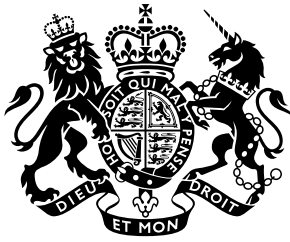




HM Treasury

Public Expenditure

Statistical Analyses 2021



Public Expenditure

Statistical Analyses 2021

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

July 2021

CP 507



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How to use PESA

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

What is PESA?

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

Table i.1 Spending frameworks used in PESA

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

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

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

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

Budgets

There are two main presentations within this section:

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

Public sector

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

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

Sectoral analysis

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

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

Country and regional analysis

The country and regional analysis (CRA) 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 2020. Therefore, the figures in these chapters are not entirely consistent with the figures in other PESA chapters. **Chapter 9** contains more detail on the analysis process.

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

Period covered by PESA tables

All data series in PESA are annual and for financial years. Tables in PESA 2021 normally cover the years 2016-17 to 2021-22, although some show only the latest year of outturn (2020-21) 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 2021, **Table 1.1**);
- resource and capital elements of Departmental Expenditure Limits and Annually Managed Expenditure by departmental group (PESA 2021, **Tables 1.3 and 1.8**);
- public sector expenditure on services by function (PESA 2021, **Table 4.2**); and
- public sector expenditure on services by economic category (PESA 2021, **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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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;
- **Table 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 1997-98) 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 2020-21 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 ongoing pressures faced by some departments, due to the impact of the pandemic, may again lead to delays in the laying of some annual reports and accounts (ARAs) this year¹. As a result, the 2020-21 outturn published in PESA may be subject to data quality issues, as not all departments will have been able to align data to their ARAs. The public spending statistics (PSS) release, published on a quarterly basis, will reflect any later revisions made by departments to their 2020-21 outturn.

1.3 The Foreign and Commonwealth Office and Department for International Development were merged on 2 September 2020. All outturn and plans data for both departments are now shown within the totals for the Foreign, Commonwealth and Development Office.

1.4 At Spending Review 2020, the Resource DEL excluding depreciation budgetary control was redefined to exclude the Scottish Block Grant Adjustments. These now form part of the depreciation ringfence within Resource DEL. Total Resource DEL is left unchanged. The reclassification is fiscally neutral and does not affect the spending power of the Scottish Government.

1.5 The GDP deflator used for real terms calculations in PESA has been produced by the ONS for outturn and by the OBR for plans, as per previous years. However, it should be noted that in 2020-21 and 2021-22 particularly, it reflects the impact of Covid-19 on calculations of GDP and shows negative growth between the two years. The effects on UK GDP and difficulties involved in calculating GDP at this time have been highlighted by the ONS and it should be noted that the deflator is still subject to revision.²

The budgeting and reporting framework

1.6 Table 1.1 summarises public expenditure both in terms of the Treasury's budgeting and control framework³, 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.

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

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

² <https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/articles/coronavirusandtheeffectsonukgdp/2020-05-06#practical-challenges>

³ <https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2021-to-2022>

1.8 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.

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

Reconciliation of budgeting and National Accounts aggregates

1.10 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.

1.11 **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.

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

1.13 **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.

1.14 **Table 1.5** shows resource DEL excluding depreciation as first presented in the Spending Reviews of 2015 (from 2016-17 to 2019-20), Spending Round 2019 (2020-21) and Spending Review 2020 (2021-22). The depreciation ringfence is a control total that departments must manage. **Table 1.6** presents the same information in real terms.

1.15 **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

1.16 **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

1.17 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.

1.18 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

1.19 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).

1.20 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).

1.21 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.

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

Central government own expenditure

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

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

- departments' own spending;
- spending of agencies and arm's length bodies (ALBs) classified to central government;
- spending of the devolved administrations in Scotland, Wales and Northern Ireland.

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

Local government expenditure

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

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

Public corporations' expenditure

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

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

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

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

NHS England Expenditure

1.30 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, Spending Round 2019 and Spending Review 2020. The data is also presented in real terms and for both outturn and plan years for the periods covered in each Spending Review and Spending Round.

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

NHS England - Departmental Expenditure Limits, 2016-17 to 2021-22

		National Statistics					£ million
		2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
		outturn	outturn	outturn	outturn	outturn	plans
Total DEL⁽¹⁾	NHS England ⁽²⁾	105,975	109,833	114,552	124,016	144,100	144,666
	NHS England ⁽²⁾ - real terms ⁽³⁾	119,949	122,165	124,520	131,836	144,100	147,038
Resource DEL (exc depreciation)	NHS England ⁽²⁾	105,735	109,605	114,331	123,750	143,769	144,365
	NHS England ⁽²⁾ - real terms ⁽³⁾	119,677	121,911	124,280	131,554	143,769	146,732

⁽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.

⁽³⁾ Real-terms figures are the cash figures adjusted to 2020-21 price levels using GDP deflators. The deflators are calculated from data published by the Office for National Statistics and the Office for Budget Responsibility. See annex F for more detail.

Table 1.1 Total Managed Expenditure, 2016-17 to 2021-22

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
CURRENT EXPENDITURE						
Resource DEL						
Resource DEL excluding depreciation ⁽¹⁾	309,833	315,745	321,116	345,506	475,757	445,416
Depreciation in resource DEL ⁽¹⁾	19,747	16,098	11,325	26,054	24,234	39,360
Total resource DEL	329,581	331,843	332,442	371,560	499,991	484,776
Resource departmental AME						
Social security benefits	189,298	192,728	199,381	208,789	229,535	237,844
Tax credits ⁽²⁾	27,393	26,293	22,345	18,396	15,390	13,294
Net public service pensions ⁽³⁾	9,524	26,912	54,349	31,361	42,093	54,125
National lottery	1,080	1,132	840	1,056	1,231	1,521
BBC domestic services	3,567	3,410	3,447	3,769	3,321	4,190
Student loans	-2,031	-3,001	-5,667	-5,887	-4,840	-4,310
Non-cash items	61,752	147,001	-61,042	61,855	37,444	69,604
Financial sector interventions	-24,832	-216	-15,090	-36,270	44,548	20,573
Other departmental expenditure	25,823	38,659	45,999	91,879	123,943	66,669
Total resource departmental AME	291,574	432,919	244,562	374,948	492,666	463,509
Resource other AME						
Net expenditure transfers to the EU ⁽⁷⁾	9,160	10,188	12,892	11,549	9,709	–
Locally financed expenditure	33,956	33,835	35,667	37,908	38,180	39,565
Central government gross debt interest	48,755	55,129	48,900	48,113	39,278	42,626
Accounting adjustments ⁽⁴⁾	12,191	-121,697	86,677	-52,590	-92,622	-96,016
Total resource other AME	104,062	-22,545	184,136	44,980	-5,455	-13,825
Total resource AME	395,636	410,373	428,697	419,928	487,211	449,684
Public sector current expenditure	725,217	742,216	761,139	791,488	987,202	934,460
CAPITAL EXPENDITURE						
Capital DEL						
Total capital DEL	51,298	55,626	62,562	70,159	93,711	91,786
Capital departmental AME						
National lottery	479	426	337	225	190	269
BBC domestic services	248	118	160	132	63	229
Student loans	14,025	16,870	18,385	22,476	22,600	25,338
Financial sector interventions	-3,514	-942	-2,509	-1,618	-2,742	–
Other departmental expenditure	-8,059	4,654	-3,742	1,871	16,446	6,560
Total capital departmental AME	3,179	21,127	12,631	23,085	36,557	32,397
Capital other AME						
Locally financed expenditure	8,741	13,848	12,868	14,318	10,950	10,294
Public corporations' own-financed capital expenditure	16,755	15,277	9,134	9,605	9,095	7,379
Accounting adjustments ⁽⁴⁾	8,668	-11,192	-3,768	-22,689	-43,130	-23,065
Total capital other AME	34,164	17,934	18,234	1,234	-23,085	-5,392
Total capital AME	37,343	39,060	30,864	24,320	13,473	27,005
Public sector gross investment ⁽⁴⁾	88,641	94,686	93,426	94,479	107,184	118,791
<i>less public sector depreciation</i>	<i>48,729</i>	<i>49,380</i>	<i>49,844</i>	<i>51,322</i>	<i>52,326</i>	<i>56,616</i>
Public sector net investment ⁽⁵⁾	39,912	45,306	43,582	43,157	54,858	62,175
TOTAL MANAGED EXPENDITURE ⁽⁵⁾	813,858	836,902	854,565	885,967	1,094,386	1,053,251
<i>of which:</i>						
Total DEL ⁽⁶⁾	361,132	371,371	383,678	415,666	569,469	537,202
Departmental AME	294,752	454,045	257,192	398,034	529,223	495,906
Other AME	157,974	11,486	213,695	72,268	-4,306	20,143

⁽¹⁾ At Spending Review 2020, the Resource DEL excluding depreciation budgetary control was redefined to exclude the Scottish Block Grant Adjustments. These now form part of the depreciation ringfence within Resource DEL. Total Resource DEL is left unchanged. The reclassification is fiscally neutral and does not affect the spending power of the Scottish Government.

⁽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.

⁽⁷⁾ European Union Financial Settlement payments and European Investment Bank receipts form part of HM Treasury's departmental AME in 2021-22.

Table 1.2 Total Managed Expenditure in real terms⁽¹⁾, 2016-17 to 2021-22

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
CURRENT EXPENDITURE						
Resource DEL						
Resource DEL excluding depreciation ⁽²⁾	350,690	351,197	349,059	367,294	475,757	452,720
Depreciation in resource DEL ⁽²⁾	22,351	17,905	12,311	27,697	24,234	40,005
Total resource DEL	373,042	369,103	361,369	394,991	499,991	492,725
Resource departmental AME						
Social security benefits	214,260	214,368	216,730	221,956	229,535	241,744
Tax credits ⁽³⁾	31,005	29,245	24,289	19,556	15,390	13,512
Net public service pensions ⁽⁴⁾	10,780	29,934	59,078	33,339	42,093	55,013
National lottery	1,222	1,259	914	1,122	1,231	1,546
BBC domestic services	4,038	3,793	3,747	4,006	3,321	4,258
Student loans	-2,299	-3,337	-6,160	-6,258	-4,840	-4,381
Non-cash items	69,895	163,506	-66,354	65,755	37,444	70,745
Financial sector interventions	-28,107	-241	-16,403	-38,557	44,548	20,910
Other departmental expenditure	29,229	43,000	50,001	97,673	123,943	67,762
Total resource departmental AME	330,023	481,528	265,843	398,593	492,666	471,109
Resource other AME						
Net expenditure transfers to the EU ⁽⁸⁾	10,368	11,332	14,013	12,278	9,709	–
Locally financed expenditure	38,434	37,634	38,771	40,298	38,180	40,213
Central government gross debt interest	55,184	61,319	53,155	51,147	39,278	43,325
Accounting adjustments ⁽⁵⁾	13,799	-135,362	94,219	-55,907	-92,622	-97,590
Total resource other AME	117,785	-25,077	200,159	47,816	-5,455	-14,052
Total resource AME	447,808	456,451	466,001	446,409	487,211	457,057
Public sector current expenditure	820,849	825,554	827,371	841,400	987,202	949,782
CAPITAL EXPENDITURE						
Capital DEL						
Total capital DEL	58,063	61,872	68,006	74,584	93,711	93,290
Capital departmental AME						
National lottery	542	473	366	239	190	274
BBC domestic services	280	132	174	140	63	233
Student loans	15,874	18,765	19,985	23,894	22,600	25,753
Financial sector interventions	-3,978	-1,048	-2,727	-1,720	-2,742	–
Other departmental expenditure	-9,122	5,177	-4,068	1,989	16,446	6,668
Total capital departmental AME	3,598	23,499	13,730	24,541	36,557	32,928
Capital other AME						
Locally financed expenditure	9,894	15,403	13,988	15,221	10,950	10,463
Public corporations' own-financed capital expenditure	18,964	16,993	9,929	10,211	9,095	7,500
Accounting adjustments ⁽⁵⁾	9,811	-12,449	-4,096	-24,120	-43,130	-23,443
Total capital other AME	38,669	19,947	19,820	1,312	-23,085	-5,480
Total capital AME	42,267	43,446	33,550	25,853	13,473	27,448
Public sector gross investment ⁽⁶⁾	100,330	105,318	101,556	100,437	107,184	120,738
<i>less public sector depreciation</i>	55,155	54,924	54,181	54,558	52,326	57,544
Public sector net investment ⁽⁶⁾	45,175	50,393	47,374	45,879	54,858	63,194
TOTAL MANAGED EXPENDITURE ⁽⁶⁾	921,179	930,871	928,926	941,837	1,094,386	1,070,520
<i>of which:</i>						
Total DEL ⁽⁷⁾	408,753	413,069	417,064	441,878	569,469	546,010
Departmental AME	333,620	505,026	279,572	423,134	529,223	504,037
Other AME	178,806	12,776	232,290	76,825	-4,306	20,473

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2020-21 price levels using GDP deflators from the Office for National Statistics (released 30 June 2021) and deflator forecasts from the Office for Budget Responsibility (Economic and fiscal outlook - 3 March 2021).

⁽²⁾ At Spending Review 2020, the Resource DEL excluding depreciation budgetary control was redefined to exclude the Scottish Block Grant Adjustments. These now form part of the depreciation ringfence within Resource DEL. Total Resource DEL is left unchanged. The reclassification is fiscally neutral and does not affect the spending power of the Scottish Government.

⁽³⁾ 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.

⁽⁴⁾ 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.

⁽⁵⁾ Transactions have been affected by financial sector interventions and Covid-19 measures. See Boxes 2.A and 2.B in Chapter 2.

⁽⁶⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 2.B in Chapter 2.

⁽⁷⁾ Total DEL is given by resource DEL excluding depreciation plus capital DEL.

⁽⁸⁾ European Union Financial Settlement payments and European Investment Bank receipts form part of HM Treasury's departmental AME in 2021-22.

Table 1.3 Resource budgets, 2016-17 to 2021-22

	£ million					
	National Statistics					2021-22 plans
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	
Resource DEL by departmental group						
Health and Social Care	117,031	120,650	125,278	134,183	181,653	177,815
Education	69,831	75,148	70,443	80,861	79,403	91,132
Home Office	10,977	10,911	11,226	11,870	15,062	13,747
Justice	7,406	7,627	8,035	8,302	9,148	9,410
Law Officers' Departments	530	567	557	621	625	743
Defence	35,423	34,199	34,571	36,707	38,217	41,943
Single Intelligence Account	2,268	2,390	2,541	2,779	2,717	3,002
Foreign, Commonwealth and Development Office ⁽¹⁾	9,470	9,765	9,606	10,585	9,913	7,432
MHCLG - Housing and Communities	2,488	2,372	2,328	2,479	2,698	2,989
MHCLG - Local Government	8,229	6,714	4,834	8,572	21,271	17,471
Transport ⁽²⁾	2,927	3,673	3,902	11,439	23,776	17,420
Business, Energy and Industrial Strategy	1,962	1,714	1,245	2,838	26,270	8,754
Digital, Culture, Media and Sport	1,551	1,585	1,658	1,809	3,096	2,011
Environment, Food and Rural Affairs	1,741	1,842	1,983	2,245	4,657	4,390
International Trade	341	378	407	473	502	521
Work and Pensions	6,236	6,187	5,966	5,883	6,661	9,412
HM Revenue and Customs	3,836	3,943	3,939	4,257	4,809	6,073
HM Treasury	163	225	246	354	320	279
Cabinet Office	505	762	649	1,026	1,447	1,300
Scotland ⁽³⁾	21,377	14,946	16,495	17,736	31,080	29,839
Wales ⁽⁴⁾	13,325	14,002	14,011	12,859	18,686	17,757
Northern Ireland	10,475	10,625	11,006	11,945	15,527	14,806
Small and Independent Bodies	1,489	1,617	1,513	1,736	2,455	2,641
Reserves ⁽⁵⁾	–	–	–	–	–	11,500
OBR allowance for shortfall	–	–	–	–	–	-7,463
Adjustment for Budget Exchange ⁽⁶⁾	–	–	–	–	–	-149
Total resource DEL	329,581	331,843	332,442	371,560	499,991	484,776
Resource departmental AME by departmental group						
Health and Social Care	27,782	39,657	40,645	30,384	30,498	43,708
Education	11,448	15,094	22,739	23,753	20,833	15,896
Home Office	2,396	2,489	2,695	2,624	2,406	2,398
Justice	549	244	1,301	374	663	669
Law Officers' Departments	-1	11	2	3	-1	8
Defence	5,125	16,675	594	6,908	8,477	8,010
Single Intelligence Account	13	19	22	21	-4	39
Foreign, Commonwealth and Development Office ⁽¹⁾	135	468	-69	-141	516	189
MHCLG - Housing and Communities	154	184	198	-176	1	1,696
MHCLG - Local Government	12,413	15,752	21,188	18,370	16,704	13,546
Transport ⁽⁷⁾	6,457	6,989	7,456	1,827	1,220	3,192
Business, Energy and Industrial Strategy ⁽⁸⁾	3,781	75,398	-105,665	9,386	-6,880	26,519
Digital, Culture, Media and Sport	4,702	4,265	4,739	4,954	3,040	5,830
Environment, Food and Rural Affairs	86	-28	-501	698	206	298
International Trade	–	0	1	0	2	3
Work and Pensions	172,921	177,252	180,877	190,782	214,044	218,315
HM Revenue and Customs	42,329	41,845	40,232	40,622	116,524	57,183
HM Treasury ⁽⁹⁾	-25,452	-684	-15,254	2,512	41,124	20,639
Cabinet Office	9,140	11,203	14,247	11,928	12,556	11,533
Scotland	9,203	17,123	19,196	18,318	16,968	18,339
Wales	240	177	260	2,521	2,566	2,656
Northern Ireland	8,253	8,872	9,753	9,471	10,965	12,057
Small and Independent Bodies	-101	-88	-94	-189	239	787
Total resource departmental AME	291,574	432,919	244,562	374,948	492,666	463,509
Total resource budget	621,155	764,761	577,003	746,508	992,657	948,285

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

⁽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 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 information on the devolution of tax powers see the Block Grant Transparency publication available on GOV.UK.

⁽⁵⁾ This includes the Reserve for both Covid-19 and core funding.

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

⁽⁹⁾ Transactions have been affected by financial sector interventions, see Box 2.B in Chapter 2.

Table 1.4 Resource budgets in real terms⁽¹⁾, 2016-17 to 2021-22

	National Statistics					£ million
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	outturn	outturn	outturn	outturn	outturn	plans
Resource DEL by departmental group						
Health and Social Care	132,464	134,197	136,180	142,645	181,653	180,730
Education	79,040	83,586	76,573	85,961	79,403	92,626
Home Office	12,425	12,137	12,203	12,619	15,062	13,972
Justice	8,383	8,483	8,734	8,826	9,148	9,564
Law Officers' Departments	599	631	605	660	625	755
Defence	40,094	38,039	37,580	39,022	38,217	42,631
Single Intelligence Account	2,567	2,658	2,763	2,955	2,717	3,051
Foreign, Commonwealth and Development Office ⁽²⁾	10,719	10,862	10,442	11,253	9,913	7,554
MHCLG - Housing and Communities	2,816	2,638	2,531	2,635	2,698	3,038
MHCLG - Local Government	9,314	7,467	5,254	9,112	21,271	17,757
Transport ⁽³⁾	3,313	4,085	4,241	12,160	23,776	17,706
Business, Energy and Industrial Strategy	2,221	1,906	1,354	3,017	26,270	8,898
Digital, Culture, Media and Sport	1,755	1,763	1,803	1,923	3,096	2,044
Environment, Food and Rural Affairs	1,971	2,049	2,156	2,387	4,657	4,462
International Trade	386	420	443	503	502	530
Work and Pensions	7,058	6,881	6,485	6,254	6,661	9,566
HM Revenue and Customs	4,341	4,386	4,282	4,526	4,809	6,172
HM Treasury	184	251	267	377	320	284
Cabinet Office	572	848	706	1,091	1,447	1,321
Scotland ⁽⁴⁾	24,196	16,624	17,930	18,854	31,080	30,328
Wales ⁽⁵⁾	15,082	15,574	15,230	13,670	18,686	18,048
Northern Ireland	11,857	11,818	11,964	12,698	15,527	15,049
Small and Independent Bodies	1,685	1,799	1,644	1,845	2,455	2,684
Reserves ⁽⁶⁾	–	–	–	–	–	11,689
OBR allowance for shortfall	–	–	–	–	–	-7,585
Adjustment for Budget Exchange ⁽⁷⁾	–	–	–	–	–	-151
Total resource DEL	373,042	369,103	361,369	394,991	499,991	492,725
Resource departmental AME by departmental group						
Health and Social Care	31,446	44,110	44,182	32,300	30,498	44,425
Education	12,958	16,789	24,718	25,250	20,833	16,157
Home Office	2,712	2,768	2,930	2,790	2,406	2,438
Justice	622	271	1,414	398	663	680
Law Officers' Departments	-1	13	3	3	-1	9
Defence	5,801	18,547	646	7,343	8,477	8,141
Single Intelligence Account	15	21	24	22	-4	40
Foreign, Commonwealth and Development Office ⁽²⁾	153	521	-75	-150	516	192
MHCLG - Housing and Communities	174	205	216	-187	1	1,724
MHCLG - Local Government	14,050	17,521	23,032	19,528	16,704	13,768
Transport ⁽⁸⁾	7,308	7,774	8,105	1,943	1,220	3,244
Business, Energy and Industrial Strategy ⁽⁹⁾	4,279	83,864	-114,860	9,977	-6,880	26,954
Digital, Culture, Media and Sport	5,322	4,744	5,151	5,266	3,040	5,925
Environment, Food and Rural Affairs	97	-32	-545	742	206	303
International Trade	-	0	1	1	2	3
Work and Pensions	195,723	197,155	196,617	202,813	214,044	221,894
HM Revenue and Customs	47,911	46,543	43,732	43,183	116,524	58,121
HM Treasury ⁽¹⁰⁾	-28,808	-761	-16,581	2,670	41,124	20,978
Cabinet Office	10,345	12,461	15,486	12,680	12,556	11,722
Scotland	10,416	19,045	20,867	19,473	16,968	18,640
Wales	271	197	282	2,680	2,566	2,699
Northern Ireland	9,342	9,868	10,601	10,068	10,965	12,255
Small and Independent Bodies	-115	-98	-103	-201	239	799
Total resource departmental AME	330,023	481,528	265,843	398,593	492,666	471,109
Total resource budget	703,064	850,630	627,212	793,584	992,657	963,834

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2020-21 price levels using GDP deflators from the Office for National Statistics (released 30 June 2021) and deflator forecasts from the Office for Budget Responsibility (Economic and fiscal outlook - 3 March 2021).

⁽²⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

⁽³⁾ From 2019-20 Transport DEL includes funding for expenditure by Network Rail. This was formerly part of the Transport Annually Managed Expenditure (AME) budget.

⁽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 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 information on the devolution of tax powers see the Block Grant Transparency publication available on GOV.UK.

⁽⁶⁾ This includes the Reserve for both Covid-19 and core funding.

⁽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⁾ 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.

⁽⁹⁾ Figures reflect a change to the long-term discount rate used each year for provisions to maintain compliance with International Financial Reporting Standards.

⁽¹⁰⁾ Transactions have been affected by financial sector interventions, see Box 2.B in Chapter 2.

Table 1.5 Resource DEL excluding depreciation, 2016-17 to 2021-22

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
Resource DEL excluding depreciation by departmental group						
Health and Social Care	116,028	119,918	124,359	133,483	180,566	176,516
Education	59,871	60,643	61,490	63,520	68,249	71,406
Home Office	10,712	10,614	10,923	11,507	14,561	13,271
Justice	6,915	7,135	7,511	7,832	8,621	8,684
Law Officers' Departments	524	559	547	610	613	720
Defence	26,592	26,901	27,732	29,520	30,649	31,443
Single Intelligence Account	1,920	2,020	2,134	2,338	2,268	2,527
Foreign, Commonwealth and Development Office ⁽¹⁾	9,339	9,610	9,426	10,398	9,714	7,217
MHCLG - Housing and Communities	2,471	2,391	2,333	2,457	2,707	2,962
MHCLG - Local Government	8,229	6,714	4,834	8,572	21,271	17,471
Transport ⁽²⁾	1,585	2,110	2,479	4,103	16,370	9,333
Business, Energy and Industrial Strategy	1,607	1,448	935	2,507	25,994	8,420
Digital, Culture, Media and Sport	1,407	1,436	1,524	1,567	2,936	1,811
Environment, Food and Rural Affairs	1,554	1,665	1,785	2,036	4,439	4,151
International Trade	339	375	403	466	493	510
Work and Pensions	6,079	6,000	5,760	5,695	6,476	9,222
HM Revenue and Customs	3,557	3,647	3,650	3,961	4,501	5,689
HM Treasury	155	217	241	350	314	274
Cabinet Office	483	727	598	981	1,390	1,228
Scotland ^{(3) (4)}	26,098	26,716	27,255	28,621	38,851	36,187
Wales ⁽⁵⁾	13,072	13,293	13,307	12,090	17,704	16,237
Northern Ireland	9,885	10,078	10,481	11,361	14,884	13,771
Small and Independent Bodies	1,411	1,528	1,411	1,533	2,185	2,477
Reserves ⁽⁶⁾	–	–	–	–	–	11,500
OBR allowance for shortfall	–	–	–	–	–	-7,463
Adjustment for Budget Exchange ⁽⁷⁾	–	–	–	–	–	-149
Total Resource DEL excluding depreciation ⁽⁴⁾	309,833	315,745	321,116	345,506	475,757	445,416

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

⁽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 information on the devolution of tax and welfare powers see the Block Grant Transparency publication available on GOV.UK.

⁽⁴⁾ At Spending Review 2020, the Resource DEL excluding depreciation budgetary control was redefined to exclude the Scottish Block Grant Adjustments. These now form part of the depreciation ringfence within Resource DEL. Total Resource DEL is left unchanged. The reclassification is fiscally neutral and does not affect the spending power of the Scottish Government.

⁽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 information on the devolution of tax powers see the Block Grant Transparency publication available on GOV.UK.

⁽⁶⁾ This includes the Reserve for both Covid-19 and core funding.

⁽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.

Table 1.6 Resource DEL excluding depreciation in real terms⁽¹⁾, 2016-17 to 2021-22

	National Statistics					£ million
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	outturn	outturn	outturn	outturn	outturn	plans
Resource DEL excluding depreciation by departmental group						
Health and Social Care	131,329	133,383	135,180	141,901	180,566	179,410
Education	67,766	67,452	66,841	67,525	68,249	72,577
Home Office	12,125	11,805	11,873	12,232	14,561	13,489
Justice	7,826	7,936	8,164	8,326	8,621	8,826
Law Officers' Departments	593	622	595	648	613	732
Defence	30,098	29,922	30,145	31,381	30,649	31,959
Single Intelligence Account	2,174	2,247	2,320	2,485	2,268	2,569
Foreign, Commonwealth and Development Office ⁽²⁾	10,570	10,689	10,246	11,054	9,714	7,335
MHCLG - Housing and Communities	2,797	2,660	2,536	2,612	2,707	3,010
MHCLG - Local Government	9,314	7,467	5,254	9,112	21,271	17,757
Transport ⁽³⁾	1,793	2,346	2,695	4,362	16,370	9,486
Business, Energy and Industrial Strategy	1,818	1,610	1,016	2,665	25,994	8,558
Digital, Culture, Media and Sport	1,593	1,597	1,656	1,665	2,936	1,841
Environment, Food and Rural Affairs	1,759	1,852	1,941	2,164	4,439	4,219
International Trade	383	418	438	495	493	519
Work and Pensions	6,881	6,673	6,261	6,054	6,476	9,374
HM Revenue and Customs	4,027	4,056	3,968	4,211	4,501	5,782
HM Treasury	175	242	262	373	314	278
Cabinet Office	547	809	650	1,042	1,390	1,248
Scotland ^{(4) (5)}	29,540	29,715	29,626	30,426	38,851	36,780
Wales ⁽⁶⁾	14,796	14,786	14,465	12,853	17,704	16,503
Northern Ireland	11,188	11,210	11,393	12,077	14,884	13,997
Small and Independent Bodies	1,598	1,700	1,533	1,630	2,185	2,518
Reserves ⁽⁷⁾	–	–	–	–	–	11,689
OBR allowance for shortfall	–	–	–	–	–	-7,585
Adjustment for Budget Exchange ⁽⁸⁾	–	–	–	–	–	-151
Total Resource DEL excluding depreciation ⁽⁵⁾	350,690	351,197	349,059	367,294	475,757	452,720

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2020-21 price levels using GDP deflators from the Office for National Statistics (released 30 June 2021) and deflator forecasts from the Office for Budget Responsibility (Economic and fiscal outlook - 3 March 2021).

⁽²⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

⁽³⁾ From 2019-20 Transport DEL includes funding for expenditure by Network Rail. This was formerly part of the Transport Annually Managed Expenditure (AME) budget.

⁽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 information on the devolution of tax and welfare powers see the Block Grant Transparency publication available on GOV.UK.

⁽⁵⁾ At Spending Review 2020, the Resource DEL excluding depreciation budgetary control was redefined to exclude the Scottish Block Grant Adjustments. These now form part of the depreciation ringfence within Resource DEL. Total Resource DEL is left unchanged. The reclassification is fiscally neutral and does not affect the spending power of the Scottish Government.

⁽⁶⁾ As agreed in the Welsh Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax powers. For detailed information on the devolution of tax powers see the Block Grant Transparency publication available on GOV.UK.

⁽⁷⁾ This includes the Reserve for both Covid-19 and core funding.

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

Table 1.7 Administration budgets, 2016-17 to 2021-22

	£ million					
	National Statistics					
	2016-17	2017-18	2018-19	2019-20	2020-21	
	outturn	outturn	outturn	outturn	outturn	plans
Health and Social Care	2,400	2,304	2,273	2,301	2,506	3,311
Education	508	530	506	505	524	550
Home Office	375	355	360	359	350	380
Justice	510	450	398	400	426	497
Law Officers' Departments	43	42	38	56	40	61
Defence	1,497	1,467	1,681	1,908	1,944	1,983
Single Intelligence Account	67	70	75	79	71	82
Foreign, Commonwealth and Development Office ⁽¹⁾	213	277	253	231	249	323
MHCLG - Housing and Communities	242	224	254	244	262	334
Transport	259	265	279	295	295	360
Business, Energy and Industrial Strategy	392	383	461	502	558	616
Digital, Culture, Media and Sport	143	157	205	226	218	269
Environment, Food and Rural Affairs	454	483	647	708	779	908
International Trade	30	76	118	144	160	217
Work and Pensions	879	799	779	797	911	909
HM Revenue and Customs	757	842	840	821	945	1,018
HM Treasury	160	165	186	203	257	266
Cabinet Office	234	256	277	333	365	615
Small and Independent Bodies	256	250	556	280	320	412
Adjustment for Budget Exchange ⁽²⁾	-	-	-	-	-	-2
Total administration budgets	9,419	9,394	10,186	10,391	11,180	13,110
<i>of which: administration costs paybill</i>	6,462	6,511	7,401	8,051	8,532	7,907
Administration budgets as a percentage of Total Managed Expenditure ⁽³⁾	1.2	1.1	1.2	1.2	1.0	1.2

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

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

Table 1.8 Capital budgets, 2016-17 to 2021-22

	National Statistics					£ million
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	outturn	outturn	outturn	outturn	outturn	plans
Capital DEL by departmental group						
Health and Social Care	4,556	5,238	5,941	7,015	11,720	8,530
Education	5,103	4,634	5,169	4,851	4,732	5,615
Home Office	510	624	744	781	786	936
Justice	417	414	431	492	1,064	1,718
Law Officers' Departments	13	10	16	8	5	12
Defence	8,689	9,704	10,294	10,314	11,707	14,333
Single Intelligence Account	603	576	607	637	580	1,014
Foreign, Commonwealth and Development Office ⁽¹⁾	2,647	2,461	3,246	2,184	2,871	1,938
MHCLG - Housing and Communities	5,114	6,634	7,424	8,272	9,105	8,822
Transport ⁽²⁾	5,419	6,175	8,274	14,242	17,069	19,495
Business, Energy and Industrial Strategy	10,750	10,459	10,957	11,228	20,298	16,665
Digital, Culture, Media and Sport	275	351	366	583	951	1,018
Environment, Food and Rural Affairs	652	621	703	726	909	1,536
International Trade	6	16	17	20	34	155
Work and Pensions	292	433	334	81	468	461
HM Revenue and Customs	326	278	349	335	542	659
HM Treasury	-2	-78	104	139	8	8
Cabinet Office	121	193	132	113	373	429
Scotland	3,248	3,625	3,872	4,260	5,224	5,697
Wales	1,449	1,821	2,037	2,131	3,272	2,610
Northern Ireland	1,005	1,148	1,297	1,346	1,718	1,867
Small and Independent Bodies	103	289	247	400	275	440
Reserves ⁽³⁾	-	-	-	-	-	6,400
OBR allowance for shortfall	-	-	-	-	-	-7,497
Adjustment for Budget Exchange ⁽⁴⁾	-	-	-	-	-	-1,076
Total capital DEL	51,298	55,626	62,562	70,159	93,711	91,786
Capital departmental AME by departmental group						
Health and Social Care	13	-	-5	-6	-7	15
Education	13,072	15,771	17,106	20,982	21,133	23,619
Justice	-	-	-	-	-	32
Law Officers' Departments	-	-	-	-	-	1
Defence	-	44	-	-	-	-
Foreign, Commonwealth and Development Office ⁽¹⁾	285	395	736	956	650	646
Transport ⁽²⁾	6,855	7,291	5,168	10	53	85
Business, Energy and Industrial Strategy	-15	-1,197	-312	-137	18,750	1,599
Digital, Culture, Media and Sport	804	605	453	409	241	624
Environment, Food and Rural Affairs	1	0	0	3	7	15
Work and Pensions	-87	-37	135	309	146	456
HM Revenue and Customs	0	0	0	0	0	0
HM Treasury ⁽⁵⁾	-19,732	-3,697	-12,935	-2,064	-7,470	754
Scotland	811	959	787	1,171	777	1,035
Wales	422	505	698	803	888	1,119
Northern Ireland	498	318	374	340	280	517
Small and Independent Bodies	251	168	426	308	1,109	1,881
Total capital departmental AME	3,179	21,127	12,631	23,085	36,557	32,397
Total capital budget	54,477	76,752	75,192	93,245	130,269	124,182

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

⁽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 2016-17 to 2018-19 and in DEL from 2019-20.

⁽³⁾ Spending Review 2020 confirmed a CDEL Reserve of £7.7bn and £1.5bn for a leases reclassification exercise (IFRS16). This updated number includes the £1.5bn for the leases reclassification exercise.

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

Table 1.9 Capital budgets in real terms ⁽¹⁾, 2016-17 to 2021-22

	£ million					
	National Statistics					2021-22 plans
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	
Capital DEL by departmental group						
Health and Social Care	5,157	5,826	6,458	7,458	11,720	8,669
Education	5,776	5,154	5,618	5,157	4,732	5,707
Home Office	577	694	809	830	786	951
Justice	472	461	468	523	1,064	1,746
Law Officers' Departments	15	11	18	9	5	12
Defence	9,834	10,793	11,190	10,964	11,707	14,568
Single Intelligence Account	683	641	659	677	580	1,031
Foreign, Commonwealth and Development Office ⁽²⁾	2,996	2,738	3,529	2,322	2,871	1,970
MHCLG - Housing and Communities	5,788	7,378	8,070	8,794	9,105	8,967
Transport ⁽³⁾	6,134	6,868	8,994	15,140	17,069	19,815
Business, Energy and Industrial Strategy	12,168	11,634	11,911	11,936	20,298	16,938
Digital, Culture, Media and Sport	311	390	398	620	951	1,035
Environment, Food and Rural Affairs	738	690	764	772	909	1,561
International Trade	7	18	19	21	34	157
Work and Pensions	330	481	363	86	468	469
HM Revenue and Customs	369	310	380	356	542	670
HM Treasury	-2	-87	113	148	8	8
Cabinet Office	137	215	143	120	373	436
Scotland	3,676	4,032	4,209	4,529	5,224	5,790
Wales	1,640	2,026	2,214	2,266	3,272	2,653
Northern Ireland	1,138	1,277	1,410	1,431	1,718	1,898
Small and Independent Bodies	116	321	269	425	275	447
Reserves ⁽⁴⁾	-	-	-	-	-	6,505
OBR allowance for shortfall	-	-	-	-	-	-7,620
Adjustment for Budget Exchange ⁽⁵⁾	-	-	-	-	-	-1,094
Total capital DEL	58,063	61,872	68,006	74,584	93,711	93,290
Capital departmental AME by departmental group						
Health and Social Care	15	-	-5	-6	-7	15
Education	14,796	17,542	18,594	22,305	21,133	24,006
Justice	-	-	-	-	-	32
Law Officers' Departments	-	-	-	-	-	1
Defence	-	49	-	-	-	-
Foreign, Commonwealth and Development Office ⁽²⁾	323	439	800	1,016	650	657
Transport ⁽³⁾	7,759	8,109	5,618	11	53	87
Business, Energy and Industrial Strategy	-16	-1,331	-340	-146	18,750	1,625
Digital, Culture, Media and Sport	910	673	492	435	241	634
Environment, Food and Rural Affairs	1	0	0	3	7	15
Work and Pensions	-99	-41	147	329	146	464
HM Revenue and Customs	0	0	0	0	0	0
HM Treasury ⁽⁶⁾	-22,333	-4,112	-14,060	-2,194	-7,470	767
Scotland	918	1,067	855	1,245	777	1,052
Wales	478	561	759	854	888	1,137
Northern Ireland	563	354	406	361	280	525
Small and Independent Bodies	284	187	464	327	1,109	1,912
Total capital departmental AME	3,598	23,499	13,730	24,541	36,557	32,928
Total capital budget	61,661	85,370	81,735	99,125	130,269	126,219

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2020-21 price levels using GDP deflators from the Office for National Statistics (released 30 June 2021) and deflator forecasts from the Office for Budget Responsibility (Economic and fiscal outlook - 3 March 2021).

⁽²⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

⁽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 2016-17 to 2018-19 and in DEL from 2019-20.

⁽⁴⁾ Spending Review 2020 confirmed a CDEL Reserve of £7.7bn and £1.5bn for a leases reclassification exercise (IFRS16). This updated number includes the £1.5bn for the leases reclassification exercise.

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

Table 1.10 Total Departmental Expenditure Limits⁽¹⁾, 2016-17 to 2021-22

	National Statistics					£ million
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	outturn	outturn	outturn	outturn	outturn	plans
Total DEL by departmental group						
Health and Social Care	120,584	125,156	130,300	140,498	192,287	185,045
Education	64,975	65,277	66,659	68,371	72,981	77,022
Home Office	11,222	11,237	11,667	12,288	15,347	14,207
Justice	7,332	7,549	7,941	8,324	9,685	10,402
Law Officers' Departments	537	569	563	618	619	732
Defence	35,280	36,605	38,026	39,833	42,355	45,776
Single Intelligence Account	2,524	2,596	2,741	2,974	2,848	3,541
Foreign, Commonwealth and Development Office ⁽²⁾	11,986	12,072	12,673	12,583	12,585	9,155
MHCLG - Housing and Communities	7,585	9,025	9,757	10,729	11,812	11,784
MHCLG - Local Government	8,229	6,714	4,834	8,572	21,271	17,471
Transport ⁽³⁾	7,004	8,284	10,753	18,345	33,439	28,829
Business, Energy and Industrial Strategy	12,357	11,907	11,892	13,735	46,292	25,085
Digital, Culture, Media and Sport	1,682	1,786	1,890	2,150	3,887	2,830
Environment, Food and Rural Affairs	2,206	2,285	2,488	2,762	5,348	5,687
International Trade	345	391	420	485	527	665
Work and Pensions	6,371	6,433	6,094	5,776	6,944	9,684
HM Revenue and Customs	3,884	3,925	3,999	4,296	5,043	6,348
HM Treasury	153	139	345	489	323	282
Cabinet Office	604	921	730	1,094	1,763	1,657
Scotland ⁽⁴⁾	29,346	30,341	31,126	32,881	44,075	41,883
Wales ⁽⁵⁾	14,521	15,115	15,344	14,221	20,975	18,847
Northern Ireland	10,890	11,226	11,778	12,707	16,602	15,639
Small and Independent Bodies	1,514	1,817	1,658	1,933	2,460	2,917
Reserves ⁽⁶⁾	–	–	–	–	–	17,900
OBR allowance for shortfall	–	–	–	–	–	-14,960
Adjustment for Budget Exchange ⁽⁷⁾	–	–	–	–	–	-1,225
Total DEL by departmental group	361,132	371,371	383,678	415,666	569,469	537,202

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

⁽²⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

⁽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 2016-17 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 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 information on the devolution of tax powers see the Block Grant Transparency publication available on GOV.UK.

⁽⁶⁾ This includes the Reserve for both Covid-19 and core funding and the £1.5bn for the leases reclassification exercise confirmed in Spending Review 2020.

⁽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.

Table 1.11 Total Departmental Expenditure Limits⁽¹⁾ in real terms⁽²⁾, 2016-17 to 2021-22

	National Statistics					£ million
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	outturn	outturn	outturn	outturn	outturn	plans
Total DEL by departmental group						
Health and Social Care	136,485	139,209	141,638	149,358	192,287	188,079
Education	73,543	72,606	72,459	72,683	72,981	78,285
Home Office	12,702	12,499	12,682	13,063	15,347	14,440
Justice	8,299	8,397	8,632	8,849	9,685	10,573
Law Officers' Departments	608	633	612	657	619	744
Defence	39,933	40,715	41,335	42,345	42,355	46,527
Single Intelligence Account	2,856	2,887	2,979	3,162	2,848	3,599
Foreign, Commonwealth and Development Office ⁽³⁾	13,567	13,427	13,775	13,376	12,585	9,305
MHCLG - Housing and Communities	8,585	10,038	10,606	11,405	11,812	11,977
MHCLG - Local Government	9,314	7,467	5,254	9,112	21,271	17,757
Transport ⁽⁴⁾	7,927	9,215	11,689	19,502	33,439	29,302
Business, Energy and Industrial Strategy	13,986	13,244	12,927	14,601	46,292	25,496
Digital, Culture, Media and Sport	1,904	1,987	2,054	2,286	3,887	2,876
Environment, Food and Rural Affairs	2,497	2,542	2,705	2,937	5,348	5,780
International Trade	390	435	457	516	527	676
Work and Pensions	7,211	7,155	6,624	6,140	6,944	9,842
HM Revenue and Customs	4,396	4,366	4,347	4,567	5,043	6,452
HM Treasury	173	155	375	520	323	286
Cabinet Office	684	1,024	793	1,163	1,763	1,684
Scotland ⁽⁵⁾	33,216	33,748	33,835	34,955	44,075	42,570
Wales ⁽⁶⁾	16,436	16,812	16,679	15,118	20,975	19,156
Northern Ireland	12,326	12,487	12,803	13,508	16,602	15,895
Small and Independent Bodies	1,714	2,021	1,802	2,055	2,460	2,965
Reserves ⁽⁷⁾	–	–	–	–	–	18,193
OBR allowance for shortfall	–	–	–	–	–	-15,205
Adjustment for Budget Exchange ⁽⁸⁾	–	–	–	–	–	-1,245
Total DEL by departmental group	408,753	413,069	417,064	441,878	569,469	546,010

⁽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 nominal figures adjusted to 2020-21 price levels using GDP deflators from the Office for National Statistics (released 30 June 2021) and deflator forecasts from the Office for Budget Responsibility (Economic and fiscal outlook - 3 March 2021).

⁽³⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

⁽⁴⁾ 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 2016-17 to 2018-19 and in DEL from 2019-20.

⁽⁵⁾ 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 information on the devolution of tax and welfare powers see the Block Grant Transparency publication available on GOV.UK.

⁽⁶⁾ As agreed in the Welsh Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax powers. For detailed information on the devolution of tax powers see the Block Grant Transparency publication available on GOV.UK.

⁽⁷⁾ This includes the Reserve for both Covid-19 and core funding and the £1.5bn for the leases reclassification exercise confirmed in Spending Review 2020.

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

Table 1.12 Total Managed Expenditure by departmental group and other expenditure , 2016-17 to 2021-22

	National Statistics					£ million
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	outturn	outturn	outturn	outturn	outturn	plans
Total Managed Expenditure by departmental group						
Health and Social Care	148,380	164,813	170,940	170,877	222,777	228,768
Education	89,495	96,143	106,504	113,106	114,947	116,537
Home Office	13,619	13,726	14,362	14,912	17,754	16,605
Justice	7,881	7,793	9,242	8,698	10,348	11,103
Law Officers' Departments	537	581	566	621	618	741
Defence	40,405	53,324	38,620	46,741	50,833	53,786
Single Intelligence Account	2,537	2,615	2,763	2,995	2,844	3,580
Foreign, Commonwealth and Development Office ⁽¹⁾	12,406	12,935	13,339	13,398	13,751	9,990
MHCLG - Housing and Communities	7,739	9,209	9,955	10,553	11,812	13,480
MHCLG - Local Government	20,642	22,466	26,022	26,942	37,976	31,016
Transport	20,316	22,564	23,377	20,183	34,712	32,106
Business, Energy and Industrial Strategy ⁽²⁾	16,123	86,108	-94,085	22,984	58,162	53,203
Digital, Culture, Media and Sport	7,189	6,656	7,081	7,513	7,169	9,283
Environment, Food and Rural Affairs	2,293	2,257	1,987	3,464	5,560	6,000
International Trade	345	391	421	486	529	668
Work and Pensions	179,205	183,648	187,106	196,868	221,134	228,454
HM Revenue and Customs	46,213	45,770	44,231	44,918	121,567	63,531
HM Treasury ⁽³⁾	-45,031	-4,242	-27,844	938	33,977	21,675
Cabinet Office	9,744	12,124	14,976	13,022	14,319	13,190
Scotland ⁽⁴⁾	39,359	48,423	51,109	52,370	61,819	61,258
Wales ⁽⁵⁾	15,183	15,797	16,302	17,546	24,429	22,622
Northern Ireland	19,642	20,417	21,905	22,517	27,847	28,212
Small and Independent Bodies	1,663	1,897	1,990	2,052	3,808	5,585
Total departmental expenditure ⁽⁶⁾	655,884	825,416	640,870	813,699	1,098,692	1,031,393
Central government gross debt interest	48,755	55,129	48,900	48,113	39,278	42,626
Locally financed expenditure	42,698	47,684	48,536	52,225	49,129	49,859
Public sector depreciation	48,729	49,380	49,844	51,322	52,326	56,616
Net expenditure transfers to the EU ⁽¹¹⁾	9,160	10,188	12,892	11,549	9,709	–
Public corporations' own-financed capital expenditure	16,755	15,277	9,134	9,605	9,095	7,379
Accounting adjustments	-8,123	-166,172	44,390	-100,547	-163,843	-136,338
Reserves ⁽⁷⁾	–	–	–	–	–	17,900
OBR allowance for shortfall	–	–	–	–	–	-14,960
Adjustment for Budget Exchange ⁽⁸⁾	–	–	–	–	–	-1,225
Total other expenditure ⁽⁹⁾	157,974	11,486	213,695	72,268	-4,306	21,858
Total Managed Expenditure ⁽¹⁰⁾	813,858	836,902	854,565	885,967	1,094,386	1,053,251

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

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

⁽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 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 information on the devolution of tax powers see the Block Grant Transparency publication available on GOV.UK.

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

⁽⁷⁾ This includes the Reserve for both Covid-19 and core funding and the £1.5bn for the leases reclassification exercise confirmed in Spending Review 2020.

⁽⁸⁾ 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.

⁽⁹⁾ Total other expenditure is other AME spend within Total Managed Expenditure.

⁽¹⁰⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 2.B in Chapter 2.

⁽¹¹⁾ European Union Financial Settlement payments and European Investment Bank receipts form part of HM Treasury's departmental AME in 2021-22.

Table 1.13 Total Managed Expenditure by departmental group and other expenditure in real terms⁽¹⁾, 2016-17 to 2021-22

	£ million					
	National Statistics					2021-22 plans
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	
Total Managed Expenditure by departmental group						
Health and Social Care	167,947	183,319	185,815	181,652	222,777	232,519
Education	101,296	106,938	115,771	120,238	114,947	118,448
Home Office	15,414	15,267	15,612	15,852	17,754	16,877
Justice	8,920	8,668	10,047	9,247	10,348	11,285
Law Officers' Departments	607	646	615	660	618	753
Defence	45,734	59,312	41,981	49,688	50,833	54,668
Single Intelligence Account	2,872	2,909	3,003	3,184	2,844	3,639
Foreign, Commonwealth and Development Office ⁽²⁾	14,042	14,387	14,500	14,243	13,751	10,154
MHCLG - Housing and Communities	8,759	10,243	10,822	11,218	11,812	13,701
MHCLG - Local Government	23,364	24,988	28,286	28,640	37,976	31,525
Transport	22,995	25,098	25,412	21,455	34,712	32,632
Business, Energy and Industrial Strategy ⁽³⁾	18,249	95,776	-102,272	24,433	58,162	54,076
Digital, Culture, Media and Sport	8,137	7,404	7,697	7,987	7,169	9,435
Environment, Food and Rural Affairs	2,595	2,511	2,160	3,682	5,560	6,098
International Trade	390	435	458	516	529	679
Work and Pensions	202,836	204,269	203,388	209,282	221,134	232,200
HM Revenue and Customs	52,307	50,909	48,080	47,751	121,567	64,573
HM Treasury ⁽⁴⁾	-50,969	-4,718	-30,267	997	33,977	22,031
Cabinet Office	11,029	13,485	16,279	13,843	14,319	13,406
Scotland ⁽⁵⁾	44,550	53,860	55,557	55,672	61,819	62,262
Wales ⁽⁶⁾	17,185	17,571	17,720	18,652	24,429	22,993
Northern Ireland	22,232	22,709	23,811	23,937	27,847	28,675
Small and Independent Bodies	1,883	2,110	2,163	2,181	3,808	5,677
Total departmental expenditure ⁽⁷⁾	742,373	918,095	696,637	865,012	1,098,692	1,048,304
Central government gross debt interest	55,184	61,319	53,155	51,147	39,278	43,325
Locally financed expenditure	48,328	53,038	52,759	55,519	49,129	50,677
Public sector depreciation	55,155	54,924	54,181	54,558	52,326	57,544
Net expenditure transfers to the EU ⁽¹²⁾	10,368	11,332	14,013	12,278	9,709	–
Public corporations' own-financed capital expenditure	18,964	16,993	9,929	10,211	9,095	7,500
Accounting adjustments	-9,194	-184,830	48,253	-106,888	-163,843	-138,573
Reserves ⁽⁸⁾	–	–	–	–	–	18,193
OBR allowance for shortfall	–	–	–	–	–	-15,205
Adjustment for Budget Exchange ⁽⁹⁾	–	–	–	–	–	-1,245
Total other expenditure ⁽¹⁰⁾	178,806	12,776	232,290	76,825	-4,306	22,216
Total Managed Expenditure ⁽¹¹⁾	921,179	930,871	928,926	941,837	1,094,386	1,070,520

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2020-21 price levels using GDP deflators from the Office for National Statistics (released 30 June 2021) and deflator forecasts from the Office for Budget Responsibility (Economic and fiscal outlook - 3 March 2021).

⁽²⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

⁽³⁾ Figures reflect a change to the long-term discount rate used each year for provisions to maintain compliance with International Financial Reporting Standards.

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

⁽⁵⁾ 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 information on the devolution of tax and welfare powers see the Block Grant Transparency publication available on GOV.UK.

⁽⁶⁾ As agreed in the Welsh Government's fiscal framework, their Resource DEL block grant is adjusted for the devolution of tax powers. For detailed information on the devolution of tax powers see the Block Grant Transparency publication available on GOV.UK.

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

⁽⁸⁾ This includes the Reserve for both Covid-19 and core funding and the £1.5bn for the leases reclassification exercise confirmed in Spending Review 2020.

⁽⁹⁾ 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.

⁽¹⁰⁾ Total other expenditure is other AME spend within Total Managed Expenditure.

⁽¹¹⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 2.B in Chapter 2.

⁽¹²⁾ European Union Financial Settlement payments and European Investment Bank receipts form part of HM Treasury's departmental AME in 2021-22.

Table 1.14 Accounting adjustments,⁽¹⁾ 2016-17 to 2021-22

	National Statistics					£ billion
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	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)	-15.3	-13.9	-14.2	-21.2	-22.3	-27.6
NHS capital consumption	-1.9	-1.9	-1.9	-2.0	-2.7	-2.0
Interest	-0.2	-0.4	-0.4	-0.2	-0.6	-0.6
Public corporation subsidies	-0.5	-0.4	-0.4	-0.4	-0.8	-0.5
Other	0.0	0.0	0.0	0.3	0.1	-0.1
Total resource DEL	-17.8	-16.6	-16.9	-23.6	-26.3	-30.9
Resource departmental AME						
Capital consumption	-6.7	-6.3	-6.5	-4.2	-4.0	-2.0
Interest	1.9	2.3	5.1	4.2	3.8	3.0
Subsidy element of renewable obligation certificates	–	–	–	–	–	–
Subsidy element of other environmental levies	-0.5	-0.7	-0.8	-0.8	-0.9	-1.1
NNDR outturn adjustment	0.0	0.0	0.0	0.0	0.0	-0.4
Public corporation subsidies	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Other	0.3	0.1	1.1	1.2	0.3	0.1
Total resource departmental AME	-5.2	-4.8	-1.3	0.3	-1.1	-0.5
Adjustment for different data used by OBR in PSCE forecast	–	–	–	–	–	-16.7
<i>of which DEL</i>	–	–	–	–	–	6.5
<i>of which AME</i>	–	–	–	–	–	10.2
Total resource budget data replaced by different source data	-23.0	-21.4	-18.3	-23.3	-27.4	-48.1
Remove data in budgets which do not form part of public sector current expenditure						
Resource DEL						
Impairments	-0.7	-1.0	-0.6	-0.2	-0.6	0.0
Receipts treated as negative DEL but revenue in National Accounts	0.0	0.0	0.0	0.0	0.0	–
Fees, levies and charges	–	–	–	–	–	–
Grant equivalent element of student lending	-9.3	-13.7	-8.8	-16.5	-10.2	-20.5
Stock write-offs	0.0	0.2	0.2	0.1	-0.1	0.1
Change in pension scheme liabilities	0.0	-0.1	0.0	0.0	0.0	0.0
Miscellaneous current transfers	2.7	1.7	2.8	2.6	1.8	1.8
Northern Ireland Executive transfers between DEL and AME ⁽²⁾	0.6	0.6	0.9	3.0	2.7	2.7
Profit or loss - sale of company securities	0.1	0.1	0.1	0.1	0.1	0.0
Profit or loss - sale of other assets (capital in National Accounts)	0.3	0.1	-0.1	0.1	0.1	0.1
EU funded expenditure	-0.4	-0.3	-0.2	-0.3	-0.4	-0.1
Other	0.9	0.7	1.1	0.3	-0.4	0.4
Total resource DEL	-5.7	-11.8	-4.6	-11.0	-6.9	-15.6
Resource departmental AME						
Impairments	22.4	-6.0	15.1	25.5	-50.9	-24.9
Bad debts	-0.2	-0.4	-0.6	-0.4	-0.4	-0.2
Grant equivalent element of student lending	0.1	0.0	0.0	-0.2	-0.1	0.0
Provisions	-12.8	-93.7	107.9	-46.1	4.8	-27.2
Change in pension scheme liabilities	-36.2	-54.2	-82.7	-67.9	-81.0	-94.0
Unwinding of discount rate on pension scheme liabilities	-42.0	-42.7	-40.0	-45.9	-34.5	-27.2
Release of provisions covering payments of pension benefits	35.5	36.5	38.2	39.9	41.0	42.6
Fees, levies and charges	–	–	–	–	–	–
Profit or loss - sale of other assets (capital in National Accounts)	0.1	0.0	0.3	0.0	0.0	–
Tax credits	0.0	0.0	–	–	–	–
Other	3.1	2.6	0.4	0.3	1.6	-3.4
Total resource departmental AME	-30.0	-157.9	38.7	-94.7	-119.5	-134.2
Total resource budget data not in public sector current expenditure	-35.7	-169.7	34.1	-105.7	-126.4	-149.8

Table 1.14 Accounting adjustments⁽¹⁾, 2016-17 to 2021-22 (continued)

	National Statistics					£ billion
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	outturn	outturn	outturn	outturn	outturn	plans
Central government adjustments in National Accounts						
Expenditure on goods and services	39.8	35.7	36.1	40.9	43.9	46.3
<i>of which: VAT refunds</i>	7.9	7.9	8.6	9.2	10.8	10.7
<i>of which: Single use military expenditure</i>	–	–	–	–	–	–
<i>of which: payment from EU for tax collection costs</i>	-0.8	-0.7	-0.7	-0.6	-0.4	0.0
<i>of which: capital consumption</i>	28.1	28.7	29.1	30.0	30.8	33.8
<i>of which: ONS R&D Adjustment</i>	–	–	–	–	–	–
<i>of which: Network Rail</i>	–	–	–	–	–	–
<i>of which: other</i>	4.5	-0.2	-0.9	2.3	2.7	2.0
Net social benefits ⁽²⁾	0.9	0.4	1.2	1.1	0.6	2.7
<i>of which: switch between benefits and other current grants</i>	–	–	–	–	–	–
<i>of which: other</i>	0.9	0.4	1.2	1.1	0.6	2.7
Net current grants abroad	0.9	0.8	1.1	1.0	1.0	0.7
<i>of which: attributed aid</i>	–	–	–	–	–	–
<i>of which: EU receipts</i>	0.1	0.1	0.2	0.1	0.1	–
<i>of which: other</i>	0.7	0.7	0.9	0.9	0.9	0.7
Other current grants	-2.8	-0.1	0.0	-0.1	0.0	-0.3
<i>of which: switch between other current grants and benefits</i>	–	–	–	–	–	–
<i>of which: other</i>	-2.8	-0.1	0.0	-0.1	0.0	-0.3
Subsidies	7.8	9.6	9.6	9.0	1.2	11.4
<i>of which: Renewable Obligation Certificates</i>	5.1	6.2	7.1	7.1	7.3	7.3
<i>of which: other environmental levies</i>	1.0	1.2	1.3	1.3	1.3	1.3
<i>of which: company tax credits outside departmental AME</i>	–	–	–	–	1.0	2.0
<i>of which: other</i>	1.7	2.3	1.1	0.6	-8.4	0.8
VAT and GNI based EU contributions	0.4	0.0	0.0	0.0	0.1	–
<i>of which: other</i>	0.4	0.0	0.0	0.0	0.1	–
Total central government resource adjustments	47.0	46.4	48.1	51.8	46.7	60.8
Local government adjustments in National Accounts						
Remove data which do not form part of public sector current expenditure	-0.6	-0.6	-0.6	-0.7	-0.5	-0.4
<i>of which: Northern Ireland regional rates</i>	-0.6	-0.6	-0.6	-0.7	-0.3	-0.4
<i>of which: retirement benefits</i>	–	–	–	–	–	–
<i>of which: debt interest payments to central government</i>	–	–	–	–	–	–
<i>of which: other</i>	–	–	0.0	–	-0.1	–
Adjustments to reconcile use of different data sources	-3.2	-3.8	-6.7	-7.1	-34.0	14.8
<i>of which: central government support</i>	-2.3	-2.8	-5.6	-4.9	-40.1	4.7
<i>of which: debt interest</i>	0.4	0.2	0.1	0.2	0.3	–
<i>of which: police and fire top up grants</i>	–	–	–	–	–	–
<i>of which: other</i>	-1.2	-1.2	-1.2	-2.4	5.7	10.1
Expenditure on goods and services	20.3	20.9	22.6	23.5	24.8	24.9
<i>of which: VAT refunds</i>	7.8	7.5	7.6	7.6	7.3	8.8
<i>of which: Local Authority Pension Scheme</i>	0.0	0.2	0.8	0.8	0.9	–
<i>of which: capital consumption</i>	12.7	13.2	13.9	14.6	14.9	15.8
<i>of which: rates</i>	-1.4	-1.4	-1.4	-1.4	-1.4	-1.4
<i>of which: other</i>	1.3	1.3	1.7	1.9	3.1	1.6
Subsidies	0.8	1.1	1.4	2.4	21.8	1.3
<i>of which: equity injection into Housing Revenue Account</i>	0.8	1.1	1.4	2.3	2.7	1.3
<i>of which: other</i>	–	–	0.0	0.2	19.1	–
Net social benefits	0.7	0.5	0.6	0.3	0.1	-1.5
<i>of which: housing benefits and rent rebates</i>	0.0	-0.2	-0.1	-0.4	-1.6	–
<i>of which: other</i>	0.7	0.7	0.7	0.7	1.6	-1.5
Other current grants and current grants abroad	0.1	0.1	0.1	0.1	0.1	0.1
Total local government resource adjustments	18.1	18.2	17.4	18.6	12.3	39.3
Other resource adjustments						
Public corporations	18.7	18.1	16.7	17.3	17.8	19.6
Asset Purchase Facility and Special Liquidity Scheme	-13.2	-13.5	-11.3	-11.4	-16.4	-17.8
Other	0.2	0.2	0.1	0.1	0.7	0.0
Total other resource adjustments	5.8	4.8	5.4	6.0	2.1	1.8
Total resource adjustments	12.2	-121.7	86.7	-52.6	-92.6	-96.0
<i>of which:</i>						
Timing adjustments ⁽³⁾						
Central government	0.1	-4.0	-10.5	-12.0	-10.2	–
Local government	2.0	2.2	2.5	3.0	24.1	–

Table 1.14 Accounting adjustments,⁽¹⁾ 2016-17 to 2021-22 (continued)

	National Statistics					£ billion
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	outturn	outturn	outturn	outturn	outturn	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	-0.3	-0.7	-0.7	-0.5	-1.9	0.3
Acquisitions less disposals of valuables	0.0	-0.1	0.0	-0.1	0.0	-
Total capital DEL	-0.3	-0.8	-0.7	-0.5	-1.9	0.3
Adjustment for different data used by OBR in PSGI forecast	-	-	-	-	-	7.9
<i>of which DEL</i>	-	-	-	-	-	0.8
<i>of which AME</i>	-	-	-	-	-	-8.8
Total capital budget data replaced by different source data	-0.3	-0.8	-0.7	-0.5	-1.9	8.3
Remove data in budgets which do not form part of public sector gross investment						
Capital DEL						
Net lending to private sector	-3.9	-5.0	-4.0	-4.4	-7.0	-4.7
Capital support for public corporations	0.3	0.0	-0.2	-0.2	-0.3	-0.4
Local government supported capital expenditure	-0.2	-0.2	-0.5	-0.9	-0.6	-0.6
Northern Ireland Executive transfers between DEL and AME	0.2	0.0	0.1	0.0	0.0	0.3
Other	-1.8	0.3	-0.3	0.2	-6.1	-1.9
Total Capital DEL	-5.4	-4.9	-4.9	-5.3	-13.9	-7.3
Capital departmental AME						
Net lending to private sector	4.7	-13.3	-7.0	-22.8	-17.2	-29.3
Capital support for public corporations	-0.2	-0.2	-0.1	-0.3	-0.1	-1.0
Purchase of company securities	-	-	-	-	-	-
Sale of company securities	-	-	-	-	-	-
Northern Ireland Executive transfers between DEL and AME ⁽²⁾	-0.2	0.0	-0.1	0.0	-	-0.1
Other	-0.4	-1.1	0.5	0.8	-0.1	0.1
Total capital departmental AME	4.0	-14.7	-6.7	-22.3	-17.4	-30.4
Total capital budget data not in public sector gross investment	-1.4	-19.6	-11.6	-27.7	-31.4	-37.7
Central government adjustments in National Accounts						
Gross fixed capital formation	0.0	-1.0	-2.3	-2.5	-0.7	1.9
<i>of which: profit or loss - sale of other assets (from resource budgets)</i>	-0.4	-0.1	-0.2	-0.1	-0.1	-0.1
<i>of which: Network Rail</i>	6.6	6.7	-	-	1.0	2.0
<i>of which: Single use military expenditure</i>	-	-	-	-	-	-
<i>of which: other</i>	-6.2	-7.6	-2.1	-2.3	-1.6	-
Capital grants to and from the private sector	8.1	10.1	10.2	10.3	-7.7	-0.1
<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>	8.0	10.0	10.1	10.2	-7.8	-0.2
Total central government capital adjustments	8.1	9.1	7.9	7.8	-8.4	1.8
Local government adjustments in National Accounts						
Adjustments to reconcile use of different data sources	-2.2	-4.0	-5.6	-6.7	-7.2	5.0
<i>of which: overhanging debt</i>	-	-	-	-	-	-
<i>of which: central government support</i>	1.9	-0.2	0.3	-1.4	-2.6	8.4
<i>of which: financial transactions</i>	-2.5	-2.3	-4.0	-3.6	-3.1	-1.8
<i>of which: capital grants from private sector</i>	-1.5	-1.5	-1.9	-1.7	-1.5	-1.6
Gross fixed capital formation	3.6	2.8	3.5	3.7	4.0	-2.8
<i>of which: VAT refunds</i>	1.8	1.9	2.1	2.1	1.9	2.3
<i>of which: roads de-trunking</i>	-	-	-	-	-	-
<i>of which: other</i>	1.8	0.9	1.5	1.7	2.1	-5.1
Capital grants	-1.2	-0.6	-0.4	-0.8	-0.3	-1.2
<i>of which: grants to public corporations</i>	-	-	-	-	-	-
<i>of which: other</i>	-1.2	-0.6	-0.4	-0.8	-0.3	-1.2
Total local government capital adjustments	0.2	-1.9	-2.5	-3.8	-3.5	1.1

Table 1.14 Accounting adjustments,⁽¹⁾ 2016-17 to 2021-22 (continued)

	National Statistics					£ billion
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
Other capital adjustments						
Public corporations	-0.1	0.3	0.3	0.5	0.4	1.4
Housing Revenue Account reform receipts	–	–	–	–	–	–
Other	2.2	1.7	2.9	0.9	1.7	2.0
Total other capital adjustments	2.1	2.0	3.2	1.4	2.1	3.4
Total capital adjustments	8.7	-11.2	-3.8	-22.7	-43.1	-23.1
<i>of which:</i>						
Timing adjustments ⁽³⁾						
Central government	4.0	5.4	12.6	10.7	-2.6	–
Local government	0.8	1.3	1.8	1.5	1.8	–

⁽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, 2016-17 to 2021-22

	£ million					
	National Statistics					
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans	2021-22 plans
Central government own expenditure						
DEL ⁽¹⁾	262,543	275,237	287,853	313,296	417,716	403,333
Departmental AME ^{(1) (2)}	273,545	424,334	223,019	371,218	515,090	485,204
Locally financed support in Northern Ireland	585	595	625	656	312	350
Net expenditure transfers to the EU ⁽⁴⁾	9,160	10,188	12,892	11,549	9,709	-
Central government debt interest	48,755	55,129	48,900	48,113	39,278	42,626
Accounting and other adjustments	19,018	-127,832	84,456	-58,946	-113,355	-112,891
Total central government own expenditure	613,605	637,651	657,745	685,886	868,749	818,623
Local government expenditure						
Central government support in DEL	69,382	65,702	64,298	69,253	107,009	89,612
Central government support in departmental AME	45,117	47,402	51,966	47,630	49,195	42,702
Locally financed support in Scotland	2,769	2,666	2,636	2,853	1,868	2,090
Locally financed support in Wales	977	1,059	1,050	1,061	1,036	1,101
Local authority self-financed expenditure	38,368	43,364	44,224	47,655	45,914	46,318
Accounting and other adjustments	18,364	16,513	14,333	14,231	7,773	39,766
Total local government expenditure	174,976	176,705	178,508	182,683	212,795	221,589
Public corporations' expenditure						
DEL	-139	91	401	236	669	658
Departmental AME	-63	111	1,060	163	139	1,065
Public corporations' own-financed capital expenditure	16,755	15,277	9,134	9,605	9,095	7,379
Accounting and other adjustments	21,835	20,585	19,001	18,716	19,252	21,814
Total public corporations' expenditure	38,388	36,065	29,596	28,720	29,155	30,917
Bank of England ⁽³⁾	-13,111	-13,519	-11,284	-11,322	-16,313	-17,832
Total Managed Expenditure	813,858	836,902	854,565	885,967	1,094,386	1,053,296

⁽¹⁾ Full resource budgeting basis, i.e. 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.

⁽⁴⁾ European Union Financial Settlement payments and European Investment Bank receipts form part of HM Treasury's departmental AME in 2021-22.

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 2020-21) fall within the scope of National Statistics.

What's new

2.2 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).

2.3 The Foreign and Commonwealth Office and Department for International Development were merged on 2 September 2020. All outturn and plans data for both departments are now shown within the totals for the Foreign, Commonwealth and Development Office.

2.4 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 left 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 figures for **Current grants abroad** from 2020-21 are significantly higher than earlier years reflecting the fact that CAP receipts from the EU are no longer being included.

2.5 The ongoing pressures faced by some departments, due to the impact of the pandemic, may again lead to delays in the laying of some annual reports and accounts (ARAs) this year¹. As a result, the 2020-21 outturn published in PESA may be subject to data quality issues, as not all departments will have been able to align data to their ARAs. The public spending statistics (PSS) release, published on a quarterly basis, will reflect any later revisions made by departments to their 2020-21 outturn.

2.6 At Spending Review 2020, the Resource DEL excluding depreciation budgetary control was redefined to exclude the Scottish Block Grant Adjustments. These now form part of the depreciation ringfence within Resource DEL. Total Resource DEL is left unchanged. The reclassification is fiscally neutral and does not affect the spending power of the Scottish Government.

2.7 Note that many of the economic categories and functions shown in the tables throughout PESA reflect Covid-19 related spend from 2020-21 onwards.

Spending by economic category

2.8 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

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

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.

2.9 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 departments' budgets

Following the Coronavirus outbreak in 2020, the government announced it was making additional funding available to provide support for households and businesses. In total, £140.6 billion of RDEL and £8.6 billion of CDEL was provided to departments as COVID-19 funding in 2020-21. In 2021-22 departments were provided with a further £68 billion of RDEL and £0.6 billion of CDEL.^[1]

In the OSCAR data supplied by departments and used to produce PESA, it is not always possible to separate Coronavirus related expenditure from departments' day-to-day spend on existing programmes and economic categories.^[2] Additional expenditure by the NHS on PPE, for example, will be reflected as a higher total for gross current procurement in resource DEL in 2020-21, but it is not possible to see from the OSCAR data how much of that increase is due to the Coronavirus. Where it has been possible to identify new programmes in the PESA data, they are treated as follows in **Table 2.1**:

DEL resource budget

- Current grants to local government: £23.2 billion in 2020-21 and £13.6 billion in 2021-22. This includes Covid Business Support Grants, the Expanded Retail Discount and direct support for local authorities.
- Subsidies to private sector companies: £12.4 billion in 2020-21 and £0.6 billion in 2021-22 on Covid Business Support Grants, Bounce Back Loan Schemes and Covid Business Interruption Loan Schemes.

AME resource budget

- Subsidies to private sector companies: £78.8 billion in 2020-21 and £19.2 billion in 2021-22. This is expenditure on the Coronavirus Job Retention and Self-Employment Income Support Schemes and the Eat Out to Help Out scheme.
- Release of provisions: -£10.8 billion for Covid Business Support Grants

AME capital budget

- Capital grants to private sector companies: £18.9 billion in 2020-21 for the Bounce Back Loan Scheme (BBLS) and the Business Interruption Loan Schemes (CLBILS and CBILS), and £1 billion in 2021-22 for the Recovery Loan Scheme.^[3]

Departments' individual Annual Reports and Accounts should include an analysis of COVID-19 related expenditure, alongside a summary of the impact of the pandemic on departmental activities and outcomes. Further information on measures announced by the government in response to the Coronavirus pandemic, how much has been spent, and how it is treated in the National Accounts may also be found in publications by the National Audit Office and the Office for National Statistics.^[4]

^[1] BUDGET 2021 - PROTECTING THE JOBS AND LIVELIHOODS OF THE BRITISH PEOPLE (publishing.service.gov.uk) pp32-33.

^[2] For more information on OSCAR see Annex G.

^[3] As of July 2021, these guarantee schemes had not been included in the ONS's figures for Total Managed Expenditure.

^[4] COVID-19 cost tracker - National Audit Office (NAO); Recent and upcoming changes to public sector finance statistics - Office for National Statistics (ons.gov.uk)

2.10 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**.

2.11 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.

2.12 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.

2.13 Current grants include all transfer payments other than subsidies (see 2.14 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.

2.14 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).

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

2.16 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.

2.17 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 2.18 below).

2.18 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) were treated as if they were 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: -£0.1 billion in 2016-17 and £0.0 billion for 2017-18 to 2021-22. This is mainly underwriting commission and guarantee fee income;
- Depreciation: There was a gain of £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. There were impairments of £44.8 billion and £20.0 billion in 2020-21 and 2021-22 respectively.
- Other: income of -£1.7 billion in 2016-17, -£0.5 billion in 2017-18, -£1.1 billion in both 2018-19 and 2019-20 and -£0.2 billion in 2020-21. This is mainly interest paid to government and from the sale of shares.

Capital budget

- Net lending to the private sector: -£3.5 billion in 2016-17 -£0.9 billion in 2017-18, -£2.5 billion in 2018-19, -£1.6 billion in 2019-20 and -£2.7 billion in 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**.

2.19 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 2.20 and 2.21).

2.20 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**.

2.21 Capital support for public corporations comprises capital grants, net lending (see paragraph 2.24) and public corporations' market and overseas borrowing where this scores in the parent department's budget.

2.22 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.

2.23 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.

2.24 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.

2.25 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.

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

2.27 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, 2016-17 to 2021-22

	National Statistics					£ million
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	outturn	outturn	outturn	outturn	outturn	plans
Resource DEL						
Staff costs	104,990	109,696	115,509	129,620	143,027	148,884
Gross current procurement	109,002	109,544	113,062	120,803	158,712	161,469
Income from sales of goods and services	-19,910	-18,372	-18,628	-19,068	-16,604	-21,628
Current grants to local government	60,077	57,156	54,896	58,938	95,073	77,713
Current grants to persons and non-profit bodies	19,417	16,412	16,976	16,583	18,197	21,564
Current grants abroad	3,604	3,661	2,160	3,545	5,860	3,715
Subsidies to private sector companies	4,528	4,643	4,933	5,273	26,294	8,449
Subsidies to public corporations	487	430	418	404	837	528
Net public service pensions ⁽¹⁾	78	88	83	92	130	92
Rentals	6,467	6,502	5,565	5,404	5,957	6,095
Depreciation ⁽²⁾	19,747	16,098	11,325	26,054	24,234	39,360
Take up of provisions	2	1	44	79	346	403
Release of provisions	0	0	0	0	0	-8
Change in pension scheme liabilities	15	86	29	36	5	3
Unwinding of the discount rate on pension scheme liabilities	1	1	2	0	0	0
Release of provisions covering payments of pensions benefits	0	0	0	-1	0	0
Other	21,075	25,897	26,067	23,800	37,923	34,250
<i>Plus unallocated funds</i>	—	—	—	—	—	3,888
Total resource DEL	329,581	331,843	332,442	371,560	499,991	484,776
Of which: administration budgets in resource DEL						
Staff costs	6,462	6,511	7,401	8,051	8,532	7,907
Gross current procurement	3,790	3,762	3,917	3,635	4,384	5,937
Income from sales of goods and services	-1,264	-1,171	-1,505	-1,417	-1,748	-1,695
Rentals	407	398	326	333	273	107
Depreciation	429	390	422	501	468	944
Other	-405	-496	-375	-712	-730	-89
Total administration budgets in resource DEL	9,419	9,394	10,186	10,391	11,180	13,110
Resource departmental AME						
Staff costs	12,373	12,584	13,250	12,339	12,757	11,766
Gross current procurement	13,346	13,703	17,102	14,187	16,539	19,925
Income from sales of goods and services ⁽³⁾	-1,973	-1,606	-4,151	-3,818	-3,723	-3,585
Current grants to local government	44,190	46,658	51,131	46,249	48,089	41,701
Current grants to persons and non-profit bodies	197,262	201,090	205,478	213,779	235,966	243,737
Current grants abroad	-553	-578	-726	-622	-232	7,988
Subsidies to private sector companies	5,103	5,434	7,899	12,175	91,674	33,549
Subsidies to public corporations	170	169	175	166	159	192
Net public service pensions ⁽¹⁾	8,812	9,174	9,924	3,351	2,010	2,688
Rentals	204	91	86	375	409	389
Depreciation ⁽³⁾	-15,885	12,148	-8,669	-21,333	54,988	26,825
Take up of provisions ⁽³⁾	19,259	101,243	-99,142	56,920	14,923	40,906
Release of provisions	-6,430	-7,505	-8,771	-10,776	-19,653	-13,715
Change in pension scheme liabilities	36,245	54,213	82,661	67,905	81,042	94,012
Unwinding of the discount rate on pension scheme liabilities	42,002	42,663	39,995	45,856	34,520	27,187
Release of provisions covering payments of pensions benefits ⁽⁴⁾	-35,533	-36,475	-38,236	-39,894	-40,959	-42,575
Other	-27,021	-20,089	-23,444	-21,910	-35,843	-27,480
Total resource departmental AME	291,574	432,919	244,562	374,948	492,666	463,509

Table 2.1 Budgets by economic category of spending, 2016-17 to 2021-22 (continued)

	National Statistics					£ million
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	outturn	outturn	outturn	outturn	outturn	plans
Resource budgets						
Staff costs	117,363	122,280	128,759	141,959	155,784	160,650
Gross current procurement	122,349	123,248	130,164	134,990	175,251	181,394
Income from sales of goods and services ⁽³⁾	-21,883	-19,978	-22,779	-22,886	-20,327	-25,213
Current grants to local government	104,267	103,814	106,027	105,186	143,163	119,414
Current grants to persons and non-profit bodies	216,680	217,503	222,453	230,362	254,163	265,301
Current grants abroad	3,051	3,084	1,434	2,923	5,628	11,703
Subsidies to private sector companies	9,631	10,077	12,832	17,448	117,968	41,998
Subsidies to public corporations	657	599	593	570	995	720
Net public service pensions ⁽¹⁾	8,891	9,262	10,007	3,442	2,140	2,779
Rentals	6,671	6,593	5,651	5,779	6,367	6,484
Depreciation ^{(2) (3)}	3,862	28,246	2,656	4,721	79,222	66,184
Take up of provisions ⁽³⁾	19,261	101,243	-99,098	56,999	15,269	41,309
Release of provisions	-6,430	-7,505	-8,771	-10,776	-19,653	-13,723
Change in pension scheme liabilities	36,259	54,299	82,690	67,940	81,047	94,015
Unwinding of the discount rate on pension scheme liabilities	42,003	42,664	39,997	45,856	34,520	27,187
Release of provisions covering payments of pensions benefits ⁽⁴⁾	-35,533	-36,475	-38,236	-39,895	-40,960	-42,575
Other	-5,945	5,808	2,624	1,890	2,081	6,770
<i>Plus unallocated funds</i>	–	–	–	–	–	3,888
Total resource budgets	621,155	764,761	577,003	746,508	992,657	948,285
Capital DEL						
Capital support for local government	9,305	8,546	9,402	10,316	11,936	11,899
Capital grants to persons and non-profit bodies	5,567	6,851	7,778	7,965	9,981	11,985
Capital grants to private sector companies	1,913	2,337	1,879	2,293	1,763	4,106
Capital grants abroad	2,581	2,172	3,174	2,395	2,887	3,093
Capital support for public corporations	172	340	569	465	781	713
Release of provisions	–	–	–	–	–	–
Gross capital procurement	24,820	28,809	33,407	40,076	50,102	51,716
Income from sales of assets	-1,624	-1,580	-1,646	-1,683	-1,782	-1,221
Net lending and investment to the private sector and abroad ⁽³⁾	4,548	4,889	3,928	4,175	6,945	4,343
Other	4,018	3,261	4,071	4,158	11,099	7,323
<i>Plus unallocated funds in capital DEL</i>	–	–	–	–	–	-2,173
Total capital DEL	51,298	55,626	62,562	70,159	93,711	91,786
Capital departmental AME						
Capital support for local government	926	743	835	1,381	1,106	1,001
Capital grants to persons and non-profit bodies	459	497	520	498	593	719
Capital grants to private sector companies	674	821	1,261	1,468	20,984	3,208
Capital grants abroad	-27	-26	-32	-33	-40	-14
Capital support for public corporations	195	335	1,292	385	202	1,173
Take up of Provisions	8	545	-234	2	4	1
Release of Provision	-72	-66	-395	-529	-324	-624
Gross capital procurement	8,532	8,149	8,381	1,736	1,685	2,663
Income from sales of assets	-126	-144	-1,218	-86	-75	-47
Net lending and investment to the private sector and abroad	-4,745	12,594	5,808	22,752	17,206	29,310
Other	-2,645	-2,321	-3,588	-4,490	-4,783	-4,993
Total capital departmental AME	3,179	21,127	12,631	23,085	36,557	32,397

Table 2.1 Budgets by economic category of spending, 2016-17 to 2021-22 (continued)

	£ million					
	National Statistics					2021-22 plans
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	
Capital budgets						
Capital support for local government	10,231	9,289	10,237	11,697	13,041	12,900
Capital grants to persons and non-profit bodies	6,026	7,348	8,299	8,463	10,574	12,705
Capital grants to private sector companies	2,586	3,159	3,141	3,760	22,747	7,315
Capital grants abroad	2,554	2,146	3,142	2,362	2,847	3,079
Capital support for public corporations	366	675	1,861	850	983	1,886
Take up of Provisions	8	545	-234	2	4	1
Release of Provision	-72	-66	-395	-529	-324	-624
Gross capital procurement	33,352	36,958	41,788	41,812	51,787	54,379
Income from sales of assets	-1,750	-1,724	-2,864	-1,769	-1,857	-1,267
Net lending and investment to the private sector and abroad	-197	17,482	9,735	26,928	24,151	33,652
Other	1,373	940	483	-331	6,316	2,331
<i>Plus unallocated funds in capital DEL</i>	–	–	–	–	–	-2,173
Total capital budgets	54,477	76,752	75,192	93,245	130,269	124,182

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

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

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

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

Table 2.2 Gross current procurement in budgets, 2016-17 to 2021-22

	£ million					
	National Statistics					2021-22 plans
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	
Gross current procurement in budgets						
Health and Social Care	64,553	63,408	64,256	66,728	100,624	95,307
Education	4,711	5,259	5,717	6,158	5,749	6,908
Home Office	2,508	2,545	2,943	2,950	3,408	4,019
Justice	4,873	5,033	4,993	5,056	4,921	5,620
Law Officers' Departments	292	323	321	331	285	744
Defence	11,017	11,510	12,253	13,134	13,075	13,321
Single Intelligence Account	1,107	1,198	1,223	1,357	1,326	1,547
Foreign, Commonwealth and Development Office ⁽¹⁾	1,763	1,797	1,791	1,953	1,621	1,081
MHCLG - Housing and Communities	318	124	204	199	225	344
MHCLG - Local Government	–	–	0	–	–	–
Transport	3,792	4,329	5,260	5,388	5,307	6,096
Business, Energy and Industrial Strategy	2,015	2,040	1,906	2,076	2,826	3,439
Digital, Culture, Media and Sport	3,263	3,104	3,395	3,628	3,011	4,813
Environment, Food and Rural Affairs	896	911	1,068	1,144	1,063	1,152
International Trade	200	210	215	224	199	238
Work and Pensions	2,124	1,922	2,098	1,953	2,237	3,414
HM Revenue and Customs	1,365	1,237	1,262	1,274	1,845	2,001
HM Treasury	499	745	927	391	295	798
Cabinet Office	323	469	570	565	1,177	955
Scotland	8,074	8,088	10,412	10,875	14,210	14,136
Wales	3,854	3,987	4,149	4,272	5,036	6,794
Northern Ireland	4,154	4,207	4,482	4,579	5,457	6,101
Small and Independent Bodies	650	801	721	755	1,349	2,566
Total gross current procurement in budgets	122,349	123,248	130,164	134,990	175,251	181,394

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

Table 2.3 Gross capital procurement in budgets, 2016-17 to 2021-22

	£ million					
	National Statistics					2021-22 plans
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	
Gross capital procurement in budgets						
Health and Social Care	4,850	4,901	5,973	6,671	11,447	7,898
Education	790	2,157	2,422	1,984	2,463	1,284
Home Office	347	437	528	576	681	893
Justice	436	450	522	553	1,074	1,750
Law Officers' Departments	13	10	16	8	5	12
Defence	8,836	9,737	10,731	10,643	12,028	14,499
Single Intelligence Account	631	623	666	674	599	1,056
Foreign, Commonwealth and Development Office ⁽¹⁾	167	395	215	209	392	120
MHCLG - Housing and Communities	231	395	272	384	349	685
Transport	9,463	10,019	12,392	11,840	13,535	16,625
Business, Energy and Industrial Strategy	3,157	3,366	3,664	3,513	3,705	2,301
Digital, Culture, Media and Sport	591	314	355	655	453	598
Environment, Food and Rural Affairs	241	256	256	266	380	755
International Trade	6	16	17	20	34	155
Work and Pensions	181	341	200	113	324	301
HM Revenue and Customs	328	306	374	420	565	757
HM Treasury	3	8	22	10	9	9
Cabinet Office	123	200	153	115	263	372
Scotland	1,203	1,097	969	1,020	1,182	1,617
Wales	589	660	676	632	792	788
Northern Ireland	1,052	980	1,116	1,105	1,230	1,464
Small and Independent Bodies	115	289	249	401	275	440
Total gross capital procurement in budgets	33,352	36,958	41,788	41,812	51,787	54,379

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

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 2019-20, estimated outturn published in PESA 2020 (CP 276) is compared with the final outturn in **Chapter 1**;
- for 2020-21, the plans published in PESA 2020 are reconciled to final plans and compared to the estimated outturn in **Chapter 1**; and
- For 2021-22 latest plans are compared with the published figures in Spending Review 2020 (CP 330).

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 2019-20;
- **Tables 3.5, 3.6, 3.7 and 3.8** show changes for 2020-21;
- **Tables 3.9-3.11** show plans for 2021-22.

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 ongoing pressures faced by some departments, due to the impact of the pandemic, may again lead to delays in the laying of some annual reports and accounts (ARAs) this year¹. As a result, the 2020-21 outturn published in PESA may be subject to data quality issues, as not all departments will have been able to align data to their ARAs. The public spending statistics (PSS) release, published on a quarterly basis, will reflect any later revisions made by departments to their 2020-21 outturn.

Types of changes

3.4 The comparisons distinguish between the following types of change:

- Machinery of Government changes, which are implemented in the starting position of all tables so that other changes are not obscured by departmental restructuring;
- changes that result from spending being reclassified or where financing responsibility transfers between departments (i.e. changes in the way public expenditure is measured); and
- changes that reflect policy decisions or are due to the availability of updated outturn or forecasts. This also takes account of any departmental underspends carried forward from 2020-21 to 2021-22 under the Budget Exchange system.

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

Machinery of Government and classification changes

3.5 The Foreign and Commonwealth Office and Department for International Development were merged on 2 September 2020. All outturn and plans data for both departments are now shown within the totals for the Foreign, Commonwealth and Development Office.

3.6 At Spending Review 2020, the Resource DEL excluding depreciation budgetary control was redefined to exclude the Scottish Block Grant Adjustments. These now form part of the depreciation ringfence within Resource DEL. Total Resource DEL is left unchanged. The reclassification is fiscally neutral and does not affect the spending power of the Scottish Government.

Policy changes

3.7 This section sets out the key spending policy decisions taken since PESA 2020. This mainly includes:

- measures announced at Budget 2021;
- claims on the Reserve;
- carry forward of estimated resource and capital DEL underspends (with the agreement of the Treasury) from 2020-21 under the Budget Exchange (BX) system.

Policy changes in 2020-21 Tables 3.5 to 3.7

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

- BEIS received £13.1 billion, mainly in respect of Covid-19 Business Support Grants as well as the Vaccines Taskforce;
- Cabinet Office received £0.8 billion mainly to cover the costs of public information campaigns related to Covid-19, Ventilator procurement, and various other programmes;
- MHCLG Communities was awarded £0.6 billion, mainly in respect of IFRS9 accounting changes, Shielding and Rough Sleeping;
- MHCLG Local Government received £4.6 billion in respect of Covid-19 related support and sales, fees and charges;
- DDCMS was given £2.2 billion relating to support for the cultural sectors, charities, and various other programme costs;
- MoD received £2.4 billion, mainly to cover depreciation and impairments;
- Education was given £15.4 billion mainly to provide budget cover for impairment of the student loan book, as well as various Covid-19 related measures;
- DEFRA was awarded £0.4 billion, for various programmes including farm support payments;
- DHSC was given £56.6 billion of RDEL to cover various Covid-19 related costs, including NHS Test and Trace, personal protective equipment and vaccine deployment;
- HMRC received £0.6 billion for various programme costs;

- Home Office was given £2.1 billion to meet costs arising from various Covid-19 related pressures;
- MoJ was given £0.5 billion mainly in relation to Covid-19 costs;
- the Northern Ireland Executive received £2.6 billion mainly in respect of Barnett consequential arising from reserve claims by UK Government departments;
- the Scottish Government received £8.2 billion mainly in respect of Barnett consequential arising from reserve claims by UK Government departments;
- DfT received £11.0 billion for various programmes including support for passenger rail services, GLA transport grants, bus subsidies and depreciation costs;
- the Welsh Government received £5.0 billion mainly in respect of Barnett consequential arising from reserve claims by UK Government departments;
- DWP received £1.2 billion, mainly for Covid-19 related measures.

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

- BEIS received £8.7 billion, mainly relating to the Nuclear Liabilities Fund, Net Zero Buildings and Future Fund;
- DDCMS received £0.7 billion mainly in relation to various Support Packages;
- MoJ received £0.3 billion in relation to Covid-19 and other pressures;
- MoD was given £0.8 billion mainly for Equipment Plan Funding and Dreadnought contingency;
- DfE was given £1.1 billion, in respect of various programmes, including Covid-19 measures;
- DEFRA was given £0.2 billion mainly in respect of flood programmes;
- DHSC was given £4.7 billion to cover Covid-19 related capital spending;
- DfT received £0.3 billion for various programmes;
- FCDO received £0.2 billion mainly in respect of the British Council;
- MHCLG Communities received £0.1 billion, mainly in respect of Rough Sleeping;
- HMRC received £0.3 billion mainly to cover UK Transition activity costs;

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

- BEIS RDEL was reduced by £1.1 billion, reflecting the surrender of unused funding and receipt of additional income. CDEL was also reduced by £1.1 billion reflecting the surrender of unused funding for various programmes;
- DDCMS surrendered £0.1 billion of CDEL funding for various programmes;
- Cabinet Office surrendered £0.1 billion in Budget Exchange;
- MoJ Budget Exchanged £0.1 billion of CDEL;
- MHCLG Communities gave up £2.0 billion of forecast CDEL underspends, mainly relating to financial transactions and Budget Exchanged £1.0 billion of CDEL to 2021-22;
- MoD switched £0.3 billion from RDEL to CDEL;
- FCDO gave up £0.4 billion of RDEL, mainly in respect of Official Development Assistance;

- Education gave up £0.8 billion of RDEL and £0.3 billion of CDEL, partly in relation to forecast underspends;
- DHSC gave up £0.2 billion relating to business rates reduction;
- Home Office switched £0.1 billion from RDEL to CDEL;
- The Northern Ireland Executive carried forward £0.2 billion of RDEL and £0.1 billion of CDEL into 2021-22;
- The Scottish Government carried forward £0.9 billion of RDEL and £0.3 billion of CDEL into 2021-22;
- The Welsh Government switched £0.5 billion from RDEL to CDEL and carried forward £0.5 billion of RDEL and £0.2 billion of CDEL into 2021-22;
- DWP switched £0.4 billion from RDEL to CDEL.

3.9 Under the Budget Exchange system departments carried forward £0.1 billion resource DEL and £1.1 billion capital DEL from 2020-21 into 2021-22.

Policy changes in 2021-22 Tables 3.9 to 3.11

3.10 The impact of policy decisions on resource DEL and capital DEL budgets in 2021-22 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 2021-22 were:

- BEIS was given £0.6 billion for various measures to support businesses during Covid-19;
- Cabinet Office was given £0.3 billion for various programmes;
- MHCLG Local Government was given £0.7 billion to support local government during Covid-19;
- MoD was given an additional £0.3 billion to cover costs of operations and peacekeeping;
- DHSC was given a net £8.4 billion to cover Covid-19 costs;
- DfT received an additional £2.6 billion mainly to support passenger rail services;
- The Northern Ireland Executive received an additional £0.2 billion for various measures;

The main claims on the capital DEL Reserve in 2021-22 were:

- BEIS received £0.7 billion for a number of programmes;
- FCDO was given £0.1 billion for the British Council;
- MoJ received £0.3 billion in respect of IFRS16 accounting changes;
- DfT was given an additional £0.6 billion for Crossrail.

The other main policy decisions affecting 2021-22 DELs were:

- BEIS was given an additional £4.2 billion of RDEL at the Budget mainly for Covid-19 business grants;
- MHCLG Communities Budget Exchanged £1.0 billion of CDEL into 2021-22 from 2020-21;
- MHCLG Local Government was given £6.0 billion of RDEL for business rates relief measures at the Budget;
- DHSC gave up £0.8 billion of CDEL;

- HM Revenue and Customs was given £0.9 billion of RDEL at the Budget, mainly as additional support for Working Tax Credit claimants;
- FCDO switched £0.6 billion from CDEL to Capital AME in respect of financial support provided to CDC Group plc.;
- the Scottish Government was given an additional £1.2 billion of RDEL as Barnett consequentials arising from Budget 2021 and £0.2 billion of CDEL from various measures. The Scottish Government also carried forward £0.9 billion of RDEL and £0.3 billion of CDEL into 2021-22 from 2020-21;
- the Welsh Government received £0.7 billion of RDEL as Barnett consequentials arising from the Budget 2020 and carried forward £0.5 billion of RDEL and £0.2 billion of CDEL from 2020-21;
- the Northern Ireland Executive received an additional £0.4 billion of RDEL as Barnett consequentials arising from the Budget and carried forward £0.2 billion of RDEL and £0.1 billion of CDEL from 2020-21.

Table 3.1 Resource DEL 2019-20; changes since PESA 2020

				£ million	
	Final provision adjusted for MoG	Outturn in PESA 2020 adjusted for MoG	Transfers and classification changes since PESA 2020	Other changes since PESA 2020	Outturn
Resource DEL					
Health and Social Care	134,628	134,137	–	46	134,183
Education	82,467	78,663	–	2,199	80,861
Home Office	11,912	11,869	–	1	11,870
Justice	8,409	8,321	–	-19	8,302
Law Officers' Departments	638	621	–	–	621
Defence	37,422	36,408	–	299	36,707
Single Intelligence Account	2,804	2,779	–	–	2,779
Foreign, Commonwealth and Development Office ⁽¹⁾	10,725	10,585	–	1	10,585
MHCLG - Housing and Communities	2,847	2,481	–	-2	2,479
MHCLG - Local Government	5,186	8,572	–	–	8,572
Transport	11,585	11,461	–	-22	11,439
Business, Energy and Industrial Strategy	3,555	2,838	–	–	2,838
Digital, Culture, Media and Sport	1,906	1,809	–	–	1,809
Environment, Food and Rural Affairs	2,288	2,240	–	5	2,245
International Trade	477	468	–	5	473
Work and Pensions	5,905	5,883	–	–	5,883
HM Revenue and Customs	4,340	4,249	–	8	4,257
HM Treasury	369	354	–	–	354
Cabinet Office	1,100	1,027	–	-1	1,026
Scotland	18,082	17,731	–	5	17,736
Wales	13,117	12,858	–	0	12,859
Northern Ireland	11,794	11,941	–	4	11,945
Small and Independent Bodies	1,863	1,622	–	114	1,736
Total resource DEL	373,420	368,918	–	2,642	371,560

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

Table 3.2 Resource DEL excluding depreciation 2019-20; changes since PESA 2020

				£ million	
	Final provision adjusted for MoG	Outturn in PESA 2020 adjusted for MoG	Transfers and classification changes since PESA 2020	Other changes since PESA 2020	Outturn
Resource DEL excluding depreciation					
Health and Social Care	133,333	133,447	–	36	133,483
Education	64,052	63,535	–	-15	63,520
Home Office	11,581	11,507	–	-1	11,507
Justice	7,806	7,853	–	-21	7,832
Law Officers' Departments	626	610	–	–	610
Defence	29,617	29,501	–	19	29,520
Single Intelligence Account	2,351	2,338	–	–	2,338
Foreign, Commonwealth and Development Office ⁽¹⁾	10,526	10,398	–	0	10,398
MHCLG - Housing and Communities	2,822	2,467	–	-10	2,457
MHCLG - Local Government	5,186	8,572	–	–	8,572
Transport	3,923	4,067	–	36	4,103
Business, Energy and Industrial Strategy	3,232	2,507	–	–	2,507
Digital, Culture, Media and Sport	1,672	1,567	–	–	1,567
Environment, Food and Rural Affairs	2,049	2,016	–	20	2,036
International Trade	472	460	–	5	466
Work and Pensions	5,713	5,695	–	–	5,695
HM Revenue and Customs	3,961	3,953	–	8	3,961
HM Treasury	363	350	–	–	350
Cabinet Office	1,038	954	–	27	981
Scotland	16,936	16,717	11,903	1	28,621
Wales	12,142	12,047	–	43	12,090
Northern Ireland	11,153	11,355	–	6	11,361
Small and Independent Bodies	1,642	1,421	–	113	1,533
Total resource DEL excluding depreciation	332,198	333,336	11,903	267	345,506

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

Table 3.3 Capital DEL 2019-20; changes since PESA 2020

					£ million
	Final provision adjusted for MoG	Outturn in PESA 2020 adjusted for MoG	Transfers and classification changes since PESA 2020	Other changes since PESA 2020	Outturn
Capital DEL					
Health and Social Care	7,125	7,006	–	9	7,015
Education	4,913	4,852	–	0	4,851
Home Office	806	782	–	-1	781
Justice	505	505	–	-13	492
Law Officers' Departments	11	8	–	–	8
Defence	10,354	10,261	–	53	10,314
Single Intelligence Account	644	637	–	–	637
Foreign, Commonwealth and Development Office ⁽¹⁾	2,215	2,185	–	-1	2,184
MHCLG - Housing and Communities	8,584	8,299	–	-27	8,272
Transport	14,696	14,342	–	-100	14,242
Business, Energy and Industrial Strategy	11,835	11,228	–	–	11,228
Digital, Culture, Media and Sport	646	583	–	–	583
Environment, Food and Rural Affairs	783	766	–	-40	726
International Trade	22	19	–	1	20
Work and Pensions	195	81	–	–	81
HM Revenue and Customs	364	335	–	–	335
HM Treasury	190	139	–	–	139
Cabinet Office	115	109	–	4	113
Scotland	4,363	4,260	–	0	4,260
Wales	2,226	2,132	–	-1	2,131
Northern Ireland	1,635	1,347	–	-1	1,346
Small and Independent Bodies	473	500	–	-100	400
Total capital DEL	72,700	70,375	–	-215	70,159

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

Table 3.4 Total Managed Expenditure 2019-20; changes since PESA 2020

	£ million			
	Outturn in PESA 2020	Transfers and classification changes since PESA 2020	Other changes since PESA 2020	Outturn
CURRENT EXPENDITURE				
<i>Resource DEL</i>				
Total resource DEL	368,918	–	2,642	371,560
<i>Resource departmental AME</i>				
Social security benefits	208,814	–	-25	208,789
Tax credits	18,082	–	314	18,396
Net public service pensions	34,072	–	-2,710	31,361
National lottery	1,056	–	–	1,056
BBC domestic services	3,769	–	–	3,769
Student loans	-5,915	–	28	-5,887
Non-cash items	63,083	–	-1,228	61,855
Financial sector interventions	-36,270	–	–	-36,270
Other departmental expenditure	88,533	–	3,346	91,879
Total resource departmental AME	375,223	–	-275	374,948
<i>Resource other AME</i>				
Net expenditure transfers to the EU	11,549	–	–	11,549
Locally financed expenditure	40,707	–	-2,799	37,908
Central government gross debt interest	47,839	–	274	48,113
Accounting adjustments	-59,816	–	7,226	-52,590
Total resource other AME	40,279	–	4,701	44,980
Total resource AME	415,502	–	4,426	419,928
Public sector current expenditure	784,420	–	7,068	791,488
CAPITAL EXPENDITURE				
<i>Capital DEL</i>				
Total capital DEL	70,375	–	-215	70,159
<i>Capital departmental AME</i>				
National lottery	225	–	–	225
BBC domestic services	132	–	–	132
Student loans	22,475	–	1	22,476
Financial sector interventions	-1,618	–	–	-1,618
Other departmental expenditure	2,037	–	-167	1,871
Total capital departmental AME	23,251	–	-166	23,085
<i>Capital other AME</i>				
Locally financed expenditure	13,114	–	1,204	14,318
Public corporations' own-financed capital expenditure	9,479	–	127	9,605
Accounting adjustments	-19,207	–	-3,482	-22,689
Total capital other AME	3,385	–	-2,151	1,234
Total capital AME	26,636	–	-2,317	24,320
Public sector gross investment	97,011	–	-2,532	94,479
<i>less public sector depreciation</i>	<i>49,414</i>	–	<i>1,908</i>	<i>51,322</i>
Public sector net investment	47,597	–	-4,440	43,157
Total Managed Expenditure	881,431	–	4,536	885,967

Table 3.5 Resource DEL 2020-21; changes since PESA 2020

	£ million				
	Plans in PESA 2020 adjusted for MOG	Transfers and classification changes since PESA 2020	Other changes since PESA 2020	Final provision	Outturn
Resource DEL					
Health and Social Care	144,836	-244	56,164	200,755	181,653
Education	74,193	29	14,585	88,807	79,403
Home Office	13,181	166	1,877	15,224	15,062
Justice	8,903	103	494	9,500	9,148
Law Officers' Departments	696	0	0	696	625
Defence	39,249	-75	2,083	41,257	38,217
Single Intelligence Account	2,843	81	-23	2,901	2,717
Foreign, Commonwealth and Development Office ⁽¹⁾	10,304	58	-421	9,941	9,913
MHCLG - Housing and Communities	2,688	0	563	3,251	2,698
MHCLG - Local Government	16,955	13	4,517	21,485	21,271
Transport	14,192	-8	10,914	25,099	23,776
Business, Energy and Industrial Strategy	15,941	21	11,951	27,913	26,270
Digital, Culture, Media and Sport	1,855	-87	2,065	3,833	3,096
Environment, Food and Rural Affairs	4,332	20	406	4,757	4,657
International Trade	565	-15	-35	516	502
Work and Pensions	6,199	-36	770	6,932	6,661
HM Revenue and Customs	4,309	29	624	4,961	4,809
HM Treasury	277	1	69	347	320
Cabinet Office	937	-71	734	1,601	1,447
Scotland	25,555	7	7,272	32,833	31,080
Wales	15,376	5	4,080	19,461	18,686
Northern Ireland	13,613	-3	2,409	16,019	15,527
Small and Independent Bodies	2,369	5	286	2,661	2,455
Reserves	–	–	–	–	–
OBR allowance for shortfall	-3,245	–	3,245	–	–
Adjustment for Budget Exchange	-55	–	55	–	–
Total resource DEL	416,067	–	124,683	540,750	499,991

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

Table 3.6 Resource DEL excluding depreciation 2020-21; changes since PESA 2020

	£ million				
	Plans in PESA 2020 adjusted for MOG	Transfers and classification changes since PESA 2020	Other changes since PESA 2020	Final provision	Outturn
Resource DEL excluding depreciation					
Health and Social Care	143,873	-244	55,538	199,166	180,566
Education	67,805	29	1,248	69,081	68,249
Home Office	12,829	166	1,700	14,695	14,561
Justice	8,297	103	494	8,893	8,621
Law Officers' Departments	680	0	4	684	613
Defence	30,749	-75	83	30,757	30,649
Single Intelligence Account	2,445	81	-100	2,426	2,268
Foreign, Commonwealth and Development Office ⁽¹⁾	10,135	58	-467	9,726	9,714
MHCLG - Housing and Communities	2,660	0	563	3,224	2,707
MHCLG - Local Government	16,955	13	4,517	21,485	21,271
Transport	6,902	-8	10,118	17,012	16,370
Business, Energy and Industrial Strategy	15,604	21	11,987	27,612	25,994
Digital, Culture, Media and Sport	1,649	-87	2,070	3,633	2,936
Environment, Food and Rural Affairs	4,093	20	406	4,518	4,439
International Trade	563	-15	-43	505	493
Work and Pensions	6,005	-34	770	6,741	6,476
HM Revenue and Customs	3,929	27	624	4,580	4,501
HM Treasury	271	1	69	341	314
Cabinet Office	866	-71	734	1,529	1,390
Scotland	24,409	8,882	5,919	39,210	38,851
Wales	14,687	5	3,232	17,924	17,704
Northern Ireland	13,026	-3	1,952	14,975	14,884
Small and Independent Bodies	2,151	5	289	2,445	2,185
Reserves	–	–	–	–	–
OBR allowance for shortfall	-3,245	–	3,245	–	–
Adjustment for Budget Exchange	-55	–	55	–	–
Total resource DEL excluding depreciation	387,283	8,875	105,004	501,161	475,757

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

Table 3.7 Capital DEL 2020-21; changes since PESA 2020

	£ million				
	Plans in PESA 2020 adjusted for MOG	Transfers and classification changes since PESA 2020	Other changes since PESA 2020	Final provision	Outturn
Capital DEL					
Health and Social Care	8,231	-1	4,688	12,918	11,720
Education	4,327	17	693	5,037	4,732
Home Office	791	-5	132	918	786
Justice	873	0	203	1,077	1,064
Law Officers' Departments	8	–	1	9	5
Defence	10,535	29	1,152	11,716	11,707
Single Intelligence Account	809	-31	32	810	580
Foreign, Commonwealth and Development Office ⁽¹⁾	2,725	0	252	2,977	2,871
MHCLG - Housing and Communities	13,337	-22	-2,830	10,486	9,105
Transport	18,064	-102	304	18,265	17,069
Business, Energy and Industrial Strategy	13,526	-8	7,621	21,139	20,298
Digital, Culture, Media and Sport	630	20	552	1,201	951
Environment, Food and Rural Affairs	902	-38	161	1,025	909
International Trade	14	2	164	180	34
Work and Pensions	225	1	419	644	468
HM Revenue and Customs	362	–	201	564	542
HM Treasury	10	–	9	18	8
Cabinet Office	311	-38	114	387	373
Scotland	5,498	8	-58	5,449	5,224
Wales	2,430	168	553	3,151	3,272
Northern Ireland	1,737	2	68	1,807	1,718
Small and Independent Bodies	531	–	-139	392	275
Reserves	–	–	–	–	–
OBR allowance for shortfall	-3,909	–	3,909	–	–
Adjustment for Budget Exchange	-617	–	617	–	–
Total capital DEL	81,351	–	18,820	100,171	93,711

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

Table 3.8 Total Managed Expenditure 2020-21; changes since PESA 2020

	Plans in PESA 2020	Transfers and classification changes since PESA 2020	Other changes since PESA 2020	£ million Outturn
CURRENT EXPENDITURE				
<i>Resource DEL</i>				
Total resource DEL	416,067	–	83,925	499,991
<i>Resource departmental AME</i>				
Social security benefits	231,884	–	-2,349	229,535
Tax credits	31,524	–	-16,134	15,390
Net public service pensions	42,101	–	-8	42,093
National lottery	1,119	–	112	1,231
BBC domestic services	3,812	–	-491	3,321
Student loans	-6,358	–	1,518	-4,840
Non-cash items	63,706	–	-26,262	37,444
Financial sector interventions	-22	–	44,570	44,548
Other departmental expenditure	102,485	–	21,458	123,943
Total resource departmental AME	470,251	–	22,415	492,666
<i>Resource other AME</i>				
Net expenditure transfers to the EU	9,709	–	–	9,709
Locally financed expenditure	42,480	–	-4,300	38,180
Central government gross debt interest	44,684	–	-5,406	39,278
Accounting adjustments	-167,415	–	74,793	-92,622
Total resource other AME	-70,543	–	65,087	-5,455
Total resource AME	399,709	–	87,502	487,211
Public sector current expenditure	815,775	–	171,427	987,202
CAPITAL EXPENDITURE				
<i>Capital DEL</i>				
Total capital DEL	81,351	–	12,361	93,711
<i>Capital departmental AME</i>				
National lottery	261	–	-71	190
BBC domestic services	371	–	-308	63
Student loans	25,122	–	-2,521	22,600
Financial sector interventions	-1,613	–	-1,128	-2,742
Other departmental expenditure	7,951	–	8,495	16,446
Total capital departmental AME	32,091	–	4,466	36,557
<i>Capital other AME</i>				
Locally financed expenditure	10,944	–	5	10,950
Public corporations' own-financed capital expenditure	9,748	–	-653	9,095
Accounting adjustments	-22,204	–	-20,926	-43,130
Total capital other AME	-1,512	–	-21,573	-23,085
Total capital AME	30,580	–	-17,107	13,473
Public sector gross investment	111,930	–	-4,746	107,184
<i>less public sector depreciation</i>	<i>52,217</i>	–	<i>109</i>	<i>52,326</i>
Public sector net investment	59,713	–	-4,855	54,858
Total Managed Expenditure	927,706	–	166,680	1,094,386

Table 3.9 Resource DEL 2021-22; changes since SR 2020⁽¹⁾

	2021-22			£ million
	Plans in SR2020 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
Resource DEL				
Health and Social Care	168,965	433	8,417	177,815
Education	90,858	-10	283	91,132
Home Office	14,248	-577	76	13,747
Justice	9,295	28	87	9,410
Law Officers' Departments	719	11	13	743
Defence	42,050	-399	292	41,943
Single Intelligence Account	2,662	381	-41	3,002
Foreign, Commonwealth and Development Office ⁽²⁾	7,586	-174	20	7,432
MHCLG - Housing and Communities	2,128	626	235	2,989
MHCLG - Local Government	11,486	-507	6,491	17,471
Transport	14,862	-2	2,559	17,420
Business, Energy and Industrial Strategy	3,995	-33	4,791	8,754
Digital, Culture, Media and Sport	1,825	-18	204	2,011
Environment, Food and Rural Affairs	4,502	-111	-1	4,390
International Trade	512	8	1	521
Work and Pensions	9,377	0	34	9,412
HM Revenue and Customs	5,152	-5	925	6,073
HM Treasury	258	-6	27	279
Cabinet Office	727	221	352	1,300
Scotland	26,629	48	3,162	29,839
Wales	15,813	61	1,883	17,757
Northern Ireland	13,528	17	1,261	14,806
Small and Independent Bodies	2,529	5	106	2,641
Reserves	29,431	—	-17,931	11,500
OBR allowance for shortfall	-6,096	—	-1,367	-7,463
Adjustment for Budget Exchange	—	—	-149	-149
Total resource DEL⁽¹⁾	473,044	—	11,732	484,776

⁽¹⁾ At Spending Review 2020 a figure of £30.3 billion for the RDEL depreciation ringfence was published. Individual departmental allocations had not been reviewed at that point and were not finalised until the 2021-22 Main Estimates. SR2020 plans in this table reflect the updated ringfenced total and allocations set at the Main Estimates.

⁽²⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

Table 3.10 Resource DEL excluding depreciation 2021-22; changes since SR 2020

	2021-22			£ million
	Plans in SR2020 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
Resource DEL excluding depreciation				
Health and Social Care	167,376	433	8,707	176,516
Education	71,133	-10	283	71,406
Home Office	13,719	-577	129	13,271
Justice	8,688	28	-32	8,684
Law Officers' Departments	707	11	2	720
Defence	31,550	-399	292	31,443
Single Intelligence Account	2,187	381	-41	2,527
Foreign, Commonwealth and Development Office ⁽¹⁾	7,370	-174	20	7,217
MHCLG - Housing and Communities	2,101	626	235	2,962
MHCLG - Local Government	11,486	-507	6,491	17,471
Transport	6,776	-2	2,559	9,333
Business, Energy and Industrial Strategy	3,694	-33	4,758	8,420
Digital, Culture, Media and Sport	1,625	-18	204	1,811
Environment, Food and Rural Affairs	4,263	-111	-1	4,151
International Trade	501	8	1	510
Work and Pensions	9,186	2	34	9,222
HM Revenue and Customs	4,771	-7	925	5,689
HM Treasury	252	-6	27	274
Cabinet Office	656	221	352	1,228
Scotland	33,006	48	3,133	36,187
Wales	14,276	61	1,900	16,237
Northern Ireland	12,484	17	1,270	13,771
Small and Independent Bodies	2,373	5	99	2,477
Reserves	29,431	–	-17,931	11,500
OBR allowance for shortfall	-6,096	–	-1,367	-7,463
Adjustment for Budget Exchange	–	–	-149	-149
Total resource DEL excluding depreciation	433,515	–	11,902	445,416

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

Table 3.11 Capital DEL 2021-22; changes since SR 2020

	2021-22			£ million
	Plans in SR2020 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans
Capital DEL				
Health and Social Care	9,351	-14	-807	8,530
Education	5,615	–	0	5,615
Home Office	920	1	15	936
Justice	1,395	-1	324	1,718
Law Officers' Departments	8	–	4	12
Defence	14,423	-110	19	14,333
Single Intelligence Account	866	107	41	1,014
Foreign, Commonwealth and Development Office ⁽¹⁾	2,392	117	-571	1,938
MHCLG - Housing and Communities	7,778	-17	1,062	8,822
Transport	18,764	96	636	19,495
Business, Energy and Industrial Strategy	16,053	-96	709	16,665
Digital, Culture, Media and Sport	764	46	208	1,018
Environment, Food and Rural Affairs	1,571	-42	7	1,536
International Trade	14	0	141	155
Work and Pensions	463	1	-3	461
HM Revenue and Customs	584	0	76	659
HM Treasury	8	-1	1	8
Cabinet Office	481	-77	25	429
Scotland	5,181	–	516	5,697
Wales	2,368	-9	251	2,610
Northern Ireland	1,656	–	212	1,867
Small and Independent Bodies	480	–	-40	440
Reserves	7,707	–	-1,307	6,400
Capital spending not yet in budgets	1,500	–	-1,500	–
OBR allowance for shortfall	-7,300	–	-197	-7,497
Adjustment for Budget Exchange	–	–	-1,076	-1,076
Total capital DEL	93,042	–	-1,256	91,786

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

4

Trends in public sector expenditure

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

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

What's new

4.3 There are no changes to classifications or presentation of tables to report since PESA 2020.

4.4 The ongoing pressures faced by some departments, due to the impact of the pandemic, may again lead to delays in the laying of some annual reports and accounts (ARAs) this year¹. As a result, the 2020-21 outturn published in PESA may be subject to data quality issues, as not all departments will have been able to align data to their ARAs. The public spending statistics (PSS) release, published on a quarterly basis, will reflect any later revisions made by departments to their 2020-21 outturn.

4.5 Note that many of the economic categories and functions shown in the tables throughout PESA reflect higher Covid-19 related spend from 2020-21 onwards.

4.6 The GDP deflator used for real terms calculations in PESA has been produced by the ONS for outturn and by the OBR for plans, as per previous years. However, it should be noted that in 2020-21 and 2021-22 it reflects the impact of Covid-19 on calculations of GDP and shows negative growth between the two years. The effects on GDP and the difficulties involved in calculating GDP at this time have been highlighted by the ONS and it should be noted that the deflator is still subject to revision.²

Public spending aggregates

4.7 **Table 4.1** shows trends in public spending since 1978-79 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.

4.8 Outturn data for these aggregates up to 2020-21 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.

4.9 Plans data for 2021-22 are taken from the Office for Budget Responsibility, and are consistent with their Economic and Fiscal Outlook forecasts published at the time of the 2021 Budget.

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

² Coronavirus and the effects on UK GDP - Office for National Statistics (ons.gov.uk)

Public sector expenditure on services by function

4.10 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.

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

4.12 **Table 4.2** shows public sector expenditure on services by United Nations Classification Of the Functions Of Government (COFOG) level 1 from 1997-98. **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 2020-21. 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

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

4.14 Data in **Tables 4.2, 4.3 and 4.4** for years before 2016-17 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.

4.15 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.

4.16 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.

4.17 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, 1978-79 to 2021-22

	Public sector current expenditure				Depreciation		Public sector net investment			Total Managed Expenditure ⁽³⁾		
	Real terms ⁽¹⁾		Per cent of GDP ⁽²⁾	Nominal		Per cent of GDP ⁽²⁾	Real terms ⁽¹⁾		Per cent of GDP ⁽²⁾	Real terms ⁽¹⁾		Per cent of GDP ⁽²⁾
	Nominal	£ billion		£ billion	£ billion		Nominal	£ billion		Nominal	£ billion	
1978-79	66.1	341.1	34.4	8.4	5.2	26.9	2.7	79.7	411.3	41.5		
1979-80	79.6	351.5	34.3	10.0	5.8	25.5	2.5	95.3	421.0	41.0		
1980-81	96.8	359.0	36.2	12.1	5.8	21.5	2.2	114.7	425.3	42.9		
1981-82	110.8	371.7	37.2	13.2	4.1	13.9	1.4	128.2	429.8	43.0		
1982-83	121.6	380.0	37.2	13.9	6.1	19.2	1.9	141.6	442.5	43.3		
1983-84	131.3	391.4	36.7	14.6	7.6	22.6	2.1	153.4	457.4	42.9		
1984-85	142.0	400.5	36.8	14.8	7.3	20.6	1.9	164.1	462.8	42.5		
1985-86	150.5	402.3	35.5	14.4	6.3	17.0	1.5	171.3	457.7	40.4		
1986-87	158.7	407.3	34.9	15.9	3.9	9.9	0.8	178.5	458.0	39.2		
1987-88	170.4	414.0	33.3	19.4	0.2	0.6	0.0	190.0	461.6	37.2		
1988-89	177.2	404.3	31.1	20.7	-1.1	-2.5	-0.2	196.8	449.0	34.5		
1989-90	192.4	407.4	30.6	22.6	3.2	6.7	0.5	218.2	461.8	34.7		
1990-91	209.8	410.4	30.9	22.2	4.7	9.2	0.7	236.8	463.2	34.9		
1991-92	233.9	432.5	32.7	21.4	7.6	14.0	1.1	262.8	485.9	36.8		
1992-93	254.9	459.2	34.6	21.5	7.9	14.1	1.1	284.2	512.1	38.6		
1993-94	268.9	472.9	34.4	21.8	5.7	10.1	0.7	296.4	521.2	38.0		
1994-95	280.6	487.1	34.3	21.8	6.1	10.6	0.7	308.5	535.6	37.7		
1995-96	294.5	496.5	34.1	22.3	6.0	10.1	0.7	322.7	544.1	37.4		
1996-97	303.7	494.5	33.0	22.0	1.6	2.7	0.2	327.3	532.9	35.6		
1997-98	318.0	519.4	33.0	22.6	2.7	4.4	0.3	343.2	560.6	35.7		
1998-99	327.7	526.6	32.4	23.1	3.5	5.6	0.3	354.3	569.4	35.1		
1999-00	339.4	543.0	32.2	24.3	4.4	7.1	0.4	368.1	588.9	34.9		
2000-01	361.8	568.4	32.7	25.1	3.8	5.9	0.3	390.7	613.8	35.3		
2001-02	380.3	588.9	33.2	26.2	11.0	17.0	1.0	417.4	646.5	36.4		
2002-03	408.6	619.0	33.9	28.0	15.1	22.9	1.3	451.8	684.4	37.4		
2003-04	445.9	661.2	35.1	28.2	19.6	29.0	1.5	493.7	732.1	38.8		
2004-05	478.9	690.5	35.9	29.7	24.9	35.9	1.9	533.5	769.2	40.0		
2005-06	508.3	714.0	35.9	31.9	25.5	35.9	1.8	565.7	794.7	39.9		
2006-07	532.4	727.2	35.8	33.8	25.8	35.2	1.7	592.0	808.6	39.8		
2007-08	565.9	751.8	36.1	36.0	26.9	35.7	1.7	628.8	835.4	40.1		
2008-09	600.4	776.6	38.2	39.3	46.6	60.3	3.0	686.4	887.8	43.6		
2009-10	634.8	808.2	40.7	41.1	45.8	58.3	2.9	721.7	918.8	46.3		
2010-11	662.7	828.5	40.8	41.6	39.4	49.3	2.4	743.7	929.8	45.8		
2011-12	671.4	826.8	40.2	42.9	31.9	39.3	1.9	746.2	919.0	44.7		
2012-13	683.0	824.3	39.6	44.0	34.4	41.5	2.0	761.4	918.9	44.2		
2013-14	693.6	822.3	38.4	45.2	29.4	34.8	1.6	768.2	910.7	42.5		
2014-15	704.0	823.2	37.6	46.3	36.2	42.3	1.9	786.5	919.7	42.0		
2015-16	714.8	829.0	36.9	47.2	32.8	38.0	1.7	794.7	921.8	41.0		
2016-17	725.2	820.8	36.0	48.7	39.9	45.2	2.0	813.9	921.2	40.4		
2017-18	742.2	825.6	35.6	49.4	45.3	50.4	2.2	836.9	930.9	40.2		
2018-19	761.1	827.4	35.2	49.8	43.6	47.4	2.0	854.6	928.9	39.5		
2019-20	791.5	841.4	35.6	51.3	43.2	45.9	1.9	886.0	941.8	39.8		
2020-21	987.2	987.2	47.0	52.3	54.9	54.9	2.6	1,094.4	1,094.4	52.1		
2021-22	934.5	949.8	41.3	56.6	62.2	63.2	2.7	1,053.3	1,070.5	46.5		

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2020-21 price levels using GDP deflators from the Office for National Statistics (released 30 June 2021) and deflator forecasts from the Office for Budget Responsibility (Economic and fiscal outlook - 3 March 2021).

⁽²⁾ GDP until 2020-21 is consistent with the latest figures from the Office for National Statistics (published 30 June 2021). GDP forecasts for 2021-22 are from the Office for Budget Responsibility (Economic and fiscal outlook - 3 March 2021).

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

Table 4.2 Public sector expenditure on services by function, 1997-98 to 2020-21

		National Statistics																				£ billion					
		accruals basis																									
		cash basis		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	2020-21	
		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	
1.	General public services of which: public and common services	45.3	44.2	46.1	44.0	43.9	47.6	52.4	56.2	59.1	62.6	66.8	62.9	76.0	76.8	73.1	75.4	74.4	75.3	78.5	83.4	79.8	80.8	70.3			
		6.2	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	14.3	12.5	12.5	12.8	14.5	17.5			
		3.1	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	7.2	10.8	10.4	11.9	11.7	11.3			
	of which: international services	36.0	32.5	34.0	30.5	29.6	31.6	34.8	37.2	40.1	43.4	46.4	42.0	55.4	57.6	54.2	54.4	52.4	53.8	55.2	60.5	55.1	54.7	41.5			
	of which: public sector debt interest	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	44.6		
2.	Defence ⁽¹⁾	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	30.2	30.2	30.1	31.5	32.4	34.5	38.6		
3.	Public order and safety	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	41.1	47.0	49.2	53.2	60.7	66.7	189.0			
4.	Economic affairs of which: enterprise and economic development ⁽²⁾	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	17.2	127.3		
	of which: science and technology	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	7.6			
	of which: employment policies	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	2.6		
	of which: agriculture, fisheries and forestry	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	5.8	6.4		
	of which: transport ^{(3), (4)}	8.7	7.8	7.9	9.0	11.3	14.8	16.3	16.0	17.0	19.9	20.6	21.0	23.0	21.5	20.4	20.2	20.8	22.0	27.9	28.8	30.3	32.7	34.6	45.1		
5.	Environment protection	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	11.8	12.6		
6.	Housing and community amenities	4.9	5.5	4.7	5.5	6.2	6.7	8.0	10.7	11.5	13.0	15.3	16.3	13.3	13.3	10.2	10.0	9.9	10.3	9.8	10.3	11.4	12.0	14.2	13.9		
7.	Health	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	219.4		
8.	Recreation, culture and religion	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	11.9	12.3		
9.	Education ⁽⁵⁾	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	90.6	96.1		
10.	Social protection	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	275.8	297.2		
	EU transactions ⁽⁶⁾	-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	4.7	5.4	7.9	5.8		
	Public sector expenditure on services	314.9	325.0	338.4	360.4	384.0	411.0	447.9	480.5	511.8	534.4	566.8	616.1	652.6	673.3	675.5	679.3	690.5	703.2	717.9	725.5	748.8	771.2	798.6	999.7		
	Accounting adjustments	28.3	29.3	29.7	30.3	33.4	40.8	45.8	53.0	54.0	57.6	62.0	70.4	69.2	70.4	70.7	82.1	77.7	83.3	76.8	88.4	88.1	83.4	87.4	94.6		
	Total Managed Expenditure⁽⁷⁾	343.2	354.3	368.1	390.7	417.4	451.8	493.7	533.5	565.7	592.0	628.8	686.4	721.7	743.7	746.2	761.4	768.2	786.5	794.7	813.9	836.9	854.6	886.0	1,094.4		

⁽¹⁾Spending Review 2020 continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence. 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 loans' is no longer part of the TES framework and has therefore been removed from the Education function. Therefore figures are not directly comparable between 2010-11 and 2011-12. A full explanation of this decision can be found in PESA 2016 Annex E.

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

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

Table 4.3 Public sector expenditure on services by function in real terms⁽¹⁾, 1997-98 to 2020-21

		National Statistics																								£ billion
cash basis	1997-98 outturn	accruals basis																								2020-21 outturn
		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	2020-21		
1. General public services	74.0	74.6	70.6	72.4	68.2	66.5	70.6	75.6	78.9	80.7	83.2	86.3	80.0	95.0	94.6	88.2	89.3	87.0	87.3	88.8	92.8	86.7	85.9	70.3		
of which: public and common services	10.1	11.6	12.8	12.4	14.2	14.8	16.2	17.4	18.0	17.3	16.6	18.1	17.6	16.0	14.2	13.5	13.3	13.4	16.6	14.1	13.9	13.9	15.4	17.5		
of which: international services	5.1	5.1	5.9	6.6	6.7	6.8	7.6	7.9	8.7	8.6	8.9	8.3	9.0	9.8	9.5	9.3	11.6	12.3	8.4	12.2	11.6	12.9	12.5	11.3		
of which: public sector debt interest	58.8	57.9	51.9	53.4	47.3	44.8	46.8	50.2	52.2	54.7	57.7	60.0	53.4	69.2	71.0	65.4	64.5	61.3	62.4	62.5	67.3	59.9	58.1	41.5		
2. Defence ⁽²⁾	35.4	39.4	40.2	40.4	39.3	40.9	42.7	43.0	43.5	44.0	44.8	47.6	48.0	49.1	47.7	43.8	43.2	42.9	42.5	42.0	43.0	43.7	44.9	44.6		
3. Public order and safety	27.9	28.9	29.4	32.1	35.8	37.0	39.1	41.1	41.2	41.5	42.1	43.6	43.4	41.4	39.5	37.8	35.1	35.3	35.0	34.0	35.0	35.2	36.7	38.6		
4. Economic affairs	35.3	31.5	34.4	37.4	42.9	46.5	49.1	48.4	49.6	51.2	49.7	64.3	62.0	50.0	46.6	44.3	48.5	48.1	54.5	55.7	59.1	66.0	70.9	189.0		
of which: enterprise and economic development ⁽³⁾	7.0	5.0	7.0	7.7	7.9	8.9	8.9	9.4	9.0	8.6	9.4	21.0	15.5	6.1	5.9	6.0	7.9	7.7	8.7	9.3	11.1	14.3	18.3	127.3		
of which: science and technology	2.3	2.2	2.2	2.2	2.6	3.2	3.4	3.6	4.2	4.0	4.4	4.1	4.6	4.3	4.4	4.0	5.0	5.1	5.5	5.1	5.6	7.0	7.2	7.6		
of which: employment policies	4.1	4.7	5.6	6.0	5.1	4.5	4.7	4.6	4.6	4.5	2.8	4.5	5.2	5.9	3.9	3.5	4.5	3.4	2.8	2.7	2.9	2.9	2.4	2.6		
of which: agriculture, fisheries and forestry	7.7	7.1	6.9	7.4	9.8	7.4	7.9	7.8	7.9	7.0	5.7	7.5	7.4	6.9	7.1	6.4	6.4	6.1	5.2	5.9	5.8	6.2	6.2	6.4		
of which: transport ^{(4), (5)}	14.2	12.5	12.6	14.1	17.5	22.4	24.2	23.1	23.9	27.2	27.4	27.2	29.3	26.9	25.1	24.4	24.7	25.7	32.4	32.6	33.7	35.5	36.8	45.1		
5. Environment protection	6.5	6.9	7.8	8.0	8.4	9.1	9.2	10.1	11.9	12.8	12.8	11.9	13.2	13.6	12.9	13.3	13.6	13.5	13.5	12.5	13.1	12.0	12.6	12.6		
6. Housing and community amenities	8.0	8.8	7.5	8.6	9.6	8.2	9.9	11.5	15.0	15.7	17.3	19.8	20.8	16.6	12.6	12.1	11.7	12.0	11.4	11.7	12.6	13.1	15.1	13.9		
7. Health	72.7	75.4	79.0	85.2	92.6	100.3	111.1	119.5	126.1	129.4	134.3	140.6	148.8	149.9	149.4	150.0	153.4	156.8	160.6	161.4	163.9	166.2	174.5	219.4		
8. Recreation, culture and religion	10.5	11.6	12.3	12.3	13.3	14.1	14.4	14.4	15.2	15.6	15.8	16.0	16.8	16.3	15.4	15.3	13.8	14.5	13.2	13.1	12.8	12.4	12.7	12.3		
9. Education ⁽⁶⁾	63.1	64.3	67.5	72.1	79.3	82.9	90.5	93.9	98.0	99.7	104.6	107.4	112.7	114.4	106.5	101.5	100.4	99.5	98.5	96.1	95.7	95.7	96.3	96.1		
10. Social protection	187.0	185.1	196.8	201.9	212.8	220.1	230.7	236.6	240.2	241.8	250.6	263.1	283.9	288.0	301.5	305.8	301.3	305.3	307.3	300.4	298.9	298.7	293.2	297.2		
EU transactions ⁽⁷⁾	-6.0	-4.2	-4.3	-4.1	-7.4	-2.9	-3.1	-1.3	-0.8	-2.5	-2.0	-3.8	1.1	7.4	5.3	8.1	8.5	7.2	8.9	5.3	6.0	8.5	6.2	5.8		
Public sector expenditure on services	514.4	522.3	541.3	566.3	594.7	622.6	664.2	692.8	718.9	729.9	753.0	796.8	830.8	841.7	831.9	819.8	818.5	822.3	832.7	821.1	832.9	838.3	849.0	999.7		
Accounting adjustments	46.2	47.1	47.6	47.6	51.8	61.8	67.9	76.4	75.8	78.7	82.4	91.0	88.1	88.1	87.1	99.1	92.2	97.4	89.1	100.1	98.0	90.6	92.9	94.6		
Total Managed Expenditure⁽⁸⁾	560.6	569.4	588.9	613.8	646.5	684.4	732.1	769.2	794.7	808.6	835.4	887.8	918.8	929.8	919.0	918.9	910.7	919.7	921.8	921.2	930.9	928.9	941.8	1,094.4		

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2020-21 price levels using GDP deflators from the Office for National Statistics (released 30 June 2021).

⁽²⁾ Spending Review 2020 continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence. 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

⁽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 TfL subsidiary, 'Transport Trading Limited'. This data has been obtained from the Office for National Statistics and currently includes expenditure of bodies such as Crossrail and Rail for London from 2011-12 onwards.

⁽⁶⁾ From 2011-12 onwards the 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from the Education function. Therefore figures are not directly comparable between 2010-11 and 2011-12. A full explanation of this decision can be found in PESA 2016 Annex E.

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

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

Table 4.4 Public sector expenditure on services by function as a per cent of GDP⁽¹⁾, 1997-98 to 2020-21

	National Statistics																										per cent
	cash basis		accruals basis																								
	1997-98 outturn	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn			
1. General public services of which: public and common services	4.7	4.6	4.2	4.2	3.8	3.6	3.7	3.9	4.0	4.0	4.0	4.2	4.0	4.7	4.6	4.2	4.2	4.0	3.9	3.9	4.0	3.7	3.6	3.3			
of which: international services	0.6	0.7	0.8	0.7	0.8	0.8	0.9	0.9	0.9	0.9	0.8	0.9	0.9	0.8	0.7	0.6	0.6	0.6	0.7	0.6	0.6	0.6	0.7	0.8			
of which: public sector debt interest	3.7	3.6	3.1	3.1	2.7	2.5	2.5	2.6	2.6	2.7	2.8	2.9	2.7	3.4	3.5	3.1	3.0	2.8	2.8	2.7	2.9	2.5	2.5	2.0			
2. Defence ⁽²⁾	2.3	2.4	2.4	2.3	2.2	2.2	2.3	2.2	2.2	2.2	2.2	2.3	2.4	2.4	2.3	2.1	2.0	2.0	1.9	1.8	1.9	1.9	1.9	2.1			
3. Public order and safety	1.8	1.7	1.8	2.0	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	1.8			
4. Economic affairs of which: enterprise and economic development ⁽³⁾	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	3.0	9.0			
of which: science and technology	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	0.8	6.1			
of which: employment policies	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.4			
of which: agriculture, fisheries and forestry	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.2	0.2	0.2	0.1	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1			
of which: transport ^{(4), (5)}	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	0.3			
5. Environment protection	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	2.2			
6. Housing and community amenities	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	0.6			
7. Health	0.5	0.5	0.4	0.5	0.5	0.4	0.5	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	0.6	0.7			
8. Recreation, culture and religion	4.6	4.6	4.7	4.9	5.2	5.5	5.9	6.2	6.3	6.4	6.5	6.9	7.5	7.4	7.3	7.2	7.2	7.2	7.2	7.1	7.1	7.1	7.4	10.5			
9. Education ⁽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	0.6	0.7	0.6	0.6	0.6	0.5	0.5	0.6			
10. Social protection	4.0	4.0	4.0	4.1	4.5	4.5	4.8	4.9	4.9	5.0	5.0	5.3	5.7	5.6	5.2	4.9	4.7	4.5	4.4	4.2	4.1	4.1	4.1	4.6			
EU transactions ⁽⁷⁾	11.9	11.4	11.7	11.6	12.0	12.0	12.2	12.3	12.1	11.9	12.0	12.9	14.3	14.2	14.7	14.7	14.1	13.9	13.7	13.2	12.9	12.7	12.4	14.2			
Public sector expenditure on services	-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	0.3			
Accounting adjustments	32.7	32.2	32.1	32.5	33.5	34.1	35.2	36.0	36.1	35.9	36.2	39.2	41.8	41.4	40.4	39.4	38.2	37.5	37.1	36.0	36.0	35.6	35.9	47.6			
Total Managed Expenditure⁽⁸⁾	2.9	2.9	2.8	2.7	2.9	3.4	3.6	4.0	3.8	3.9	4.0	4.5	4.4	4.3	4.2	4.8	4.3	4.4	4.0	4.4	4.2	3.9	3.9	4.5			

⁽¹⁾ GDP until 2020-21 is consistent with the latest figures from the Office for National Statistics (published 30 June 2021).

⁽²⁾ Spending Review 2020 continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence. 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

⁽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.

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 2016-17 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 The Foreign and Commonwealth Office and Department for International Development were merged on 2 September 2020. For **Tables 5.1, 5.1a** and **5.1b** all outturn data for both departments are now shown within the totals for the Foreign, Commonwealth and Development Office.

5.3 The ongoing pressures faced by some departments, due to the impact of the pandemic, may again lead to delays in the laying of some annual reports and accounts (ARAs) this year¹. As a result, the 2020-21 outturn published in PESA may be subject to data quality issues, as not all departments will have been able to align data to their ARAs. The public spending statistics (PSS) release, published on a quarterly basis, will reflect any later revisions made by departments to their 2020-21 outturn.

5.4 Note that many of the economic categories and functions shown in the tables throughout PESA reflect higher Covid-19 related spend from 2020-21 onwards.

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 2020-21. 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.

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.

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>

Public sector expenditure on services by economic category

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

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

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

Public sector expenditure on services split by current and capital spending

5.10 Table 5.4 gives a functional (COFOG level 1) breakdown of the current and capital expenditure of the public sector for the years from 2016-17. 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, 2020-21

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																							178,901
Education																							40,968
Home Office																							5,554
Justice																							10,169
Law Officers' Departments																							660
Defence																							43,232
Single Intelligence Account																							2,851
Foreign, Commonwealth and Development Office ⁽¹⁾																							11,862
Housing, Communities and Local Government																							5,184
Transport																							32,052
Business, Energy and Industrial Strategy																							48,868
Digital, Culture, Media and Sport																							8,423
Environment, Food and Rural Affairs																							5,482
International Trade																							512
Work and Pensions																							200,546
HM Revenue and Customs																							121,491
HM Treasury																							47,155
Cabinet Office																							4,937
Scotland																							34,790
Wales																							13,867
Northern Ireland																							23,608
Small and Independent Bodies																							2,292
Local Government																							156,337
Public sector expenditure on services for each function		70,285	17,525	11,292	41,469	44,557	38,633	188,978	127,287	7,581	2,619	6,357	45,133	12,580	13,867	219,434	12,304	96,054	297,243	5,808	999,742		

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

Table 5.1a Public sector current expenditure on services by departmental group and function, 2020-21

Departmental Grouping	Function	National Statistics										Public sector current expenditure on services on services for each department								
		1. General public services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment 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																		167,586		
Education																		38,222		
Home Office				4,867											36,197			4,867		
Justice				9,279														9,097		
Law Officers' Departments				659														659		
Defence					29,853													31,521		
Single Intelligence Account					2,245													2,245		
Foreign, Commonwealth and Development Office ⁽¹⁾																		9,133		
Housing, Communities and Local Government		9,083																		
Transport		230					31											599		
Business, Energy and Industrial Strategy				312	16,999				6				16,994					17,326		
Digital, Culture, Media and Sport		89				112	15,030	13,832	1,140	57			0	959				17,599		
Environment, Food and Rural Affairs							36	36										7,755		
International Trade							4,005						4,005					4,733		
Work and Pensions							497	497										497		
HM Revenue and Customs		28					2,391	1	-5	2,394								200,244		
HM Treasury		3,653					89,577	89,577						41	140			120,935		
Cabinet Office		41,055					71	71										46,939		
Scotland		1,655					17			17								4,661		
Wales		785					2,841	2,932	565	1			752	1,615	429	2,667		30,169		
Northern Ireland		399					4	982	435	5			367	174	95	1,353		11,982		
Small and Independent Bodies		713					1,248	1,610	499		74		543	494	203	3,104		21,908		
Local Government		1,880					5	49	-81				94	35		139		2,073		
		5,004					142	16,294	3,553				98	2,796	2,920	42,948		137,124		
Public sector current expenditure on services for each function		64,573	13,979	9,125	41,469	32,240	35,620	137,781	106,123	1,147	2,543	5,861	22,107	8,199	3,929	206,597	10,133	86,407	296,585	5,808

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

Table 5.1b Public sector capital expenditure on services by departmental group and function, 2020-21

Departmental Grouping	Function	National Statistics										Public sector capital 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																11,316					11,316
Education																		2,743	2		2,745
Home Office										687											687
Justice										1,073											1,073
Law Officers' Departments										1											1
Defence																					11,711
Single Intelligence Account																					606
Foreign, Commonwealth and Development Office ⁽¹⁾																					2,729
Housing, Communities and Local Government		2,729	566	2,163																	
Transport		11	11																		4,584
Business, Energy and Industrial Strategy		0	0							14	14,712	-1		21							14,727
Digital, Culture, Media and Sport		111	107	4						4	25,438	19,083	6,353	1							31,269
Environment, Food and Rural Affairs											2	2									668
International Trade											113										749
Work and Pensions											15	15									15
HM Revenue and Customs		286	286								79	260	260	5	74						302
HM Treasury		35	35								181	181									555
Cabinet Office		275	275																		216
Scotland		84	84																		275
Wales		14	14							179	1,401	373									4,621
Northern Ireland		36	36							0	493	145	27								1,886
Small and Independent Bodies		202	202							81	561	38	23	1							1,700
Local Government		1,928	1,928							0	14	6	4								219
										973	7,930	1,061									19,214
Public sector capital expenditure on services for each function		5,712	3,545	2,167	-	12,317	3,012	51,197	21,164	6,433	77	497	23,026	4,381	9,938	12,837	2,171	9,646	658	-	111,868

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

Table 5.2 Public sector expenditure on services by sub-function, 2016-17 to 2020-21

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	10,315	10,613	11,392	11,901	13,685	
1.2 Foreign economic aid ⁽¹⁾	8,729	8,613	9,447	9,134	8,617	
1.3 General services	1,140	1,091	1,304	1,495	1,706	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	308	358	372	376	606	
1.6 General public services n.e.c.	2,804	2,236	2,157	3,273	4,203	
1.7 Public debt transactions ^{(2),(3)}	55,185	60,525	55,092	54,664	41,469	
<i>of which: central government debt interest</i>	48,755	55,129	48,900	48,113	39,278	
<i>of which: local government debt interest</i>	844	831	849	651	794	
<i>of which: public corporation debt interest</i>	3,842	2,619	311	198	175	
<i>of which: Bank of England</i>	-13,155	-13,541	-11,312	-11,367	-16,358	
<i>of which: Public Sector Pensions</i>	14,899	15,487	16,344	17,069	17,580	
Total general public services	78,480	83,436	79,764	80,843	70,285	
2. Defence ⁽⁴⁾						
2.1 Military defence	34,995	36,409	37,980	40,257	42,430	
2.2 Civil defence	45	42	41	54	142	
2.3 Foreign military aid	602	801	696	476	456	
2.4 R&D defence	1,296	1,249	1,339	1,233	1,318	
2.5 Defence n.e.c.	193	168	182	226	211	
Total defence	37,132	38,670	40,238	42,246	44,557	
3. Public order and safety						
3.1 Police services	16,373	17,504	18,019	18,685	21,492	
<i>of which: immigration and citizenship</i>	868	752	834	510	2,417	
<i>of which: other police services</i>	15,505	16,752	17,185	18,176	19,075	
3.2 Fire-protection services	2,722	2,731	2,739	2,971	3,131	
3.3 Law courts	5,810	6,074	6,275	6,888	6,565	
3.4 Prisons	4,249	4,314	4,555	4,361	5,639	
3.5 R&D public order and safety	38	31	30	1	1	
3.6 Public order and safety n.e.c.	880	814	795	1,619	1,805	
Total public order and safety	30,071	31,469	32,412	34,526	38,633	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	8,369	8,814	11,606	15,714	127,381	
4.2 Agriculture, forestry, fishing and hunting	5,203	5,177	5,733	5,803	6,357	
<i>of which: market support under CAP</i>	3,265	3,093	3,403	3,321	3,047	
<i>of which: other agriculture, food and fisheries policy</i>	1,781	1,951	2,196	2,390	3,190	
<i>of which: forestry</i>	157	133	134	92	121	
4.3 Fuel and energy	480	702	407	431	456	
4.4 Mining, manufacturing and construction	858	2,222	2,870	2,385	859	
4.5 Transport	28,820	30,332	32,678	34,599	45,133	
<i>of which: national roads</i>	4,163	4,274	4,820	5,574	6,261	
<i>of which: local roads</i>	5,224	5,766	5,304	5,619	5,646	
<i>of which: local public transport</i>	2,495	2,503	2,484	2,403	3,920	
<i>of which: railway, ⁽⁵⁾</i>	15,484	16,173	18,219	18,466	27,149	
<i>of which: other transport</i>	1,455	1,615	1,851	2,538	2,157	
4.6 Communication	271	198	115	96	203	
4.7 Other industries	253	255	276	272	319	
4.8 R&D economic affairs	4,488	5,047	6,434	6,807	7,581	
4.9 Economic affairs n.e.c.	432	412	564	562	687	
Total economic affairs	49,174	53,158	60,684	66,668	188,978	
5. Environment protection						
5.1 Waste management	7,909	8,620	8,164	8,773	9,139	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	78	84	161	197	278	
5.4 Protection of biodiversity and landscape	418	361	340	329	356	
5.5 R&D environment protection	426	511	208	168	172	
5.6 Environment protection n.e.c.	2,215	2,211	2,176	2,352	2,635	
Total environment protection	11,045	11,788	11,049	11,819	12,580	

Table 5.2 Public sector expenditure on services by sub-function, 2016-17 to 2020-21 (continued)

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	
6. Housing and community amenities						
6.1 Housing development	5,234	6,468	7,161	8,753	8,220	
<i>of which: local authority housing</i>	4,358	5,132	5,447	6,415	6,051	
<i>of which: other social housing</i>	876	1,336	1,714	2,338	2,169	
6.2 Community development	3,165	2,998	3,000	3,440	3,571	
6.3 Water supply	750	790	793	798	787	
6.4 Street lighting	847	831	775	752	827	
6.5 R&D housing and community amenities	0	1	2	1	1	
6.6 Housing and community amenities n.e.c.	304	268	316	416	462	
Total housing and community amenities	10,301	11,356	12,047	14,159	13,867	
7. Health ⁽⁶⁾						
Medical services	137,337	140,241	145,056	156,182	185,193	
Medical research	1,871	1,947	1,621	1,638	2,370	
Central and other health services	3,380	5,149	6,240	6,320	31,870	
Total health	142,589	147,338	152,917	164,139	219,434	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	3,230	3,036	3,144	3,155	3,153	
8.2 Cultural services	3,860	4,051	3,807	4,096	4,991	
8.3 Broadcasting and publishing services	4,233	4,051	4,171	4,377	3,858	
8.4 Religious and other community services	58	80	92	71	36	
8.5 R&D recreation, culture and religion	156	170	73	89	123	
8.6 Recreation, culture and religion n.e.c.	68	90	101	146	143	
Total recreation, culture and religion	11,606	11,479	11,388	11,933	12,304	
9. Education						
9.1 Pre-primary and primary education	31,045	30,634	30,566	31,105	31,726	
<i>of which: under fives</i>	3,125	3,544	3,926	4,210	4,346	
<i>of which: primary education</i>	27,920	27,090	26,640	26,896	27,380	
9.2 Secondary education ⁽⁷⁾	38,928	40,971	43,089	45,088	48,060	
9.3 Post-secondary non-tertiary education	594	581	485	529	624	
9.4 Tertiary education	6,066	5,419	4,621	4,372	4,868	
9.5 Education not definable by level	808	908	803	964	1,117	
9.6 Subsidiary services to education	3,393	3,385	3,646	4,210	4,769	
9.7 R&D education	1,703	1,815	2,259	2,324	2,671	
9.8 Education n.e.c.	2,369	2,344	2,581	2,029	2,218	
Total education	84,905	86,057	88,051	90,621	96,054	
10. Social protection						
<i>of which: personal social services</i>	31,142	32,073	33,883	35,674	36,820	
10.1 Sickness and disability	53,465	54,937	57,105	58,065	60,133	
<i>of which: personal social services</i>	9,919	10,288	10,747	11,320	11,859	
<i>of which: incapacity, disability and injury benefits</i>	43,546	44,649	46,358	46,746	48,274	
10.2 Old age	121,856	124,214	128,030	123,973	125,362	
<i>of which: personal social services</i>	10,442	10,478	11,061	11,551	12,085	
<i>of which: pensions</i>	111,413	113,736	116,968	112,422	113,277	
10.3 Survivors	1,157	1,020	1,128	1,162	1,185	
10.4 Family and children	24,934	25,061	25,632	26,136	26,459	
<i>of which: personal social services</i>	10,149	10,566	11,151	11,752	11,784	
<i>of which: family benefits, income support and tax credits</i>	14,785	14,495	14,481	14,384	14,674	
10.5 Unemployment	2,227	2,022	1,683	1,189	1,561	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	2,227	2,022	1,683	1,189	1,561	
10.6 Housing	25,153	23,964	22,315	19,792	18,837	
10.7 Social exclusion n.e.c. ⁽⁸⁾	32,286	33,212	34,231	40,786	58,106	
<i>of which: personal social services</i>	632	741	923	1,052	1,091	
<i>of which: family benefits, income support, Universal Credit and tax credits</i>	31,653	32,470	33,308	39,734	57,015	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	4,350	4,298	4,686	4,712	5,600	
Total social protection	265,426	268,728	274,811	275,815	297,243	

Table 5.2 Public sector expenditure on services by sub-function, 2016-17 to 2020-21 (continued)

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	
EU transactions ⁽⁹⁾						
VAT-based and GNI-based contributions (net of abatement and collection costs)	8,803	9,490	12,227	10,886	9,227	
<i>derived as:</i>						
<i>EU gross contribution pre-abatement and after deduction of collection costs</i>	16,926	17,450	20,377	18,355	15,066	
<i>Traditional Own Resources (without deduction of collection costs)</i>	-3,366	-3,413	-3,304	-3,320	-2,410	
<i>UK abatement</i>	-4,757	-4,547	-4,846	-4,149	-3,429	
EU receipts	-4,081	-4,130	-4,375	-5,059	-3,419	
Other attributed costs and repayments	-	-	-	-	-	
Total EU transactions	4,723	5,360	7,852	5,828	5,808	
Public sector expenditure on services	725,452	748,838	771,213	798,598	999,742	
Accounting adjustments	88,406	88,064	83,352	87,369	94,644	
Total Managed Expenditure ⁽¹⁰⁾	813,858	836,902	854,565	885,967	1,094,386	

⁽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⁾ Spending Review 2020 continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence. 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, 2016-17 to 2020-21

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	
Public sector current expenditure on services						
Pay	174,939	183,390	187,450	203,499	221,975	
Gross current procurement	212,779	211,863	224,493	232,405	277,174	
Income from sales of goods and services	-56,305	-55,339	-58,984	-59,883	-59,911	
Current grants to persons and non-profit bodies	239,715	239,580	242,949	248,560	271,407	
Current grants abroad	11,347	12,232	14,509	13,159	12,774	
Subsidies to private sector companies	10,904	11,376	13,949	18,420	119,088	
Subsidies to public corporations	766	714	713	691	1,112	
Net public service pensions	8,891	9,262	10,007	3,442	2,140	
Public sector debt interest	55,185	60,525	55,092	54,664	41,469	
Other	478	993	1,105	1,187	645	
Total public sector current expenditure on services	658,700	674,596	691,283	716,144	887,873	
Accounting adjustments	66,517	67,620	69,856	75,344	99,329	
Total public sector current expenditure	725,217	742,216	761,139	791,488	987,202	
Public sector capital expenditure on services						
Capital grants	12,432	14,762	15,358	15,391	36,084	
Gross capital procurement	60,506	64,872	71,142	72,241	80,064	
Income from sales of capital assets	-6,186	-5,393	-6,570	-5,178	-4,280	
Total public sector capital expenditure on services	66,752	74,241	79,930	82,454	111,869	
Accounting adjustments	21,889	20,445	13,496	12,025	-4,685	
Total public sector capital expenditure	88,641	94,686	93,426	94,479	107,184	
Total public sector expenditure on services	725,452	748,838	771,213	798,598	999,742	
Accounting adjustments	88,406	88,064	83,352	87,369	94,644	
Total Managed Expenditure	813,858	836,902	854,565	885,967	1,094,386	

Table 5.4 Public sector current and capital expenditure on services by function, ⁽¹⁾ 2016-17 to 2020-21

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	
Public sector current expenditure on services						
1. General public services	73,734	79,799	74,310	76,427	64,573	
<i>of which: public and common services</i>	9,660	10,098	10,220	11,809	13,979	
<i>of which: international services</i>	8,889	9,176	8,998	9,954	9,125	
<i>of which: public sector debt interest ⁽²⁾</i>	55,185	60,525	55,092	54,664	41,469	
2. Defence ⁽³⁾	27,881	28,399	29,422	31,358	32,240	
3. Public order and safety	28,954	29,437	30,438	32,253	35,620	
4. Economic affairs	24,547	25,689	30,333	35,602	137,781	
<i>of which: enterprise and economic development</i>	6,585	7,300	9,382	13,894	106,123	
<i>of which: science and technology</i>	978	1,126	1,011	1,020	1,147	
<i>of which: employment policies</i>	2,347	2,512	2,632	2,253	2,543	
<i>of which: agriculture, fisheries and forestry</i>	4,770	4,783	5,344	5,405	5,861	
<i>of which: transport ⁽⁴⁾</i>	9,868	9,967	11,963	13,030	22,107	
5. Environment protection	7,264	7,260	7,365	7,909	8,199	
6. Housing and community amenities	2,943	2,979	3,086	3,257	3,929	
7. Health	136,978	141,033	145,899	156,509	206,597	
8. Recreation, culture and religion	9,382	9,306	9,267	9,398	10,133	
9. Education	77,319	77,088	79,051	82,255	86,407	
10. Social protection	264,975	268,245	274,262	275,348	296,585	
EU transactions	4,723	5,360	7,852	5,828	5,808	
Total public sector current expenditure on services	658,700	674,596	691,283	716,144	887,873	
Accounting adjustments	66,517	67,620	69,856	75,344	99,329	
Public sector current expenditure	725,217	742,216	761,139	791,488	987,202	
Public sector capital expenditure on services						
1. General public services	4,746	3,637	5,454	4,416	5,712	
<i>of which: public and common services</i>	2,828	2,382	2,575	2,657	3,545	
<i>of which: international services</i>	1,918	1,255	2,879	1,759	2,167	
2. Defence ⁽³⁾	9,250	10,271	10,816	10,887	12,317	
3. Public order and safety	1,117	2,032	1,975	2,273	3,012	
4. Economic affairs	24,627	27,469	30,351	31,066	51,197	
<i>of which: enterprise and economic development</i>	1,671	2,685	3,778	3,311	21,164	
<i>of which: science and technology</i>	3,510	3,920	5,422	5,787	6,433	
<i>of which: employment policies</i>	60	105	47	2	77	
<i>of which: agriculture, fisheries and forestry</i>	433	394	389	398	497	
<i>of which: transport ⁽⁴⁾</i>	18,952	20,365	20,714	21,569	23,026	
5. Environment protection	3,781	4,527	3,684	3,910	4,381	
6. Housing and community amenities	7,358	8,377	8,961	10,902	9,938	
7. Health	5,611	6,304	7,018	7,630	12,837	
8. Recreation, culture and religion	2,225	2,173	2,121	2,535	2,171	
9. Education	7,587	8,968	9,000	8,366	9,646	
10. Social protection	451	483	550	468	658	
Total public sector capital expenditure on services	66,752	74,241	79,930	82,454	111,869	
Accounting adjustments	21,889	20,445	13,496	12,025	-4,685	
Public sector capital expenditure	88,641	94,686	93,426	94,479	107,184	
Total public sector expenditure on services	725,452	748,838	771,213	798,598	999,742	
Accounting adjustments	88,406	88,064	83,352	87,369	94,644	
Total Managed Expenditure ⁽⁵⁾	813,858	836,902	854,565	885,967	1,094,386	

⁽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.

⁽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, 2016-17 to 2020-21

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	
Public sector gross current procurement expenditure on services						
1. General public services	11,531	11,480	11,603	12,238	14,601	
<i>of which: public and common services</i>	9,661	9,651	9,813	10,262	12,947	
<i>of which: international services</i>	1,870	1,829	1,790	1,976	1,655	
2. Defence	15,948	16,473	17,133	18,053	18,267	
3. Public order and safety	12,876	13,179	13,788	14,134	14,691	
4. Economic affairs	12,430	12,406	13,895	14,067	15,411	
<i>of which: enterprise and economic development</i>	2,554	2,713	2,785	2,499	3,137	
<i>of which: science and technology</i>	35	23	25	37	35	
<i>of which: employment policies</i>	1,265	1,095	762	682	877	
<i>of which: agriculture, fisheries and forestry</i>	828	801	930	1,071	1,426	
<i>of which: transport</i>	7,748	7,773	9,394	9,777	9,936	
5. Environment protection	7,623	7,667	7,682	7,839	7,890	
6. Housing and community amenities	2,645	2,491	2,663	2,682	2,809	
7. Health	85,273	82,485	88,324	91,522	129,784	
8. Recreation, culture and religion	6,744	6,567	6,804	6,746	6,226	
9. Education	23,804	24,481	26,028	27,112	27,999	
10. Social protection	33,904	34,634	36,573	38,014	39,497	
Total public sector gross current procurement expenditure on services	212,779	211,863	224,493	232,405	277,174	

Table 5.6 Public sector capital procurement expenditure on services by function, 2016-17 to 2020-21

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	
Public sector gross capital procurement expenditure on services						
1. General public services	3,535	3,230	3,197	2,975	3,786	
<i>of which: public and common services</i>	3,394	2,887	3,027	2,801	3,439	
<i>of which: international services</i>	141	343	169	174	348	
2. Defence	9,504	10,379	11,397	11,317	12,627	
3. Public order and safety	1,790	2,223	2,188	2,345	3,169	
4. Economic affairs	20,586	22,336	26,298	25,154	25,469	
<i>of which: enterprise and economic development</i>	1,352	2,683	3,529	3,081	1,650	
<i>of which: science and technology</i>	591	660	1,201	1,251	1,308	
<i>of which: employment policies</i>	62	112	47	30	81	
<i>of which: agriculture, fisheries and forestry</i>	342	333	347	339	396	
<i>of which: transport</i>	18,239	18,549	21,174	20,452	22,034	
5. Environment protection	3,055	3,289	3,054	3,258	3,252	
6. Housing and community amenities	7,331	7,840	7,781	8,854	8,196	
7. Health	6,124	6,013	7,096	7,602	12,811	
8. Recreation, culture and religion	1,812	1,645	1,688	2,591	1,774	
9. Education	6,373	7,398	7,925	7,676	8,390	
10. Social protection	395	519	519	470	591	
Total public sector gross capital procurement expenditure on services	60,506	64,872	71,142	72,241	80,064	
Plus public sector receipts from sales of assets						
Central government						
Fixed assets	-2,137	-1,797	-3,060	-1,806	-1,765	
Intangible assets	-12	-32	-12	-159	-159	
Total central government receipts	-2,148	-1,829	-3,072	-1,965	-1,923	
Local government						
Fixed assets	-1,960	-1,571	-1,853	-1,841	-1,269	
Intangible assets	-	-	-	-	-	
Total local government receipts	-1,960	-1,571	-1,853	-1,841	-1,269	
Total general government receipts	-4,108	-3,400	-4,925	-3,806	-3,193	
Public corporations						
Fixed assets	-2,077	-1,993	-1,645	-1,372	-1,087	
Intangible assets	-	-	-	-	-	
Total public corporations receipts	-2,077	-1,993	-1,645	-1,372	-1,087	
Total public sector income from sales of capital assets	-6,186	-5,393	-6,570	-5,178	-4,280	

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 82 per cent of Departmental Expenditure Limits (DEL) and about 92 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 Foreign and Commonwealth Office and Department for International Development were merged on 2 September 2020. For **Tables 6.1 to 6.3** all outturn and plans data for both departments are now shown within the totals for the Foreign, Commonwealth and Development Office.

6.6 The ongoing pressures faced by some departments, due to the impact of the pandemic, may again lead to delays in the laying of some annual reports and accounts (ARAs) this year¹. As a result, the 2020-21 outturn published in PESA may be subject to data quality issues, as not all departments will have been able to align data to their ARAs. The public spending statistics (PSS) release, published on a quarterly basis, will reflect any later revisions made by departments to their 2020-21 outturn.

6.7 Note that many of the economic categories and functions shown in the tables throughout PESA reflect higher Covid-19 related spend from 2020-21 onwards.

Central government own resource and capital expenditure by department

6.8 **Table 6.1** gives a departmental breakdown of central government own expenditure. Expenditure in DEL is shown separately from expenditure in departmental AME. DEL expenditure in this table is shown on a full resource budgeting basis, which is given by resource DEL plus capital DEL less depreciation (including impairments) in DEL. In a number of areas, for example education, transport, and law and order, a relatively large proportion of expenditure is by local

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

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.

6.9 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

6.10 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

6.11 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

6.12 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⁾, 2016-17 to 2021-22

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
Within DEL						
Health and Social Care	116,821	121,614	127,261	136,672	185,863	181,231
Education	31,338	32,736	34,373	36,893	40,070	43,786
Home Office	2,332	2,363	2,674	2,661	4,705	2,983
Justice	7,133	7,359	7,776	8,182	9,502	10,402
Law Officers' Departments	537	569	563	618	619	732
Defence	35,413	36,627	38,031	39,878	42,388	45,776
Single Intelligence Account	2,524	2,596	2,741	2,974	2,848	3,541
Foreign, Commonwealth and Development Office ⁽²⁾	11,989	12,070	12,698	12,585	12,536	9,085
MHCLG - Housing and Communities	2,464	3,897	4,030	4,856	4,701	5,080
MHCLG - Local Government	–	–	1	-1	–	–
Transport ⁽³⁾	3,628	5,549	7,510	14,888	26,287	23,777
Business, Energy and Industrial Strategy	12,127	11,800	11,705	13,492	34,557	19,509
Digital, Culture, Media and Sport	1,531	1,649	1,797	2,086	3,660	2,742
Environment, Food and Rural Affairs	1,964	2,002	2,180	2,433	4,928	5,240
International Trade	345	390	420	485	527	665
Work and Pensions	5,864	5,909	5,527	5,313	6,234	9,133
HM Revenue and Customs	3,884	3,925	3,999	4,296	5,043	6,348
HM Treasury	153	139	345	489	323	282
Cabinet Office	572	881	717	1,075	1,752	1,657
Scotland ⁽⁴⁾	–	–	–	–	–	–
Wales	9,846	10,331	10,334	9,017	12,515	13,158
Northern Ireland	10,684	11,013	11,516	12,471	16,199	15,288
Small and Independent Bodies	1,394	1,817	1,658	1,933	2,460	2,917
Total CG own expenditure within DEL	262,543	275,237	287,853	313,296	417,716	403,333
Within departmental AME						
Health and Social Care	27,796	39,657	40,640	30,378	30,490	43,723
Education	24,520	30,866	39,845	44,735	41,966	39,515
Home Office	48	5	-31	230	98	75
Justice	549	244	1,301	374	663	701
Law Officers' Departments	-1	11	2	3	-1	9
Defence	5,125	16,719	594	6,908	8,477	8,010
Single Intelligence Account	13	19	22	21	-4	39
Foreign, Commonwealth and Development Office ⁽²⁾	420	863	667	815	1,166	835
MHCLG - Housing and Communities	154	184	199	-176	1	1,696
Transport ⁽³⁾	13,821	15,014	13,264	1,838	1,273	3,277
Business, Energy and Industrial Strategy	3,637	74,077	-105,851	9,219	11,936	27,320
Digital, Culture, Media and Sport	5,380	4,783	5,160	5,368	3,171	6,328
Environment, Food and Rural Affairs	87	-28	-501	701	212	313
International Trade	–	0	1	0	2	3
Work and Pensions	149,954	155,528	160,834	173,279	197,162	202,328
HM Revenue and Customs	42,329	41,845	40,232	40,622	116,524	57,183
HM Treasury ⁽⁵⁾	-45,077	-4,314	-29,311	498	33,652	21,396
Cabinet Office	9,140	11,203	14,247	11,928	12,556	11,533
Scotland ⁽⁴⁾	26,099	27,732	30,314	31,257	39,720	41,781
Wales	629	654	933	3,293	3,430	3,775
Northern Ireland	8,751	9,191	10,127	9,810	11,246	12,574
Small and Independent Bodies	171	80	332	119	1,348	2,792
Total CG own expenditure within dept AME	273,545	424,334	223,019	371,218	515,090	485,204
Locally financed expenditure in Northern Ireland	585	595	625	656	312	350
Net expenditure transfers to the EU	9,160	10,188	12,892	11,549	9,709	–
Central government debt interest	48,755	55,129	48,900	48,113	39,278	42,626
Accounting and other adjustments	19,018	-127,832	84,456	-58,946	-113,355	-112,891
Total CG own expenditure ⁽⁶⁾	613,605	637,651	657,745	685,886	868,749	818,623

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

⁽²⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

⁽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 Resource departmental AME budget for 2016-17 to 2018-19 and in DEL from 2019-20.

⁽⁴⁾ To reflect new budgeting arrangements, all expenditure by the Scottish Government is now scored within AME.

⁽⁵⁾ Transactions have been affected by financial sector interventions. See Box 2.B for details.

⁽⁶⁾ 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, 2016-17 to 2021-22

	£ million					
	National Statistics					
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
Within resource DEL						
Health and Social Care	112,640	116,769	121,289	130,489	174,278	172,989
Education	28,717	30,418	31,621	33,972	36,678	39,903
Home Office	1,952	1,871	2,077	2,033	4,009	2,143
Justice	6,730	6,949	7,346	7,690	8,438	8,684
Law Officers' Departments	524	559	547	610	613	720
Defence	26,661	26,923	27,745	29,564	30,681	31,443
Single Intelligence Account	1,920	2,020	2,134	2,338	2,268	2,527
Foreign, Commonwealth and Development Office ⁽¹⁾	9,342	9,608	9,451	10,401	9,717	7,217
MHCLG - Housing and Communities	300	209	21	247	137	554
MHCLG - Local Government	–	–	1	-1	–	–
Transport ⁽²⁾	601	1,343	1,889	3,663	13,012	7,788
Business, Energy and Industrial Strategy	1,603	1,464	958	2,360	15,458	4,157
Digital, Culture, Media and Sport	1,339	1,391	1,509	1,563	2,828	1,811
Environment, Food and Rural Affairs	1,421	1,460	1,574	1,804	4,169	3,836
International Trade	338	375	403	466	493	510
Work and Pensions	5,651	5,560	5,285	5,303	5,874	8,785
HM Revenue and Customs	3,557	3,647	3,650	3,961	4,501	5,689
HM Treasury	155	217	241	350	314	274
Cabinet Office	451	689	586	962	1,379	1,228
Scotland ⁽³⁾	–	–	–	–	–	–
Wales	8,880	9,079	9,067	7,652	10,292	11,338
Northern Ireland	9,735	9,932	10,321	11,213	14,623	13,609
Small and Independent Bodies	1,291	1,528	1,411	1,533	2,185	2,477
Total within resource DEL	223,810	232,012	239,124	258,172	341,945	327,684
Within resource departmental AME						
Health and Social Care	27,782	39,657	40,645	30,384	30,498	43,708
Education	11,448	15,094	22,739	23,753	20,833	15,896
Home Office	48	5	-31	230	98	75
Justice	549	244	1,301	374	663	669
Law Officers' Departments	-1	11	2	3	-1	8
Defence	5,125	16,675	594	6,908	8,477	8,010
Single Intelligence Account	13	19	22	21	-4	39
Foreign, Commonwealth and Development Office ⁽¹⁾	135	468	-69	-141	516	189
MHCLG - Housing and Communities	154	184	199	-176	1	1,696
Transport ⁽²⁾	6,921	7,415	7,795	1,827	1,220	3,192
Business, Energy and Industrial Strategy	3,785	75,403	-105,658	9,393	-6,878	26,521
Digital, Culture, Media and Sport	4,725	4,291	4,753	4,979	2,943	5,830
Environment, Food and Rural Affairs	86	-28	-501	698	206	298
International Trade	–	0	1	0	2	3
Work and Pensions	150,041	155,565	160,699	172,969	197,017	201,872
HM Revenue and Customs	42,329	41,845	40,232	40,622	116,524	57,183
HM Treasury ⁽⁴⁾	-25,346	-617	-15,196	2,561	41,122	20,641
Cabinet Office	9,140	11,203	14,247	11,928	12,556	11,533
Scotland ⁽³⁾	22,942	24,293	26,978	27,535	35,077	36,422
Wales	207	149	235	2,490	2,542	2,656
Northern Ireland	8,253	8,872	9,753	9,471	10,965	12,057
Small and Independent Bodies	-98	-88	-94	-189	239	787
Total within resource departmental AME	268,239	400,661	208,644	345,638	474,616	449,285
Within resource other AME						
Locally financed expenditure in Northern Ireland	585	595	625	656	312	350
Net expenditure transfers to the EU	9,160	10,188	12,892	11,549	9,709	–
Central government debt interest	48,755	55,129	48,900	48,113	39,278	42,626
Accounting and other adjustments	12,626	-116,938	86,756	-40,210	-73,154	-85,206
Total CG own current expenditure	563,175	581,646	596,940	623,919	792,705	734,738

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

⁽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 2016-17 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.

Table 6.3 Central government own capital expenditure by departmental group, 2016-17 to 2021-22

	£ million					
	National Statistics					2021-22 plans
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	
Within capital DEL						
Health and Social Care	4,180	4,846	5,972	6,183	11,585	8,242
Education	2,621	2,318	2,752	2,921	3,392	3,883
Home Office	380	493	597	628	697	840
Justice	403	410	431	492	1,064	1,718
Law Officers' Departments	13	10	16	8	5	12
Defence	8,752	9,704	10,286	10,314	11,707	14,333
Single Intelligence Account	603	576	607	637	580	1,014
Foreign, Commonwealth and Development Office ⁽¹⁾	2,647	2,461	3,246	2,184	2,819	1,868
MHCLG - Housing and Communities	2,164	3,688	4,009	4,609	4,564	4,526
Transport ⁽²⁾	3,026	4,206	5,621	11,225	13,275	15,990
Business, Energy and Industrial Strategy	10,524	10,336	10,747	11,131	19,098	15,352
Digital, Culture, Media and Sport	192	258	288	522	833	931
Environment, Food and Rural Affairs	543	542	605	629	759	1,404
International Trade	6	16	17	20	34	155
Work and Pensions	212	349	241	9	360	348
HM Revenue and Customs	326	278	349	335	542	659
HM Treasury	-2	-78	104	139	8	8
Cabinet Office	121	191	131	113	373	429
Scotland ⁽³⁾	—	—	—	—	—	—
Wales	966	1,252	1,267	1,365	2,222	1,820
Northern Ireland	949	1,080	1,195	1,258	1,576	1,679
Small and Independent Bodies	103	289	247	400	275	440
Total within capital DEL	38,733	43,225	48,729	55,123	75,771	75,650
Within capital departmental AME						
Health and Social Care	13	—	-5	-6	-7	15
Education	13,072	15,771	17,106	20,982	21,133	23,619
Home Office	—	—	—	—	—	32
Defence	—	—	—	—	—	1
Foreign, Commonwealth and Development Office ⁽¹⁾	—	44	—	—	—	—
MHCLG - Housing and Communities	285	395	736	956	650	646
Transport ⁽²⁾	6,900	7,599	5,469	10	53	85
Business, Energy and Industrial Strategy	-149	-1,326	-192	-174	18,813	799
Digital, Culture, Media and Sport	655	492	407	389	228	499
Environment, Food and Rural Affairs	1	0	0	3	7	15
Work and Pensions	-87	-37	135	309	146	456
HM Revenue and Customs	—	—	—	0	—	0
HM Treasury ⁽⁴⁾	-19,732	-3,697	-14,115	-2,064	-7,470	754
Scotland ⁽³⁾	3,157	3,440	3,336	3,722	4,644	5,359
Wales	422	505	698	803	888	1,119
Northern Ireland	498	318	374	340	280	517
Small and Independent Bodies	269	168	426	308	1,109	2,005
Total within capital departmental AME	5,306	23,673	14,376	25,580	40,474	35,920
Within capital other AME						
Accounting and other adjustments	6,392	-10,893	-2,300	-18,736	-40,201	-27,685
Total CG own capital expenditure ⁽⁵⁾	50,430	56,005	60,805	61,967	76,044	83,885

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

⁽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 2016-17 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 6.4 Central government own expenditure on services by sub-function, 2016-17 to 2021-22

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	8,224	8,496	9,185	9,952	11,560	20,981
1.2 Foreign economic aid ⁽¹⁾	8,729	8,613	9,447	9,134	8,617	5,549
1.3 General services	577	576	718	853	1,350	846
1.4 Basic research	—	—	—	—	—	—
1.5 R&D general public services	308	358	372	376	606	289
1.6 General public services n.e.c.	176	348	251	557	535	843
1.7 Public sector debt interest	48,755	55,129	48,900	48,113	39,278	42,626
<i>of which: central government debt interest ⁽²⁾</i>	<i>48,755</i>	<i>55,129</i>	<i>48,900</i>	<i>48,113</i>	<i>39,278</i>	<i>42,626</i>
Total general public services	66,768	73,520	68,873	68,985	61,945	71,134
2. Defence ⁽³⁾						
2.1 Military defence	34,995	36,409	37,980	40,257	42,430	47,083
2.2 Civil defence	—	—	—	—	—	—
2.3 Foreign military aid	602	801	696	476	456	385
2.4 R&D defence	1,268	1,231	1,339	1,233	1,318	1,156
2.5 Defence n.e.c.	193	168	182	226	211	187
Total defence	37,059	38,609	40,198	42,192	44,415	48,811
3. Public order and safety						
3.1 Police services	4,643	4,853	5,293	4,964	6,968	6,693
<i>of which: immigration and citizenship</i>	<i>868</i>	<i>752</i>	<i>834</i>	<i>510</i>	<i>2,417</i>	<i>1,543</i>
<i>of which: other police services</i>	<i>3,775</i>	<i>4,101</i>	<i>4,459</i>	<i>4,455</i>	<i>4,551</i>	<i>5,150</i>
3.2 Fire-protection services	461	471	485	490	512	493
3.3 Law courts	5,713	5,975	6,172	6,774	6,442	6,894
3.4 Prisons	4,249	4,314	4,555	4,361	5,639	6,497
3.5 R&D public order and safety	38	31	30	1	1	1
3.6 Public order and safety n.e.c.	880	814	795	1,619	1,805	1,200
Total public order and safety	15,984	16,458	17,328	18,210	21,367	21,776
4. Economic affairs						
4.1 General economic, commercial and labour affairs	7,538	8,102	10,784	14,828	126,587	39,800
4.2 Agriculture, forestry, fishing and hunting	4,916	4,942	5,555	5,538	6,062	6,162
<i>of which: market support under CAP</i>	<i>2,973</i>	<i>2,864</i>	<i>3,230</i>	<i>3,062</i>	<i>2,760</i>	<i>2,520</i>
<i>of which: other agriculture, food and fisheries policy</i>	<i>1,780</i>	<i>1,948</i>	<i>2,193</i>	<i>2,386</i>	<i>3,189</i>	<i>3,473</i>
<i>of which: forestry</i>	<i>163</i>	<i>130</i>	<i>132</i>	<i>90</i>	<i>113</i>	<i>169</i>
4.3 Fuel and energy	480	702	405	431	456	789
4.4 Mining, manufacturing and construction	14	35	31	38	24	8
4.5 Transport	17,836	18,582	21,620	23,390	34,445	32,479
<i>of which: national roads</i>	<i>4,161</i>	<i>4,270</i>	<i>4,815</i>	<i>5,570</i>	<i>6,253</i>	<i>6,461</i>
<i>of which: local roads</i>	<i>315</i>	<i>310</i>	<i>371</i>	<i>382</i>	<i>379</i>	<i>408</i>
<i>of which: local public transport</i>	<i>498</i>	<i>530</i>	<i>540</i>	<i>546</i>	<i>1,850</i>	<i>1,016</i>
<i>of which: railway</i>	<i>11,713</i>	<i>12,229</i>	<i>14,483</i>	<i>14,838</i>	<i>24,206</i>	<i>22,677</i>
<i>of which: other transport</i>	<i>1,149</i>	<i>1,242</i>	<i>1,410</i>	<i>2,054</i>	<i>1,757</i>	<i>1,916</i>
4.6 Communication	271	198	115	96	203	221
4.7 Other industries	154	161	177	174	229	197
4.8 R&D economic affairs ⁽⁷⁾	4,488	5,047	6,434	6,807	7,581	9,222
4.9 Economic affairs n.e.c.	432	412	564	562	687	733
Total economic affairs	36,130	38,181	45,685	51,863	176,275	89,610
5. Environment protection						
5.1 Waste management	2,314	2,483	2,461	2,695	2,759	2,629
5.2 Waste water management	—	—	—	—	—	—
5.3 Pollution abatement	78	84	161	197	278	900
5.4 Protection of biodiversity and landscape	416	359	336	324	350	374
5.5 R&D environment protection	426	511	208	168	172	490
5.6 Environment protection n.e.c.	1,632	1,637	1,549	1,701	2,002	2,348
Total environment protection	4,865	5,074	4,716	5,085	5,561	6,740
6. Housing and community amenities						
6.1 Housing development	1,046	1,566	2,008	2,673	2,480	3,658
<i>of which: local authority housing</i>	<i>166</i>	<i>227</i>	<i>290</i>	<i>325</i>	<i>303</i>	<i>474</i>
<i>of which: other social housing</i>	<i>880</i>	<i>1,339</i>	<i>1,719</i>	<i>2,348</i>	<i>2,177</i>	<i>3,184</i>
6.2 Community development	540	522	546	560	935	537
6.3 Water supply	261	292	284	285	339	344
6.4 Street lighting	20	23	28	28	38	54
6.5 R&D housing and community amenities	0	1	2	1	1	13
6.6 Housing and community amenities n.e.c.	182	131	151	232	208	336
Total housing and community amenities	2,049	2,534	3,019	3,778	4,002	4,943

Table 6.4 Central government own expenditure on services by sub-function, 2016-17 to 2021-22 (continued)

	£ million					
	National Statistics					
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	outturn	outturn	outturn	outturn	outturn	plans
7. Health ⁽⁴⁾						
Medical services	133,839	136,866	141,757	152,933	181,860	178,817
Medical research	1,871	1,947	1,621	1,638	2,370	2,255
Central and other health services	3,325	5,098	6,189	6,265	31,827	28,921
Total health	139,036	143,911	149,568	160,837	216,058	209,993
8. Recreation, culture and religion						
8.1 Recreational and sporting services	629	551	567	531	672	865
8.2 Cultural services	2,037	2,211	2,010	2,217	3,178	2,325
8.3 Broadcasting and publishing services	4,233	4,051	4,171	4,377	3,858	4,998
8.4 Religious and other community services	97	129	137	120	106	87
8.5 R&D recreation, culture and religion	156	170	73	89	123	115
8.6 Recreation, culture and religion n.e.c	68	90	101	146	143	256
Total recreation, culture and religion	7,221	7,202	7,059	7,480	8,080	8,646
9. Education						
9.1 Pre-primary and primary education	821	797	828	928	1,065	1,155
<i>of which: under fives</i>	86	85	87	84	182	223
<i>of which: primary education</i>	735	712	741	843	883	932
9.2 Secondary education ⁽⁵⁾	27,653	30,259	32,808	34,966	37,174	38,809
9.3 Post-secondary non-tertiary education	–	–	–	–	–	–
9.4 Tertiary education	6,066	5,419	4,621	4,372	4,868	4,253
9.5 Education not definable by level	655	747	637	799	960	823
9.6 Subsidiary services to education	475	535	595	678	876	1,046
9.7 R&D education	1,703	1,815	2,259	2,324	2,671	2,343
9.8 Education n.e.c	2,342	2,318	2,549	1,993	2,173	3,334
Total education	39,715	41,890	44,296	46,059	49,787	51,763
10. Social protection						
<i>of which: personal social services</i>	1,203	1,289	1,363	1,476	1,605	1,554
10.1 Sickness and disability	43,869	44,997	46,739	47,171	48,696	49,864
<i>of which: personal social services</i>	323	348	381	425	421	423
<i>of which: incapacity, disability and injury benefits</i>	43,546	44,649	46,358	46,746	48,274	49,441
10.2 Old age	111,049	113,466	116,812	112,242	113,197	118,375
<i>of which: personal social services</i>	495	514	542	579	622	617
<i>of which: pensions</i>	110,554	112,953	116,271	111,663	112,575	117,758
10.3 Survivors	1,157	1,020	1,128	1,162	1,185	1,153
10.4 Family and children	15,131	14,882	14,874	14,798	15,125	15,392
<i>of which: personal social services</i>	346	387	394	414	451	454
<i>of which: family benefits, income support and tax credits</i>	14,785	14,495	14,481	14,384	14,674	14,938
10.5 Unemployment ⁽⁶⁾	2,227	2,022	1,683	1,189	1,561	1,940
<i>of which: personal social services</i>	–	–	–	–	–	–
<i>of which: other unemployment benefits</i>	2,227	2,022	1,683	1,189	1,561	1,940
10.6 Housing	583	556	532	483	467	470
10.7 Social exclusion n.e.c. ^{(6), (7)}	31,692	32,511	33,355	39,792	57,126	58,245
<i>of which: personal social services</i>	39	41	47	58	111	60
<i>of which: family benefits, income support, Universal Credit and tax credits</i>	31,653	32,470	33,308	39,734	57,015	58,185
10.8 R&D Social protection	–	–	–	–	–	–
10.9 Social protection n.e.c.	4,139	4,107	4,458	4,390	5,307	7,530
Total social protection	209,847	213,561	219,581	221,227	242,663	252,969

Table 6.4 Central government own expenditure on services by sub-function, 2016-17 to 2021-22 (continued)

	£ million					
	National Statistics					
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	outturn	outturn	outturn	outturn	outturn	plans
EU transactions ⁽⁸⁾						
VAT-based and GNI-based contributions (net of abatement and collection costs)	8,803	9,490	12,227	10,886	9,227	-8
<i>derived as:</i>						
<i>EU gross contribution pre-abatement and after deduction of collection costs</i>	16,926	17,450	20,377	18,355	15,066	13
<i>Traditional Own Resources (without deduction of collection costs)</i>	-3,366	-3,413	-3,304	-3,320	-2,410	-21
<i>UK abatement</i>	-4,757	-4,547	-4,846	-4,149	-3,429	-
EU receipts	-4,081	-4,130	-4,375	-5,059	-3,419	-2,289
Other attributed costs and repayments	-	-	-	-	-	-
Total EU transactions	4,723	5,360	7,852	5,828	5,808	-2,297
Total central government own expenditure on services	563,397	586,301	608,176	631,544	835,962	764,087
Accounting adjustments	50,208	51,350	49,569	54,342	32,787	54,535
Total central government own expenditure ⁽⁹⁾	613,605	637,651	657,745	685,886	868,749	818,623

⁽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⁾ Spending Review 2020 continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence. 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⁾ 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.

⁽⁵⁾ 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.

⁽⁶⁾ Figures from 2019-20 reflect a switch to Universal Credit, which forms part of 10.7 Social exclusion n.e.c.

⁽⁷⁾ 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.

⁽⁸⁾ 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.

⁽⁹⁾ 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, 2016-17 to 2021-22

	£ million					
	National Statistics					
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
Central government current expenditure on services						
Pay	112,729	121,419	125,433	138,557	154,448	160,650
Gross current procurement	134,946	133,215	142,912	148,083	188,413	189,771
Income from sales of goods and services	-22,995	-21,053	-24,081	-23,946	-21,378	-25,880
Current grants to persons and non-profit bodies	216,275	217,279	222,219	230,175	254,069	265,279
Current grants abroad	11,347	12,232	14,509	13,159	12,774	10,538
Subsidies to private sector companies	9,631	10,077	12,832	17,448	117,968	41,998
Subsidies to public corporations	657	599	593	570	995	720
Net public service pensions	8,891	9,262	10,007	3,442	2,140	2,779
Central government debt interest	48,755	55,129	48,900	48,113	39,278	42,626
Other	478	993	1,105	1,187	645	126
Total central government own current expenditure on services	520,715	539,152	554,429	576,788	749,352	688,608
Accounting adjustments	42,460	42,494	42,511	47,131	43,353	46,130
Total central government own current expenditure	563,175	581,646	596,940	623,919	792,705	734,738
Central government capital expenditure on services						
Capital grants to persons and non-profit bodies	6,184	7,307	7,912	8,457	10,628	12,700
Capital grants to private sector companies	1,578	2,440	1,667	1,861	20,441	7,350
Capital grants abroad	2,686	2,244	3,565	2,520	3,169	2,863
Gross capital procurement	34,382	36,988	43,675	43,883	54,294	53,871
Income from sales of capital assets	-2,148	-1,829	-3,072	-1,965	-1,923	-1,306
Total central government own capital expenditure on services	42,682	47,149	53,747	54,756	86,610	75,479
Accounting adjustments	7,748	8,856	7,058	7,211	-10,566	8,405
Total central government own capital expenditure	50,430	56,005	60,805	61,967	76,044	83,885
Total central government own expenditure on services	563,397	586,301	608,176	631,544	835,962	764,087
Accounting adjustments	50,208	51,350	49,569	54,342	32,787	54,535
Total central government own expenditure ⁽¹⁾	613,605	637,651	657,745	685,886	868,749	818,623

⁽¹⁾ 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, 2016-17 to 2021-22

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
Central government own current expenditure on services						
1. General public services	63,899	71,025	64,713	65,920	58,172	68,191
<i>of which: public and common services</i>	6,255	6,719	6,815	7,854	9,769	18,983
<i>of which: international services</i>	8,889	9,176	8,998	9,954	9,125	6,583
<i>of which: public sector debt interest</i>	48,755	55,129	48,900	48,113	39,278	42,626
2. Defence ⁽¹⁾	27,836	28,357	29,382	31,305	32,098	33,403
3. Public order and safety	15,089	15,418	16,089	16,903	19,327	18,851
4. Economic affairs	20,816	22,058	26,833	31,949	134,228	60,232
<i>of which: enterprise and economic development</i>	5,883	6,753	8,774	13,204	105,464	36,124
<i>of which: science and technology</i>	978	1,126	1,011	1,020	1,147	1,464
<i>of which: employment policies</i>	2,347	2,512	2,632	2,253	2,543	3,213
<i>of which: agriculture, fisheries and forestry</i>	4,669	4,685	5,256	5,304	5,763	5,460
<i>of which: transport</i>	6,939	6,982	9,159	10,169	19,312	13,971
5. Environment protection	1,581	1,605	1,592	2,008	1,980	1,908
6. Housing and community amenities	925	885	944	991	1,469	1,046
7. Health	133,444	137,619	142,571	153,228	203,247	200,962
8. Recreation, culture and religion	6,231	6,336	6,265	6,431	7,213	7,204
9. Education	36,446	37,162	38,785	41,042	43,459	46,460
10. Social protection	209,725	213,327	219,402	221,183	242,352	252,647
EU transactions	4,723	5,360	7,852	5,828	5,808	-2,297
Total central government own current expenditure on services	520,715	539,152	554,429	576,788	749,352	688,608
Accounting adjustments	42,460	42,494	42,511	47,131	43,353	46,130
Total central government own current expenditure	563,175	581,646	596,940	623,919	792,705	734,738
Central government own capital expenditure on services						
1. General public services	2,869	2,495	4,160	3,065	3,773	2,942
<i>of which: public and common services</i>	982	1,251	1,295	1,317	1,617	1,547
<i>of which: international services</i>	1,887	1,244	2,866	1,747	2,156	1,396
2. Defence ⁽¹⁾	9,223	10,252	10,816	10,887	12,317	15,408
3. Public order and safety	895	1,040	1,239	1,307	2,040	2,925
4. Economic affairs	15,315	16,123	18,852	19,914	42,046	29,378
<i>of which: enterprise and economic development</i>	601	241	623	670	20,103	2,311
<i>of which: science and technology</i>	3,510	3,920	5,422	5,787	6,433	7,758
<i>of which: employment policies</i>	60	105	47	2	77	99
<i>of which: agriculture, fisheries and forestry</i>	247	257	299	234	300	702
<i>of which: transport</i>	10,897	11,600	12,460	13,221	15,134	18,508
5. Environment protection	3,285	3,469	3,124	3,078	3,581	4,832
6. Housing and community amenities	1,124	1,650	2,074	2,787	2,534	3,897
7. Health	5,592	6,292	6,997	7,608	12,811	9,031
8. Recreation, culture and religion	990	866	793	1,049	867	1,441
9. Education	3,269	4,728	5,511	5,017	6,328	5,303
10. Social protection	122	234	179	44	312	321
Total central government own capital expenditure on services	42,682	47,149	53,747	54,756	86,610	75,479
Accounting adjustments	7,748	8,856	7,058	7,211	-10,566	8,405
Total central government own capital expenditure ⁽²⁾	50,430	56,005	60,805	61,967	76,044	83,885

⁽¹⁾ Spending Review 2020 continued the commitment to meet the NATO investment pledge to spend 2% of GDP on Defence. 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/natohq/topics_49198.htm

⁽²⁾ 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 2020-21) are covered by National Statistics protocols.

7.3 Central government support data (**Tables 7.1 to 7.3**) for all years up to 2020-21 are final outturn figures and data from 2021-22 onwards are latest plans.

7.4 Local government spending data (**Tables 7.4 to 7.8**) for all years up to 2019-20 are final outturn, while data for 2020-21 are based on budget plans and provisional outturns, where the latter are available.

What's new

7.5 There are no changes to classifications or presentation of tables to report since PESA 2020.

7.6 The ongoing pressures faced by some departments, due to the impact of the pandemic, may again lead to delays in the laying of some annual reports and accounts (ARAs) this year¹. As a result, the 2020-21 outturn published in PESA may be subject to data quality issues, as not all departments will have been able to align data to their ARAs. The public spending statistics (PSS) release, published on a quarterly basis, will reflect any later revisions made by departments to their 2020-21 outturn.

7.7 Note that many of the economic categories and functions shown in the tables throughout PESA reflect higher Covid-19 related spend from 2020-21 onwards.

The financing of local government expenditure

7.8 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.

7.9 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>

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

7.11 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

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

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

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

Support for local government capital programmes

7.14 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

7.15 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.

7.16 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

7.17 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.

7.18 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

7.19 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.

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

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

7.21 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

7.22 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.

7.23 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.

7.24 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.

7.25 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.

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

7.27 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, 2016-17 to 2021-22

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
Current finance in DEL						
England	55,695	52,759	50,494	54,321	87,369	72,651
Scotland	25	22	–	19	21	–
Wales	4,205	4,227	4,240	4,448	7,422	4,899
Northern Ireland	152	148	162	150	262	163
Total current finance in DEL	60,077	57,156	54,896	58,938	95,073	77,713
Capital support in DEL						
England	8,819	8,034	8,761	9,649	11,026	11,101
Scotland	–	–	–	0	0	–
Wales	481	509	634	655	909	788
Northern Ireland	5	3	7	11	1	10
Total capital support in DEL	9,305	8,546	9,402	10,316	11,936	11,899
Total central government support in DEL ⁽¹⁾	69,382	65,702	64,298	69,253	107,009	89,612
Current finance in departmental AME						
England	34,978	37,346	41,670	36,299	33,973	30,266
Scotland	8,187	8,307	8,514	9,039	13,308	10,677
Wales	1,026	1,006	948	911	808	757
Northern Ireland	–	–	–	–	–	–
Total current finance in departmental AME	44,190	46,658	51,131	46,249	48,089	41,701
Capital support in departmental AME						
England	110	-169	-205	-	74	–
Scotland	817	913	1,040	1,381	1,031	1,001
Wales	–	–	–	–	–	–
Northern Ireland	–	–	–	–	–	–
Total capital support in departmental AME	926	743	835	1,381	1,106	1,001
Total central government support in departmental AME ⁽²⁾	45,117	47,402	51,966	47,630	49,195	42,702
Locally financed expenditure						
Local authority self-financed expenditure	38,368	43,364	44,224	47,655	45,914	46,318
Locally financed support in Scotland ⁽³⁾	2,769	2,666	2,636	2,853	1,868	2,090
Locally financed support in Wales	977	1,059	1,050	1,061	1,036	1,101
Total locally financed expenditure	42,113	47,088	47,910	51,569	48,818	49,509
Total financing of local government expenditure	156,612	160,192	164,175	168,452	205,022	181,823
Accounting and other adjustments	18,364	16,513	14,333	14,231	7,773	39,766
Total local government expenditure	174,976	176,705	178,508	182,683	212,795	221,589

⁽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.

Table 7.2 Central government current grants for local government in the United Kingdom by departmental group, 2016-17 to 2021-22

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
England						
Health and Social Care						
Social Care	–	–	–	–	–	–
Public Health	3,388	3,091	3,011	2,932	3,066	3,527
Other	–	59	59	62	3,223	–
Total Health and Social Care	3,388	3,150	3,070	2,994	6,289	3,527
Education ⁽²⁾						
Schools Grant	25,168	24,079	23,405	22,812	23,725	25,463
Pupil Premium	1,563	1,432	1,351	1,273	1,233	1,170
Private finance initiative grant	751	751	751	751	738	762
Other	3,673	3,962	4,362	4,709	5,870	4,109
Total Education	31,154	30,224	29,869	29,545	31,565	31,504
Home Office						
Police	10,267	10,399	10,623	11,346	11,804	12,666
Other	841	827	949	522	1,057	785
Total Home Office	11,109	11,226	11,572	11,868	12,861	13,451
MHCLG Housing and Communities						
New Homes Bonus	1,462	1,227	948	918	907	622
PFI special grant (Housing)	192	192	192	187	185	185
Troubled Families	171	214	174	155	160	165
City Deals	102	91	122	130	175	176
Other	245	460	878	823	1,143	1,260
Total MHCLG Housing and Communities	2,172	2,184	2,314	2,212	2,570	2,408
MHCLG Local Government						
Non-domestic rate payments/Revenue Support Grant ⁽³⁾	20,071	19,598	23,433	22,460	19,216	16,866
Social Care and Better Care Fund	–	1,347	1,818	2,398	3,389	3,689
Covid grants	–	–	–	–	12,643	9,422
Independent Living Fund	177	171	166	161	161	161
PFI special grant	27	26	26	26	25	26
Other	367	1,324	578	1,898	2,542	852
Total MHCLG Local Government	20,642	22,466	26,021	26,942	37,976	31,016
Transport						
GLA transport	474	255	29	28	2,457	500
Strategic rail authority	5	86	87	0	–	103
PFI special grant	323	323	323	322	322	322
Other	217	155	180	177	590	624
Total Transport	1,020	820	619	527	3,369	1,550
Business, Energy and Industrial Strategy						
Covid Business Support grants	–	–	–	–	10,474	4,210
Other	12	10	22	183	85	62
Total Business, Energy and Industrial Strategy	12	10	22	183	10,559	4,272
Environment, Food and Rural Affairs						
Environment, Food and Rural Affairs	133	205	211	232	270	315
Total Environment, Food and Rural Affairs	133	205	211	232	270	315
Work and Pensions						
Housing benefits ⁽¹⁾	20,194	19,085	17,708	15,499	14,908	14,397
Other	419	439	508	402	609	477
Total Work and Pensions	20,613	19,524	18,216	15,901	15,516	14,874
Other government departments	430	296	248	214	367	–
Total England	90,673	90,105	92,164	90,620	121,342	102,917

Table 7.2 Central government current grants for local government in the United Kingdom by departmental group, 2016-17 to 2021-22 (continued)

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
Scotland						
Work and Pensions						
Housing benefits ⁽¹⁾	1,693	1,625	1,548	1,434	1,335	1,289
Other	25	22	–	19	21	–
Total Work and Pensions	1,718	1,647	1,548	1,453	1,356	1,289
Scottish Government						
Revenue Support Grant	6,839	6,799	6,885	6,937	10,355	8,008
Non-domestic rate income ⁽⁴⁾	2,769	2,666	2,636	2,853	1,868	2,090
Other	119	309	420	668	1,617	1,381
Total Scottish Government	9,726	9,773	9,941	10,458	13,841	11,479
Other government departments	-464	-425	-339	–	–	–
Total Scotland	10,981	10,995	11,150	11,911	15,197	12,767
Wales						
Home Office						
Police	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total Home Office	–	–	–	–	–	–
Work and Pensions						
Housing benefits ⁽¹⁾	992	977	923	880	784	757
Other	13	12	–	10	11	–
Total Work and Pensions	1,005	990	923	889	795	757
Welsh Government						
Non-domestic rate payments/Revenue Support Grant	4,263	4,309	4,394	4,488	5,666	5,080
Other	939	993	921	1,043	2,805	920
Total Welsh Government	5,202	5,302	5,315	5,531	8,471	6,000
Other government departments	–	–	–	–	–	–
Total Wales	6,207	6,292	6,238	6,420	9,266	6,757
Northern Ireland						
Northern Ireland Executive	152	148	162	150	262	163
Total Northern Ireland	152	148	162	150	262	163
Total current finance	108,013	107,539	109,713	109,100	146,067	122,605

⁽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, 2016-17 to 2021-22

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
England						
Capital grants						
Health and Social Care	621	516	66	810	86	260
Education	2,482	2,317	2,416	1,930	1,340	1,732
Home Office	130	131	148	153	89	96
Justice	14	4	–	–	–	–
MHCLG Housing and Communities	2,947	2,914	3,365	3,594	4,487	4,288
Transport	2,351	1,633	2,282	3,007	3,640	3,506
Business, Energy and Industrial Strategy	42	41	6	2	1,144	1,059
Digital, Culture, Media and Sport	232	227	175	61	193	35
Environment, Food and Rural Affairs	109	79	97	93	121	126
Cabinet Office	–	2	1	–	–	–
Total capital grants	8,928	7,864	8,557	9,649	11,100	11,101
Total England	8,928	7,864	8,557	9,649	11,100	11,101
Scotland						
Supported borrowing						
Scottish Government	–	–	–	–	–	–
Total supported borrowing	–	–	–	–	–	–
Capital grants						
Scottish Government	817	913	1,040	1,381	1,031	1,001
Total capital grants	817	913	1,040	1,381	1,031	1,001
Total Scotland	817	913	1,040	1,381	1,031	1,001
Wales						
Supported Capital Expenditure (Revenue) ⁽¹⁾						
Welsh Government	89	89	89	89	89	89
Total Supported Capital Expenditure (Revenue)	89	89	89	89	89	89
Capital grants						
Welsh Government	392	421	545	566	820	699
Total capital grants	392	421	545	566	820	699
Total Wales	481	509	634	655	909	788
Northern Ireland capital grants						
Northern Ireland Executive	5	3	7	11	1	10
Total Northern Ireland	5	3	7	11	1	10
Total United Kingdom	10,231	9,289	10,237	11,697	13,041	12,900

⁽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, 2016-17 to 2020-21

	National Statistics				£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
Current					
1. General public services	4,249	4,209	4,254	4,607	5,004
<i>of which: public and common services</i>	3,405	3,378	3,405	3,956	4,210
<i>of which: public sector debt interest ⁽¹⁾</i>	844	831	849	651	794
2. Defence	45	42	41	54	142
3. Public order and safety	13,865	14,019	14,348	15,350	16,294
4. Economic affairs	3,732	3,631	3,500	3,653	3,553
<i>of which: enterprise and economic development</i>	702	548	608	690	659
<i>of which: agriculture, fisheries and forestry</i>	101	98	88	101	98
<i>of which: transport</i>	2,928	2,985	2,804	2,861	2,796
5. Environment protection	5,683	5,655	5,773	5,901	6,219
6. Housing and community amenities	2,018	2,094	2,142	2,266	2,461
7. Health	3,534	3,414	3,327	3,281	3,350
8. Recreation, culture and religion	3,151	2,970	3,001	2,968	2,920
9. Education	40,873	39,926	40,265	41,213	42,948
10. Social protection	55,250	54,918	54,860	54,165	54,233
Total local government current expenditure on services	132,399	130,880	131,511	133,456	137,124
Accounting adjustments	23,831	24,860	27,252	28,046	56,236
Total local government current expenditure	156,230	155,740	158,763	161,502	193,360
Capital					
1. General public services	1,732	1,158	1,043	1,340	1,928
<i>of which: public and common services</i>	1,732	1,158	1,043	1,340	1,928
3. Public order and safety	223	992	736	966	973
4. Economic affairs	7,523	9,544	9,663	9,487	7,930
<i>of which: enterprise and economic development</i>	1,019	2,431	3,153	2,641	1,061
<i>of which: agriculture, fisheries and forestry</i>	191	131	85	158	189
<i>of which: transport</i>	6,313	6,981	6,425	6,689	6,680
5. Environment protection	496	1,058	560	832	799
6. Housing and community amenities	2,503	2,756	2,641	3,041	2,589
7. Health	19	12	21	22	26
8. Recreation, culture and religion	1,235	1,307	1,328	1,485	1,304
9. Education	4,318	4,241	3,489	3,349	3,318
10. Social protection	327	247	370	424	346
Total local government capital expenditure on services	18,375	21,314	19,851	20,946	19,214
Accounting adjustments	371	-349	-106	235	221
Total local government capital expenditure	18,746	20,965	19,745	21,181	19,435
Total local government expenditure	174,976	176,705	178,508	182,683	212,795

⁽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, 2016-17 to 2020-21

	National Statistics				£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
England					
1. General public services	2,789	2,723	2,884	2,985	3,351
<i>of which: public and common services</i>	2,789	2,723	2,884	2,985	3,351
2. Defence	39	36	35	48	135
3. Public order and safety	13,101	13,229	13,527	14,468	15,385
4. Economic affairs	2,850	2,725	2,633	2,684	2,576
<i>of which: enterprise and economic development</i>	411	268	331	414	327
<i>of which: agriculture, fisheries and forestry</i>	83	80	73	82	80
<i>of which: transport</i>	2,356	2,377	2,229	2,188	2,169
5. Environment protection	4,498	4,456	4,572	4,671	4,954
6. Housing and community amenities	1,729	1,734	1,717	1,876	1,860
7. Health	3,480	3,365	3,278	3,228	3,313
8. Recreation, culture and religion	2,149	2,032	2,003	2,039	1,983
9. Education	33,382	32,265	32,233	32,603	34,349
10. Social protection	47,362	46,988	46,863	46,192	46,031
Total England	111,379	109,554	109,746	110,793	113,937
Scotland					
1. General public services	428	460	348	783	637
<i>of which: public and common services</i>	428	460	348	783	637
2. Defence	4	3	3	3	4
3. Public order and safety	–	–	–	–	–
4. Economic affairs	630	662	621	710	713
<i>of which: enterprise and economic development</i>	216	212	205	196	246
<i>of which: agriculture, fisheries and forestry</i>	10	9	7	10	10
<i>of which: transport</i>	404	441	409	504	457
5. Environment protection	647	662	657	656	704
6. Housing and community amenities	43	91	135	75	236
8. Recreation, culture and religion	539	524	578	519	579
9. Education	4,875	5,020	5,332	5,791	5,701
10. Social protection	4,909	4,868	4,897	4,836	5,059
Total Scotland	12,076	12,290	12,572	13,374	13,634
Wales					
1. General public services	188	195	174	188	222
<i>of which: public and common services</i>	188	195	174	188	222
2. Defence	2	3	2	3	3
3. Public order and safety	764	790	821	882	908
4. Economic affairs	222	221	220	228	231
<i>of which: enterprise and economic development</i>	46	45	46	50	53
<i>of which: agriculture, fisheries and forestry</i>	8	8	8	9	8
<i>of which: transport</i>	168	168	166	169	170
5. Environment protection	336	334	350	354	364
6. Housing and community amenities	121	116	110	115	113
8. Recreation, culture and religion	210	206	206	197	186
9. Education	2,616	2,642	2,700	2,819	2,898
10. Social protection	2,979	3,061	3,099	3,136	3,143
Total Wales	7,438	7,568	7,683	7,922	8,069
Total Great Britain	130,892	129,412	130,001	132,088	135,639
Northern Ireland					
4. Economic affairs	29	23	26	31	32
<i>of which: enterprise and economic development</i>	29	23	26	31	32
5. Environment protection	203	203	194	220	196
6. Housing and community amenities	124	153	180	201	252
7. Health	54	49	49	53	38
8. Recreation, culture and religion	252	208	213	212	172
Total Northern Ireland	662	636	661	718	690
Debt interest ⁽¹⁾	844	831	849	651	794
Total local government current expenditure on services	132,399	130,880	131,511	133,456	137,124
Accounting adjustments	23,831	24,860	27,252	28,046	56,236
Total local government current expenditure	156,230	155,740	158,763	161,502	193,360

⁽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, 2016-17 to 2020-21

	National Statistics				£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
England					
1. General public services	2,020	1,496	1,548	1,677	2,108
<i>of which: public and common services</i>	2,020	1,496	1,548	1,677	2,108
3. Public order and safety	813	1,072	831	923	1,004
4. Economic affairs	7,030	8,947	9,088	8,911	7,227
<i>of which: enterprise and economic development</i>	1,017	2,309	2,980	2,593	954
<i>of which: agriculture, fisheries and forestry</i>	170	162	171	171	187
<i>of which: transport</i>	5,843	6,476	5,937	6,148	6,086
5. Environment protection	378	995	409	490	519
6. Housing and community amenities	2,335	2,714	2,546	2,781	2,256
7. Health	18	10	20	21	21
8. Recreation, culture and religion	982	1,061	1,058	1,216	1,111
9. Education	3,216	2,998	2,565	2,445	2,353
10. Social protection	311	290	336	367	310
Total England	17,103	19,583	18,400	18,832	16,908
Scotland					
1. General public services	178	258	184	140	233
<i>of which: public and common services</i>	178	258	184	140	233
3. Public order and safety	–	–	–	–	–
4. Economic affairs	697	700	839	829	676
<i>of which: enterprise and economic development</i>	175	238	322	299	205
<i>of which: agriculture, fisheries and forestry</i>	47	43	37	38	29
<i>of which: transport</i>	475	419	480	491	443
5. Environment protection	87	61	119	292	215
6. Housing and community amenities	175	159	206	224	212
8. Recreation, culture and religion	229	180	166	613	105
9. Education	854	898	665	749	590
10. Social protection	65	43	56	58	33
Total Scotland	2,285	2,298	2,235	2,904	2,064
Wales					
1. General public services	40	39	50	58	117
<i>of which: public and common services</i>	40	39	50	58	117
3. Public order and safety	43	52	48	51	125
4. Economic affairs	145	179	252	217	229
<i>of which: enterprise and economic development</i>	22	48	62	32	42
<i>of which: agriculture, fisheries and forestry</i>	8	5	7	7	14
<i>of which: transport</i>	115	126	183	179	173
5. Environment protection	32	21	32	45	60
6. Housing and community amenities	155	110	137	217	295
8. Recreation, culture and religion	44	56	62	48	40
9. Education	374	430	330	246	430
10. Social protection	15	17	26	22	36
Total Wales	848	904	937	904	1,332
Total Great Britain	20,235	22,785	21,573	22,641	20,304
Northern Ireland					
4. Economic affairs	5	2	4	3	21
<i>of which: enterprise and economic development</i>	5	2	4	3	21
5. Environment protection	6	10	12	18	17
6. Housing and community amenities	34	17	24	31	38
7. Health	2	2	2	1	6
8. Recreation, culture and religion	52	69	89	92	97
Total Northern Ireland	100	101	131	145	179
Total United Kingdom	20,335	22,886	21,703	22,787	20,483
Memorandum					
United Kingdom gross capital expenditure, from above	20,335	22,886	21,703	22,787	20,483
United Kingdom capital receipts (see table 7.7)	-1,960	-1,571	-1,853	-1,841	-1,269
Total local government net capital expenditure on services	18,375	21,314	19,851	20,946	19,214
Accounting adjustments	371	-349	-106	235	221
Total local government net capital expenditure	18,746	20,965	19,745	21,181	19,435

⁽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, 2016-17 to 2020-21

	National Statistics				£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
England					
1. General public services	-463	-602	-684	-495	-464
<i>of which: public and common services</i>	-463	-602	-684	-495	-464
3. Public order and safety	-631	-130	-141	-6	-152
4. Economic affairs	-309	-259	-478	-440	-192
<i>of which: enterprise and economic development</i>	-159	-145	-179	-255	-132
<i>of which: agriculture, fisheries and forestry</i>	-34	-79	-129	-58	-41
<i>of which: transport</i>	-116	-35	-171	-126	-19
5. Environment protection	-3	-16	-6	-5	-4
6. Housing and community amenities	-177	-209	-241	-177	-172
8. Recreation, culture and religion	-42	-38	-32	-12	-35
9. Education	-108	-55	-44	-71	-36
10. Social protection	-57	-99	-42	-19	-29
Total England	-1,790	-1,408	-1,669	-1,225	-1,084
Scotland					
1. General public services	-21	-18	-39	-32	-54
<i>of which: public and common services</i>	-21	-18	-39	-32	-54
3. Public order and safety	–	–	–	–	–
4. Economic affairs	-16	-16	-27	-23	-15
<i>of which: enterprise and economic development</i>	-13	-11	-23	-20	-13
<i>of which: agriculture, fisheries and forestry</i>	–	0	–	–	–
<i>of which: transport</i>	-3	-4	-4	-2	-2
5. Environment protection	-2	-10	-3	-1	-1
6. Housing and community amenities	0	-1	-1	-11	-19
8. Recreation, culture and religion	-14	-1	-1	-454	0
9. Education	-13	-12	-21	-16	-12
10. Social protection	-4	-3	-1	0	0
Total Scotland	-69	-61	-92	-537	-102
Wales					
1. General public services	-23	-16	-15	-8	-11
<i>of which: public and common services</i>	-23	-16	-15	-8	-11
3. Public order and safety	-2	-2	-2	-3	-4
4. Economic affairs	-28	-8	-11	-8	-10
<i>of which: enterprise and economic development</i>	-27	-8	-11	-7	-10
<i>of which: agriculture, fisheries and forestry</i>	–	–	–	–	–
<i>of which: transport</i>	0	-1	-1	0	0
5. Environment protection	0	0	0	0	0
6. Housing and community amenities	-15	-27	-15	-11	-14
8. Recreation, culture and religion	-1	-1	0	-1	-1
9. Education	-6	-19	-7	-5	-7
10. Social protection	-3	-1	-4	-4	-4
Total Wales	-78	-74	-56	-40	-52
Total Great Britain	-1,937	-1,544	-1,817	-1,801	-1,238
Northern Ireland					
4. Economic affairs	-1	0	-3	-3	-6
<i>of which: enterprise and economic development</i>	-1	0	-3	-3	-6
5. Environment protection	-1	-1	-2	-5	-6
6. Housing and community amenities	-3	-7	-15	-14	-6
7. Health	-1	0	0	0	0
8. Recreation, culture and religion	-16	-19	-15	-17	-13
Total Northern Ireland	-23	-27	-36	-39	-31
Total United Kingdom capital receipts	-1,960	-1,571	-1,853	-1,841	-1,269

Table 7.8 Local government expenditure on services in the United Kingdom by country and economic category, 2016-17 to 2020-21

	National Statistics				£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 plans
England					
Pay	51,198	50,688	50,526	52,378	54,781
Gross current procurement	67,723	68,370	70,843	73,416	77,341
Income from sales of goods and services	-29,526	-30,454	-30,952	-32,078	-34,483
Subsidies to private sector companies	1,273	1,299	1,117	972	1,120
Subsidies to public corporations	12	13	15	11	10
Current grants to persons and non-profit bodies	20,699	19,638	18,197	16,094	15,168
Gross capital procurement	15,368	17,047	16,515	16,657	15,441
Income from sales of capital assets	-1,790	-1,408	-1,669	-1,225	-1,084
Capital grants	1,735	2,535	1,885	2,175	1,467
Total England	126,692	127,728	126,478	128,400	129,761
Scotland					
Pay	6,467	6,640	6,925	7,915	7,954
Gross current procurement	6,088	6,199	6,303	6,172	6,712
Income from sales of goods and services	-2,309	-2,322	-2,349	-2,265	-2,518
Subsidies to public corporations	97	102	105	111	107
Current grants to persons and non-profit bodies	1,733	1,671	1,588	1,441	1,380
Gross capital procurement	2,120	2,123	1,977	2,605	1,799
Income from sales of capital assets	-69	-61	-92	-537	-102
Capital grants	165	175	258	299	265
Total Scotland	14,291	14,527	14,714	15,741	15,595
Wales					
Pay	4,199	4,276	4,170	4,246	4,370
Gross current procurement	3,532	3,580	3,879	4,163	4,268
Income from sales of goods and services	-1,302	-1,280	-1,311	-1,336	-1,360
Current grants to persons and non-profit bodies	1,009	992	945	849	791
Gross capital procurement	766	845	874	833	1,226
Income from sales of capital assets	-78	-74	-56	-40	-52
Capital grants	82	58	63	72	106
Total Wales	8,208	8,398	8,564	8,786	9,349
Great Britain					
Pay	61,864	61,604	61,621	64,539	67,105
Gross current procurement	77,342	78,150	81,025	83,750	88,321
Income from sales of goods and services	-33,136	-34,056	-34,611	-35,679	-38,361
Subsidies to private sector companies	1,273	1,299	1,117	972	1,120
Subsidies to public corporations	109	115	120	122	117
Current grants to persons and non-profit bodies	23,441	22,301	20,730	18,385	17,339
Gross capital procurement	18,254	20,016	19,366	20,095	18,465
Income from sales of capital assets	-1,937	-1,544	-1,817	-1,801	-1,238
Capital grants	1,981	2,769	2,206	2,546	1,838
Total Great Britain	149,191	150,653	149,756	152,928	154,705
Northern Ireland					
Pay	346	368	397	403	423
Gross current procurement	491	499	556	572	440
Income from sales of goods and services	-174	-230	-292	-258	-172
Gross capital procurement	100	101	131	145	179
Income from sales of capital assets	-23	-27	-36	-39	-31
Total Northern Ireland	739	710	757	823	838
United Kingdom					
Pay	62,210	61,971	62,018	64,942	67,527
Gross current procurement	77,833	78,649	81,581	84,322	88,761
Income from sales of goods and services	-33,311	-34,287	-34,903	-35,937	-38,533
Subsidies to private sector companies	1,273	1,299	1,117	972	1,120
Subsidies to public corporations	109	115	120	122	117
Current grants to persons and non-profit bodies	23,441	22,301	20,730	18,385	17,339
Local government debt interest ⁽¹⁾	844	831	849	651	794
Gross capital procurement	18,354	20,117	19,497	20,240	18,644
Income from sales of capital assets	-1,960	-1,571	-1,853	-1,841	-1,269
Capital grants	1,981	2,769	2,206	2,546	1,838
Total local government expenditure on services	150,774	152,194	151,362	154,402	156,337
Accounting adjustments	24,202	24,511	27,146	28,281	56,458
Total local government expenditure	174,976	176,705	178,508	182,683	212,795

⁽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 2020-21 are National Statistics.

What's new

8.3 There are no changes to classifications or presentation of tables to report since PESA 2020.

8.4 The ongoing pressures faced by some departments, due to the impact of the pandemic, may again lead to delays in the laying of some annual reports and accounts (ARAs) this year¹. As a result, the 2020-21 outturn published in PESA may be subject to data quality issues, as not all departments will have been able to align data to their ARAs. The public spending statistics (PSS) release, published on a quarterly basis, will reflect any later revisions made by departments to their 2020-21 outturn.

Definition of public corporations

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

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

Self financing public corporations (SFPCs)

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

8.7 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.

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

Trading funds

8.8 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.

8.9 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.

8.10 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

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

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

8.12 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.

8.13 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.

8.14 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).

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

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

8.16 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.

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

The National Accounts

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

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

8.19 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.

8.20 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.

8.21 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* ownfinanced capital expenditure (other AME) to TME (see **Annex D** for a full explanation of the accounting adjustments).

8.22 **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.

8.23 **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

8.24 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.

8.25 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

8.26 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⁾, 2016-17 to 2021-22

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
Resource DEL						
CG dividends from PCs (-)	-121	-99	-122	-185	-81	-44
CG interest from PCs (-)	-31	-39	-36	-40	-32	-11
Subsidies to PCs	487	430	418	404	837	528
Loans written off - mutual consent	-	-	-	-	-	-
Total resource DEL	335	291	260	179	724	473
Resource departmental AME						
CG dividends from PCs (-)	-194	-138	-124	-110	2	-2
CG interest from PCs (-)	-64	-86	-107	-112	-65	-105
Subsidies to PCs	170	169	175	166	159	192
Loans written off - mutual consent	-	-	-	-	-	-
Total resource departmental AME	-87	-54	-57	-56	96	85
Total public corporations' contribution to resource budget	248	237	203	123	820	558
Capital DEL						
CG investment grants to PCs	252	208	371	248	507	338
Net lending to PCs	-226	-15	96	184	273	375
Market and overseas borrowing	-12	36	91	28	1	-
Total capital DEL	13	229	559	460	781	713
Capital departmental AME						
CG investment grants to PCs	20	13	26	52	74	127
Net lending to PCs	175	322	1,266	333	128	1,046
Total capital departmental AME	195	335	1,292	385	202	1,173
Total public corporations' contribution to capital budget	208	564	1,850	845	983	1,886
Other AME						
PC own-financed capital expenditure ⁽²⁾	16,755	15,277	9,134	9,605	9,095	7,379
Accounting adjustments	8,067	6,467	7,124	6,824	1,944	3,262
Total other AME	24,822	21,745	16,258	16,429	11,039	10,641
Public corporations' expenditure in TME ⁽³⁾	25,277	22,546	18,312	17,398	12,842	13,084
<i>of which:</i>						
PC current expenditure in TME	5,812	4,830	5,436	6,067	1,137	1,797
PC gross investment in TME	19,465	17,716	12,876	11,331	11,705	11,287

⁽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⁾, 2016-17 to 2021-22

	National Statistics					
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
£ million						
Resource DEL						
Health and Social Care	–	–	–	–	145	92
Education	–	–	2	3	6	–
Home Office	–	–	–	–	–	–
Defence	-70	-22	-13	-44	-32	–
Foreign, Commonwealth and Development Office ⁽²⁾	159	173	163	189	147	201
Total MHCLG - Housing and Communities and MHCLG - Local Government	-1	-1	-2	-2	0	–
Transport	-37	-53	-29	-87	50	-4
Business, Energy and Industrial Strategy	137	69	16	14	31	40
Digital, Culture, Media and Sport	29	14	11	12	13	–
Environment, Food and Rural Affairs	30	21	19	17	31	19
International Trade	–	–	–	–	–	–
Work and Pensions	17	8	14	10	10	34
Cabinet Office	-2	-2	-6	-14	-15	–
Wales	0	–	–	–	–	–
Northern Ireland	73	84	85	81	339	91
Small and Independent Bodies	–	–	–	–	–	–
Total resource DEL	335	291	260	179	724	473
Resource departmental AME						
Business, Energy and Industrial Strategy	-5	-5	-7	-7	-3	-2
Digital, Culture, Media and Sport	-44	-50	-60	-61	43	–
HM Treasury	-107	-66	-58	-49	2	-2
Scotland	69	64	65	59	51	87
Wales	–	–	–	–	–	–
Small and Independent Bodies	-1	2	2	2	2	2
Total resource departmental AME	-87	-54	-57	-56	96	85
Total public corporations' contribution to resource budget	248	237	203	123	820	558
Capital DEL						
Health and Social Care	-245	-124	-97	23	50	28
Defence	-63	–	9	–	–	–
Foreign, Commonwealth and Development Office ⁽²⁾	–	–	–	–	52	70
Total MHCLG - Housing and Communities and MHCLG - Local Government	3	31	49	69	54	8
Transport	3	33	70	10	154	–
Business, Energy and Industrial Strategy	184	82	204	95	55	255
Digital, Culture, Media and Sport	–	-1	–	–	–	52
Environment, Food and Rural Affairs	–	–	0	4	29	6
Work and Pensions	80	84	93	72	108	114
Wales	2	60	136	111	140	3
Northern Ireland	51	65	95	77	141	178
Total capital DEL	13	229	559	460	781	713
Capital departmental AME						
Business, Energy and Industrial Strategy	134	129	-120	37	-63	800
Digital, Culture, Media and Sport	–	-20	-51	20	-61	125
HM Treasury	–	–	1,180	–	–	–
Scotland	79	226	282	328	325	372
Small and Independent Bodies	-19	–	–	–	–	-124
Total capital departmental AME	195	335	1,292	385	202	1,173
Total public corporations' contribution to capital budget	208	564	1,850	845	983	1,886
Total public corporations' contribution to budgets	455	801	2,054	969	1,803	2,444

⁽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⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

Table 8.3 Public corporations' capital expenditure on services, 2016-17 to 2021-22

	£ million					
	National Statistics					
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
Health and Social Care						
NHS Professionals Limited	#	#	#	#	#	#
NHS Blood and Transplant	#	#	#	#	#	#
Total Health and Social Care	#	#	#	#	#	#
Defence						
Defence Support Group	#	#	#	#	#	#
Defence Science and Technology Laboratory ⁽¹⁾	33	#	#	#	#	#
Hydrographic Office ⁽⁷⁾	-6	18	#	#	#	#
Navy, Army and Air Force Institute	#	#	#	#	#	#
Total Defence	27	18	#	#	#	#
Foreign, Commonwealth and Development Office ⁽¹⁾						
British Council	31	10	13	12	11	#
CDC Group ⁽⁵⁾	#	#	#	#	#	#
Total Foreign, Commonwealth and Development Office ⁽¹⁾	31	10	13	12	11	#
Total MHCLG - Housing and Communities and MHCLG - Local Government						
Government						
Fire Service College ⁽⁷⁾	#	#	#	#	#	#
QEII Conference Centre ⁽⁷⁾	#	#	#	#	#	#
Total MHCLG - Housing and Communities and MHCLG - Local Government	#	#	#	#	#	#
Transport						
Civil Aviation Authority	#	#	#	#	#	#
Total Transport	#	#	#	#	#	#
Business, Energy and Industrial Strategy						
UK Intellectual Property Office	0	-1	#	#	#	#
British Nuclear Fuels Limited ⁽⁵⁾	#	#	#	#	#	#
Royal Mail Holdings ⁽⁵⁾	#	#	#	#	#	#
Ordnance Survey ⁽⁷⁾	#	#	#	#	#	#
Meteorological Office ⁽⁷⁾	51	14	#	#	#	#
Total Business, Energy and Industrial Strategy	51	13	#	#	#	#
Digital, Culture Media and Sport						
Channel Four Television Corporation ⁽⁵⁾	#	#	#	#	#	#
Historic Royal Palaces Trust	#	#	#	#	#	#
Total Digital, Culture Media and Sport	#	#	#	#	#	#
Environment Food and Rural Affairs						
Covent Garden Market Authority	1	3	3	4	0	3
Total Environment Food and Rural Affairs	1	3	3	4	0	3
Work and Pensions						
Pension Protection Fund	3	2	0	#	#	#
National Employment Savings Trust	1	2	1	#	#	#
Office for Nuclear Regulation	-	0	2	#	#	#
Total Work and Pensions	4	3	3	#	#	#
HM Treasury						
Crown Estate ⁽⁵⁾	113	-28	236	#	#	#
Royal Mint ^{(5) (7)}	#	#	#	#	#	#
Total HM Treasury	113	-28	236	#	#	#
Scotland						
Caledonian MacBrayne	57	39	66	54	57	#
Forest Enterprise	-6	3	2	2	8	#
Scottish Water	489	498	509	513	447	#
Total Scotland	541	540	576	570	512	#
Northern Ireland						
Northern Ireland Driver and Vehicle Testing Agency ⁽⁷⁾	2	4	4	4	8	24
Northern Ireland Housing Executive	-4	-3	-5	-10	-8	31
Northern Ireland Public Trust Port Authority	54	46	62	62	51	118
Northern Ireland Transport Holding Company	75	75	102	104	156	236
Total Northern Ireland	126	121	165	160	207	409

Table 8.3 Public corporations' capital expenditure on services, 2016-17 to 2021-22 (continued)

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
Local Government						
Transport Trading Limited	1,555	1,620	1,594	1,435	941	*
England Housing Revenue Account	2,465	2,614	2,749	3,384	3,323	3,147
Scotland Housing Revenue Account	538	613	723	884	667	632
Wales Housing Revenue Account	242	249	270	303	386	365
Total Local Government	4,800	5,096	5,336	6,006	5,316	*
Total public corporations' capital expenditure on services	5,695	5,777	6,333	6,751	6,046	6,286
Accounting Adjustments	13,770	11,939	6,543	4,580	5,659	5,002
<i>of which: Housing Associations⁽²⁾</i>	<i>8,427</i>	<i>7,009</i>	<i>1,331</i>	<i>216</i>	<i>109</i>	<i>–</i>
Total public corporations' capital expenditure⁽³⁾	19,465	17,716	12,876	11,331	11,705	11,287

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

⁽¹⁾ Denotes public corporation with trading fund status.

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

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

⁽²⁾ 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.

⁽³⁾ 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, 2016-17 to 2021-22

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
Public corporations' current expenditure on services						
1. General public services	5,586	4,565	5,343	5,900	1,397	1,797
<i>of which: public sector debt interest ⁽¹⁾</i>	<i>5,586</i>	<i>4,565</i>	<i>5,343</i>	<i>5,900</i>	<i>1,397</i>	<i>1,797</i>
Total public corporations' current expenditure on services	5,586	4,565	5,343	5,900	1,397	1,797
Accounting adjustments	226	265	93	167	-260	–
Total public corporations' current expenditure	5,812	4,830	5,436	6,067	1,137	1,797
Public corporations' capital expenditure on services						
1. General public services	146	-16	250	12	11	–
<i>of which: public and common services</i>	<i>115</i>	<i>-26</i>	<i>237</i>	<i>–</i>	<i>–</i>	<i>–</i>
<i>of which: international services</i>	<i>31</i>	<i>10</i>	<i>13</i>	<i>12</i>	<i>11</i>	<i>–</i>
2. Defence	27	18	–	–	–	–
3. Public order and safety	–	–	–	–	–	–
4. Economic affairs	1,789	1,802	1,836	1,665	1,221	2,112
<i>of which: enterprise and economic development</i>	<i>51</i>	<i>13</i>	<i>2</i>	<i>–</i>	<i>–</i>	<i>–</i>
<i>of which: employment policies</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>
<i>of which: agriculture, fisheries and forestry</i>	<i>-5</i>	<i>5</i>	<i>5</i>	<i>6</i>	<i>8</i>	<i>3</i>
<i>of which: transport</i>	<i>1,743</i>	<i>1,784</i>	<i>1,829</i>	<i>1,659</i>	<i>1,212</i>	<i>2,109</i>
5. Environment protection	–	–	–	–	–	–
6. Housing and community amenities	3,731	3,971	4,246	5,074	4,814	4,174
7. Health	–	–	–	–	–	–
8. Recreation, culture and religion	–	–	–	–	–	–
10. Social protection	3	2	0	–	–	–
Total public corporations' capital expenditure on services	5,695	5,777	6,333	6,751	6,046	6,286
Accounting adjustments	13,770	11,939	6,543	4,580	5,659	5,002
Total public corporations' capital expenditure	19,465	17,716	12,876	11,331	11,705	11,287

⁽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, 2016-17 to 2021-22

	National Statistics					£ million
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn	2021-22 plans
Public corporations' current expenditure on services						
Public corporations' debt interest ⁽¹⁾	5,586	4,565	5,343	5,900	1,397	1,797
Total public corporations' current expenditure on services	5,586	4,565	5,343	5,900	1,397	1,797
Accounting adjustments	226	265	93	167	-260	-
Total public corporations' current expenditure	5,812	4,830	5,436	6,067	1,137	1,797
Public corporations' capital expenditure on services						
Gross capital procurement	7,770	7,768	7,970	8,118	7,125	7,317
Income from sales of assets	-2,077	-1,993	-1,645	-1,372	-1,087	-1,038
Capital grants	3	3	7	5	7	7
Total public corporations' capital expenditure on services	5,695	5,777	6,333	6,751	6,046	6,286
Accounting adjustments	13,770	11,939	6,543	4,580	5,659	5,002
Total public corporations' capital expenditure	19,465	17,716	12,876	11,331	11,705	11,287
Total public corporations' expenditure on services	11,281	10,342	11,676	12,651	7,443	8,083
Accounting adjustments	13,996	12,204	6,636	4,747	5,399	5,002
Total public corporations' expenditure ⁽²⁾	25,277	22,546	18,312	17,398	12,842	13,084

⁽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 2020. 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 2020¹. Therefore:

- TME, debt interest and EU transaction totals that feed into these tables are from data sourced in November 2020.
- 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 2020. For clarification, the GDP deflators presented in Annex F of PESA are as of 30 June 2021 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 There are no changes to presentation of tables to report since PESA 2020. As per last year, users following the link to the November 2020 publication, will find the inclusion of a methodology document giving a brief overview of how 2019-20 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.

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

¹ <https://www.gov.uk/government/statistics/country-and-regional-analysis-2020>

The tables

9.7 Most of the tables in this chapter provide an analysis of spending for the period 2015-16 to 2019-20. 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 2019-20 only.

9.15 A supplementary database and tables are available on GOV.UK alongside the November 2020 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 87 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 13 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 2019-20 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; and

² <https://questions-statements.parliament.uk/written-statements/detail/2018-12-18/HCWS1205>

- **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 2020.

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 13 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 paragraph 9.20 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; and
- Expenditure by the Foreign, Commonwealth and Development Office (FCDO) on UK representation overseas

9.28 In CRA 2020 no new significant areas of spend have been classified as non-identifiable. Historically, spending on the 2012 London Olympics were treated as mix of identifiable and non-identifiable expenditure:

- Prior to the 2012 edition of the CRA all expenditure on the Olympics was classified as non-identifiable and was entirely within the ‘Recreation, Culture and Religion’ function;

- From 2012, following detailed analysis of available data, infrastructure related spending was treated as identifiable and was allocated to London. In addition, some expenditure was reclassified to other functions such as economic affairs, transport and housing as appropriate. Olympic spending which was not on infrastructure (e.g. running costs) continued to be treated as non-identifiable.

9.29 Spending related to the 2022 Commonwealth Games, to be held in Birmingham is being treated as identifiable spend assigned to the West Midlands. We will keep the treatment under review and update future releases if there are any changes.

Data quality

9.30 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.

9.31 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; and
- the Treasury asks the largest departments to allocate their spending by country and region, whereas spending for the remaining departments (de minimis) are pro-rated using the total expenditure of the larger departments.

9.32 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).

9.33 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 Business, Energy and Industrial Strategy (BEIS):** UK Research and Innovation (UKRI), an arms length body (ALB) under BEIS are responsible for funding several research councils. For 2019-20 UKRI provided new country and regional splits for each of their research councils. With agreement from BEIS, these splits were applied at least as far back as 2017-18. Another BEIS ALB, the Advisory, Conciliation and Arbitration Service (ACAS) have provided new country and region splits for all five years of outturn based on their accounting system. Previously ACAS was allocated using mid-year population estimates.
- **Department for Transport (DfT):** Capital spending on transport in England can be subject to large fluctuations and a major driver for this is Highways England expenditure. The method applied by Highways England is based on the location of capital projects in each year. This means that capital expenditure is known to fluctuate between regions as different programmes of work start/come to an end in each region. Examples of these fluctuations can be seen particularly for the North East, the Yorkshire and the Humber and the South East. The South East saw a particularly large increase in investment this year, due to a number of new projects starting.
- **Department for Work and Pensions (DWP):** In 2019-20 DWP changed the allocation method for some of their benefit delivery segments from one based on the distribution of Job Seeker Allowance data to that based on Universal Credit, reflecting the increasing prominence of this benefit.

Table 9.1a Total identifiable expenditure on services by country and region, 2015-16 to 2019-20

	£ million				as a per cent of identifiable expenditure					
	National Statistics				National Statistics					
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn
North East	25,356	25,584	25,786	27,126	27,460	4	4	4	4	4
North West	67,607	68,299	70,947	72,089	74,912	11	11	11	11	11
Yorkshire and The Humber	47,694	48,094	48,512	49,805	51,735	8	8	8	7	8
East Midlands	38,612	39,127	39,771	41,207	42,938	6	6	6	6	6
West Midlands	50,165	51,440	52,295	54,716	56,789	8	8	8	8	8
East	49,516	49,726	51,556	54,025	56,066	8	8	8	8	8
London	87,668	88,587	90,961	93,046	97,102	14	14	14	14	14
South East	71,134	73,549	75,386	78,778	81,877	12	12	12	12	12
South West	45,923	46,923	47,940	49,814	51,705	7	7	7	7	8
Total England	483,676	491,329	503,152	520,607	540,585	78	78	78	78	78
Scotland	56,193	57,366	58,589	60,780	63,186	9	9	9	9	9
Wales	30,945	31,389	32,387	33,373	34,459	5	5	5	5	5
Northern Ireland	20,200	20,482	20,754	21,690	22,699	3	3	3	3	3
UK identifiable expenditure	591,014	600,566	614,883	636,450	660,929	96	96	96	96	96
Outside UK	25,809	25,459	26,423	29,983	28,273	4	4	4	4	4
Total identifiable expenditure	616,824	626,025	641,306	666,433	689,202	100	100	100	100	100
	£ million				as a per cent of Total Managed Expenditure					
	National Statistics				National Statistics					
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn
Identifiable expenditure	616,824	626,025	641,306	666,433	689,202	78	77	77	78	78
Non-identifiable expenditure	101,128	101,391	107,783	104,961	107,489	13	12	13	12	12
Public sector expenditure on services	717,952	727,416	749,089	771,394	796,691	90	89	90	90	90
Accounting adjustments	76,823	86,454	87,822	83,094	87,587	10	11	10	10	10
Total Managed Expenditure	794,775	813,870	836,911	854,488	884,278	100	100	100	100	100

Table 9.1b Total identifiable expenditure on services by country and region, per head 2015-16 to 2019-20⁽¹⁾

	£ per head								Index (UK identifiable expenditure = 100)					
	National Statistics				National Statistics				2017-18		2018-19		2019-20	
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn				
North East	9,661	9,703	9,750	10,206	10,285	106	106	105	107	104				
North West	9,422	9,454	9,774	9,886	10,204	104	103	105	103	103				
Yorkshire and The Humber	8,848	8,865	8,901	9,089	9,401	97	97	96	95	95				
East Midlands	8,255	8,280	8,335	8,577	8,879	91	91	90	90	90				
West Midlands	8,717	8,852	8,923	9,273	9,570	96	97	96	97	97				
East	8,150	8,113	8,358	8,712	8,991	90	89	90	91	91				
London	10,115	10,101	10,307	10,445	10,835	111	110	111	109	110				
South East	7,949	8,145	8,302	8,625	8,919	88	89	89	90	90				
South West	8,393	8,505	8,623	8,896	9,193	92	93	93	93	93				
England	8,828	8,890	9,046	9,300	9,604	97	97	97	97	97				
Scotland	10,458	10,614	10,800	11,177	11,566	115	116	116	117	117				
Wales	9,985	10,083	10,363	10,633	10,929	110	110	111	111	110				
Northern Ireland	10,910	10,999	11,094	11,527	11,987	120	120	119	120	121				
UK identifiable expenditure	9,077	9,148	9,311	9,580	9,895	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 2020 release for details.

Table 9.2a Real terms⁽¹⁾: Total identifiable expenditure on services by country and region, 2015-16 to 2019-20

	National Statistics					£ million
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
North East	27,712	27,286	27,025	27,789	27,460	
North West	73,889	72,843	74,357	73,851	74,912	
Yorkshire and The Humber	52,126	51,293	50,844	51,022	51,735	
East Midlands	42,200	41,730	41,682	42,214	42,938	
West Midlands	54,827	54,862	54,809	56,053	56,789	
East	54,118	53,034	54,034	55,345	56,066	
London	95,814	94,480	95,333	95,319	97,102	
South East	77,744	78,442	79,010	80,702	81,877	
South West	50,190	50,045	50,244	51,031	51,705	
England	528,619	524,015	527,339	533,326	540,585	
Scotland	61,415	61,183	61,406	62,265	63,186	
Wales	33,821	33,477	33,944	34,188	34,459	
Northern Ireland	22,077	21,844	21,752	22,219	22,699	
UK identifiable expenditure	645,932	640,519	644,441	651,999	660,929	
Outside UK	28,207	27,153	27,694	30,715	28,273	
Total identifiable expenditure	674,139	667,672	672,134	682,714	689,202	
Non-identifiable expenditure	110,525	108,136	112,964	107,525	107,489	
Total Expenditure on Services	784,664	775,807	785,098	790,240	796,691	
Accounting adjustments	83,962	92,206	92,044	85,124	87,587	
Total Managed Expenditure	868,626	868,013	877,142	875,364	884,278	

⁽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 September 2020).

Table 9.2b Real terms⁽¹⁾: Total identifiable expenditure on services by country and region per head⁽²⁾, 2015-16 to 2019-20

	National Statistics					£ per head
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
North East	10,559	10,349	10,219	10,455	10,285	
North West	10,298	10,083	10,244	10,127	10,204	
Yorkshire and The Humber	9,670	9,454	9,329	9,311	9,401	
East Midlands	9,022	8,831	8,735	8,787	8,879	
West Midlands	9,527	9,441	9,352	9,499	9,570	
East	8,907	8,653	8,760	8,925	8,991	
London	11,055	10,773	10,803	10,700	10,835	
South East	8,687	8,686	8,701	8,836	8,919	
South West	9,173	9,071	9,038	9,113	9,193	
England	9,649	9,481	9,481	9,528	9,604	
Scotland	11,430	11,320	11,319	11,450	11,566	
Wales	10,913	10,754	10,861	10,893	10,929	
Northern Ireland	11,923	11,731	11,627	11,809	11,987	
UK identifiable expenditure	9,921	9,757	9,758	9,814	9,895	

⁽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 September 2020).

⁽²⁾ Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2020 release for details.

Table 9.3a Total current and capital identifiable expenditure by country and region, 2015-16 to 2019-20

	Total expenditure on services						of which: current						of which: capital							
	2015-16		2016-17		2017-18		2018-19		2019-20		2015-16		2016-17		2017-18		2018-19		2019-20	
	outturn	2015-16	outturn	2016-17	outturn	2017-18	outturn	2018-19	outturn	2019-20	outturn	2015-16	outturn	2016-17	outturn	2017-18	outturn	2018-19	outturn	2019-20
North East	25,356	25,584	25,786	27,126	27,460	23,549	23,757	23,932	24,607	25,223	1,807	1,826	1,854	2,519	2,237					
North West	67,607	68,299	70,947	72,089	74,912	61,600	62,053	63,000	65,065	67,625	6,007	6,245	7,947	7,024	7,287					
Yorkshire and The Humber	47,694	48,094	48,512	49,805	51,735	43,838	44,299	44,839	46,031	47,383	3,856	3,795	3,672	3,774	4,352					
East Midlands	38,612	39,127	39,771	41,207	42,938	35,836	36,453	36,966	38,274	39,704	2,776	2,674	2,805	2,933	3,234					
West Midlands	50,165	51,440	52,295	54,716	56,789	46,915	47,643	48,365	49,777	51,284	3,250	3,797	3,931	4,939	5,505					
East	49,516	49,726	51,556	54,025	56,066	45,057	45,466	46,641	48,245	50,101	4,460	4,260	4,914	5,780	5,966					
London	87,668	88,587	90,961	93,046	97,102	76,502	76,940	77,740	79,952	83,791	11,165	11,646	13,220	13,094	13,311					
South East	71,134	73,549	75,386	78,778	81,877	64,872	66,416	67,469	69,984	72,364	6,262	7,133	7,917	8,794	9,513					
South West	45,923	46,923	47,940	49,814	51,705	42,591	43,348	44,202	45,848	47,491	3,332	3,575	3,737	3,966	4,214					
England	483,676	491,329	503,152	520,607	540,585	440,761	446,376	453,154	467,784	484,966	42,915	44,953	49,998	52,823	55,619					
Scotland	56,193	57,366	58,589	60,780	63,186	50,472	50,769	51,675	53,784	55,495	5,721	6,597	6,914	6,996	7,691					
Wales	30,945	31,389	32,387	33,373	34,459	28,586	28,955	29,658	30,421	31,201	2,359	2,434	2,729	2,952	3,258					
Northern Ireland	20,200	20,482	20,754	21,690	22,699	18,954	19,030	19,372	20,031	20,985	1,247	1,452	1,383	1,658	1,714					
UK identifiable expenditure	591,014	600,566	614,883	636,450	660,929	538,773	545,129	553,858	572,021	592,648	52,241	55,436	61,024	64,429	68,281					
Outside the UK	25,809	25,459	26,423	29,983	28,273	23,188	22,755	24,185	26,611	26,004	2,621	2,705	2,238	3,372	2,269					
Total identifiable expenditure	616,824	626,025	641,306	666,433	689,202	561,961	567,884	578,043	598,632	618,652	54,862	58,141	63,263	67,801	70,550					
Non-identifiable expenditure	101,128	101,391	107,783	104,961	107,489	91,282	90,932	96,697	92,783	95,152	9,846	10,458	11,086	12,178	12,336					
Total Expenditure on Services	717,952	727,416	749,089	771,394	796,691	653,244	658,817	674,740	691,415	713,804	64,708	68,599	74,349	79,979	82,886					
Accounting adjustments	76,823	86,454	87,822	83,094	87,587	61,552	66,412	67,485	69,673	76,894	15,271	20,042	20,337	13,421	10,694					
Total Managed Expenditure	794,775	813,870	836,911	854,488	884,278	714,796	725,229	742,225	761,088	790,698	79,979	88,641	94,686	93,400	93,580					

£ million

Table 9.3b Total current and capital identifiable expenditure by country and region, per head 2015-16 to 2019-20⁽¹⁾

	Total expenditure on services						of which: current						of which: capital						£ per head
	National Statistics						National Statistics						National Statistics						
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn		
North East	9,661	9,703	9,750	10,206	10,285	10,285	8,972	9,011	9,049	9,258	9,447	9,447	688	693	701	948	838		
North West	9,422	9,454	9,774	9,886	10,204	10,204	8,585	8,590	8,679	8,923	9,212	9,212	837	865	1,095	963	993		
Yorkshire and The Humber	8,848	8,865	8,901	9,089	9,401	9,401	8,133	8,165	8,227	8,400	8,610	8,610	715	699	674	689	791		
East Midlands	8,255	8,280	8,335	8,577	8,879	8,879	7,662	7,714	7,747	7,967	8,210	8,210	594	566	588	611	669		
West Midlands	8,717	8,852	8,923	9,273	9,570	9,570	8,152	8,199	8,252	8,436	8,642	8,642	565	653	671	837	928		
East	8,150	8,113	8,358	8,712	8,991	8,991	7,416	7,418	7,561	7,780	8,034	8,034	734	695	797	932	957		
London	10,115	10,101	10,307	10,445	10,835	10,835	8,827	8,773	8,809	8,975	9,350	9,350	1,288	1,328	1,498	1,470	1,485		
South East	7,949	8,145	8,302	8,625	8,919	8,919	7,249	7,355	7,430	7,662	7,883	7,883	700	790	872	963	1,036		
South West	8,393	8,505	8,623	8,896	9,193	9,193	7,784	7,857	7,951	8,188	8,443	8,443	609	648	672	708	749		
England	8,828	8,890	9,046	9,300	9,604	9,604	8,045	8,077	8,147	8,357	8,616	8,616	783	813	899	944	988		
Scotland	10,458	10,614	10,800	11,177	11,566	11,566	9,394	9,393	9,526	9,890	10,158	10,158	1,065	1,221	1,275	1,286	1,408		
Wales	9,985	10,083	10,363	10,633	10,929	10,929	9,224	9,301	9,490	9,693	9,896	9,896	761	782	873	940	1,033		
Northern Ireland	10,910	10,999	11,094	11,527	11,987	11,987	10,236	10,219	10,355	10,646	11,082	11,082	673	780	739	881	905		
UK identifiable expenditure	9,077	9,148	9,311	9,580	9,895	9,895	8,275	8,304	8,387	8,610	8,872	8,872	802	844	924	970	1,022		

⁽¹⁾ Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2020 release for details.

Table 9.4a Real terms⁽¹⁾: Total current and capital identifiable expenditure by country and region, 2015-16 to 2019-20

	Total expenditure on services						of which: current						of which: capital							
	2015-16		2016-17		2017-18		2018-19		2019-20		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
North East	27,712	27,286	27,025	27,789	27,460	25,737	25,338	25,082	25,208	25,223	1,975	1,948	1,943	2,581	2,237					
North West	73,889	72,843	74,357	73,851	74,912	67,324	66,182	66,028	66,655	67,625	6,565	6,661	8,329	7,196	7,287					
Yorkshire and The Humber	52,126	51,293	50,844	51,022	51,735	47,912	47,246	46,995	47,156	47,383	4,214	4,047	3,849	3,867	4,352					
East Midlands	42,200	41,730	41,682	42,214	42,938	39,166	38,879	38,742	39,209	39,704	3,034	2,852	2,940	3,005	3,234					
West Midlands	54,827	54,862	54,809	56,053	56,789	51,275	50,812	50,690	50,993	51,284	3,552	4,050	4,120	5,060	5,505					
East	54,118	53,034	54,034	55,345	56,066	49,244	48,491	48,883	49,424	50,101	4,874	4,544	5,151	5,921	5,966					
London	95,814	94,480	95,333	95,319	97,102	83,611	82,059	81,478	81,905	83,791	12,203	12,421	13,856	13,414	13,311					
South East	77,744	78,442	79,010	80,702	81,877	70,900	70,834	70,712	71,694	72,364	6,844	7,608	8,298	9,009	9,513					
South West	50,190	50,045	50,244	51,031	51,705	46,549	46,232	46,327	46,969	47,491	3,641	3,813	3,917	4,063	4,214					
England	528,619	524,015	527,339	533,326	540,585	481,717	476,071	474,937	479,212	484,966	46,903	47,943	52,402	54,114	55,619					
Scotland	61,415	61,183	61,406	62,265	63,186	55,162	54,146	54,159	55,099	55,495	6,252	7,036	7,247	7,167	7,691					
Wales	33,821	33,477	33,944	34,188	34,459	31,243	30,881	31,083	31,165	31,201	2,578	2,596	2,861	3,024	3,258					
Northern Ireland	22,077	21,844	21,752	22,219	22,699	20,715	20,296	20,303	20,521	20,985	1,363	1,549	1,449	1,699	1,714					
UK identifiable expenditure	645,932	640,519	644,441	651,999	660,929	588,836	581,395	580,483	585,996	592,648	57,095	59,124	63,958	66,003	68,281					
Outside the UK	28,207	27,153	27,694	30,715	28,273	25,343	24,269	25,348	27,261	26,004	2,865	2,885	2,346	3,454	2,269					
Total identifiable expenditure	674,139	667,672	672,134	682,714	689,202	614,179	605,663	605,831	613,257	618,652	59,960	62,009	66,304	69,457	70,550					
Non-identifiable expenditure	110,525	108,136	112,964	107,525	107,489	99,764	96,982	101,345	95,050	95,152	10,760	11,154	11,619	12,475	12,336					
Total Expenditure on Services	784,664	775,807	785,098	790,240	796,691	713,943	702,645	707,176	708,307	713,804	70,721	73,163	77,923	81,933	82,886					
Accounting adjustments	83,962	92,206	92,044	85,124	87,587	67,272	70,830	70,729	71,375	76,894	16,690	21,375	21,315	13,749	10,694					
Total Managed Expenditure	868,626	868,013	877,142	875,364	884,278	781,215	773,475	777,905	779,682	790,698	87,411	94,538	99,238	95,682	93,580					

⁽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 September 2020).

Table 9.4b Real terms⁽¹⁾: Total current and capital identifiable expenditure by country and region, per head⁽²⁾, 2015-16 to 2019-20

	Total expenditure on services						of which: current						of which: capital						£ per head
	National Statistics						National Statistics						National Statistics						
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn		2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn		2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn		
North East	10,559	10,349	10,219	10,455	10,285		9,806	9,610	9,484	9,484	9,447		752	739	735	971	838		
North West	10,298	10,083	10,244	10,127	10,204		9,383	9,161	9,096	9,141	9,212		915	922	1,148	987	993		
Yorkshire and The Humber	9,670	9,454	9,329	9,311	9,401		8,889	8,708	8,623	8,606	8,610		782	746	706	706	791		
East Midlands	9,022	8,831	8,735	8,787	8,879		8,373	8,228	8,119	8,162	8,210		649	604	616	625	669		
West Midlands	9,527	9,441	9,352	9,499	9,570		8,910	8,744	8,649	8,642	8,642		617	697	703	858	928		
East	8,907	8,653	8,760	8,925	8,991		8,105	7,912	7,925	7,970	8,034		802	741	835	955	957		
London	11,055	10,773	10,803	10,700	10,835		9,647	9,357	9,233	9,195	9,350		1,408	1,416	1,570	1,506	1,485		
South East	8,687	8,686	8,701	8,836	8,919		7,922	7,844	7,787	7,849	7,883		765	842	914	986	1,036		
South West	9,173	9,071	9,038	9,113	9,193		8,507	8,380	8,333	8,388	8,443		665	691	705	725	749		
England	9,649	9,481	9,481	9,528	9,604		8,793	8,614	8,539	8,561	8,616		856	867	942	967	988		
Scotland	11,430	11,320	11,319	11,450	11,566		10,267	10,018	9,984	10,132	10,158		1,164	1,302	1,336	1,318	1,408		
Wales	10,913	10,754	10,861	10,893	10,929		10,081	9,920	9,946	9,929	9,896		832	834	915	963	1,033		
Northern Ireland	11,923	11,731	11,627	11,809	11,987		11,187	10,899	10,852	10,906	11,082		736	832	775	903	905		
UK identifiable expenditure	9,921	9,757	9,758	9,814	9,895		9,044	8,856	8,790	8,821	8,872		877	901	968	993	1,022		

⁽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 September 2020).

⁽²⁾ Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2020 release for details.

Table 9.5 Identifiable expenditure on general public services by country and region, 2015-16 to 2019-20

	General public services						of which: current						of which: capital					
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics			National Statistics		
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn			
North East	214	210	237	273	301	185	171	188	204	216	29	39	49	68	85			
North West	540	493	616	626	671	474	405	461	467	479	67	88	155	159	192			
Yorkshire and The Humber	350	359	329	390	468	270	250	229	259	307	81	110	100	131	161			
East Midlands	375	418	433	369	437	295	311	317	319	341	79	107	117	50	96			
West Midlands	417	511	569	592	626	423	432	460	438	440	-7	79	108	154	186			
East	572	568	563	633	740	464	431	463	465	521	108	137	100	169	219			
London	699	1,022	828	680	891	643	608	611	560	603	56	414	217	119	288			
South East	717	1,333	904	1,093	1,245	594	640	656	701	755	123	693	248	392	490			
South West	446	541	484	541	613	358	370	379	422	464	88	171	105	119	149			
England	4,330	5,456	4,963	5,196	5,991	3,706	3,618	3,763	3,836	4,127	624	1,838	1,200	1,360	1,864			
Scotland	1,125	1,090	1,205	1,193	1,349	942	892	923	978	1,027	183	197	282	215	323			
Wales	489	509	535	539	659	463	465	484	458	531	25	44	51	81	128			
Northern Ireland	391	347	374	396	435	356	307	321	323	372	34	40	53	73	63			
UK identifiable expenditure	6,335	7,401	7,077	7,325	8,434	5,468	5,282	5,492	5,595	6,057	867	2,119	1,586	1,730	2,378			
Outside the UK	9,267	9,844	9,841	10,819	10,569	7,104	7,704	7,984	7,719	8,573	2,163	2,140	1,857	3,100	1,996			
Total identifiable expenditure	15,602	17,246	16,918	18,144	19,004	12,572	12,987	13,475	13,314	14,630	3,030	4,259	3,443	4,830	4,374			
Non-identifiable expenditure	59,743	61,366	66,677	61,768	61,872	59,355	60,878	66,482	61,144	61,344	388	488	194	624	529			
Total Expenditure on Services	75,345	78,611	83,595	79,911	80,876	71,928	73,865	79,958	74,458	75,974	3,417	4,747	3,637	5,454	4,902			

£ million

Table 9.5a Identifiable expenditure on general public services (of which: public and common services) by country and region, 2015-16 to 2019-20

	Total public and common services										of which: current										of which: capital										£ million
	National Statistics					National Statistics					National Statistics					National Statistics					National Statistics										
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn						
North East	212	207	235	270	299	183	169	186	202	214	29	39	48	68	85	622	1,825	1,195	1,355	1,859	622	1,825	1,195	1,355	1,859						
North West	534	486	610	619	664	468	400	456	461	473	66	86	154	158	191	183	196	282	215	322	183	196	282	215	322						
Yorkshire and The Humber	346	354	324	385	463	266	246	225	255	303	80	108	100	130	160	25	43	51	81	128	25	43	51	81	128						
East Midlands	371	413	429	364	432	292	308	313	315	337	79	106	116	49	95	34	39	52	73	63	34	39	52	73	63						
West Midlands	412	505	564	586	620	419	427	456	433	435	-7	78	108	153	185	864	2,103	1,580	1,723	2,372	864	2,103	1,580	1,723	2,372						
East	567	562	557	628	734	459	426	458	459	516	108	136	99	168	218	308	295	347	353	367	308	295	347	353	367						
London	692	1,013	821	671	883	636	601	604	553	596	56	412	217	118	287	1,172	2,398	1,927	2,076	2,738	1,172	2,398	1,927	2,076	2,738						
South East	710	1,325	896	1,085	1,237	587	633	649	694	747	122	691	248	391	489	1,433	2,829	2,382	2,575	3,142	1,433	2,829	2,382	2,575	3,142						
South West	442	536	479	535	607	354	366	374	417	459	88	169	105	118	148						88	169	105	118	148						
England	4,287	5,401	4,916	5,144	5,938	3,665	3,576	3,720	3,789	4,080	622	1,825	1,195	1,355	1,859						622	1,825	1,195	1,355	1,859						
Scotland	1,121	1,084	1,200	1,187	1,344	938	888	918	972	1,021																					
Wales	486	505	532	536	656	461	462	482	456	528																					
Northern Ireland	389	345	372	394	433	355	306	320	321	370																					
UK identifiable expenditure	6,284	7,336	7,020	7,261	8,371	5,420	5,233	5,440	5,538	5,999	864	2,103	1,580	1,723	2,372						864	2,103	1,580	1,723	2,372						
Outside the UK	308	295	347	353	367	-	-	-	-	0																					
Total identifiable expenditure	6,592	7,631	7,367	7,614	8,738	5,420	5,233	5,440	5,538	6,000	1,172	2,398	1,927	2,076	2,738						1,172	2,398	1,927	2,076	2,738						
Non-identifiable expenditure	4,635	4,871	5,119	5,165	5,593	4,374	4,440	4,663	4,666	5,190	261	431	455	499	404						261	431	455	499	404						
Total Expenditure on Services	11,227	12,502	12,486	12,779	14,332	9,794	9,673	10,103	10,204	11,189	1,433	2,829	2,382	2,575	3,142						1,433	2,829	2,382	2,575	3,142						

Table 9.5b Identifiable expenditure on general public services (of which: international services) by country and region, 2015-16 to 2019-20

	International services						of which: current						of which: capital						£ million
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics						
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn				
North East	2	3	2	2	3	2	2	2	2	2	0	1	0	0	0				
North West	6	7	6	7	7	5	5	6	6	6	0	2	1	1	1				
Yorkshire and The Humber	4	5	5	5	5	4	4	4	5	5	0	1	0	1	1				
East Midlands	4	5	4	4	5	3	4	4	4	4	0	1	0	0	0				
West Midlands	5	6	5	6	6	4	4	5	5	5	0	1	1	1	1				
East	5	6	5	6	6	4	5	5	5	5	0	1	1	1	1				
London	7	9	8	8	8	6	7	7	7	8	0	2	1	1	1				
South East	7	9	8	9	9	7	7	7	8	8	0	2	1	1	1				
South West	4	5	5	5	5	4	4	4	5	5	0	1	0	1	1				
England	43	55	48	52	53	41	41	43	47	48	2	13	5	6	5				
Scotland	4	5	6	6	6	4	4	5	6	5	0	1	0	1	0				
Wales	2	3	3	3	3	2	2	2	3	3	0	1	0	0	0				
Northern Ireland	1	2	2	2	2	1	1	1	2	2	0	0	0	0	0				
UK identifiable expenditure	51	65	58	63	63	48	49	52	56	57	3	16	6	7	6				
Outside the UK	8,959	9,549	9,493	10,466	10,202	7,104	7,704	7,984	7,719	8,573	1,855	1,845	1,510	2,747	1,629				
Total identifiable expenditure	9,010	9,614	9,551	10,529	10,265	7,152	7,754	8,035	7,776	8,630	1,858	1,861	1,516	2,754	1,635				
Non-identifiable expenditure	1,234	1,226	965	1,432	1,533	1,107	1,169	1,226	1,307	1,408	126	57	-261	125	125				
Total Expenditure on Services	10,244	10,841	10,516	11,962	11,798	8,260	8,923	9,261	9,083	10,038	1,984	1,918	1,255	2,879	1,760				

Table 9.5c Identifiable expenditure on general public services (of which: public sector debt interest) by country and region, 2015-16 to 2019-20

	Public sector debt interest						of which: current						of which: capital						£ million
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics						
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 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	53,874	55,269	60,593	55,171	54,746	53,874	55,269	60,593	55,171	54,746	53,874	55,269	60,593	55,171	54,746				
Total Expenditure on Services	53,874	55,269	60,593	55,171	54,746	53,874	55,269	60,593	55,171	54,746	53,874	55,269	60,593	55,171	54,746				

Table 9.6 Identifiable expenditure on defence by country and region, 2015-16 to 2019-20

	Defence						of which: current						of which: capital						£ million
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics						
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn				
North East	1	1	2	1	2	1	1	1	1	2	—	—	—	—	—				
North West	6	8	5	4	5	6	8	5	4	5	—	—	—	—	—				
Yorkshire and The Humber	3	3	2	3	4	3	3	2	3	4	—	—	—	—	—				
East Midlands	4	4	3	3	4	4	4	3	3	4	—	—	—	—	—				
West Midlands	3	3	3	3	4	3	3	3	3	4	—	—	—	—	—				
East	6	5	5	4	5	6	5	5	4	5	—	—	—	—	—				
London	6	6	6	6	7	6	6	6	6	7	—	—	—	—	—				
South East	7	7	7	7	8	7	7	7	7	8	—	—	—	—	—				
South West	3	3	3	3	4	3	3	3	3	4	—	—	—	—	—				
England	39	39	36	35	43	39	39	36	35	43	—	—	—	—	—				
Scotland	4	4	3	3	3	4	4	3	3	3	—	—	—	—	—				
Wales	3	2	3	2	3	3	2	3	2	3	—	—	—	—	—				
Northern Ireland	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
UK identifiable expenditure	46	45	42	41	49	46	45	42	41	49	53	115	203	94	24				
Outside the UK	382	602	801	696	474	330	487	597	602	450	53	115	203	94	24				
Total identifiable expenditure	428	647	843	736	523	375	532	640	643	499	53	115	203	94	24				
Non-identifiable expenditure	36,199	36,484	37,827	39,502	41,651	27,420	27,349	27,760	28,779	30,840	8,779	9,135	10,067	10,723	10,810				
Total Expenditure on Services	36,627	37,132	38,670	40,238	42,174	27,796	27,881	28,399	29,472	31,339	8,831	9,250	10,271	10,816	10,834				

Table 9.7 Identifiable expenditure on public order and safety by country and region, 2015-16 to 2019-20

	Public order and safety						of which: current						of which: capital						£ million
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics						
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn				
North East	1,240	1,283	1,292	1,299	1,338	1,208	1,231	1,225	1,255	1,281	31	52	67	45	56				
North West	3,124	3,219	3,222	3,289	3,390	2,983	3,006	3,012	3,110	3,192	141	213	210	178	198				
Yorkshire and The Humber	2,172	2,255	2,378	2,414	2,513	2,037	2,121	2,241	2,285	2,366	136	134	137	130	148				
East Midlands	1,797	1,801	1,836	1,916	2,007	1,703	1,692	1,726	1,803	1,870	94	109	110	113	137				
West Midlands	2,282	2,326	2,347	2,391	2,482	2,154	2,198	2,224	2,255	2,323	128	128	123	136	159				
East	2,097	2,133	2,241	2,313	2,441	2,005	2,032	2,142	2,220	2,321	92	101	99	93	120				
London	5,562	5,363	6,045	6,175	6,350	5,476	5,534	5,502	5,768	5,924	85	-172	543	407	427				
South East	2,923	2,998	3,125	3,278	3,424	2,794	2,875	2,983	3,075	3,189	129	123	142	202	235				
South West	1,848	1,748	1,944	2,013	2,134	1,749	1,661	1,851	1,907	2,006	100	87	93	106	128				
England	23,045	23,125	24,431	25,088	26,080	22,110	22,351	22,905	23,678	24,473	935	774	1,526	1,410	1,607				
Scotland	2,650	2,583	2,701	2,836	3,013	2,588	2,522	2,597	2,717	2,884	61	61	103	118	130				
Wales	1,225	1,261	1,360	1,423	1,490	1,153	1,194	1,284	1,348	1,398	72	67	76	75	92				
Northern Ireland	1,244	1,219	1,211	1,245	1,295	1,162	1,155	1,139	1,142	1,209	82	64	72	103	86				
UK identifiable expenditure	28,164	28,188	29,702	30,591	31,878	27,013	27,222	27,926	28,885	29,964	1,151	966	1,776	1,706	1,914				
Outside the UK	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Total identifiable expenditure	28,164	28,188	29,702	30,591	31,878	27,013	27,222	27,926	28,885	29,964	1,151	966	1,776	1,706	1,914				
Non-identifiable expenditure	2,043	1,882	1,765	1,820	1,936	1,915	1,732	1,511	1,554	1,628	128	150	254	266	308				
Total Expenditure on Services	30,207	30,070	31,467	32,411	33,814	28,928	28,954	29,437	30,439	31,591	1,279	1,116	2,030	1,972	2,223				

Table 9.8 Identifiable expenditure on economic affairs by country and region, 2015-16 to 2019-20

	Economic affairs						of which: current						of which: capital ⁽²⁾							
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics			National Statistics				
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn
North East	1,493	1,587	1,561	2,350	1,999	808	878	829	1,034	1,145	685	709	732	1,316	854	1,311	1,564	1,677	1,778	1,814
North West ⁽¹⁾	4,233	4,308	5,237	5,403	5,813	1,981	2,070	2,067	2,702	2,998	2,252	2,237	3,170	2,701	2,815	2,119	2,550	2,721	2,713	3,010
Yorkshire and The Humber	3,372	3,164	3,016	3,367	3,842	1,741	1,727	1,809	2,115	2,273	1,631	1,437	1,207	1,252	1,569	917	883	1,007	1,077	1,031
East Midlands	2,271	2,327	2,449	2,875	3,121	1,227	1,303	1,365	1,683	1,827	1,044	1,024	1,084	1,192	1,294	320	437	422	546	601
West Midlands	2,881	3,259	3,552	4,737	5,164	1,478	1,614	1,680	2,094	2,322	1,403	1,645	1,872	2,643	2,841	22,604	24,124	27,309	30,035	30,339
East	3,460	3,510	4,153	5,112	5,264	1,497	1,594	1,755	2,211	2,531	1,963	1,916	2,398	2,902	2,733	2,799	3,215	4,112	4,803	5,189
London	9,757	10,216	10,928	11,691	12,071	3,596	3,709	4,019	4,577	5,482	6,161	6,507	6,909	7,114	6,588	1,311	1,564	1,677	1,778	1,814
South East	4,901	5,588	6,561	8,022	9,025	2,102	2,372	2,449	3,219	3,836	2,799	3,215	4,112	4,803	5,189	19,248	20,254	23,161	25,700	25,697
South West	2,769	3,254	3,412	3,823	4,117	1,458	1,690	1,735	2,046	2,304	1,311	1,564	1,677	1,778	1,814	2,119	2,550	2,721	2,713	3,010
England	35,137	37,212	40,868	47,380	50,416	15,889	16,958	17,707	21,681	24,719	19,248	20,254	23,161	25,700	25,697	2,119	2,550	2,721	2,713	3,010
Scotland	5,573	6,201	6,440	6,685	7,085	3,455	3,651	3,720	3,972	4,075	2,119	2,550	2,721	2,713	3,010	917	883	1,007	1,077	1,031
Wales	2,426	2,386	2,584	2,750	2,899	1,510	1,503	1,577	1,673	1,868	917	883	1,007	1,077	1,031	320	437	422	546	601
Northern Ireland	1,554	1,573	1,539	1,757	2,100	1,234	1,136	1,117	1,212	1,499	320	437	422	546	601	22,604	24,124	27,309	30,035	30,339
UK identifiable expenditure	44,691	47,372	51,431	58,573	62,500	22,087	23,248	24,122	28,537	32,161	22,604	24,124	27,309	30,035	30,339	460	421	251	238	238
Outside the UK	460	421	251	238	238	97	36	138	100	121	363	384	113	138	117	22,967	24,509	27,423	30,173	30,456
Total identifiable expenditure	45,151	47,793	51,682	58,811	62,738	22,184	23,284	24,259	28,637	32,283	22,967	24,509	27,423	30,173	30,456	1,824	1,374	1,570	1,916	2,192
Non-identifiable expenditure	1,824	1,374	1,570	1,916	2,192	1,643	1,249	1,415	1,687	1,887	181	125	155	229	305	23,148	24,634	27,578	30,402	30,760
Total Expenditure on Services	46,975	49,167	53,252	60,727	64,930	23,827	24,534	25,674	30,325	34,170	23,148	24,634	27,578	30,402	30,760					

⁽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⁾ Trends in national roads spend are driven particularly by capital spend by Highways England which is based on where capital projects took place in each year. This means that capital expenditure is known to fluctuate between regions as different programmes of work start/come to an end in each region. This largely explains the increased spending seen in the North East in 18/19 and in the South East in 19/20.

Table 9.8a Identifiable expenditure on economic affairs (of which: enterprise and economic development) by country and region, 2015-16 to 2019-20

	Enterprise and economic development						of which: current						of which: capital							
	2015-16		2016-17		2017-18		2018-19		2019-20		2015-16		2016-17		2017-18		2018-19		2019-20	
	outturn	2015-16	outturn	2016-17	outturn	2017-18	outturn	2018-19	outturn	2019-20	outturn	2015-16	outturn	2016-17	outturn	2017-18	outturn	2018-19	outturn	2019-20
North East	189	236	268	345	467	169	188	249	324	452	20	48	19	22	16					
North West	592	632	609	989	1,346	518	560	558	772	1,184	74	72	51	218	162					
Yorkshire and The Humber	423	416	348	638	848	403	382	430	551	785	20	34	-82	88	64					
East Midlands	372	452	541	587	731	325	331	355	439	623	48	121	186	149	108					
West Midlands	220	486	466	643	899	368	397	463	591	861	-148	89	3	52	38					
East	356	455	575	823	1,011	306	372	428	568	832	50	83	146	255	179					
London	923	1,041	1,458	1,975	2,568	922	1,015	1,139	1,661	2,355	1	26	319	315	213					
South East	751	1,200	1,733	2,326	2,359	569	625	651	886	1,283	182	576	1,082	1,440	1,076					
South West	399	462	718	865	1,016	362	394	410	542	775	38	67	309	323	241					
England	4,226	5,380	6,715	9,193	11,246	3,940	4,264	4,683	6,332	9,150	286	1,116	2,032	2,861	2,096					
Scotland	942	1,183	1,237	1,498	1,736	815	850	883	1,016	1,262	127	334	354	482	474					
Wales	452	423	497	635	801	364	334	367	426	572	88	90	131	209	229					
Northern Ireland	400	354	360	378	711	330	320	324	366	651	69	34	36	12	61					
UK identifiable expenditure	6,019	7,341	8,810	11,703	14,494	5,450	5,767	6,256	8,139	11,634	570	1,574	2,553	3,564	2,860					
Outside the UK	1	1	1	1	1	1	1	1	1	1	-	0	0	-	-					
Total identifiable expenditure	6,020	7,341	8,810	11,704	14,495	5,450	5,767	6,257	8,140	11,635	570	1,574	2,553	3,564	2,860					
Non-identifiable expenditure	1,447	925	1,181	1,472	1,342	1,283	822	1,048	1,258	1,053	163	103	133	214	289					
Total Expenditure on Services	7,466	8,267	9,991	13,176	15,837	6,733	6,589	7,306	9,398	12,688	733	1,678	2,686	3,778	3,149					

£ million

Table 9.8b Identifiable expenditure on economic affairs (of which: science and technology) by country and region, 2015-16 to 2019-20

	Science and technology						of which: current						of which: capital						£ million
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics						
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn				
North East	191	157	214	295	316	66	34	38	37	49	125	123	175	258	267				
North West	411	398	476	544	558	89	104	108	98	93	322	295	368	446	465				
Yorkshire and The Humber	335	306	327	438	575	86	88	102	96	99	249	218	226	342	476				
East Midlands	262	310	271	362	388	64	84	98	94	111	198	226	173	268	278				
West Midlands	284	330	520	708	726	73	95	117	110	109	211	235	402	598	617				
East	524	454	517	629	649	65	87	100	86	82	460	367	417	543	568				
London	704	540	639	1,077	1,128	47	62	65	33	30	657	479	574	1,044	1,098				
South East	701	607	950	1,070	1,118	79	99	111	83	83	623	508	839	987	1,035				
South West	329	387	359	477	487	75	98	111	100	94	254	289	248	378	393				
England	3,744	3,491	4,273	5,600	5,947	645	751	851	736	751	3,099	2,740	3,422	4,864	5,195				
Scotland	458	473	484	517	528	101	146	181	186	182	357	327	303	331	346				
Wales	205	192	220	227	227	83	71	83	84	81	121	121	137	143	146				
Northern Ireland	87	70	62	68	82	42	11	11	5	6	45	58	50	63	76				
UK identifiable expenditure	4,493	4,226	5,039	6,412	6,784	871	978	1,126	1,011	1,020	3,622	3,248	3,913	5,401	5,763				
Outside the UK	248	261	7	20	22	3	0	0	0	0	245	262	7	20	22				
Total identifiable expenditure	4,742	4,487	5,046	6,432	6,806	874	978	1,126	1,011	1,020	3,867	3,509	3,919	5,421	5,785				
Non-identifiable expenditure	2	1	1	1	1	1	—	—	—	—	1	1	1	1	1				
Total Expenditure on Services	4,744	4,488	5,047	6,434	6,807	875	978	1,126	1,011	1,020	3,868	3,510	3,920	5,422	5,787				

Table 9.8c Identifiable expenditure on economic affairs (of which: employment policies) by country and region, 2015-16 to 2019-20

	Employment policies												of which: current						of which: capital						£ million			
	National Statistics						National Statistics						2015-16			2016-17			2017-18			2018-19				2019-20		
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn						
North East	150	162	172	176	147	147	149	158	165	173	147	147	1	4	7	3	0											
North West	259	268	316	355	301	301	256	259	302	349	298	298	4	9	14	7	2											
Yorkshire and The Humber	260	254	276	294	245	245	258	248	265	289	245	245	2	7	11	5	0											
East Midlands	165	161	188	206	174	174	163	156	180	203	173	173	2	5	8	3	1											
West Midlands	236	262	299	291	242	242	234	256	286	286	242	242	2	6	12	5	-1											
East	147	146	159	159	131	131	146	142	152	157	131	131	1	4	7	3	0											
London	362	360	390	396	329	329	359	352	374	389	329	329	3	8	16	7	0											
South East	180	193	218	214	175	175	179	188	209	210	176	176	2	5	9	4	0											
South West	112	119	119	104	85	85	111	116	114	102	85	85	1	3	5	2	0											
England	1,872	1,925	2,136	2,195	1,828	1,828	1,854	1,875	2,048	2,157	1,827	1,827	18	50	88	38	1											
Scotland	228	235	256	257	215	215	226	229	245	253	215	215	2	6	11	4	0											
Wales	135	132	133	128	107	107	134	129	128	125	107	107	1	3	5	2	0											
Northern Ireland	149	98	81	99	87	87	149	97	80	97	86	86	0	1	0	2	1											
UK identifiable expenditure	2,385	2,390	2,606	2,679	2,237	2,237	2,363	2,330	2,501	2,632	2,235	2,235	22	60	105	47	2											
Outside the UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
Total identifiable expenditure	2,385	2,390	2,606	2,679	2,237	2,237	2,363	2,330	2,501	2,632	2,235	2,235	22	60	105	47	2											
Non-identifiable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
Total Expenditure on Services	2,385	2,390	2,606	2,679	2,237	2,237	2,363	2,330	2,501	2,632	2,235	2,235	22	60	105	47	2											

Table 9.8d Identifiable expenditure on economic affairs (of which: agriculture, fisheries and forestry) by country and region, 2015-16 to 2019-20

	Agriculture, fisheries and forestry										of which: capital										£ million
	National Statistics					National Statistics					National Statistics										
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn						
North East	179	202	192	224	227	163	188	175	206	208	17	14	17	17	19						
North West	300	368	344	371	395	271	334	315	353	363	29	33	29	18	31						
Yorkshire and The Humber	322	409	425	478	474	293	366	364	417	403	29	43	61	61	70						
East Midlands	292	381	367	434	430	284	365	364	423	416	8	16	3	12	14						
West Midlands	242	310	265	308	377	244	301	294	331	373	-2	9	-29	-23	4						
East	391	446	457	483	541	360	433	442	520	528	30	13	15	-37	13						
London	79	71	90	112	145	63	57	76	96	131	16	14	15	17	14						
South East	343	430	430	558	589	333	399	396	493	528	10	30	35	64	61						
South West	488	631	589	687	676	479	609	573	674	644	9	22	16	14	32						
England	2,635	3,247	3,159	3,655	3,853	2,491	3,052	2,999	3,513	3,595	145	194	160	142	258						
Scotland	808	929	908	924	880	690	814	784	812	754	118	115	124	112	126						
Wales	431	464	498	519	500	377	409	424	446	445	54	55	74	73	55						
Northern Ireland	487	505	498	548	563	446	465	454	476	488	42	40	44	72	75						
UK identifiable expenditure	4,362	5,145	5,064	5,646	5,797	4,004	4,740	4,661	5,247	5,283	358	405	403	400	514						
Outside the UK	109	58	113	87	97	86	29	112	74	96	23	29	0	14	1						
Total identifiable expenditure	4,472	5,203	5,177	5,733	5,894	4,090	4,769	4,774	5,320	5,379	381	434	403	413	514						
Non-identifiable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
Total Expenditure on Services	4,472	5,203	5,177	5,733	5,894	4,090	4,769	4,774	5,320	5,379	381	434	403	413	514						

Table 9.8e Identifiable expenditure on economic affairs (of which: transport⁽¹⁾) by country and region, 2015-16 to 2019-20

	Transport												of which: capital ⁽²⁾						£ million
	National Statistics						National Statistics						National Statistics						
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn		2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn		2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn		
North East	783	829	715	1,311	842		261	310	201	294	289		522	519	514	1,017	553		
North West ⁽³⁾	2,670	2,642	3,492	3,144	3,214		847	813	783	1,131	1,059		1,823	1,828	2,709	2,013	2,155		
Yorkshire and The Humber	2,031	1,778	1,639	1,519	1,700		701	643	647	763	741		1,330	1,136	992	756	959		
East Midlands	1,179	1,024	1,083	1,285	1,398		391	366	368	526	504		788	657	715	760	894		
West Midlands	1,898	1,871	2,002	2,787	2,920		559	566	519	777	737		1,339	1,305	1,483	2,010	2,183		
East	2,042	2,009	2,445	3,017	2,931		620	560	632	880	958		1,422	1,449	1,813	2,137	1,973		
London	7,689	8,204	8,351	8,130	7,902		2,204	2,224	2,365	2,398	2,638		5,484	5,980	5,985	5,732	5,264		
South East	2,925	3,158	3,230	3,855	4,784		943	1,062	1,082	1,546	1,766		1,982	2,097	2,148	2,309	3,018		
South West	1,441	1,654	1,627	1,690	1,853		432	473	527	628	704		1,009	1,182	1,099	1,061	1,148		
England	22,659	23,169	24,584	26,738	27,542		6,958	7,016	7,127	8,943	9,396		15,700	16,153	17,457	17,794	18,146		
Scotland	3,138	3,381	3,555	3,488	3,726		1,623	1,613	1,627	1,705	1,662		1,515	1,768	1,928	1,783	2,064		
Wales	1,204	1,174	1,235	1,242	1,263		551	561	575	591	663		653	613	660	650	600		
Northern Ireland	431	547	539	665	657		267	244	248	268	268		163	304	291	396	389		
UK identifiable expenditure	27,431	28,271	29,913	32,132	33,189		9,399	9,433	9,576	11,508	11,989		18,032	18,838	20,337	20,624	21,200		
Outside the UK	102	101	131	130	119		7	7	25	26	24		95	94	106	104	94		
Total identifiable expenditure	27,533	28,372	30,044	32,262	33,308		9,406	9,441	9,601	11,534	12,013		18,127	18,931	20,443	20,728	21,294		
Non-identifiable expenditure	376	448	388	442	848		359	427	366	429	834		17	21	21	13	14		
Total Expenditure on Services	27,909	28,820	30,431	32,705	34,156		9,765	9,868	9,967	11,963	12,848		18,144	18,952	20,464	20,741	21,308		

⁽¹⁾ From 2018-19 onwards the Department for Transport (DfT) changed their methodology to calculate the split across regions for railway spending. This mainly effects the regions trains travel through as well as their origins and destinations. As a result users will notice a change.

⁽²⁾ Trends in national roads spend are driven particularly by capital spend by Highways England which is based on where capital projects took place in each year. This means that capital expenditure is known to fluctuate between regions as different programmes of work start/come to an end in each region. This largely explains the increased spending seen in the North East in 18/19 and in the South East in 19/20.

⁽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, 2015-16 to 2019-20

	Environment protection						of which: current						of which: capital						£ million												
	2015-16			2016-17			2017-18			2018-19			2019-20			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	outturn	outturn	outturn	outturn		
North East	316	304	290	298	314	272	260	243	248	260	1,180	1,011	1,030	997	1,325	45	45	47	50	54	1,404	1,619	2,153	1,595	1,504	192	152	169	139	151	
North West ⁽¹⁾	2,584	2,630	3,184	2,592	2,830	534	494	495	482	500	434	414	413	409	426	68	61	57	82	106	646	607	567	570	593	981	1,068	1,116	1,064	1,041	1,124
Yorkshire and The Humber	726	646	664	621	652	739	622	614	637	658	956	892	855	903	929	329	286	285	307	323	1,237	1,093	1,289	1,090	1,129	968	861	832	847	878	
East Midlands	502	475	470	490	532	637	614	614	637	658	968	861	832	847	878	160	172	187	221	261	913	871	914	877	883	637	588	601	616	646	
West Midlands	646	607	567	570	593	637	614	614	637	658	968	861	832	847	878	276	283	313	261	237	1,068	908	899	944	981	1,068	1,116	1,064	1,041	1,124	
East	1,068	908	899	944	981	637	614	614	637	658	968	861	832	847	878	276	283	313	261	237	1,068	908	899	944	981	1,068	1,116	1,064	1,041	1,124	
London	1,116	1,064	1,041	1,124	1,189	637	614	614	637	658	968	861	832	847	878	276	283	313	261	237	1,068	908	899	944	981	1,068	1,116	1,064	1,041	1,124	
South East	1,237	1,093	1,289	1,090	1,129	637	614	614	637	658	968	861	832	847	878	276	283	313	261	237	1,068	908	899	944	981	1,068	1,116	1,064	1,041	1,124	
South West	913	871	914	877	883	637	614	614	637	658	968	861	832	847	878	276	283	313	261	237	1,068	908	899	944	981	1,068	1,116	1,064	1,041	1,124	
England	9,109	8,598	9,318	8,606	9,103	6,235	5,620	5,575	5,638	6,135	6,235	5,620	5,575	5,638	6,135	2,875	2,978	3,744	2,969	2,968	1,262	1,231	1,242	1,282	1,364	1,262	1,231	1,242	1,282	1,364	
Scotland	1,262	1,231	1,242	1,282	1,364	938	875	894	905	920	938	875	894	905	920	324	356	347	377	444	635	609	617	616	675	635	609	617	616	675	
Wales	635	609	617	616	675	495	482	490	488	485	495	482	490	488	485	141	127	127	127	191	253	252	263	256	261	253	252	263	256	261	
Northern Ireland	253	252	263	256	261	242	243	248	238	232	242	243	248	238	232	11	10	15	18	29	11,260	10,690	11,440	10,759	11,404	7,909	7,220	7,207	7,268	7,772	
UK identifiable expenditure	11,260	10,690	11,440	10,759	11,404	7,909	7,220	7,207	7,268	7,772	7,909	7,220	7,207	7,268	7,772	3,350	3,471	4,232	3,491	3,632	11,265	10,695	11,450	10,766	11,410	7,910	7,220	7,208	7,269	7,773	
Outside the UK	5	5	10	6	7	0	0	1	1	1	0	0	1	1	1	5	5	10	5	6	348	350	338	283	328	348	350	338	283	328	
Total identifiable expenditure	11,265	10,695	11,450	10,766	11,410	7,910	7,220	7,208	7,269	7,773	7,910	7,220	7,208	7,269	7,773	3,355	3,475	4,242	3,496	3,637	11,612	11,045	11,788	11,049	11,739	7,937	7,264	7,260	7,365	7,866	
Non-identifiable expenditure	348	350	338	283	328	28	45	52	95	94	28	45	52	95	94	320	306	285	188	235	11,612	11,045	11,788	11,049	11,739	7,937	7,264	7,260	7,365	7,866	
Total Expenditure on Services	11,612	11,045	11,788	11,049	11,739	7,937	7,264	7,260	7,365	7,866	7,937	7,264	7,260	7,365	7,866	3,675	3,781	4,527	3,684	3,872											

⁽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, 2015-16 to 2019-20

	Housing and community amenities						of which: current						of which: capital						£ million
	National Statistics						National Statistics						National Statistics						
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn		2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn		2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn		
North East	490	402	414	444	583		116	107	102	107	108		374	295	312	337	475		
North West	640	726	777	843	1,016		247	256	239	256	262		393	470	538	587	754		
Yorkshire and The Humber	706	860	884	894	1,065		208	214	196	207	211		498	646	689	687	855		
East Midlands	571	521	515	515	597		186	195	178	176	183		385	326	337	339	415		
West Midlands	435	767	680	726	989		211	217	212	221	225		224	549	469	505	764		
East	632	588	622	779	1,040		245	249	240	248	262		387	339	382	531	779		
London	2,002	2,008	2,642	2,423	2,872		463	462	475	480	516		1,539	1,546	2,167	1,943	2,357		
South East	849	893	1,030	1,110	1,289		393	397	405	396	397		457	496	625	714	892		
South West	527	531	526	527	678		224	216	221	217	229		303	316	305	310	450		
England	6,853	7,295	8,091	8,262	10,132		2,292	2,311	2,267	2,309	2,392		4,561	4,984	5,824	5,953	7,740		
Scotland	1,569	1,589	1,847	2,225	2,442		160	112	158	213	227		1,409	1,477	1,689	2,012	2,215		
Wales	702	712	711	816	1,016		169	165	167	156	164		533	546	544	660	852		
Northern Ireland	711	706	706	744	826		367	354	387	408	455		344	352	319	336	371		
UK identifiable expenditure	9,835	10,301	11,356	12,047	14,416		2,988	2,943	2,979	3,086	3,238		6,847	7,358	8,377	8,961	11,178		
Outside the UK	—	—	—	—	—		—	—	—	—	—		—	—	—	—	—		
Total identifiable expenditure	9,835	10,301	11,356	12,047	14,416		2,988	2,943	2,979	3,086	3,238		6,847	7,358	8,377	8,961	11,178		
Non-identifiable expenditure	—	—	—	—	—		—	—	—	—	—		—	—	—	—	—		
Total Expenditure on Services	9,835	10,301	11,356	12,047	14,416		2,988	2,943	2,979	3,086	3,238		6,847	7,358	8,377	8,961	11,178		

Table 9.11 Identifiable expenditure on health by country and region, 2015-16 to 2019-20

	Health												of which: capital						£ million
	National Statistics						National Statistics						National Statistics						
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn		2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn		2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn		
North East	6,038	6,119	6,299	6,494	6,978		5,807	5,898	6,041	6,198	6,646		232	220	258	296	331		
North West	16,045	16,487	17,145	17,905	19,193		15,427	15,899	16,457	17,089	18,280		618	588	688	815	913		
Yorkshire and The Humber	11,112	11,312	11,614	12,077	12,939		10,692	10,918	11,154	11,536	12,336		420	394	459	541	604		
East Midlands	8,783	9,027	9,286	9,740	10,674		8,440	8,709	8,913	9,299	10,169		342	318	373	441	505		
West Midlands	12,250	12,576	12,826	13,230	14,135		11,788	12,135	12,319	12,637	13,474		462	441	507	593	661		
East	11,303	11,347	12,166	12,647	13,491		10,842	10,932	11,585	12,053	12,845		461	414	581	594	647		
London	22,528	23,109	23,650	24,625	26,586		21,373	22,077	22,528	23,431	25,249		1,155	1,032	1,123	1,195	1,336		
South East	16,827	17,218	17,844	18,495	19,843		16,108	16,561	17,071	17,651	18,909		720	656	772	844	933		
South West	10,576	10,909	11,308	11,837	12,789		10,170	10,525	10,841	11,299	12,185		406	384	467	538	605		
England	115,461	118,101	122,138	127,051	136,628		110,646	113,655	116,909	121,195	130,093		4,815	4,447	5,228	5,856	6,535		
Scotland	12,131	12,600	12,725	13,023	13,696		11,565	11,976	12,253	12,537	13,237		566	624	473	486	459		
Wales	6,591	6,950	7,217	7,537	8,027		6,379	6,677	6,859	7,121	7,615		213	273	359	417	411		
Northern Ireland	4,034	4,176	4,311	4,582	4,953		3,829	3,934	4,096	4,331	4,736		205	242	216	251	217		
UK identifiable expenditure	138,217	141,827	146,391	152,193	163,303		132,419	136,242	140,116	145,183	155,681		5,799	5,585	6,275	7,010	7,622		
Outside the UK	282	762	946	724	789		245	736	917	715	783		37	26	29	9	7		
Total identifiable expenditure	138,499	142,589	147,338	152,917	164,092		132,663	136,978	141,033	145,899	156,464		5,836	5,611	6,304	7,018	7,628		
Non-identifiable expenditure	—	—	—	—	—		—	—	—	—	—		—	—	—	—	—		
Total Expenditure on Services	138,499	142,589	147,338	152,917	164,092		132,663	136,978	141,033	145,899	156,464		5,836	5,611	6,304	7,018	7,628		

Table 9.12 Identifiable expenditure on recreation, culture and religion by country and region, 2015-16 to 2019-20

	Recreation, culture and religion						of which: current						of which: capital						£ million	
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics			National Statistics				
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn		2018-19 outturn
North East	285	300	263	259	279	196	201	196	199	197	89	98	67	60	82					
North West	755	751	762	730	725	517	545	539	530	527	238	205	223	200	198					
Yorkshire and The Humber	562	574	584	545	589	394	402	406	387	395	168	173	178	158	194					
East Midlands	420	389	418	419	439	285	284	309	311	319	135	105	109	108	121					
West Midlands	503	491	488	512	551	367	374	393	406	394	136	117	95	106	157					
East	478	476	504	516	524	340	359	354	348	340	137	117	150	168	184					
London	1,197	1,179	1,300	1,106	1,206	939	909	982	843	873	258	270	318	263	333					
South East	798	833	827	795	813	525	534	522	520	504	273	299	305	274	309					
South West	434	459	491	479	484	312	336	336	310	298	122	122	155	169	186					
England	5,432	5,452	5,638	5,361	5,610	3,877	3,944	4,038	3,855	3,847	1,555	1,508	1,599	1,506	1,763					
Scotland	1,082	1,062	998	1,059	959	823	775	757	839	789	259	287	242	220	170					
Wales	495	478	534	519	491	410	409	439	415	400	86	70	95	103	91					
Northern Ireland	459	469	439	496	470	374	398	357	378	334	86	71	81	117	136					
UK identifiable expenditure	7,469	7,462	7,609	7,435	7,531	5,484	5,526	5,592	5,487	5,371	1,985	1,935	2,017	1,948	2,160					
Outside the UK	190	230	232	247	296	190	196	207	221	177	0	35	26	26	119					
Total identifiable expenditure	7,660	7,692	7,841	7,682	7,827	5,674	5,722	5,798	5,708	5,548	1,985	1,970	2,043	1,974	2,279					
Non-identifiable expenditure	3,707	3,914	3,638	3,683	3,929	3,652	3,660	3,508	3,535	3,782	54	255	130	148	148					
Total Expenditure on Services	11,366	11,606	11,479	11,365	11,756	9,326	9,382	9,306	9,243	9,329	2,040	2,225	2,173	2,121	2,427					

Table 9.13 Identifiable expenditure on education by country and region, 2015-16 to 2019-20

	Education						of which: current						of which: capital							
	2015-16		2016-17		2017-18		2018-19		2019-20		2015-16		2016-17		2017-18		2018-19		2019-20	
	outturn	2015-16	outturn	2016-17	outturn	2017-18	outturn	2018-19	outturn	2019-20	outturn	2015-16	outturn	2016-17	outturn	2017-18	outturn	2018-19	outturn	2019-20
North East	3,468	3,544	3,430	3,485	3,461	3,169	3,197	3,137	3,159	3,172	299	348	293	326	290					
North West	9,065	9,048	8,960	9,085	9,444	8,216	8,284	8,224	8,377	8,797	849	764	736	708	646					
Yorkshire and The Humber	7,008	7,136	7,103	7,134	7,391	6,297	6,409	6,414	6,431	6,743	711	727	690	703	648					
East Midlands	5,754	5,965	5,867	5,953	6,227	5,149	5,376	5,284	5,378	5,692	605	590	583	575	535					
West Midlands	7,487	7,585	7,592	7,805	8,068	6,739	6,920	6,957	7,118	7,443	748	666	635	687	626					
East	7,393	7,614	7,544	7,741	8,057	6,443	6,716	6,673	6,773	7,138	950	898	872	968	919					
London	13,088	13,139	12,893	13,228	13,283	11,348	11,300	11,156	11,473	11,626	1,740	1,839	1,737	1,755	1,657					
South East	10,745	11,146	10,918	11,293	11,374	9,283	9,790	9,728	10,029	10,210	1,461	1,356	1,190	1,263	1,164					
South West	6,281	6,396	6,276	6,617	6,925	5,575	5,766	5,681	5,960	6,308	706	630	595	657	616					
England	70,288	71,574	70,584	72,341	74,230	62,218	63,757	63,254	64,699	67,129	8,069	7,817	7,329	7,642	7,102					
Scotland	7,836	8,272	8,493	8,648	9,206	7,105	7,299	7,498	7,882	8,374	731	973	995	765	832					
Wales	4,083	4,185	4,280	4,285	4,356	3,726	3,779	3,837	3,907	3,910	358	406	443	379	445					
Northern Ireland	2,706	2,715	2,700	2,777	2,894	2,545	2,483	2,499	2,563	2,685	161	232	202	214	209					
UK identifiable expenditure	84,914	86,746	86,057	88,051	90,687	75,595	77,319	77,088	79,051	82,098	9,319	9,427	8,969	9,000	8,588					
Outside the UK	0	0	—	—	—	0	—	—	—	—	—	0	—	—	—					
Total identifiable expenditure	84,914	86,746	86,057	88,051	90,687	75,595	77,319	77,088	79,051	82,098	9,319	9,427	8,969	9,000	8,588					
Non-identifiable expenditure	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—					
Total Expenditure on Services	84,914	86,746	86,057	88,051	90,687	75,595	77,319	77,088	79,051	82,098	9,319	9,427	8,969	9,000	8,588					

£ million

Table 9.14 Identifiable expenditure on social protection by country and region, 2015-16 to 2019-20

	Social protection						of which: current						of which: capital							
	2015-16		2016-17		2017-18		2018-19		2019-20		2015-16		2016-17		2017-18		2018-19		2019-20	
	outturn	2015-16	outturn	2016-17	outturn	2017-18	outturn	2018-19	outturn	2019-20	outturn	2015-16	outturn	2016-17	outturn	2017-18	outturn	2018-19	outturn	2019-20
North East	11,809	11,833	11,999	12,222	12,206	11,786	11,812	11,970	12,201	12,196	23	20	29	21	10					
North West	30,614	30,630	31,039	31,613	31,827	30,569	30,570	30,966	31,532	31,759	45	61	74	81	68					
Yorkshire and The Humber	21,684	21,785	21,936	22,360	22,271	21,663	21,761	21,893	22,325	22,248	21	24	43	35	23					
East Midlands	18,136	18,201	18,492	18,927	18,899	18,111	18,167	18,456	18,893	18,874	25	34	36	34	25					
West Midlands	23,262	23,316	23,672	24,150	24,178	23,238	23,270	23,626	24,105	24,146	24	46	46	44	32					
East	22,508	22,578	22,859	23,334	23,523	22,477	22,527	22,812	23,286	23,480	31	51	47	49	42					
London	31,714	31,481	31,627	31,989	32,646	31,702	31,443	31,607	31,912	32,581	12	38	20	76	65					
South East	32,131	32,440	32,880	33,595	33,726	32,099	32,379	32,816	33,538	33,676	32	62	64	57	50					
South West	22,125	22,212	22,581	23,097	23,078	22,104	22,193	22,553	23,068	23,048	20	19	28	29	30					
England	213,982	214,476	217,085	221,286	222,353	213,749	214,122	216,698	220,860	222,008	233	354	387	427	345					
Scotland	22,961	22,735	22,934	23,827	24,067	22,892	22,663	22,872	23,738	23,959	69	72	63	89	108					
Wales	14,295	14,298	14,547	14,887	14,843	14,279	14,278	14,518	14,853	14,827	15	19	29	33	16					
Northern Ireland	8,847	9,025	9,211	9,437	9,465	8,845	9,019	9,207	9,437	9,463	3	6	4	0	1					
UK identifiable expenditure	260,085	260,534	263,777	269,436	270,728	259,765	260,083	263,294	268,887	270,257	320	451	483	549	471					
Outside the UK	4,741	4,792	4,852	5,025	5,013	4,741	4,792	4,852	5,025	5,013	-	-	-	-	-					
Total identifiable expenditure	264,826	265,326	268,629	274,461	275,741	264,506	264,875	268,146	273,912	275,270	320	451	483	549	471					
Non-identifiable expenditure	75	101	99	350	335	79	100	98	349	332	-4	0	0	1	2					
Total Expenditure on Services	264,901	265,426	268,728	274,811	276,075	264,585	264,975	268,245	274,261	275,602	316	451	483	550	473					

£ million

Table 9.15 UK identifiable expenditure on services by function, country and region, per head ⁽¹⁾, 2015-16 to 2019-20

Data in this table from 2015-16 to 2019-20 are National Statistics

	1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	Total Expenditure on Services	£ per head
2015-16																			
North East	82	81	1	1	472	569	72	73	57	68	298	121	187	2,301	109	1,321	4,499	9,661	
North West	75	74	1	1	435	590	83	57	36	42	372	360	89	2,236	105	1,263	4,267	9,422	
Yorkshire and The Humber	65	64	1	1	403	626	78	62	48	60	377	135	131	2,061	104	1,300	4,023	8,848	
East Midlands	80	79	1	1	384	485	80	56	35	62	252	107	122	1,878	90	1,230	3,877	8,255	
West Midlands	72	72	1	1	396	501	38	49	41	42	330	112	76	2,129	87	1,301	4,042	8,717	
East	94	93	1	1	345	569	59	86	24	64	336	176	104	1,860	79	1,217	3,704	8,150	
London	81	80	1	1	642	1,126	107	81	42	9	887	129	231	2,599	138	1,510	3,659	10,115	
South East	80	79	1	1	327	548	84	78	20	38	327	138	95	1,880	89	1,201	3,590	7,949	
South West	82	81	1	1	338	506	73	60	20	89	263	167	96	1,933	79	1,148	4,044	8,393	
England	79	78	1	1	421	641	77	68	34	48	414	166	125	2,107	99	1,283	3,906	8,828	
Scotland	209	209	1	1	493	1,037	175	85	42	150	584	235	292	2,258	201	1,458	4,273	10,458	
Wales	158	157	1	1	395	783	146	66	44	139	388	205	226	2,127	160	1,318	4,613	9,985	
Northern Ireland	211	210	1	-	672	839	216	47	81	263	233	137	384	2,179	248	1,462	4,778	10,910	
UK identifiable expenditure	97	97	1	1	433	686	92	69	37	67	421	173	151	2,123	115	1,304	3,995	9,077	
2016-17																			
North East	80	79	1	1	487	602	90	60	61	77	314	115	153	2,321	114	1,344	4,488	9,703	
North West	68	67	1	1	446	596	88	55	37	51	366	364	100	2,282	104	1,252	4,240	9,454	
Yorkshire and The Humber	66	65	1	0	416	583	77	56	47	75	328	119	158	2,085	106	1,315	4,015	8,865	
East Midlands	88	87	1	1	381	492	96	66	34	81	217	100	110	1,910	82	1,262	3,852	8,280	
West Midlands	88	87	1	1	400	561	84	57	45	53	322	104	132	2,164	85	1,305	4,013	8,852	
East	93	92	1	1	348	573	74	74	24	73	328	148	96	1,851	78	1,242	3,684	8,113	
London	117	116	1	1	611	1,165	119	62	41	8	935	121	229	2,635	134	1,498	3,590	10,101	
South East	148	147	1	1	332	619	133	67	21	48	350	121	99	1,907	92	1,234	3,592	8,145	
South West	98	97	1	1	317	590	84	70	22	114	300	158	96	1,977	83	1,159	4,026	8,505	
England	99	98	1	1	418	673	97	63	35	59	419	156	132	2,137	99	1,295	3,881	8,890	
Scotland	202	201	1	1	478	1,147	219	87	43	172	626	228	294	2,331	197	1,531	4,207	10,614	
Wales	163	162	1	1	405	766	136	62	42	149	377	195	229	2,232	154	1,344	4,593	10,083	
Northern Ireland	186	185	1	-	655	845	190	37	52	271	294	135	379	2,243	252	1,458	4,847	10,999	
UK identifiable expenditure	113	112	1	1	429	722	112	64	36	78	431	163	157	2,160	114	1,321	3,969	9,148	

Table 9.15 UK identifiable expenditure on services by function, country and region, per head⁽¹⁾, 2015-16 to 2019-20 (continued)

		Data in this table from 2015-16 to 2019-20 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	
2017-18																				
	North East	90	89	1	1	488	590	101	81	65	73	270	110	157	2,382	100	1,297	4,537	9,750	
	North West	85	84	1	1	444	721	84	66	44	47	481	439	107	2,362	105	1,234	4,276	9,774	
	Yorkshire and The Humber	60	60	1	0	436	553	64	60	51	78	301	122	162	2,131	107	1,303	4,025	8,901	
	East Midlands	91	90	1	1	385	513	113	57	39	77	227	99	108	1,946	88	1,230	3,875	8,335	
	West Midlands	97	96	1	1	400	606	79	89	51	45	342	97	116	2,189	83	1,295	4,039	8,923	
	East	91	90	1	1	363	673	93	84	26	74	396	146	101	1,972	82	1,223	3,706	8,358	
	London	94	93	1	1	685	1,238	165	72	44	10	946	118	299	2,680	147	1,461	3,584	10,307	
	South East	100	99	1	1	344	723	191	105	24	47	356	142	113	1,965	91	1,202	3,621	8,302	
	South West	87	86	1	1	350	614	129	65	21	106	293	164	95	2,034	88	1,129	4,062	8,623	
	England	89	88	1	1	439	735	121	77	38	57	442	168	145	2,196	101	1,269	3,903	9,046	
	Scotland	222	221	1	1	498	1,187	228	89	47	167	655	229	340	2,346	184	1,566	4,228	10,800	
	Wales	171	170	1	1	435	827	159	70	43	159	395	197	227	2,309	171	1,369	4,655	10,363	
	Northern Ireland	200	199	1	-	647	823	192	33	43	266	288	141	378	2,304	234	1,443	4,924	11,094	
	UK identifiable expenditure	107	106	1	1	450	779	133	76	39	77	453	173	172	2,217	115	1,303	3,994	9,311	
2018-19																				
	North East	103	102	1	1	489	884	130	111	66	84	493	112	167	2,443	97	1,311	4,598	10,206	
	North West	86	85	1	1	451	741	136	75	49	51	431	355	116	2,455	100	1,246	4,335	9,886	
	Yorkshire and The Humber	71	70	1	1	441	614	116	80	54	87	277	113	163	2,204	100	1,302	4,081	9,089	
	East Midlands	77	76	1	1	399	598	122	75	43	90	268	102	107	2,027	87	1,239	3,940	8,577	
	West Midlands	100	99	1	0	405	803	109	120	49	52	472	97	123	2,242	87	1,323	4,093	9,273	
	East	102	101	1	1	373	824	133	101	26	78	487	152	126	2,039	83	1,248	3,763	8,712	
	London	76	75	1	1	693	1,312	222	121	44	13	913	126	272	2,764	124	1,485	3,591	10,445	
	South East	120	119	1	1	359	878	255	117	23	61	422	119	122	2,025	87	1,236	3,678	8,625	
	South West	97	96	1	1	359	683	154	85	19	123	302	157	94	2,114	86	1,182	4,125	8,896	
	England	93	92	1	1	448	846	164	100	39	65	478	154	148	2,270	96	1,292	3,953	9,300	
	Scotland	219	218	1	1	521	1,229	275	95	47	170	641	236	409	2,395	195	1,590	4,381	11,177	
	Wales	172	171	1	1	453	876	202	72	41	165	396	196	260	2,401	165	1,365	4,743	10,633	
	Northern Ireland	210	209	1	-	661	934	201	36	53	291	353	136	395	2,435	263	1,476	5,015	11,527	
	UK identifiable expenditure	110	109	1	1	460	882	176	97	40	85	484	162	181	2,291	112	1,325	4,056	9,580	

Table 9.15 UK identifiable expenditure on services by function, country and region, per head⁽¹⁾, 2015-16 to 2019-20 (continued)

		£ per head																						
		1. General public services		2. Defence		3. Public order and safety		4. Economic affairs		5. Environment protection		6. Housing and community amenities		7. Health		8. Recreation, culture and religion		9. Education		10. Social protection		Total Expenditure on Services		
		of which: public and common services		of which: international services						of which: enterprise and economic development		of which: science and technology		of which: employment policies		of which: agriculture, fisheries and forestry		of which: transport						
2019-20																								
North East		113	112	1	1	501	749	175	118	55	85	315	118	218	2,613	104	1,296	4,572		10,285				
North West		91	90	1	1	462	792	183	76	41	54	438	385	138	2,614	99	1,286	4,335		10,204				
Yorkshire and The Humber		85	84	1	1	457	698	154	105	44	86	309	118	194	2,351	107	1,343	4,047		9,401				
East Midlands		90	89	1	1	415	645	151	80	36	89	289	110	124	2,207	91	1,288	3,908		8,879				
West Midlands		105	105	1	1	418	870	151	122	41	64	492	100	167	2,382	93	1,360	4,074		9,570				
East		119	118	1	1	391	844	162	104	21	87	470	157	167	2,163	84	1,292	3,772		8,991				
London		99	99	1	1	709	1,347	287	126	37	16	882	133	321	2,967	135	1,482	3,643		10,835				
South East		136	135	1	1	373	983	257	122	19	64	521	123	140	2,161	89	1,239	3,674		8,919				
South West		109	108	1	1	379	732	181	87	15	120	329	157	121	2,274	86	1,231	4,103		9,193				
England		106	106	1	1	463	896	200	106	32	68	489	162	180	2,427	100	1,319	3,950		9,604				
Scotland		247	246	1	1	552	1,297	318	97	39	161	682	250	447	2,507	176	1,685	4,405		11,566				
Wales		209	208	1	1	473	919	254	72	34	159	401	214	322	2,546	156	1,382	4,708		10,929				
Northern Ireland		230	229	1	–	684	1,109	376	43	46	297	347	138	436	2,616	248	1,528	4,998		11,987				
UK identifiable expenditure		126	125	1	1	477	936	217	102	33	87	497	171	216	2,445	113	1,358	4,053		9,895				

⁽¹⁾ Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2020 release for details.

Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2015-16 to 2019-20

Data in this table from 2015-16 to 2019-20 are National Statistics

	Index (UK identifiable expenditure = 100)										Total Expenditure on Services					
	1. General public services <i>of which: public and common services</i>	2. Defence <i>of which: international services</i>	3. Public order and safety	4. Economic affairs <i>of which: enterprise and economic development</i> <i>of which: science and technology</i> <i>of which: employment policies</i>	5. Environment protection <i>of which: agriculture, fisheries and forestry</i> <i>of which: transport</i>	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection						
2015-16																
North East	84	100	109	83	78	106	156	102	71	70	124	108	95	101	113	106
North West	77	100	101	86	89	83	99	62	88	208	59	105	92	97	107	104
Yorkshire and The Humber	67	100	93	91	85	90	132	89	89	78	87	97	91	100	101	97
East Midlands	82	100	134	71	86	81	96	93	60	62	81	88	78	94	97	91
West Midlands	74	100	83	73	41	72	112	63	78	65	50	100	76	100	101	96
East	97	100	128	83	63	125	66	96	80	102	69	88	69	93	93	90
London	83	100	148	164	115	118	114	14	211	74	153	122	120	116	92	111
South East	82	100	105	80	91	114	55	57	78	80	63	89	78	92	90	88
South West	84	100	79	74	79	87	56	133	63	97	64	91	69	88	101	92
England	81	100	102	93	83	99	93	72	98	96	83	99	86	98	98	97
Scotland	215	100	98	114	151	123	116	225	139	136	193	106	176	112	107	115
Wales	162	100	136	91	114	96	119	208	92	119	150	100	139	101	115	110
Northern Ireland	217	100	-	155	122	68	220	393	55	79	254	103	216	112	120	120
UK identifiable expenditure	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
2016-17																
North East	71	100	74	113	83	93	169	98	73	71	97	107	100	102	113	106
North West	61	100	155	104	83	86	102	65	85	224	64	106	91	95	107	103
Yorkshire and The Humber	59	100	71	97	81	88	129	96	76	73	101	97	93	100	101	97
East Midlands	78	100	114	89	68	102	93	103	50	62	70	88	73	96	97	91
West Midlands	78	100	78	93	78	88	124	68	75	64	84	100	74	99	101	97
East	82	100	122	81	79	115	65	93	76	91	61	86	68	94	93	89
London	103	100	97	142	161	106	113	10	217	75	146	122	118	113	90	110
South East	131	100	108	77	86	119	104	61	81	74	63	88	81	93	91	89
South West	87	100	75	74	82	109	59	146	70	97	61	92	73	88	101	93
England	88	100	103	97	93	98	96	75	97	96	84	99	87	98	98	97
Scotland	179	100	101	111	159	136	119	219	145	140	187	108	173	116	106	116
Wales	145	100	112	94	106	96	117	190	88	120	146	103	135	102	116	110
Northern Ireland	165	100	-	152	117	58	144	346	68	83	242	104	221	110	122	120
UK identifiable expenditure	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, 2015-16 to 2019-20 (continued)

Data in this table from 2015-16 to 2019-20 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
2017-18																		
North East	84	84	98	102	109	76	76	106	165	95	60	63	91	107	86	100	114	105
North West	79	79	98	106	99	93	63	86	110	62	106	253	62	107	91	95	107	105
Yorkshire and The Humber	56	56	98	69	97	71	48	79	128	102	66	70	94	96	93	100	101	96
East Midlands	85	85	98	103	86	66	85	74	100	100	50	57	63	88	76	94	97	90
West Midlands	91	90	98	82	89	78	60	116	129	59	75	56	68	99	72	99	101	96
East	85	85	98	119	81	86	70	110	65	97	88	84	59	89	71	94	93	90
London	88	87	98	102	152	159	124	95	112	13	209	68	174	121	128	112	90	111
South East	93	93	98	122	77	93	143	137	61	62	79	82	66	89	79	92	91	89
South West	81	81	98	92	78	79	97	85	54	138	65	95	55	92	77	87	102	93
England	83	83	98	102	98	94	91	101	97	74	98	97	85	99	88	97	98	97
Scotland	207	208	119	98	111	152	171	117	119	218	145	132	198	106	160	120	106	116
Wales	160	160	98	135	97	106	119	92	108	208	87	114	132	104	148	105	117	111
Northern Ireland	187	187	98	-	144	106	144	43	109	347	64	81	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
2018-19																		
North East	93	93	98	90	106	100	74	115	164	99	102	69	92	107	87	99	113	107
North West	78	78	98	92	98	84	77	77	121	60	89	220	64	107	89	94	107	103
Yorkshire and The Humber	65	64	98	90	96	70	66	83	133	103	57	70	90	96	89	98	101	95
East Midlands	70	69	98	109	87	68	69	78	107	106	55	63	59	89	78	93	97	90
West Midlands	91	91	98	82	88	91	62	124	122	61	98	60	68	98	78	100	101	97
East	93	93	98	112	81	94	75	105	64	92	101	94	69	89	74	94	93	91
London	69	69	98	108	151	149	126	125	110	15	189	78	150	121	111	112	89	109
South East	109	109	98	122	78	100	145	121	58	72	87	74	67	88	78	93	91	90
South West	88	87	98	96	78	77	88	88	46	144	62	97	52	92	76	89	102	93
England	84	84	98	102	97	96	93	104	97	77	99	95	81	99	86	98	97	97
Scotland	199	200	118	98	113	139	156	99	117	200	133	146	226	105	174	120	108	117
Wales	156	156	98	128	98	99	115	75	101	194	82	121	143	105	148	103	117	111
Northern Ireland	191	192	98	-	144	106	114	37	131	343	73	84	218	106	235	111	124	120
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, 2015-16 to 2019-20 (continued)

Data in this table from 2015-16 to 2019-20 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
2019-20																		
North East	89	89	99	91	105	80	81	117	164	98	63	69	101	107	93	95	113	104
North West	72	72	99	93	97	85	84	75	122	62	88	226	64	107	88	95	107	103
Yorkshire and The Humber	67	67	99	91	96	75	71	103	133	99	62	69	90	96	95	99	100	95
East Midlands	72	71	99	110	87	69	70	79	107	102	58	64	57	90	81	95	96	90
West Midlands	84	83	99	83	88	93	70	121	122	73	99	59	77	97	82	100	101	97
East	94	94	99	114	82	90	75	103	63	100	95	92	77	88	75	95	93	91
London	79	79	99	109	148	144	132	124	109	19	177	78	149	121	119	109	90	110
South East	107	107	99	123	78	105	118	120	57	74	105	72	65	88	79	91	91	90
South West	86	86	99	97	80	78	83	85	45	139	66	92	56	93	76	91	101	93
England	84	84	99	103	97	96	92	104	97	79	98	95	83	99	88	97	97	97
Scotland	196	196	112	77	116	139	146	95	118	186	137	146	207	103	156	124	109	117
Wales	166	166	99	140	99	98	117	71	101	183	81	125	149	104	138	102	116	110
Northern Ireland	182	183	99	-	143	119	173	43	137	343	70	81	202	107	220	113	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, 2015-16 to 2019-20

	as a per cent of total spending in that region (from Table 9.1)									
	National Statistics					National Statistics				
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn
	£ million									
North East	6,378	6,372	6,168	6,130	6,239	25	25	24	23	23
North West ⁽¹⁾	17,165	17,092	18,295	17,284	17,494	25	25	26	24	23
Yorkshire and The Humber	11,775	11,856	11,421	11,243	11,483	25	25	24	23	22
East Midlands	8,884	8,906	8,873	8,672	8,794	23	23	22	21	20
West Midlands	11,848	12,231	11,919	12,073	12,244	24	24	23	22	22
East	11,980	12,035	11,993	11,976	12,111	24	24	23	22	22
London	28,929	28,565	29,290	28,641	29,030	33	32	32	31	30
South East	18,112	19,020	18,967	19,589	19,520	25	26	25	25	24
South West	10,784	10,616	10,801	10,868	11,014	23	23	23	22	21
Total England	125,855	126,692	127,728	126,478	127,930	26	26	25	24	24
Scotland ⁽²⁾	14,083	14,291	14,527	14,714	15,617	25	25	25	24	25
Wales ⁽³⁾	8,181	8,208	8,398	8,564	8,824	26	26	26	26	26
Northern Ireland ⁽⁴⁾	686	739	710	757	807	3	4	3	3	4
UK local government identifiable expenditure	148,805	149,930	151,363	150,512	153,177	25	25	25	24	23
Non-identifiable expenditure	776	844	831	850	609	1	1	1	1	1
Total local government expenditure on services	149,581	150,774	152,194	151,362	153,786	21	21	20	20	19
Accounting adjustments	23,848	24,202	24,511	27,148	28,022	31	28	28	33	32
Total local government expenditure	173,429	174,976	176,705	178,510	181,808	22	21	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⁾ An adjustment has been made to Scottish local government capital spending in 2019-20 to remove spending associated with a number of sale and leaseback transactions in one local authority. This follows guidance set out in section 6.2 of the Manual on Government Deficit and Debt 2019.

⁽³⁾ Welsh local government figures for 2019-20 are based on budgets (plans) rather than on more detailed outturn data as this has yet to be published.

⁽⁴⁾ 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⁾ 2015-16 to 2019-20

	£ per head					Index (UK identifiable expenditure = 100)				
	National Statistics					National Statistics				
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn
North East	2,430	2,417	2,332	2,306	2,337	106	106	102	102	102
North West ⁽²⁾	2,392	2,366	2,521	2,370	2,383	105	104	110	105	104
Yorkshire and The Humber	2,185	2,185	2,096	2,052	2,087	96	96	91	91	91
East Midlands	1,899	1,885	1,860	1,805	1,818	83	83	81	80	79
West Midlands	2,059	2,105	2,034	2,046	2,063	90	92	89	90	90
East	1,972	1,964	1,944	1,931	1,942	86	86	85	85	85
London	3,338	3,257	3,319	3,215	3,239	146	143	145	142	141
South East	2,024	2,106	2,089	2,145	2,126	89	92	91	95	93
South West	1,971	1,924	1,943	1,941	1,958	86	84	85	86	85
Total England	2,297	2,292	2,296	2,259	2,273	101	100	100	100	99
Scotland ⁽³⁾	2,621	2,644	2,678	2,706	2,859	115	116	117	119	125
Wales ⁽⁴⁾	2,640	2,636	2,687	2,729	2,799	116	115	117	120	122
Northern Ireland ⁽⁵⁾	370	397	380	402	426	16	17	17	18	19
UK local government identifiable expenditure	2,285	2,284	2,292	2,266	2,293	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 2020 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⁾ An adjustment has been made to Scottish local government capital spending in 2019-20 to remove spending associated with a number of sale and leaseback transactions in one local authority. This follows guidance set out in section 6.2 of the Manual on Government Deficit and Debt 2019.

⁽⁴⁾ Welsh local government figures for 2019-20 are based on budgets (plans) rather than on more detailed outturn data as this has yet to be published.

⁽⁵⁾ 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, 2015-16 to 2019-20

	£ million									
	National Statistics					National Statistics				
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn
North East	18,977	19,212	19,618	20,995	21,221	75	75	76	77	77
North West	50,442	51,207	52,652	54,806	57,419	75	75	74	76	77
Yorkshire and The Humber	35,919	36,238	37,090	38,562	40,252	75	75	76	77	78
East Midlands	29,728	30,221	30,897	32,535	34,144	77	77	78	79	80
West Midlands	38,317	39,208	40,376	42,643	44,545	76	76	77	78	78
East	37,537	37,692	39,562	42,049	43,955	76	76	77	78	78
London	58,739	60,022	61,671	64,404	68,072	67	68	68	69	70
South East	53,022	54,529	56,419	59,189	62,357	75	74	75	75	76
South West	35,139	36,307	37,139	38,946	40,691	77	77	77	78	79
Total England	357,821	364,637	375,423	394,129	412,656	74	74	75	76	76
Scotland	42,110	43,075	44,062	46,066	47,569	75	75	75	76	75
Wales	22,764	23,181	23,989	24,809	25,635	74	74	74	74	74
Northern Ireland ⁽²⁾	19,514	19,743	20,044	20,933	21,892	97	96	97	97	96
UK identifiable expenditure excluding local government	442,209	450,636	463,520	485,938	507,752	75	75	75	76	77
Outside UK	25,809	25,459	26,423	29,983	28,273	100	100	100	100	100
Total identifiable expenditure on services excluding local government	468,019	476,095	489,943	515,920	536,025	76	76	76	77	78
Non-identifiable expenditure	100,352	100,547	106,952	104,111	106,880	99	99	99	99	99
Total expenditure on services excluding local government	568,371	576,642	596,895	620,031	642,904	79	79	80	80	81
Accounting adjustments	52,975	62,252	63,311	55,947	59,566	69	72	72	67	68
Total Managed Expenditure excluding local government	621,346	638,894	660,206	675,978	702,470	78	79	79	79	79

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

⁽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⁾, 2015-16 to 2019-20

	£ per head				
	National Statistics				
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn
North East	7,231	7,287	7,418	7,899	7,948
North West	7,030	7,088	7,254	7,516	7,821
Yorkshire and The Humber	6,664	6,679	6,805	7,037	7,315
East Midlands	6,356	6,396	6,475	6,772	7,060
West Midlands	6,658	6,748	6,889	7,227	7,507
East	6,178	6,150	6,414	6,781	7,049
London	6,777	6,844	6,988	7,230	7,596
South East	5,925	6,038	6,213	6,480	6,793
South West	6,422	6,581	6,680	6,955	7,234
Total England	6,531	6,598	6,750	7,041	7,331
Scotland	7,837	7,970	8,122	8,471	8,707
Wales	7,345	7,446	7,676	7,904	8,131
Northern Ireland ⁽³⁾	10,539	10,602	10,714	11,125	11,561
UK identifiable expenditure excluding local government	6,792	6,864	7,019	7,314	7,601

	Index (UK identifiable expenditure = 100)				
	National Statistics				
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn
North East	106	106	106	108	105
North West	104	103	103	103	103
Yorkshire and The Humber	98	97	97	96	96
East Midlands	94	93	92	93	93
West Midlands	98	98	98	99	99
East	91	90	91	93	93
London	100	100	100	99	100
South East	87	88	89	89	89
South West	95	96	95	95	95
Total England	96	96	96	96	96
Scotland	115	116	116	116	115
Wales	108	108	109	108	107
Northern Ireland ⁽³⁾	155	154	153	152	152
UK identifiable expenditure excluding local government	100	100	100	100	100

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

⁽²⁾ Per head figures calculated using the latest mid-year population estimates from the ONS. See Annex within the CRA 2020 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 2019-20

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 and forestry</i>	<i>of which: agriculture, fisheries and forestry</i>	<i>of which: transport</i>	5. Environment protection	6. Housing and community amenities		7. Health	8. Recreation, culture and religion	9. Education	10. Social protection
Scotland		632	1	2,912	3,116	492	2	774	1,849	221	1,149	13,680	224	2,711	663	25,309
Scottish Government ⁽¹⁾		12	—	—	—	—	—	—	—	—	—	—	—	—	—	12
Scotland Office		573	—	—	1,479	494	—	82	903	867	1,293	—	643	6,474	5,228	16,561
Scottish local government ⁽²⁾		—	—	—	4	—	—	—	4	—	—	—	—	—	—	4
Local government public corporations		132	5	101	2,486	749	526	215	971	276	—	16	92	22	18,175	21,300
UK government departments		1,349	6	3,013	7,085	1,736	528	880	3,726	1,364	2,442	13,696	959	9,206	24,067	63,186
Total identifiable expenditure in Scotland		257	—	3	1,211	290	19	461	441	158	329	8,024	107	1,283	105	11,477
Wales		5	—	—	—	—	—	—	—	—	—	—	—	—	—	5
Welsh Government ⁽¹⁾		312	—	917	492	155	—	21	315	431	675	—	226	3,061	3,074	9,191
Wales Office		—	—	—	3	—	—	—	3	—	—	—	—	—	—	3
Welsh local government ⁽³⁾		85	3	570	1,193	356	209	18	504	85	12	3	158	12	11,664	13,783
Local government public corporations		659	3	1,490	2,899	801	227	500	1,263	675	1,016	8,027	491	4,356	14,843	34,459
UK government departments		360	—	1,291	1,763	456	25	551	644	55	570	4,909	175	2,894	8,247	20,264
Total identifiable expenditure in Wales		38	—	—	—	—	—	—	—	—	—	—	—	—	—	38
Northern Ireland		—	—	—	44	44	—	—	—	202	256	43	262	—	—	807
Northern Ireland Executive		38	2	3	294	212	57	0	13	4	—	1	33	—	1,591	
Northern Ireland Office		38	2	3	294	212	57	0	13	4	—	1	33	—	1,591	
Northern Irish local government ⁽⁴⁾		435	2	1,295	2,100	711	82	87	657	261	826	4,953	470	2,894	9,465	22,699
UK government departments		435	2	1,295	2,100	711	82	87	657	261	826	4,953	470	2,894	9,465	22,699

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

⁽²⁾ An adjustment has been made to Scottish local government capital spending in 2019-20 to remove spending associated with a number of sale and leaseback transactions in one local authority. This follows guidance set out in section 6.2 of the Manual on Government Deficit and Debt 2019.

⁽³⁾ Welsh local government figures are based on budgets (plans) rather than on more detailed outturn data as this has yet to be published.

⁽⁴⁾ 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.

10 Public expenditure by country and sub-function

10.1 This chapter (with the exception of two tables) presents public expenditure by geography 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 2020. The **Chapter 10** tables are identical to those published in the 'Country and regional analysis' (CRA) National Statistics release from November 2020¹. 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 2020.
- 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 England, Scotland, Wales and Northern Ireland per head. While this makes figures more easily comparable, it draws attention to any inconsistencies in the sub-functional classification of spending across the UK.

10.4 The interactive tables and database available on GOV.UK alongside the November 2020 CRA release will include information in **Table 10.9** for earlier years.

10.5 Users should be aware that whilst accurate at the functional level, differences between countries at the lower sub-functional level will reflect the different structures departments and devolved authorities use when reporting data to HM Treasury, in addition to any actual policy differences which may exist.

10.6 Below is a summary of the tables presented in this chapter. Unless otherwise stated, these tables show outturn between 2015-16 and 2019-20:

- **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;

¹ <https://www.gov.uk/government/statistics/country-and-regional-analysis-2020>

- **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;
- **Table 10.9** shows total identifiable expenditure on services for each English region by sub-function for outturn period 2019-20 only and;
- **Table 10.10** shows total identifiable expenditure on services for each English region by sub-function per head for outturn period 2019-20 only.

Table 10.1 Total identifiable expenditure on services in England ⁽¹⁾ by sub-function, 2015-16 to 2019-20

	National Statistics					£ million
	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	1,895	2,085	2,345	2,477	2,693	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	684	873	842	959	696	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	86	4	4	5	5	
1.6 General public services n.e.c.	1,665	2,494	1,773	1,755	2,597	
Total general public services	4,330	5,456	4,963	5,196	5,991	
2. Defence						
2.1 Military defence	–	–	–	–	–	
2.2 Civil defence	39	39	36	35	43	
2.3 Foreign military aid	–	–	–	–	–	
2.4 R&D defence	–	–	–	–	–	
2.5 Defence n.e.c.	–	–	–	–	–	
Total defence	39	39	36	35	43	
3. Public order and safety						
3.1 Police services	11,889	11,887	13,036	13,311	13,837	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	11,889	11,887	13,036	13,311	13,837	
3.2 Fire-protection services	2,097	2,123	2,102	2,100	2,315	
3.3 Law courts	4,826	4,885	5,135	5,307	5,242	
3.4 Prisons	3,563	3,633	3,643	3,848	3,643	
3.5 R&D public order and safety	28	27	15	15	–	
3.6 Public order and safety n.e.c.	642	570	501	507	1,043	
Total public order and safety	23,045	23,125	24,431	25,088	26,080	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	5,116	5,636	5,669	7,722	10,134	
4.2 Agriculture, forestry, fishing and hunting	2,635	3,247	3,159	3,655	3,853	
<i>of which: market support under CAP</i>	1,329	1,967	1,825	2,095	2,006	
<i>of which: other agriculture, food and fisheries policy</i>	1,266	1,231	1,295	1,520	1,805	
<i>of which: forestry</i>	40	49	39	40	42	
4.3 Fuel and energy	312	329	547	294	305	
4.4 Mining, manufacturing and construction	161	869	2,196	2,830	2,101	
4.5 Transport	22,659	23,169	24,584	26,738	27,542	
<i>of which: national roads</i>	2,966	3,051	3,090	3,879	4,657	
<i>of which: local roads ⁽²⁾</i>	4,013	4,021	4,583	4,003	3,994	
<i>of which: local public transport</i>	2,077	2,110	2,097	2,066	2,405	
<i>of which: railway</i>	12,958	13,535	14,131	16,016	15,499	
<i>of which: other transport</i>	644	453	682	773	986	
4.6 Communication	–	–	–	0	–	
4.7 Other industries	123	116	109	126	105	
4.8 R&D economic affairs	3,744	3,491	4,273	5,600	5,947	
4.9 Economic affairs n.e.c.	386	355	330	417	428	
Total economic affairs	35,137	37,212	40,868	47,380	50,416	

Table 10.1 Total identifiable expenditure on services in England ⁽¹⁾ by sub-function, 2015-16 to 2019-20 (continued)

	National Statistics				
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn
	£ million				
5. Environment protection					
5.1 Waste management	6,498	6,422	7,131	6,608	7,141
5.2 Waste water management	–	–	–	–	–
5.3 Pollution abatement	403	55	65	120	157
5.4 Protection of biodiversity and landscape	463	291	237	212	184
5.5 R&D environment protection	399	371	441	178	141
5.6 Environment protection n.e.c.	1,346	1,459	1,445	1,488	1,481
Total environment protection	9,109	8,598	9,318	8,606	9,103
6. Housing and community amenities					
6.1 Housing development	3,672	3,522	4,473	4,730	6,039
<i>of which: local authority housing</i>	<i>3,440</i>	<i>3,175</i>	<i>3,781</i>	<i>3,805</i>	<i>4,484</i>
<i>of which: other social housing</i>	<i>232</i>	<i>347</i>	<i>692</i>	<i>924</i>	<i>1,555</i>
6.2 Community development	2,252	2,821	2,736	2,683	3,215
6.3 Water supply	6	6	6	7	7
6.4 Street lighting	735	775	756	699	648
6.5 R&D housing and community amenities	–	–	–	–	–
6.6 Housing and community amenities n.e.c.	187	170	120	143	222
Total housing and community amenities	6,853	7,295	8,091	8,262	10,132
7. Health ⁽²⁾					
Medical services	110,531	113,773	115,852	120,116	130,038
Health research	1,896	1,569	1,703	1,360	1,366
Central and other health services	3,034	2,759	4,583	5,575	5,223
Total health	115,461	118,101	122,138	127,051	136,628
8. Recreation, culture and religion					
8.1 Recreational and sporting services	2,296	2,279	2,164	2,150	2,228
8.2 Cultural services	2,740	2,786	2,966	2,700	2,897
8.3 Broadcasting and publishing services	199	201	281	343	296
8.4 Religious and other community services	29	7	30	35	0
8.5 R&D recreation, culture and religion	128	138	148	70	84
8.6 Recreation, culture and religion n.e.c.	40	42	49	62	106
Total recreation, culture and religion	5,432	5,452	5,638	5,361	5,610
9. Education					
9.1 Pre-primary and primary education	25,706	25,260	24,802	24,593	24,026
<i>of which: under fives</i>	<i>2,553</i>	<i>2,512</i>	<i>2,938</i>	<i>3,286</i>	<i>3,345</i>
<i>of which: primary education</i>	<i>23,153</i>	<i>22,747</i>	<i>21,865</i>	<i>21,307</i>	<i>20,681</i>
9.2 Secondary education ⁽⁴⁾	33,373	34,982	34,977	37,061	39,922
9.3 Post-secondary non-tertiary education	508	594	581	485	559
9.4 Tertiary education	4,045	3,855	3,215	2,467	2,272
9.5 Education not definable by level	307	503	591	492	621
9.6 Subsidiary services to education	2,969	2,873	2,799	2,993	3,038
9.7 R&D education	1,573	1,704	1,816	2,259	2,323
9.8 Education n.e.c.	1,806	1,804	1,802	1,990	1,469
Total education	70,288	71,574	70,584	72,341	74,230

Table 10.1 Total identifiable expenditure on services in England ⁽¹⁾ 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	
10. Social protection						
<i>of which: personal social services</i>	24,510	25,221	26,036	27,497	28,641	
10.1 Sickness and disability	42,067	42,093	43,268	44,837	45,569	
<i>of which: personal social services</i>	8,086	8,171	8,496	8,830	9,331	
<i>of which: incapacity, disability and injury benefits</i>	33,982	33,922	34,772	36,008	36,238	
10.2 Old age	95,173	96,714	98,511	101,500	98,517	
<i>of which: personal social services</i>	7,542	7,975	7,992	8,440	8,560	
<i>of which: pensions</i>	87,630	88,739	90,519	93,060	89,958	
10.3 Survivors	804	796	795	765	788	
10.4 Family and children	21,209	20,922	21,031	21,226	21,453	
<i>of which: personal social services</i>	8,354	8,478	8,843	9,349	9,885	
<i>of which: family benefits, income support and tax credits</i>	12,855	12,443	12,188	11,877	11,568	
10.5 Unemployment	2,139	1,769	1,624	1,370	980	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	2,139	1,769	1,624	1,370	980	
10.6 Housing	22,418	21,536	20,402	18,912	16,834	
10.7 Social exclusion n.e.c.	27,046	27,250	28,091	28,975	34,515	
<i>of which: personal social services</i>	528	597	705	878	866	
<i>of which: family benefits, income support and tax credits</i>	26,518	26,653	27,386	28,097	33,649	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	3,126	3,396	3,364	3,701	3,697	
Total social protection	213,982	214,476	217,085	221,286	222,353	
Total Expenditure on Services in England	483,676	491,329	503,152	520,607	540,585	

⁽¹⁾ Whilst accurate at the functional level, differences between countries at the lower sub-functional level will reflect the different structures departments and devolved authorities use when reporting data to HM Treasury, in addition to any actual policy differences which may exist.

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

⁽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 ⁽¹⁾ by sub-function, 2015-16 to 2019-20

	National Statistics					£ million
	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	813	839	925	1,005	1,134	
1.2 Foreign economic aid	–	–	1	1	1	
1.3 General services	45	64	45	46	43	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	14	9	7	14	3	
1.6 General public services n.e.c.	253	177	227	127	168	
Total general public services	1,125	1,090	1,205	1,193	1,349	
2. Defence						
2.1 Military defence	–	–	–	–	–	
2.2 Civil defence	4	4	3	3	3	
2.3 Foreign military aid	–	–	–	–	–	
2.4 R&D defence	–	–	–	–	–	
2.5 Defence n.e.c.	–	–	–	–	–	
Total defence	4	4	3	3	3	
3. Public order and safety						
3.1 Police services	1,475	1,424	1,526	1,618	1,724	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	1,475	1,424	1,526	1,618	1,724	
3.2 Fire-protection services	388	369	383	391	395	
3.3 Law courts	457	462	458	490	537	
3.4 Prisons	305	309	318	319	341	
3.5 R&D public order and safety	–	–	–	–	–	
3.6 Public order and safety n.e.c.	25	20	16	18	17	
Total public order and safety	2,650	2,583	2,701	2,836	3,013	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	944	1,163	1,245	1,517	1,714	
4.2 Agriculture, forestry, fishing and hunting	808	929	908	924	880	
<i>of which: market support under CAP</i>	392	462	430	567	453	
<i>of which: other agriculture, food and fisheries policy</i>	329	368	396	277	388	
<i>of which: forestry</i>	87	99	82	80	39	
4.3 Fuel and energy	63	70	76	55	55	
4.4 Mining, manufacturing and construction	1	1	1	1	1	
4.5 Transport	3,138	3,381	3,555	3,488	3,726	
<i>of which: national roads</i>	708	754	848	637	699	
<i>of which: local roads</i>	691	673	645	650	654	
<i>of which: local public transport</i>	273	275	277	281	299	
<i>of which: railway</i>	1,048	1,241	1,373	1,444	1,576	
<i>of which: other transport</i>	418	438	411	476	499	
4.6 Communication	64	82	63	31	20	
4.7 Other industries	74	73	74	77	88	
4.8 R&D economic affairs	458	473	484	517	528	
4.9 Economic affairs n.e.c.	24	30	34	75	73	
Total economic affairs	5,573	6,201	6,440	6,685	7,085	

Table 10.2 Total identifiable expenditure on services in Scotland ⁽¹⁾ by sub-function, 2015-16 to 2019-20 (continued)

	£ million				
	National Statistics				
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn
5. Environment protection					
5.1 Waste management	843	881	879	929	1,031
5.2 Waste water management	–	–	–	–	–
5.3 Pollution abatement	36	7	9	16	17
5.4 Protection of biodiversity and landscape	129	116	111	116	119
5.5 R&D environment protection	41	38	47	17	13
5.6 Environment protection n.e.c.	214	189	195	204	184
Total environment protection	1,262	1,231	1,242	1,282	1,364
6. Housing and community amenities					
6.1 Housing development	1,119	1,008	1,271	1,624	1,843
<i>of which: local authority housing</i>	772	685	806	1,016	1,250
<i>of which: other social housing</i>	347	323	465	608	593
6.2 Community development	92	78	64	82	73
6.3 Water supply	330	492	503	513	517
6.4 Street lighting	8	6	5	4	6
6.5 R&D housing and community amenities	2	0	1	2	0
6.6 Housing and community amenities n.e.c.	19	3	3	–	3
Total housing and community amenities	1,569	1,589	1,847	2,225	2,442
7. Health ⁽²⁾					
Medical services	11,736	12,075	12,306	12,574	13,254
Health research	192	209	146	192	204
Central and other health services	202	315	274	256	237
Total health	12,131	12,600	12,725	13,023	13,696
8. Recreation, culture and religion					
8.1 Recreational and sporting services	527	517	467	543	455
8.2 Cultural services	503	498	474	460	459
8.3 Broadcasting and publishing services	29	24	33	40	39
8.4 Religious and other community services	13	12	11	9	-2
8.5 R&D recreation, culture and religion	11	12	13	6	7
8.6 Recreation, culture and religion n.e.c.	–	0	0	0	1
Total recreation, culture and religion	1,082	1,062	998	1,059	959
9. Education					
9.1 Pre-primary and primary education	3,134	3,366	3,387	3,516	3,916
<i>of which: under fives</i>	445	507	502	534	773
<i>of which: primary education</i>	2,689	2,859	2,885	2,982	3,143
9.2 Secondary education	2,693	2,836	3,011	3,021	3,120
9.3 Post-secondary non-tertiary education	–	–	–	–	–
9.4 Tertiary education	1,413	1,484	1,478	1,482	1,498
9.5 Education not definable by level	134	135	145	138	134
9.6 Subsidiary services to education	242	217	238	257	266
9.7 R&D education	0	0	-1	0	0
9.8 Education n.e.c.	220	236	235	234	273
Total education	7,836	8,272	8,493	8,648	9,206

Table 10.2 Total identifiable expenditure on services in Scotland⁽¹⁾ 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	
10. Social protection						
<i>of which: personal social services</i>	3,202	3,105	3,076	3,203	3,575	
10.1 Sickness and disability	5,081	5,071	5,196	5,473	5,722	
<i>of which: personal social services</i>	903	866	858	906	1,121	
<i>of which: incapacity, disability and injury benefits</i>	4,178	4,205	4,338	4,568	4,601	
10.2 Old age	10,578	10,589	10,768	11,095	10,796	
<i>of which: personal social services</i>	1,388	1,350	1,320	1,384	1,480	
<i>of which: pensions</i>	9,190	9,240	9,448	9,711	9,316	
10.3 Survivors	171	172	35	176	178	
10.4 Family and children	2,080	2,003	1,988	1,970	2,003	
<i>of which: personal social services</i>	911	889	898	913	974	
<i>of which: family benefits, income support and tax credits</i>	1,169	1,114	1,090	1,056	1,029	
10.5 Unemployment	261	215	194	159	109	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	261	215	194	159	109	
10.6 Housing	2,001	1,856	1,836	1,766	1,653	
10.7 Social exclusion n.e.c.	2,310	2,342	2,439	2,644	3,060	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: family benefits, income support and tax credits</i>	2,310	2,342	2,439	2,644	3,060	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	479	486	478	544	546	
Total social protection	22,961	22,735	22,934	23,827	24,067	
Total Expenditure on Services in Scotland	56,193	57,366	58,589	60,780	63,186	

⁽¹⁾ Whilst accurate at the functional level, differences between countries at the lower sub-functional level will reflect the different structures departments and devolved authorities use when reporting data to HM Treasury, in addition to any actual policy differences which may exist.

⁽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 ⁽¹⁾ 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	393	409	423	414	460
1.2 Foreign economic aid	–	–	–	–	–
1.3 General services	14	22	22	26	27
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	5	–	–	–	–
1.6 General public services n.e.c.	77	77	90	100	172
Total general public services	489	509	535	539	659
2. Defence					
2.1 Military defence	–	–	–	–	–
2.2 Civil defence	3	2	3	2	3
2.3 Foreign military aid	–	–	–	–	–
2.4 R&D defence	–	–	–	–	–
2.5 Defence n.e.c.	–	–	–	–	–
Total defence	3	2	3	2	3
3. Public order and safety					
3.1 Police services	677	685	710	749	788
<i>of which: immigration and citizenship</i>	–	–	–	–	–
<i>of which: other police services</i>	677	685	710	749	788
3.2 Fire-protection services	153	147	155	156	163
3.3 Law courts	232	237	277	271	259
3.4 Prisons	151	176	203	231	238
3.5 R&D public order and safety	1	1	0	0	–
3.6 Public order and safety n.e.c.	11	15	14	15	42
Total public order and safety	1,225	1,261	1,360	1,423	1,490
4. Economic affairs					
4.1 General economic, commercial and labour affairs	420	428	458	572	626
4.2 Agriculture, forestry, fishing and hunting	431	464	498	519	500
<i>of which: market support under CAP</i>	209	242	249	248	247
<i>of which: other agriculture, food and fisheries policy</i>	220	221	244	265	249
<i>of which: forestry</i>	2	2	5	5	4
4.3 Fuel and energy	39	29	40	25	25
4.4 Mining, manufacturing and construction	5	-13	23	38	75
4.5 Transport	1,204	1,174	1,235	1,242	1,263
<i>of which: national roads</i>	294	348	332	287	234
<i>of which: local roads</i>	209	216	227	279	249
<i>of which: local public transport</i>	45	45	64	45	53
<i>of which: railway</i>	613	523	568	582	675
<i>of which: other transport</i>	44	42	45	48	52
4.6 Communication	78	38	30	20	22
4.7 Other industries	29	28	33	34	44
4.8 R&D economic affairs	205	192	220	227	227
4.9 Economic affairs n.e.c.	16	46	46	72	116
Total economic affairs	2,426	2,386	2,584	2,750	2,899

Table 10.3 Total identifiable expenditure on services in Wales ⁽¹⁾ by sub-function, 2015-16 to 2019-20 (continued)

	£ million				
	National Statistics				
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn
5. Environment protection					
5.1 Waste management	400	397	397	422	462
5.2 Waste water management	–	–	–	–	–
5.3 Pollution abatement	16	0	1	2	3
5.4 Protection of biodiversity and landscape	6	10	11	11	10
5.5 R&D environment protection	9	8	10	4	3
5.6 Environment protection n.e.c.	204	193	197	176	198
Total environment protection	635	609	617	616	675
6. Housing and community amenities					
6.1 Housing development	473	498	545	626	763
<i>of which: local authority housing</i>	473	498	545	626	763
<i>of which: other social housing</i>	–	–	–	–	–
6.2 Community development	176	159	111	139	203
6.3 Water supply	–	–	–	–	–
6.4 Street lighting	44	45	47	44	42
6.5 R&D housing and community amenities	–	–	–	–	–
6.6 Housing and community amenities n.e.c.	8	9	8	8	9
Total housing and community amenities	702	712	711	816	1,016
7. Health ⁽²⁾					
Medical services	6,443	6,799	7,061	7,290	7,660
Health research	48	48	54	46	44
Central and other health services	101	103	103	202	322
Total health	6,591	6,950	7,217	7,537	8,027
8. Recreation, culture and religion					
8.1 Recreational and sporting services	208	192	193	213	159
8.2 Cultural services	182	179	217	181	197
8.3 Broadcasting and publishing services	80	81	83	87	95
8.4 Religious and other community services	-1	-2	-3	-2	-1
8.5 R&D recreation, culture and religion	3	3	4	2	3
8.6 Recreation, culture and religion n.e.c.	23	26	39	38	38
Total recreation, culture and religion	495	478	534	519	491
9. Education					
9.1 Pre-primary and primary education	1,588	1,618	1,668	1,650	1,670
<i>of which: under fives</i>	44	39	39	40	40
<i>of which: primary education</i>	1,545	1,579	1,629	1,611	1,630
9.2 Secondary education	1,868	1,910	1,944	1,945	2,015
9.3 Post-secondary non-tertiary education	–	–	–	–	–
9.4 Tertiary education	370	384	389	349	286
9.5 Education not definable by level	112	101	106	106	119
9.6 Subsidiary services to education	92	106	125	150	124
9.7 R&D education	–	–	–	–	–
9.8 Education n.e.c.	53	67	47	85	141
Total education	4,083	4,185	4,280	4,285	4,356

Table 10.3 Total identifiable expenditure on services in Wales ⁽¹⁾ by sub-function, 2015-16 to 2019-20 (continued)

	£ million				
	National Statistics				
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn
10. Social protection					
<i>of which: personal social services</i>	1,741	1,801	1,894	2,038	2,030
10.1 Sickness and disability	3,332	3,362	3,469	3,636	3,661
<i>of which: personal social services</i>	528	559	586	631	609
<i>of which: incapacity, disability and injury benefits</i>	2,804	2,803	2,884	3,005	3,053
10.2 Old age	6,237	6,274	6,410	6,602	6,356
<i>of which: personal social services</i>	617	623	652	696	702
<i>of which: pensions</i>	5,619	5,651	5,757	5,906	5,653
10.3 Survivors	72	71	69	64	67
10.4 Family and children	1,319	1,312	1,324	1,346	1,316
<i>of which: personal social services</i>	560	584	619	667	664
<i>of which: family benefits, income support and tax credits</i>	759	728	705	680	651
10.5 Unemployment	156	122	102	81	57
<i>of which: personal social services</i>	–	–	–	–	–
<i>of which: other unemployment benefits</i>	156	122	102	81	57
10.6 Housing	1,208	1,180	1,174	1,108	1,060
10.7 Social exclusion n.e.c.	1,656	1,655	1,674	1,745	2,040
<i>of which: personal social services</i>	35	35	36	45	55
<i>of which: family benefits, income support and tax credits</i>	1,622	1,620	1,638	1,700	1,985
10.8 R&D social protection	–	–	–	–	–
10.9 Social protection n.e.c.	314	323	323	304	286
Total social protection	14,295	14,298	14,547	14,887	14,843
Total Expenditure on Services in Wales	30,945	31,389	32,387	33,373	34,459

⁽¹⁾ Whilst accurate at the functional level, differences between countries at the lower sub-functional level will reflect the different structures departments and devolved authorities use when reporting data to HM Treasury, in addition to any actual policy differences which may exist.

⁽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⁽¹⁾ 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	140	168	192	206	229
1.2 Foreign economic aid	–	–	–	–	–
1.3 General services	182	161	167	172	190
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	3	0	–	0	0
1.6 General public services n.e.c.	66	17	15	18	15
Total general public services	391	347	374	396	435
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	797	783	770	792	849
<i>of which: immigration and citizenship</i>	–	–	–	–	–
<i>of which: other police services</i>	797	783	770	792	849
3.2 Fire-protection services	82	83	92	91	92
3.3 Law courts	226	222	199	204	209
3.4 Prisons	139	131	150	158	144
3.5 R&D public order and safety	–	–	0	0	1
3.6 Public order and safety n.e.c.	–	–	–	–	–
Total public order and safety	1,244	1,219	1,211	1,245	1,295
4. Economic affairs					
4.1 General economic, commercial and labour affairs	444	360	355	401	713
4.2 Agriculture, forestry, fishing and hunting	487	505	498	548	563
<i>of which: market support under CAP</i>	276	304	309	314	312
<i>of which: other agriculture, food and fisheries policy</i>	203	194	182	226	244
<i>of which: forestry</i>	8	7	7	8	7
4.3 Fuel and energy	39	51	40	34	45
4.4 Mining, manufacturing and construction	1	1	2	1	2
4.5 Transport	431	547	539	665	657
<i>of which: national roads</i>	18	9	4	16	18
<i>of which: local roads</i>	246	315	310	371	382
<i>of which: local public transport</i>	44	64	66	91	64
<i>of which: railway</i>	82	94	99	110	114
<i>of which: other transport</i>	41	66	60	77	79
4.6 Communication	14	3	6	1	1
4.7 Other industries	50	35	37	39	37
4.8 R&D economic affairs	87	70	62	68	82
4.9 Economic affairs n.e.c.	0	1	1	1	0
Total economic affairs	1,554	1,573	1,539	1,757	2,100

Table 10.4 Total identifiable expenditure on services in Northern Ireland⁽¹⁾ 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	
5. Environment protection						
5.1 Waste management	197	209	214	205	205	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	9	0	0	0	–	
5.4 Protection of biodiversity and landscape	0	0	0	0	0	
5.5 R&D environment protection	1	0	1	0	0	
5.6 Environment protection n.e.c.	46	43	49	51	56	
Total environment protection	253	252	263	256	261	
6. Housing and community amenities						
6.1 Housing development	229	206	178	182	192	
<i>of which: local authority housing</i>	–	–	–	–	–	
<i>of which: other social housing</i>	229	206	178	182	192	
6.2 Community development	123	106	87	96	105	
6.3 Water supply	248	252	281	273	274	
6.4 Street lighting	26	20	23	28	28	
6.5 R&D housing and community amenities	–	–	–	–	0	
6.6 Housing and community amenities n.e.c.	86	122	138	166	227	
Total housing and community amenities	711	706	706	744	826	
7. Health⁽²⁾						
Medical services	3,812	3,954	4,106	4,360	4,714	
Health research	6	19	16	14	16	
Central and other health services	217	203	190	208	223	
Total health	4,034	4,176	4,311	4,582	4,953	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	235	242	212	238	211	
8.2 Cultural services	166	172	167	193	193	
8.3 Broadcasting and publishing services	12	10	12	14	13	
8.4 Religious and other community services	44	42	42	49	49	
8.5 R&D recreation, culture and religion	3	4	4	2	2	
8.6 Recreation, culture and religion n.e.c.	–	–	–	–	0	
Total recreation, culture and religion	459	469	439	496	470	
9. Education						
9.1 Pre-primary and primary education	774	802	777	806	886	
<i>of which: under fives</i>	60	67	65	65	63	
<i>of which: primary education</i>	714	735	712	741	823	
9.2 Secondary education	1,039	1,040	1,039	1,063	1,144	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education	336	343	336	324	317	
9.5 Education not definable by level	78	69	66	66	75	
9.6 Subsidiary services to education	200	197	222	246	286	
9.7 R&D education	–	–	–	–	1	
9.8 Education n.e.c.	279	263	261	273	185	
Total education	2,706	2,715	2,700	2,777	2,894	

Table 10.4 Total identifiable expenditure on services in Northern Ireland⁽¹⁾ 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	
10. Social protection						
<i>of which: personal social services</i>	984	1,016	1,067	1,145	1,223	
10.1 Sickness and disability	2,650	2,814	2,881	3,031	3,139	
<i>of which: personal social services</i>	297	323	348	381	418	
<i>of which: incapacity, disability and injury benefits</i>	2,353	2,491	2,533	2,650	2,721	
10.2 Old age	3,669	3,749	3,919	4,046	3,846	
<i>of which: personal social services</i>	489	495	514	542	568	
<i>of which: pensions</i>	3,180	3,254	3,406	3,504	3,278	
10.3 Survivors	78	77	80	83	88	
10.4 Family and children	693	666	688	810	1,138	
<i>of which: personal social services</i>	198	198	206	222	237	
<i>of which: family benefits, income support and tax credits</i>	495	469	482	587	901	
10.5 Unemployment	141	119	102	73	43	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	141	119	102	73	43	
10.6 Housing	584	581	552	529	479	
10.7 Social exclusion n.e.c.	1,016	994	973	849	714	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: family benefits, income support and tax credits</i>	1,016	994	973	849	714	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	15	24	15	16	17	
Total social protection	8,847	9,025	9,211	9,437	9,465	
Total Expenditure on Services in Northern Ireland	20,200	20,482	20,754	21,690	22,699	

⁽¹⁾ Whilst accurate at the functional level, differences between countries at the lower sub-functional level will reflect the different structures departments and devolved authorities use when reporting data to HM Treasury, in addition to any actual policy differences which may exist.

⁽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 10.5 Total identifiable expenditure on services in England ⁽¹⁾ by sub-function, per head, 2015-16 to 2019-20

	£ per head				
	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	35	38	42	44	48
1.2 Foreign economic aid	–	–	–	–	–
1.3 General services	12	16	15	17	12
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	2	0	0	0	0
1.6 General public services n.e.c.	30	45	32	31	46
Total general public services	79	99	89	93	106
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	217	215	234	238	246
<i>of which: immigration and citizenship</i>	–	–	–	–	–
<i>of which: other police services</i>	217	215	234	238	246
3.2 Fire-protection services	38	38	38	38	41
3.3 Law courts	88	88	92	95	93
3.4 Prisons	65	66	65	69	65
3.5 R&D public order and safety	1	0	0	0	–
3.6 Public order and safety n.e.c.	12	10	9	9	19
Total public order and safety	421	418	439	448	463
4. Economic affairs					
4.1 General economic, commercial and labour affairs	93	102	102	138	180
4.2 Agriculture, forestry, fishing and hunting	48	59	57	65	68
<i>of which: market support under CAP</i>	24	36	33	37	36
<i>of which: other agriculture, food and fisheries policy</i>	23	22	23	27	32
<i>of which: forestry</i>	1	1	1	1	1
4.3 Fuel and energy	6	6	10	5	5
4.4 Mining, manufacturing and construction	3	16	39	51	37
4.5 Transport	414	419	442	478	489
<i>of which: national roads</i>	54	55	56	69	83
<i>of which: local roads ⁽²⁾</i>	73	73	82	72	71
<i>of which: local public transport</i>	38	38	38	37	43
<i>of which: railway</i>	237	245	254	286	275
<i>of which: other transport</i>	12	8	12	14	18
4.6 Communication	–	–	–	–	–
4.7 Other industries	2	2	2	2	2
4.8 R&D economic affairs	68	63	77	100	106
4.9 Economic affairs n.e.c.	7	6	6	7	8
Total economic affairs	641	673	735	846	896

Table 10.5 Total identifiable expenditure on services in England ⁽¹⁾ by sub-function, per head, 2015-16 to 2019-20 (continued)

	National Statistics					£ per head
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
5. Environment protection						
5.1 Waste management	119	116	128	118	127	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	7	1	1	2	3	
5.4 Protection of biodiversity and landscape	8	5	4	4	3	
5.5 R&D environment protection	7	7	8	3	3	
5.6 Environment protection n.e.c.	25	26	26	27	26	
Total environment protection	166	156	168	154	162	
6. Housing and community amenities						
6.1 Housing development	67	64	80	84	107	
<i>of which: local authority housing</i>	63	57	68	68	80	
<i>of which: other social housing</i>	4	6	12	17	28	
6.2 Community development	41	51	49	48	57	
6.3 Water supply	0	0	0	0	0	
6.4 Street lighting	13	14	14	12	12	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	3	3	2	3	4	
Total housing and community amenities	125	132	145	148	180	
7. Health ⁽³⁾						
Medical services	2,017	2,059	2,083	2,146	2,310	
Health research	35	28	31	24	24	
Central and other health services	55	50	82	100	93	
Total health	2,107	2,137	2,196	2,270	2,427	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	42	41	39	38	40	
8.2 Cultural services	50	50	53	48	51	
8.3 Broadcasting and publishing services	4	4	5	6	5	
8.4 Religious and other community services	1	0	1	1	–	
8.5 R&D recreation, culture and religion	2	2	3	1	1	
8.6 Recreation, culture and religion n.e.c.	1	1	1	1	2	
Total recreation, culture and religion	99	99	101	96	100	
9. Education						
9.1 Pre-primary and primary education	469	457	446	439	427	
<i>of which: under fives</i>	47	45	53	59	59	
<i>of which: primary education</i>	423	412	393	381	367	
9.2 Secondary education ⁽⁴⁾	609	633	629	662	709	
9.3 Post-secondary non-tertiary education	9	11	10	9	10	
9.4 Tertiary education	74	70	58	44	40	
9.5 Education not definable by level	6	9	11	9	11	
9.6 Subsidiary services to education	54	52	50	53	54	
9.7 R&D education	29	31	33	40	41	
9.8 Education n.e.c.	33	33	32	36	26	
Total education	1,283	1,295	1,269	1,292	1,319	

Table 10.5 Total identifiable expenditure on services in England ⁽¹⁾ by sub-function, per head, 2015-16 to 2019-20 (continued)

	National Statistics					£ per head
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
10. Social protection						
<i>of which: personal social services</i>	447	456	468	491	509	
10.1 Sickness and disability	768	762	778	801	810	
<i>of which: personal social services</i>	148	148	153	158	166	
<i>of which: incapacity, disability and injury benefits</i>	620	614	625	643	644	
10.2 Old age	1,737	1,750	1,771	1,813	1,750	
<i>of which: personal social services</i>	138	144	144	151	152	
<i>of which: pensions</i>	1,599	1,606	1,627	1,662	1,598	
10.3 Survivors	15	14	14	14	14	
10.4 Family and children	387	379	378	379	381	
<i>of which: personal social services</i>	152	153	159	167	176	
<i>of which: family benefits, income support and tax credits</i>	235	225	219	212	206	
10.5 Unemployment	39	32	29	24	17	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	39	32	29	24	17	
10.6 Housing	409	390	367	338	299	
10.7 Social exclusion n.e.c.	494	493	505	518	613	
<i>of which: personal social services</i>	10	11	13	16	15	
<i>of which: family benefits, income support and tax credits</i>	484	482	492	502	598	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	57	61	60	66	66	
Total social protection	3,906	3,881	3,903	3,953	3,950	
Total Expenditure on Services in England	8,828	8,890	9,046	9,300	9,604	

⁽¹⁾ Whilst accurate at the functional level, differences between countries at the lower sub-functional level will reflect the different structures departments and devolved authorities use when reporting data to HM Treasury, in addition to any actual policy differences which may exist.

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

⁽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 ⁽¹⁾ by sub-function, per head, 2015-16 to 2019-20

	National Statistics				
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn
	£ per head				
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	151	155	171	185	208
1.2 Foreign economic aid	–	–	0	0	0
1.3 General services	8	12	8	8	8
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	3	2	1	3	1
1.6 General public services n.e.c.	47	33	42	23	31
Total general public services	209	202	222	219	247
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	275	263	281	298	316
<i>of which: immigration and citizenship</i>	–	–	–	–	–
<i>of which: other police services</i>	275	263	281	298	316
3.2 Fire-protection services	72	68	71	72	72
3.3 Law courts	85	85	84	90	98
3.4 Prisons	57	57	59	59	62
3.5 R&D public order and safety	–	–	–	–	–
3.6 Public order and safety n.e.c.	5	4	3	3	3
Total public order and safety	493	478	498	521	552
4. Economic affairs					
4.1 General economic, commercial and labour affairs	176	215	229	279	314
4.2 Agriculture, forestry, fishing and hunting	150	172	167	170	161
<i>of which: market support under CAP</i>	73	85	79	104	83
<i>of which: other agriculture, food and fisheries policy</i>	61	68	73	51	71
<i>of which: forestry</i>	16	18	15	15	7
4.3 Fuel and energy	12	13	14	10	10
4.4 Mining, manufacturing and construction	0	0	0	0	0
4.5 Transport	584	626	655	641	682
<i>of which: national roads</i>	132	140	156	117	128
<i>of which: local roads</i>	129	125	119	120	120
<i>of which: local public transport</i>	51	51	51	52	55
<i>of which: railway⁽¹⁾</i>	195	230	253	266	288
<i>of which: other transport</i>	78	81	76	87	91
4.6 Communication	12	15	12	6	4
4.7 Other industries	14	14	14	14	16
4.8 R&D economic affairs	85	87	89	95	97
4.9 Economic affairs n.e.c.	4	6	6	14	13
Total economic affairs	1,037	1,147	1,187	1,229	1,297

Table 10.6 Total identifiable expenditure on services in Scotland ⁽¹⁾ by sub-function, per head, 2015-16 to 2019-20 (continued)

	National Statistics					£ per head
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
5. Environment protection						
5.1 Waste management	157	163	162	171	189	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	7	1	2	3	3	
5.4 Protection of biodiversity and landscape	24	21	21	21	22	
5.5 R&D environment protection	8	7	9	3	2	
5.6 Environment protection n.e.c.	40	35	36	37	34	
Total environment protection	235	228	229	236	250	
6. Housing and community amenities						
6.1 Housing development	208	187	234	299	337	
<i>of which: local authority housing</i>	144	127	149	187	229	
<i>of which: other social housing</i>	65	60	86	112	108	
6.2 Community development	17	14	12	15	13	
6.3 Water supply	61	91	93	94	95	
6.4 Street lighting	2	1	1	1	1	
6.5 R&D housing and community amenities	0	0	0	0	0	
6.6 Housing and community amenities n.e.c.	3	1	1	–	1	
Total housing and community amenities	292	294	340	409	447	
7. Health ⁽²⁾						
Medical services	2,184	2,234	2,268	2,312	2,426	
Health research	36	39	27	35	37	
Central and other health services	38	58	50	47	43	
Total health	2,258	2,331	2,346	2,395	2,507	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	98	96	86	100	83	
8.2 Cultural services	94	92	87	85	84	
8.3 Broadcasting and publishing services	5	4	6	7	7	
8.4 Religious and other community services	2	2	2	2	0	
8.5 R&D recreation, culture and religion	2	2	2	1	1	
8.6 Recreation, culture and religion n.e.c.	–	–	–	–	0	
Total recreation, culture and religion	201	197	184	195	176	
9. Education						
9.1 Pre-primary and primary education	583	623	624	647	717	
<i>of which: under fives</i>	83	94	93	98	141	
<i>of which: primary education</i>	500	529	532	548	575	
9.2 Secondary education	501	525	555	555	571	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education	263	275	272	272	274	
9.5 Education not definable by level	25	25	27	25	25	
9.6 Subsidiary services to education	45	40	44	47	49	
9.7 R&D education	0	0	0	0	0	
9.8 Education n.e.c.	41	44	43	43	50	
Total education	1,458	1,531	1,566	1,590	1,685	

Table 10.6 Total identifiable expenditure on services in Scotland ⁽¹⁾ by sub-function, per head, 2015-16 to 2019-20 (continued)

	National Statistics					£ per head
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
10. Social protection						
<i>of which: personal social services</i>	596	575	567	589	654	
10.1 Sickness and disability	946	938	958	1,007	1,047	
<i>of which: personal social services</i>	168	160	158	167	205	
<i>of which: incapacity, disability and injury benefits</i>	778	778	800	840	842	
10.2 Old age	1,969	1,959	1,985	2,040	1,976	
<i>of which: personal social services</i>	258	250	243	254	271	
<i>of which: pensions</i>	1,710	1,710	1,742	1,786	1,705	
10.3 Survivors	32	32	7	32	33	
10.4 Family and children	387	371	366	362	367	
<i>of which: personal social services</i>	170	165	165	168	178	
<i>of which: family benefits, income support and tax credits</i>	218	206	201	194	188	
10.5 Unemployment	49	40	36	29	20	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	49	40	36	29	20	
10.6 Housing	372	343	338	325	302	
10.7 Social exclusion n.e.c.	430	433	450	486	560	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: family benefits, income support and tax credits</i>	430	433	450	486	560	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	89	90	88	100	100	
Total social protection	4,273	4,207	4,228	4,381	4,405	
Total Expenditure on Services in Scotland	10,458	10,614	10,800	11,177	11,566	

⁽¹⁾ Whilst accurate at the functional level, differences between countries at the lower sub-functional level will reflect the different structures departments and devolved authorities use when reporting data to HM Treasury, in addition to any actual policy differences which may exist.

⁽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 ⁽¹⁾ by sub-function, per head, 2015-16 to 2019-20

	£ per head				
	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	127	131	135	132	146
1.2 Foreign economic aid	–	–	–	–	–
1.3 General services	5	7	7	8	8
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	1	–	–	–	–
1.6 General public services n.e.c.	25	25	29	32	55
Total general public services	158	163	171	172	209
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	219	220	227	239	250
<i>of which: immigration and citizenship</i>	–	–	–	–	–
<i>of which: other police services</i>	219	220	227	239	250
3.2 Fire-protection services	49	47	50	50	52
3.3 Law courts	75	76	89	86	82
3.4 Prisons	49	56	65	74	75
3.5 R&D public order and safety	0	0	0	0	–
3.6 Public order and safety n.e.c.	4	5	4	5	13
Total public order and safety	395	405	435	453	473
4. Economic affairs					
4.1 General economic, commercial and labour affairs	136	138	147	182	199
4.2 Agriculture, forestry, fishing and hunting	139	149	159	165	159
<i>of which: market support under CAP</i>	68	78	80	79	78
<i>of which: other agriculture, food and fisheries policy</i>	71	71	78	85	79
<i>of which: forestry</i>	1	1	2	2	1
4.3 Fuel and energy	13	9	13	8	8
4.4 Mining, manufacturing and construction	2	-4	7	12	24
4.5 Transport	388	377	395	396	401
<i>of which: national roads</i>	95	112	106	92	74
<i>of which: local roads</i>	67	69	73	89	79
<i>of which: local public transport</i>	14	15	20	14	17
<i>of which: railway</i>	198	168	182	185	214
<i>of which: other transport</i>	14	13	14	15	17
4.6 Communication	25	12	10	7	7
4.7 Other industries	9	9	11	11	14
4.8 R&D economic affairs	66	62	70	72	72
4.9 Economic affairs n.e.c.	5	15	15	23	37
Total economic affairs	783	766	827	876	919

Table 10.7 Total identifiable expenditure on services in Wales ⁽¹⁾ by sub-function, per head, 2015-16 to 2019-20 (continued)

	National Statistics					£ per head
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
5. Environment protection						
5.1 Waste management	129	127	127	135	146	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	5	0	0	1	1	
5.4 Protection of biodiversity and landscape	2	3	4	4	3	
5.5 R&D environment protection	3	3	3	1	1	
5.6 Environment protection n.e.c.	66	62	63	56	63	
Total environment protection	205	195	197	196	214	
6. Housing and community amenities						
6.1 Housing development	153	160	174	199	242	
<i>of which: local authority housing</i>	<i>153</i>	<i>160</i>	<i>174</i>	<i>199</i>	<i>242</i>	
<i>of which: other social housing</i>	–	–	–	–	–	
6.2 Community development	57	51	35	44	64	
6.3 Water supply	–	–	–	–	–	
6.4 Street lighting	14	15	15	14	13	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	3	3	2	2	3	
Total housing and community amenities	226	229	227	260	322	
7. Health ⁽²⁾						
Medical services	2,079	2,184	2,259	2,323	2,430	
Health research	15	15	17	15	14	
Central and other health services	33	33	33	64	102	
Total health	2,127	2,232	2,309	2,401	2,546	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	67	62	62	68	50	
8.2 Cultural services	59	57	69	58	63	
8.3 Broadcasting and publishing services	26	26	27	28	30	
8.4 Religious and other community services	0	-1	-1	-1	0	
8.5 R&D recreation, culture and religion	1	1	1	1	1	
8.6 Recreation, culture and religion n.e.c.	7	8	13	12	12	
Total recreation, culture and religion	160	154	171	165	156	
9. Education						
9.1 Pre-primary and primary education	513	520	534	526	530	
<i>of which: under fives</i>	<i>14</i>	<i>12</i>	<i>12</i>	<i>13</i>	<i>13</i>	
<i>of which: primary education</i>	<i>498</i>	<i>507</i>	<i>521</i>	<i>513</i>	<i>517</i>	
9.2 Secondary education	603	613	622	620	639	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education	119	123	125	111	91	
9.5 Education not definable by level	36	33	34	34	38	
9.6 Subsidiary services to education	30	34	40	48	39	
9.7 R&D education	–	–	–	–	–	
9.8 Education n.e.c.	17	21	15	27	45	
Total education	1,318	1,344	1,369	1,365	1,382	

Table 10.7 Total identifiable expenditure on services in Wales ⁽¹⁾ by sub-function, per head, 2015-16 to 2019-20 (continued)

	National Statistics					£ per head
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
10. Social protection						
<i>of which: personal social services</i>	562	578	606	649	644	
10.1 Sickness and disability	1,075	1,080	1,110	1,159	1,161	
<i>of which: personal social services</i>	171	180	187	201	193	
<i>of which: incapacity, disability and injury benefits</i>	905	900	923	958	968	
10.2 Old age	2,012	2,015	2,051	2,103	2,016	
<i>of which: personal social services</i>	199	200	209	222	223	
<i>of which: pensions</i>	1,813	1,815	1,842	1,882	1,793	
10.3 Survivors	23	23	22	20	21	
10.4 Family and children	426	421	424	429	417	
<i>of which: personal social services</i>	181	187	198	212	211	
<i>of which: family benefits, income support and tax credits</i>	245	234	226	217	207	
10.5 Unemployment	50	39	33	26	18	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	50	39	33	26	18	
10.6 Housing	390	379	376	353	336	
10.7 Social exclusion n.e.c.	534	531	536	556	647	
<i>of which: personal social services</i>	11	11	12	14	17	
<i>of which: family benefits, income support and tax credits</i>	523	520	524	542	630	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	101	104	103	97	91	
Total social protection	4,613	4,593	4,655	4,743	4,708	
Total Expenditure on Services in Wales	9,985	10,083	10,363	10,633	10,929	

⁽¹⁾ Whilst accurate at the functional level, differences between countries at the lower sub-functional level will reflect the different structures departments and devolved authorities use when reporting data to HM Treasury, in addition to any actual policy differences which may exist.

⁽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⁽¹⁾ by sub-function, per head, 2015-16 to 2019-20

	National Statistics					£ per head
	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	76	90	103	109	121	
1.2 Foreign economic aid	—	—	—	—	—	
1.3 General services	98	87	89	92	100	
1.4 Basic research	—	—	—	—	—	
1.5 R&D general public services	1	0	—	0	0	
1.6 General public services n.e.c.	36	9	8	10	8	
Total general public services	211	186	200	210	230	
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	430	420	411	421	449	
<i>of which: immigration and citizenship</i>	—	—	—	—	—	
<i>of which: other police services</i>	430	420	411	421	449	
3.2 Fire-protection services	44	45	49	49	48	
3.3 Law courts	122	119	107	108	110	
3.4 Prisons	75	71	80	84	76	
3.5 R&D public order and safety	—	—	0	0	0	
3.6 Public order and safety n.e.c.	—	—	—	—	—	
Total public order and safety	672	655	647	661	684	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	240	193	190	213	376	
4.2 Agriculture, forestry, fishing and hunting	263	271	266	291	297	
<i>of which: market support under CAP</i>	149	163	165	167	165	
<i>of which: other agriculture, food and fisheries policy</i>	110	104	97	120	129	
<i>of which: forestry</i>	4	4	4	4	4	
4.3 Fuel and energy	21	28	21	18	24	
4.4 Mining, manufacturing and construction	1	1	1	1	1	
4.5 Transport	233	294	288	353	347	
<i>of which: national roads</i>	10	5	2	8	10	
<i>of which: local roads</i>	133	169	166	197	202	
<i>of which: local public transport</i>	24	34	35	49	34	
<i>of which: railway</i>	44	50	53	58	60	
<i>of which: other transport</i>	22	35	32	41	41	
4.6 Communication	7	2	3	0	0	
4.7 Other industries	27	19	20	21	20	
4.8 R&D economic affairs	47	37	33	36	43	
4.9 Economic affairs n.e.c.	0	0	1	0	0	
Total economic affairs	839	845	823	934	1,109	

Table 10.8 Total identifiable expenditure on services in Northern Ireland⁽¹⁾ by sub-function, per head, 2015-16 to 2019-20 (continued)

	National Statistics					£ per head
	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	
5. Environment protection						
5.1 Waste management	106	112	114	109	108	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	5	0	0	0	–	
5.4 Protection of biodiversity and landscape	0	0	0	0	0	
5.5 R&D environment protection	1	0	0	0	0	
5.6 Environment protection n.e.c.	25	23	26	27	29	
Total environment protection	137	135	141	136	138	
6. Housing and community amenities						
6.1 Housing development	124	110	95	97	101	
<i>of which: local authority housing</i>	–	–	–	–	–	
<i>of which: other social housing</i>	124	110	95	97	101	
6.2 Community development	66	57	47	51	55	
6.3 Water supply	134	135	150	145	145	
6.4 Street lighting	14	11	12	15	15	
6.5 R&D housing and community amenities	–	–	–	–	0	
6.6 Housing and community amenities n.e.c.	46	65	74	88	120	
Total housing and community amenities	384	379	378	395	436	
7. Health⁽²⁾						
Medical services	2,058	2,123	2,194	2,317	2,489	
Health research	3	10	8	8	9	
Central and other health services	117	109	101	110	118	
Total health	2,179	2,243	2,304	2,435	2,616	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	127	130	114	126	112	
8.2 Cultural services	89	92	90	103	102	
8.3 Broadcasting and publishing services	6	5	7	8	7	
8.4 Religious and other community services	24	22	22	26	26	
8.5 R&D recreation, culture and religion	2	2	2	1	1	
8.6 Recreation, culture and religion n.e.c.	–	–	–	–	0	
Total recreation, culture and religion	248	252	234	263	248	
9. Education						
9.1 Pre-primary and primary education	418	431	415	428	468	
<i>of which: under fives</i>	32	36	35	35	33	
<i>of which: primary education</i>	386	395	381	394	435	
9.2 Secondary education	561	559	555	565	604	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education	182	184	180	172	167	
9.5 Education not definable by level	42	37	35	35	40	
9.6 Subsidiary services to education	108	106	119	131	151	
9.7 R&D education	–	–	–	–	0	
9.8 Education n.e.c.	150	141	139	145	98	
Total education	1,462	1,458	1,443	1,476	1,528	

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>	531	545	570	609	646	
10.1 Sickness and disability	1,431	1,511	1,540	1,611	1,658	
<i>of which: personal social services</i>	160	173	186	202	221	
<i>of which: incapacity, disability and injury benefits</i>	1,271	1,338	1,354	1,408	1,437	
10.2 Old age	1,981	2,013	2,095	2,150	2,031	
<i>of which: personal social services</i>	264	266	275	288	300	
<i>of which: pensions</i>	1,718	1,748	1,820	1,862	1,731	
10.3 Survivors	42	41	43	44	46	
10.4 Family and children	374	358	368	430	601	
<i>of which: personal social services</i>	107	106	110	118	125	
<i>of which: family benefits, income support and tax credits</i>	267	252	258	312	476	
10.5 Unemployment	76	64	55	39	23	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	76	64	55	39	23	
10.6 Housing	316	312	295	281	253	
10.7 Social exclusion n.e.c.	549	534	520	451	377	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: family benefits, income support and tax credits</i>	549	534	520	451	377	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	8	13	8	8	9	
Total social protection	4,778	4,847	4,924	5,015	4,998	
Total Expenditure on Services in Northern Ireland	10,910	10,999	11,094	11,527	11,987	

⁽¹⁾ Whilst accurate at the functional level, differences between countries at the lower sub-functional level will reflect the different structures departments and devolved authorities use when reporting data to HM Treasury, in addition to any actual policy differences which may exist.

⁽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 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2019-20

	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	142	325	230	212	281	457	448	262	2,693		
1.2 Foreign economic aid	—	—	—	—	—	—	—	—	—		
1.3 General services	38	110	41	61	100	112	113	62	696		
1.4 Basic research	—	—	—	—	—	—	—	—	—		
1.5 R&D general public services	0	1	1	0	1	1	1	1	5		
1.6 General public services n.e.c.	121	235	197	164	245	321	683	289	2,597		
Total general public services	301	671	468	437	626	891	1,245	613	5,991		
2. Defence											
2.1 Military defence	—	—	—	—	—	—	—	—	—		
2.2 Civil defence	2	5	4	4	4	7	8	4	43		
2.3 Foreign military aid	—	—	—	—	—	—	—	—	—		
2.4 R&D defence	—	—	—	—	—	—	—	—	—		
2.5 Defence n.e.c.	—	—	—	—	—	—	—	—	—		
Total defence	2	5	4	4	4	7	8	4	43		
3. Public order and safety											
3.1 Police services	597	1,744	1,260	948	1,217	3,771	1,938	1,137	13,837		
<i>of which: immigration and citizenship</i>	—	—	—	—	—	—	—	—	—		
<i>of which: other police services</i>	597	1,744	1,260	948	1,217	3,771	1,938	1,137	13,837		
3.2 Fire-protection services	132	310	217	176	229	418	369	225	2,315		
3.3 Law courts	308	683	502	353	522	1,494	522	421	5,242		
3.4 Prisons	246	508	432	450	405	448	450	261	3,643		
3.5 R&D public order and safety	—	—	—	—	—	—	—	—	—		
3.6 Public order and safety n.e.c.	55	146	102	80	109	218	146	90	1,043		
Total public order and safety	1,338	3,390	2,513	2,007	2,482	6,350	3,424	2,134	26,080		
4. Economic affairs											
4.1 General economic, commercial and labour affairs	522	1,339	952	734	1,034	2,538	1,340	786	10,134		
4.2 Agriculture, forestry, fishing and hunting	227	395	474	430	377	145	589	676	3,853		
<i>of which: market support under CAP</i>	121	172	235	271	224	7	263	386	2,006		
<i>of which: other agriculture, food and fisheries policy</i>	103	217	234	155	149	137	320	281	1,805		
<i>of which: forestry</i>	3	6	5	4	4	1	6	9	42		
4.3 Fuel and energy	27	36	34	36	27	47	42	33	305		
4.4 Mining, manufacturing and construction	44	158	62	107	36	207	1,072	239	2,101		

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2019-20 (continued)

	National Statistics										£ million				
	North East		North West		Yorkshire and The Humber		East Midlands		West Midlands			London	South East	South West	Total England
	North East	North West	North West	Yorkshire and The Humber	East Midlands	West Midlands	West Midlands	East							
4. Economic affairs continued															
4.5 Transport	842	3,214	1,700	1,398	2,920	2,931	7,902	4,784	1,853	27,542					
of which: national roads	238	502	401	347	530	676	27	1,577	359	4,657					
of which: local roads	227	567	348	303	414	585	469	627	454	3,994					
of which: local public transport	47	253	154	105	147	99	1,391	102	108	2,405					
of which: railway	295	1,784	716	574	1,709	1,456	5,852	2,283	831	15,499					
of which: other transport	36	107	80	68	121	115	164	195	100	986					
4.6 Communication	—	—	—	—	—	—	—	—	—	—					
4.7 Other industries	5	12	12	5	8	8	30	15	11	105					
4.8 R&D economic affairs	316	558	575	388	726	649	1,128	1,118	487	5,947					
4.9 Economic affairs n.e.c.	18	102	33	24	36	42	74	66	33	428					
Total economic affairs	1,999	5,813	3,842	3,121	5,164	5,264	12,071	9,025	4,117	50,416					
5. Environment protection															
5.1 Waste management	230	2,637	412	394	443	639	906	817	664	7,141					
5.2 Waste water management	—	—	—	—	—	—	—	—	—	—					
5.3 Pollution abatement	4	12	8	9	8	39	23	42	12	157					
5.4 Protection of biodiversity and landscape	10	17	29	32	22	21	8	22	24	184					
5.5 R&D environment protection	6	14	16	7	6	18	17	35	23	141					
5.6 Environment protection n.e.c.	64	150	187	91	114	264	235	213	161	1,481					
Total environment protection	314	2,830	652	532	593	981	1,189	1,129	883	9,103					
6. Housing and community amenities															
6.1 Housing development	320	491	505	358	544	654	2,090	686	392	6,039					
of which: local authority housing	163	184	370	253	307	426	2,058	498	226	4,484					
of which: other social housing	157	307	135	105	236	229	31	189	166	1,555					
6.2 Community development	207	425	468	176	321	260	660	486	210	3,215					
6.3 Water supply	0	1	1	1	1	1	1	1	1	7					
6.4 Street lighting	51	93	81	48	75	69	86	96	49	648					
6.5 R&D housing and community amenities	—	—	—	—	—	—	—	—	—	—					
6.6 Housing and community amenities n.e.c.	6	6	10	15	49	56	35	20	27	222					
Total housing and community amenities	583	1,016	1,065	597	989	1,040	2,872	1,289	678	10,132					

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2019-20 (continued)

	National Statistics										£ million
	Yorkshire and The Humber					West Midlands					
	North East	North West	East Midlands	East of England	London	South East	South West	Total England			
7. Health⁽¹⁾											
Medical services	6,667	18,343	12,304	10,115	13,451	12,748	18,767	12,136	25,507	130,038	
Health research	63	168	125	111	133	165	223	131	247	1,366	
Central and other health services	248	681	511	449	551	579	852	522	832	5,223	
Total health	6,978	19,193	12,939	10,674	14,135	13,491	19,843	12,789	26,586	136,628	
8. Recreation, culture and religion											
8.1 Recreational and sporting services	110	320	255	181	242	228	348	192	352	2,228	
8.2 Cultural services	153	346	297	210	274	235	372	248	762	2,897	
8.3 Broadcasting and publishing services	13	38	27	24	29	34	49	28	54	296	
8.4 Religious and other community services	-7	-3	-8	9	-13	7	12	-3	6	0	
8.5 R&D recreation, culture and religion	5	10	9	7	8	8	15	9	15	84	
8.6 Recreation, culture and religion n.e.c.	5	14	10	9	11	12	17	11	17	106	
Total recreation, culture and religion	279	725	589	439	551	524	813	484	1,206	5,610	
9. Education⁽²⁾											
9.1 Pre-primary and primary education <i>of which: under fives</i>	1,095	3,613	2,148	1,769	2,578	2,368	3,696	1,887	4,871	24,026	
<i>of which: primary education</i>	155	517	301	249	364	318	517	260	665	3,345	
9.2 Secondary education	940	3,096	1,848	1,521	2,214	2,050	3,179	1,627	4,207	20,681	
9.3 Post-secondary non-tertiary education	1,839	4,612	4,293	3,632	4,538	4,745	5,945	4,122	6,196	39,922	
9.4 Tertiary education	33	84	38	36	48	53	88	62	118	559	
9.5 Education not definable by level	130	289	261	217	252	111	357	224	432	2,272	
9.6 Subsidiary services to education	29	81	61	53	67	69	101	60	100	621	
9.7 R&D education	168	353	252	251	281	318	496	278	642	3,038	
9.8 Education n.e.c.	100	216	195	144	144	230	453	151	690	2,323	
9.8 Education n.e.c.	68	195	144	125	161	163	238	141	234	1,469	
Total education	3,461	9,444	7,391	6,227	8,068	8,057	11,374	6,925	13,283	74,230	
10. Social protection											
<i>of which: personal social services</i>	1,451	3,930	2,708	2,248	2,907	2,970	4,380	2,888	5,159	28,641	
10.1 Sickness and disability <i>of which: personal social services</i>	2,758	7,448	4,774	4,029	5,002	4,635	6,313	4,539	6,071	45,569	
<i>of which: incapacity, disability and injury benefits</i>	396	1,320	824	733	900	1,147	1,550	1,023	1,438	9,331	
10.2 Old age <i>of which: personal social services</i>	2,362	6,128	3,950	3,295	4,102	3,488	4,763	3,516	4,633	36,238	
<i>of which: personal social services</i>	518	13,272	9,757	8,950	10,530	11,576	17,048	11,916	10,286	98,517	
<i>of which: pensions</i>	505	1,162	849	707	869	811	1,308	891	1,457	8,560	
<i>of which: pensions</i>	4,677	12,111	8,908	8,243	9,660	10,765	15,740	11,024	8,829	89,958	

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2019-20 (continued)

	National Statistics										£ million	
	Yorkshire and The Humber					West Midlands						
	North East	North West	East Midlands	West Midlands	West	East	London	South East	South West	Total England		
10. Social protection continued												
10.3 Survivors	51	116	92	85	89	82	37	127	109	788		
10.4 Family and children of which: <i>personal social services</i>	1,112	2,992	2,195	1,781	2,409	2,162	3,685	3,122	1,995	21,453		
of which: <i>family benefits, income support and tax credits</i>	537	1,388	990	778	1,081	938	1,843	1,407	922	9,885		
10.5 Unemployment of which: <i>personal social services</i>	70	136	117	83	132	87	163	124	68	980		
of which: <i>other unemployment benefits</i>	—	—	—	—	—	—	—	—	—	—		
10.6 Housing	70	136	117	83	132	87	163	124	68	980		
10.7 Social exclusion n.e.c. of which: <i>personal social services</i>	829	1,987	1,332	1,020	1,581	1,450	5,070	2,280	1,285	16,834		
of which: <i>family benefits, income support and tax credits</i>	1,992	5,280	3,642	2,684	4,033	3,163	6,648	4,233	2,840	34,515		
10.8 R&D social protection	14	60	44	29	56	73	421	116	52	866		
10.9 Social protection n.e.c.	1,979	5,220	3,598	2,654	3,977	3,090	6,227	4,116	2,788	33,649		
Total social protection	211	596	361	268	401	367	686	479	327	3,697		
Total expenditure on services in the English Regions	12,206	31,827	22,271	18,899	24,178	23,523	32,646	33,726	23,078	222,353		
	27,460	74,912	51,735	42,938	56,789	56,066	97,102	81,877	51,705	540,585		

(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.

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2019-20

	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	53	44	42	44	47	54	51	49	47	48	
1.2 Foreign economic aid	—	—	—	—	—	—	—	—	—	—	
1.3 General services	14	15	7	13	17	9	13	12	11	12	
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.	45	32	36	34	41	55	36	74	51	46	
Total general public services	113	91	85	90	105	119	99	136	109	106	
2. Defence											
2.1 Military defence	—	—	—	—	—	—	—	—	—	—	
2.2 Civil defence	1	1	1	1	1	1	1	1	1	1	
2.3 Foreign military aid	—	—	—	—	—	—	—	—	—	—	
2.4 R&D defence	—	—	—	—	—	—	—	—	—	—	
2.5 Defence n.e.c.	—	—	—	—	—	—	—	—	—	—	
Total defence	1	1	1	1	1	1	1	1	1	1	
3. Public order and safety											
3.1 Police services	224	238	229	196	205	196	421	211	202	246	
of which: immigration and citizenship	—	—	—	—	—	—	—	—	—	—	
of which: other police services	224	238	229	196	205	196	421	211	202	246	
3.2 Fire-protection services	49	42	39	36	39	39	47	40	40	41	
3.3 Law courts	115	93	91	73	88	70	167	57	75	93	
3.4 Prisons	92	69	78	93	68	71	50	49	46	65	
3.5 R&D public order and safety	—	—	—	—	—	—	—	—	—	—	
3.6 Public order and safety n.e.c.	20	20	19	16	18	16	24	16	16	19	
Total public order and safety	501	462	457	415	418	391	709	373	379	463	
4. Economic affairs											
4.1 General economic, commercial and labour affairs	195	182	173	152	174	143	283	146	140	180	
4.2 Agriculture, forestry, fishing and hunting	85	54	86	89	64	87	16	64	120	68	
of which: market support under CAP	45	23	43	56	38	53	1	29	69	36	
of which: other agriculture, food and fisheries policy	38	30	43	32	25	33	15	35	50	32	
of which: forestry	1	1	1	1	1	1	0	1	2	1	
4.3 Fuel and energy	10	5	6	7	5	4	5	5	6	5	
4.4 Mining, manufacturing and construction	16	21	11	22	6	28	23	117	42	37	

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2019-20 (continued)

	National Statistics										£ per head
	Yorkshire and The Humber					West					
	North East	North West	East Midlands	West Midlands	East	London	South East	South West	Total England		
4. Economic affairs continued											
4.5 Transport	315	438	289	492	470	882	521	329	489		
of which: national roads	89	68	72	89	108	3	172	64	83		
of which: local roads	85	77	63	70	94	52	68	81	71		
of which: local public transport	17	34	22	25	16	155	11	19	43		
of which: railway	111	243	130	288	233	653	249	148	275		
of which: other transport	13	15	14	20	18	18	21	18	18		
4.6 Communication	—	—	—	—	—	—	—	—	—		
4.7 Other industries	2	2	1	1	1	3	2	2	2		
4.8 R&D economic affairs	118	76	105	122	104	126	122	87	106		
4.9 Economic affairs n.e.c.	7	14	5	6	7	8	7	6	8		
Total economic affairs	749	792	645	870	844	1,347	983	732	896		
5. Environment protection											
5.1 Waste management	86	359	75	75	102	101	89	118	127		
5.2 Waste water management	—	—	—	—	—	—	—	—	—		
5.3 Pollution abatement	2	2	1	1	6	3	5	2	3		
5.4 Protection of biodiversity and landscape	4	2	5	4	3	1	2	4	3		
5.5 R&D environment protection	2	2	1	1	3	2	4	4	3		
5.6 Environment protection n.e.c.	24	20	34	19	42	26	23	29	26		
Total environment protection	118	385	110	100	157	133	123	157	162		
6. Housing and community amenities											
6.1 Housing development	120	67	92	92	105	233	75	70	107		
of which: local authority housing	61	25	67	52	68	230	54	40	80		
of which: other social housing	59	42	25	40	37	3	21	30	28		
6.2 Community development	77	58	85	54	42	74	53	37	57		
6.3 Water supply	0	0	0	0	0	0	0	0	0		
6.4 Street lighting	19	13	15	13	11	10	10	9	12		
6.5 R&D housing and community amenities	—	—	—	—	—	—	—	—	—		
6.6 Housing and community amenities n.e.c.	2	1	2	3	9	4	2	5	4		
Total housing and community amenities	218	138	194	167	167	321	140	121	180		

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2019-20 (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	2,497	2,499	2,236	2,092	2,267	2,044	2,846	2,044	2,158	2,310	
Health research	23	23	23	23	22	26	28	24	23	24	
Central and other health services	93	93	93	93	93	93	93	93	93	93	
Total health	2,613	2,614	2,351	2,207	2,382	2,163	2,967	2,161	2,274	2,427	
8. Recreation, culture and religion											
8.1 Recreational and sporting services	41	44	46	37	41	37	39	38	34	40	
8.2 Cultural services	57	47	54	43	46	38	85	41	44	51	
8.3 Broadcasting and publishing services	5	5	5	5	5	5	6	5	5	5	
8.4 Religious and other community services	-3	0	-1	2	-2	1	1	1	-1	-	
8.5 R&D recreation, culture and religion	2	1	2	1	1	1	2	2	2	1	
8.6 Recreation, culture and religion n.e.c.	2	2	2	2	2	2	2	2	2	2	
Total recreation, culture and religion	104	99	107	91	93	84	135	89	86	100	
9. Education ⁽²⁾											
9.1 Pre-primary and primary education	410	492	390	366	434	380	544	403	335	427	
of which: under fives	58	70	55	51	61	51	74	56	46	59	
of which: primary education	352	422	336	314	373	329	469	346	289	367	
9.2 Secondary education	689	628	780	751	765	761	691	648	733	709	
9.3 Post-secondary non-tertiary education	12	11	7	7	8	9	13	10	11	10	
9.4 Tertiary education	49	39	47	45	42	18	48	39	40	40	
9.5 Education not definable by level	11	11	11	11	11	11	11	11	11	11	
9.6 Subsidiary services to education	63	48	46	52	47	51	72	54	49	54	
9.7 R&D education	37	29	35	30	24	37	77	49	27	41	
9.8 Education n.e.c.	26	27	26	26	27	26	26	26	25	26	
Total education	1,296	1,286	1,343	1,288	1,360	1,292	1,482	1,239	1,231	1,319	
10. Social protection											
of which: personal social services	543	535	492	465	490	476	576	477	513	509	
10.1 Sickness and disability	1,033	1,015	868	833	843	743	677	688	807	810	
of which: personal social services	148	180	150	152	152	184	160	169	182	166	
of which: incapacity, disability and injury benefits	885	835	718	681	691	559	517	519	625	644	
10.2 Old age	1,941	1,808	1,773	1,851	1,774	1,856	1,148	1,857	2,118	1,750	
of which: personal social services	189	158	154	146	146	130	163	142	158	152	
of which: pensions	1,752	1,650	1,619	1,705	1,628	1,726	985	1,715	1,960	1,598	

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2019-20 (continued)

	National Statistics										£ per head	
	Yorkshire and The Humber					West Midlands						
	North East	North West	East Midlands	West Midlands	East	London	South East	South West	Total England			
10. Social protection continued												
10.3 Survivors	19	16	17	15	13	4	14	19	14			
10.4 Family and children	416	408	399	406	347	411	340	355	381			
of which: personal social services	201	189	180	182	150	206	153	164	176			
of which: family benefits, income support and tax credits	215	218	219	224	196	205	187	191	206			
10.5 Unemployment	26	18	21	22	14	18	14	12	17			
of which: personal social services	–	–	–	–	–	–	–	–	–			
of which: other unemployment benefits	26	18	21	22	14	18	14	12	17			
10.6 Housing	310	271	242	267	232	566	248	229	299			
10.7 Social exclusion n.e.c.	746	719	662	680	507	742	461	505	613			
of which: personal social services	5	8	8	9	12	47	13	9	15			
of which: family benefits, income support and tax credits	741	711	654	670	495	695	448	496	598			
10.8 R&D social protection	–	–	–	–	–	–	–	–	–			
10.9 Social protection n.e.c.	79	81	66	68	59	77	52	58	66			
Total social protection	4,572	4,335	4,047	4,074	3,772	3,643	3,674	4,103	3,950			
Total Expenditure on Services in the English Regions	10,285	10,204	9,401	9,570	8,991	10,835	8,919	9,193	9,604			

(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 2021 departments maintained the years 2016-17 to 2021-22. 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 2020 is provided in chapter text.

A.16 Where we discover errors after the production of PESA 2021 we will take the following action:

- minor errors will be corrected at the next National Statistics update or the next edition of PESA; and
- larger errors will lead to the publication of revised tables on the Treasury’s website together with an explanatory note.

Coverage of public bodies

A.17 PESA generally aims to include the expenditure of all bodies classified to the public sector by the Office for National Statistics (ONS). However, when new public bodies are set up, or when bodies are reclassified to, or within, the public sector, there may be a delay before data are recorded in a way that allows their inclusion in PESA. The following explains where the PESA 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 2021 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 22 June 2021.

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 2020-21 prices. The GDP data used in this publication are those given in **Annex F**.

Use of accruals data in tables

A.32 All data are presented on an accruals basis except in the long run tables covering years before 1998-99 (which contain some cash data).

B

Departmental Groups

B.1 A number of tables in this publication present analyses by department. Rather than showing figures for all individual government departments separately, departments are grouped together. These groupings are set out below.

B.2 This presentation is consistent with Spending Review 2020 and Budget 2021 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, Commonwealth and Development Office ¹	Foreign, Commonwealth and Development Office
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

¹ The Foreign and Commonwealth Office and Department for International Development were merged on 2 September 2020. All outturn and plans data for both departments are now shown within the totals for the Foreign, Commonwealth and Development Office.

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 Service Commissioners for England Parliamentary Works Sponsor Body 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 Foreign, Commonwealth and Development Office¹ (FCDO) 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**.

¹ The Foreign and Commonwealth Office and Department for International Development were merged on 2 September 2020. All outturn and plans data for both departments are now shown within the totals for the Foreign, Commonwealth and Development Office.

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 ordinarily 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;
- European Union Financial Settlement payments and European Investment Bank receipts;
- 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 Community, 2016-17 to 2021-22

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	outturn	outturn	outturn	outturn	outturn	plans
GNI based contribution	11,440	11,761	14,599	13,003	10,892	–
UK abatement	-4,757	-4,547	-4,846	-4,149	-3,429	–
VAT-based payments to the EU ⁽¹⁾	2,477	2,974	3,138	2,696	2,246	–
Net expenditure transfers to the EU not in departmental budgets	9,160	10,188	12,892	11,549	9,709	–
Receipts to cover collection costs in respect of collecting Traditional Own Resources (TOR) ⁽³⁾	-357	-698	-664	-663	-482	-8
to give contribution to TME not in departmental budgets ⁽¹⁾	8,803	9,490	12,227	10,886	9,227	-8
European Union Financial Settlement payments and receipts ⁽²⁾	–	–	–	–	–	7,707
to give total contribution to TME	8,803	9,490	12,227	10,886	9,227	7,699
TOR ⁽³⁾	3,366	3,413	3,304	3,320	2,410	21
Gross contribution to the EU budget	12,169	12,903	15,531	14,206	11,636	7,720
Public sector EU receipts ^{(4) (5)}	-4,081	-4,130	-4,375	-5,059	-3,419	-2,289
Net contributions to the EU budget	8,088	8,773	11,156	9,147	8,218	5,431
<i>less</i> Other attributed costs and repayments ⁽⁶⁾	–	–	–	–	–	–
Net payments to EU institutions	8,088	8,773	11,156	9,147	8,218	5,431

⁽¹⁾ VAT-based payments to the EU are included in the TME subtotal, reflecting changes in the European System of Accounts 2010.

⁽²⁾ European Union Financial Settlement payments and European Investment Bank receipts form part of HM Treasury's departmental AME.

⁽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. Under the Withdrawal Agreement, the UK continues to participate in programmes funded under the 2014-2020 Multiannual Financial Framework, with funding continuing to be received post-2020.

⁽⁵⁾ Consistent with forecasts published by the OBR in March 2021.

⁽⁶⁾ The UK's contribution to the cost of EU aid to states outside the EU is attributed to departmental budgets.

C.54 Public Corporations' Own-Financed Capital Expenditure - this line comprises the capital expenditure of public corporations' net of any capital grants or loans given by its parent department and net of public corporations' market and overseas borrowing where that scores to departmental budgets.

C.55 This line also includes the whole amount of capital expenditure of public corporations accountable to local government, whether own-financed or supported by local government: an accounting adjustment removes local government support to public corporations to avoid this spending being double counted.

C.56 Central government debt interest - this line includes interest paid to the private sector and overseas, but not interest paid to other parts of the public sector. The capital uplift on index-linked gilts is scored as interest at the time it accrues. This line includes the amortisation of discounts/premia on gilts at issue.

C.57 Accounting adjustments are described in **Annex D**.

Total Managed Expenditure

C.58 Total Managed Expenditure (TME) is an aggregate drawn from National Accounts. It covers the current and capital expenditure of the public sector, net of some receipts. It therefore includes expenditure of central 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 2021-22 used in this publication are taken from the data submitted by departments on OSCAR. The OBR used OSCAR data consistent with PESA 2020 as a starting point for their forecast in the March 2021 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 2020 adjusted to reflect policy announcements made during the year. For 2021-22, 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.20 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 pensions schemes in AME and in TME, 2016-17 to 2021-22

	£ million					
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	outturn	outturn	outturn	outturn	outturn	plans
Departmental AME (GAAP basis)						
Change in liability ⁽¹⁾	36,245	54,213	82,661	67,905	81,042	94,012
Contributions received*	-26,802	-27,455	-28,492	-36,604	-39,023	-40,105
Cash payments in OCS not covered by release of provision*	81	154	180	61	74	218
Net public service pensions (GAAP basis)⁽²⁾	9,524	26,912	54,349	31,361	42,093	54,125
Unwinding of discount rate (= contribution to non-cash items)	42,002	42,663	39,995	45,856	34,520	27,187
Total Departmental AME (GAAP basis)	51,526	69,575	94,344	77,217	76,613	81,312
Accounting adjustments						
Remove change in liability	-36,245	-54,213	-82,661	-67,905	-81,042	-94,012
Remove increased liability due to unwinding of discount rate	-42,002	-42,663	-39,995	-45,856	-34,520	-27,187
Add pensions in payment covered by release of provision* ⁺	35,533	36,475	38,236	39,894	40,959	42,575
Accounting adjustments (Pensions)	-42,714	-60,401	-84,420	-73,866	-74,603	-78,624
Contribution to TME (National Accounts basis)	8,812	9,174	9,924	3,351	2,010	2,688
<i>of which:</i>						
Pensions in payment*	35,614	36,629	38,416	39,955	41,033	42,793
Contributions received*	-26,802	-27,455	-28,492	-36,604	-39,023	-40,105

* 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 been announced.

Net Current Grants Abroad

FCDO funding for capital projects scored in resource DEL

D.34 A proportion of the Foreign, Commonwealth and Development Office's (FCDO) 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 FCDO 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 2021-22 used in this PESA publication differ from those used by the OBR in their March 2021 EFO. These adjustments are to reconcile the data used by the OBR with those on OSCAR used in PESA.

Remove data in budgets which do not form part of public sector gross investment

Net lending to private sector and the purchase and sale of company securities

D.51 These types of transactions are treated as financial transactions which do not score as spending in the National Accounts, because they involve a swap of financial assets and so are excluded from PSGI and TME. However, they are included in DEL and AME in order to have control over departments' impact on Public Sector Net Debt (PSND) so this adjustment is necessary to exclude them from TME.

Capital support for public corporations and local government supported capital expenditure

D.52 These transactions are excluded from TME as they are lending from central government to support capital expenditure by other parts of the public sector.

Northern Ireland Executive transfers between DEL and AME

D.53 This is the capital equivalent of the transfers described in D.22 above.

Other

D.54 There are a number of other items that are removed from DEL and AME because they do not score as part of PSGI in the National Accounts. These include:

- some capital provisions;

- some other miscellaneous transactions that are scored in budgets but treated as financial transactions in the National Accounts; and
- some transfers between different parts of central government that are excluded from the National Accounts as they are within the same sector in the National Accounts.

Central government adjustments in National Accounts

Gross Fixed Capital Formation

Profit or loss – sale of other assets (from resource budgets)

D.55 As mentioned in the section on resource accounting adjustments, in National Accounts the profit or loss on sales of tangible and intangible fixed assets are treated as capital expenditure and therefore as part of PSGI. However, they are treated as part of resource DEL and AME. This adjustment is necessary to add them to PSGI.

Capital grants to and from the private sector

VAT refunds

D.56 Refunds of VAT are also available on certain items to householders who are building their own home or converting a non-residential building into a home for them to live in. As mentioned above, spending in National Accounts is recorded inclusive of refunded VAT and therefore the value of these refunds is included in PSGI as a capital grant to the household sector (and also included in total VAT receipts) but not in Budgets. This adjustment adds the value of these refunds to PSGI.

Fee income treated as capital in National Accounts

D.57 As outlined in the section on resource accounting adjustments, certain fees received from RBS and LBG in respect of the Asset Protection Scheme were treated as capital receipts in the National Accounts and resource receipts in HM Treasury's AME. This adjustment ensures that these receipts are included in PSGI.

FCDO funding for capital projects scored in resource DEL

D.58 As also stated above, in the section on resource accounting adjustments a proportion of FCDO'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 2020 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, 2020-21

	£ million																							
	Health and Social care	Education	Home Office	Justice	Law Officers' Departments	Defence	Single Intelligence Account	Foreign, Commonwealth and Development Office ⁽¹⁾	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	181,653	79,403	15,062	9,148	625	38,217	2,717	9,913	23,969	23,776	26,270	3,096	4,657	502	6,661	4,809	320	1,447	31,080	18,686	15,527	2,455	–	499,991
Capital DEL	11,720	4,732	786	1,064	5	11,707	580	2,871	9,105	17,069	20,298	951	909	34	468	542	8	373	5,224	3,272	1,718	275	–	93,711
Resource Departmental AME	30,498	20,833	2,406	663	-1	8,477	-4	516	16,705	1,220	-6,880	3,040	206	2	214,044	116,524	41,124	12,556	16,968	2,566	10,965	239	–	492,666
Capital Departmental AME	-7	21,133	–	–	–	–	–	650	–	53	18,750	241	7	–	146	–	-7,470	–	777	888	280	1,109	–	36,557
Remove																								
Grants to local government	-6,374	-32,905	-12,950	-182	–	–	–	-28,687	-7,009	-11,703	-352	-352	-392	–	-17,667	–	–	-26	-13,004	-8,344	-263	–	–	-139,858
Capital grants to public corporations	-30	–	–	–	–	–	–	–	-54	-194	-19	0	-29	–	–	–	–	–	-73	–	-182	–	–	-581
Depreciation	-2,492	-17,342	-525	-680	-11	-7,825	-458	-258	-10	-7,258	-3,099	-423	-228	-10	-78	-310	-43,384	-137	-1,111	-1,159	-1,027	-272	–	-88,097
Provisions	-32,858	-17,535	-80	-829	-1	-7,242	12	-496	16	-225	9,018	-108	-301	-1	-2,804	48	2,150	-9,487	-4,851	-248	-3,588	-413	–	-69,825
Financial transactions	-44	-21,091	–	–	–	–	–	-803	-4,202	131	-1,346	-332	9	–	-315	–	7,678	–	-1,030	-1,674	-378	-1,110	–	-24,508
Interest and dividends	-475	4,533	-30	-14	–	-144	-22	3	65	-1,098	245	-94	0	–	30	0	239	28	-5	167	-6	76	–	3,497
Items classified as revenue in National Accounts	-2,715	508	1,220	1,001	32	68	-1	-544	157	3,842	3,344	2,122	221	4	-112	4	7	280	48	17	2	-4	–	9,502
EU receipts	–	108	2	–	–	–	–	–	574	25	11	–	457	–	186	–	–	–	113	388	80	–	–	1,946
Other items not in TME	27	-1,408	-337	-2	12	-25	26	–	-15,776	779	-6,022	283	-33	-19	-13	-126	0	-98	-525	-1,077	-40	-64	–	-24,437
Add																								
Local government current expenditure	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	136,330	136,330
Local government capital expenditure	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	19,214	19,214
Northern Ireland locally financed expenditure	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public corporations' capital expenditure	–	–	–	–	–	–	–	11	3,323	941	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public sector debt interest	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	40,675	–	1,178	386	207	–	–	6,045
EU transactions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	794	41,469
Loans written off by mutual consent	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	5,808	–	–	–	–	–	–	5,808
Public sector expenditure on services	178,901	40,968	5,554	10,169	660	43,232	2,851	11,862	5,184	32,052	48,868	8,423	5,482	512	200,546	121,491	47,155	4,937	34,790	13,867	23,608	2,292	156,337	999,742

⁽¹⁾ The Foreign and Commonwealth Office and Department for International Development were merged to create the Foreign, Commonwealth and Development Office on 2 September 2020. This table reflects that change.

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 2020-21 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 2021 National Accounts figures from ONS
Forecast data are consistent with the 2021 Budget

Financial year	GDP deflator at market prices		Money GDP £ million
	2020-21 = 100	Per cent change on previous year	
1978-79	19.379	11.26	192,151
1979-80	22.645	16.85	232,309
1980-81	26.974	19.12	267,219
1981-82	29.815	10.53	297,912
1982-83	32.010	7.36	327,113
1983-84	33.539	4.78	357,776
1984-85	35.446	5.69	385,702
1985-86	37.419	5.57	423,588
1986-87	38.971	4.15	455,402
1987-88	41.151	5.60	510,969
1988-89	43.839	6.53	570,134
1989-90	47.238	7.75	628,400
1990-91	51.121	8.22	678,521
1991-92	54.091	5.81	714,840
1992-93	55.499	2.60	737,126
1993-94	56.865	2.46	780,790
1994-95	57.601	1.29	819,023
1995-96	59.314	2.97	863,523
1996-97	61.422	3.55	920,418
1997-98	61.219	-0.33	962,452
1998-99	62.227	1.65	1,009,908
1999-00	62.504	0.45	1,053,356
2000-01	63.644	1.82	1,107,366
2001-02	64.574	1.46	1,147,125
2002-03	66.015	2.23	1,206,906

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 2021 National Accounts figures from ONS
Forecast data are consistent with the 2021 Budget

Financial year	GDP deflator at market prices		Money GDP £ million
	2020-21 = 100	Per cent change on previous year	
2003-04	67.433	2.15	1,270,825
2004-05	69.359	2.86	1,334,628
2005-06	71.189	2.64	1,417,614
2006-07	73.210	2.84	1,487,940
2007-08	75.274	2.82	1,566,500
2008-09	77.313	2.71	1,572,822
2009-10	78.549	1.60	1,559,454
2010-11	79.987	1.83	1,624,581
2011-12	81.200	1.52	1,670,141
2012-13	82.860	2.04	1,724,150
2013-14	84.355	1.80	1,805,768
2014-15	85.518	1.38	1,873,833
2015-16	86.216	0.82	1,936,795
2016-17	88.350	2.47	2,016,681
2017-18	89.905	1.76	2,082,483
2018-19	91.995	2.32	2,163,750
2019-20	94.068	2.25	2,223,595
2020-21	100.000	6.31	2,098,761
2021-22	98.387	-1.61	2,264,458

GDP Deflator: Financial years 1978-79 to 2020-21 taken from ONS series L8GG.

2021-22: derived from Office for Budget Responsibility (OBR) forecasts for GDP deflator increases as at the Budget 2021

Money GDP: For years 1978-79 to 2020-21: ONS data for money GDP (not seasonally adjusted, BKTL)

2021-22: OBR forecasts for money GDP as of the 2021 Budget

Population numbers and GDP deflators used for country and regional tables

F.3 The tables in chapters 9 and 10 are identical to those published in the November 2020 Country and Regional Analysis (CRA)² release. Therefore mid-year population estimates used for the November 2020 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.

² <https://www.gov.uk/government/statistics/country-and-regional-analysis-2020>

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, Commonwealth and Development 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 England, Scotland, Wales, Northern Ireland and the 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/collections/consolidated-budgeting-guidance>

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). Spending Round 2019 set budgets for all departments for 2020-21 only. Spending Review 2020 set budgets for 2021-22.

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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