8.2 Cultural services	87	89	92	89	110	
8.3 Broadcasting and publishing services	5	6	5	7	9	
8.4 Religious and other community services	23	24	22	22	26	
8.5 R&D recreation, culture and religion	0	0	0	1	1	
8.6 Recreation, culture and religion n.e.c.	–	–	–	–	–	
Total recreation, culture and religion	257	247	250	234	281	
9. Education						
9.1 Pre-primary and primary education	428	418	431	415	428	
<i>of which: under fives</i>	36	32	36	35	35	
<i>of which: primary education</i>	392	386	395	381	394	
9.2 Secondary education	555	561	559	555	565	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education	200	182	184	180	172	
9.5 Education not definable by level	47	42	37	35	35	
9.6 Subsidiary services to education	114	108	106	119	131	
9.7 R&D education	–	–	–	–	–	
9.8 Education n.e.c.	144	150	141	139	145	
Total education	1,488	1,462	1,458	1,443	1,476	

Table 10.8 Total identifiable expenditure on services in Northern Ireland by sub-function, per head, 2014-15 to 2018-19 (continued)

	National Statistics					£ per head
	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	
10. Social protection						
<i>of which: personal social services</i>	506	531	545	570	609	
10.1 Sickness and disability	1,371	1,431	1,511	1,540	1,611	
<i>of which: personal social services</i>	148	160	173	186	202	
<i>of which: incapacity, disability and injury benefits</i>	1,223	1,271	1,338	1,354	1,408	
10.2 Old age	1,985	1,981	2,013	2,095	2,148	
<i>of which: personal social services</i>	254	264	266	275	288	
<i>of which: pensions</i>	1,732	1,718	1,748	1,820	1,860	
10.3 Survivors	41	42	41	43	44	
10.4 Family and children	365	374	358	368	430	
<i>of which: personal social services</i>	104	107	106	110	118	
<i>of which: family benefits, income support and tax credits</i>	261	267	252	258	312	
10.5 Unemployment	97	76	64	55	39	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: other unemployment benefits</i>	97	76	64	55	39	
10.6 Housing	313	316	312	295	281	
10.7 Social exclusion n.e.c.	565	549	534	520	459	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: family benefits, income support and tax credits</i>	565	549	534	520	459	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	12	8	13	8	8	
Total social protection	4,750	4,778	4,847	4,924	5,020	
Total Expenditure on Services in Northern Ireland	11,044	10,915	11,004	11,108	11,590	

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

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2018-19

	National Statistics										£ million
	Yorkshire and The Humber					West Midlands					
	North East	North West	East Midlands	East	London	South East	South West	Total England			
1. General public services											
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	146	315	214	205	286	339	433	443	230	2,611	
1.2 Foreign economic aid	—	—	—	—	—	—	—	—	—	—	
1.3 General services	30	101	17	57	106	48	95	132	55	640	
1.4 Basic research	—	—	—	—	—	—	—	—	—	—	
1.5 R&D general public services	0	1	1	0	1	1	1	1	1	5	
1.6 General public services n.e.c.	77	174	157	101	183	276	538	107	229	1,843	
Total general public services	254	590	389	364	576	663	1,067	682	514	5,098	
2. Defence											
2.1 Military defence	—	—	—	—	—	—	—	—	—	—	
2.2 Civil defence	2	5	3	3	3	5	8	6	4	39	
2.3 Foreign military aid	—	—	—	—	—	—	—	—	—	—	
2.4 R&D defence	—	—	—	—	—	—	—	—	—	—	
2.5 Defence n.e.c.	—	—	—	—	—	—	—	—	—	—	
Total defence	2	5	3	3	3	5	8	6	4	39	
3. Public order and safety											
3.1 Police services	579	1,690	1,218	908	1,173	1,164	1,848	3,646	1,084	13,311	
<i>of which: immigration and citizenship</i>	—	—	—	—	—	—	—	—	—	—	
<i>of which: other police services</i>	579	1,690	1,218	908	1,173	1,164	1,848	3,646	1,084	13,311	
3.2 Fire-protection services	122	286	201	163	212	222	341	350	203	2,100	
3.3 Law courts	309	680	493	356	507	430	554	1,559	415	5,303	
3.4 Prisons	260	554	451	453	444	453	474	487	272	3,848	
3.5 R&D public order and safety	1	2	2	1	2	1	2	4	1	15	
3.6 Public order and safety n.e.c.	29	75	50	35	52	41	61	127	38	508	
Total public order and safety	1,299	3,287	2,415	1,916	2,389	2,312	3,279	6,174	2,013	25,084	
4. Economic affairs											
4.1 General economic, commercial and labour affairs	396	985	756	588	809	673	1,028	1,860	572	7,667	
4.2 Agriculture, forestry, fishing and hunting	230	376	487	439	319	486	537	96	702	3,673	
<i>of which: market support under CAP</i>	119	184	245	289	214	349	279	6	407	2,092	
<i>of which: other agriculture, food and fisheries policy</i>	107	186	237	146	101	132	251	89	285	1,533	
<i>of which: forestry</i>	3	6	5	4	4	5	7	1	11	47	
4.3 Fuel and energy	35	52	49	48	41	38	63	68	47	441	
4.4 Mining, manufacturing and construction	42	208	83	145	48	250	1,431	304	318	2,830	

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2018-19 (continued)

	National Statistics										£ million										
	North East		North West		Yorkshire and The Humber		East Midlands		West Midlands			East		London		South East		South West		Total England	
4. Economic affairs continued																					
4.5 Transport	1,291	3,002	1,514	1,286	2,758	3,058	8,047	3,854	1,724	26,534											
of which: national roads	676	351	176	227	383	783	196	798	285	3,876											
of which: local roads	242	607	404	332	477	615	247	644	466	4,036											
of which: local public transport	41	215	137	102	103	84	1,182	87	100	2,052											
of which: railway	304	1,790	728	566	1,703	1,466	6,301	2,189	781	15,829											
of which: other transport	27	39	68	59	92	110	119	134	92	740											
4.6 Communication	—	—	—	—	—	—	—	—	—	0											
4.7 Other industries	5	12	13	6	8	9	40	16	10	118											
4.8 R&D economic affairs	215	589	481	428	484	585	901	864	552	5,099											
4.9 Economic affairs n.e.c.	17	52	39	30	37	48	83	73	38	417											
Total economic affairs	2,232	5,278	3,422	2,970	4,504	5,146	11,399	7,866	3,962	46,778											
5. Environment protection																					
5.1 Waste management	215	2,433	397	369	419	604	811	781	642	6,671											
5.2 Waste water management	—	—	—	—	—	—	—	—	—	—											
5.3 Pollution abatement	3	10	6	7	6	29	18	32	9	120											
5.4 Protection of biodiversity and landscape	8	31	29	31	29	18	12	25	28	212											
5.5 R&D environment protection	8	22	17	15	18	20	27	27	18	172											
5.6 Environment protection n.e.c.	67	147	182	87	112	260	242	223	178	1,497											
Total environment protection	301	2,643	632	508	585	931	1,109	1,088	876	8,672											
6. Housing and community amenities																					
6.1 Housing development	191	296	411	299	364	480	1,758	628	311	4,738											
of which: local authority housing	139	155	305	206	251	361	1,758	436	203	3,814											
of which: other social housing	51	141	106	93	114	120	0	192	108	924											
6.2 Community development	168	335	384	154	255	229	550	451	189	2,717											
6.3 Water supply	0	1	1	1	1	1	1	1	1	7											
6.4 Street lighting	56	101	86	51	88	72	92	108	54	707											
6.5 R&D housing and community amenities	—	—	—	—	—	—	—	—	—	—											
6.6 Housing and community amenities n.e.c.	7	18	14	12	15	16	25	23	14	143											
Total housing and community amenities	422	751	896	517	723	797	2,426	1,211	569	8,313											

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2018-19 (continued)

	National Statistics										£ million
	Yorkshire and The Humber					West Midlands					
	North East	North West	North	East Midlands	West Midlands	East	London	South East	South West	Total England	
7. Health⁽¹⁾											
Medical services	6,251	17,256	11,561	9,263	12,691	12,012	23,812	17,593	11,290	121,730	
Health research	61	166	123	110	132	146	266	222	126	1,352	
Central and other health services	188	515	387	339	416	438	629	645	395	3,951	
Total health	6,500	17,937	12,071	9,712	13,239	12,596	24,706	18,460	11,812	127,032	
8. Recreation, culture and religion											
8.1 Recreational and sporting services	98	307	246	177	225	225	350	344	187	2,160	
8.2 Cultural services	137	366	257	190	251	228	675	354	258	2,717	
8.3 Broadcasting and publishing services	15	44	30	26	33	40	65	55	31	339	
8.4 Religious and other community services	-3	1	-3	9	-10	7	7	12	0	20	
8.5 R&D recreation, culture and religion	3	8	6	5	6	7	12	11	6	62	
8.6 Recreation, culture and religion n.e.c.	3	8	6	5	7	7	10	10	6	62	
Total recreation, culture and religion	252	734	543	413	511	514	1,119	787	489	5,360	
9. Education⁽²⁾											
9.1 Pre-primary and primary education <i>of which: under fives</i>	1,123	3,561	2,210	1,814	2,578	2,455	4,830	3,675	1,824	24,072	
<i>of which: primary education</i>	162	520	317	261	372	339	673	525	256	3,425	
9.2 Secondary education	961	3,041	1,893	1,553	2,206	2,117	4,157	3,150	1,569	20,647	
9.3 Post-secondary non-tertiary education	1,870	4,214	4,057	3,350	4,234	4,418	6,097	5,765	3,761	37,765	
9.4 Tertiary education	33	67	33	22	38	46	144	77	53	514	
9.5 Education not definable by level	140	316	292	235	268	119	460	392	245	2,467	
9.6 Subsidiary services to education	23	64	48	42	53	55	80	80	47	492	
9.7 R&D education	161	337	232	205	292	306	549	450	244	2,777	
9.8 Education n.e.c.	97	210	191	140	140	224	671	440	147	2,259	
Total education	3,543	9,036	7,258	5,983	7,821	7,848	13,123	11,198	6,526	72,336	
10. Social protection											
<i>of which: personal social services</i>	1,417	3,777	2,580	2,136	2,776	2,828	4,897	4,158	2,765	27,335	
10.1 Sickness and disability <i>of which: personal social services</i>	2,722	7,302	4,671	3,953	4,942	4,512	6,087	6,195	4,449	44,835	
<i>of which: incapacity, disability and injury benefits</i>	389	1,210	739	688	879	1,078	1,422	1,458	964	8,827	
10.2 Old age <i>of which: personal social services</i>	2,333	6,092	3,932	3,266	4,063	3,434	4,665	4,737	3,485	36,007	
<i>of which: personal social services</i>	5,375	13,793	10,059	9,206	10,789	11,849	10,537	17,566	12,399	101,572	
<i>of which: pensions</i>	508	1,226	823	668	845	787	1,394	1,262	903	8,416	
<i>of which: pensions</i>	4,866	12,568	9,236	8,538	9,944	11,063	9,143	16,304	11,495	93,156	

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2018-19 (continued)

	National Statistics										£ million										
	North East		North West		Yorkshire and The Humber		East Midlands		West Midlands			East		London		South East		South West		Total England	
10. Social protection continued																					
10.3 Survivors	49	112	88	81	86	81	81	81	81	81	81	81	81	41	123	103	103	103	765	765	
10.4 Family and children of which: <i>personal social services</i>	1,110	2,944	2,237	1,783	2,378	1,783	1,783	1,783	2,378	2,378	2,159	2,159	2,159	3,636	3,083	1,943	1,943	1,943	21,274	21,274	
of which: <i>family benefits, income support and tax credits</i>	509	1,298	989	750	1,009	750	750	750	1,009	1,009	900	900	900	1,739	1,343	861	861	861	9,396	9,396	
10.5 Unemployment of which: <i>personal social services</i>	601	1,646	1,248	1,033	1,369	1,033	1,033	1,033	1,369	1,369	1,259	1,259	1,259	1,898	1,740	1,082	1,082	1,082	11,877	11,877	
of which: <i>other unemployment benefits</i>	107	187	175	117	189	117	117	117	189	189	112	112	112	242	160	81	81	81	1,370	1,370	
10.6 Housing	107	187	175	117	189	117	117	117	189	189	112	112	112	242	160	81	81	81	1,370	1,370	
10.7 Social exclusion n.e.c. of which: <i>personal social services</i>	922	2,216	1,475	1,142	1,771	1,142	1,142	1,142	1,771	1,771	1,636	1,636	1,636	5,836	2,558	1,445	1,445	1,445	19,002	19,002	
of which: <i>family benefits, income support and tax credits</i>	1,696	4,582	3,199	2,337	3,527	2,337	2,337	2,337	3,527	3,527	2,684	2,684	2,684	5,114	3,475	2,490	2,490	2,490	29,104	29,104	
10.8 R&D social protection	11	43	29	30	44	30	30	30	44	44	64	64	64	342	96	37	37	37	696	696	
10.9 Social protection n.e.c.	1,685	4,539	3,170	2,306	3,483	2,306	2,306	2,306	3,483	3,483	2,620	2,620	2,620	4,772	3,379	2,454	2,454	2,454	28,408	28,408	
Total social protection	278	535	461	315	498	315	315	315	498	498	325	325	325	632	434	221	221	221	3,702	3,702	
Total expenditure on services in the English Regions	12,259	31,672	22,365	18,935	24,182	18,935	18,935	18,935	24,182	24,182	23,359	23,359	23,359	32,124	33,594	23,131	23,131	23,131	221,622	221,622	
	27,064	71,933	49,992	41,321	54,533	41,321	41,321	41,321	54,533	54,533	54,171	54,171	54,171	92,867	78,559	49,895	49,895	49,895	520,336	520,336	

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

(2) The Department for Education is currently recording all central government 'academy expenditure', 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.

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2018-19

	National Statistics										£ per head
	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East	London	South East	South West	Total England	
1. General public services											
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	55	43	39	43	48	55	50	47	41	47	
1.2 Foreign economic aid	—	—	—	—	—	—	—	—	—	—	
1.3 General services	11	14	3	12	18	8	15	10	10	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.	29	24	29	21	31	45	12	59	41	33	
Total general public services	95	81	71	76	98	107	77	117	92	91	
2. Defence											
2.1 Military defence	—	—	—	—	—	—	—	—	—	—	
2.2 Civil defence	1	1	0	1	1	1	1	1	1	1	
2.3 Foreign military aid	—	—	—	—	—	—	—	—	—	—	
2.4 R&D defence	—	—	—	—	—	—	—	—	—	—	
2.5 Defence n.e.c.	—	—	—	—	—	—	—	—	—	—	
Total defence	1	1	0	1	1	1	1	1	1	1	
3. Public order and safety											
3.1 Police services	218	232	222	189	199	188	409	202	194	238	
<i>of which: immigration and citizenship</i>	—	—	—	—	—	—	—	—	—	—	
<i>of which: other police services</i>	218	232	222	189	199	188	409	202	194	238	
3.2 Fire-protection services	46	39	37	34	36	36	39	37	36	38	
3.3 Law courts	116	93	90	74	86	69	175	61	74	95	
3.4 Prisons	98	76	82	94	75	73	55	52	49	69	
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.	11	10	9	7	9	7	14	7	7	9	
Total public order and safety	489	451	441	399	405	373	693	359	360	448	
4. Economic affairs											
4.1 General economic, commercial and labour affairs	149	135	138	122	137	109	209	113	102	137	
4.2 Agriculture, forestry, fishing and hunting	87	52	89	91	54	78	11	59	125	66	
<i>of which: market support under CAP</i>	45	25	45	60	36	56	1	31	73	37	
<i>of which: other agriculture, food and fisheries policy</i>	40	25	43	30	17	21	10	27	51	27	
<i>of which: forestry</i>	1	1	1	1	1	1	0	1	2	1	
4.3 Fuel and energy	13	7	9	10	7	6	8	7	8	8	
4.4 Mining, manufacturing and construction	16	29	15	30	8	40	34	157	57	51	

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2018-19 (continued)

	National Statistics							£ per head		
	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East	London		South East	South West
4. Economic affairs continued										
4.5 Transport	486	412	276	268	467	493	903	422	308	474
of which: national roads	254	48	32	47	65	126	22	87	51	69
of which: local roads	91	83	74	69	81	99	28	71	83	72
of which: local public transport	16	29	25	21	18	13	133	10	18	37
of which: railway	114	245	133	118	289	236	707	240	139	283
of which: other transport	10	5	12	12	16	18	13	15	16	13
4.6 Communication	—	—	—	—	—	—	—	—	—	—
4.7 Other industries	2	2	2	1	1	1	4	2	2	2
4.8 R&D economic affairs	81	81	88	89	82	94	101	95	99	91
4.9 Economic affairs n.e.c.	7	7	7	6	6	8	9	8	7	7
Total economic affairs	840	724	624	618	763	830	1,280	861	708	836
5. Environment protection										
5.1 Waste management	81	334	73	77	71	97	91	86	115	119
5.2 Waste water management	—	—	—	—	—	—	—	—	—	—
5.3 Pollution abatement	1	1	1	1	1	5	2	3	2	2
5.4 Protection of biodiversity and landscape	3	4	5	6	5	3	1	3	5	4
5.5 R&D environment protection	3	3	3	3	3	3	3	3	3	3
5.6 Environment protection n.e.c.	25	20	33	18	19	42	27	24	32	27
Total environment protection	113	362	115	106	99	150	124	119	156	155
6. Housing and community amenities										
6.1 Housing development	72	41	75	62	62	77	197	69	56	85
of which: local authority housing	52	21	56	43	42	58	197	48	36	68
of which: other social housing	19	19	19	19	19	19	0	21	19	17
6.2 Community development	63	46	70	32	43	37	62	49	34	49
6.3 Water supply	0	0	0	0	0	0	0	0	0	0
6.4 Street lighting	21	14	16	11	15	12	10	12	10	13
6.5 R&D housing and community amenities	—	—	—	—	—	—	—	—	—	—
6.6 Housing and community amenities n.e.c.	3	3	3	3	3	3	3	3	3	3
Total housing and community amenities	159	103	164	108	123	129	272	133	102	149

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2018-19 (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	
7. Health ⁽¹⁾											
Medical services	2,352	2,366	2,110	1,928	2,151	1,937	2,673	1,926	2,016	2,175	
Health research	23	23	22	23	22	24	30	24	23	24	
Central and other health services	71	71	71	71	71	71	71	71	71	71	
Total health	2,445	2,460	2,203	2,022	2,244	2,031	2,773	2,021	2,109	2,269	
8. Recreation, culture and religion											
8.1 Recreational and sporting services	37	42	45	37	38	36	39	38	33	39	
8.2 Cultural services	52	50	47	40	43	37	76	39	46	49	
8.3 Broadcasting and publishing services	5	6	6	5	6	6	7	6	6	6	
8.4 Religious and other community services	-1	0	-1	2	-2	1	1	1	0	0	
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	
Total recreation, culture and religion	95	101	99	86	87	83	126	86	87	96	
9. Education ⁽²⁾											
9.1 Pre-primary and primary education	423	488	403	378	437	396	542	402	326	430	
of which: under fives	61	71	58	54	63	55	76	57	46	61	
of which: primary education	362	417	345	323	374	341	467	345	280	369	
9.2 Secondary education	704	578	740	697	718	712	684	631	672	675	
9.3 Post-secondary non-tertiary education	12	9	6	5	6	7	16	8	10	9	
9.4 Tertiary education	53	43	53	49	45	19	52	43	44	44	
9.5 Education not definable by level	9	9	9	9	9	9	9	9	8	9	
9.6 Subsidiary services to education	61	46	42	43	49	49	62	49	44	50	
9.7 R&D education	36	29	35	29	24	36	75	48	26	40	
9.8 Education n.e.c.	36	37	36	37	37	36	33	35	36	36	
Total education	1,333	1,239	1,325	1,245	1,325	1,266	1,473	1,226	1,165	1,292	
10. Social protection											
of which: personal social services	533	518	471	445	471	456	550	455	494	488	
10.1 Sickness and disability	1,024	1,001	852	823	838	728	683	678	795	801	
of which: personal social services	146	166	135	143	149	174	160	160	172	158	
of which: incapacity, disability and injury benefits	878	835	718	680	689	554	524	519	622	643	
10.2 Old age	2,022	1,892	1,836	1,916	1,828	1,911	1,183	1,923	2,214	1,815	
of which: personal social services	191	168	150	139	143	127	156	138	161	150	
of which: pensions	1,831	1,723	1,685	1,777	1,685	1,784	1,026	1,785	2,053	1,664	

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2018-19 (continued)

	National Statistics										£ per head	
	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	West	East	London	South East	South West		Total England
10. Social protection continued												
10.3 Survivors	19	15	16	17	15	13	5	13	13	18	14	
10.4 Family and children	418	404	408	371	403	348	408	338	338	347	380	
of which: personal social services	192	178	181	156	171	145	195	147	147	154	168	
of which: family benefits, income support and tax credits	226	226	228	215	232	203	213	191	191	193	212	
10.5 Unemployment	40	26	32	24	32	18	27	18	18	14	24	
of which: personal social services	—	—	—	—	—	—	—	—	—	—	—	
of which: other unemployment benefits	40	26	32	24	32	18	27	18	18	14	24	
10.6 Housing	347	304	269	238	300	264	655	280	280	258	339	
10.7 Social exclusion n.e.c.	638	628	584	486	598	433	574	380	380	445	520	
of which: personal social services	4	6	5	6	7	10	38	10	10	7	12	
of which: family benefits, income support and tax credits	634	622	579	480	590	423	536	370	370	438	507	
10.8 R&D social protection	—	—	—	—	—	—	—	—	—	—	—	
10.9 Social protection n.e.c.	105	73	84	66	84	52	71	48	48	40	66	
Total social protection	4,612	4,343	4,082	3,941	4,098	3,767	3,606	3,678	3,678	4,131	3,959	
Total Expenditure on Services in the English Regions	10,183	9,865	9,123	8,601	9,242	8,736	10,425	8,601	8,601	8,910	9,296	

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

(2) 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.

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;
- 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;
- capital expenditure of the public corporations that they sponsor¹.

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 2020 departments maintained the years 2015-16 to 2020-21. 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);
- implementing classification changes across all live years to ensure data are consistent.

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

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);
- 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;
- 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;
- 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);
- February – final outturn for local government and devolved administrations;

A.15 Further information on significant revisions since PESA 2019 is provided in chapter text.

A.16 Where we discover errors after the production of PESA 2020 we will take the following action:

- minor errors will be corrected at the next National Statistics update or the next edition of PESA;
- 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 2020 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;
- 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;
- 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 2020 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 19 June 2020.

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 2019-20 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 Round 2019 and Budget 2020 documents.

Title	Departments included
Health and Social Care	Department of Health and Social Care (inc NHS)
Education	Department for Education Office of Qualifications and Examinations Regulation (Ofqual)
Home Office	Home Office
Justice	Ministry of Justice
Law Officers' Departments	The Crown Prosecution Service Serious Fraud Office HM Procurator General and Treasury Solicitor
Defence	Ministry of Defence
Single Intelligence Account	Single Intelligence Account
Foreign and Commonwealth Office	Foreign and Commonwealth Office
International Development	Department for International Development
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)
Transport	Department for Transport
Business, Energy and Industrial Strategy	Department for Business, Energy and Industrial Strategy
Digital, Culture, Media and Sport	Department for Digital, Culture, Media and Sport
Environment, Food and Rural Affairs	Department for Environment, Food and Rural Affairs
International Trade	Department for International Trade
Work and Pensions	Department for Work and Pensions
HM Revenue and Customs	HM Revenue and Customs
HM Treasury	HM Treasury
Cabinet Office	Cabinet Office
Scotland	Scottish Government
Wales	Welsh Government
Northern Ireland	Northern Ireland Executive

Title	Departments included
Small and Independent Bodies	Charity Commission Competition and Markets Authority Crown Estate Office Electoral Commission Export Credits Guarantee Department Food Standards Agency Government Actuary's Department House of Commons House of Lords Independent Parliamentary Standards Authority Local Government Boundary Commission for England National Audit Office National Savings and Investment Northern Ireland Office 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 Parliamentary Works Sponsor Body 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 £20 million) prepayments and debtors score in capital budgets if they last more than 12 months.

C.15 Central government support for local government – current grants score in resource budgets. Capital grants (also called Supported Capital Expenditure (Capital) in England and Wales) score in capital budgets. Capital budgets also include amounts for local authority borrowing where central government has agreed to fund the resultant loan charges. These credit approvals are known as Supported Capital Expenditure (Revenue) in England and Wales, and supported borrowing in Scotland. More information on local government is in **Chapter 7**.

Resource and capital budgets – summary table

C.16 This table summarises the main standard contents of resource and capital budgets:

	Resource budget	Capital budget
Department's own transactions	Pay, current purchases, grants to individuals, subsidies Depreciation and impairments on the department's assets Take-up of provisions, movement in value of provisions and utilisation of provisions Bad debts Loss on sale of fixed assets Less income from sales of goods and services Less release of provisions Less profit on sale of fixed assets	Expenditure on new fixed assets Less book value sale proceeds of fixed assets Net lending to the private sector Investment grants to the private sector
ALB transactions	As the department	As the department
Local government	Current grants to local government	Capital grants to local government Credit approvals
Public corporations on an external finance basis	Subsidies paid to public corporations Less interest and dividends received from public corporations	Investment grants paid to public corporations Net lending to public corporations (including equity withdrawals from public corporations) Public corporations' market and overseas borrowing

Departmental Expenditure Limits

C.17 Around half of public expenditure (TME) by value is in DEL. But because AME includes a small number of large programmes, by far the majority of public expenditure programmes are in DEL. The main programmes in AME are set out later in this section.

C.18 DELs are set for three or four years in a Spending Review. They represent firm plans for departmental spending that may only be increased in exceptional circumstances with the Treasury's agreement through a claim on the DEL Reserve. Departments may carry forward some unspent DEL from one year to the next with the agreement of Treasury under the system of Budget Exchange.

C.19 DEL is net of certain receipts, mainly from sales of goods and services, asset sales, dividends, interest, rent of land and income from the European Union. It is also net of certain taxes, levies and fines where exceptionally the Chief Secretary to the Treasury has given specific agreement for a department to retain them in their DEL.

C.20 DEL includes a Reserve to meet unexpected needs. When sums are allocated from the Reserve, individual departments' DELs are increased and the Reserve line reduced by the same amount.

C.21 Public corporations – most transactions in respect of public corporations score in DEL but those in respect of self-financing public corporations score in departmental AME (except where they receive grants and subsidies, which would score in DEL).

C.22 Total DEL is not a control total but a standard way of presenting the sum of current and capital spending in DEL. Total DEL is defined as resource DEL excluding depreciation *plus* capital DEL. Depreciation here includes impairments (including Student Loan provisions) and the release of the donated assets and government grant reserves.

Annually Managed Expenditure

C.23 The following text describes the components of AME, which for the purposes of PESA is divided into departmental AME and other AME. The items in bold correspond to the row names of **Table 1.1**.

Departmental Annually Managed Expenditure

C.24 Departmental AME programmes are set out in departmental reports. A programme is included in AME if it cannot reasonably be subject to firm three-year limits as for DEL. Typically this is where the programme expenditure is demand-led, volatile, and large in relation to the size of the department. But those are neither necessary nor sufficient conditions for inclusion in AME. Discretionary new spending programmes are always in DEL except where a special case can be made to demonstrate that treatment as AME is likely to deliver better control of expenditure.

C.25 The main programmes in departmental AME are:

- social security benefits;
- tax credits for individuals;
- net lending to students;
- BBC domestic services;
- net public service pensions;
- 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 £5 billion to £6 billion 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. For example, if 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;
- pensions of some ALBs and other offices in the central government sector which operate their own pay-as-you-go pensions schemes and which are in DEL, generally on an IAS 19 basis.

C.38 Future payments of pensions are discounted in order to obtain the value of the liability in today's terms. Each year, future payments come a year closer and so the effects of discounting are reduced. That unwinding of the discount rate is a cost that is recognised in the accounts. In budgets, the amount for the unwinding of the discount rate on the liability is part of the **non-cash items** row.

C.39 The amount for the unwinding of the discount rate can be seen as loosely equivalent to the amount of interest the government would have had to pay if the schemes had been funded, and is sometimes referred to as interest on scheme liabilities (note that the discount rate is set in accordance with IFRS principles as endorsed by the Financial Reporting Advisory Board and is not automatically a gilt rate). So this item reflects the fact that the schemes are unfunded. Showing this item in the non-cash items row separates out the costs that the government bears as employer from guaranteeing the schemes (which are the costs in the net public service pensions row) from the notional costs that result because the schemes are unfunded.

C.40 The cost of pension schemes as measured on an IFRS basis does not impact directly on TME or the other fiscal aggregates. **Annex D** explains how the IFRS measures for the main public service pension schemes in departmental AME can be reconciled to their impact on TME, and this is shown in detail in **Table D.1**.

C.41 The overall change over the year in the schemes' balance sheet pensions liability measured on an IFRS basis is normally given by:

- current service cost and other pension costs (e.g. liabilities transferred in);
- *plus* unwinding of the discount rate;
- *less* pensions paid out;
- *plus or less* changes in actuarial assumptions and other balance sheet adjustments.

C.42 With the exception of the last item, which is not an expenditure or budget item, figures for the components listed above are shown in **Table D.1**.

C.43 Expenditure on services includes the cost of public service pensions on a TME basis in the social protection function.

C.44 National Lottery – expenditure on good causes funded from the proceeds of the National Lottery is in this line. The Big Lottery Fund was officially established by Parliament on 1 December 2006 and at the same time assumed the residual responsibilities of the dissolved National Lottery Charities Board (Community Fund), the New Opportunities Fund and the Millennium Commission. The Big Lottery Fund rolls out grants to health, education, environment and charitable causes across the UK.

C.45 Non-cash items include:

- large, demand-led non-cash items that could not reasonably be included in DEL budgets, such as provisions for nuclear decommissioning liabilities and the increase in the liability of public service pensions schemes due to the unwinding of the discount rate;
- 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;
- 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;
- 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 – 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;
- 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
- less an amount in respect of the cost of collecting Traditional Own Resources.

Table C.1 Transactions with the institutions of the European Union, 2015-16 to 2020-21

	£ million					
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	outturn	outturn	outturn	outturn	outturn ⁽¹⁾	plans ⁽¹⁾
GNI based contribution	12,570	11,440	11,761	14,599	13,003	10,892
UK abatement	-4,068	-4,757	-4,547	-4,846	-4,149	-3,429
VAT-based payments to the EU ⁽²⁾	2,751	2,477	2,974	3,138	2,696	2,246
Net expenditure transfers to the EU	11,253	9,160	10,188	12,892	11,549	9,709
Receipts to cover collection costs in respect of collecting Traditional Own Resources (TOR) ⁽³⁾	-771	-357	-698	-664	-663	-482
to give contribution to TME ⁽²⁾	10,482	8,803	9,490	12,227	10,886	9,227
TOR ⁽³⁾	3,085	3,366	3,413	3,304	3,320	2,410
Gross contribution to the EU budget	13,567	12,169	12,903	15,531	14,206	11,636
Public sector EU receipts ⁽⁴⁾	-2,811	-4,081	-4,130	-4,360	-4,754	-2,265
Net contributions to the EU budget	10,756	8,088	8,773	11,171	9,452	9,372
Other attributed costs and repayments ⁽⁵⁾	0	0	0	0	0	-249
Net payments to EU institutions	10,756	8,088	8,773	11,171	9,452	9,123

⁽¹⁾ Transactions with the European Union from 2019-20 take into account the payments to and from the EU under the financial settlement.

⁽²⁾ VAT-based payments to the EU are included in the TME subtotal, reflecting changes in the European System of Accounts 2010.

⁽³⁾ TOR comprises customs duties (including those on agricultural products) and sugar levies.

⁽⁴⁾ Receipts are shown here on a cash basis. EU receipts in budgets are on an accruals basis.

⁽⁵⁾ The UK's contribution to the cost of EU aid to states outside the EU is attributed to departmental budgets. Additionally, includes repayments of the UK's paid in capital in the European Investment Bank.

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 government, local government and 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;
- 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;
- 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 2020-21 used in this publication are taken from the data submitted by departments on OSCAR. The OBR used OSCAR data consistent with PESA 2019 as a starting point for their forecast in the March 2020 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 2019 adjusted to reflect policy announcements made during the year. For 2020-21, 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;
- dividends and interest from the private sector and overseas.

Change in pension scheme liabilities, unwinding of discount rate on pension scheme liabilities and release of provisions covering payments of pension benefits.

D.14 Pension costs are measured differently in resource accounts (and predominantly AME budgets) and National Accounts due to the different way these frameworks deal with provision liabilities.

D.15 In the National Accounts, the following transactions are included within TME:

- payments to pensioners, surviving spouses etc and transfers out to other schemes;
- less receipts of contributions by employees and employers, and transfers in from other schemes.

D.16 In resource accounts a provision liability is recognised on the balance sheet equal to the net present value of the expected future cash benefits to be paid. Broadly speaking, changes in this liability impact on the operating cost statement. The net public service pensions line in departmental AME presents expenditure on this basis. The line consists of the following:

- the gross change in the liability that scores in the operating statement of the schemes;
- plus payments of pensions or transfers out that are not covered by a previously recognised liability;
- less receipts of contributions by employees and employers, and transfers in from other schemes.

D.17 The unwinding of the discount rate that is applied to the future cash flows is also a cost in the operating statement in accounts. This cost is recorded separately in the non-cash items in departmental AME. See **Annex C** for further details.

D.18 Table D.1 reconciles pensions expenditure as presented in **Table 1.1**, in resource accounts and in TME. So the table presents:

- the three main contributions to the net public service pensions line in **Table 1.1** (as in D.17 above);
- the pensions element of the non-cash items line in **Table 1.1** (i.e. the unwinding of the discount on the liability);
- the sum of these elements, which is the contribution of pension schemes to departmental AME;
- the accounting adjustments required to reach the contribution to TME (see D.19 below);
- 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;
- add cash payments to pensioners, surviving spouses etc. and transfers out to other schemes.

Table D.1 Pay as you go public service pension schemes in AME and in TME, 2015-16 to 2020-21

	£ million					
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	outturn	outturn	outturn	outturn	outturn	plans
Departmental AME (GAAP basis)						
Change in liability ⁽¹⁾	37,596	36,245	54,213	82,661	70,156	79,993
Contributions received*	-25,934	-26,802	-27,455	-28,492	-36,146	-38,060
Cash payments in OCS not covered by release of provision*	168	81	154	180	62	169
Net public service pensions (GAAP basis)⁽²⁾	11,830	9,524	26,912	54,349	34,072	42,101
Unwinding of discount rate (= contribution to non-cash items)	42,882	42,002	42,663	39,995	45,875	34,281
Total Departmental AME (GAAP basis)	54,712	51,526	69,575	94,344	79,947	76,382
Accounting adjustments						
Remove change in liability	-37,596	-36,245	-54,213	-82,661	-70,156	-79,993
Remove increased liability due to unwinding of discount rate	-42,882	-42,002	-42,663	-39,995	-45,875	-34,281
Add pensions in payment covered by release of provision*+	35,327	35,533	36,475	38,236	39,898	41,982
Accounting adjustments (Pensions)	-45,150	-42,714	-60,401	-84,420	-76,133	-72,292
Contribution to TME (National Accounts basis)	9,561	8,812	9,174	9,924	3,814	4,091
<i>of which:</i>						
Pensions in payment*	35,496	35,614	36,629	38,416	39,959	42,151
Contributions received*	-25,934	-26,802	-27,455	-28,492	-36,146	-38,060

* Includes bulk and individual transfers, including transfers of liabilities within government.

+ offsets change in gross liability.

⁽¹⁾ The increase in 2018-19 is due to higher provisions for past service costs.

⁽²⁾ 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;
- 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 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;
- 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 91% 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 2019 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, 2019-20

	Health and Social care	Education	Home Office	Justice	Law Officers' Departments	Defence	Single Intelligence Account	Foreign and Commonwealth Office	International Development	Housing and Communities and Local Government	Transport	Business, Energy and Industrial Strategy	Digital, Culture, Media and Sport	Environment, Food and Rural Affairs	International Trade	Work and Pensions	HM Revenue and Customs	HM Treasury	Cabinet Office	Scotland	Wales	Northern Ireland	Small and Independent Bodies	Local Government Expenditure	Total for all departments	
Departmental Budgets																										
Resource DEL	134,137	78,665	11,869	8,321	621	36,408	2,779	2,581	8,004	11,053	11,461	2,838	1,809	2,240	470	5,883	4,279	354	993	17,731	12,858	11,941	1,622	-368,918		
Capital DEL	7,006	4,852	782	505	8	10,261	637	148	2,036	8,299	14,342	11,228	583	766	19	81	335	139	109	4,260	2,132	1,347	500	-70,375		
Resource Departmental AME	30,409	23,714	2,622	689	3	7,877	21	5	-142	18,540	1,243	9,378	4,954	626	1	190,782	39,021	2,512	12,353	17,767	2,456	10,582	-189	-375,223		
Capital Departmental AME	-6	-20,978	-	-	-	-	-	-	956	-	-169	-137	409	11	-	309	0	-2,064	-	1,174	803	340	308	-23,251		
Remove																										
Grants to local government	-3,298	-31,450	-11,988	-142	-	-	-	-	-	-14,973	-3,545	-185	-100	-287	-	-18,244	-	-	-34	-8,946	-5,139	-161	-	-98,492		
Capital grants to public corporations	-	-	-	-	-	-	-	-	-	-69	-	-43	-	-41	-	-	-	-	-	-52	-	-133	-	-338		
Depreciation	-1,603	-21,923	-361	-556	-11	-7,058	-457	-173	-10	228	-7,124	-5,907	-524	-237	-8	-164	-297	35,123	-74	-1,180	-968	-828	-206	-14,318		
Provisions	-32,332	-19,790	-263	-717	-2	-6,720	-6	1	168	-147	-202	-4,039	-19	-700	0	562	-24	-38,570	-9,414	-5,109	-245	-3,824	-63	-121,456		
Financial transactions	-13	-20,948	-	-	-	-	-	-	-1,029	-3,795	-28	-32	-24	-30	-	-937	-	2,120	0	-1,180	-1,028	-301	-308	-27,532		
Interest and dividends	-361	5,537	-30	-15	-	-78	-28	0	4	114	-1,247	326	-5	-	-	31	0	1,150	31	65	208	29	47	5,778		
Items classified as revenue in National Accounts	-2,197	681	1,092	1,288	37	73	0	60	-438	101	4,765	2,248	113	206	20	-157	36	12	412	49	24	-3	338	8,760		
EU receipts	-	124	0	-	-	-	-	-	-	301	57	21	-	2,325	-	280	-	-	-	637	855	435	-	5,034		
Other items not in TME	-805	-949	-286	2	18	81	51	-	-	-17,587	1,018	-814	484	-72	-	242	-134	-	25	-362	-810	26	-14	-19,887		
Add																										
Local government current expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133,974	133,974	
Local government capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,435	21,435	
Northern Ireland locally financed expenditure	-	-	-	-	-	-	-	-	-	3,438	1,461	-	-	-	-	-	-	-	-	1,523	367	656	-	656	656	
Public corporations' capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	-	-	-	-	-	-	156	-	-	6,950	
Public sector debt interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	610	610	
EU transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55,382	
Loans written off by mutual consent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,132	6,132
Public sector expenditure on services	130,937	39,491	3,436	9,373	674	40,844	2,997	2,622	9,548	5,503	22,370	14,883	7,680	4,812	502,178,669	43,215	61,681	4,402	26,377	11,513	20,264	2,035	156,019	799,848		

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 2019-20 prices. The GDP deflators used in this publication are those given below. The most up to date deflators can be found on the GOV.UK website¹. Please note that these deflators do not apply to the real terms tables presented in **Chapter 9** of this publication.

Table F.1 GDP deflators and money GDP

Outturn data are based on the June 2020 National Accounts figures from ONS
Forecast data are consistent with the 2020 Budget

Financial year	GDP deflator at market prices		Money GDP £ million
	2019-20 = 100	Per cent change on previous year	
1977-78	18.550	13.75	165,811
1978-79	20.639	11.26	192,055
1979-80	24.116	16.85	232,269
1980-81	28.729	19.13	267,153
1981-82	31.754	10.53	297,610
1982-83	34.092	7.36	326,887
1983-84	35.720	4.78	357,612
1984-85	37.751	5.69	385,624
1985-86	39.854	5.57	423,581
1986-87	41.505	4.14	455,385
1987-88	43.828	5.60	510,953
1988-89	46.691	6.53	570,118
1989-90	50.310	7.75	628,384
1990-91	54.447	8.22	678,505
1991-92	57.610	5.81	714,825
1992-93	59.110	2.60	737,105
1993-94	60.562	2.46	780,778
1994-95	61.355	1.31	819,004
1995-96	63.149	2.92	863,504
1996-97	65.650	3.96	919,295
1997-98	65.928	0.42	963,769
1998-99	66.955	1.56	1,008,121
1999-00	67.220	0.40	1,054,782
2000-01	68.529	1.95	1,107,924
2001-02	69.383	1.25	1,147,395

¹ <https://www.gov.uk/government/collections/gdp-deflators-at-market-prices-and-money-gdp>

Table F.1 GDP deflators and money GDP (continued)

Outturn data are based on the June 2020 National Accounts figures from ONS
Forecast data are consistent with the 2020 Budget

Financial year	GDP deflator at market prices		Money GDP £ million
	2019-20 = 100	Per cent change on previous year	
2002-03	70.994	2.32	1,211,222
2003-04	72.422	2.01	1,272,293
2004-05	74.471	2.83	1,336,299
2005-06	76.287	2.44	1,420,214
2006-07	78.453	2.84	1,493,214
2007-08	80.540	2.66	1,569,164
2008-09	82.595	2.55	1,573,876
2009-10	83.957	1.65	1,557,283
2010-11	85.395	1.71	1,622,044
2011-12	86.698	1.53	1,668,699
2012-13	88.484	2.06	1,725,624
2013-14	90.191	1.93	1,806,329
2014-15	91.450	1.40	1,871,789
2015-16	92.238	0.86	1,934,600
2016-17	94.422	2.37	2,019,484
2017-18	96.053	1.73	2,085,654
2018-19	98.102	2.13	2,166,842
2019-20	100.000	1.94	2,216,479
2020-21	101.970	1.97	2,304,464

GDP Deflator: Financial years 1977-78 to 2019-20 taken from ONS series L8GG.

2020-21: derived from Office for Budget Responsibility (OBR) forecasts for GDP deflator increases as at the Budget 2020

Money GDP: For years 1977-78 to 2019-20: ONS data for money GDP (not seasonally adjusted, BKTL)

2020-21: OBR forecasts for money GDP as of the 2020 Budget

Population numbers and GDP deflators used for country and regional tables

F.3 Following the practice instituted at PESA 2018, the tables in chapters 9 and 10 are identical to those published in the November 2019 Country and Regional Analysis (CRA) release. Therefore mid-year population estimates used for the November 2019 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 2019 CRA is provided below:

<https://www.gov.uk/government/statistics/country-and-regional-analysis-2019>

G

Glossary

Within an explanation of a term, words in bold are themselves explained elsewhere in the glossary.

Acronyms

ALBs	Arms Length Bodies
AME	Annually Managed Expenditure
ASLCs	Accruing Superannuation Liability Charges
CAP	Common Agricultural Policy
CRA	Country and Regional Analysis
DEL	Departmental Expenditure Limit
EFO	Economic and Fiscal Outlook
GAAP	Generally Accepted Accounting Practice
GDP	Gross Domestic Product
IFRS	International Financial Reporting Standards
LASFE	Local Authority Self-Financed Expenditure
LIBOR	London Inter-bank Offered Rate
OSCAR	Online System for Central Accounting and Reporting
PCOFCE	Public Corporations' Own-Financed Capital Expenditure
PSCE	Public sector current expenditure
PSNB	Public sector net borrowing
PSND	Public sector net debt
PSNI	Public sector net investment
RAB	Resource Accounting and Budgeting
SUME	Single Use Military Equipment
TES	Total Expenditure on Services
TME	Total Managed Expenditure

Terms

Accounting adjustments shown in, for example, **Table 1.1** are certain items of expenditure that account for the difference between the **National Accounts** aggregate **TME** and the sum of the **resource budgeting** items **DEL**, **departmental AME** and **other AME**. Accounting adjustments are required because there are certain components in TME that are not included in the **resource** and **capital budgets** that form the basis of planning and control of departmental spending under resource budgeting, and there are some items in resource budgeting aggregates that are not part of TME. Annex D has full details.

Accruals - apart from some of the older data in the historical tables in Chapter 4, all the data in PESA are based on accruals. Accruals accounting recognises when costs occur rather than when the payment is made, i.e. having the heating on is a cost that accrues each day whereas the bill might be paid quarterly.

Accruing Superannuation Liability Charges (ASLCs) are employer pension contributions paid to the bodies responsible for paying and accounting for unfunded public service occupational pensions. For example, government departments pay ASLCs in respect of serving civil servants. The payments represent an actuarial assessment of the accruing discounted future cost of public expenditure on pensions arising from the current employment of staff. ASLCs are included within **DEL**.

Administration budget - the costs of running a central government department (including their ALBs) that do not relate to the delivery of frontline services; it includes the pay of most of the civil servants who work in the department, and associated expenditure such as **ASLCs**, accommodation, travel and training. Administration budgets are a subset of resource **DEL** that are set net of income arising from departments' administrative activities.

Alignment (or 'Clear Line of Sight') project – in order to simplify public spending reporting, this project aims to align more closely the treatment of spending in departmental budgets, **Estimates** and **Resource Accounts**. More information is available on the Treasury's website¹.

Annually Managed Expenditure (AME) is spending included in **TME** that does not fall within **DELs**. Expenditure in AME is generally less predictable and more difficult to control than expenditure in DEL. AME is split into **departmental AME** and **other AME**.

Arms Length Bodies – refers to a department's executive NDPBs and Trading Funds where these bodies have been classified as being within central government by the Office for National Statistics.

Assets can be either financial or non-financial:

- financial assets include monetary gold, bank deposits, International Monetary Fund 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.

¹ 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 £20 million) **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;
- **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**;
- 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 IMF².

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 £20 million), long term (over 12 months) debtor, this is included in their **capital budget** on the same basis as net lending.

² <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 the Ministry of Housing, Communities and Local Government (MHCLG).

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)³. 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**.

³ <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**.

Nonidentifiable 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 £20 million) 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 the Ministry of Housing, Communities and Local Government (MHCLG).

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 or **Spending Rounds** (SRs) set **DELs** for future 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). The most recent Spending Round (November 2019) set budgets for all departments for 2020-21 only.

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.

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