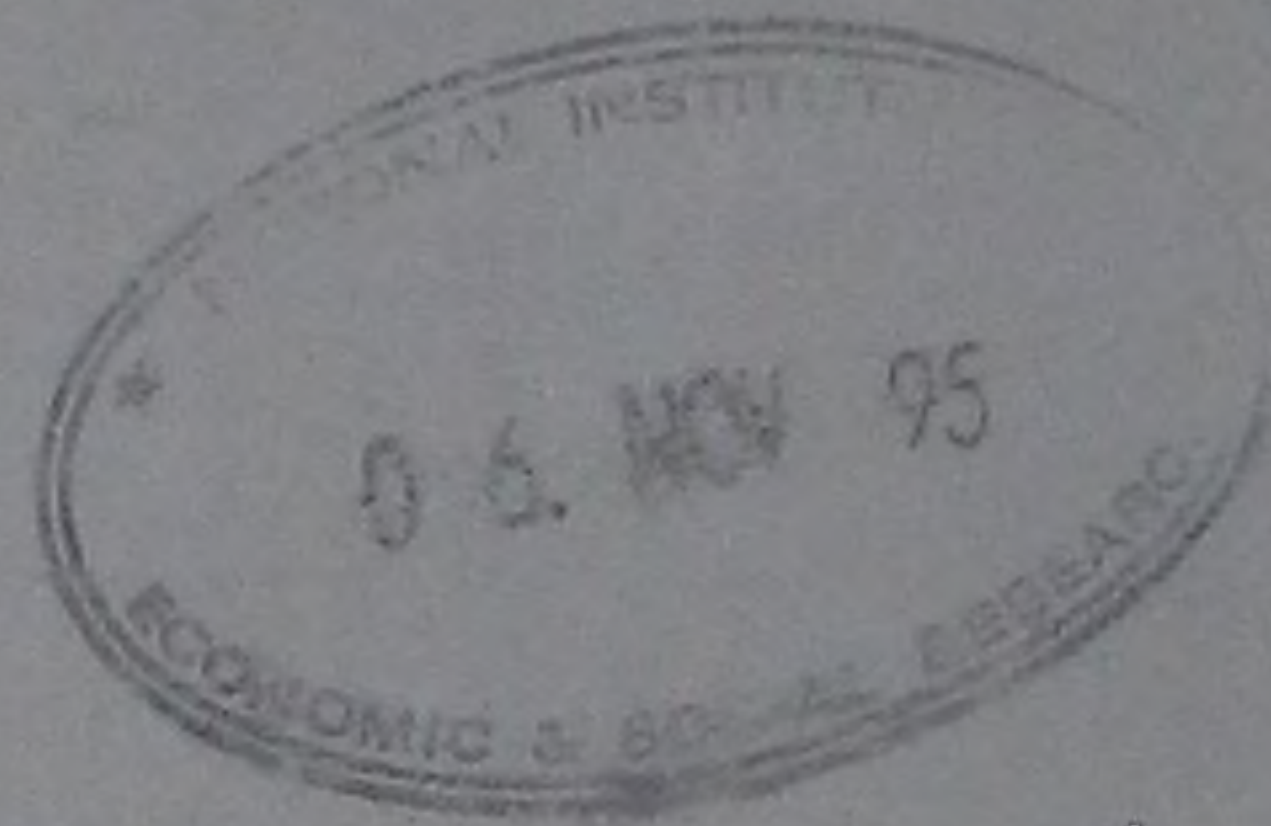
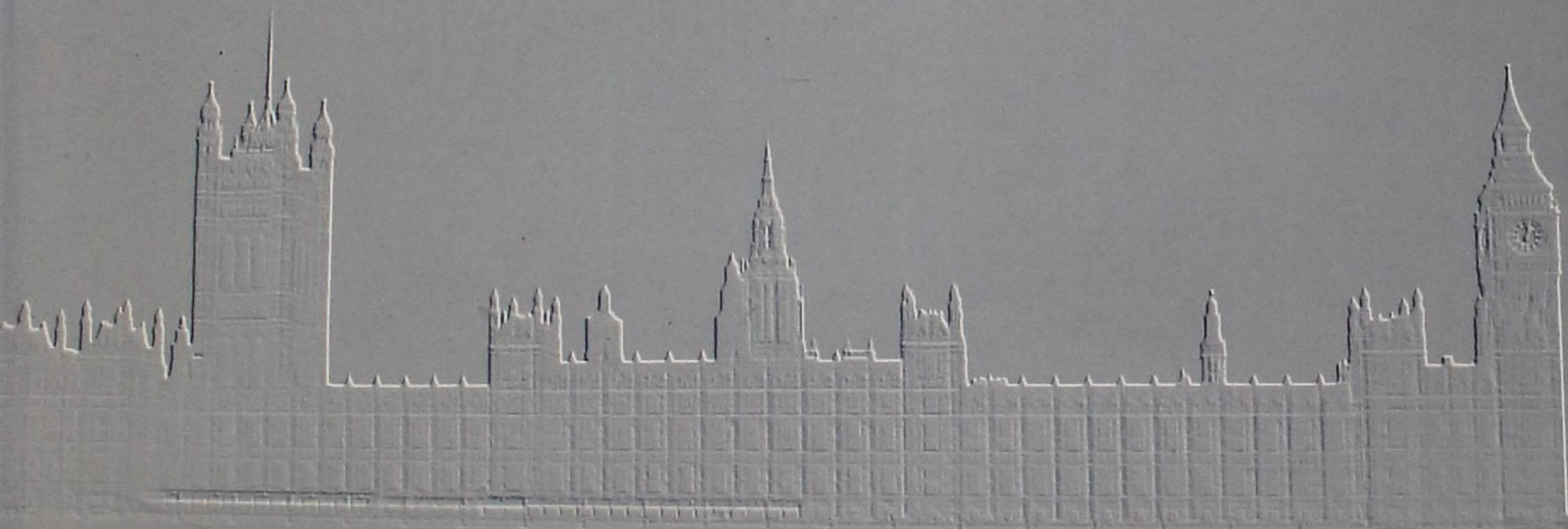




# Public Finance Trends 95



A statistical background to  
public spending and revenues



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# Public Finance Trends

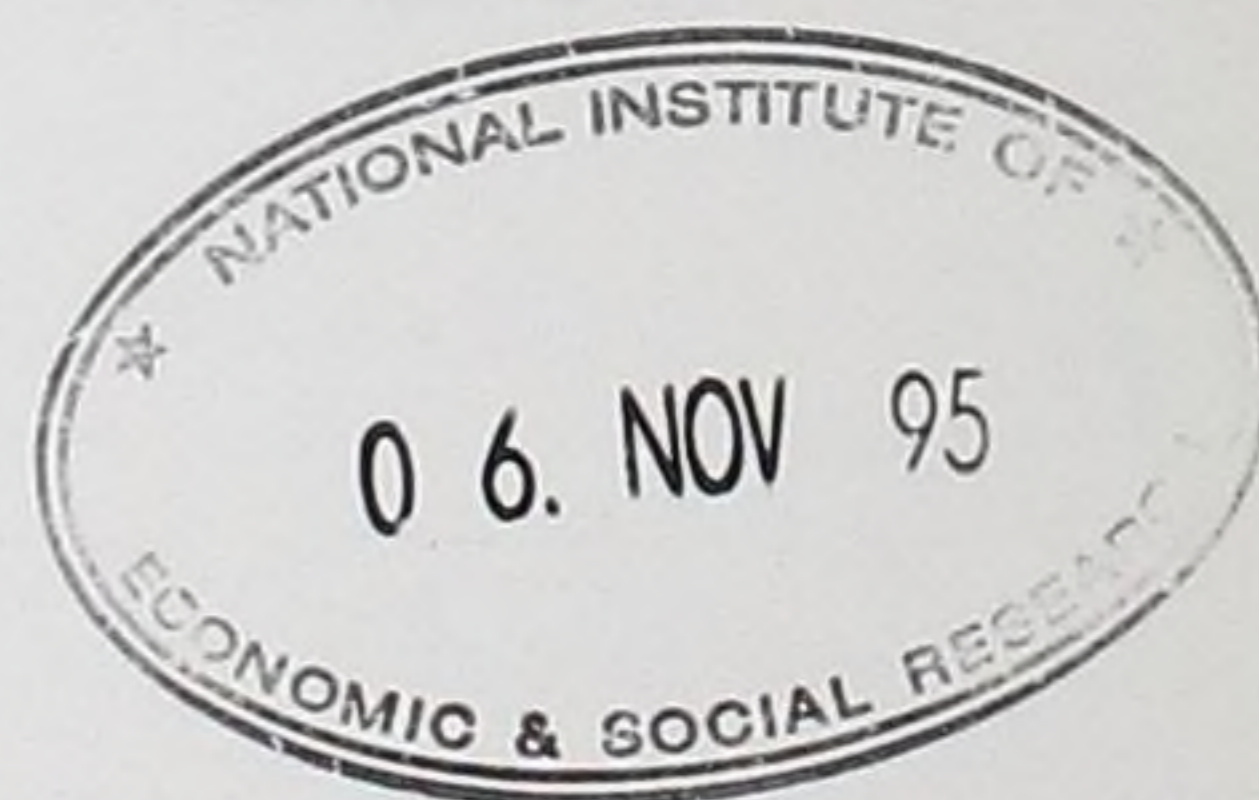
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95

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# Introduction

This is the first edition of *Public Finance Trends*.

The Central Statistical Office regularly produces data on the public sector for the national accounts. The resulting tables are published in UK National Accounts, Economic Trends and Financial Statistics. *Public Finance Trends* brings these data together, with some additional public sector statistics published by other sources. It includes commentary, illustrations and long-run tables.

The publication's format and contents owe much to advice from users of our data that we have consulted, as well as to contributions from our colleagues in HM Customs and Excise, the Department for Education and Employment, the Board of Inland Revenue, the Department of Social Security and HM Treasury. We are grateful to all who have helped. We look forward to many more comments from readers and have included a questionnaire for this purpose. Our aim is to make this statistical guide accessible, timely and comprehensive in order to meet our users' needs. We need your help to achieve and maintain this objective.

# Introduction

The purpose of this study is to investigate the effects of various factors on the performance of a system. The study is divided into two main parts: a theoretical analysis and an experimental investigation. The theoretical part focuses on the development of a model that describes the relationship between the input variables and the output performance. The experimental part involves the design and execution of a series of tests to validate the model and to determine the range of conditions over which it is applicable. The results of the study are presented in the form of a series of graphs and tables, which show the variation of performance with respect to the different factors. The conclusions drawn from the study are that the performance of the system is highly sensitive to changes in the input variables, and that the model developed in the theoretical part provides a good approximation of the actual behavior of the system.

# Chapter 1 The public sector: an overview

**Introduction** The United Kingdom economy is divided into sectors for national accounts purposes. The sectors bring together institutional units which play similar economic roles and react similarly to market, fiscal and monetary forces<sup>1</sup>.

The public sector is largely financed through taxation and borrowing from the other sectors. The Budget is the annual plan for the public sector's revenue and expenditure (capital and current). In this century, as the role of the public sector has grown, so has its economic influence on the other sectors. The Chancellor of the Exchequer's Budget statement to the House of Commons has become a statement of government overall economic policy against the background of the public sector accounts<sup>2</sup>.

The public sector consists of general government and the public corporations, which include the nationalised industries. General government is divided into central government and local authorities and these are further divided into trading and non-trading bodies. (A trading activity is the production of goods or services which is, or could be, conducted by the private sector operating in a market context.) Public corporations are by definition trading bodies.

The **central government sector** covers:

- departments and agencies which are answerable to a minister of the Crown or other responsible person, who is in turn answerable to Parliament.
- bodies not administered as government departments but subject to ministerial or departmental control. Regional Health Authorities are included but not National Health Service Trusts, which are public corporations.
- trading bodies subject to ministerial or departmental control, with or without government grants, but without the power to maintain reserves.
- extra-budgetary non-trading funds and accounts controlled by departments, such as the National Insurance Fund, the Exchange Equalisation Account and the Contingencies Fund.

**Local authorities** are public authorities of limited geographical scope which have the power to raise funds through certain forms of local taxation. They comprise county, district, regional and borough councils; services run by joint authorities are included, such as waste regulation, police, fire and civil defence services.

**Public corporations** are corporate enterprises which are publicly owned and controlled, but which, at the same time, have a substantial freedom to conduct their own affairs on ordinary business lines. They can be distinguished from other public sector trading bodies in that they are able to hold reserves. Public

---

1. For full definitions of the sectors see Bibliography references 10 and 11.

2. Before the 1959 Radcliffe report the Budget was presented in terms of the "Exchequer" accounts, limited to the Consolidated Fund. In the 1960s it was extended to cover the whole of the Public Sector Borrowing Requirement (see below and Bibliography reference 22).

corporations are ultimately controlled by Parliament, or in some cases by the parent local authority. Examples are the British Broadcasting Corporation, the Post Office, and HM Stationery Office; limited companies set up to run local transport services, ports and airports and controlled by local authorities are also included.

Looking at the public sector finances, there are **two strands of interest**:

- government finances *per se* - how taxes are raised and how the money is spent
- the macro-economic impact - how the sector contributes to gross domestic product (GDP) and employment; how its borrowing requirement affects the flows of other sectors.

**The public sector  
in the economy**  
*Employment*

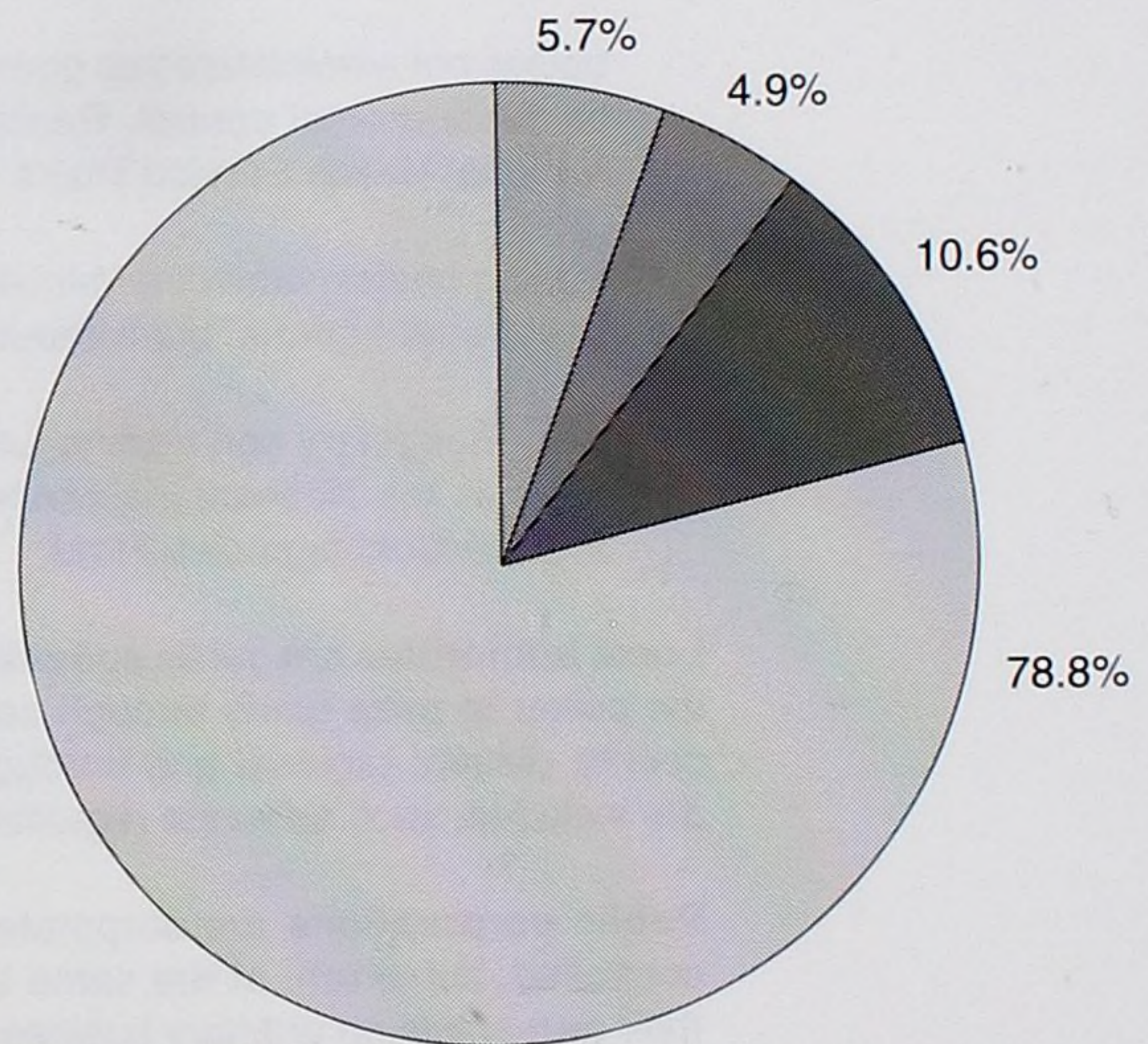
One method of comparing the size and importance of the sectors and sub-sectors is to look at employment. Figure 1.1 shows how the different parts of the public sector compared with the private sector in 1994 (on a headcount basis). In 1994 the public sector as a whole represented 21 percent of total employment (excluding work related government training).

**Figure 1.1**

**Employment by sector**

Headcount, mid-year

- Private sector
- Public corporations
- Central government
- Local authorities



**1994**  
Total employment 25.0m



For public sector employment full-time equivalent figures are available. These provide a more satisfactory basis for comparison, particularly in areas where the hours worked per week vary greatly between individuals. Table 1.1 uses this basis to show how the components of public sector employment changed between 1985 and 1994.

**Table 1.1**

<b>UK public sector employment</b>					
Full-time equivalents, mid-year					<i>thousands</i>
	<b>1985</b>	<b>1986</b>	<b>1987</b>	<b>1988</b>	<b>1989</b>
<b>Total public sector</b>	5705	5638	5437	5357	5162
Total CG	2144	2116	2091	2084	2084
HM Forces	326	322	319	316	308
NHS	1030	1018	1016	1017	1013
Other CG	788	776	756	751	763
Total LA	2325	2352	2377	2379	2265
Education	1021	1029	1043	1046	992
Social services	256	263	271	277	282
Construction	125	125	128	125	119
Police	182	184	186	190	191
Other LA	689	675	677	674	681
Total PC	1236	1170	969	894	813
Nationalised industries	1118	1043	850	775	703
NHS trusts					
Other PC	118	127	119	119	110
	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>
<b>Total public sector</b>	5121	4948	4892	4627	4379
Total CG	2076	1967	1823	1467	1087
HM Forces	303	297	290	271	250
NHS	1008	904	750	424	163
Other CG	765	766	783	772	674
Total LA	2278	2291	2257	2105	2055
Education	990	982	970	838	818
Social services	288	287	285	279	288
Construction	114	105	97	90	86
Police	194	197	199	201	201
Other LA	692	720	706	697	662
Total PC	767	690	812	1055	1237
Nationalised industries	659	488	452	426	370
NHS trusts		102	256	540	788
Other PC	108	100	104	89	79

An outstanding feature is the reduction in public corporations employment up to 1991, largely as a result of privatisation. Taking the period as a whole, central government employment nearly halved. The reconstitution of NHS hospitals as trusts contributed greatly to a switch in employment between central government and public corporations<sup>1</sup>.

**Gross domestic product**

Another method of comparing sectors and sub-sectors is by their contribution to GDP<sup>2</sup>. Table 1.2 shows the variation since 1985 in the contribution of the different sectors. Broadly the pattern of contributions to GDP shown here resembles the employment pattern shown above. However, the decline in the central government contribution to GDP has been less marked than the decline in its share of employment<sup>3</sup>.

**Table 1.2**

<b>Public sector contribution to GDP</b>					
Percentage of GDP at current factor cost					
	<b>1985</b>	<b>1986</b>	<b>1987</b>	<b>1988</b>	<b>1989</b>
<b>Total GDP (£ million)</b>	307.9	328.3	360.7	401.4	441.8
Total public sector	24.2	24.4	22.4	21.3	20.3
Central government	7.6	7.5	7.4	7.2	7.2
Local authorities	9.1	9.3	9.0	8.9	8.5
Public corporations	7.5	7.7	6.0	5.3	4.7
	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>
<b>Total GDP (£ million)</b>	478.9	495.9	516.5	546.7	579.1
Total public sector	19.3	19.3	20.1	19.4	18.7
Central government	7.2	7.4	7.3	6.4	5.2
Local authorities	8.5	8.9	9.1	8.5	8.2
Public corporations	3.6	3.0	3.6	4.5	5.3

**Public Finance**

Public finance relates to the income and expenditure of the public sector of the economy. Income is mainly derived from taxation (direct and indirect), national insurance contributions and the net trading income of public corporations. Expenditure is on the procurement of goods and services, wages and salaries and current and capital grants in such areas as health, education, defence, welfare and social security.

A way to show the relative size of the public sector activity in the economy over time is to present income and expenditure data as a percentage of GDP. Table 1.3 shows public sector receipts as a percentage of GDP during the period 1985/6 to 1994/5. Receipts overall decreased by 6 percent of GDP. Receipts from social security contributions decreased less as a percentage of GDP than receipts from taxes.

1. For a more detailed analysis of employment changes in the sector see Bibliography reference 5.

2. The public sector contribution to GDP is the output of the public sector, measured mainly by income from employment in the sector and trading profit. Transfer payments between sectors do not contribute to GDP and are therefore excluded.

3. In table 1.2 GDP at factor cost is used because an analysis by sector is available for this measure. For other purposes in this publication GDP at market prices, "money GDP", is used. The latter is based on expenditure data and includes the effects of taxes and subsidies. For an account of how GDP is derived see Bibliography references 1 and 10.

**Table 1.3**

<b>Public sector receipts</b>					
Percentage of GDP at market prices					
	<b>1985/86</b>	<b>1986/87</b>	<b>1987/88</b>	<b>1988/89</b>	<b>1989/90</b>
Total receipts	43.3	42.1	41.7	40.9	40.1
Taxes on income	14.8	13.5	13.8	13.1	13.7
Taxes on expenditure	15.8	16.4	16.2	15.9	15.4
Social security	6.8	6.8	6.8	6.8	6.3
Other receipts	5.9	5.5	5.0	5.1	4.7
	<b>1990/91</b>	<b>1991/92</b>	<b>1992/93</b>	<b>1993/94</b>	<b>1994/95</b>
Total receipts	39.9	39.1	37.1	36.4	37.6
Taxes on income	13.9	13.2	12.0	11.7	12.4
Taxes on expenditure	13.9	15.2	14.5	14.4	14.5
Social security	6.4	6.4	6.1	6.2	6.3
Other receipts	5.8	4.4	4.4	4.1	4.3

Table 1.4 shows public sector expenditure as a percentage of GDP during the same period. Final consumption covers expenditure on goods and services and wages and salaries. Since 1993 it includes payments to universities, colleges and further education institutions, previously shown as grants to the personal sector. Current grants to the personal sector are mainly social security benefits.

**Table 1.4**

<b>Public sector expenditure</b>					
Percentage of GDP at market prices					
	<b>1985/86</b>	<b>1986/87</b>	<b>1987/88</b>	<b>1988/89</b>	<b>1989/90</b>
Total expenditure	45.6	44.2	42.1	39.2	39.6
Final consumption	20.9	20.8	20.4	19.7	19.8
Current grants to personal sector	12.7	12.7	11.8	10.8	10.5
Other expenditure	11.9	10.7	9.9	8.7	9.4
	<b>1990/91</b>	<b>1991/92</b>	<b>1992/93</b>	<b>1993/94</b>	<b>1994/95</b>
Total expenditure	40.5	42.3	44.5	44.2	43.5
Final consumption	20.7	21.8	22.0	21.8	21.4
Current grants to personal sector	10.9	12.4	13.7	14.0	13.8
Other expenditure	8.8	8.0	8.8	8.3	8.3

**Public sector borrowing requirement**

The public sector borrowing requirement (PSBR) indicates the extent to which the public sector borrows from other sectors of the economy and overseas or runs down its holdings of bank and building society deposits or other liquid assets to finance the balance of expenditure and receipts.

The PSBR can be defined in terms of the receipts and expenditure of the consolidated public sector accounts. Current and capital expenditure less receipts, as shown in tables 1.3 and 1.4 yields the public sector financial deficit (PSFD). The difference between this and the PSBR comprises:

1. Transactions in financial assets (notably privatisation proceeds and net lending).
2. Public corporations trade credit.
3. Accruals adjustments; that is, the difference between the accruals figures of the national accounts and the cashflows which generate PSBR.

See table 10.61, and chapter 6.

It is also possible to consider PSBR in terms of the borrowing requirements of the sub-sectors of the public sector: central government (CGBR), local authorities (LABR) and public corporations (PCBR)<sup>1</sup>.

Part of the central government borrowing requirement is needed to finance central government on-lending to local authorities and public corporations.

Table 1.5 shows the total public sector borrowing requirement and those for central government (own account), local authorities and public corporations as percentages of GDP.

**Table 1.5**

<b>Public sector borrowing requirement</b>				
Percentage of GDP at market prices				
	PSBR	CGBR(O)	LABR	PCBR
1985/86	1.5	1.2	0.5	-0.1
1986/87	0.9	1.2	0.0	-0.3
1987/88	-0.8	-0.8	0.3	-0.3
1988/89	-3.0	-2.7	0.1	-0.4
1989/90	-1.5	-1.0	0.3	-0.7
1990/91	-0.1	-0.5	0.6	-0.2
1991/92	2.4	2.0	0.3	0.1
1992/93	6.0	7.0	-1.0	-0.1
1993/94	7.1	7.5	-0.4	0.0
1994/95	5.3	5.7	-0.1	-0.2

*Negative signs indicate net repayment of debt.*

**Contact point**

Jeff Golland telephone: 0171 270 6176

1. For a fuller account of the PSBR see chapter 6 and Bibliography reference 22.

# Chapter 2 General government

General government covers government at central and local levels. General government receipts comprise mainly taxation and social security contributions, and its expenditure is on the public services, such as defence, health and social security.

Over time, responsibility for carrying out particular government services can pass between central and local government. In this instance, continuity can be maintained only for general government as a whole. The responsibility for carrying out particular government services can also be passed to public corporations, or the private sector.

## **General government, the public expenditure planning process and the control total**

Public expenditure is planned in the context of the **Public Expenditure Survey** (PES). The PES database holds data for the current, previous five and following three financial years. The government's plans for each year are first announced in the Budget statement in the previous November. They are published in the *Financial Statement and Budget Report* (FSBR). More detail is published in the Departmental Reports in March, and in the *Public Expenditure Statistical Supplement* to the FSBR published in February.

The government's plans for public expenditure are currently defined in terms of the **Control Total**. This concept covers the majority of public expenditure; in order to provide the most effective target, it excludes two major items of public expenditure affected by the economic cycle, namely debt interest and the cyclical element of social security, and includes a number of other items. It also excludes privatisation proceeds.

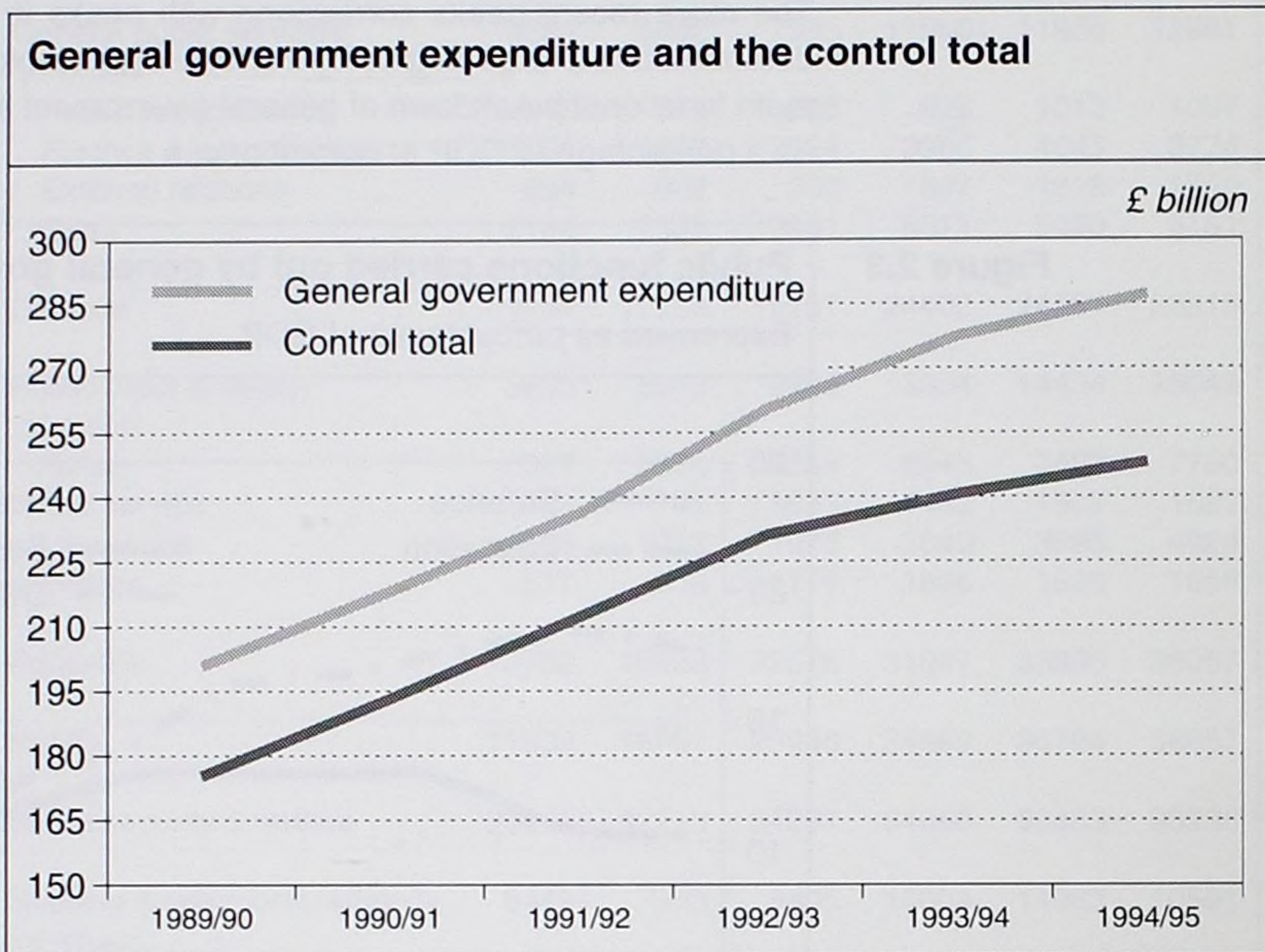
Table 2.1 shows how the control total relates to three different measures of general government expenditure. These are the national accounts version (GGE), GGE excluding privatisation proceeds, and GGE(X) which is GGE excluding privatisation proceeds and lottery-financed spending, and net of interest and dividend receipts. Table 2.1 is largely based on national accounts data, but the control total is for planning purposes determined by PES.

**Table 2.1**

<b>Public expenditure <sup>1</sup>.</b>				
General government expenditure and the control total				<i>£ million</i>
	1991/92	1992/93	1993/94	1994/95
<b>General government expenditure</b>				
Current	223935	246068	261359	272970
Capital	20300	21394	19905	19688
Net lending, etc.	-8004	-6890	-3894	-5418
<b>Total GGE</b>	<b>236231</b>	<b>260572</b>	<b>277370</b>	<b>287240</b>
<i>less</i>				
Privatisation proceeds	-7923	-8184	-5430	-6433
<b>GGE excluding privatisation proceeds</b>	<b>244154</b>	<b>268756</b>	<b>282800</b>	<b>293673</b>
<i>less</i>				
National lottery expenditure	0	0	0	0
Interest & dividends receipts	5504	5119	4860	4942
<b>GGE(X)</b>	<b>238650</b>	<b>263637</b>	<b>277940</b>	<b>288731</b>
<b>Adjustments to general government expenditure</b>				
<b>GGE</b>	<b>236231</b>	<b>260572</b>	<b>277370</b>	<b>287240</b>
<i>less:</i>				
Privatisation proceeds	-7923	-8184	-5430	-6433
Cyclical social security	10923	13300	14339	14100
Non-trading capital consumption	1676	1624	1529	1361
Debt interest other than to local authorities	16254	17433	19283	22109
<i>plus</i>				
Other adjustments	-3206	-5256	-7090	-7946
<b>Control total using national accounts data</b>	<b>212095</b>	<b>231143</b>	<b>240559</b>	<b>248157</b>
1. Table 10.25 in Chapter 10 gives a more detailed analysis.				

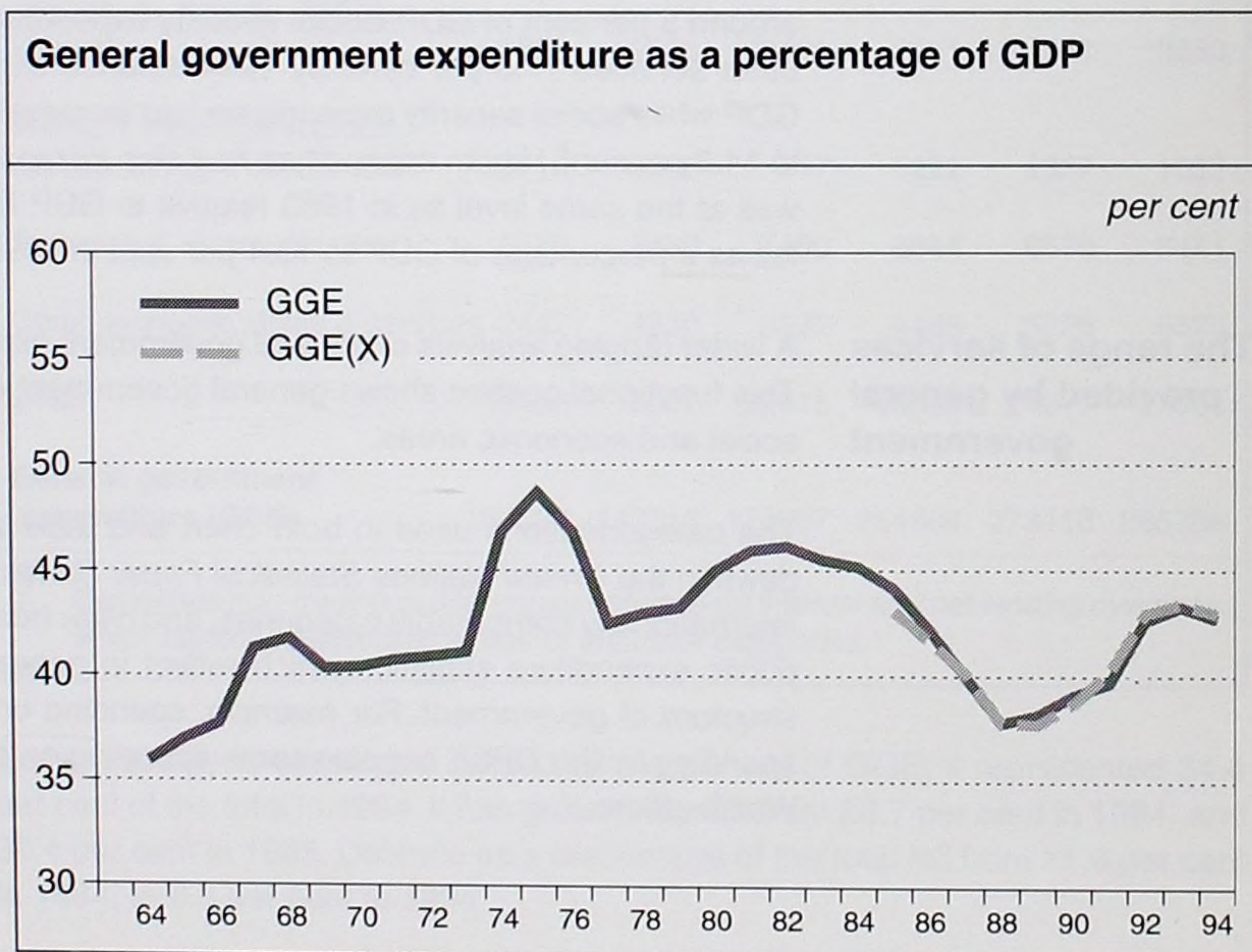
Figure 2.1 shows the *Control Total* against general government expenditure. The graph shows the similarity between the two aggregates. The difference between the two represents the economic categories and accounting adjustments that are not covered by the Control Total (see above).

Figure 2.1



It is the government's objective that, in the medium-term, public expenditure as a share of National Income should fall. Following an announcement on 22 June 1995, this target is now expressed in terms of a new spending aggregate, GGE(X), (see page 12 for definition). Prior to this, the target had been expressed in terms of GGE adjusted to exclude privatisation proceeds.

Figure 2.2



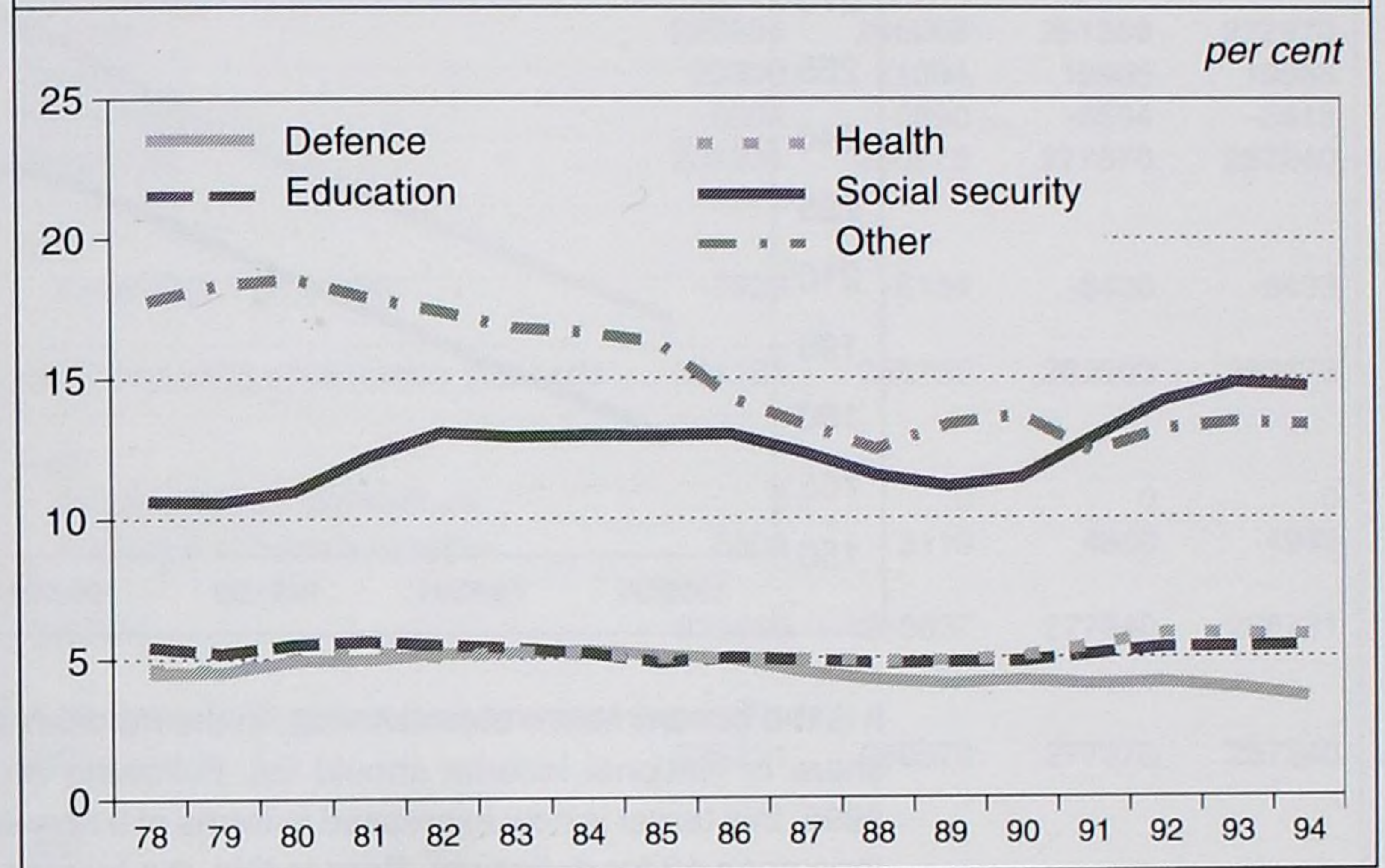
General government expenditure was around one third of GDP in the early sixties. It rose to a peak of 48.7 per cent in 1975, fell back for two years then peaked again in 1982 at 46.1 per cent of GDP. Outturn figures for 1994 show GGE at 42.7% of GDP, with GGE(X) slightly higher at 43.0%.

The more recent peaks correspond with peaks in social security expenditure, determined to a large degree by the level of unemployment. Figure 2.3 shows the main functional breakdown of general government expenditure, again expressed as a percentage of GDP at market prices.

**Figure 2.3**

**Public functions carried out by general government**

Expressed as percentages of GDP



In 1978 expenditure on defence, health and education were broadly similar at around 5 per cent of GDP. Social security expenditure stood at 10.6 per cent and other services 17.8 per cent. By 1994 defence expenditure was 3.9 per cent of GDP while social security expenditure had increased by nearly 2 per cent of GDP to 14.8 per cent. Health expenditure had also increased, but education expenditure was at the same level as in 1983 relative to GDP. Expenditure on other services fell as a percentage of GDP to 13.4 per cent in 1994.

**The range of services provided by general government**

A wider ranging analysis of general government expenditure is given in Table 2.2. This functional context shows general government expenditure in fourteen broad social and economic areas.

The categorisations used in both chart and table are consistent with those set down in the *United Nations Statistical Paper Series M No. 70*. They are therefore internationally comparable categories, and differ from those used in the Treasury's public expenditure statistics which reflect in general the current organisational structure of government. For example, spending on education includes not only spending by the DFEE but also some spending on education by the Scottish and Welsh offices.



Table 2.2

<b>General government</b>						
Analysis of total expenditure						£ million
	1980	1984	1988	1992	1993	1994
General public services	4284	5462	7595	11960	11966	12681
<i>of which:</i>						
Public administration	243	379	638	926	1013	1097
Finance & tax collection	1304	1640	2624	3966	4045	3774
External relations	594	908	902	1697	1818	1659
Other	2134	2535	3431	5371	5090	6151
Defence	11444	17133	19797	24402	24561	23815
Public order & safety	3693	5943	8406	13854	14434	15049
<i>of which:</i>						
Police	2037	3371	4254	6946	7403	7780
Fire service	483	741	1003	1442	1507	1587
Law courts	656	1013	1973	3640	3895	4024
Prisons	517	818	1176	1826	1629	1658
Education	12762	16903	22578	31947	33805	36057
Health	11633	16781	22936	34999	36764	38657
Social security & welfare	25441	42213	54257	84666	93483	98236
Housing & community amenity	8449	7963	8495	10604	11083	10591
<i>of which:</i>						
Housing	6208	5074	3929	6073	6367	5559
Water & sewerage	422	102	793	69	230	376
Other	1819	2787	3773	4462	4486	4656
Recreation & cultural affairs	1474	2136	2828	4168	4211	4476
Fuel & energy	1295	1238	-3026	-516	1127	600
Agriculture, forestry, fishing & food	1625	2538	2487	3111	4161	3280
Mining & mineral resources, manufacturing & construction	2716	2396	917	1222	1337	1632
Transport & communication	3589	3480	4480	6644	6576	6441
Other economic affairs & services	2447	4230	3572	4488	5228	6320
Other <sup>1</sup>	13438	18802	22915	23055	24377	27901
<b>General government expenditure (GGE)</b>	<b>104290</b>	<b>147218</b>	<b>178237</b>	<b>254604</b>	<b>273113</b>	<b>285736</b>
1. <i>Comprises non-trading capital consumption, debt interest and net lending overseas, which cannot be allocated to one of the other categories.</i>						

Social security is the largest functional component of GGE; it represented 34.4 per cent of the total in 1994. It has grown steadily, from 28.7 per cent in 1984, and 30.4 per cent in 1988. Defence as a percentage of the total fell from 11.6 per cent in 1984, to 8.3 per cent in 1994.

**Financing of general government expenditure**

Table 2.3 shows the sources of general government revenue.

**Table 2.3**

**The finances of general government**

*£ million*

	1990/91	1991/92	1992/93	1993/94	1994/95
<b>General government receipts<sup>1</sup></b>					
Inland Revenue					
Income tax	55287	57493	56797	58442	63028
Corporation tax	21495	18263	15783	14887	19390
Petroleum revenue tax	860	-216	69	358	712
Capital gains tax	1852	1140	982	710	916
Inheritance tax	1262	1299	1211	1333	1417
Stamp duties	1703	1697	1264	1739	1790
Other receipts	4	1	1	1	1
<b>Total Inland Revenue<sup>2</sup></b>	<b>82464</b>	<b>79676</b>	<b>76107</b>	<b>77468</b>	<b>87247</b>
Customs and Excise					
Value added tax	30991	35626	37340	38865	41817
Fuel duties	9444	10821	11232	12487	14007
Tobacco duties	5636	6289	6040	6518	7388
Spirits duties	1703	1742	1659	1707	1776
Wine duties	855	924	980	1082	1139
Beer duties	2229	2325	2378	2282	2534
Cider and perry duties	69	74	88	101	112
Betting and gaming duties and lottery	1006	1053	1025	1106	1217
Car tax	1464	1240	603	-4	0
Customs duties	1684	1732	1788	2009	2007
Agricultural levies	132	194	174	160	157
Air passenger duty	0	0	0	0	84
Insurance premium tax	0	0	0	0	117
Other receipts	10	16	9	0	0
<b>Total Customs and Excise<sup>2</sup></b>	<b>55223</b>	<b>62036</b>	<b>63316</b>	<b>66313</b>	<b>72355</b>
Vehicle excise duties	2945	2933	3264	3628	3846
Oil royalties	606	556	554	606	546
Local authority/business rates <sup>3</sup>	12253	13900	13415	13234	12122
Other taxes and royalties	4970	5253	5470	5776	5959
<b>Total tax and royalty receipts</b>	<b>158461</b>	<b>164354</b>	<b>162126</b>	<b>167025</b>	<b>182075</b>
Social security receipts	35410	36294	37305	38790	42073
Community charge/council tax	10335	7417	8334	8576	9062
Interest and dividends	6255	5504	5119	4860	4942
Gross trading surpluses and rent	3673	4114	4350	4867	4831
Other receipts	4640	4587	5550	6442	6549
<b>General government receipts</b>	<b>218774</b>	<b>222270</b>	<b>222784</b>	<b>230560</b>	<b>249532</b>
North Sea revenues	2313	983	1308	1219	1630
<b>General government expenditure</b>					
<b>Public expenditure control total<sup>4</sup></b>	<b>193354</b>	<b>212623</b>	<b>231481</b>	<b>240667</b>	<b>248043</b>
Cyclical social security	7833	10923	13300	14339	14100
Central government debt interest	17552	16254	17433	19283	22109
Privatisation proceeds	-5345	-7923	-8184	-5430	-6433
Other adjustments	4775	4354	6542	8511	9421
<b>General government expenditure(GGE)</b>	<b>218169</b>	<b>236231</b>	<b>260572</b>	<b>277370</b>	<b>287240</b>
General government borrowing requirement (GGBR)	-605	13961	37788	46810	37708

1. On a cash basis.

2. Total not always sum of components because of rounding.

3. Mainly National non-domestic rates.

4. Using Public Expenditure Survey figures.

The shortfall of receipts against expenditure has to be met through borrowing. Chapter 1 provides a definition of the *Public Sector Borrowing Requirement* (PSBR). Chapter 1 also noted that the PSBR could be sub-divided into borrowing requirements for the constituent sectors. General government financing of its shortfall is measured through the *General Government Borrowing Requirement* (GGBR).

Figure 2.4 shows the GGBR as a percentage of GDP.

**Figure 2.4**

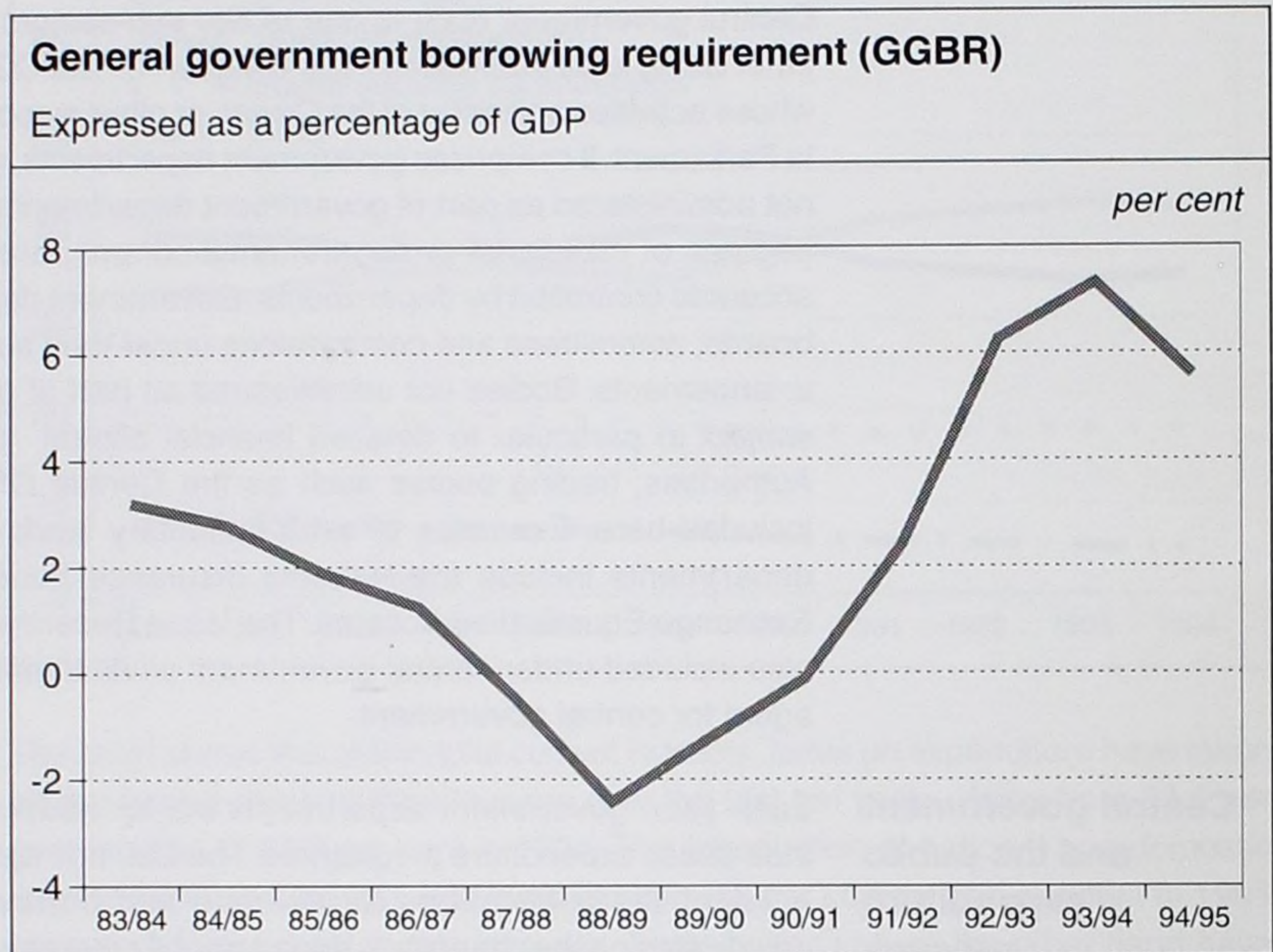


Figure 2.4 shows the GGBR as a share of GDP. A surplus of £11.8 billion in 1988/89 had become a deficit of £13.9 billion by 1991/92. The GGBR peaked at £46.8 billion in 1993/94, with its proportion of GDP also peaking at 7.3 per cent. Outturn figures for 1994/95 show this proportion declining to 5.6%.

# Chapter 3 Central government

Central government (CG) is one of two sub-sectors of general government (the other being local authorities - see Chapter 4). The CG sector embraces bodies for whose activities a Minister of the Crown, or other responsible person, is accountable to Parliament. It comprises government departments, government agencies, bodies not administered as part of government departments (although subject to varying degrees of ministerial or departmental control), and extra-budgetary funds and accounts controlled by departments. Government departments include all bodies, boards, committees and commissions under their aegis with identical accounting arrangements. Bodies not administered as part of government departments are subject in particular to detailed financial control, for example Regional Health Authorities; trading bodies such as the Central Office of Information are also included here. Examples of extra-budgetary funds and accounts controlled by departments include the National Insurance Fund and the Bank of England Exchange Equalisation Account. The Issue Department of the Bank of England is also included under central government as its transactions are carried out as an agent for central government.

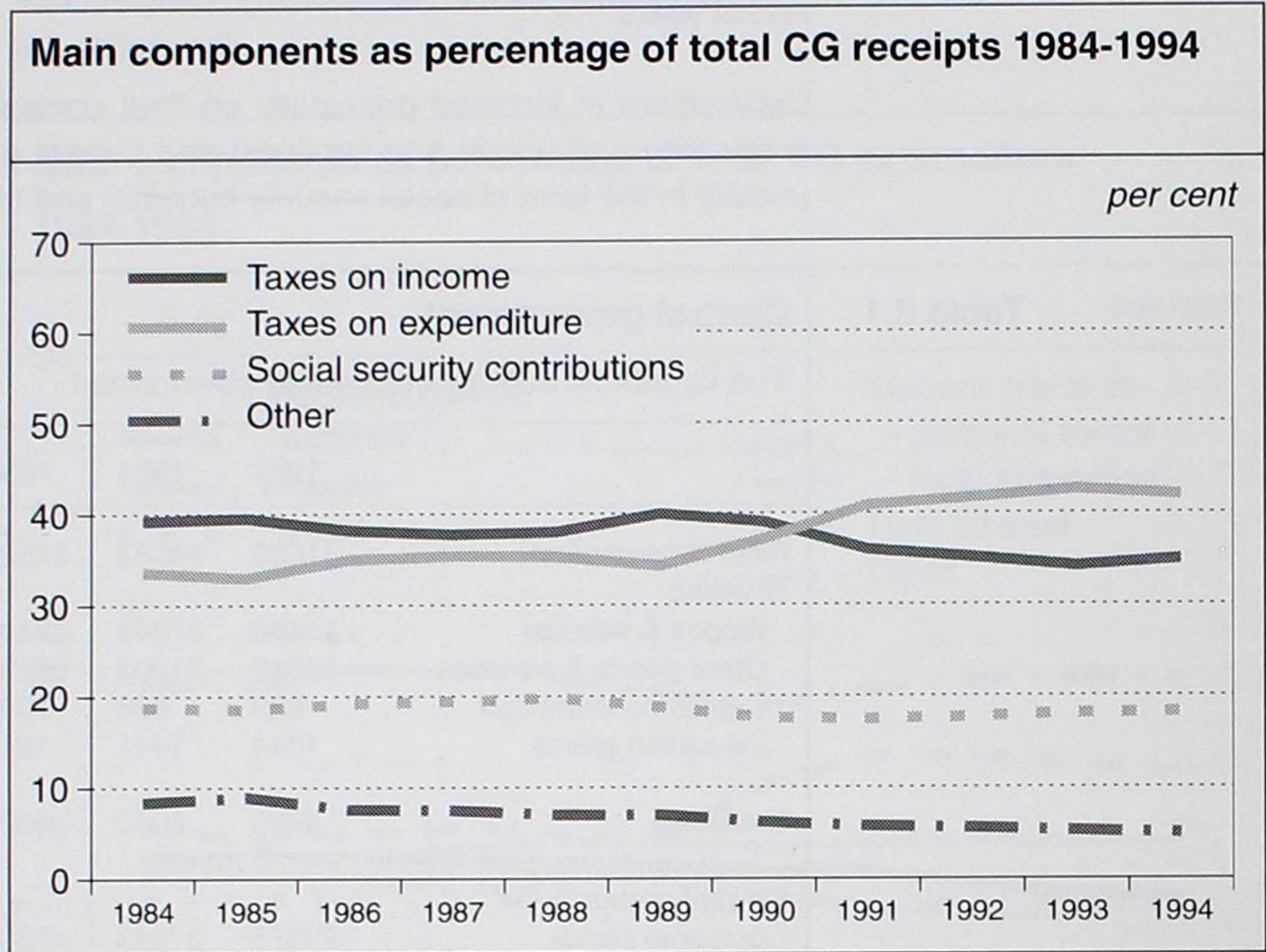
## **Central government and the public expenditure process**

Each year, government departments bid for additions to and subtractions from their public expenditure programme. The Cabinet agrees overall totals, taking into account the implications for revenue and borrowing. A Cabinet committee adjudicates on the changes to departmental programmes that are needed to deliver the total. The Chancellor and the Treasury decide upon the detail of any changes in taxation, and make an estimate of the borrowing implied by the tax and spending plans. Broad expenditure plans, taxation changes, and the consequent PSBR are announced in the Budget. Detailed spending plans for government departments are set down in departmental reports and in the supply estimates. The latter must be given formal Parliamentary approval.

**Central government receipts**

Taxes on income and on expenditure, together with social security contributions are the major contributors to central government current receipts.

**Figure 3.1**



The chart shows that within total current receipts, taxes on expenditure have taken an increasing share of total revenue over the last ten years, rising from 33.6 per cent in 1984 to 41.9 per cent in 1994. The introduction of national non-domestic rates in 1990 and the VAT rate increase from 15 per cent to 17.5 per cent in 1991 have contributed most to this increase. Taxes on income on the other hand have taken a declining share, falling from 39.2 per cent to 34.9 per cent over the same period. Social security contributions have remained in the range 17 to 20 per cent.

## Central government expenditure

Central government has accounted for about 75 per cent of general government expenditure (that is, current and capital account expenditure, net lending, etc.) in recent years.

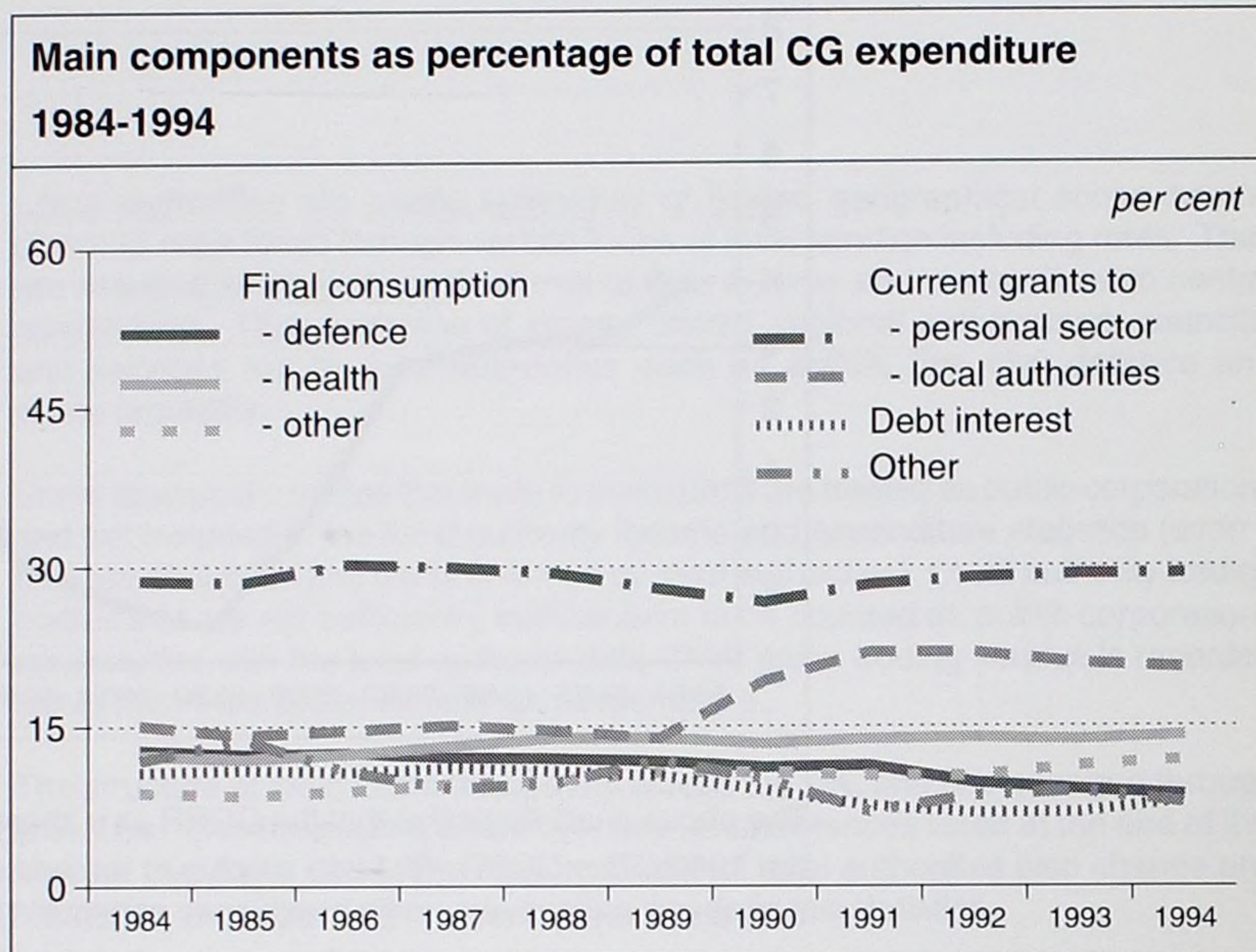
Expenditure is incurred principally on final consumption (mainly pay and the procurement of goods and services) and current grants to the personal sector (mostly in the form of social security benefits) and to local authorities.

**Table 3.1**

<b>Central government</b>						
The economic activities of central government						£ million
	1980	1984	1988	1992	1993	1994
Final consumption	31033	44583	57522	82259	89118	93414
<i>of which</i>						
Wages & salaries	15460	21243	28105	36989	34420	29242
Other goods & services	13840	21003	26202	40531	47186	55371
Capital consumption	689	896	1303	1608	1592	1408
Education grants	1044	1441	1912	3131	5920	7393
Subsidies	4620	6040	5007	6133	6848	6497
Current grants to the personal sector	23375	37843	47308	70126	76493	79367
Current grants to local authorities	13233	19908	23452	53091	54632	55403
<i>of which</i>						
NDR	0	0	0	13260	13741	13017
Other	13233	19908	23452	39831	40891	42386
Current grants abroad (net)	1780	2099	3248	4834	4969	5139
Debt interest	8264	14110	17371	16634	18077	21716
GDFCF	1761	2728	3709	6855	6542	6110
Value of physical increase in stocks	43	280	-322	-17	-24	-250
Capital transfers	2230	3139	3993	14362	10494	9617
<i>of which</i>						
Private sector	1592	2123	2250	3190	4234	3393
Local authorities	295	677	1037	7921	3154	3176
Public corporations	343	339	706	3251	3106	3048
Net lending	2743	2829	5945	-4108	-60	467
<i>of which:</i>						
Private sector	347	66	272	65	227	485
Local authorities	1224	2758	4829	-5818	-1540	-845
Public corporations	1690	-128	659	1301	1044	608
Overseas	-518	133	185	344	209	219
Public dividend capital, etc.	1415	853	147	1	0	0
Company securities	148	-2431	-6194	-7580	-5400	-6486
<b>Grand total</b>	<b>90645</b>	<b>131981</b>	<b>161186</b>	<b>242590</b>	<b>261689</b>	<b>270994</b>

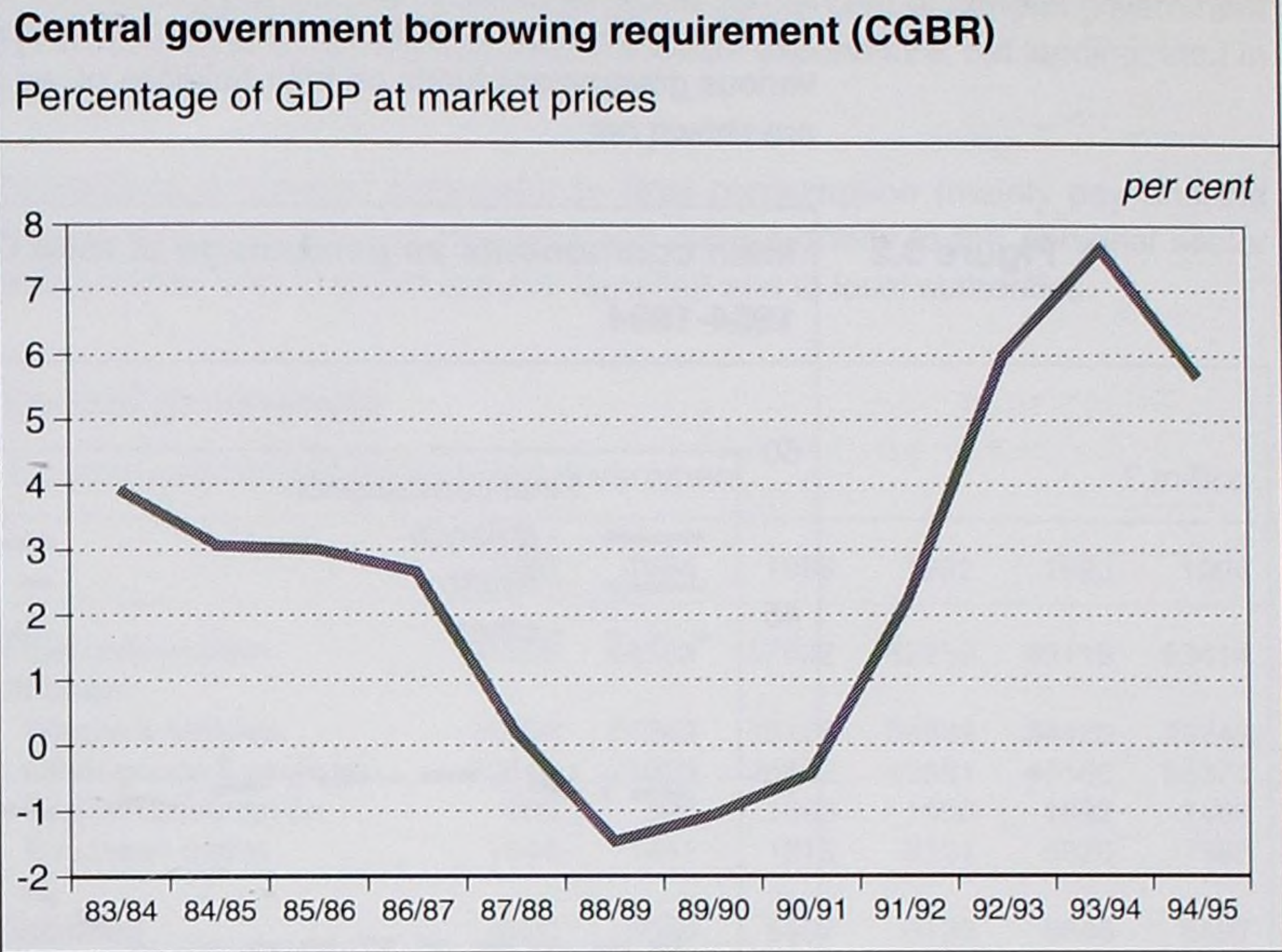
Unlike general government, transactions between CG and LA are not consolidated out. Flows between bodies entirely within the sector, such as interest receipts by various government funds on their holdings of, eg British government securities, are shown net.

Figure 3.2



Defence expenditure within final consumption has fallen from 12.8 per cent in 1984 to 8.5 per cent in 1994; health expenditure has risen in the same period from 12.2 to 14.1 per cent, whilst expenditure on the remaining social and economic functions detailed in Table 2.2 in the previous chapter, at 8.8 per cent in 1984, is now 11.8 per cent. Some of this rise reflects an increase in education grants expenditure resulting from the switch in funding of schools that became grant-maintained (previously funded by local authorities, now funded by central government). Current grants to the personal sector have shown little change, remaining in the range 27 to 30 per cent. Current grants to local authorities have risen from 15.1 per cent in 1984 to 20.4 per cent in 1994, the big step up from 1990 onwards as a result of the introduction of national non-domestic rates, distribution of which to LAs is included here. Debt interest payments, at 10.7 per cent of current expenditure in 1984, had declined to 8.0 per cent by 1994, having peaked at 11.1 per cent in 1987.

**Central government borrowing requirement**  
**Figure 3.3**



The above chart illustrates that the CGBR as a share of GDP declined throughout the 1980s. The CGBR went into surplus at the end of the decade, most notably with a net repayment of £7.1 billion in 1988/89. The position reversed sharply thereafter; in 1993/4 the CGBR peaked at £48.9 billion, representing 7.6 per cent of GDP. Outturn figures for 1994/95 show a fall back to £38.4 billion, which represented 5.7 per cent of GDP.



# Chapter 4 Local authorities

## Definition of local authorities

Local authorities are public authorities of limited geographical scope having power to raise funds through certain forms of local taxation including rates. They are required to make annual returns of their income and expenditure to central government. They comprise of county, district, regional and borough councils; and services run by joint authorities such as police, fire, civil defence and waste regulation.

Some local public bodies that trade to make profit are treated as public corporations and not included in the local authority income and expenditure statistics (even if they are controlled and partly financed by local authorities). Local authority trading bodies that are not sufficiently independent to be counted as public corporations are included with the local authority data. Their gross trading surplus is recorded rather than their actual income and expenditure.

## Structure of local authorities

The structure of local authorities varies across the UK, and has changed through time. The notes here give a broad overview; the references listed at the end of this chapter give more detail. The responsibilities of local authorities also change and should be considered when interpreting trends in the statistics.

In London there is a single tier of principal authority comprising the 32 London Boroughs and the City of London. Joint bodies are responsible for fire and civil defence, waste regulation and disposal, and police.

In the six metropolitan areas in England most services are run by the 36 metropolitan districts, with police, fire services, civil defence, transport, and, in some cases, waste regulation being the responsibility of joint bodies.

Elsewhere in England, and in Wales, there are two tiers: 47 counties and 334 districts. Planning, fire services, civil defence, public transport and highways, libraries, education, police and social services are at county level. Districts administer housing, refuse collection, local taxation, environmental health, planning applications, leisure and recreation. In some areas, parish, town and community councils (about 8,100 in total) form a minor third tier. Police authorities have been free standing from April 1995; generally they are congruent with the area of a county but sometimes covering two or more counties.

Most of Scotland operates a two tier system. There are nine regions; they have similar responsibilities to counties in England and Wales and in addition they manage water and sewerage services, and administer tax collection. Within the regions there are 53 districts. A single tier system operates in the Islands areas of which there are three.

In Northern Ireland there are six counties. They are responsible for a much smaller range of functions than local authorities in Great Britain. Most local authority services are administered by Northern Ireland departments and funded by central government.

Other local authorities include probation committees, combined police authorities, residuary bodies, drainage boards, magistrates courts, and authorities responsible for local markets, waste disposal, national park planning.

The Local Government Commission for England is reviewing the structure of local government in England outside London and the metropolitan areas. The

Commission looked at the case for replacing the two-tier structure with one based on unitary authorities that would each be responsible for all local authority functions. However, it did not recommend a national blueprint for reorganisation: decisions were made according to the needs of each area which in some cases will be a unitary authority. Reorganisation will be implemented progressively from April 1995 and be completed by April 1997. Parliament has approved legislation to introduce single tier local government throughout Scotland and Wales from April 1996.

### **Local authority finances**

Local authorities account for around one quarter of general government expenditure. In 1994-95 total current and capital spending (including debt interest) by local authorities was £76.9 billion.

In recent years about 80% of local authority funding has come from central government; the remainder is from council tax, rent, fees, trading activities, and investments. In Northern Ireland, old style rates continue instead of council tax. Central government support for local authorities is provided through grants for both current and capital expenditure, and from the redistribution of national non-domestic rates (NNDR). Support may be non-specific, eg Revenue Support Grant; or related to specific services, eg police grant. Grants are all included within the Control Total (see chapter on general government), with the exception of certain grants (such as European Community capital grants) which are excluded to avoid double-counting with credit approvals/net capital allocations. Central government sets limits on local authority borrowing through the issue of credit approvals (called "net capital approvals" in Scotland).

Local authority spending can broadly be divided into two categories: main local services (see below); and other services that are financed wholly, or almost wholly, by central government through specific grants with little or no impact on local tax levels (examples are rent allowances and mandatory student awards).

Local authorities determine the level, pattern, and standard of the main local services - subject to the financial resources available, including the implications for local taxation, and in some cases subject to regulation and inspection of the service provided.

Total standard spending (TSS) is the amount that government judges appropriate for expenditure on main services. For 1995-96, TSS was set at £43.5 billion in England, £2.8 billion in Wales, and £6.1 billion in Scotland (where it is called "government supported expenditure"). The TSS announcement provides a breakdown of expenditure on each main service that would be consistent with the overall figure.

Central government support for expenditure on the main services is provided through aggregate external finance (AEF). This comprises:

Revenue support grant (RSG)

National non-domestic rate (NNDR) payments: there are separate NNDR poundages set by government for England, Wales, and (from 1995-96) Scotland, with the proceeds pooled and distributed to local authorities in proportion to their populations;

certain current specific grants, which fund part of the expenditure on a specific service or activity.

special grants

Capital expenditure is funded from central government; from local authorities' own resources - capital receipts and revenue; and from borrowing or credit arrangements within the limit of credit approvals issued by government. Local authorities in England and Wales must set aside a specified part of their capital receipts to repay debt; in Scotland such receipts cannot be carried forward to the following year. Annual capital expenditure has been about £9 billion in recent years.

## Definitions in tables

Tables 10.41 to 10.48 are compiled by CSO using national accounts definitions. The totals differ from, but are consistent with, those published by Treasury, and figures published by departments with responsibilities for local government (DoE, SO, WO). Some differences between the national accounts' definitions and other measures are described below. Differences also arise from the timing and sources of information used.

Local authority final consumption includes an imputed charge for non-trading capital consumption. It represents the income from the ownership of non-trading capital assets, and the cost of consuming such assets. It is needed to arrive at a measure of the total economic cost of providing local authority services. It is not included in the Treasury and departmental figures which are based on actual cash payments.

Rent consists of local authorities' receipts of rent measured as the balance of income and expenditure in the housing operating account. On national accounts definitions, this balance excludes interest receipts and payments, capital expenditures met from revenue, and changes in working balances. It thus differs from the balance in local authority accounts which include these items of income and expenditure.

Grant maintained schools are classified to the personal sector in national accounts. Their expenditure is recorded as central government buying a service from the personal sector. The Treasury record this as local authority expenditure.

## Recent major changes affecting time series

- 1988: Education Reform Act introduced concept of grant maintained status for schools. Such schools came into existence from 1989 onwards opting out from local authority control, and are classed as non-profit institutions (reduces local authority final consumption, increases central government final consumption).
- 1989: funding of polytechnic and higher education colleges in England transferred to the Polytechnic and Colleges Funding Council (PCFC) - now the Higher Education Funding Council (HEFC); (1993 in Wales) (reduces local authority final consumption, increases central government final consumption).
- 1989: domestic rates abolished in Scotland and replaced by community charge (reduces taxes on expenditure).
- 1990: nationally determined uniform non-domestic rate introduced (reduces taxes on expenditure, increases current grants from central government).
- 1990: proportion of mandatory student awards financed by central government increased to 100% (increases current grants from central government).
- 1990: domestic rates abolished in England and Wales and replaced by community charge (reduces taxes on expenditure).
- 1991: central government support is increased by £140 per community charge payer (increases current grants from central government).
- 1992: Chancellor's Autumn Statement announced temporary relaxation of capital receipts rules (boosts capital expenditure in 1993-94 and 1994-95).
- 1993: local authorities became responsible for implementing new legislation on community care (increases final consumption).
- 1993: funding of further education and sixth form colleges in England transferred from local authorities to the Further Education Funding Council; (1992 in Wales) (reduces final consumption, increases central government final consumption).
- 1993: Community charge replaced by council tax.

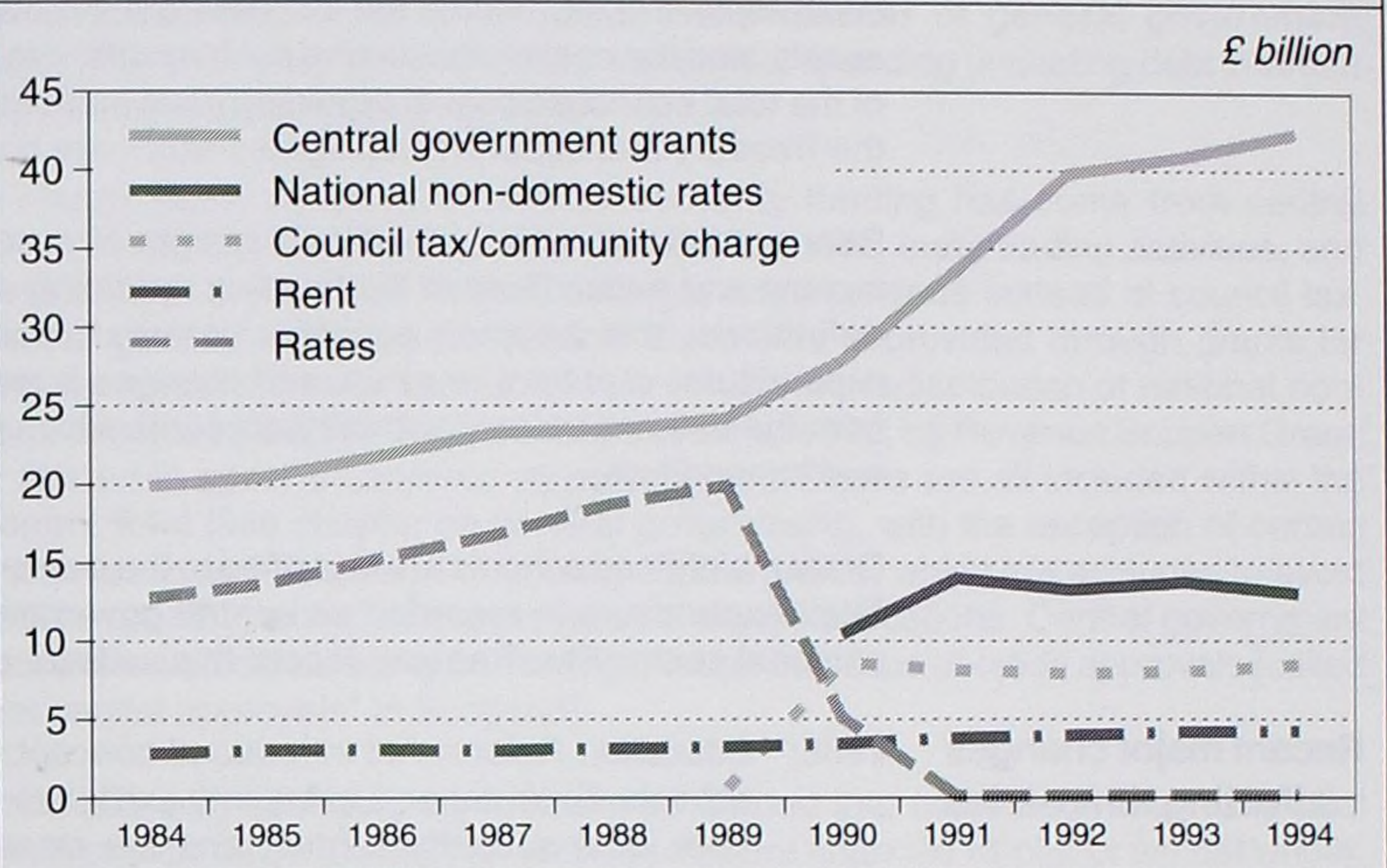
**Recent trends**

Figure 4.1 shows that the proportion of local authority receipts from central government has increased over the last ten years, reflecting changes in the system of support described above.

**Figure 4.1**

**LA receipts**

(excludes minor sources of revenue)

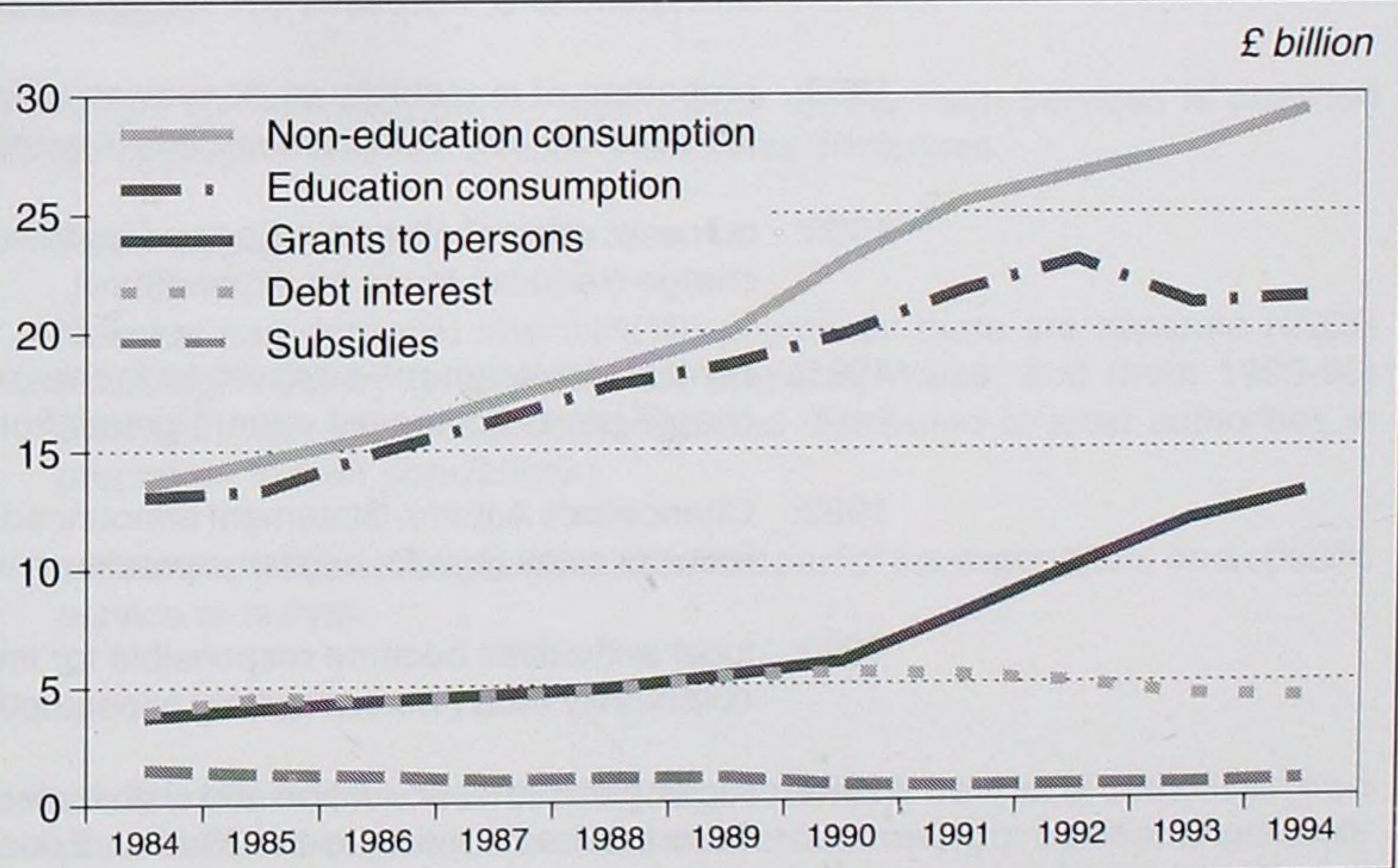


Reference: Table 10.41

Figure 4.2 shows that the proportion of local authority expenditure on education has fallen. Local authority education expenditure fell in 1993-94 because the funding of sixth form colleges in England was transferred from local authorities to the Further Education Funding Council. Since 1990, grants to persons has shown the largest increase and partly reflects changes in the way housing is supported.

**Figure 4.2**

**LA expenditure**



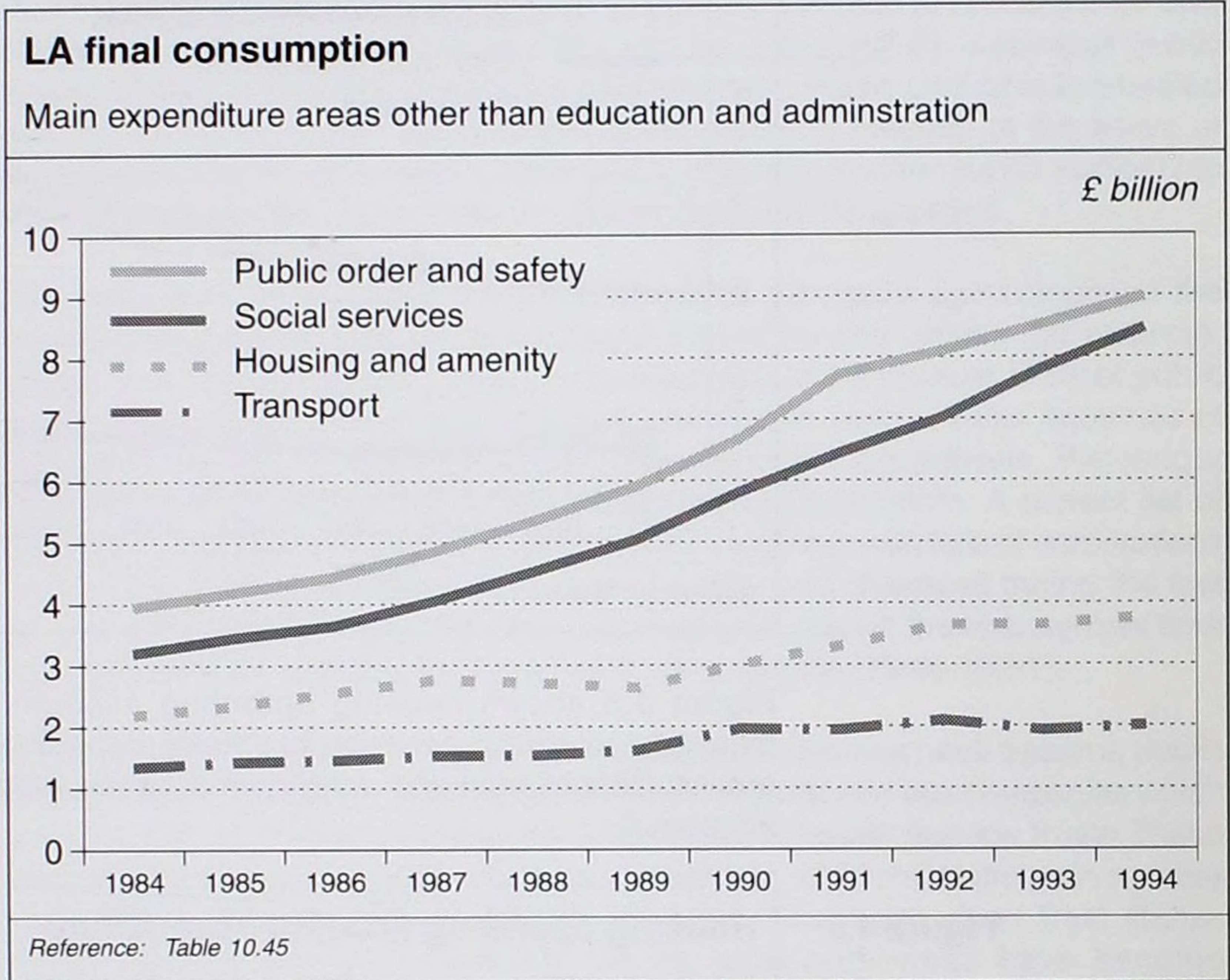
Reference: Table 10.43

Figure 4.3 shows trends in final consumption expenditure on some main areas of local authority activity other than education and general services.

Expenditure on social services has been increasing in recent years. This reflects an upward trend for many years and the introduction of the Care in the Community programme in 1993 which gave local authorities some responsibilities for patient care that were previously the role of central government departments.

Expenditures on the police, fire services, and law courts have also risen proportionally more than on most other local authority activities.

**Figure 4.3**



Most of the transactions of a local authority take place within a General Fund. Other funds may include a superannuation fund and a collection fund. Local authorities are required to maintain a housing revenue account (HRA), within the General Fund, covering current income and expenditure on its housing services relating to its own housing stock.

Figure 4.4 shows housing operating account income. The proportion of income from rents - either through tenant payments or rent rebates - has increased at the expense of direct subsidies for housing.

Figure 4.4

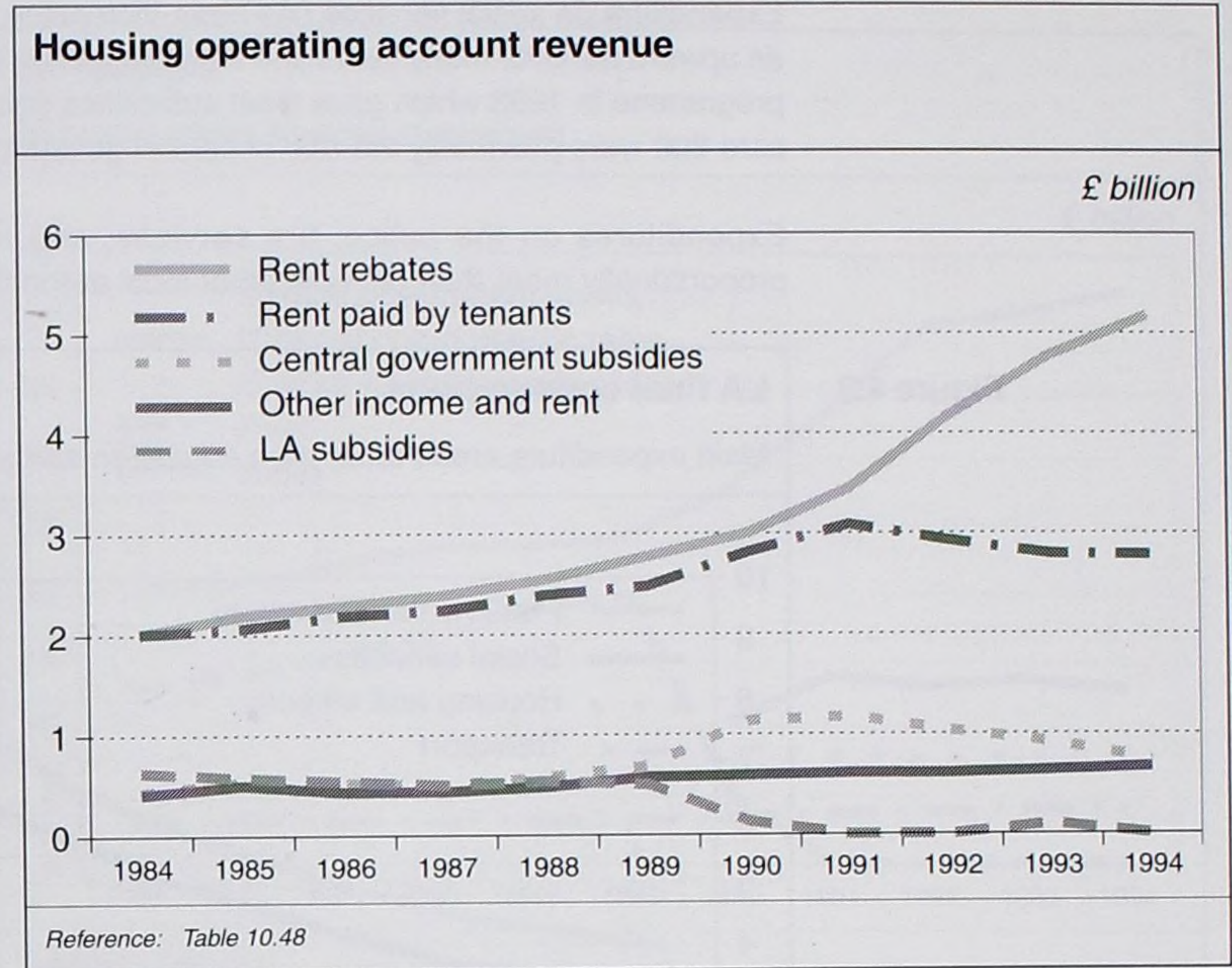
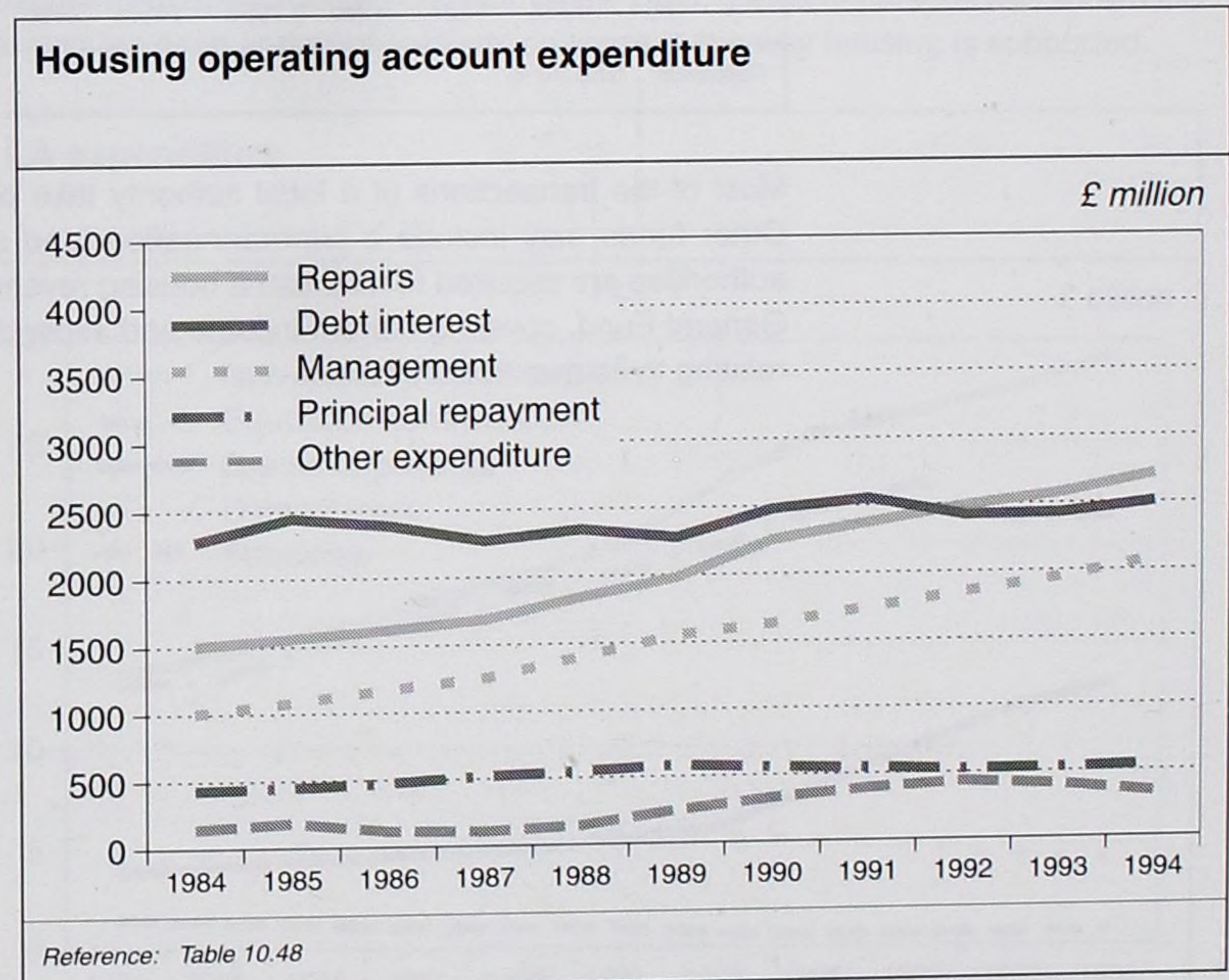


Figure 4.5 shows housing operating account expenditure. Spending on management and supervision has risen proportionately more than spending on repairs. Debt interest and repayment of capital rose by only a small amount over the period.

Figure 4.5



**References:** See Bibliography references 10, 11, 13, 23, 24, and 25.

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# Chapter 5 Public corporations

## Introduction

The public corporations sector is a sub-set of the public sector (see Chapter 1). It consists of corporate enterprises which are publicly owned and controlled over broad aspects of policy, but which have substantial freedom to conduct their own affairs on ordinary business lines. They can be distinguished from other public trading bodies in that they are able to hold reserves. Public control is associated with the direct or indirect appointment of the whole or majority of the board of management by the sovereign, parliament, a minister, or other public authority to whom the corporation is required to present accounts for approval.

## Trends in coverage of sector

The major part of the public corporations sector ten years ago comprised the bodies managing the publicly owned basic industries and utilities (for example, British Steel and British Gas, both since privatised), and a number of other public bodies with certain similar features which operated in various other branches of economic activity, for example, Urban Development Corporations, Passenger Transport Executives and the British Broadcasting Corporation. A current list of the public corporations sector is given in Annex 1 together with lists of corporations which have been reclassified to the private sector and dissolved during the last ten years. The effects of privatisations can clearly be seen in the employment time series (Table 5.1), and that for the gross trading surplus (Table 10.51).

Within the last ten years, a number of smaller organisations have become public corporations, for example, local authority owned airports and bus companies which are run independently and most significantly, National Health Service Trusts. These are locally managed hospitals or groups of hospitals, which have grown in number from 57 in 1991/92 to 495 in 1994/95, as more have been given Trust status. Some housing estates previously run by local authorities have become independently run Housing Action Trusts (from 1991/92). Recent developments have been the privatisation of British Coal, and the break up of British Rail into operating and other companies, and Railtrack which owns the infrastructure and is planned to be privatised soon. The nuclear power industry is being reviewed, with a view to restructuring and privatisation of some companies, for example, Nuclear Electric, AEA Technology.

## National accounts treatment

In the national accounts public corporations are treated differently to the rest of the public sector. They are more like industrial and commercial companies. They do not have final consumption, and so only contribute to the GDP expenditure measure through their capital expenditure. Their gross trading surplus contributes to the GDP income measure. Current transfers to them from government are all recorded as subsidies.

## Public expenditure control

The public expenditure Control Total includes the external finance of those public corporations accountable to central government (so it excludes the few accountable to local authorities). Table 10.24 in chapter 10 shows where it appears in the *Control Total*.

External finance comprises not only government subsidies and capital transfers, but also net borrowing which a corporation may raise to supplement income from trading activities. Net borrowing includes government lending (loans on Votes and from the National Loans Fund), market and overseas borrowing, finance leasing and public dividend capital. Government sets an External Finance Limit (EFL) for each corporation for the year ahead.

Public funds have been paid to public corporations to support:

- specific non-commercial objectives (such as public transport services);
- re-structuring (often prior to privatisation);
- loss-making industries (notably British Coal).

Some corporations are financed almost entirely by grants - such as Urban development Corporations. Some obtain European Community grants.

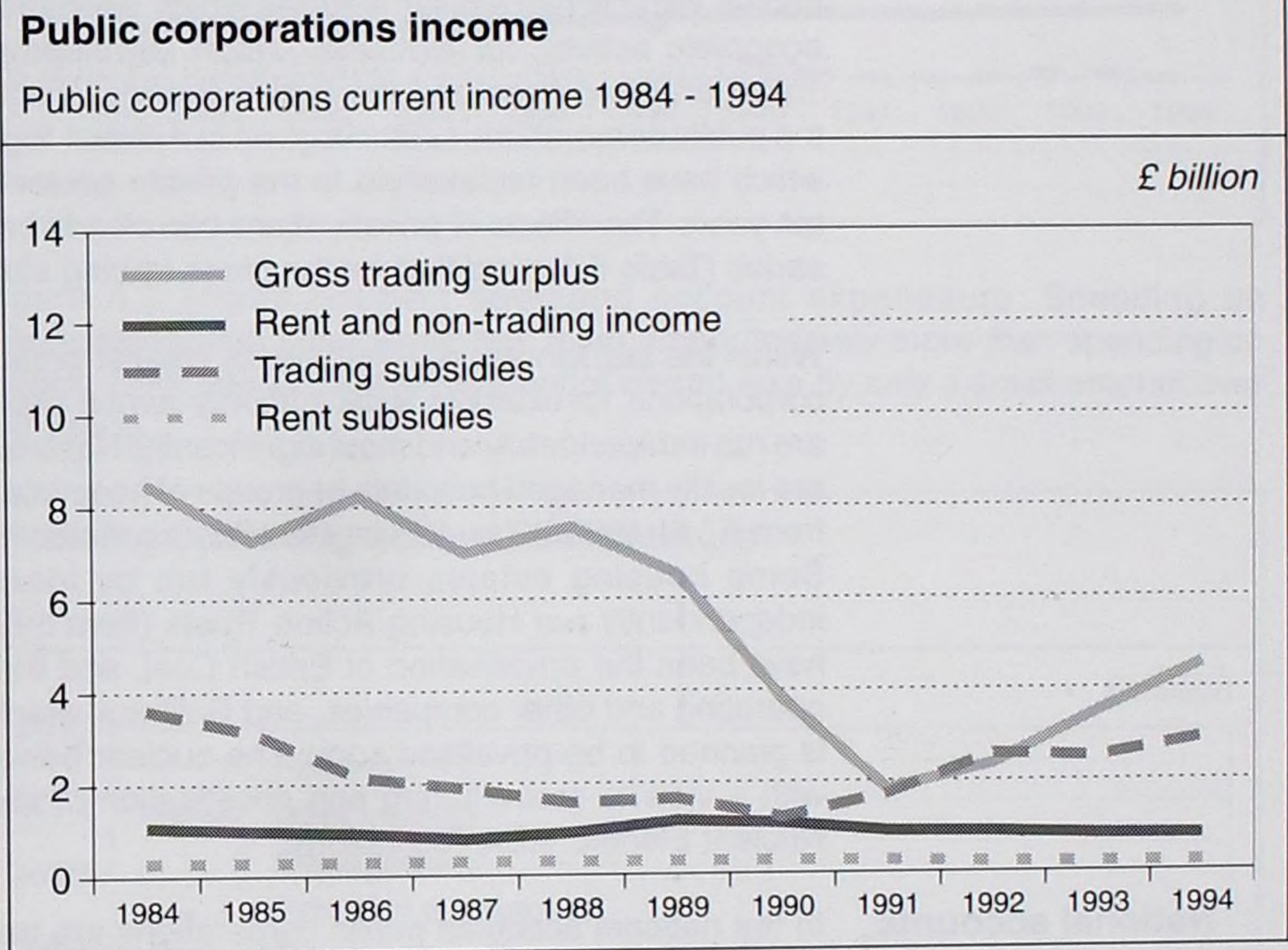
**Public corporations accounts**

Tables 10.51-10.53 and 10.55 present consolidated accounts on both a calendar and financial year basis while Tables 10.54 and 10.56 present more detailed information on a calendar year basis. All tables are prepared using national accounts definitions and are in Chapter 10.

**Recent trends  
Current Account**

Table 10.51 and Figure 5.1 show the main components of income, *gross trading surplus* and *rent and non-trading income* over time, together with the related subsidies. In the table, *trading subsidies* are subsidies included in the gross trading surplus. *Rent subsidies* are included in rent and other income.

**Figure 5.1**



**(a) Gross trading surplus**

Although there were several privatisations from 1984 to 1988, for example British Telecom and British Gas, the effects of these in decreasing trading surplus were hidden to varying degrees by increases in the contribution of other industries, for example British Steel and Electricity Council. From 1989-1991, the decrease was much larger due to the privatisation of the water and electricity industries. There have been large increases from 1992 onwards because of the creation of successive waves of NHS Trusts (first wave in 1991), and the reclassification of British Nuclear Fuels from April 1992 from companies to public corporations sector. In addition, the contribution from other industries e.g. London Transport and British Rail has increased over this period.

Subsidies paid to public corporations rose during the first half of the 1980's, and fell in the second half reflecting privatisations. Since 1991 subsidies have increased due to extra funding for British Rail and British Coal to cover additional costs including those of redundancies and restructuring.



**(b) Rent and non-trading income**

Rent income has remained steady since 1984, with an increase in other rents received being offset by the decrease in rent received from dwellings, largely due to the transfer of New Towns Development Corporations and Commission housing stock to local authorities and housing associations. Rent subsidies have fallen over the last five years to reflect this.

**(c) Debt interest**

This is shown in Table 10.52. The decline over the period reflects the change in coverage of the sector. The largest decreases from 1990 reflect the privatisations of water and electricity companies. Increases in the last couple of years arise from the inclusion of NHS Trusts.

**Capital account**

This data is shown in Tables 10.53 and 10.54.

**(d) Capital transfers-receipts**

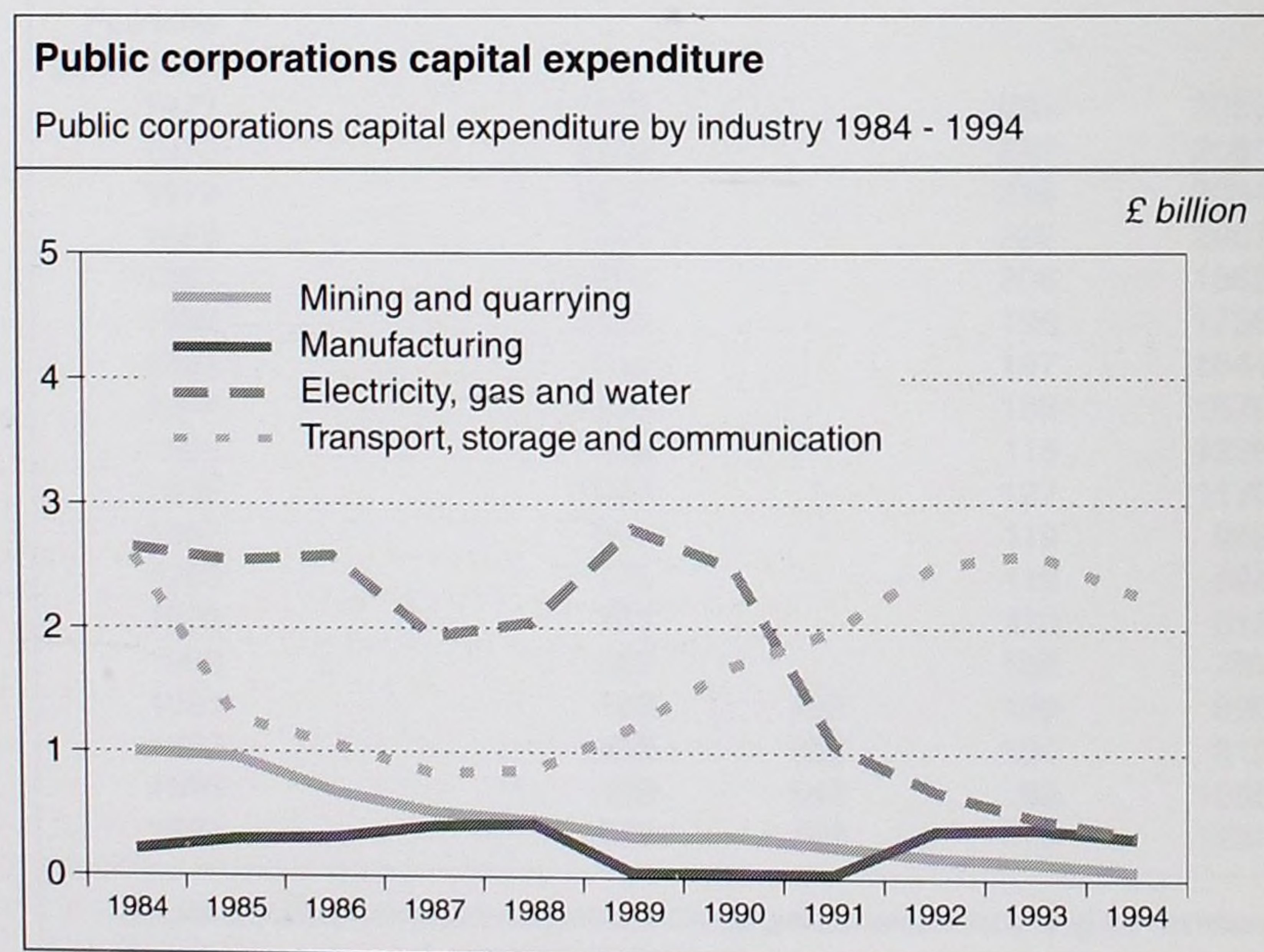
Capital grants from central government have increased since 1989 for several reasons. Special grants were provided to the coal industry in 1990 and 1991, in order to repay debt. The capital grant to Urban Development Corporations also increased from 1987/88 onwards due to an increase in their number and more emphasis on urban regeneration. Capital transfers from local authorities fell when London Regional Transport became a nationalised industry from 1985/86 and funded directly by central government. Passenger Transport Executives had a reduced role since 1986 as a result of bus deregulation. Transfers from the private sector halved in 1991, with the loss of consumer contributions to electricity companies on their privatisation. The amount given to Scottish Homes from 1989/90 was much larger than its predecessor (Scottish Special Housing Association), because of its widened role.

**(e) Capital expenditure**

Figure 5.2 shows Gross domestic fixed capital formation (capital expenditure on fixed assets) by industry.

Some of the year on year movements reflect privatisations, and the contribution of new corporations. The amount of expenditure in a particular year will reflect the needs of the particular industry, as well as policy considerations and can be funded by increased grants from central government. The gradual decline in mining and quarrying reflects the privatisation of the British National Oil Corporation, and the reduction in the size of the coal industry from the mid-1980's. The decrease in manufacturing in 1989 largely reflects the privatisation of British Steel with the increase from 1992 attributed to the inclusion of British Nuclear Fuels.

**Figure 5.2**



The pattern of investment in electricity, gas and water generally reflect the various privatisations. The effect of privatising regional water authorities in 1989 is outweighed by the increased investment by the newly created electricity companies prior to their privatisation. The changes in investment in transport and communication clearly reflect the privatisations of the mid-1980's e.g. National Bus company, British Telecom. Since 1989, the level of investment has risen because of increased investment by British Rail, London Transport (Rail), and the Post Office.

**(f) Capital transfers-  
expenditure**

The increase from 1989, has been due to the inclusion of capital grants from Scottish Homes to housing associations.

Debt that is outstanding when a corporation is privatised is often written off. In some cases, part may be exchanged for debentures which are repaid at an agreed later date. The amounts written off are shown below.

*£ million*

1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
40	-	1624	-	3980	5028	1734	418	-	-	-

Table 5.1

**UK public corporations employment 1961-1994 by major categories**

headcount and full-time equivalents, mid year

thousands

	Public corporations <sup>1</sup>			
	Nationalised industries	NHS trusts	Other public corporations	Total public corporations
<b>Headcount</b>				
1961	2152		48	2200
1971	1856		153	2009
1972	1769		160	1929
1973	1731		159	1890
1974	1777		208	1985
1975	1816		219	2035
1976	1752		228	1980
1977	1866		223	2089
1978	1844		217	2061
1979	1849		216	2065
1980	1816		222	2038
1981	1657		210	1867
1982	1554		202	1756
1983	1465		198	1663
1984	1410		189	1599
1985	1131		120	1251
1986	1058		129	1187
1987	864		121	985
1988	791		121	912
1989	720		112	832
1990	676		110	786
1991	498	124	102	724
1992	459	314	106	879
1993	437	662	93	1192
1994	385	966	82	1433
<b>Full-time equivalents</b>				
1977	1835		223	2058
1978	1843		217	2060
1979	1818		216	2034
1980	1785		222	2007
1981	1656		206	1862
1982	1538		198	1736
1983	1444		197	1641
1984	1390		188	1578
1985	1118		118	1236
1986	1043		127	1170
1987	850		119	969
1988	775		119	894
1989	703		110	813
1990	659		108	767
1991	488	102	100	690
1992	452	256	104	812
1993	426	540	89	1055
1994	370	788	79	1237

1. Details of transfers of public corporations to the private sector, including the numbers of employees involved, are given in Annex 1.

## Annex 1

## A. Corporations in existence at 30 September 1995.

Corporation	Commencing or vesting date
Audit Commission	April 1993
British Broadcasting Corporation	1927
British Coal Corporation <sup>1,2</sup>	January 1947
British Nuclear Fuels plc <sup>3</sup>	April 1971
British Railways Board <sup>1</sup>	January 1963
British Waterways Board <sup>1</sup>	January 1963
Caledonian Macbrayne Ltd <sup>1,4</sup>	April 1990
Channel 4 Television Company Ltd <sup>4</sup>	December 1980
Civil Aviation Authority <sup>1</sup>	April 1972
Commonwealth Development Corporation	February 1948
Covent Garden Market Authority	October 1961
Crown Agents and Crown Agents Holding and Realisation Board	January 1980
Development Board for Rural Wales	April 1977
European Passenger Services Ltd <sup>1,4</sup>	May 1994
Her Majesty's Stationery Office	April 1980
Highlands and Islands Enterprise <sup>2</sup>	November 1965
Housing Action Trusts	July 1991 to July 1994
Land Authority for Wales	April 1976
Local Authority Airport Companies	April 1987
Local Authority Bus Companies	October 1986
London Regional Transport <sup>1,2</sup>	January 1970
National Health Service Trusts	from April 1991
New Town Development Corporations and Commission	from December 1946
Northern Ireland Housing Executive	May 1971
Northern Ireland Transport Holding Company	April 1968
Nuclear Electric plc <sup>1,4</sup>	April 1989
Oil and Pipelines Agency	December 1985
Passenger Transport Executives	from October 1969
Post Office <sup>1</sup>	April 1961
Railtrack plc <sup>1,4</sup>	April 1994
Royal Mint	April 1975
Scottish Enterprise <sup>2</sup>	December 1975
Scottish Homes <sup>2</sup>	1937
Scottish Nuclear plc <sup>1,4</sup>	April 1989
Trust Ports (Northern Ireland)	April 1974
United Kingdom Atomic Energy Authority	April 1986
Urban Development Corporations	from March 1981
Urban Regeneration Agency	November 1993
Welsh Development Agency	January 1976
Welsh Fourth Channel Authority	January 1981

1. *Nationalised Industry.*

2. *Name changed. British Coal was formerly the National Coal Board; London Regional Transport was formerly London Transport Executive. Highlands and Islands Enterprise was formerly Highlands and Islands Development Board; Scottish Enterprise was formerly Scottish Development Agency and Scottish Homes was formerly Scottish Special Housing Association.*

3. *As of the 1994 Blue Book, British Nuclear Fuels plc has been reclassified to the public sector. Data underlying annual estimates of income, expenditure and financial transactions have been revised back to the second quarter of 1992.*

4. *Nuclear Electric plc was part of the former Central Electricity Generating Board; Caledonian Macbrayne Ltd was part of the Scottish Transport Group; Channel Four Television Company Ltd was part of the Independent Television Commission. Scottish Nuclear plc was part of the former South of Scotland Electricity Board. Railtrack plc was part of the British Railways Board. European Passenger Services Ltd was part of the British Railways Board.*

Annex 1  
(continued)

<b>B. Publicly owned institutions not classified to the public corporations sector for statistical purposes</b>	
Institution	Classified to
Bank of England Banking Department Girobank until 1990 International Military Services (ceased trading July 1991).	financial institutions financial institutions industrial and commercial companies
<b>C. Corporations transferred to private sector 1984-94</b>	
(Numbers of employees at time of privatisation shown in brackets)	
Corporation	Transfer date
British Telecom plc (250,000)	November 1984
British Shipbuilders (Warship yards) and other companies	from July 1984
British Gas plc (89,000)	December 1986
British Airways plc (36,000)	February 1987
Royal Ordnance plc (17,000)	April 1987
BAA plc (7,200)	July 1987
National Bus Company subsidiaries	Various dates between July 1986 and April 1988
British Steel plc (53,000)	December 1988
25 Local Authority bus companies	from September 1988
General Practice Finance Corporation	March 1989
Regional Water Authorities and Water Authorities Association (40,000)	December 1989
Scottish Transport Group Subsidiaries	from August 1990
Liverpool Airport	June 1990
Girobank (6,700)	July 1990
Regional Electricity Board and National Grid company (119,000)	December 1990
National Power and Powergen (26,400)	March 1991
Scottish Hydroelectric (formerly the North of Scotland Hydro Electric Board)(3,500)	June 1991
Scottish Power (formerly part of the South of Scotland Electricity Board (9,800)	June 1991
British Technology Group	April 1992
Northern Ireland Electricity Service (5,000)	June 1992
East Midlands International Airport	August 1993
British Coal - coalfields	December 1994

**Annex 1  
(continued)**

<b>D. Corporations dissolved</b>	
Corporation	Dissolution date
National Film Finance Corporation, being replaced in the private sector by the British Screen Finance Consortium	December 1985
British National Oil Corporation, being replaced by the Oil and Pipelines Agency	March 1986
National Dock Labour Board	July 1989
Electricity Council, being replaced in the private sector by the Electricity Association.	March 1990
Crown Suppliers	March 1991
Pilotage Commission	April 1991
<b>E. Other changes</b>	
<p>The Housing Corporation was reclassified in the 1987 <i>Blue Book</i> as a central government trading body and the data were revised back to 1974.</p> <p>The Independent Television Commission (other than Channel Four) was reclassified to the central government sector from October 1991. The Independent Broadcasting Authority, a public corporation now dissolved, was the wider trading predecessor of the ITC. The Urban Regeneration Agency was established from November 1993, and incorporated the former English Industrial Estates Corporation from April 1994, trading as English Partnership.</p> <p>For statistical purposes within the national accounts, the income and expenditure transactions of the Bank of England Banking Department have been reclassified from the 1993 <i>Blue Book</i> to the financial sector. Data have been revised back to 1984. There has been a similar reclassification of the Girobank transactions from 1984 to its privatisation in July 1990. Previously, only their financial transactions have been included in this sector.</p> <p>From the 1993 <i>Blue Book</i>, the fossil fuel levy on electricity distribution is now separately identified as a capital grant within the public corporation accounts. Until this <i>Blue Book</i>, income generated was included in gross trading surplus.</p>	

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# Chapter 6 Public sector surplus or deficit and outstanding debt

## Introduction

The ways in which government raises its revenue, and the pattern of expenditure clearly have an impact on the whole economy. The surplus or deficit on transactions of government or the public sector has a significance of its own. It reflects the net impact of government transactions on the economy and can in the appropriate circumstances be seen as contributing to growth or inflation.

Three measures of surplus or deficit are in common use:

**the public sector borrowing requirement (PSBR)**, the main deficit measure which is targeted in the United Kingdom.

**the general government financial surplus/deficit (GGFS or GGFD)**, which is one of the convergence criteria set up by the Maastricht Treaty

**the general government surplus/deficit on current account (GGCS or GGCD)**

All three can be calculated separately for central and local government and public corporations, but the above formulations are those most frequently used. Table 10.64, the outturn table corresponding to the 1995-96 Financial Statement and Budget Report (FSBR) table 4A.6, shows how the three are related. Tables 4A.6 and 4.2 of the FSBR however use a measure of current balance which differs from the national accounts concept. It is based mainly on the same components: taxes on capital are included in receipts and an estimate of depreciation is added to current expenditure and deducted from capital expenditure.

Figure 6.1 shows the three measures as a percentage of GDP, from 1966-67 to date, the deficits GGFD and GGCD displayed as positive. PSBR reached a peak in 1975-76, 9.2 per cent, when GGFD ascended to 4.9 per cent. GGCD (-0.3 per cent) did not rise as much. More recently the 1993-94 peak of PSBR (7.1 per cent) was accompanied by peaks both for GGFD and GGCD (7.9 and 5.1 per cent respectively).

## Public sector borrowing requirement

The PSBR has been published annually in the FSBR since 1966, where it is the key measure of the government's fiscal stance. Section 4 of the 1995/96 FSBR discusses in detail the forecasts of public sector transactions leading up to the forecast PSBR and present projections of PSBR up to the year 1999/2000. In addition to table 10.64 mentioned above, other chapter 10 tables provide background to the FSBR:

Table 10.61 relates to FSBR tables 1.1 and 4.2; it shows the public sector's finances in broad terms.

Tables 10.62 and 10.63 give data on PSBR as shown in FSBR tables 1.6, 4.1 and 4A.2.

The definition and measurement of the PSBR are the joint responsibility of the Central Statistical Office and the Treasury. It is consistent with national accounts data<sup>1</sup>. The distinctive elements are as follows:

*It is available monthly.*

*Net borrowing is shown positive, net repayments negative.*

1. See Bibliography references 8 and 22.

*It is a cash figure.* This enables it to be calculated quickly (the first estimate is published on the 12th working day after the end of the month to which it relates) and simply. *The Accruals adjustments* lines in table 10.61 reflect the difference between the accruals based national accounts series above them, and the cash flows which generate the borrowing requirement.

*It relates to the whole public sector.* That is to say it covers the borrowing requirement of public corporations as well as of central and local government. It is consolidated; that is, borrowing by central government to lend on to local authorities or public corporations is counted only once. Similarly, purchases of gilts by local authorities are netted off the local authority borrowing requirement.

*It records borrowing less acquisition of bank deposits and short term assets as financing.* The public sector may finance its activities either by borrowing or by running down short term assets. The two are regarded as equivalent for this purpose.

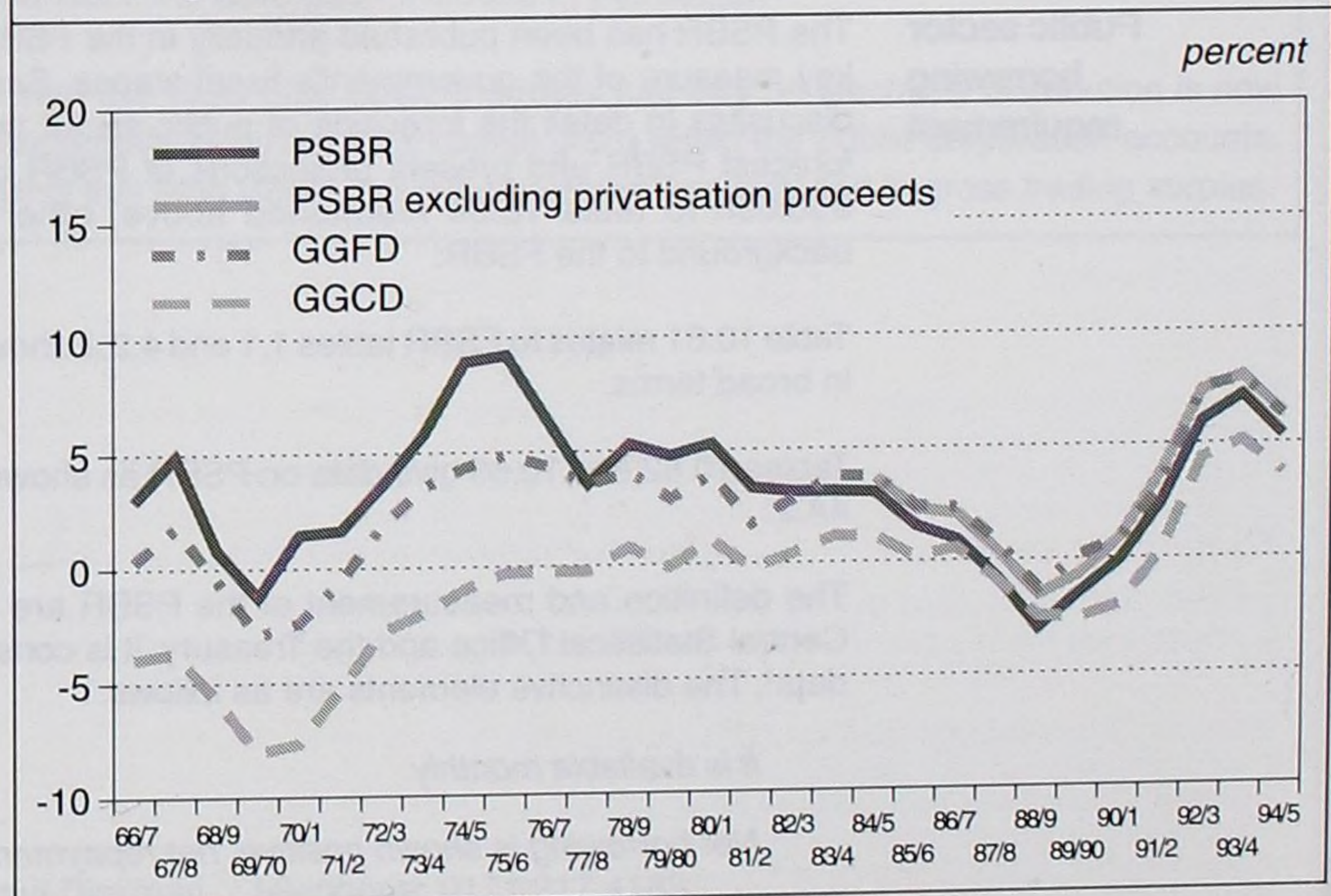
*Net lending to the private sector and abroad, and net cash expenditure on company securities are among the determinants of PSBR.* That is to say they affect the size of the PSBR rather than the way in which it is financed. This treatment follows international practice. The large negative transactions in company securities in recent years reflect the proceeds of privatisations. There has been some debate as to whether privatisation proceeds should be regarded as reducing the PSBR in this way, or whether they should be treated as financing it. These large lumpy privatisation transactions can obscure the underlying balance, so an alternative measure of PSBR excluding privatisation proceeds is also published.

Figure 6.1 shows PSBR as a percentage of GDP since the financial year 1966-67, including and excluding privatisation proceeds. The low point in 1988-89, -3.0 per cent of GDP (ie a surplus) was markedly lower than the previous low point of -1.3 per cent, reached in 1969-70. Excluding privatisation proceeds, the 1988-89 figure becomes -1.6 per cent of GDP. The high point in 1993-94, 7.1 per cent (or 7.9 per cent excluding privatisation proceeds) was less extreme than the high point in 1975-76, 9.2 per cent.

**Figure 6.1**

**PSBR, GGFD and GGCD**

Percentage of GDP at market prices





The PSBR can be defined in terms of the receipts and expenditure of the consolidated public sector accounts. It may alternatively be considered in terms of the borrowing requirements of the sub-sectors of the public sector: central government (CGBR), local authorities (LABR) and public corporations (PCBR)<sup>1</sup>.

Part of the central government borrowing requirement is needed to finance central government on-lending to local authorities and public corporations; table 1.5 in chapter 1 shows separately the amount central government needs to borrow on its own account CGBR(O).

It is also possible to present the PSBR as the sum of CGBR and the contributions of local authorities and public corporations where a *contribution* is defined as borrowing (other than direct borrowing from central government) less net purchases of other public sector debt. The following table shows the relationship between the two presentations, in columns (a) and (b) respectively.

Sector	(a)		(b)
CG	CGBR(O)	plus on-lending to PCs and LAs =	CGBR
LA	LABR	<b>less</b> direct borrowing from CG =	LA contribution
PC	PCBR	<b>less</b> direct borrowing from CG =	PC contribution
Total	PSBR		PSBR

### General government financial surplus/deficit

This is a national accounts concept. As a consequence figures on a similar basis can be produced for most OECD countries; it was selected with outstanding debt as government indicators of excessive deficits under the Maastricht treaty. Its distinctive characteristics are:

*It is available quarterly.*

*A surplus (ie net repayment) is shown positive, a deficit (net borrowing) negative.*

*It is on an accrued basis.* It is consistent with the accrued figures for income and expenditure use in the national accounts. For example value added tax revenue is scored in the period in which the expenditure took place that gave rise to the tax liability, and not when the cash was received.

*It relates to general government (that is, central and local government).* It is by its nature consolidated; central government grants to local authorities will not affect it, though they will affect the financial surplus of the separate sub-sectors.

*All financial transactions are "below the line".* That is, they finance the surplus/deficit rather than determine its size. Capital expenditure is however "above the line" and therefore adds to the deficit.

### General government surplus/deficit on current account

This is the balance of current account revenue (eg taxes, social security contributions, etc) over current account expenditure. It is a national accounts concept and as a consequence its distinctive characteristics are the same as those of the financial surplus/deficit, except that it is not affected by capital expenditure or taxes on capital.

1. A detailed treatment is given in Bibliography references 3 and 22.

## **Outstanding debt**

The three surplus/deficit measures described above are flow concepts, relating to the transactions in a particular period. Also important are the levels concepts of outstanding debt, deriving from the balance sheet at any particular date. Key elements in defining outstanding debt are:

*Market price or nominal value?* The national accounts balance sheets are at market prices on the day on which the balance is struck (ie end quarter). For the government's own accounting purposes, and for the Maastricht reporting requirements, nominal (or redemption) values are appropriate. However the redemption value of foreign currency stock is revalued at the current exchange rate.

*Gross or net?* Net debt is net of short term assets held by the government. It therefore corresponds closely to the PSBR flow.

*Consolidated or unconsolidated?* Consolidated debt does not include debt held within the sector; again, this is consistent with the PSBR.

*Date.* For many years the Bank of England has produced analyses of public sector debt at the end of financial years. For consistency with other EU member states end calendar years data has been produced from end 1991. The national accounts data at market values are estimated quarterly.

*Sector coverage.* Data for the public sector, general government, or the three subsectors is available.

The longest running series of outstanding debt figures relates to the *national debt*.

## **The national debt**

The national debt comprises the total liabilities of the National Loans Fund. The total excludes accrued interest (including index-linked increases) on national savings, Consolidated Fund liabilities (including contingent liabilities, eg coin), liabilities of central government funds (notably the Issue Department's note liabilities, Northern Ireland government debt and stocks issued by certain government funds), and sundry other contingent liabilities and guaranteed debt.

The national debt includes the whole nominal value of all issued stocks, even where there are outstanding instalments due from market holders; in such circumstances a counter entry is included in public sector liquid assets. The nominal value of index-linked gilt-edged stocks has been raised by the amount of index-related capital uplift accrued to 31 March each year where applicable. Definitive figures for the national debt are published annually in the *Consolidated Fund and National Loans Fund Accounts Supplementary Statements*.

Broader in concept is the *net debt of the public sector*, which is the balance sheet equivalent of PSBR.

## **Net public sector debt.**

The Bank of England publishes annually in its November Bulletin an article on the net debt of the public sector. The following is an abridged extract from the November 1994 article (updated to reflect adjustments to the statistics). The article analyses developments in the net debt position of the public sector to the end of March 1994. The November 1995 Bulletin will contain data as at end of March 1995.

Trends in the ratio of public sector net debt to GDP can give some guide as to the current fiscal stance, but are also affected by the rate of inflation.

A falling debt ratio can be due to low borrowing, which indicates tight fiscal policy, or to inflation which is more likely to be associated with loose policy overall.

It is estimated that the net debt of the public sector<sup>1</sup> was £251.7 billion at the end of March 1994 (see Table 6.1) compared with a revised figure of £204.5 billion 12 months earlier. The increase of £47.2 billion (23.1%) over the year is the largest in value terms since the series began in 1970. 1993/94 was the fourth successive year in which there was an increase; the overall percentage rise during that time was 68%. The continued increase reflects the move from debt repayment in the late 1980s and early 1990s to a period of government borrowing.

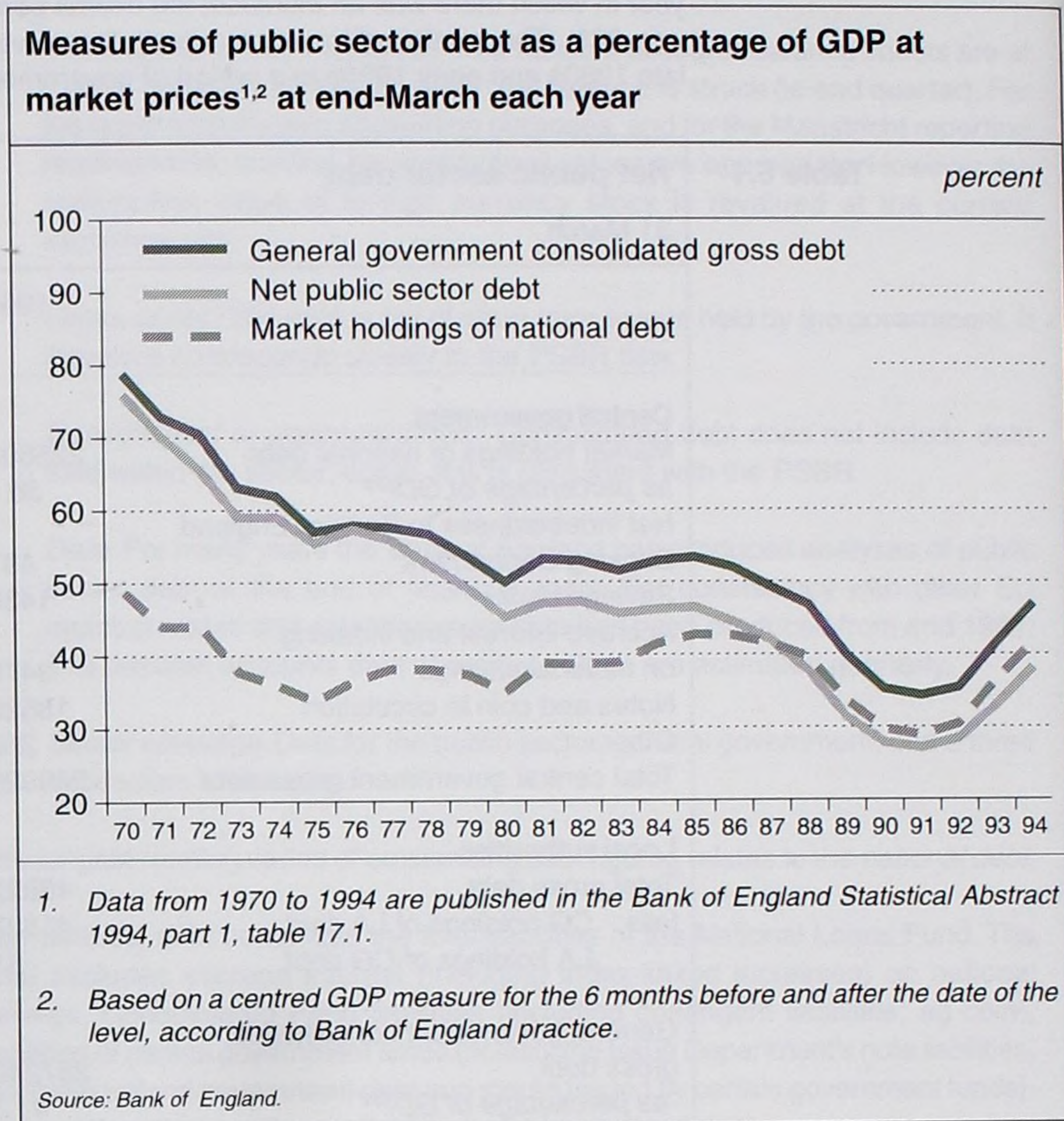
**Table 6.1**

<b>Net public sector debt<sup>1</sup></b>			
31 March	<i>£m nominal values</i>		
	1993	1994	Changes 1993-94
<b>Central government</b>			
Market holdings of national debt	225803	274653	48850
<i>as percentage of GDP<sup>2</sup></i>	36.4	41.6	5.2
Net indebtedness to Bank of England			
Banking Department	437	729	292
Savings banks	1438	1444	6
Accrued interest and indexing on national savings	3478	3103	-375
Notes and coin in circulation	18520	21447	2927
Other	250	280	30
Total central government gross debt	249926	301656	51730
<b>Local authorities</b>			
Total gross debt	48922	49290	368
less: CG holdings of LA debt	41527	40997	-530
LA holdings of CG debt	81	124	43
General government consolidated gross debt			
	257240	309825	52585
<i>as percentage of GDP<sup>2</sup></i>	41.5	47.0	5.5
<b>Public corporations</b>			
Total gross debt	16194	23868	7674
less: CG holdings of PC debt	15227	22951	7724
LA holdings of PC debt	11	69	58
PC holdings of CG debt	2617	2854	237
PC holdings of LA debt	910	961	51
Public sector consolidated total debt	254670	306858	52188
<i>as percentage of GDP<sup>2</sup></i>	41.1	46.5	5.4
Public sector total liquid assets	50151	55196	5045
<i>as percentage of GDP<sup>2</sup></i>	8.1	8.4	0.3
Net public sector debt	204519	251662	47143
<i>as percentage of GDP<sup>2</sup></i>	33.0	39.3	9.3
1. Data from 1970 to 1994 are published in the Bank of England Statistical Abstract 1994, Part 1, Table 17.1.			
2. Based on a centred GDP measure for the 6 months before and after the date of the level, according to Bank of England practice.			
Source: Bank of England.			

1. All figures are at nominal value unless otherwise stated.

As a proportion of GDP, the net debt of the public sector rose by 6.3 percentage points to 39.3% in 1993/94 (see Figure 6.2). The PSBR for 1993/94 was £45.4 billion compared with £36.2 billion in the previous financial year.

Figure 6.2



A £51.7 billion increase in the gross debt of the central government was the principal factor behind the rise in the public sector's debt (see Table 6.1) during 1993-94. The main counterpart to the increase in central government debt was, following substantial gilt sales, an increase in market holdings of the national debt - to £274.7 billion, their highest ever level.

Official holdings of the national debt also rose, by £9.3 billion<sup>1</sup> during 1993-94. Apart from the national debt, the only other movement of any significance was an increase of £2.9 billion in notes and coin in circulation, partly the result of Easter's falling at the beginning of April (ie just after the period end).

An increase of £5.0 billion during 1993-94 in public sector liquid assets (see Table 6.2) partly offset the rise in public sector gross debt. It reflected substantial increases in asset holdings by local authorities and central government. Assets held by local authorities - mostly in the form of bank and building society deposits - rose by £3.0 billion, following the surge in their capital receipts in November and December 1993 before the ending of the temporary relaxation of the rules governing the spending of receipts.

1. Debt held by the National Debt Commissioners, certain other central and Northern Ireland government funds and accounts, and the Bank of England.

Table 6.2

<b>Public sector liquid assets<sup>1</sup></b>			
31 March	<i>£m nominal values</i>		
	1993	1994	Changes 1993-94
<b>Central government</b>			
Official reserves	27153	28908	1755
Commercial bills including bills held under repos <sup>2</sup>	4957	5388	431
British government stock held under repos <sup>2</sup>	1209	3097	1888
Treasury bills held under repos <sup>2</sup>	846	1112	266
Loans against export credit and shipbuilding paper	1276	890	-386
Bank deposits	1631	1749	118
Instalments due on British government stock	3386	1250	-2136
<b>Total</b>	<b>40458</b>	<b>42394</b>	<b>1936</b>
<b>Local authorities</b>			
Bank deposits	3471	4907	1436
Building society deposits	2870	3855	985
Other short-term assets	1932	2424	492
<b>Total</b>	<b>8273</b>	<b>11228</b>	<b>2955</b>
<b>Public corporations</b>			
Bank deposits	1194	1376	182
Other short-term assets	226	226	0
<b>Total</b>	<b>1420</b>	<b>1606</b>	<b>186</b>
<b>Public sector total liquid assets</b>	<b>50151</b>	<b>55196</b>	<b>5045</b>
<p>1. Data from 1970 to 1994 are published in the Bank of England Statistical Abstract 1994, Part 1, Table 17.1.</p> <p>2. "Repos" are purchase and resale agreements.</p> <p>Source: Bank of England.</p>			

Central government assets increased by £1.9 billion during 1993-94. The rise was partly the result of a £1.8 billion increase in the foreign exchange reserves. In addition, the money-market assistance provided by the Bank rose; the main element in this was an increase of £1.9 billion in the facilities offered to banks, building societies and gilt-edged market-makers (GEMMs) through gilt sale and repurchase agreements. This increase was offset by a fall of £2.1 billion in the amount outstanding on partly-paid gilts (only one such stock - the 7% Treasury 2001 'A' - was outstanding at end-March 1994, compared with three at end-March 1993). Bank deposits accounted for the rise of £0.2 billion in public corporations' liquid assets during 1993-94.

**Gross general government debt**

The following table shows the outstanding debt returned under the Maastricht Treaty. It relates to *gross debt, unconsolidated and consolidated at nominal values, as at end calendar years.*

**Table 6.3**

		<i>£million</i>		
		At end year		
ESA categories of debt		1992	1993	1994
<b>Central government gross debt:</b>				
F20	Currency and sight deposits	21,761	23,442	25,067
F30	Other deposits	51,786	55,794	60,090
F40	Bills and short term bonds	7,283	6,458	8,560
F50	Long term bonds	151,066	204,457	229,009
F70	Short-term loans	9,472	5,267	2,493
F80	Long-term loans	1,370	1,264	1,061
F90	Insurance technical reserves	0	0	0
<b>Central government gross debt total</b>		<b>242,738</b>	<b>296,682</b>	<b>326,280</b>
<b>Local government gross debt:</b>				
F20	Currency and sight deposits	0	0	0
F30	Other deposits	0	0	0
F40	Bills and short term bonds	0	0	0
F50	Long term bonds	0	0	0
F70	Short-term loans	2,156	1,663	1,971
F80	Medium and long-term loans	46,893	47,251	47,146
F90	Insurance technical reserves	0	0	0
<b>Local government gross debt total</b>		<b>49,049</b>	<b>48,914</b>	<b>49,117</b>
<b>General government gross debt (unconsolidated):</b>				
F20	Currency and sight deposits	21,761	23,442	25,067
F30	Other deposits	51,786	55,794	60,090
F40	Bills and short term bonds	7,283	6,458	8,560
F50	Long term bonds	151,066	204,457	229,009
F70	Short-term loans	11,628	6,930	4,464
F80	Medium and long-term loans	48,263	48,515	48,207
F90	Insurance technical reserves	0	0	0
<b>General government gross debt total</b>		<b>291,787</b>	<b>345,596</b>	<b>375,397</b>
<i>less:</i>				
	CG holdings of LA debt	42,352	40,727	39,910
	LA holdings of CG debt	80	120	159
<b>General government gross debt (consolidated):</b>		<b>249,355</b>	<b>304,749</b>	<b>335,328</b>

**Relationship between PSBR and changes in outstanding gross debt of general government**

The following table shows how the two may be reconciled. This comprises the following stages:

1. Start with PSBR.
2. Deduct market and overseas borrowing by public corporations to give general government borrowing requirement (GGBR)
3. Add back transactions in short term assets (treated as financing the PSBR) to give transactions in government debt.
4. Add in change in value of foreign currency debt arising from changes in exchange rates.
5. Add the uplift in value of index linked gilts in the period.
6. Add other adjustments (including valuation changes).

**Table 6.4**

	<i>£million</i>		
	1992	1993	1994
General government gross debt outstanding (nominal value)			
At beginning of year	204,526	249,366	304,749
At end of year	249,366	304,749	335,328
Change in outstanding debt	44,840	55,383	30,579
PSBR (calendar year total)	28,664	42,503	37,887
<i>less</i>			
market and overseas borrowing by PCs	-873	-1,921	1,538
<i>equals</i>			
GGBR	29,537	44,424	39,425
<i>plus</i>			
Transactions in assets	6,618	10,718	-7,728
Revaluation of foreign currency debt			
from changes in exchange rate	4,227	395	-45
Gilts (index linked uplift)	1,008	1,512	949
Other (including valuation changes)	3,450	-1,666	-2,022
<i>equals</i>			
Change in outstanding debt	44,840	55,383	30,579

**Comparison of European Union countries**

Tables 6.5 and 6.6 give data reported by UK to the EU Commission in August 1995 (published in CSO News Releases CSO(95)179 on 25 August 1995). The UK figures for 1995 are Treasury forecasts for 1995-96; the UK figures for the other years relate to calendar years. The data for other member states were supplied by them in early 1995.

**Table 6.5**

<b>EU comparison</b>					
General government financial surplus (+)/deficit (-)					
Percentage of GDP at market prices					
	1991	1992	1993	1994	1995
UK	-2.6	-6.1	-7.9	-6.9	-4.1
Belgium	-6.5	-6.7	-6.6	-5.4	-4.3
Denmark	-2.1	-2.9	-4.5	-3.9	-2.1
Germany	-3.3	-2.9	-3.3	-2.7	-2.3
Greece	-11.6	-12.3	-13.2	-12.5	-10.3
Spain	-4.9	-4.1	-7.5	-6.7	-5.9
France	-2.2	-3.9	-6.1	-6.0	-4.7
Ir. Repub	-2.2	-2.4	-2.4	-2.3	-2.7
Italy	-10.2	-9.5	-9.6	-9.0	-7.5
Luxemburg	1.8	-0.6	1.7	1.9	0.6
Netherlands	-2.9	-3.9	-3.3	-3.6	-3.7
Austria	-2.6	-2.0	-4.0	-4.0	-4.5
Portugal	-6.4	-3.3	-7.1	-5.9	-5.8
Finland	-1.5	-5.9	-7.8	-5.6	-5.3
Sweden	-1.1	-7.8	-13.4	-10.4	-9.0

*Source: Eurostat.*

**Table 6.6**

<b>EU comparison</b>					
General government consolidated gross debt at year end					
Percentage of GDP at market prices					
	1991	1992	1993	1994	1995
UK	35.7	41.9	48.5	50.3	51.9
Belgium	130.1	131.0	137.2	136.0	134.3
Denmark	64.6	69.0	80.3	75.6	76.2
Germany	41.5	44.1	48.2	50.2	58.6
Greece	86.1	92.3	115.2	114.0	115.9
Spain	45.8	48.3	59.9	62.6	65.3
France	35.8	39.6	45.8	48.5	..
Ir. Repub	96.9	94.2	96.9	90.0	84.8
Italy	101.3	108.4	119.4	125.4	124.7
Luxemburg	4.1	4.8	5.7	5.9	6.7
Netherlands	78.9	79.9	81.4	78.8	79.1
Austria	58.7	58.4	62.8	64.6	65.6
Portugal	70.2	62.4	67.2	69.7	71.7
Finland	23.0	41.5	57.1	60.1	65.0
Sweden	53.0	67.1	76.2	79.7	84.3

*Source: Eurostat.*

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# Chapter 7 Taxation

## The main source of revenue

Taxation is the main source of revenue for the public sector. The table of public sector transactions (table 10.61) shows that taxation, including social security contributions, represented 93 per cent of total current receipts in 1994/95.

## Indirect taxes

Indirect taxation (on expenditure) currently brings in more revenue than direct taxation (on income) excluding social security contributions. The main categories of the former are:

- value added tax (VAT)
- customs duties
- excise duties
- national non-domestic rates (NNDR)
- motor vehicle duties
- stamp duty.

VAT is collected on the value added at each stage in the production and distribution of goods and services by taxable units (enterprises or individuals with turnover above a set threshold). The tax included in the purchase price of goods or services bought by a unit is known as input tax. The tax charged by the selling unit is known as output tax. Output tax less input tax is paid to Customs and Excise. It is ultimately added to the cost paid by the consumer who cannot recover input tax.

Certain goods and services are zero-rated. Examples are exports, food, water and transport. In these cases the seller does not charge VAT to his customer and reclaims any input tax paid by his supplier.

Other goods and services are exempt from VAT. Examples are land, insurance and health services. In these cases the seller does not charge output tax but is not entitled to reclaim input tax.

VAT is set as a percentage of the cost of the goods or service at the time it is applied, so that the revenue generated automatically increases with inflation.

*Customs duties* are levied on imported goods and charged according to the value of the goods. Since January 1993 this has meant goods imported from outside the European Union (EU). Duties are now regulated by the EU's Common Customs Tariff and are paid to the Union.

*Excise duties* are levied on both imported and domestically produced goods. They are regulated by and paid to the state where the goods are consumed. They are set as fixed amounts per unit, in contrast with VAT. These duties are usually increased in each year to take account of inflation, although the increases are not necessarily exactly in line with inflation. Excise duties on oil, alcohol and tobacco raise the most revenue.

*National non-domestic rates (NNDR)* are charged to the occupants of non-domestic properties, the rateable value being assessed in relation to rental value. In England, Scotland and Wales non-domestic rates are set by central government and redistributed to local authorities. Receipts of NNDR are included in central government receipts of taxes on expenditure, and their distribution in central government current grants to local authorities. Local authorities act as agents of central government for the collection of NNDR. They collect the tax from local businesses and make periodical payments to the central pool based on the expected annual yield. NNDR in respect of crown properties, and some other national organisations (the central list), is paid directly to central government.

*Motor vehicle duties* include both driver and vehicle license duties

*Stamp duty* is charged on transfers of property, such as houses, and on transfers of stocks and shares.

**Direct taxes** The main categories of direct taxation on income and capital are:

- income tax
- corporation tax
- petroleum revenue tax
- inheritance tax
- capital gains tax.

*Income tax* is charged on personal income from all sources and is set at percentage rates, which can vary with the source of income and the amount of income. The Budget also sets allowances, by which some income is not taxed at all, and reliefs, by which some payments may be made before income is assessed for tax. The main allowance is the personal allowance which enables each person's income to reach a set level before it is subject to tax. Examples of reliefs are those on pension contributions and donations to charities.

*Corporation tax* is paid by companies on their income and capital gains. Companies pay advance corporation tax (ACT) when they pay dividends to shareholders. ACT can, up to a limit, be set off against corporation tax payable on income and capital gains. One purpose of ACT is to finance the tax credit made available to shareholders by the Exchequer. Like personal income tax, corporation tax is subject to allowances and reliefs. There are, for example, reliefs for expenditure on such items as plant, machinery and scientific research.

*Petroleum revenue tax* is paid by companies licensed to produce oil or gas within Britain or its continental shelf. It is charged on sales receipts above a certain amount. Certain oil and gas fields also pay royalties charged on the value of their production.

*Inheritance tax* is charged on estates after death and certain lifetime transfers. There are thresholds below which the tax does not apply, and exemptions apply for certain assets, such as certain business assets, as well as certain types of transfer, such as transfers between spouses and gifts to charities. Inheritance tax is treated as a tax on capital in the national accounts.

*Capital gains tax* is levied when assets are disposed of at a profit. They are charged at the individual's highest rate of income tax. However, they are not charged on gains below a certain level and the effect of inflation is taken into consideration when assessing gains. Losses on other assets can be offset. Some assets are exempt, such as a person's principal private residence and government securities. Relief is given to certain taxpayers, such as those over a given age and employees selling shares in the company employing them. Capital gains tax is a tax on capital in the national accounts.

**Social security contributions**

*Social security contributions* comprise contributions to National Insurance, the National Health Service and, in the past, the Redundancy Fund and Maternity Pay Fund. National Insurance contributions help generate the funds which provide a variety of social security benefits (see chapter 8). However, they are geared to the income of the contributors rather than the expected claims on the funds. In that respect they resemble taxation rather than insurance.

There are four classes of National Insurance:

*Class 1* is paid by employers and employees.

*Class 2* is paid by the self-employed.

*Class 3* is paid voluntarily for pension purposes.

*Class 4* is paid by the self-employed, in addition to class 2 contributions, on taxable profits.

Lower and upper limits are set, for the income of employees and the profits of the self-employed, below which national insurance contributions are not imposed and above which they are not increased.

**Other**

*Council tax* was introduced in 1993 following the abolition of the community charge. Like rates, which preceded the community charge, council tax is levied on residential property, but it is geared to the capital value of properties rather than a notional rental value. Properties are divided into eight valuation bands, which provide a fixed scale according to which the tax is applied. The overall level of the tax is set annually by the individual authority. The tax is reduced by 25 per cent for properties occupied by only one tax payer and by 50 per cent for unoccupied properties. It is rebated on a sliding scale up to 100 per cent for tax payers on low income. Unlike rates, council tax is not treated as a tax on expenditure and so is not part of the GDP factor cost adjustment. Council tax does not apply to Northern Ireland, where rates continue to be levied.

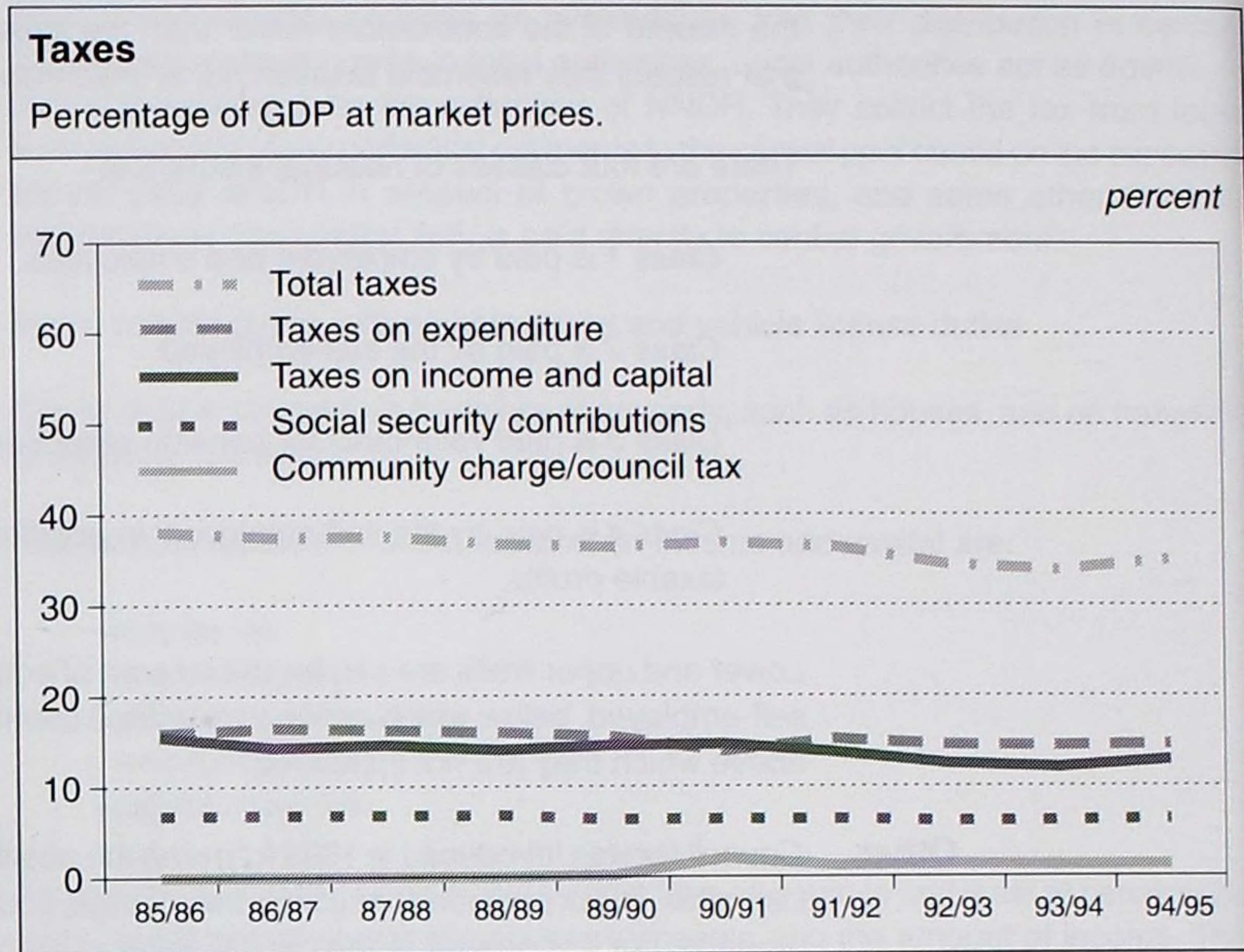
**Taxes allocated by sector**

Tables 10.71 shows direct taxation allocated by sector.

**Taxes as a percentage of GDP and as a percentage of income**

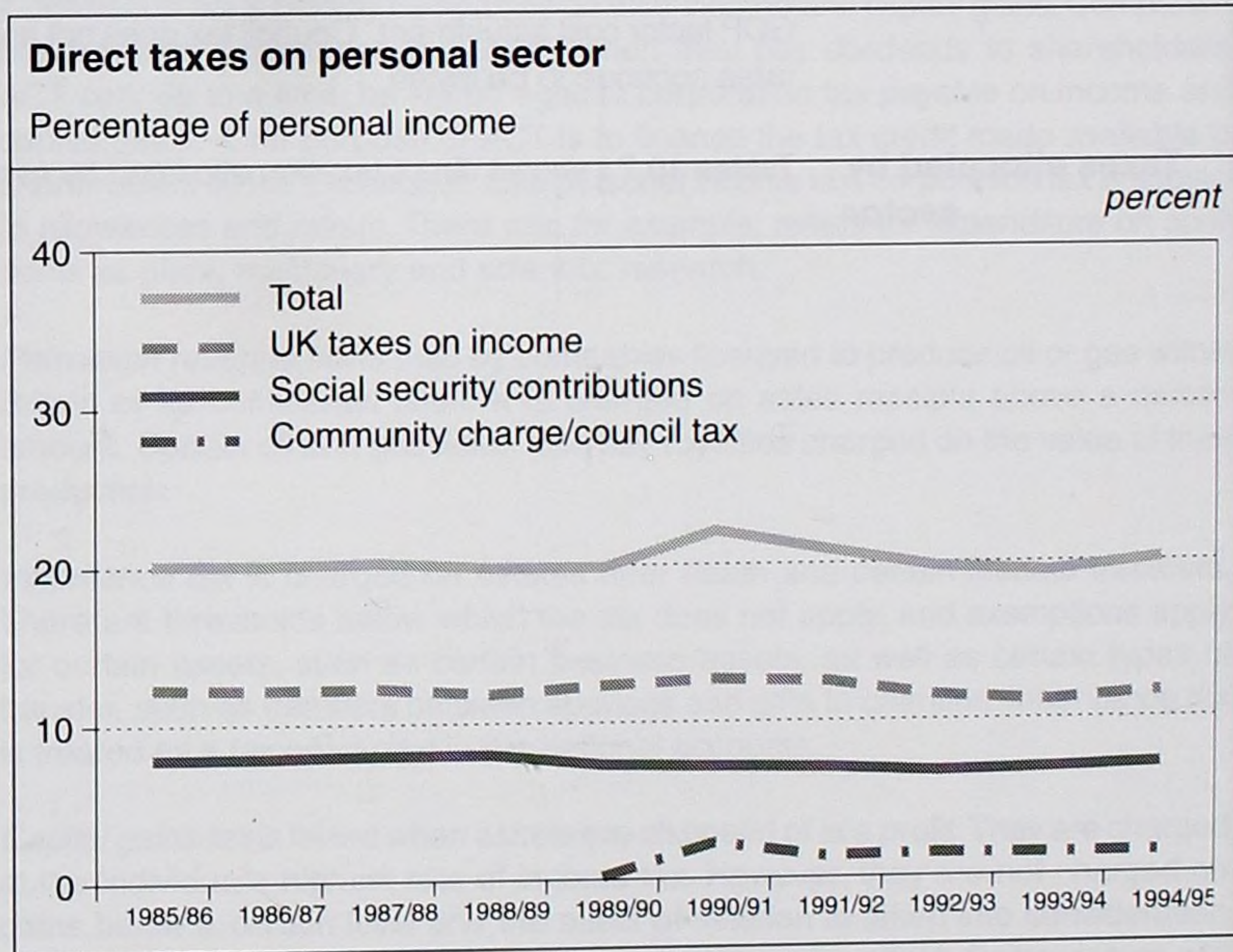
**Figure 7.1**

As a percentage of GDP (figure 7.1), taxes overall fell during the last decade, from 38 per cent in 1985/86 to 35 per cent in 1994/95. Since 1990 taxes on expenditure have been a higher percentage of GDP than taxes on income and capital.



As a percentage of personal income, direct taxes levied on the personal sector have remained fairly constant over the decade (figure 7.2). They were 20 per cent of personal income in 1985/86 and, including the council tax, were 20 per cent in 1994/95.

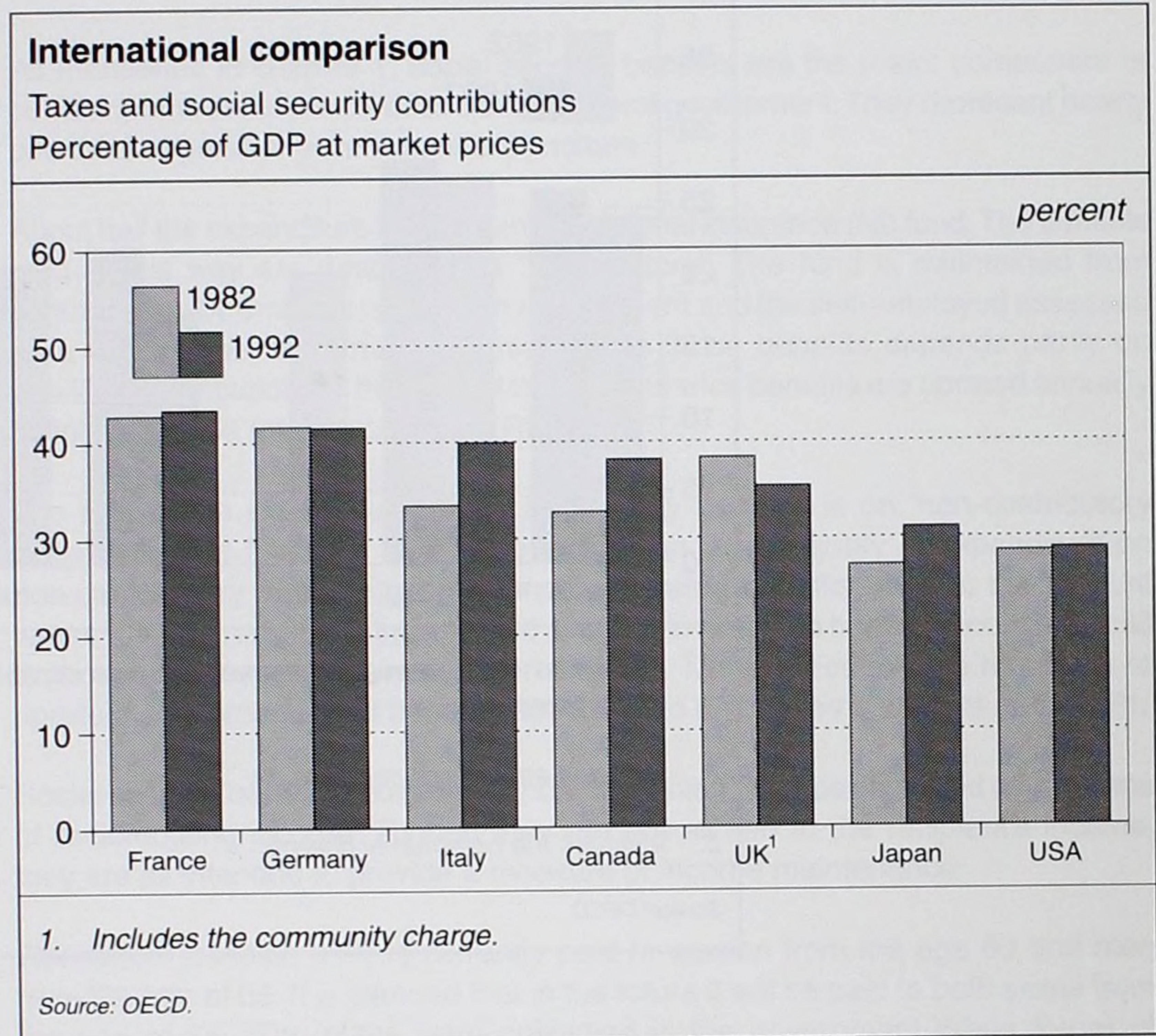
**Figure 7.2**



**International comparison**

Consideration of taxes and social security contributions as a percentage of GDP enables the UK taxation to be compared with that of other countries. Figure 7.3 allows a comparison with the other "group of seven" (G7) countries. The comparison is only available in calendar years up to 1992. In this year the UK figure of 35 per cent was close to average for the group. France had the highest percentage, 43, and the USA the lowest, 29. The UK was the only member of the group to show a marked decrease between 1982 and 1992.

**Figure 7.3**



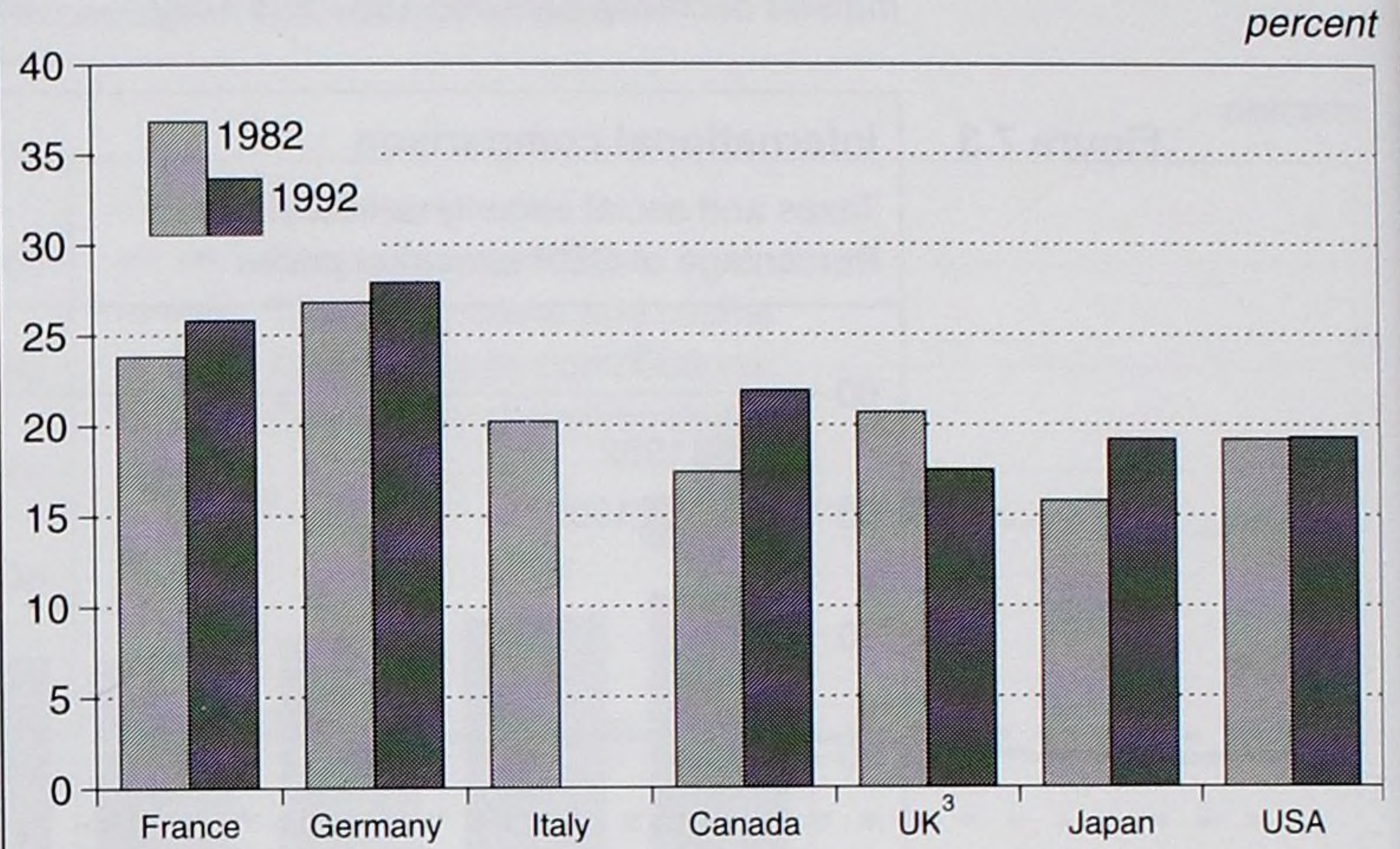
A similar comparison may be made in relation to direct taxes on households and social security contributions as a percentage of personal income. This is shown in figure 7.4. For this measure the UK was the lowest in the group, and again, unlike the others, showed a decrease between 1982 and 1992. Table 10.72 compares taxes and social security contributions as percentages of total taxes and social security contributions<sup>1</sup>.

1. For a more detailed treatment of the international comparison of taxes and social security contributions see bibliography reference 5.

**Figure 7.4**

**International comparison**

Direct taxes on household<sup>1</sup> and social security contributions<sup>2</sup>  
Percentage of personal income



1. Under the UN system of National Accounts capital gains taxes are included as direct taxes.
2. Includes employers' contribution.
3. Includes the community charge.

Source: OECD.

# Chapter 8 Social security

## Introduction

As mentioned in chapter 1, social security benefits are the major component of current grants to the personal sector by general government. They represent nearly one third of general government expenditure.

About half the expenditure is met from the national insurance (NI) fund. The benefits paid in this way are described as “contributory”. The fund is maintained from contributions by employers, those in employment and the self-employed assessed as a percentage of earnings. Entitlement to these benefits depends partly on previous contributions to the fund. National insurance benefits are uprated annually according to the retail price index (RPI).

The rest of the expenditure on social security benefits is on “non-contributory benefits” and is financed from general taxation. The majority of expenditure on non-contributory benefits goes on income-related benefits; that is, the amount varies with the recipient’s income and circumstances, and benefit is not paid at all to those with resources above a certain level. The practice to date has been to uprate the income-related benefits according to an “all-items” variant of the RPI.

Social security benefits, like some kinds of taxation, may be regarded as a means of redistributing income. Though they are not all tied to the recipient’s income, they are all intended to provide a measure of income maintenance.

## Contributory social security benefits

*Retirement pension (RP)* is currently paid to women from the age 60 and men from the age of 65. It is planned that in the future it will be paid to both sexes from the age of 65. (The plans were published in the government White Paper of December 1993 and given statutory effect by the Pensions Act 1995. The change is to be phased in over 10 years, starting 2010.) RP is not affected by post-retirement earnings.

RP can have two elements: flat rate basic pension and the State Earnings-related Pension Scheme (SERPS). Someone who has paid the requisite NI contributions for a sufficient number of “qualifying” years, usually about 9 years in every 10 of his working life, is entitled to the full rate of pension. A reduced rate is payable to someone whose record of “qualifying” years is lower but at least a quarter of the full number. The entitlement is within limits transferable on death to the former spouse provided they do not have their own full rate pension. A married woman, basing her own claim upon her husband’s record, has a lower entitlement. SERPS is earnings-related, based on revalued earnings since April 1978.

*Widows’ benefit.* Widows under 60 (or those over 60 whose husbands were not entitled to a state pension) receive a tax-free single payment on their husband’s death. A widow’s pension for childless widows or a widowed mother’s allowance is also payable, depending on the widow’s age and that of her children, and on the contribution conditions outlined in the previous paragraph.

*Unemployment benefit* is payable to those seeking work for up to a year in any one period of unemployment. To qualify a claimant must have paid sufficient Class 1 contributions in the two tax-years preceding the calendar year in which the claim is made.

From October 1996 a jobseeker's allowance will replace unemployment benefit and Income Support for the unemployed. Claimants who would have been entitled to unemployment benefit will be entitled to jobseeker's allowance for 6 months without consideration of means or family circumstances. After that the allowance will be means related.

*Statutory sick pay and incapacity benefit.* Employers are responsible for paying statutory sick pay for up to 28 weeks of sickness. Employees not entitled to statutory sick pay, the self-employed and unemployed, can claim incapacity benefit. Incapacity benefit is paid at one of three basic rates: short-term lower rate for the first 28 weeks of incapacity, short-term higher rate from weeks 29 to 52 and long-term rate after 52 weeks.

Incapacity benefit is subject to medical tests. In most cases, for the first 28 weeks of incapacity for work, a person's ability to carry out their own job will be assessed. After 28 weeks, or from the start of the incapacity if the person has no regular job, they will be assessed on how well they can carry out a range of work-related activities.

Claimants are only entitled to incapacity benefit if they have paid or been credited with enough Class 1 or Class 2 contributions in the two tax years before the calendar year in which the claim is made.

Incapacity benefit replaced both sickness benefit and invalidity benefit from April 1995.

*Statutory maternity pay and maternity allowance.* Working women on maternity leave are usually entitled to statutory maternity pay from their employer. If they are not entitled to this, eg because they have not worked long enough for the employer or are self-employed, they may receive maternity allowance. Both allowances are payable for up to 18 weeks. Entitlement to maternity allowance is dependent on the claimant's NI contributions during the period before the expected confinement.

**Non-contributory  
social security  
benefits not tied  
to income**

*Child benefit* is the main social security benefit for children. It is payable for children up to the age of 16, or up to 19 for children who continue in full-time non-advanced education. There are additional single-parent allowances, and guardians' allowances for orphaned children.

*Industrial injuries disablement benefit* is normally payable after a qualifying period of 15 weeks to an employee who is 14 per cent or more physically or mentally disabled as a result of an industrial accident or a prescribed disease (except for certain respiratory diseases).

*Other non-contributory benefits not tied to income* are non-contributory retirement pension; war pension; attendance allowance; disability living allowance; invalid care allowance; severe disablement allowance; industrial death benefit.

**Non-contributory  
social security  
benefits tied  
to income**

*Housing benefit* is paid to family units with incomes and capital below specified levels, covering up to 100 per cent of rent.

From January 1996 limits may be made to the housing benefit paid to tenants of private rented accommodation on above-average rents.

*Family credit* is payable to working families (couples and lone parents) whose income and capital is below a specified level and where there are children aged under 16 (or under 19 if in full-time education up to, and including "A" level or equivalent standard). One parent must work for sixteen hours or more a week.

There is an adult credit (the same for lone parents and couples) and a credit for each child depending on their age. From July 1995, there is an additional £10 credit where a parent works for thirty hours or more a week. Any extra benefit payable is not taken into account when housing benefit or council tax benefit is calculated.



From October 1994, for a child under eleven (who is cared for by an approved childcare provider) childcare charges of up to £40 a week are offset against a family's earnings. This is for lone parents, two-earner couples, and couples where one partner works and the other is incapacitated. (This help is available in disability working allowance, housing benefit and council tax benefit).

*Income support* is paid to people over eighteen years of age with income and capital below a specified level, where the claimant or partner is not working sixteen hours or more a week. There are personal allowances related to age, the number of dependants and whether the claimant is single or with partner. Some groups such as families with children, the old, the sick and disabled may qualify for additional premiums. Some sixteen to seventeen year olds, in special circumstances, can also claim Income Support.

From October 1995 new claimants do not have the interest paid for them on the first nine months of new mortgages; on existing mortgages support is limited for the first 6 months. (Existing claimants are unaffected and there are special arrangements for pensioners, the sick, the disabled and lone parents.)

Disability working allowance is payable to some disabled people whose income and capital are below a certain level. They must be aged 16 or over, working at least 16 hours a week on average and have a disability which puts them at a disadvantage in getting a job. They must also receive, or have recently received, one of the listed qualifying benefits.

There are adult allowances and allowances for each child. Since April 1995 there is a disabled child's allowance. Since July 1995 there is an extra £10 allowance if the claimant or partner works 30 or more hours a week.

*Council tax* benefit provides rebates of up to 100 per cent of council tax to those with income and capital below specified levels.

### Trends in expenditure on social security benefits

Figure 8.1 shows the trend of total expenditure on social security benefits as a percentage of GDP at market prices and as a percentage of personal income for the financial years 1975-76 to 1994-95. As a percentage of GDP it reached a peak of 11.2 per cent in 1982-83 and another peak of 11.4 per cent in 1993-94. The 1982-83 peak for total expenditure on social security benefits as a percentage of personal income, 13.0 per cent, was higher than the 1993-94 peak, 12.6 per cent.

Figure 8.1

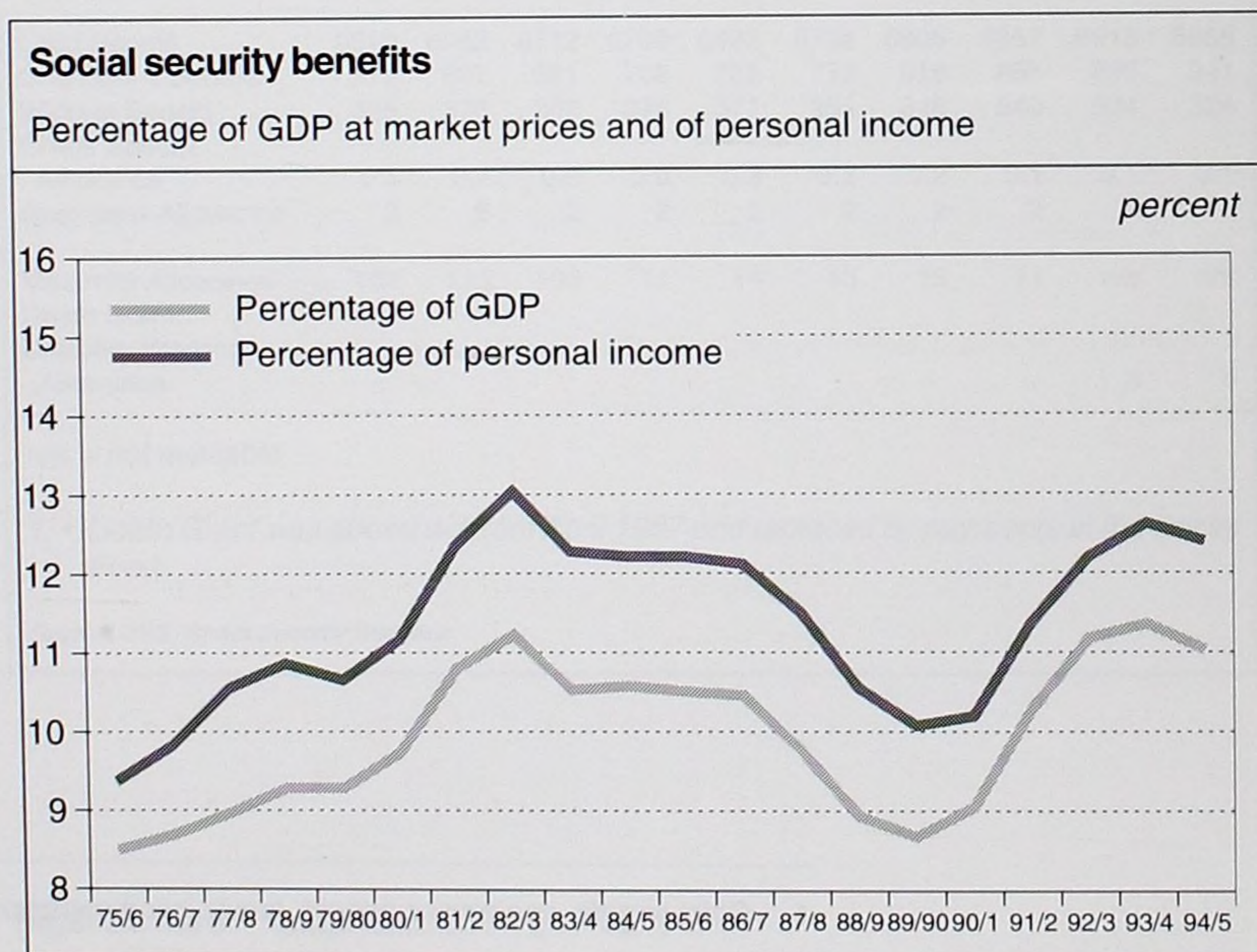
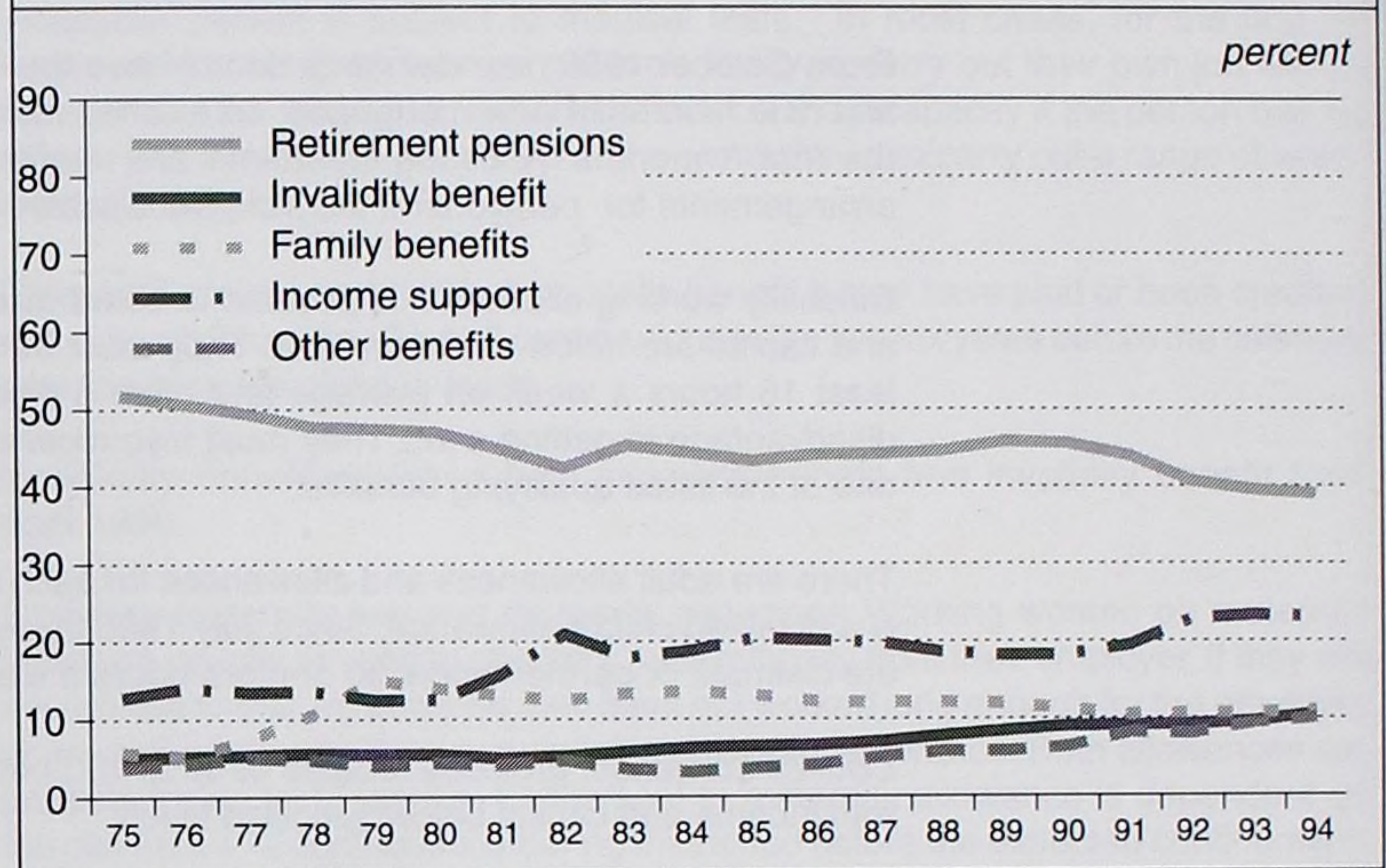


Table 10.81 analyses social security expenditure in terms of individual benefits. (Data are not available for financial years.) Figure 8.2 shows the variation in some of the main benefits as a percentage of total expenditure on social security. Expenditure on retirement pensions decreased from 52 per cent in 1975 to 39 per cent in 1994. Over the same period, expenditure on income support increased from 13 per cent to 23 per cent. As a percentage of the total, expenditure on family benefits<sup>1</sup> overtook income support in 1979, when it reached a high point of 15 per cent. After that it declined gradually to 11 per cent in 1994.

**Figure 8.2**

**Social security benefits**

Percentage of total



1. Child benefit, one-parent benefit, family income support and maternity grants.

## Recipients of social security benefits

Table 8.1 uses data from the Department of Social Security to show the numbers of recipients of individual benefits for calendar years since 1985.

Table 8.1

Recipients of social security benefits										
	<i>thousands</i>									
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Family Income Supplement	201	202	200	213						
Family Credit					286	313	328	356	485	578
Supplementary Benefit	n/a	4940	4900							
Income Support				4352	4161	4180	4487	5088	5643	5675
Rent Rebate (LA tenants)	3710	3720	3665	3125	2950	2923	2937	3031	3045	3016
Rent Allowance (other tenants)	1150	1180	1195	965	955	1066	1084	1289	1479	1634
Rates Rebate	7020	7050	6875	5150	4320					
Community Charge Benefit					865	6519	6330	6550	6872	
Council Tax Benefit									5251	5497
Retirement Pension	9556	9691	9764	9817	9827	10000	10059	10125	10131	10167
Unemployment Benefit	872	923	675	500	289	343	626	654	584	
Sickness Benefit	180	179	110	117	109	103	110	138	147	n/a
Invalidity Benefit	849	899	968	1047	1126	1209	1306	1439	1580	n/a
Severe Disablement Allowance	252	261	260	263	275	285	293	302	316	n/a
Attendance Allowance	543	585	641	713	763	835	918	1059	890	996
Mobility Allowance	406	461	512	556	599	641	687	699		
Invalid Care Allowance	10	31	91	109	121	134	159	189	230	274
War Pensions	291	275	266	258	252	248	250	260	293	309
Disability Living Allowance									1145	1308
Industrial Injuries Disablement Benefit	188	184	186	189	193	196	200	204	212	219
Reduced Earnings Allowance	147	149	147	146	155	160	164	160	156	151
Industrial Death Benefit	30	30	30	30	28	26	25	24	22	21
Workmen's Compensation	3	2	2	2	2	1	1	1	1	1
Pneumo Byss and Miscellaneous	1	1	1	1	1	1	1	1		
Child Benefit	6819	6762	6712	6706	6695	6732	6805	6857	6913	6955
One Parent Benefit	576	607	681	708	722	773	818	855	898	941
Widows Benefit	385	376	367	375	371	354	346	340	334	324
Childs Special Allowance	0.7	0.7	0.6	0.5	0.3	0.3	0.2	0.1	0.1	0.1
Guardians Allowance	2	2	2	2	2	2	2	2	2	2
Maternity Allowance	107	115	109	11	14	13	18	11	n/a	n/a
Death Grant <sup>1</sup>	601									
Disability Working Allowance									3	4

*n/a = not available*

1. Death Grant was abolished from April 1987 and replaced by payments in the Social Fund.

Source: DSS, Social Security Statistics.

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# Chapter 9 Glossary of terms

Terms within definitions in bold appear elsewhere in the glossary.

## A

- Above the line:** Transactions in the production, current and capital accounts, which are above the **financial surplus or deficit** line in the presentation used in table A of United Kingdom National Accounts (the **Blue Book**). The financial transactions account is **below the line** in this presentation.
- Accruals basis:** A method of recording transactions to relate them to the period when the exchange of ownership of the goods, services or financial asset applies. (see also **cash basis**). For example, value added tax accrues when the expenditure to which it relates takes place, but Customs and Excise receive the cash some time later. The difference between accruals and cash results in the creation of an asset and liability in the financial accounts, shown as Accruals Adjustments.
- Additions to dividend reserves:** The excess of accruals of dividends over actual payments during the year.
- Additions to tax reserves:** The excess of accruals of tax over the actual payments of tax in the year.
- Assets:** Entities over which ownership rights are enforced by institutional units, individually or collectively; and from which economic benefits may be derived by their owners by holding them over a period of time.

## B

- Balancing item:** A balancing item is an accounting construct obtained by subtracting the total value of the entries on one side of an account from the total value for the other side. In the sector accounts, the term refers to the difference between the **financial surplus or deficit** for a sector, and the sum of the financial transactions for that sector.
- Balance sheet:** A statement drawn up at a particular point in time, of the value of **assets** owned and of the financial claims, **liabilities**, against the owner of these assets.
- Banks (UK):** Strictly, all financial institutions located in the United Kingdom and recognised by the Bank of England as banks for statistical purposes up to late 1981 or as UK banks from then onwards. This category includes the UK offices of institutions authorised under the Banking Act 1987, the Banking Department of the Bank of England, those institutions in the Channel Islands and the Isle of Man which have opted to adhere to the monetary control arrangements introduced in August 1981

and prior to their recognition as banks, the National Girobank and the TSB Group plc. It may include branches of foreign banks, where these are recognised as banks by the Bank of England, but not offices abroad of these or of any British-owned banks. An updated list of banks appears in each February's issue of the Bank of England Quarterly Bulletin.

**Bank of England -  
Banking Department:**

This is part of the Banks sector.

**Bank of England -  
Issue Department:**

This part of the Bank of England deals with the issue of bank notes on behalf of central government, and is therefore classified to **central government** in the national accounts. Its activities include, *inter alia*, market purchases of commercial bills from the UK banks.

**Below the line:**

The financial transactions account which is below the **financial surplus or deficit** line in the National Accounts presentation used in Table A of the **Blue Book**.

**Blue Book:**

The informal name given to the CSO annual publication: *United Kingdom National Accounts*.

**British government  
securities:**

See **Gilts**.

**Building society:**

Those institutions as defined in the Building Society Acts 1962 and 1986. They offer housing finance largely to the personal sector and fund this largely by taking short term deposits from the personal sector.

**C**

**Capital  
consumption:**

The amount of fixed capital resources used up in the process of production during the year. It is allowed for (as depreciation) in the prices charged by trading bodies. Capital consumption is not an identifiable set of transactions: it is an imputed transaction which can be measured only by a system of conventions.

**Capital transfers:**

Transfers which directly affect or are based upon the level of capital investment or wealth of the recipient or payer. Mainly capital grants by the central government to other sectors and receipts by the central government from taxes on capital.

**Cash basis:**

The recording of transactions when cash or other assets are actually transferred rather than on an **accruals** basis.

**Central government:**

All departments, offices, establishments and other bodies for whose activities a Minister of the Crown, or other responsible person is accountable to Parliament.

**Certificate of deposit:**

A short term interest paying instrument issued by deposit taking institutions in return for money deposited for a fixed period. Interest is earned at a given rate. The instrument can be used as security for a loan if the depositor requires money before the repayment date.

**CGBR:**

Central government borrowing requirement.

<b>CGBR(O):</b>	Central government borrowing requirement on own account. It differs from <b>CGBR</b> by excluding borrowings which are lent on to local authorities and public corporations.
<b>Companies and financial institutions:</b>	Industrial and commercial companies, and financial companies and institutions.
<b>Commercial Paper:</b>	This is an unsecured <b>promissory note</b> for a specific amount and maturing on a specific date. The commercial paper market allows companies to issue short term debt direct to financial institutions who then market this paper to investors or use it for their own investment purposes.
<b>Consolidated Fund:</b>	An account of Central Government, into which most Government revenue (excluding borrowing and certain payments to government departments) is paid, and from which most government expenditure (excluding loans and National Insurance benefits) is paid.
<b>Control total:</b>	The Government seeks to achieve its wider objective for public expenditure by planning and controlling cash totals. The control total covers expenditure by central government departments, excluding <b>cyclical social security</b> , all expenditure by local authorities (including self-financed) and the financing requirements of the national industries and public corporations.
<b>Corporate enterprises:</b>	Companies, financial institutions and public corporations.
<b>Current grants paid abroad by central government, net:</b>	Grants to overseas governments under the economic aid programme; military aid to overseas governments; subscriptions and contributions to international organisations, war pensions and national insurance benefits paid to persons abroad, less transfers received from the European Community.
<b>Current grants to local authorities:</b>	Includes revenue support grant, general grants, and grants towards specific services paid by central government to local authorities. From 1st April 1990 this includes central government distribution to local authorities from the national non-domestic rates pool. Capital grants are excluded.
<b>Current surplus:</b>	The balancing item in the current accounts of central government and local authorities.
<b>Current transfers:</b>	Transfers intended to finance production or consumption, but not investment, and which are made out of the current income of the donor and regarded as current income by the recipient.
<b>Current transfers to central government from overseas governments:</b>	Receipts by the UK government from overseas governments and institutions e.g. receipts from the European Community budget and the European Coal and Steel Community and payments towards the cost of the Gulf War in 1990 and 1991.
<b>Cyclical social security:</b>	Unemployment benefit and income support to non-pensioners.

## D

**Debt interest:** Interest paid by central government and local authorities on their borrowing.

**Depreciation.** See **Capital consumption.**

**Dividends:** The portion of a company's profits that the board of directors decide to distribute to holders of preference and ordinary shares in the company.

**DIM:** The CSO Dividend and Interest Matrix consisting of flows of interest and dividend receipts and payments analysed by type of financial instrument and sector of the economy.

**Domestic product:** See **Gross domestic product.**

## E

**ECGD:** See **Export Credits Guarantee Department.**

**Employers' social security contributions:** Employers' contributions to the national insurance scheme, to the national health service, to the Redundancy Fund and to the Maternity Pay Fund. Payments of the national insurance surcharge are not included but are classified as taxes on expenditure.

**Employers' contributions - other:** Employers' contributions to superannuation and other pension funds which are, in the case of unfunded schemes, proxied by pensions and gratuities actually paid to retired employees, principally payments to former central government employees and to retired police and firemen. Also includes compensation payments by employers to injured employees or to their dependants and redundancy payments made by employers which are not covered by rebates from the Redundancy Fund.

**ESA:** European System of Integrated Economic Accounts. The European version of the System of National Accounts (**SNA**).

**Exchange cover scheme (ECS):** A scheme first introduced in 1969 whereby UK public bodies raise foreign currency from overseas residents, either directly or through UK banks, and surrender it to the **Exchange Equalisation Account** in exchange for sterling for use to finance expenditure in the United Kingdom. HM Treasury sells the borrower foreign currency to service and repay the loan at the exchange rate that applied when the loan was taken out.

**Exchange Equalisation Account (EEA):** An account of central government held by the Bank of England in which transactions in the official reserves are recorded. The means by which the government, through the Bank of England, influences exchange rates.

<b>Export Credits Guarantee Department (ECGD):</b>	A government department whose main function is to provide insurance cover for export credit transactions.
<b>External finance of public corporations:</b>	Financial support (lending, subsidies and grants) from central government for nationalised industries, trading funds and other public corporations and their borrowing from commercial sources, both in the UK and abroad (including the capital value of certain leases). Grants which are generally available to the private sector, such as grants for regional assistance, are not scored as external finance but are regarded as contributing to internal resources. Such grants are included within central government's own expenditure.
<b>External financing limits:</b>	Cash limits imposed by the Government on <b>external finance</b> .
<b>F</b>	
<b>Factor cost:</b>	Equivalent to a <b>market price</b> valuation <i>less</i> taxes on expenditure <i>plus</i> subsidies.
<b>Final consumption of central government and local authorities:</b>	Current expenditure by the central government (including the National Insurance Fund) and local authorities, constituting a direct demand for goods and services, including the services of government employees, <i>plus</i> an imputed charge for the consumption of non-trading capital <i>less</i> fees and charges for sales of goods and services.
<b>Final expenditure by private non-profit-making bodies serving persons:</b>	Similar to <b>final consumption of central government and local authorities</b> , this constitutes current expenditure by private non-profit-making bodies on goods and services including the services of their employees <i>plus</i> an imputed charge for consumption of non-trading capital <i>less</i> any fees or charges made for services rendered and goods supplied.
<b>Financial companies and institutions:</b>	Those productive enterprises which provide financial services and act as financial intermediaries.
<b>Financial surplus or deficit:</b>	Equals saving before providing for depreciation, stock appreciation, and addition to reserves, <i>plus</i> net receipts of capital transfers <i>less</i> gross domestic fixed capital formation <i>less</i> the increase in the book value of stocks and work in progress.
<b>Fixed assets:</b>	Produced assets that are themselves used repeatedly or continuously in a production process for more than one year.
<b>Flows:</b>	Economic flows reflect the creation, transformation, exchange, transfer or extinction of economic value; they involve changes in the volume, composition or value of an institutional unit's assets and liabilities.



## G

- GDP:** Gross domestic product.
- General government:** Central government and local authorities.
- GGBR:** General government borrowing requirement.
- GGCS/GGCD:** General government surplus/deficit on current account.
- General government expenditure (GGE):** The combined expenditure of the central government and local authority sectors excluding payments between the two sectors.
- GGE(X):** GGE adjusted to exclude privatisation proceeds and expenditure met from the proceeds of the national lottery.
- General government final consumption:** See **Final consumption of central government and local authorities.**
- GGFS/GGFD:** General government financial surplus/deficit.
- Gilts:** Bonds issued or guaranteed by the UK government. Also known as gilt edged securities or British government securities.
- Grants paid to personal sector by central government:** Social security fund's benefits, supplementary benefits, family benefits, war pensions, etc, rebates to employers paid from the Redundancy Fund and grants to non-profit-making bodies serving persons.
- Grants paid to personal sector by local authorities:** Scholarships and other education awards and rent rebates and allowances granted to tenants under the 1972 Housing Finance Act and the housing benefit scheme.
- Gross domestic fixed capital formation:** Expenditure on fixed assets (buildings, vehicles, plant and machinery, etc.) either for replacing or adding to the stock of existing fixed assets. Expenditure on maintenance and repairs is excluded.
- Gross domestic product:** Domestic product measures total economic activity taking place on UK territory. Equals the sum of all incomes ( whether individual or corporate, etc ) earned in the UK from the production of goods and services; also equals the total of final expenditures on the goods and services produced in the UK less their import content; and further equals the sum of the value added by all activities which produce goods and services on UK territory. Termed 'gross' when the aggregate is measured before providing for capital consumption and 'net' after deduction of capital consumption. Measured at **market prices** or at **factor cost** expressed in either current prices ( to give value of activity ) or constant prices ( relating to a specific base year (currently 1990) to give volume of activity).

**Gross national product:** As GDP, but includes the income of UK residents from economic activity abroad and property held abroad; excludes the equivalent for foreign residents in the UK.

**Gross trading surplus of public corporations:** The trading surpluses before deduction of tax or interest payments and before providing for depreciation and stock appreciation of the nationalised industries and certain other public bodies engaged in providing trading activities (see public corporations).

## H

**Households:** A sub-sector of the personal sector, representing households and individuals considered as final consumers. In practice it is not always possible to separate the transactions of unincorporated businesses from the purely personal transactions of their proprietors.

**Household disposable income:** Total household income from work and property (in cash or kind) together with pensions, social security benefits and other transfers, reduced by taxes on income, national insurance contributions and employees' contributions to occupational pension schemes. Excludes imputed rent of owner-occupied dwellings.

## I

**Industrial and commercial companies:** All corporate bodies other than public corporations, banks, and other financial companies and institutions. Includes property companies.

**Index Linked Gilts:** **Gilts** whose coupon and redemption value are linked to movements in the index of retail prices.

**Interest:** The amount that a debtor becomes liable to pay a creditor, under the terms of a financial instrument agreed between them, over a given period of time without reducing the amount of principal outstanding.

## L

**LABR:** Local authority borrowing requirement.

**Levels:** The stock of assets held by a sector or sectors of the UK economy

**Liability:** Claim by another body, which gives rise to a payment or other transaction transferring assets to the other body. Conditional liabilities, ie where the transfer of assets only takes place under certain defined circumstances, are known as contingent liabilities.

**Local authorities:** Public authorities of limited geographical scope, having power to raise funds by certain forms of taxation. Include county, borough, district and parish councils, and joint boards and committees formed by two or more councils.

**Local authority bill:** A security issued by Local Authorities. The period of the security is usually between 1-3 years. The rate of interest is set at the outset and is payable at the end of the period.

## M

**M0:** Notes and coin in circulation outside the Bank of England and bankers' operational balances with the Bank of England.

**M4:** Holdings by the UK **private sector** (other than banks and building societies) of sterling notes and coin and all types of sterling deposits with UK banks and building societies (including **certificates of deposit**).

**Market prices:** The prices which purchasers pay for the goods and services they acquire or use. Excludes deductible VAT (that is, includes non-deductible VAT).

**Money supply:** The money supply is measured by *monetary aggregates* such as **M0** and **M4**. It is monitored to provide information for the Government's inflation policy and interest rate decisions. Target ranges for the growth of the money supply are published.

**MIPs:** Mortgage interest payments.

## N

**National income (net national product at factor cost):** The total income of residents of the UK after providing for **capital consumption**. Equal to the **gross national product at factor cost** less capital consumption.

**National insurance, etc. contributions and benefits:** See **Social Security contributions and benefits**.

**National Loans Fund:** An account of HM Government, set up under the National Loans Fund Act 1968, which handles all government borrowing, and most domestic lending transactions.

**Net domestic fixed capital formation:** Equal to gross domestic fixed capital formation less capital consumption.

## P

**PCBR:** Public corporations borrowing requirement.

**Personal sector:** Consists mainly of households and individuals resident in the UK. Includes individuals living in hostels and other institutions as well as those living in private households. Also includes unincorporated private businesses, life assurance and pension funds (in parts of the national accounts only), private non-profit-making bodies serving persons, and private trusts.

**PPI:** Producer **price indices**.

**Price indices:** Economic indicators used as deflators and derived from surveys of expenditure on goods and services and of (producer or retail) prices.

**Private sector:** Personal sector *plus* companies and financial institutions.

**Privatisation proceeds:** The net receipts by central government from the sale of their shareholdings in public corporations or other organisations. These are recorded net of expenses, which include the cost of the sale, the cost of collecting instalments and the cost of distributing bonus shares.

**Promissory note:** A security which entitles the bearer to receive cash. (An example is a £5 note.) More generally, these may be issued by companies and other institutions (see **commercial paper**).

**PSBR:** **Public sector borrowing requirement.**

**Public corporations:** Public trading bodies, including the nationalised industries, which have a substantial degree of financial independence from the public authority which created them, including the powers to borrow and maintain reserves. Also includes National Health Service trust hospitals.

**Public sector:** Comprises central and local government and public corporations.

**Public sector borrowing requirement (PSBR):** The amount which the public sector needs to borrow to make up the difference between its expenditure and its revenue.

## R

**Red Book:** HM Treasury's *Financial Statement and Budget Report*.

**Rent:** Gross receipts from ownership of land and buildings *less* actual expenditure by the owners on repairs, maintenance and insurance. An imputed income is included for owner-occupied dwellings and farm houses provided rent free by employers and houses owned by general government. Imputed income from owner-occupied trading property is included in trading income and is not part of rent.

**Rent and non-trading income of corporate enterprises:** Principal components are public debt interest, interest paid to financial companies and rent from property owned and let.

**Rent, dividends and interest received by general government:** Major components are rent income in respect of houses owned by local authorities and interest received by the central government on loans to public corporations. Interest received by the central government from local authorities, and interest received by one part of the central government from another are excluded.

**RPI:** Retail **prices index.**

## S

**Saving (or undistributed income):**

The residual difference between current income and current expenditure in each sector.

**Sector:**

A group of entities similar to one another in general characteristics affecting economic behaviour. The following sectors are distinguished - personal sector; industrial and commercial companies; financial companies and institutions; (which is further sectorised in parts of the accounts); public corporations; central government; local authorities; and overseas sector.

**SNA:**

System of National Accounts. An internationally agreed standard system for macroeconomic accounts. The latest version is described in *System of National Accounts 1993*.

**Social security fund's benefits:**

Comprise payments from the social security fund to persons in the form of retirement pensions, widows' benefits, guardians' allowances, death grant, and benefits to cover unemployment, sickness, invalidity, maternity, injury, disablement, and industrial death. Includes imputed benefits in respect of Statutory Sick Pay (whereby employers pay their employees sickness benefit in return for a deduction from the contributions they pay).

**Social security contributions:**

Contributions by employers, employees and self-employed persons to the national insurance scheme, the national health service, the Redundancy Fund, and the Maternity Pay Fund. Includes imputed contributions in respect of Statutory Sick Pay (whereby employers pay their employees sickness contributions return for a deduction from the contributions they pay).

**Subsidies:**

Payments made by the central government or local authorities to a producer or trader with the object of reducing his selling price below the factor cost of production. The financing of certain losses on public trading services and the deficit on local authorities housing revenue account are included as well as payments made to nationalised transport undertakings.

## T

**Tax credits:**

Tax credits on dividends received by the personal sector.

**Taxes:**

Compulsory, unrequited payments made to general government.

**Taxes on expenditure:**

Indirect taxes which relate to the volume of production of, or trade in, particular goods and services (as distinct from taxes related to the income or capital resources of particular individuals, companies, etc.) levied by central government.

**Taxes on income:**

Taxes related to the income of particular individuals, companies etc. Included are receipts from income tax, surtax, corporation tax, petroleum revenue tax, profits tax and excess profits taxes.

**Transfers:** Payments made by one sector to another without any goods or services being received directly in return by the payer. They represent a distribution of the national income without adding to its total. A distinction is made between *current transfers* and *capital transfers*, depending upon the purpose for which, the basis on which, and the frequency with which the transfer is made.

**Treasury bills:** Treasury bills are in the form of short term security or promissory notes which are issued by the British government in return for funding from the money market. Every week the Bank of England invites tenders for Sterling Treasury bills from the financial institutions operating in the market. ECU denominated bills are issued by tender each month. Treasury bills are an important form of short term borrowing for the government. They are generally issued for periods of 3 or 6 months.

## U

**United Kingdom:** In the domestic accounts, the UK comprises Great Britain plus Northern Ireland and that part of the continental shelf deemed by International convention to belong to the UK. In the overseas account, the UK is defined as including also the Isle of Man and the Channel Islands.

**United Kingdom taxes on property income paid abroad:** This comprises corporation tax, income tax, petroleum revenue tax, profits tax and excess profits taxes paid on profits earned in the UK by foreign-owned branches and subsidiaries, and income tax deducted from dividends and interest paid to non-residents from their portfolio investments in UK securities.

## V

**Value added:** Gross value added is defined as the value of output *less* the value of intermediate consumption. Net value added is defined as the value of output *less* the values of both intermediate consumption and consumption of value added.

## W

**Wages and salaries:** Earnings of civilian wage earners and salaried employees, other than employers' social contributions before deduction of income tax, surtax or insurance contributions *including* income in kind *less* expenses of employment. The figures include directors' fees.

# Chapter 10 Tables

Chapter 10 is a collection of long run calendar-year and financial-year tables, beginning in some cases in 1965, and is provided as background information to chapters 1-9. Most of the tables, covering shorter periods, can also be found in either the UK National Accounts (Blue Book) or Financial Statistics.

The figures in the tables in this publication are consistent with the 1995 *Blue Book*, the October 1995 edition of *Financial Statistics*, and the *First Release CSO(95)206 - Quarterly National Accounts 2nd quarter 1995*. The figures for public sector borrowing, and its components, differ from those in recent CSO First Releases on the public sector borrowing requirement: the First Releases include revisions to 1994-95 and some earlier years which have not been included in national accounts' tables.

The following is a list of tables that appear in this chapter. The number immediately after the decimal point in the table number refers to the chapter the table is associated with (eg tables 10.21-10.27 illustrate chapter 2, Central government).

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# General government

## 10.21 Current account

£ million

	Receipts								Expenditure					Current surplus or deficit
	Total current receipts	Taxes on income	Taxes on expenditure	Social security contributions	Community charge/Council tax <sup>1</sup>	Gross trading surplus, rent and royalties etc.	Interest dividends and miscellaneous current transfers	Imputed charge for consumption of non-trading capital	Total current expenditure	Final consumption	Subsidies	Current grants	Debt interest	
	AAXA	ACGB	AAXC	AIH	ADBH	AAXE	AAWY	AAXG	AAXH	AAXI	AAXJ	AAXK	AAXL	AAXM
1965	11 932	4 099	4 922	1 685	-	514	516	196	10 703	6 121	571	2 663	1 348	1 229
1966	13 139	4 587	5 380	1 804	-	550	606	212	11 568	6 671	559	2 873	1 465	1 571
1967	14 634	5 286	5 951	1 924	-	602	647	224	12 980	7 373	801	3 233	1 573	1 654
1968	16 470	5 872	6 755	2 161	-	698	738	246	14 227	7 841	895	3 697	1 794	2 243
1969	18 388	6 515	7 721	2 242	-	800	842	268	14 903	8 192	842	3 940	1 929	3 485
1970	20 545	7 410	8 352	2 655	-	887	935	306	16 446	9 245	884	4 292	2 025	4 099
1971	21 919	8 020	8 653	2 826	-	987	1 077	356	18 312	10 552	939	4 728	2 093	3 607
1972	23 227	8 116	9 191	3 337	-	950	1 220	413	21 245	12 062	1 160	5 746	2 277	1 982
1973	26 221	9 257	10 058	3 937	-	1 094	1 427	448	24 329	13 774	1 503	6 379	2 673	1 892
1974	32 919	12 716	11 374	5 000	-	1 409	1 831	589	31 485	17 151	3 107	7 737	3 490	1 434
1975	42 244	16 758	14 036	6 848	-	1 669	2 156	777	41 630	23 652	3 771	10 080	4 127	614
1976	49 304	18 969	16 284	8 423	-	2 094	2 609	925	49 432	27 698	3 572	12 869	5 293	-128
1977	56 134	20 490	19 834	9 503	-	2 439	2 823	1 045	55 257	30 179	3 386	15 404	6 288	877
1978	62 398	22 624	22 756	10 101	-	2 733	3 002	1 182	63 814	34 127	3 775	18 815	7 097	-1 416
1979	74 680	25 239	29 670	11 526	-	3 353	3 486	1 406	75 085	39 607	4 643	22 156	8 679	-405
1980	91 718	31 002	36 474	13 939	-	4 431	4 124	1 748	92 851	49 984	5 719	26 260	10 888	-1 133
1981	106 047	36 134	42 465	15 916	-	4 951	4 633	1 948	107 311	56 512	6 369	31 711	12 719	-1 264
1982	117 413	40 282	46 467	18 095	-	5 073	5 479	2 017	118 499	61 641	5 811	37 095	13 952	-1 086
1983	125 910	43 344	49 500	20 780	-	4 886	5 319	2 081	128 050	67 204	6 269	40 369	14 208	-2 140
1984	134 464	46 658	52 736	22 322	-	5 256	5 305	2 187	138 086	71 201	7 537	43 678	15 670	-3 622
1985	147 059	51 598	56 667	24 210	-	5 775	6 437	2 372	148 856	75 267	7 225	48 778	17 586	-1 797
1986	153 827	51 973	62 872	26 165	-	4 256	5 978	2 583	156 050	80 911	6 301	51 687	17 151	-2 223
1987	166 434	55 658	68 971	28 642	-	4 272	6 087	2 804	165 321	87 045	6 265	54 075	17 936	1 113
1988	183 472	61 723	76 039	32 106	-	4 085	6 409	3 110	173 298	93 641	6 037	55 423	18 197	10 174
1989	198 339	70 000	79 980	32 902	586	4 101	7 322	3 448	184 816	101 796	5 782	58 311	18 927	13 523
1990	213 386	76 875	78 298	34 651	8 629	4 267	6 860	3 806	201 281	112 934	6 066	63 535	18 746	12 105
1991	219 572	75 178	85 416	36 373	8 128	4 529	6 185	3 763	217 474	124 105	5 995	70 370	17 004	2 098
1992	220 401	73 731	87 521	37 085	7 907	4 907	5 647	3 603	240 636	131 875	6 737	84 886	17 138	-20 235
1993	225 767	73 257	91 426	38 753	8 038	5 545	5 180	3 568	257 295	137 965	7 452	93 368	18 510	-31 528
1994	242 723	80 554	96 950	41 977	8 465	5 883	5 543	3 351	271 036	144 084	7 224	97 559	22 169	-28 313
1965/66	12 396	4 392	4 990	1 755	-	525	532	202	10 964	6 275	561	2 760	1 368	1 432
1966/67	13 495	4 751	5 540	1 827	-	556	608	213	11 962	6 886	612	2 961	1 503	1 533
1967/68	14 896	5 285	6 101	1 975	-	625	680	230	13 388	7 524	846	3 350	1 668	1 508
1968/69	16 914	6 010	6 968	2 192	-	723	770	251	14 370	7 903	858	3 783	1 826	2 544
1969/70	18 997	6 856	7 863	2 324	-	825	852	277	15 133	8 326	851	4 015	1 941	3 864
1970/71	20 871	7 571	8 450	2 660	-	909	965	316	16 803	9 575	916	4 310	2 002	4 068
1971/72	22 364	8 104	8 773	2 985	-	999	1 134	369	19 212	10 996	1 041	4 994	2 181	3 152
1972/73	23 768	8 215	9 404	3 492	-	949	1 290	418	21 883	12 484	1 122	5 945	2 332	1 885
1973/74	27 204	9 717	10 199	4 106	-	1 177	1 530	475	25 694	14 278	1 931	6 563	2 922	1 510
1974/75	34 992	13 772	11 781	5 410	-	1 481	1 908	640	34 107	18 926	3 401	8 153	3 627	885
1975/76	44 121	17 288	14 785	7 173	-	1 756	2 307	812	43 807	24 664	3 593	11 035	4 515	314
1976/77	51 263	19 855	16 751	8 833	-	2 193	2 673	958	50 935	28 302	3 650	13 394	5 589	328
1977/78	57 699	20 829	20 637	9 751	-	2 517	2 888	1 077	57 313	31 064	3 353	16 459	6 437	386
1978/79	64 610	23 235	23 964	10 238	-	2 830	3 118	1 225	65 941	35 020	3 974	19 526	7 421	-1 331
1979/80	79 775	27 067	31 995	12 020	-	3 649	3 557	1 487	79 509	41 994	4 927	23 138	9 450	266
1980/81	94 412	31 811	37 549	14 400	-	4 577	4 260	1 815	96 883	52 123	6 072	27 288	11 400	-2 471
1981/82	110 970	38 320	44 295	16 477	-	5 022	4 880	1 976	110 402	57 900	6 215	32 995	13 292	568
1982/83	120 035	41 556	47 129	18 732	-	5 073	5 514	2 031	121 178	63 384	5 848	38 076	13 870	-1 143
1983/84	127 428	43 579	50 371	21 336	-	4 856	5 185	2 101	130 967	68 393	6 626	41 663	14 285	-3 539
1984/85	138 096	48 385	53 629	22 748	-	5 739	5 363	2 232	141 756	72 827	7 885	44 993	16 051	-3 660
1985/86	149 144	52 371	57 821	24 639	-	5 296	6 602	2 415	149 763	76 441	6 631	48 938	17 753	-619
1986/87	156 072	52 160	64 420	26 679	-	4 126	6 044	2 643	158 286	81 840	6 487	52 420	17 539	-2 214
1987/88	171 981	58 878	70 392	29 456	-	4 221	6 167	2 867	168 061	88 887	6 189	55 130	17 855	3 920
1988/89	186 767	62 793	77 153	32 842	-	4 168	6 615	3 196	174 688	95 154	5 854	55 195	18 485	12 079
1989/90	201 754	71 364	81 200	33 181	782	4 172	7 516	3 539	188 110	104 146	5 663	59 559	18 742	13 644
1990/91	215 978	77 303	77 176	35 406	11 245	4 278	6 732	3 838	204 650	115 489	6 157	64 624	18 380	11 328
1991/92	222 490	76 047	87 977	36 868	7 088	4 674	6 093	3 743	223 935	126 602	6 206	74 246	16 881	-1 445
1992/93	219 757	72 346	87 914	37 155	8 182	4 980	5 544	3 636	246 068	133 399	6 968	87 787	17 914	-26 311
1993/94	228 511	73 850	92 365	39 484	7 988	5 873	5 488	3 463	261 359	139 649	7 038	94 932	19 740	-32 848
1994/95	247 843	83 538	98 505	42 491	8 627	5 722	5 639	3 321	272 970	145 263	7 187	97 904	22 616	-25 127

<sup>1</sup> Council tax from 1993 Q2.

# General government

## 10.22 Capital account

£ million

	Receipts				Expenditure				Balance: financial surplus or deficit
	Total	Current surplus or deficit	Taxes on capital	Other capital receipts	Total	Gross domestic fixed capital formation	Increase in book value of stocks and work in progress	Grants and other transfers	
	AAYA	AAXM	ACIC	AAYB	AAYD	AAYE	AAAD	AAYG	AABC
1965	1 519	1 229	290	-	1 675	1 494	-1	182	-156
1966	1 886	1 571	315	-	1 880	1 691	-	189	6
1967	1 993	1 654	339	-	2 385	1 975	-3	413	-392
1968	2 680	2 243	437	-	2 877	2 179	3	695	-197
1969	4 110	3 485	625	-	3 103	2 255	6	842	1 007
1970	4 772	4 099	673	-	3 243	2 443	4	796	1 529
1971	4 271	3 607	664	-	3 497	2 578	7	912	774
1972	2 751	1 982	769	-	3 582	2 745	17	820	-831
1973	2 695	1 892	803	-	4 675	3 674	21	980	-1 980
1974	2 312	1 434	878	-	5 493	4 385	15	1 093	-3 181
1975	1 411	614	797	-	6 190	4 995	-9	1 204	-4 779
1976	685	-128	811	2	6 852	5 422	2	1 428	-6 167
1977	1 701	877	812	12	6 401	4 817	50	1 534	-4 700
1978	-581	-1 416	808	27	6 777	4 698	31	2 048	-7 358
1979	610	-405	979	36	7 059	5 225	-35	1 869	-6 449
1980	48	-1 133	1 134	47	7 888	5 652	43	2 193	-7 840
1981	243	-1 264	1 471	36	6 948	4 672	-93	2 369	-6 705
1982	532	-1 086	1 559	59	7 393	4 437	155	2 801	-6 861
1983	-480	-2 140	1 616	44	9 657	5 869	246	3 542	-10 137
1984	-1 790	-3 622	1 783	49	10 797	6 719	280	3 798	-12 587
1985	574	-1 797	2 297	74	10 641	6 872	450	3 319	-10 067
1986	958	-2 223	2 976	205	10 274	7 509	-237	3 002	-9 316
1987	4 399	1 113	3 078	208	10 295	7 577	-498	3 216	-5 896
1988	14 558	10 174	4 153	231	9 990	6 506	-322	3 806	4 568
1989	18 230	13 523	4 440	267	13 652	9 582	-163	4 233	4 578
1990	16 545	12 105	4 211	229	22 963	12 659	156	10 148	-6 418
1991	5 656	2 098	3 351	207	20 233	12 143	151	7 939	-14 577
1992	-17 406	-20 235	2 635	194	20 169	12 506	-17	7 680	-37 575
1993	-29 028	-31 528	2 311	189	20 065	11 487	-24	8 602	-49 093
1994	-25 516	-28 313	2 608	189	20 070	12 625	-250	7 695	-45 586
1965/66	1 731	1 432	299	-	1 721	1 539	-2	184	10
1966/67	1 850	1 533	317	-	1 971	1 778	-1	194	-121
1967/68	1 870	1 508	362	-	2 607	2 067	4	536	-737
1968/69	3 090	2 544	546	-	2 876	2 160	-	716	214
1969/70	4 508	3 864	644	-	3 114	2 274	-	840	1 394
1970/71	4 698	4 068	630	-	3 435	2 549	7	879	1 263
1971/72	3 851	3 152	699	-	3 509	2 645	11	853	342
1972/73	2 646	1 885	761	-	3 900	2 997	10	893	-1 254
1973/74	2 367	1 510	857	-	4 981	3 991	22	968	-2 614
1974/75	1 723	885	838	-	5 608	4 421	-	1 187	-3 885
1975/76	1 117	314	803	-	6 535	5 312	11	1 212	-5 418
1976/77	1 123	328	792	3	6 797	5 292	-6	1 511	-5 674
1977/78	1 237	386	834	17	6 562	4 719	53	1 790	-5 325
1978/79	-460	-1 331	842	29	6 633	4 765	25	1 843	-7 093
1979/80	1 342	266	1 038	38	7 324	5 431	-58	1 951	-5 982
1980/81	-1 264	-2 471	1 158	49	7 976	5 643	40	2 293	-9 240
1981/82	2 294	568	1 694	32	6 848	4 440	-105	2 513	-4 554
1982/83	423	-1 143	1 502	64	8 412	5 161	253	2 998	-7 989
1983/84	-1 792	-3 539	1 703	44	9 932	6 034	119	3 779	-11 724
1984/85	-1 701	-3 660	1 912	47	10 734	6 701	473	3 560	-12 435
1985/86	2 002	-619	2 516	105	10 838	7 316	322	3 200	-8 836
1986/87	1 042	-2 214	3 044	212	10 168	7 543	-434	3 059	-9 126
1987/88	7 424	3 920	3 286	218	10 678	7 760	-374	3 292	-3 254
1988/89	16 700	12 079	4 373	248	10 434	6 755	-302	3 981	6 266
1989/90	18 173	13 644	4 273	256	18 925	11 588	-101	7 438	-752
1990/91	15 574	11 328	4 027	219	20 222	11 613	222	8 387	-4 648
1991/92	1 827	-1 445	3 067	205	20 300	12 762	77	7 461	-18 473
1992/93	-23 660	-26 311	2 462	189	21 394	12 893	44	8 157	-45 054
1993/94	-30 390	-32 848	2 269	189	19 905	11 939	-133	8 099	-50 295
1994/95	-22 188	-25 127	2 751	188	19 688	12 223	-279	7 744	-41 876

# General government

## 10.23 Financial account and balancing item

£ million

	Transactions in financial liabilities (net)						Transactions in financial assets (net)						Balancing item
	Financial surplus or deficit	Total	Accruals adjustments	Transactions concerning certain public sector pension funds	Other identified financial liabilities (net)	Borrowing requirement	Total	Accruals adjustments	Net lending <sup>1</sup>	Other financial assets	Total financial transactions		
	AABC	ABCA	ABCB	AACW	ABCC	ABEH	ABCD	ABCE	ABAA	ABCF	ABCG	ABCH	
1965	-156	1 266	13	52	53	1 148	1 040	44	944	52	-226	70	
1966	6	1 156	148	64	-6	950	1 148	122	1 026	-	-8	14	
1967	-392	2 382	-18	61	469	1 870	1 978	175	1 319	484	-404	12	
1968	-197	1 656	154	72	144	1 286	1 514	257	1 203	54	-142	-55	
1969	1 007	198	-66	51	537	-324	1 224	158	1 024	42	1 026	-19	
1970	1 529	-278	51	66	-215	-180	1 255	26	1 229	-	1 533	-4	
1971	774	1 123	-23	106	-236	1 276	1 738	18	1 720	-	615	159	
1972	-831	2 351	194	154	-55	2 058	1 653	27	1 626	-	-698	-133	
1973	-1 980	4 049	123	182	133	3 611	2 166	630	1 536	-	-1 883	-97	
1974	-3 181	5 965	192	273	-152	5 652	2 998	710	2 286	2	-2 967	-214	
1975	-4 779	9 819	-346	380	36	9 749	4 600	865	3 740	-5	-5 219	440	
1976	-6 167	8 400	27	458	40	7 875	2 816	497	2 367	-48	-5 584	-583	
1977	-4 700	5 341	150	439	335	4 417	725	417	369	-61	-4 616	-84	
1978	-7 358	9 708	188	445	155	8 920	2 662	880	1 840	-58	-7 046	-312	
1979	-6 449	13 380	307	534	355	12 184	6 774	3 236	3 585	-47	-6 606	157	
1980	-7 840	13 005	125	698	-319	12 501	4 981	1 471	3 551	-41	-8 024	184	
1981	-6 705	13 388	458	648	938	11 344	6 360	3 568	2 842	-50	-7 028	323	
1982	-6 861	8 112	730	622	1 080	5 680	1 733	-997	2 863	-133	-6 379	-482	
1983	-10 137	12 517	384	691	-531	11 973	2 553	1 818	814	-79	-9 964	-173	
1984	-12 587	12 122	1 582	768	66	9 706	-142	1 574	-1 665	-51	-12 264	-323	
1985	-10 067	9 551	370	553	199	8 429	-753	1 147	-1 733	-167	-10 304	237	
1986	-9 316	4 424	300	689	138	3 297	-5 364	-1 062	-3 985	-317	-9 788	472	
1987	-5 896	1 637	951	639	707	-660	-4 778	1 807	-6 375	-210	-6 415	519	
1988	4 568	-7 209	746	856	380	-9 191	-3 592	1 528	-5 051	-69	3 617	951	
1989	4 578	-4 993	1 437	389	327	-7 146	146	1 647	-1 382	-119	5 139	-561	
1990	-6 418	-1 371	51	61	186	-1 669	-7 796	865	-8 651	-10	-6 425	7	
1991	-14 577	8 909	1 376	-40	-816	8 389	-6 551	2 758	-9 300	-9	-15 460	883	
1992	-37 575	29 139	43	-292	-122	29 510	-7 603	-1 392	-6 201	-10	-36 742	-833	
1993	-49 093	46 397	1 541	-492	913	44 435	-2 011	2 241	-4 247	-5	-48 408	-685	
1994	-45 586	41 377	1 069	-357	1 316	39 349	-3 378	1 993	-5 370	-1	-44 755	-831	
1965/66	10	1 046	9	59	46	932	1 010	44	914	52	-36	46	
1966/67	-121	1 378	132	60	-2	1 188	1 286	167	1 119	-	-92	-29	
1967/68	-737	2 647	-	66	498	2 083	2 050	110	1 456	484	-597	-140	
1968/69	214	907	68	73	400	366	1 197	149	994	54	290	-76	
1969/70	1 394	-130	22	41	203	-396	1 276	154	1 080	42	1 406	-12	
1970/71	1 263	330	57	83	-366	556	1 529	161	1 368	-	1 199	64	
1971/72	342	1 103	-74	110	-90	1 157	1 478	-164	1 642	-	375	-33	
1972/73	-1 254	2 876	194	162	52	2 468	1 876	28	1 848	-	-1 000	-254	
1973/74	-2 614	4 059	273	187	-35	3 634	1 856	562	1 294	-	-2 203	-411	
1974/75	-3 885	7 654	73	350	-81	7 312	3 918	758	3 155	5	-3 736	-149	
1975/76	-5 418	9 621	-637	412	-80	9 926	3 991	556	3 481	-46	-5 630	212	
1976/77	-5 674	7 728	49	418	36	7 225	2 256	426	1 863	-33	-5 472	-202	
1977/78	-5 325	5 596	-36	421	332	4 879	467	554	-12	-75	-5 129	-196	
1978/79	-7 093	9 766	114	474	294	8 884	3 463	1 085	2 425	-47	-6 303	-790	
1979/80	-5 982	11 832	105	489	824	10 414	5 493	2 382	3 159	-48	-6 339	357	
1980/81	-9 240	14 516	-67	813	219	13 551	5 220	1 480	3 778	-38	-9 296	56	
1981/82	-4 554	9 399	590	607	-351	8 553	5 228	2 012	3 266	-50	-4 171	-383	
1982/83	-7 989	11 068	109	681	245	10 033	3 197	241	3 082	-126	-7 871	-118	
1983/84	-11 724	12 054	740	696	704	9 914	860	1 419	-463	-96	-11 194	-530	
1984/85	-12 435	11 445	1 255	719	216	9 255	-1 006	759	-1 701	-64	-12 451	16	
1985/86	-8 836	8 017	501	483	149	6 884	-1 089	1 210	-2 091	-208	-9 106	270	
1986/87	-9 126	6 060	312	883	5	4 860	-3 599	583	-3 899	-283	-9 659	533	
1987/88	-3 254	-591	171	634	582	-1 978	-3 833	1 553	-5 212	-174	-3 242	-12	
1988/89	6 266	-7 831	969	833	2 110	-11 743	-3 814	1 546	-5 278	-82	4 017	2 249	
1989/90	-752	-4 392	1 469	102	623	-6 586	-4 587	1 683	-6 172	-98	-195	-557	
1990/91	-4 648	1 148	2 234	-85	-396	-605	-4 789	1 914	-6 703	-	-5 937	1 289	
1991/92	-18 473	14 045	536	-57	-395	13 961	-4 807	3 210	-8 004	-13	-18 852	379	
1992/93	-45 054	38 580	826	-173	139	37 788	-5 958	940	-6 890	-8	-44 538	-516	
1993/94	-50 295	47 237	168	-475	734	46 810	-1 338	2 560	-3 894	-4	-48 575	-1 720	
1994/95	-41 876	38 173	36	-373	802	37 708	-3 064	2 355	-5 418	-1	-41 237	-639	

<sup>1</sup> Including company securities

# General government

## 10.24 Public expenditure Control Total

£ million

		1987 /88	1988 /89	1989 /90	1990 /91	1991 /92	1992 /93	1993 /94	1994 /95
<b>General government expenditure</b>									
Current	AAXH	168 061	174 688	188 110	204 650	223 935	246 068	261 359	272 970
Capital	AAVD	10 678	10 434	18 925	20 222	20 300	21 394	19 905	19 688
Net lending, etc	ABAA	-5 212	-5 278	-6 172	-6 703	-8 004	-6 890	-3 894	-5 418
<b>Total</b>	<b>ABAB</b>	<b>173 527</b>	<b>179 844</b>	<b>200 863</b>	<b>218 169</b>	<b>236 231</b>	<b>260 572</b>	<b>277 370</b>	<b>287 240</b>
<i>of which</i>									
Central government contribution	ABAC	128 210	132 838	147 325	160 652	172 044	191 705	209 163	214 359
Local authority contribution	ABAD	45 317	47 006	53 538	57 517	64 187	68 867	68 207	72 881
Privatisation proceeds	-ABIF	5 140	7 069	4 219	5 345	7 923	8 184	5 430	6 433
Lottery-financed spending	-CJPT	-	-	-	-	-	-	-	-
Interest and dividend receipts	-ATAC	-5 793	-6 217	-7 042	-6 255	-5 504	-5 119	-4 860	-4 942
<b>GGE(X)</b>	<b>CJPX</b>	<b>172 874</b>	<b>180 696</b>	<b>198 040</b>	<b>217 259</b>	<b>238 650</b>	<b>263 637</b>	<b>277 940</b>	<b>288 731</b>
<b>Adjustments to central government expenditure excluding transactions with local authorities (and including support to nationalised industries and public corporations)</b>									
<i>less</i>									
Privatisation proceeds	-ABIF	5 140	7 069	4 219	5 345	7 923	8 184	5 430	6 433
Cyclical social security	-ABBV	-8 115	-7 183	-6 708	-7 833	-10 923	-13 300	-14 339	-14 100
Non-trading capital consumption	-ACGL	-1 206	-1 343	-1 525	-1 664	-1 676	-1 624	-1 529	-1 361
Debt interest other than to local authorities	-ABAE	-17 058	-17 603	-17 854	-17 552	-16 254	-17 433	-19 283	-22 109
Grants and lending to certain public corporations	-ABAF	32	229	315	83	227	156	91	-15
VAT refunded	-ABBA	-364	-402	-495	-620	-724	-753	-779	-801
Pensions increase payments	-ABBM	-783	-814	-898	-1 031	-1 247	-1 327	-1 389	-1 442
Net pensions costs	-ABBU	-224	-141	-557	-580	-622	-877	-1 585	-1 732
Grant maintained schools	-CUKR	-	-	-15	-59	-161	-435	-1 012	-1 417
Other	ABBC	656	-480	-370	-183	48	-445	-616	-751
<b>Central government component of the control total</b>	<b>ABBW</b>	<b>106 288</b>	<b>112 170</b>	<b>123 437</b>	<b>136 558</b>	<b>148 635</b>	<b>163 851</b>	<b>174 152</b>	<b>177 064</b>
<b>Adjustments to Local Authorities expenditure</b>									
Local Authorities	ABAD	45 317	47 006	53 538	57 517	64 187	68 867	68 207	72 881
<i>less</i>									
Non-trading capital consumption	-ADAG	-1 661	-1 853	-2 014	-2 174	-2 067	-2 012	-1 934	-1 960
Company securities	-ADNR	-177	-103	-138	-6	-38	4	-22	-17
Vat refunded	-ABAJ	-1 327	-1 478	-1 855	-2 193	-2 451	-2 554	-2 630	-2 813
LA trading services (subsidies)	-CDXX	-137	-142	-170	-213	-246	-314	-336	-330
<i>plus</i>									
Debt interest to CG	ACGI	3 781	4 121	4 322	4 586	4 881	4 347	3 949	3 726
Grant maintained schools	CUKR	-	-	15	59	161	435	1 012	1 417
Other	ABAK	-520	-286	-74	-86	-98	-111	-111	-107
<b>LA component of the control total</b>	<b>CJNT</b>	<b>45 276</b>	<b>47 265</b>	<b>53 624</b>	<b>57 490</b>	<b>64 329</b>	<b>68 662</b>	<b>68 135</b>	<b>72 797</b>
<b>Public sector components of the control total:</b>									
Central government expenditure	ABBW	106 288	112 170	123 437	136 558	148 635	163 851	174 152	177 064
Local authorities expenditure	CJNT	45 276	47 265	53 624	57 490	64 329	68 662	68 135	72 797
Certain public corporations' capital expenditure	ABAM	-324	-541	-449	-318	-356	-162	-237	-159
Market and overseas borrowing (net) by nationalised industries and other public corporations	ABAP	-1 926	-2 847	-1 393	-565	-513	-1 208	-1 491	-1 545
<b>Public expenditure control total using national accounts data</b>	<b>ABBX</b>	<b>149 314</b>	<b>156 047</b>	<b>175 219</b>	<b>193 165</b>	<b>212 095</b>	<b>231 143</b>	<b>240 559</b>	<b>248 157</b>

# General government

## 10.25 The finances of general government

Definitions are consistent with those in 1995-96 FSBR table 4A.1

£ million

		1987 /88	1988 /89	1989 /90	1990 /91	1991 /92	1992 /93	1993 /94	1994 /95
<b>GENERAL GOVERNMENT RECEIPTS<sup>1</sup></b>									
<i>Inland Revenue</i>									
Income tax	ACCB	41 402	43 433	48 801	55 287	57 493	56 797	58 442	63 028
Corporation tax <sup>2</sup>	ACCD	15 734	18 537	21 495	21 495	18 263	15 783	14 887	19 390
Petroleum revenue tax	ABLP	2 296	1 371	1 050	860	-216	69	358	712
Capital gains tax	ACCE	1 379	2 323	1 854	1 852	1 140	982	710	916
Inheritance tax	ACCH	1 078	1 071	1 232	1 262	1 299	1 211	1 333	1 417
Stamp duties	ACCI	2 440	2 255	2 117	1 703	1 697	1 264	1 739	1 790
Other	ACCF	28	15	10	4	1	1	1	1
<b>Total Inland Revenue<sup>3</sup></b>	<b>ACCA</b>	<b>64 357</b>	<b>69 005</b>	<b>76 559</b>	<b>82 464</b>	<b>79 676</b>	<b>76 107</b>	<b>77 468</b>	<b>87 247</b>
<i>Customs and Excise</i>									
Value added tax	ACDB	24 067	27 328	29 483	30 991	35 626	37 340	38 865	41 817
Fuel duties <sup>4</sup>	ABLM	7 660	8 513	8 572	9 444	10 821	11 232	12 487	14 007
Tobacco duties	ACDE	4 767	4 990	5 035	5 636	6 289	6 041	6 518	7 388
Spirits duties	ACDF	1 553	1 576	1 514	1 703	1 742	1 661	1 707	1 776
Wine duties	ACDH	706	784	791	855	924	981	1 082	1 139
Beer duties	ACDG	1 972	2 105	2 074	2 229	2 325	2 378	2 282	2 534
Cider and perry duties	ACDI	52	53	59	69	74	88	101	112
Betting and gaming duties and lottery	ACDJ	855	913	976	1 006	1 053	1 025	1 106	1 217
Car tax	ACDC	1 128	1 418	1 519	1 464	1 240	603	-4	-
Customs duties	ACDK	1 487	1 673	1 814	1 684	1 732	1 801	2 009	2 007
Agricultural levies	ACDL	179	165	129	132	194	174	160	157
Other receipts	ACDN	23	22	20	10	16	9	-	-
<b>Total Customs and Excise<sup>3</sup></b>	<b>ABLR</b>	<b>44 449</b>	<b>49 540</b>	<b>51 986</b>	<b>55 223</b>	<b>62 036</b>	<b>63 333</b>	<b>66 313</b>	<b>72 355</b>
Vehicle excise duties	GTAX	2 664	2 765	2 969	2 945	2 933	3 264	3 628	3 846
Oil royalties	ACEC	1 024	598	575	606	556	554	608	550
Local authority/business rates	ABLN	17 130	19 260	20 133	12 253	13 900	13 415	13 234	12 122
Other taxes and royalties	CJOI	2 724	2 859	3 365	4 970	5 253	5 470	5 776	5 959
<b>Total tax and royalty receipts</b>	<b>ABLS</b>	<b>132 348</b>	<b>144 027</b>	<b>155 587</b>	<b>158 461</b>	<b>164 354</b>	<b>162 143</b>	<b>167 027</b>	<b>182 079</b>
Social security contributions	ABLP	29 135	32 356	32 881	35 410	36 294	37 305	38 790	42 073
Community charge/council tax	ABLQ	-	-	717	10 335	7 417	8 334	8 576	9 062
Interest and dividends	ATAC	5 793	6 217	7 042	6 255	5 504	5 119	4 860	4 942
Gross trading surpluses and rent	ABLI	3 105	3 458	3 496	3 673	4 114	4 350	4 867	4 831
Accounting adjustments <sup>5</sup>	ABLJ	5 124	5 529	7 726	4 640	4 587	5 533	6 440	6 545
<b>General government receipts</b>	<b>ATAP</b>	<b>175 505</b>	<b>191 587</b>	<b>207 449</b>	<b>218 774</b>	<b>222 270</b>	<b>222 784</b>	<b>230 560</b>	<b>249 532</b>
North Sea revenues <sup>6</sup>	ABLT	4 695	3 276	2 470	2 313	983	1 308	1 219	1 630
<b>GENERAL GOVERNMENT EXPENDITURE</b>									
<b>Public expenditure control total<sup>7</sup></b>	<b>ABBZ</b>	<b>148 605</b>	<b>156 058</b>	<b>175 115</b>	<b>193 354</b>	<b>212 623</b>	<b>231 481</b>	<b>240 667</b>	<b>248 043</b>
Cyclical social security	ABBV	8 115	7 183	6 708	7 833	10 923	13 300	14 339	14 100
Central government debt interest	ABAE	17 058	17 603	17 854	17 552	16 254	17 433	19 283	22 109
Privatisation proceeds	ABIF	-5 140	-7 069	-4 219	-5 345	-7 923	-8 184	-5 430	-6 433
Other adjustments	CJOK	4 889	6 069	5 405	4 775	4 354	6 542	8 511	9 421
<b>General government expenditure (GGE)</b>	<b>ABAB</b>	<b>173 527</b>	<b>179 844</b>	<b>200 863</b>	<b>218 169</b>	<b>236 231</b>	<b>260 572</b>	<b>277 370</b>	<b>287 240</b>

1 On a cash basis.

2 Includes advance corporation tax (net of repayments):

	1987 /88	1988 /89	1989 /90	1990 /91	1991 /92	1992 /93	1993 /94	1994 /95
ACCN	4 947	6 203	7 267	7 679	7 936	8 738	7 816	8 084

Also includes North Sea Corporation tax after ACT set off, and corporation tax on gains.

3 Total not always sum of components because of rounding.

4 Net of bus fuel rebates and shipbuilders' relief.

5 Includes accruals adjustments.

6 North Sea corporation tax (before ACT set-off), petroleum revenue tax and oil royalties.

7 Using Public Expenditure Survey figures.

# General government

## 10.26 Analysis of total expenditure

£ million

		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
<b>General public services</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTEY	3 952	4 527	4 548	4 998	5 661	6 285	6 723	7 729	8 005	8 068	8 014
Other	GTEZ	-586	-777	-498	-765	-1 025	-534	-70	-476	-714	-644	-235
Current grants to personal sector	GTFB	533	492	519	715	866	931	1 203	1 146	1 302	1 547	1 558
Current grants abroad	GTFC	885	978	1 061	954	1 217	1 316	1 438	1 800	1 976	1 879	1 974
Gross domestic fixed capital formation	GTFD	564	689	587	552	789	1 205	1 192	1 198	1 303	1 001	1 322
Capital transfers to private sector	GTFE	49	54	66	70	73	80	91	64	60	83	53
Net lending to public corporations	GTFG	65	50	43	7	14	53	62	56	42	32	-5
Company securities (net)	GTFH	-	-	-	-	-	-	-	-	-14	-	-
<b>Total</b>	<b>GTFI</b>	<b>5 462</b>	<b>6 013</b>	<b>6 326</b>	<b>6 531</b>	<b>7 595</b>	<b>9 336</b>	<b>10 639</b>	<b>11 517</b>	<b>11 960</b>	<b>11 966</b>	<b>12 681</b>
of which: Parliament	GTFJ	379	405	530	487	638	708	664	806	926	1 013	1 097
Finance and tax collection	GTFK	1 640	1 980	2 061	2 477	2 624	3 144	3 707	3 992	3 966	4 045	3 774
External	GTFL	908	765	795	935	902	977	1 154	1 435	1 697	1 818	1 659
Other	GTFM	2 535	2 863	2 940	2 632	3 431	4 507	5 114	5 284	5 371	5 090	6 151
<b>Defence</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTFN	6 370	6 925	7 335	7 484	7 811	8 316	9 043	10 057	10 550	10 957	10 661
Other	GTFM	10 482	10 947	11 278	11 199	11 495	12 158	13 168	14 520	12 951	12 741	12 430
Current grants to personal sector	GTPB	-	-	-	15	34	27	35	42	25	20	30
Current grants abroad	GTFP	61	51	82	84	99	79	39	-2 007	169	109	49
of which Gulf contributions	-HHQG	-	-	-	-	-	-	-38	-2 110	-9	-	-
Gross domestic fixed capital formation	GTFN	208	269	359	351	358	408	622	613	713	753	671
Value of physical increase in stocks	GTFO	-5	-	-	-	-	-	-	-	-11	-25	-29
Capital transfers to private sector	GTFQ	17	21	12	-	-	-	-	1	5	6	3
Company securities (net)	GTLD	-	-	-	-190	-	-	-	-	-	-	-
<b>Total</b>	<b>GTFR</b>	<b>17 133</b>	<b>18 213</b>	<b>19 066</b>	<b>18 943</b>	<b>19 797</b>	<b>20 988</b>	<b>22 907</b>	<b>23 226</b>	<b>24 402</b>	<b>24 561</b>	<b>23 815</b>
<b>Public order and safety</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTFP	4 521	4 670	5 058	5 618	6 165	6 722	7 600	8 598	9 424	9 765	9 889
Other	GTFQ	1 009	1 113	1 343	1 379	1 607	1 885	2 123	3 002	3 198	3 322	3 783
Current grants to personal sector	GTFV	108	98	107	138	179	187	236	299	316	375	402
Gross domestic fixed capital formation	GTFU	305	344	318	389	455	639	973	1 024	916	972	975
<b>Total</b>	<b>GTFW</b>	<b>5 943</b>	<b>6 225</b>	<b>6 826</b>	<b>7 524</b>	<b>8 406</b>	<b>9 433</b>	<b>10 932</b>	<b>12 923</b>	<b>13 854</b>	<b>14 434</b>	<b>15 049</b>
of which: Police	GTFX	3 371	3 557	3 691	3 852	4 254	4 695	5 291	6 468	6 946	7 403	7 780
Fire	GTFY	741	808	845	923	1 003	1 112	1 229	1 377	1 442	1 507	1 587
Law courts	GTFZ	1 013	1 030	1 219	1 509	1 973	2 295	2 690	3 251	3 640	3 895	4 024
Prisons	GTGA	818	830	1 071	1 240	1 176	1 331	1 722	1 827	1 826	1 629	1 658
<b>Education</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTGB	10 500	10 581	11 927	13 043	14 325	14 663	15 353	16 775	18 520	17 098	17 251
Other	GTGC	4 170	4 415	4 828	5 140	5 512	6 912	7 823	8 227	8 376	10 739	12 514
Current grants to personal sector	GTGE	1 424	1 464	1 617	1 603	1 664	1 770	1 805	2 772	3 371	4 121	4 120
Gross domestic fixed capital formation	GTGD	623	618	668	798	622	922	1 051	930	1 013	835	955
Capital transfers to private sector	GTGF	187	208	235	245	455	570	659	569	505	776	745
Net lending to private sector	GTGG	-1	-3	-4	-	-	-	33	82	162	236	472
<b>Total</b>	<b>GTGH</b>	<b>16 903</b>	<b>17 283</b>	<b>19 271</b>	<b>20 829</b>	<b>22 578</b>	<b>24 837</b>	<b>26 724</b>	<b>29 355</b>	<b>31 947</b>	<b>33 805</b>	<b>36 057</b>
<b>Health</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	CIKN	8 871	9 312	9 943	11 117	12 268	13 617	14 900	14 931	14 229	10 705	5 601
Other	CIKO	6 870	7 451	8 013	8 648	9 503	9 960	10 953	14 410	19 021	24 885	32 441
Current grants to personal sector	GTGK	70	97	99	109	127	129	206	123	93	101	115
Current grants abroad	GTGL	21	20	26	29	31	45	39	49	58	67	65
Gross domestic fixed capital formation	GTCV	945	1 005	1 078	998	994	1 402	1 643	1 625	1 594	999	409
Capital transfers to private sector	GTGM	4	4	5	4	13	13	25	12	4	7	26
Company securities (net)	GTLT	-	-	-	-	-	-14	-	-	-	-	-
<b>Total</b>	<b>GTGN</b>	<b>16 781</b>	<b>17 889</b>	<b>19 164</b>	<b>20 905</b>	<b>22 936</b>	<b>25 152</b>	<b>27 766</b>	<b>31 150</b>	<b>34 999</b>	<b>36 764</b>	<b>38 657</b>
<b>Social security</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTGO	2 760	3 058	3 314	3 747	4 135	4 459	5 030	5 615	6 120	6 371	6 748
Other	GTGP	1 998	2 060	1 939	2 352	2 683	2 968	3 302	3 899	4 263	5 394	5 780
Current grants to personal sector	GTGR	37 002	40 604	44 099	45 373	46 653	48 890	53 395	63 023	73 094	80 363	84 230
Current grants abroad	GTGS	326	365	405	441	478	555	620	728	661	824	889
Gross domestic fixed capital formation	GTGQ	126	159	190	221	256	426	544	504	485	480	557
Capital transfers to private sector	GTGT	1	-	-	-1	-2	-3	-	-	1	3	4
Net lending to private sector	GTLV	-	-	-	-	54	48	37	26	42	48	28
<b>Total</b>	<b>GTGU</b>	<b>42 213</b>	<b>46 246</b>	<b>49 947</b>	<b>52 133</b>	<b>54 257</b>	<b>57 343</b>	<b>62 928</b>	<b>73 795</b>	<b>84 666</b>	<b>93 483</b>	<b>98 236</b>

1 Including employers' contributions to social security, superannuation, etc.

# 10.26 Analysis of total expenditure

continued

£ million

		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
<b>Housing and community amenities</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTGV	1 281	1 311	1 456	1 575	1 484	1 225	1 217	1 224	1 233	1 226	1 322
Other	GTGW	964	1 065	1 143	1 312	1 363	1 578	2 084	2 364	2 802	2 718	2 730
Subsidies	GTGY	1 402	1 456	1 411	1 360	1 482	1 538	1 613	1 482	1 373	1 305	1 130
Current grants to personal sector	GTGZ	528	572	800	1 263	1 102	165	146	171	117	64	35
Gross domestic fixed capital formation	GTGX	1 566	1 334	1 688	1 667	378	876	1 734	1 326	1 458	1 404	2 000
Capital transfers to private sector	GTHA	2 205	1 621	1 422	1 589	1 712	1 572	2 067	3 007	3 149	3 967	3 095
Capital transfers to public corporations	GTHB	67	64	26	160	255	573	661	1 483	999	792	521
Net lending to private sector	GTHC	-217	-433	-438	-373	-176	-93	-420	-879	-462	-431	-278
Net lending to public corporations	GTHD	167	18	558	674	895	1 169	221	-92	36	38	36
Company securities (net)	GTLU	-	-	-	-	-	-607	-1 524	-1 391	-101	-	-
<b>Total</b>	<b>GTHE</b>	<b>7 963</b>	<b>7 008</b>	<b>8 066</b>	<b>9 227</b>	<b>8 495</b>	<b>7 996</b>	<b>7 799</b>	<b>8 695</b>	<b>10 604</b>	<b>11 083</b>	<b>10 591</b>
of which: Housing	GTHF	5 074	4 192	4 222	4 491	3 929	4 251	5 289	5 960	6 073	6 367	5 559
Water and sewerage	GTHG	102	-99	457	547	793	586	-1 246	-1 253	69	230	376
Other	GTHH	2 787	2 915	3 387	4 189	3 773	3 159	3 756	3 988	4 462	4 486	4 656
<b>Recreational and cultural affairs</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTHI	854	904	1 017	1 117	1 149	1 232	1 343	1 347	1 239	1 278	1 322
Other	GTHJ	681	642	720	777	981	1 076	1 307	1 571	1 915	1 980	2 027
Subsidies	GTHY	-	-	-	-	-	-	-	59	56	56	-
Current grants to personal sector	GTHM	193	298	290	301	293	205	223	291	398	272	436
Gross domestic fixed capital formation	GTHK	414	401	420	399	407	663	784	771	562	619	601
Capital transfers to private sector	GTHN	1	3	1	3	6	6	9	22	10	10	18
Capital transfers to public corporations	GTHO	-	-	-	-	-	-	-	-	-	-	-
Net lending to public corporations	GTHP	-7	-7	-2	2	-8	3	-11	-20	-15	-4	16
Company securities (net)	GTOC	-	-	-	-	-	-	-	-68	-	-	-
<b>Total</b>	<b>GTHQ</b>	<b>2 136</b>	<b>2 241</b>	<b>2 446</b>	<b>2 599</b>	<b>2 828</b>	<b>3 185</b>	<b>3 655</b>	<b>3 914</b>	<b>4 168</b>	<b>4 211</b>	<b>4 476</b>
<b>Fuel and energy</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTHR	199	197	19	-	-	1	-	-	-	-	-
Other	GTHS	44	67	285	281	167	302	237	227	244	203	155
Subsidies	GTHV	1 941	1 501	766	760	610	740	222	408	685	810	627
Current grants to personal sector	GTHW	206	421	593	482	159	157	103	61	48	25	39
Gross domestic fixed capital formation	GTHT	34	50	4	-	-	-	-	-	-	-	-
Value of physical increase in stocks	GTHU	-	-1	-	-	-	-	-	-	-	-	-
Capital transfers to private sector	GTHX	-	-	-	-	-	-	-	51	53	61	93
Capital transfers to public corporations	GTHY	5	-	-	6	7	7	5 179	1 486	1 421	1 431	1 385
Net lending to private sector	GTHZ	-2	-2	-2	-4	-2	-2	-3	-3	-2	-	-
Net lending to public corporations	GTIA	-484	-708	-819	-1 329	72	-351	-6 046	190	1 047	295	691
Company securities (net)	GTIB	-705	-446	-2 020	-3 566	-4 039	-2 639	-2 708	-5 474	-4 012	-1 698	-2 390
<b>Total</b>	<b>GTIC</b>	<b>1 238</b>	<b>1 079</b>	<b>-1 174</b>	<b>-3 370</b>	<b>-3 026</b>	<b>-1 785</b>	<b>-3 016</b>	<b>-3 054</b>	<b>-516</b>	<b>1 127</b>	<b>600</b>
<b>Agriculture, forestry and fishing</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTID	185	199	192	247	242	263	284	348	421	410	426
Other	GTIE	259	327	360	417	405	325	356	343	457	406	431
Subsidies	GTIH	1 402	1 311	1 523	1 963	2 010	1 372	1 633	1 687	1 823	2 966	2 422
Current grants to personal sector	GTII	49	49	21	14	1	3	3	7	10	10	11
Gross domestic fixed capital formation	GTIF	85	70	50	51	76	89	125	122	133	80	82
Value of physical increase in stocks	GTIG	285	449	-233	-493	-315	-160	161	329	175	216	-166
Capital transfers to private sector	GTIJ	277	220	170	169	71	80	85	68	90	71	70
Net lending to private sector	GTIK	-4	-3	5	-3	-3	-	-	2	2	2	4
Company securities (net)	GTLE	-	-	-	-66	-	-	-	-	-	-	-
<b>Total</b>	<b>GTIL</b>	<b>2 538</b>	<b>2 622</b>	<b>2 088</b>	<b>2 299</b>	<b>2 487</b>	<b>1 972</b>	<b>2 647</b>	<b>2 906</b>	<b>3 111</b>	<b>4 161</b>	<b>3 280</b>
<b>Mining and mineral resources, manufacturing and construction</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTIM	88	94	112	132	142	152	177	157	184	214	213
Other	GTIN	317	371	325	314	370	312	340	502	416	404	349
Subsidies	GTIQ	291	250	226	301	297	226	152	237	293	297	389
Current grants to personal sector	GTIR	101	86	94	35	18	9	11	56	66	68	94
Gross domestic fixed capital formation	GTIO	50	74	52	34	28	32	37	77	92	44	32
Value of physical increase in stocks	GTIP	-	3	-2	-4	-6	-1	-1	-	-1	-3	-4
Capital transfers to private sector	GTIS	543	564	697	486	971	495	432	350	288	280	358
Capital transfers to public corporations	GTIT	127	233	148	76	6	10	3	-	-	23	183
Net lending to private sector	GTIU	109	130	119	75	89	860	166	165	-72	11	20
Net lending to public corporations	GTIV	-83	97	-21	66	49	699	100	-1	-2	-1	-2
Public dividend capital etc	GTIW	853	836	157	144	147	45	5	1	1	-	-
Company securities (net)	GTIX	-	-363	-1	-385	-1 194	-1 315	-152	-	-43	-	-
<b>Total</b>	<b>GTIY</b>	<b>2 396</b>	<b>2 375</b>	<b>1 906</b>	<b>1 274</b>	<b>917</b>	<b>1 524</b>	<b>1 270</b>	<b>1 544</b>	<b>1 222</b>	<b>1 337</b>	<b>1 632</b>

See footnote on previous page.

# 10.26 Analysis of total expenditure

continued

£ million

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	
<b>Transport and communications</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTIZ	668	656	540	545	664	710	765	849	852	762	810
Other	GTJA	1 048	1 205	1 355	1 519	1 396	1 595	1 896	2 047	2 087	2 063	2 244
Subsidies	GTJC	1 568	1 534	1 376	1 194	1 065	1 000	1 099	1 332	1 838	1 653	2 200
Current grants to personal sector	GTJD	96	82	88	94	86	89	94	26	64	65	64
Gross domestic fixed capital formation	GTJB	1 594	1 709	1 914	1 978	2 142	2 666	3 587	3 513	4 116	4 165	4 472
Capital transfers to private sector	GTJE	7	6	7	10	6	7	4	1	11	4	-1
Capital transfers to public corporations	GTJF	252	279	296	307	293	398	482	410	781	768	684
Net lending to private sector	GTJG	-2	-9	-4	-10	-10	-10	-4	-2	-49	-1	-
Net lending to public corporations	GTJH	-23	169	-56	84	-201	759	1 612	500	342	805	67
Public dividend capital etc	GTJI	-	-	-	-	-	-	-	-	-	-	-
Company securities (net)	GTJJ	-1 728	-1 537	-1 788	-1 723	-961	-85	-92	-1 938	-3 398	-3 708	-4 099
<b>Total</b>	<b>GTJK</b>	<b>3 480</b>	<b>4 094</b>	<b>3 728</b>	<b>3 998</b>	<b>4 480</b>	<b>7 129</b>	<b>9 443</b>	<b>6 738</b>	<b>6 644</b>	<b>6 576</b>	<b>6 441</b>
<b>Other economic affairs and services</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTJL	885	918	1 205	1 295	1 093	1 185	1 588	922	1 244	1 689	1 625
Other	GTJM	624	657	571	750	935	981	1 586	1 154	1 235	1 643	2 202
Subsidies	GTJO	933	1 173	999	687	573	906	1 347	849	666	365	400
Current grants to personal sector	GTJP	1 269	1 088	1 127	656	993	1 471	1 479	1 270	1 148	1 368	1 286
Gross domestic fixed capital formation	GTJN	205	150	181	139	1	254	367	440	121	135	549
Value of physical increase in stocks	GTLS	-	-1	-2	-1	-1	-2	-4	-178	-180	-212	-51
Capital transfers to private sector	GTJQ	18	23	-98	-28	-234	197	215	198	212	168	126
Capital transfers to public corporations	GTJR	38	19	15	120	174	228	236	217	91	152	332
Net lending to private sector	GTKC	21	33	60	63	87	109	61	91	117	36	26
Net lending to public corporations	GTJT	237	151	220	-130	-162	-432	-243	-746	-149	-121	-195
Net lending to overseas sector	-AACT	-6	126	-199	-	-	-	-	-	-	-	-
Public dividend capital etc	GTJU	-	-	-	-	-	-	-	-	-	-	-
Company securities (net)	GTJV	6	11	49	163	113	152	95	-63	-17	5	20
<b>Total</b>	<b>GTJW</b>	<b>4 230</b>	<b>4 348</b>	<b>4 128</b>	<b>3 714</b>	<b>3 572</b>	<b>5 049</b>	<b>6 727</b>	<b>4 154</b>	<b>4 488</b>	<b>5 228</b>	<b>6 320</b>
<b>Other expenditure</b>												
Non-trading capital consumption	AAXG	2 187	2 372	2 583	2 804	3 110	3 448	3 806	3 763	3 603	3 568	3 351
Debt interest	AAXL	15 670	17 586	17 151	17 936	18 197	18 927	18 746	17 004	17 138	18 510	22 169
Current grants	GTKA	806	2 013	659	1 769	1 423	2 283	2 460	513	1 970	2 090	2 162
Net lending to overseas sector	GTKD	139	157	158	126	185	269	160	264	344	209	219
<b>Total</b>	<b>GTKE</b>	<b>18 802</b>	<b>22 128</b>	<b>20 551</b>	<b>22 635</b>	<b>22 915</b>	<b>24 927</b>	<b>25 172</b>	<b>21 544</b>	<b>23 055</b>	<b>24 377</b>	<b>27 901</b>
<b>Total expenditure</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTKF	41 134	43 352	46 666	50 918	55 139	58 830	64 023	68 552	72 021	68 543	63 882
Other	GTKG	27 880	29 543	31 662	33 323	35 392	39 518	45 105	51 790	56 251	65 854	76 851
Subsidies	AAXJ	7 537	7 225	6 301	6 265	6 037	5 782	6 066	5 995	6 737	7 452	7 224
Current grants to personal sector	AIIE	41 579	45 351	49 454	50 798	52 175	54 033	58 939	69 287	80 052	88 399	92 420
Current grants abroad	-HDKH	2 099	3 427	2 233	3 277	3 248	4 278	4 596	1 083	4 834	4 969	5 139
of which Gulf contributions	-HHQG	-	-	-	-	-	-	-38	-2 110	-9	-	-
Gross domestic fixed capital formation	AAYE	6 719	6 872	7 509	7 577	6 506	9 582	12 659	12 143	12 506	11 487	12 625
Value of physical increase in stock	AAAD	280	450	-237	-498	-322	-163	156	151	-17	-24	-250
Capital transfers to private sector	GTKH	3 309	2 724	2 517	2 547	3 071	3 017	3 587	4 343	4 388	5 436	4 590
Capital transfers to public corporations	GTKI	489	595	485	669	735	1 216	6 561	3 596	3 292	3 166	3 105
Net lending to private sector	GTKJ	-96	-287	-264	-252	39	912	-130	-518	-262	-99	272
Net lending to public corporations	ACKD	-128	-230	-77	-626	659	1 900	-4 305	-113	1 301	1 044	608
Net lending to overseas sector	ACKE	133	283	-41	126	185	269	160	264	344	209	219
Public dividend capital etc	ACKF	853	836	157	144	147	45	5	1	1	-	-
Company securities (net)	GTLF	-2 427	-2 335	-3 760	-5 767	-6 081	-4 508	-4 381	-8 934	-7 585	-5 401	-6 469
<b>Total</b>	<b>GTKK</b>	<b>129 361</b>	<b>137 806</b>	<b>142 605</b>	<b>148 501</b>	<b>156 930</b>	<b>174 711</b>	<b>193 041</b>	<b>207 640</b>	<b>233 863</b>	<b>251 035</b>	<b>260 216</b>
Non-trading capital consumption	AAXG	2 187	2 372	2 583	2 804	3 110	3 448	3 806	3 763	3 603	3 568	3 351
Debt interest	AAXL	15 670	17 586	17 151	17 936	18 197	18 927	18 746	17 004	17 138	18 510	22 169
<b>Total expenditure</b>	<b>ABAB</b>	<b>147 218</b>	<b>157 764</b>	<b>162 339</b>	<b>169 241</b>	<b>178 237</b>	<b>197 086</b>	<b>215 593</b>	<b>228 407</b>	<b>254 604</b>	<b>273 113</b>	<b>285 736</b>

See footnote on previous page.



# General government

## 10.27 Levels of debt and deficit<sup>1</sup>

	General Government debt held outside public sector		General Government Financial Deficit	
	£ million	% of GDP	£ million	% of GDP
1970	43 027	83.1	-1 274	-2.5
1971	44 423	76.9	-774	-1.3
1972	47 731	73.8	1 181	1.8
1973	50 111	67.5	2 607	3.5
1974	54 269	64.7	3 181	3.8
1975	61 604	58.2	5 006	4.7
1976	72 590	58.0	6 170	4.9
1977	83 792	57.4	4 963	3.4
1978	94 792	56.2	7 411	4.4
1979	104 505	52.7	6 449	3.3
1980	115 664	49.9	8 100	3.5
1981	133 216	52.3	10 217	4.0
1982	144 881	51.9	7 942	2.8
1983	154 109	50.6	10 185	3.3
1984	171 908	52.8	12 627	3.9
1985	187 863	52.6	10 067	2.8
1986	197 201	51.2	10 940	2.8
1987	205 606	48.6	5 896	1.4
1988	215 768	45.8	-588	-0.1
1989	202 161	39.2	450	0.1
1990	194 460	35.3	8 152	1.5
1991	204 642	35.6	14 995	2.6
1992	249 304	41.7	37 575	6.3
1993	304 749	48.3	49 093	7.8
1994	335 328	50.1	45 586	6.8

	General Government debt held outside public sector		General Government Financial Deficit	
	£ million	% of GDP	£ million	% of GDP
1970/71	43 418	81.6	-1 263	-2.4
1971/72	46 538	78.5	-342	-0.6
1972/73	48 059	71.1	1 254	1.9
1973/74	51 979	69.3	2 614	3.5
1974/75	59 594	66.7	3 885	4.2
1975/76	71 328	64.1	5 418	4.9
1976/77	82 480	63.4	5 674	4.4
1977/78	93 846	62.0	5 325	3.5
1978/79	102 782	59.2	7 093	4.1
1979/80	113 807	54.6	5 982	2.9
1980/81	132 997	56.0	9 240	3.9
1981/82	144 237	55.3	4 554	1.7
1982/83	153 135	53.6	7 989	2.8
1983/84	168 578	54.4	11 724	3.8
1984/85	186 164	56.1	12 435	3.7
1985/86	195 691	53.6	8 836	2.4
1986/87	203 131	51.7	9 126	2.3
1987/88	213 189	49.0	3 254	0.7
1988/89	201 186	41.6	-6 266	-1.3
1989/90	192 823	36.7	752	0.1
1990/91	196 551	35.3	4 648	0.8
1991/92	211 737	36.5	18 473	3.2
1992/93	255 722	42.3	45 054	7.4
1993/94	307 892	48.1	50 295	7.9
1994/95	340 859	50.3	41 876	6.2

<sup>1</sup> Calendar year figures for deficit and debt are reported twice yearly to the European Union as part of the Maastricht Treaty agreement, using aggregates consistent with the European System of Accounts (ESA).

Under the ESA, general government financial deficit includes the write-off of public corporations debt. In this table the calendar year totals include these write-offs, the financial year totals do not.

Country	Year	GDP (USD Billion)			Population (Million)		
		2018	2019	2020	2018	2019	2020
USA	2018	14.5	14.5	14.5	328	328	328
USA	2019	14.5	14.5	14.5	328	328	328
USA	2020	14.5	14.5	14.5	328	328	328
China	2018	11.9	11.9	11.9	1400	1400	1400
China	2019	11.9	11.9	11.9	1400	1400	1400
China	2020	11.9	11.9	11.9	1400	1400	1400
India	2018	2.5	2.5	2.5	1350	1350	1350
India	2019	2.5	2.5	2.5	1350	1350	1350
India	2020	2.5	2.5	2.5	1350	1350	1350
Germany	2018	3.9	3.9	3.9	83	83	83
Germany	2019	3.9	3.9	3.9	83	83	83
Germany	2020	3.9	3.9	3.9	83	83	83
UK	2018	2.9	2.9	2.9	67	67	67
UK	2019	2.9	2.9	2.9	67	67	67
UK	2020	2.9	2.9	2.9	67	67	67
France	2018	2.8	2.8	2.8	67	67	67
France	2019	2.8	2.8	2.8	67	67	67
France	2020	2.8	2.8	2.8	67	67	67
Japan	2018	4.9	4.9	4.9	126	126	126
Japan	2019	4.9	4.9	4.9	126	126	126
Japan	2020	4.9	4.9	4.9	126	126	126
Italy	2018	1.9	1.9	1.9	60	60	60
Italy	2019	1.9	1.9	1.9	60	60	60
Italy	2020	1.9	1.9	1.9	60	60	60
Spain	2018	1.4	1.4	1.4	46	46	46
Spain	2019	1.4	1.4	1.4	46	46	46
Spain	2020	1.4	1.4	1.4	46	46	46
Canada	2018	1.6	1.6	1.6	38	38	38
Canada	2019	1.6	1.6	1.6	38	38	38
Canada	2020	1.6	1.6	1.6	38	38	38
Australia	2018	1.3	1.3	1.3	25	25	25
Australia	2019	1.3	1.3	1.3	25	25	25
Australia	2020	1.3	1.3	1.3	25	25	25
South Korea	2018	1.7	1.7	1.7	51	51	51
South Korea	2019	1.7	1.7	1.7	51	51	51
South Korea	2020	1.7	1.7	1.7	51	51	51
Brazil	2018	1.8	1.8	1.8	213	213	213
Brazil	2019	1.8	1.8	1.8	213	213	213
Brazil	2020	1.8	1.8	1.8	213	213	213
Mexico	2018	1.2	1.2	1.2	128	128	128
Mexico	2019	1.2	1.2	1.2	128	128	128
Mexico	2020	1.2	1.2	1.2	128	128	128
South Africa	2018	0.4	0.4	0.4	60	60	60
South Africa	2019	0.4	0.4	0.4	60	60	60
South Africa	2020	0.4	0.4	0.4	60	60	60
Indonesia	2018	2.0	2.0	2.0	270	270	270
Indonesia	2019	2.0	2.0	2.0	270	270	270
Indonesia	2020	2.0	2.0	2.0	270	270	270
Nigeria	2018	0.5	0.5	0.5	200	200	200
Nigeria	2019	0.5	0.5	0.5	200	200	200
Nigeria	2020	0.5	0.5	0.5	200	200	200
Egypt	2018	0.4	0.4	0.4	100	100	100
Egypt	2019	0.4	0.4	0.4	100	100	100
Egypt	2020	0.4	0.4	0.4	100	100	100
India	2018	2.5	2.5	2.5	1350	1350	1350
India	2019	2.5	2.5	2.5	1350	1350	1350
India	2020	2.5	2.5	2.5	1350	1350	1350
China	2018	11.9	11.9	11.9	1400	1400	1400
China	2019	11.9	11.9	11.9	1400	1400	1400
China	2020	11.9	11.9	11.9	1400	1400	1400
USA	2018	14.5	14.5	14.5	328	328	328
USA	2019	14.5	14.5	14.5	328	328	328
USA	2020	14.5	14.5	14.5	328	328	328

# Central government

## 10.31 Current account Summary of receipts<sup>1</sup>

£ million

	Total current receipts	Taxes on income	Taxes on expenditure <sup>2</sup>	Social security contributions	Gross trading surplus or deficit	Rent and royalties etc.	Interest and dividends, etc	Miscellaneous current transfers	Imputed charge for consumption of non-trading capital
	ACGA	ACGB	ACGC	AIH	ACGG	ACGH	ACGY	ACGX	ACGL
1965	10 200	4 099	3 694	1 685	41	22	570	18	71
1966	11 221	4 587	4 006	1 804	33	22	673	20	76
1967	12 587	5 286	4 484	1 924	33	22	736	22	80
1968	14 282	5 872	5 207	2 161	49	27	852	27	87
1969	16 005	6 515	6 043	2 242	62	30	987	33	93
1970	17 968	7 410	6 525	2 655	63	38	1 131	37	109
1971	19 046	8 020	6 567	2 826	66	82	1 319	41	125
1972	20 039	8 116	6 812	3 337	29	49	1 506	46	144
1973	22 641	9 257	7 411	3 937	17	57	1 734	55	173
1974	28 493	12 716	8 285	5 000	36	63	2 107	57	229
1975	36 665	16 758	10 058	6 848	38	78	2 513	73	299
1976	42 875	18 969	11 781	8 423	35	137	3 052	118	360
1977	49 038	20 490	14 757	9 503	35	289	3 415	136	413
1978	54 518	22 624	17 096	10 101	30	344	3 706	151	466
1979	65 374	25 239	23 103	11 526	-24	579	4 265	134	552
1980	80 030	31 002	28 213	13 939	-74	1 220	4 872	169	689
1981	92 215	36 134	32 271	15 916	-26	1 436	5 534	177	773
1982	101 896	40 282	34 735	18 095	-134	1 680	6 240	187	811
1983	110 512	43 344	37 281	20 780	-304	1 979	6 366	222	844
1984	118 897	46 658	39 969	22 322	-489	2 534	6 790	217	896
1985	130 516	51 598	43 029	24 210	-175	2 467	8 175	229	983
1986	136 086	51 973	47 621	26 165	-279	1 045	8 219	266	1 076
1987	147 559	55 658	52 194	28 642	-485	1 325	8 683	363	1 179
1988	162 518	61 723	57 313	32 106	-459	975	9 163	394	1 303
1989	175 204	70 000	60 067	32 902	-323	664	9 979	431	1 484
1990	196 852	76 875	73 169	34 651	-545	796	9 779	504	1 623
1991	208 844	75 178	85 295	36 373	-443	757	9 464	545	1 675
1992	209 865	73 731	87 388	37 085	-186	736	9 084	419	1 608
1993	214 529	73 257	91 284	38 753	-247	1 174	8 093	623	1 592
1994	230 812	80 554	96 802	41 977	26	1 170	8 169	706	1 408
1965/66	10 617	4 392	3 724	1 755	43	22	590	19	72
1966/67	11 536	4 751	4 129	1 827	28	22	683	20	76
1967/68	12 814	5 285	4 617	1 975	39	23	770	23	82
1968/69	14 692	6 010	5 399	2 192	52	28	893	29	89
1969/70	16 561	6 856	6 147	2 324	65	32	1 006	34	97
1970/71	18 250	7 571	6 587	2 660	66	40	1 177	37	112
1971/72	19 392	8 104	6 607	2 985	65	84	1 375	43	129
1972/73	20 493	8 215	6 954	3 492	8	49	1 578	47	150
1973/74	23 495	9 717	7 491	4 106	24	63	1 858	53	183
1974/75	30 329	13 772	8 536	5 410	39	71	2 192	63	246
1975/76	38 257	17 288	10 579	7 173	40	81	2 694	86	316
1976/77	44 701	19 855	12 148	8 833	28	179	3 161	123	374
1977/78	50 410	20 829	15 398	9 751	36	312	3 520	139	425
1978/79	56 482	23 235	18 173	10 238	28	361	3 819	145	483
1979/80	70 042	27 067	25 168	12 020	-45	760	4 344	146	582
1980/81	82 141	31 811	28 804	14 400	-62	1 263	5 030	175	720
1981/82	96 609	38 320	33 617	16 477	-25	1 487	5 776	175	782
1982/83	104 214	41 556	35 042	18 732	-213	1 826	6 252	197	822
1983/84	112 166	43 579	38 116	21 336	-328	2 009	6 381	220	853
1984/85	122 270	48 385	40 689	22 748	-326	2 810	6 826	221	917
1985/86	132 463	52 371	43 958	24 639	-293	2 046	8 494	245	1 003
1986/87	138 022	52 160	48 703	26 679	-275	932	8 440	280	1 103
1987/88	152 836	58 878	53 262	29 456	-547	1 345	8 862	374	1 206
1988/89	165 216	62 793	57 893	32 842	-341	881	9 407	398	1 343
1989/90	177 964	71 364	61 067	33 181	-428	800	9 981	474	1 525
1990/91	201 833	77 303	77 067	35 406	-585	776	9 725	477	1 664
1991/92	213 079	76 047	87 853	36 868	-368	780	9 634	589	1 676
1992/93	208 794	72 346	87 778	37 155	-208	796	8 878	425	1 624
1993/94	217 257	73 850	92 220	39 484	-55	1 243	8 358	628	1 529
1994/95	235 668	83 538	98 357	42 491	-76	1 138	8 162	697	1 361

1 For a more detailed breakdown since 1978 see table 10.32.

2 Includes, from second quarter 1990, accruals of National Non-Domestic Rates which are treated as a central government tax.

# Central government

## 10.32 Current account Detail of receipts

£ million

		1978	1979	1980	1981	1982	1983	1984	1985	1986
<b>RECEIPTS</b>										
<b>Taxes on income:</b>										
Income tax	GTAE	18 767	20 343	24 311	27 809	30 023	31 591	32 945	35 200	37 385
Surtax	GTAF	18	12	6	3	3	3	1	-	-
Petroleum revenue tax	GTAH	183	726	1 799	2 477	2 821	5 443	6 873	7 369	2 698
Supplementary petroleum duty	GTAI	-	-	-	1 531	2 214	676	-	-	-
Corporation tax	GTAJ	3 589	4 123	4 835	4 267	5 165	5 616	6 791	9 015	11 827
less Overspill relief	GTAK	-2	-19	-1	-1	-	-	-	-	-
Independent Broadcasting Authority levy	GTAL	69	54	52	48	56	15	48	14	63
<b>Total taxes on income</b>	<b>ACGB</b>	<b>22 624</b>	<b>25 239</b>	<b>31 002</b>	<b>36 134</b>	<b>40 282</b>	<b>43 344</b>	<b>46 658</b>	<b>51 598</b>	<b>51 973</b>
<b>Taxes on expenditure:</b>										
<b>Customs and excise revenue:</b>										
Beer	GTAM	906	905	1 029	1 324	1 511	1 647	1 800	1 943	1 980
Wines, cider, perry and spirits	GTAN	1 330	1 462	1 513	1 700	1 855	1 999	2 064	2 230	2 262
Tobacco	GTAO	2 153	2 478	2 735	3 252	3 527	3 759	4 058	4 378	4 640
Hydrocarbon oils	GTAP	2 393	2 705	3 327	4 312	4 987	5 376	5 944	6 292	7 133
Customs/protective duties	GTAQ	743	873	855	919	1 024	1 111	1 292	1 269	1 286
EC agricultural levies	GTA R	223	223	254	220	227	196	141	155	224
Value added tax	GTAS	5 239	8 795	11 897	13 056	14 308	16 216	18 437	20 679	23 162
Car tax	GTAT	380	518	484	506	598	703	743	863	961
Betting and gaming	ACDJ	345	376	456	501	578	613	651	728	763
Air passenger duty	CWAA	-	-	-	-	-	-	-	-	-
Insurance premium tax	CWAD	-	-	-	-	-	-	-	-	-
Other	ACDN	11	12	12	19	23	31	27	24	23
<b>Total customs and excise revenue</b>	<b>GTAW</b>	<b>13 723</b>	<b>18 347</b>	<b>22 562</b>	<b>25 809</b>	<b>28 638</b>	<b>31 651</b>	<b>35 157</b>	<b>38 561</b>	<b>42 434</b>
Motor vehicle duties	GTAX	1 086	1 117	1 314	1 511	1 807	1 948	2 096	2 388	2 519
National insurance surcharge	GTAY	1 746	2 966	3 498	3 742	2 823	1 906	1 056	42	-
Fossil fuel levy	CIQY	-	-	-	-	-	-	-	-	-
Gas levy	GTAZ	-	-	83	300	471	522	500	525	515
Sugar levy	GTBA	15	17	21	26	41	42	61	49	62
European coal and steel community levy	GTBB	14	13	12	8	10	11	7	9	13
Stamp duties	GTBC	435	564	630	766	832	1 079	956	1 159	1 700
National non-domestic rates	CUKY	-	-	-	-	-	-	-	-	-
Northern Ireland rates	GTBD	66	72	85	98	104	109	123	127	158
LRT levy	GTBE	-	-	-	-	-	-	-	159	201
Miscellaneous	GTBF	11	7	8	11	9	12	13	10	19
Camelot: payments to National Lottery Distribution Fund	CIOJ	-	-	-	-	-	-	-	-	-
<b>Total taxes on expenditure</b>	<b>ACGC</b>	<b>17 096</b>	<b>23 103</b>	<b>28 213</b>	<b>32 271</b>	<b>34 735</b>	<b>37 281</b>	<b>39 969</b>	<b>43 029</b>	<b>47 621</b>
<b>Social security contributions:</b>										
National insurance	ACGD	9 157	10 432	12 685	14 358	15 977	18 449	19 884	21 548	23 221
National health	ACGE	761	882	1 042	1 344	1 594	1 754	1 861	2 032	2 244
Redundancy Fund, etc.	ACGF	183	212	212	214	524	577	577	630	700
<b>Total social security contributions</b>	<b>AIIH</b>	<b>10 101</b>	<b>11 526</b>	<b>13 939</b>	<b>15 916</b>	<b>18 095</b>	<b>20 780</b>	<b>22 322</b>	<b>24 210</b>	<b>26 165</b>
<b>Gross trading surplus</b>	<b>ACGG</b>	<b>30</b>	<b>-24</b>	<b>-74</b>	<b>-26</b>	<b>-134</b>	<b>-304</b>	<b>-489</b>	<b>-175</b>	<b>-279</b>
<b>Rent, dividends and interest, etc:</b>										
Rent	GTBG	58	48	64	74	80	92	75	101	104
Royalties	CTAI	278	522	936	1 348	1 588	1 837	2 433	2 240	925
Licence fees on oil and gas production	CTAG	8	9	220	14	12	50	26	126	16
ITC franchise payments	CUKL	-	-	-	-	-	-	-	-	-
Dividends and interest, etc.:										
From local authorities	ACGI	1 330	1 458	1 612	1 800	1 747	2 001	2 357	2 678	3 192
From public corporations	ACGJ	1 521	1 729	1 895	2 162	2 358	2 491	2 245	2 046	2 020
Other	ACGK	855	1 078	1 365	1 572	2 135	1 874	2 188	3 451	3 007
<b>Total rent, dividends and interest, etc</b>	<b>CTCC</b>	<b>4 050</b>	<b>4 844</b>	<b>6 092</b>	<b>6 970</b>	<b>7 920</b>	<b>8 345</b>	<b>9 324</b>	<b>10 642</b>	<b>9 264</b>
<b>Miscellaneous current transfers</b>	<b>ACGX</b>	<b>151</b>	<b>134</b>	<b>169</b>	<b>177</b>	<b>187</b>	<b>222</b>	<b>217</b>	<b>229</b>	<b>266</b>
<b>Imputed charge for consumption of non-trading capital</b>	<b>ACGL</b>	<b>466</b>	<b>552</b>	<b>689</b>	<b>773</b>	<b>811</b>	<b>844</b>	<b>896</b>	<b>983</b>	<b>1 076</b>
<b>Total receipts</b>	<b>ACGA</b>	<b>54 518</b>	<b>65 374</b>	<b>80 030</b>	<b>92 215</b>	<b>101 896</b>	<b>110 512</b>	<b>118 897</b>	<b>130 516</b>	<b>136 086</b>

# 10.32 Current account Detail of receipts

continued

£ million

		1987	1988	1989	1990	1991	1992	1993	1994
<b>RECEIPTS</b>									
<b>Taxes on income:</b>									
Income tax	GTAE	39 956	43 580	47 621	54 663	56 428	57 766	57 795	62 391
Surtax	GTAF	—	—	—	—	—	—	—	—
Petroleum revenue tax	GTAH	1 754	1 505	1 003	942	-105	7	380	822
Supplementary petroleum duty	GTAI	—	—	—	—	—	—	—	—
Corporation tax	GTAJ	13 865	16 548	21 273	21 136	18 742	15 886	15 082	17 341
less Overspill relief	GTAK	—	—	—	—	—	—	—	—
Independent Broadcasting Authority levy	GTAL	83	90	103	134	113	72	—	—
<b>Total taxes on income</b>	<b>ACGB</b>	<b>55 658</b>	<b>61 723</b>	<b>70 000</b>	<b>76 875</b>	<b>75 178</b>	<b>73 731</b>	<b>73 257</b>	<b>80 554</b>
<b>Taxes on expenditure:</b>									
<b>Customs and excise revenue:</b>									
Beer	GTAM	1 964	2 085	2 094	2 220	2 299	2 394	2 497	2 560
Wines, cider, perry and spirits	GTAN	2 282	2 426	2 403	2 627	2 676	2 759	2 914	3 074
Tobacco	GTAO	5 075	5 020	4 991	5 541	6 121	6 055	6 359	6 839
Hydrocarbon oils	GTAP	7 565	8 426	8 556	9 335	10 480	11 156	12 355	13 869
Customs/protective duties	GTAQ	1 461	1 643	1 795	1 710	1 724	1 765	2 008	1 981
EC agricultural levies	GTAR	202	172	134	127	182	178	164	153
Value added tax	GTAS	25 713	29 245	31 656	33 457	39 247	41 471	43 717	47 329
Car tax	GTAT	1 128	1 418	1 519	1 464	1 240	603	-4	—
Betting and gaming	ACDJ	825	893	956	1 022	1 009	1 056	1 094	1 119
Air passenger duty	CWAA	—	—	—	—	—	—	—	33
Insurance premium tax	CWAD	—	—	—	—	—	—	—	116
Other	ACDN	22	23	22	17	9	12	—	—
<b>Total customs and excise revenue</b>	<b>GTAW</b>	<b>46 237</b>	<b>51 351</b>	<b>54 126</b>	<b>57 520</b>	<b>64 987</b>	<b>67 449</b>	<b>71 104</b>	<b>77 073</b>
Motor vehicle duties	GTAX	2 603	2 758	2 915	2 971	2 972	3 113	3 482	3 848
National insurance surcharge	GTAY	—	—	—	—	—	—	—	—
Fossil fuel levy	CIQY	—	—	—	875	1 336	1 344	1 331	1 357
Gas levy	GTAZ	502	407	335	291	282	288	240	153
Sugar levy	GTBA	80	59	59	46	48	47	56	98
European coal and steel community levy	GTBB	12	11	12	11	10	7	1	3
Stamp duties	GTBC	2 355	2 344	2 127	1 755	1 789	1 224	1 635	1 822
National non-domestic rates	CUKY	—	—	—	9 226	13 570	13 639	13 092	12 068
Northern Ireland rates	GTBD	159	173	207	228	121	115	183	180
LRT levy	GTBE	170	129	175	47	—	—	—	—
Miscellaneous	GTBF	76	81	111	199	180	162	160	118
Camelot: payments to National Lottery Distribution Fund	CIOJ	—	—	—	—	—	—	—	82
<b>Total taxes on expenditure</b>	<b>ACGC</b>	<b>52 194</b>	<b>57 313</b>	<b>60 067</b>	<b>73 169</b>	<b>85 295</b>	<b>87 388</b>	<b>91 284</b>	<b>96 802</b>
<b>Social security contributions:</b>									
National insurance	ACGD	25 554	28 612	28 763	30 363	31 860	32 473	34 017	37 118
National health	ACGE	2 741	3 435	4 139	4 288	4 513	4 612	4 736	4 859
Redundancy Fund, etc.	ACGF	347	59	—	—	—	—	—	—
<b>Total social security contributions</b>	<b>AIIH</b>	<b>28 642</b>	<b>32 106</b>	<b>32 902</b>	<b>34 651</b>	<b>36 373</b>	<b>37 085</b>	<b>38 753</b>	<b>41 977</b>
<b>Gross trading surplus</b>	<b>ACGG</b>	<b>-485</b>	<b>-459</b>	<b>-323</b>	<b>-545</b>	<b>-443</b>	<b>-186</b>	<b>-247</b>	<b>26</b>
<b>Rent, dividends and interest, etc.:</b>									
Rent	GTBG	174	152	108	142	178	135	183	189
Royalties	CTAI	1 127	799	522	625	543	569	600	554
Licence fees on oil and gas production	CTAG	24	24	34	29	36	32	41	47
ITC franchise payments	CUKL	—	—	—	—	—	—	350	380
Dividends and interest, etc.:									
From local authorities	ACGI	3 683	3 956	4 418	4 628	4 656	4 497	3 988	3 812
From public corporations	ACGJ	2 049	2 017	2 191	1 664	1 048	1 034	1 244	1 947
Other	ACGK	2 951	3 190	3 370	3 487	3 760	3 553	2 861	2 410
<b>Total rent, dividends and interest, etc.</b>	<b>CTCC</b>	<b>10 008</b>	<b>10 138</b>	<b>10 643</b>	<b>10 575</b>	<b>10 221</b>	<b>9 820</b>	<b>9 267</b>	<b>9 339</b>
<b>Miscellaneous current transfers</b>	<b>ACGX</b>	<b>363</b>	<b>394</b>	<b>431</b>	<b>504</b>	<b>545</b>	<b>419</b>	<b>623</b>	<b>706</b>
<b>Imputed charge for consumption of non-trading capital</b>	<b>ACGL</b>	<b>1 179</b>	<b>1 303</b>	<b>1 484</b>	<b>1 623</b>	<b>1 675</b>	<b>1 608</b>	<b>1 592</b>	<b>1 408</b>
<b>Total receipts</b>	<b>ACGA</b>	<b>147 559</b>	<b>162 518</b>	<b>175 204</b>	<b>196 852</b>	<b>208 844</b>	<b>209 865</b>	<b>214 529</b>	<b>230 812</b>

# Central government

## 10.33 Current account Summary of expenditure<sup>1</sup> and current surplus/deficit

£ million

	Total current expenditure	Final consumption	Subsidies	Current grants to the personal sector	Current grants to local authorities	Current grants paid abroad (net)	Debt interest	Current surplus or deficit
	ACHB	ACHC	ACHG	GTAC	ACHJ	-HDKH	ACHL	AAAA
1965	9 264	3 978	495	2 397	1 249	177	968	936
1966	10 034	4 270	480	2 587	1 481	180	1 036	1 187
1967	11 322	4 678	720	2 925	1 706	188	1 105	1 265
1968	12 441	4 938	801	3 385	1 898	179	1 240	1 841
1969	12 966	5 069	726	3 615	2 099	177	1 280	3 039
1970	14 333	5 688	766	3 961	2 450	169	1 299	3 635
1971	16 116	6 474	838	4 361	2 858	195	1 390	2 930
1972	18 758	7 318	1 085	5 313	3 233	220	1 589	1 281
1973	21 548	8 277	1 395	5 771	3 988	344	1 773	1 093
1974	27 647	10 574	2 833	7 130	4 686	302	2 122	846
1975	37 351	14 055	3 314	9 342	7 619	337	2 684	-686
1976	45 154	16 830	3 100	11 561	9 246	776	3 641	-2 279
1977	49 953	18 534	2 915	13 647	9 201	1 083	4 573	-915
1978	57 526	20 866	3 185	16 324	9 954	1 664	5 533	-3 008
1979	67 228	24 178	3 837	19 255	11 272	2 016	6 670	-1 854
1980	82 305	31 033	4 620	23 375	13 233	1 780	8 264	-2 275
1981	96 080	35 017	5 171	28 962	15 201	1 607	10 122	-3 865
1982	106 073	38 278	4 386	34 010	16 190	1 789	11 420	-4 177
1983	114 969	42 071	4 744	35 258	18 703	1 930	12 263	-4 457
1984	124 583	44 583	6 040	37 843	19 908	2 099	14 110	-5 686
1985	134 139	47 341	5 939	41 270	20 438	3 427	15 724	-3 623
1986	140 536	50 331	5 139	45 066	21 813	2 233	15 954	-4 450
1987	148 883	53 736	5 315	46 189	23 277	3 277	17 089	-1 324
1988	153 908	57 522	5 007	47 308	23 452	3 248	17 371	8 610
1989	163 258	63 294	4 774	48 675	24 200	4 278	18 037	11 946
1990	189 304	70 108	5 401	53 005	38 273	4 596	17 921	7 548
1991	208 803	76 985	5 410	61 410	47 578	1 083	16 337	41
1992	233 077	82 259	6 133	70 126	53 091	4 834	16 634	-23 212
1993	250 137	89 118	6 848	76 493	54 632	4 969	18 077	-35 608
1994	261 536	93 414	6 497	79 367	55 403	5 139	21 716	-30 724
1965/66	9 493	4 055	482	2 486	1 320	179	971	1 124
1966/67	10 371	4 407	535	2 668	1 520	181	1 060	1 165
1967/68	11 681	4 765	763	3 039	1 756	187	1 171	1 133
1968/69	12 533	4 958	759	3 464	1 922	181	1 249	2 159
1969/70	13 218	5 145	730	3 694	2 222	168	1 259	3 343
1970/71	14 703	5 874	801	3 972	2 587	174	1 295	3 547
1971/72	16 942	6 764	947	4 614	2 951	201	1 465	2 450
1972/73	19 332	7 538	1 047	5 458	3 424	256	1 609	1 161
1973/74	22 673	8 582	1 795	5 944	4 111	348	1 893	822
1974/75	30 136	11 415	3 076	7 547	5 595	279	2 224	193
1975/76	39 831	14 938	3 115	10 116	8 243	474	2 945	-1 574
1976/77	46 025	17 219	3 184	11 964	8 898	864	3 896	-1 324
1977/78	51 767	19 053	2 863	14 367	9 340	1 343	4 801	-1 357
1978/79	59 355	21 404	3 338	16 992	10 193	1 708	5 720	-2 873
1979/80	70 855	25 693	4 056	20 230	11 621	1 957	7 298	-813
1980/81	86 495	32 374	4 927	24 708	14 356	1 425	8 705	-4 354
1981/82	98 867	35 972	4 930	30 411	15 439	1 411	10 704	-2 258
1982/83	108 005	39 488	4 433	34 573	16 078	1 977	11 456	-3 791
1983/84	118 589	42 859	5 110	35 818	19 770	2 323	12 709	-6 423
1984/85	127 531	45 715	6 373	38 498	19 980	2 649	14 316	-5 261
1985/86	134 868	48 123	5 413	42 275	20 468	2 537	16 052	-2 405
1986/87	142 716	50 724	5 390	45 249	22 199	2 687	16 467	-4 694
1987/88	151 069	54 721	5 235	46 695	23 530	3 811	17 077	1 767
1988/89	154 975	58 518	4 797	47 396	23 771	2 880	17 613	10 241
1989/90	166 313	64 849	4 682	49 556	24 810	4 544	17 872	11 651
1990/91	192 947	71 453	5 605	54 323	40 104	3 895	17 567	8 886
1991/92	216 673	78 660	5 611	63 656	50 365	2 114	16 267	-3 594
1992/93	239 179	83 189	6 355	72 187	55 059	4 940	17 449	-30 385
1993/94	254 389	91 064	6 437	77 670	54 837	5 079	19 302	-37 132
1994/95	263 724	94 056	6 420	80 143	56 190	4 784	22 131	-28 056

<sup>1</sup> For a more detailed breakdown of current account expenditure since 1978 see table 10.34.



# Central government

## 10.34 Current account Detail of expenditure

£ million

		1978	1979	1980	1981	1982	1983	1984	1985	1986
<b>EXPENDITURE</b>										
<b>Final consumption:</b>										
Current expenditure on goods and services <sup>1</sup>	GTBW	20 400	23 626	30 344	34 244	37 467	41 227	43 687	46 358	49 255
Non-trading capital consumption	ACGL	466	552	689	773	811	844	896	983	1 076
Total final consumption	ACHC	20 866	24 178	31 033	35 017	38 278	42 071	44 583	47 341	50 331
<b>Subsidies<sup>1</sup></b>	ACHG	3 185	3 837	4 620	5 171	4 386	4 744	6 040	5 939	5 139
<b>Current grants to personal sector:<sup>1</sup></b>										
<b>Social security benefits:</b>										
Social security funds <sup>2</sup>	GTKP	10 641	12 072	14 689	17 674	19 151	20 582	21 630	23 085	25 383
War pensions and allowances <sup>2</sup>	CSDD	304	342	392	433	476	497	502	557	572
Family benefits	CSDB	1 637	2 727	3 048	3 527	3 938	4 302	4 664	4 928	4 996
Supplementary benefits/Income support	CSDE	2 096	2 255	2 737	4 259	6 635	5 799	6 449	7 667	8 230
Other social security benefits	CSDC	739	726	947	1 109	1 477	1 156	1 105	1 372	1 679
Total social security benefits	AUAA	15 417	18 122	21 813	27 002	31 677	32 336	34 350	37 609	40 860
Other	AUAB	907	1 133	1 562	1 960	2 333	2 922	3 493	3 661	4 206
Total current grants to personal sector	GTAC	16 324	19 255	23 375	28 962	34 010	35 258	37 843	41 270	45 066
<b>Current grants to local authorities<sup>1</sup></b>	ACHJ	9 954	11 272	13 233	15 201	16 190	18 703	19 908	20 438	21 813
<b>Current grants paid abroad:<sup>1</sup></b>										
<b>Transactions with the European Community:</b>										
Payments to the European Community	HDLN	1 364	1 626	1 783	2 188	2 878	2 994	3 213	3 789	2 812
less Receipts	-HDIS	-439	-550	-958	-1 675	-2 154	-2 235	-2 392	-1 760	-2 138
Net	-CGII	925	1 076	825	513	724	759	821	2 029	674
Social security benefits paid abroad	HBVJ	112	111	134	209	224	266	311	349	390
Gulf contributions <sup>3</sup>	-HHQG	-	-	-	-	-	-	-	-	-
Other	CXCW	627	829	821	885	841	905	967	1 049	1 169
Total current grants paid abroad	-HDKH	1 664	2 016	1 780	1 607	1 789	1 930	2 099	3 427	2 233
<b>Debt interest</b>										
To local authorities	CTAD	20	14	12	16	19	13	19	20	19
To public corporations	CTAE	221	188	94	163	217	293	319	238	182
To private sector and overseas	CTDA	5 292	6 468	8 158	9 943	11 184	11 957	13 772	15 466	15 753
Total	ACHL	5 533	6 670	8 264	10 122	11 420	12 263	14 110	15 724	15 954
<b>Total current expenditure</b>	ACHB	57 526	67 228	82 305	96 080	106 073	114 969	124 583	134 139	140 536
<b>Balance: current surplus before providing for depreciation</b>	AAAA	-3 008	-1 854	-2 275	-3 865	-4 177	-4 457	-5 686	-3 623	-4 450
<b>Total</b>	ACGA	54 518	65 374	80 030	92 215	101 896	110 512	118 897	130 516	136 086

1 For a functional analysis see Table 10.39.

2 Excluding payments to non-residents which are shown separately in this table.

3 Contributions by other countries towards the UK's cost of the Gulf conflict.



# 10.34 Current account Detail of expenditure

continued

£ million

		1987	1988	1989	1990	1991	1992	1993	1994
<b>EXPENDITURE</b>									
<b>Final consumption:</b>									
Current expenditure on goods and services <sup>1</sup>	GTBW	52 557	56 219	61 810	68 485	75 310	80 651	87 526	92 006
Non-trading capital consumption	ACGL	1 179	1 303	1 484	1 623	1 675	1 608	1 592	1 408
<b>Total final consumption</b>	<b>ACHC</b>	<b>53 736</b>	<b>57 522</b>	<b>63 294</b>	<b>70 108</b>	<b>76 985</b>	<b>82 259</b>	<b>89 118</b>	<b>93 414</b>
<b>Subsidies<sup>1</sup></b>	<b>ACHG</b>	<b>5 315</b>	<b>5 007</b>	<b>4 774</b>	<b>5 401</b>	<b>5 410</b>	<b>6 133</b>	<b>6 848</b>	<b>6 497</b>
<b>Current grants to personal sector:<sup>1</sup></b>									
<b>Social security benefits:</b>									
Social security funds <sup>2</sup>	GTKP	25 878	26 698	28 216	30 704	34 706	37 592	39 670	40 528
War pensions and allowances <sup>2</sup>	CSDD	552	570	623	677	795	947	940	1 023
Family benefits	CSDB	5 099	5 268	5 361	5 487	6 032	7 035	7 619	8 164
Supplementary benefits/Income support	CSDE	8 316	8 016	8 156	8 907	11 155	15 022	16 676	17 096
Other social security benefits	CSDC	2 116	2 504	2 609	3 123	4 693	5 306	6 741	7 413
<b>Total social security benefits</b>	<b>AUAA</b>	<b>41 961</b>	<b>43 056</b>	<b>44 965</b>	<b>48 898</b>	<b>57 381</b>	<b>65 902</b>	<b>71 646</b>	<b>74 224</b>
Other	AUAB	4 228	4 252	3 710	4 107	4 029	4 224	4 847	5 143
<b>Total current grants to personal sector</b>	<b>GTAC</b>	<b>46 189</b>	<b>47 308</b>	<b>48 675</b>	<b>53 005</b>	<b>61 410</b>	<b>70 126</b>	<b>76 493</b>	<b>79 367</b>
<b>Current grants to local authorities<sup>1</sup></b>	<b>ACHJ</b>	<b>23 277</b>	<b>23 452</b>	<b>24 200</b>	<b>38 273</b>	<b>47 578</b>	<b>53 091</b>	<b>54 632</b>	<b>55 403</b>
<b>Current grants paid abroad:<sup>1</sup></b>									
<b>Transactions with the European Community:</b>									
Payments to the European Community	HDLN	4 066	3 555	4 443	4 669	3 318	4 863	5 445	5 470
less Receipts	-HDIS	-2 282	-2 115	-2 143	-2 194	-2 789	-2 879	-3 325	-3 283
<b>Net</b>	<b>-CGII</b>	<b>1 784</b>	<b>1 440</b>	<b>2 300</b>	<b>2 475</b>	<b>529</b>	<b>1 984</b>	<b>2 120</b>	<b>2 187</b>
Social security benefits paid abroad	HBVJ	426	461	538	605	712	647	794	864
Gulf contributions <sup>3</sup>	-HHQG	-	-	-	-38	-2 110	-9	-	-
Other	CXCW	1 067	1 347	1 440	1 554	1 952	2 212	2 055	2 088
<b>Total current grants paid abroad</b>	<b>-HDKH</b>	<b>3 277</b>	<b>3 248</b>	<b>4 278</b>	<b>4 596</b>	<b>1 083</b>	<b>4 834</b>	<b>4 969</b>	<b>5 139</b>
<b>Debt interest</b>									
To local authorities	CTAD	21	10	16	18	12	15	18	22
To public corporations	CTAE	78	110	285	242	188	148	142	174
To private sector and overseas	CTDA	16 990	17 251	17 736	17 661	16 137	16 471	17 917	21 520
<b>Total</b>	<b>ACHL</b>	<b>17 089</b>	<b>17 371</b>	<b>18 037</b>	<b>17 921</b>	<b>16 337</b>	<b>16 634</b>	<b>18 077</b>	<b>21 716</b>
<b>Total current expenditure</b>	<b>ACHB</b>	<b>148 883</b>	<b>153 908</b>	<b>163 258</b>	<b>189 304</b>	<b>208 803</b>	<b>233 077</b>	<b>250 137</b>	<b>261 536</b>
<b>Balance: current surplus before providing for depreciation</b>	<b>AAAA</b>	<b>-1 324</b>	<b>8 610</b>	<b>11 946</b>	<b>7 548</b>	<b>41</b>	<b>-23 212</b>	<b>-35 608</b>	<b>-30 724</b>
<b>Total</b>	<b>ACGA</b>	<b>147 559</b>	<b>162 518</b>	<b>175 204</b>	<b>196 852</b>	<b>208 844</b>	<b>209 865</b>	<b>214 529</b>	<b>230 812</b>

See footnotes on previous page.

# Central government

## 10.35 Capital account Summary

£ million

	Receipts				Expenditure <sup>1</sup>				Balance: financial surplus or deficit
	Total	Current surplus or deficit	Taxes on capital	Other capital receipts	Total	Gross domestic fixed capital formation	Increase in book value of stocks and work in progress	Capital transfers	
	ACIA	AAAA	ACIC	ACIE	ACID	AAAC	AAAD	ACIG	AABA
1965	1 226	936	290	-	545	308	-1	238	681
1966	1 502	1 187	315	-	594	343	-	251	908
1967	1 604	1 265	339	-	904	403	-3	504	700
1968	2 278	1 841	437	-	1 283	463	3	817	995
1969	3 664	3 039	625	-	1 466	496	6	964	2 198
1970	4 308	3 635	673	-	1 516	590	4	922	2 792
1971	3 594	2 930	664	-	1 657	615	7	1 035	1 937
1972	2 050	1 281	769	-	1 595	654	17	924	455
1973	1 896	1 093	803	-	1 865	785	21	1 059	31
1974	1 724	846	878	-	2 093	970	15	1 108	-369
1975	111	-686	797	-	2 489	1 261	-9	1 237	-2 378
1976	-1 468	-2 279	811	-	2 830	1 408	2	1 420	-4 298
1977	-103	-915	812	-	2 841	1 294	50	1 497	-2 944
1978	-2 200	-3 008	808	-	3 377	1 292	31	2 054	-5 577
1979	-875	-1 854	979	-	3 450	1 560	-35	1 925	-4 325
1980	-1 137	-2 275	1 134	4	4 034	1 761	43	2 230	-5 171
1981	-2 393	-3 865	1 471	1	4 151	1 868	-93	2 376	-6 544
1982	-2 601	-4 177	1 559	17	4 970	2 230	155	2 585	-7 571
1983	-2 839	-4 457	1 616	2	5 468	2 497	246	2 725	-8 307
1984	-3 899	-5 686	1 783	4	6 147	2 728	280	3 139	-10 046
1985	-1 303	-3 623	2 297	23	6 874	3 126	450	3 298	-8 177
1986	-1 452	-4 450	2 976	22	6 456	3 351	-237	3 342	-7 908
1987	1 754	-1 324	3 078	-	6 296	3 358	-498	3 436	-4 542
1988	12 783	8 610	4 153	20	7 380	3 709	-322	3 993	5 403
1989	16 410	11 946	4 440	24	10 291	4 951	-163	5 503	6 119
1990	11 759	7 548	4 211	-	17 665	6 415	156	11 094	-5 906
1991	3 392	41	3 351	-	16 316	6 876	151	9 289	-12 924
1992	-20 577	-23 212	2 635	-	21 200	6 855	-17	14 362	-41 777
1993	-33 297	-35 608	2 311	-	17 012	6 542	-24	10 494	-50 309
1994	-28 116	-30 724	2 608	-	15 477	6 110	-250	9 617	-43 593
1965/66	1 423	1 124	299	-	543	308	-2	237	880
1966/67	1 482	1 165	317	-	627	366	-1	262	855
1967/68	1 495	1 133	362	-	1 081	430	4	647	414
1968/69	2 705	2 159	546	-	1 294	462	-	832	1 411
1969/70	3 987	3 343	644	-	1 467	507	-	960	2 520
1970/71	4 177	3 547	630	-	1 620	603	7	1 010	2 557
1971/72	3 149	2 450	699	-	1 618	631	11	976	1 531
1972/73	1 922	1 161	761	-	1 683	687	10	986	239
1973/74	1 679	822	857	-	1 924	856	22	1 046	-245
1974/75	1 031	193	838	-	2 228	999	-	1 229	-1 197
1975/76	-771	-1 574	803	-	2 595	1 387	11	1 197	-3 366
1976/77	-532	-1 324	792	-	2 934	1 431	-6	1 509	-3 466
1977/78	-523	-1 357	834	-	3 091	1 263	53	1 775	-3 614
1978/79	-2 031	-2 873	842	-	3 215	1 341	25	1 849	-5 246
1979/80	225	-813	1 038	-	3 564	1 610	-58	2 012	-3 339
1980/81	-3 192	-4 354	1 158	4	4 112	1 755	40	2 317	-7 304
1981/82	-563	-2 258	1 694	1	4 366	1 982	-105	2 489	-4 929
1982/83	-2 270	-3 791	1 502	19	5 307	2 428	253	2 626	-7 577
1983/84	-4 717	-6 423	1 703	3	5 414	2 555	119	2 740	-10 131
1984/85	-3 348	-5 261	1 912	1	6 559	2 826	473	3 260	-9 907
1985/86	138	-2 405	2 516	27	6 789	3 181	322	3 286	-6 651
1986/87	-1 632	-4 694	3 044	18	6 368	3 411	-434	3 391	-8 000
1987/88	5 059	1 767	3 286	6	6 785	3 677	-374	3 482	-1 726
1988/89	14 652	10 241	4 373	38	7 827	3 942	-302	4 187	6 825
1989/90	15 924	11 651	4 273	-	14 232	5 530	-101	8 803	1 692
1990/91	12 913	8 886	4 027	-	16 327	6 544	222	9 561	-3 414
1991/92	-527	-3 594	3 067	-	15 930	6 956	77	8 897	-16 457
1992/93	-27 923	-30 385	2 462	-	22 171	6 983	44	15 144	-50 094
1993/94	-34 863	-37 132	2 269	-	16 400	6 529	-133	10 004	-51 263
1994/95	-25 305	-28 056	2 751	-	15 287	5 787	-279	9 779	-40 592

<sup>1</sup> For a more detailed breakdown of capital account expenditure since 1978 see table 10.36.



# Central government

## 10.36 Capital account Detail

£ million

		1978	1979	1980	1981	1982	1983	1984	1985	1986
<b>RECEIPTS</b>										
Current surplus before providing for depreciation	AAAA	-3 008	-1 854	-2 275	-3 865	-4 177	-4 457	-5 686	-3 623	-4 450
Taxes on capital <sup>1</sup>	ACIC	808	979	1 134	1 471	1 559	1 616	1 783	2 297	2 976
Other capital receipts	ACIE	-	-	4	1	17	2	4	23	22
<b>Total</b>	<b>ACIA</b>	<b>-2 200</b>	<b>-875</b>	<b>-1 137</b>	<b>-2 393</b>	<b>-2 601</b>	<b>-2 839</b>	<b>-3 899</b>	<b>-1 303</b>	<b>-1 452</b>
<b>EXPENDITURE</b>										
Gross domestic fixed capital formation <sup>2</sup>	AAAC	1 292	1 560	1 761	1 868	2 230	2 497	2 728	3 126	3 351
<b>Increase in value of stocks:</b>										
Trading bodies, etc. <sup>3</sup>	DHHN	31	-68	41	-133	87	238	277	443	-237
Emergency and strategic stocks	DHHO	-	33	2	40	68	8	3	7	-
<b>Total increase in stocks</b>	<b>AAAD</b>	<b>31</b>	<b>-35</b>	<b>43</b>	<b>-93</b>	<b>155</b>	<b>246</b>	<b>280</b>	<b>450</b>	<b>-237</b>
<b>Capital transfers:</b>										
To private sector:										
Universities, colleges, etc.	GTDH	98	107	136	158	151	138	138	133	146
Housing associations	GTDI	635	566	593	420	595	767	1 006	926	780
Other personal sector	GTDJ	208	255	345	340	436	470	423	382	310
Company sector	GTDK	540	420	518	741	671	661	556	578	706
<b>Total to private sector</b>	<b>ACIH</b>	<b>1 481</b>	<b>1 348</b>	<b>1 592</b>	<b>1 659</b>	<b>1 853</b>	<b>2 036</b>	<b>2 123</b>	<b>2 019</b>	<b>1 942</b>
To local authorities	ACII	223	267	295	317	328	316	677	750	937
To public corporations	ACIJ	350	310	343	400	404	373	339	529	463
<b>Total capital transfers</b>	<b>ACIG</b>	<b>2 054</b>	<b>1 925</b>	<b>2 230</b>	<b>2 376</b>	<b>2 585</b>	<b>2 725</b>	<b>3 139</b>	<b>3 298</b>	<b>3 342</b>
<b>Total capital expenditure</b>	<b>ACID</b>	<b>3 377</b>	<b>3 450</b>	<b>4 034</b>	<b>4 151</b>	<b>4 970</b>	<b>5 468</b>	<b>6 147</b>	<b>6 874</b>	<b>6 456</b>
<b>Balance: financial surplus or deficit</b>	<b>AABA</b>	<b>-5 577</b>	<b>-4 325</b>	<b>-5 171</b>	<b>-6 544</b>	<b>-7 571</b>	<b>-8 307</b>	<b>-10 046</b>	<b>-8 177</b>	<b>-7 908</b>
<b>Total</b>	<b>ACIA</b>	<b>-2 200</b>	<b>-875</b>	<b>-1 137</b>	<b>-2 393</b>	<b>-2 601</b>	<b>-2 839</b>	<b>-3 899</b>	<b>-1 303</b>	<b>-1 452</b>

1 For details see table 10.71

2 Net of the following sales (£million):

	1978	1979	1980	1981	1982	1983	1984	1985	1986
GTDL	84	60	144	164	190	212	195	233	337

3 Includes the Intervention Board for Agricultural Produce.

# 10.36 Capital account Detail

continued

£ million

		1987	1988	1989	1990	1991	1992	1993	1994
<b>RECEIPTS</b>									
Current surplus before providing for depreciation	AAAA	-1 324	8 610	11 946	7 548	41	-23 212	-35 608	-30 724
Taxes on capital <sup>1</sup>	ACIC	3 078	4 153	4 440	4 211	3 351	2 635	2 311	2 608
Other capital receipts	ACIE	-	20	24	-	-	-	-	-
<b>Total</b>	<b>ACIA</b>	<b>1 754</b>	<b>12 783</b>	<b>16 410</b>	<b>11 759</b>	<b>3 392</b>	<b>-20 577</b>	<b>-33 297</b>	<b>-28 116</b>
<b>EXPENDITURE</b>									
Gross domestic fixed capital formation <sup>2</sup>	AAAC	3 358	3 709	4 951	6 415	6 876	6 855	6 542	6 110
Increase in value of stocks:									
Trading bodies, etc. <sup>3</sup>	DHHN	-498	-322	-163	156	151	-17	-24	-250
Emergency and strategic stocks	DHHO	-	-	-	-	-	-	-	-
<b>Total increase in stocks</b>	<b>AAAD</b>	<b>-498</b>	<b>-322</b>	<b>-163</b>	<b>156</b>	<b>151</b>	<b>-17</b>	<b>-24</b>	<b>-250</b>
<b>Capital transfers:</b>									
To private sector:									
Universities, colleges, etc.	GTDH	165	141	261	312	366	308	355	231
Housing associations	GTDI	753	703	1 058	1 469	1 870	1 761	2 502	1 566
Other personal sector	GTDJ	404	398	292	457	561	677	964	1 131
Company sector	GTDK	499	1 008	548	501	483	444	413	465
<b>Total to private sector</b>	<b>ACIH</b>	<b>1 821</b>	<b>2 250</b>	<b>2 159</b>	<b>2 739</b>	<b>3 280</b>	<b>3 190</b>	<b>4 234</b>	<b>3 393</b>
To local authorities	ACII	1 002	1 037	2 144	1 810	2 433	7 921	3 154	3 176
To public corporations	ACIJ	613	706	1 200	6 545	3 576	3 251	3 106	3 048
<b>Total capital transfers</b>	<b>ACIG</b>	<b>3 436</b>	<b>3 993</b>	<b>5 503</b>	<b>11 094</b>	<b>9 289</b>	<b>14 362</b>	<b>10 494</b>	<b>9 617</b>
<b>Total capital expenditure</b>	<b>ACID</b>	<b>6 296</b>	<b>7 380</b>	<b>10 291</b>	<b>17 665</b>	<b>16 316</b>	<b>21 200</b>	<b>17 012</b>	<b>15 477</b>
<b>Balance: financial surplus or deficit</b>	<b>AABA</b>	<b>-4 542</b>	<b>5 403</b>	<b>6 119</b>	<b>-5 906</b>	<b>-12 924</b>	<b>-41 777</b>	<b>-50 309</b>	<b>-43 593</b>
<b>Total</b>	<b>ACIA</b>	<b>1 754</b>	<b>12 783</b>	<b>16 410</b>	<b>11 759</b>	<b>3 392</b>	<b>-20 577</b>	<b>-33 297</b>	<b>-28 116</b>

See previous page for footnotes 1 and 3.

<sup>2</sup> Net of the following sales (£million):

	1987	1988	1989	1990	1991	1992	1993	1994
GTDL	463	575	655	530	456	368	424	393

# Central government

## 10.37 Financial account and balancing item Summary<sup>1</sup>

£ million

	Transactions in financial liabilities (net)							Transactions in financial assets (net)							Balancing item
	Financial surplus or deficit	ACJR	ACJB	Trans- actions concern- ing certain public sector funds	Borrowing for Finance leasing	Other ident- ified financial liabilities (net)	Borrowing require- ment	Total	Accruals adjust- ments	Net lending	Public dividend capital etc.	Company secur- ities	Other financial assets	Total financial trans- actions	
	AABA	ACJR	ACJB	AACW	CULP	ACJS	ABEA	ACJU	CUBO	CUBX	ACKF	ACKG	ACKZ	AADA	AADB
1965	681	713	13	52	-	53	595	1 333	51	1 230	-	-	52	620	61
1966	908	761	167	64	-	-6	536	1 640	122	1 485	-	33	-	879	29
1967	700	1 667	-11	61	-	469	1 148	2 311	179	1 630	18	-	484	644	56
1968	995	1 095	139	72	-	144	740	2 107	271	1 768	13	1	54	1 012	-17
1969	2 198	-366	-52	51	-	537	-902	1 803	164	1 590	4	3	42	2 169	29
1970	2 792	-825	20	66	-	-215	-696	1 903	29	1 863	9	2	-	2 728	64
1971	1 937	452	-58	106	-	-236	640	2 378	30	2 266	-	82	-	1 926	11
1972	455	1 804	161	154	-	-55	1 544	2 311	13	2 223	40	35	-	507	-52
1973	31	2 791	232	182	-	133	2 244	2 834	638	2 158	31	7	-	43	-12
1974	-369	3 892	179	273	-	-158	3 598	3 798	794	2 925	59	20	-	-94	-275
1975	-2 378	7 922	-643	380	-	31	8 154	5 320	1 011	3 349	403	557	-	-2 602	224
1976	-4 298	7 249	-25	458	-	33	6 783	3 389	579	2 300	484	26	-	-3 860	-438
1977	-2 944	4 998	-171	439	-	333	4 397	2 193	421	1 742	507	-477	-	-2 805	-139
1978	-5 577	8 952	158	445	1	127	8 221	3 231	980	1 226	1 093	-68	-	-5 721	144
1979	-4 325	11 365	143	534	2	322	10 364	7 108	3 307	2 361	1 572	-132	-	-4 257	-68
1980	-5 171	10 932	-154	698	2	-399	10 785	5 915	1 609	2 743	1 415	148	-	-5 017	-154
1981	-6 544	12 088	132	648	2	923	10 383	5 649	3 798	362	-160	1 649	-	-6 439	-105
1982	-7 571	9 614	152	622	2	995	7 843	2 435	-1 142	2 797	840	-60	-	-7 179	-392
1983	-8 307	15 065	515	691	3	-599	14 455	6 806	2 009	4 638	665	-506	-	-8 259	-48
1984	-10 046	12 462	1 582	768	5	-53	10 160	2 893	1 642	2 829	853	-2 431	-	-9 569	-477
1985	-8 177	12 798	401	553	8	32	11 804	4 858	1 182	5 185	836	-2 345	-	-7 940	-237
1986	-7 908	8 889	-96	689	9	-123	8 410	1 086	-1 112	5 850	157	-3 809	-	-7 803	-105
1987	-4 542	5 733	607	639	11	404	4 072	1 156	1 854	5 088	144	-5 930	-	-4 577	35
1988	5 403	-3 388	583	856	12	118	-4 957	1 436	1 538	5 945	147	-6 194	-	4 824	579
1989	6 119	-3 146	1 434	389	25	140	-5 134	2 839	1 663	5 788	45	-4 657	-	5 985	134
1990	-5 906	-2 506	1 918	61	36	121	-4 642	-7 977	-292	-3 228	5	-4 462	-	-5 471	-435
1991	-12 924	8 079	1 188	-40	1	-775	7 705	-5 144	2 496	1 284	1	-8 925	-	-13 223	299
1992	-41 777	28 803	-44	-292	-2	-99	29 240	-12 264	-577	-4 108	1	-7 580	-	-41 067	-710
1993	-50 309	47 795	1 618	-492	-4	908	45 765	-2 134	3 326	-60	-	-5 400	-	-49 929	-380
1994	-43 593	40 465	1 098	-357	-4	1 301	38 427	-2 592	3 427	467	-	-6 486	-	-43 057	-536
1965/66	880	611	11	59	-	46	495	1 432	50	1 313	-	17	52	821	59
1966/67	855	916	138	60	-	-2	720	1 777	170	1 588	3	16	-	861	-6
1967/68	414	1 942	7	66	-	498	1 371	2 376	76	1 801	15	-	484	434	-20
1968/69	1 411	246	76	73	-	400	-303	1 694	160	1 466	13	1	54	1 448	-37
1969/70	2 520	-637	34	41	-	203	-915	1 853	161	1 638	9	3	42	2 490	30
1970/71	2 557	-224	70	83	-	-366	-11	2 170	182	1 952	4	32	-	2 394	163
1971/72	1 531	566	-65	110	-	-90	611	2 204	-176	2 331	-	49	-	1 638	-107
1972/73	239	2 305	197	162	-	52	1 894	2 591	14	2 478	60	39	-	286	-47
1973/74	-245	2 576	318	187	-	-35	2 106	2 517	584	1 915	11	7	-	-59	-186
1974/75	-1 197	5 464	94	350	-	-88	5 108	4 418	836	3 240	125	217	-	-1 046	-151
1975/76	-3 366	8 290	-759	412	-	-86	8 723	4 886	646	3 456	417	367	-	-3 404	38
1976/77	-3 466	6 345	41	418	-	30	5 856	2 928	495	1 840	566	27	-	-3 417	-49
1977/78	-3 614	5 152	-113	421	-	322	4 522	1 686	600	1 116	526	-556	-	-3 466	-148
1978/79	-5 246	8 789	135	474	2	268	7 910	3 878	1 168	1 262	1 446	2	-	-4 911	-335
1979/80	-3 339	9 668	135	489	2	780	8 262	5 987	2 463	2 259	1 577	-312	-	-3 681	342
1980/81	-7 304	13 565	-138	813	2	156	12 732	6 378	1 599	3 110	107	1 562	-	-7 187	-117
1981/82	-4 929	8 061	229	607	1	-373	7 597	3 743	2 161	322	975	285	-	-4 318	-611
1982/83	-7 577	13 611	44	681	3	149	12 734	5 694	180	4 540	856	118	-	-7 917	340
1983/84	-10 131	14 260	747	696	2	637	12 178	4 804	1 561	3 605	684	-1 046	-	-9 456	-675
1984/85	-9 907	12 239	1 310	719	9	37	10 164	2 737	841	3 185	694	-1 983	-	-9 502	-405
1985/86	-6 651	11 993	569	483	7	-28	10 962	5 300	1 246	6 199	602	-2 747	-	-6 693	42
1986/87	-8 000	11 334	233	883	9	-242	10 451	2 721	531	5 878	254	-3 942	-	-8 613	613
1987/88	-1 726	1 894	127	634	11	283	839	610	1 598	4 270	110	-5 368	-	-1 284	-442
1988/89	6 825	-5 204	1 018	833	17	70	-7 142	1 384	1 595	6 776	118	-7 105	-	6 588	237
1989/90	1 692	-3 684	1 495	102	28	319	-5 628	-2 148	1 715	537	3	-4 403	-	1 536	156
1990/91	-3 414	-1 135	1 663	-85	28	-284	-2 457	-4 732	246	587	5	-5 570	-	-3 597	183
1991/92	-16 457	12 899	391	-57	-5	-354	12 924	-3 217	3 718	1 487	1	-8 423	-	-16 116	-341
1992/93	-50 094	37 059	761	-173	-4	154	36 321	-13 061	802	-5 655	1	-8 209	-	-50 120	26
1993/94	-51 263	49 379	188	-475	4	712	48 950	-680	3 489	1 339	-	-5 508	-	-50 059	-1 204
1994/95	-40 592	38 803	24	-373	-9	800	38 361	-1 976	3 661	814	-	-6 451	-	-40 779	187

<sup>1</sup> For a more detailed breakdown of central government financial transactions since 1978 see table 10.38.



# Central government

## 10.38 Financial account and balancing item Detail

£ million

		1978	1979	1980	1981	1982	1983	1984	1985	1986
<b>FINANCIAL SURPLUS OR DEFICIT</b>	<b>AABA</b>	-5 577	-4 325	-5 171	-6 544	-7 571	-8 307	-10 046	-8 177	-7 908
<b>TRANSACTIONS IN FINANCIAL LIABILITIES (NET)</b>										
Accruals adjustments:										
Current expenditure on goods and services	ACJC	-2	-33	-28	-7	-15	-7	-1	-5	-
Subsidies	ACJD	173	173	-129	34	-320	393	856	-138	-124
Current grants to personal sector	ACJE	-13	3	11	-20	84	-14	-43	3	-7
Debt interest	ACLE	-	-	-	157	353	251	398	715	376
Increase in value of stocks	ACLJ	-	-	-8	-32	50	-108	372	-174	-341
<b>Total accruals adjustments</b>	<b>ACJB</b>	<b>158</b>	<b>143</b>	<b>-154</b>	<b>132</b>	<b>152</b>	<b>515</b>	<b>1 582</b>	<b>401</b>	<b>-96</b>
Transactions concerning certain public sector pension schemes (net)	AACW	445	534	698	648	622	691	768	553	689
Borrowing for finance leasing	CULP	1	2	2	2	2	3	5	8	9
Other identified financial liabilities (net)	ACJS	127	322	-399	923	995	-599	-53	32	-123
Borrowing requirement:										
Liabilities <sup>1</sup>										
Notes and coin in circulation	-AACB	1 286	1 199	406	672	463	823	617	429	674
Market transactions:										
Sterling treasury bills	-AACC	-1 140	-333	324	-1 242	-359	154	9	68	253
Government securities <sup>2</sup>	-AACD	5 052	10 145	10 692	8 135	6 457	9 490	8 576	9 555	6 876
Non-marketable debt:										
National savings	-AACE	1 473	1 047	1 281	4 282	3 592	3 032	3 446	2 556	2 462
Tax reserve certificates	CTIX	-1	-	-	-	-	-	-	-	-
Certificates of tax deposit	CTIZ	345	183	266	71	1 360	-101	475	556	124
British Gas Corporation deposits	-CTJA	-	150	150	-	-	-	-	-	-300
Temporary deposit facility	-CTJB	-	-	-	-	-	296	-168	86	-121
Ways and means advances	CTJC	3	-5	-2	-	-	-	84	-36	-48
Fund for the Bank for Savings repayments	CTJD	-	-185	-149	-178	-192	-107	-214	-319	-107
Trading fund balances with Paymaster General	CTJE	8	-42	29	-3	24	31	-39	-28	-13
Net indebtedness to Bank of England Banking Department	-RRBT	150	-251	-864	-309	156	-157	51	122	-28
Northern Ireland central government debt	-AACH	38	-1	6	41	19	12	10	-21	-13
Cost of exchange cover scheme on repayment of principal	-AACI	-99	-148	7	61	-68	-88	-293	-242	-186
Borrowing from overseas governments (net)	HEUL	-65	-116	-57	-73	-86	-97	-104	-87	-86
British Government foreign currency bonds	HGBA	-	-	-	-	-115	-	-342	-	-
HMG Total \$ floating rate note issues	-CTJK	-	-	-	-	-	-	-	1 762	2 762
Miscellaneous direct official borrowing from overseas	CTJL	14	-13	-2	-1	-1	-3	-1	-1	-
Allocation of SDRs	HBUN	-	195	180	158	-	-	-	-	-
Net drawings from less repayments to IMF	AION	-1 016	-596	-140	-145	-163	-36	-	-	-
Foreign currency borrowing <sup>3</sup>	CTJQ	191	15	-629	-1 230	-	-	273	-40	-70
Assets <sup>1</sup>										
Net change in official reserves	AIPA	2 329	-1 059	-291	2 419	1 421	607	908	-1 758	-2 891
Redemption of government guaranteed stock	-ACMN	14	540	30	-	-	-	-	-	-
Transactions in Building Societies deposits	-CBQM	-	-	-	-	-	-	-	-	-
Issue Department and National Insurance Fund transactions in:										
Commercial bills and ECGD backed promissory notes	-AACK	12	-12	-403	-2 559	-4 714	725	-3 062	-1 129	-522
Public corporations debt	-ACMY	-	-	-	-42	31	-32	-29	-18	-127
Local authority, etc. debt	-ACMV	-286	-338	262	174	-19	-26	75	148	74
Deposits with banks	-AADM	-87	-11	-311	152	37	-68	-112	201	-303
<b>Total borrowing requirement</b>	<b>ABEA</b>	<b>8 221</b>	<b>10 364</b>	<b>10 785</b>	<b>10 383</b>	<b>7 843</b>	<b>14 455</b>	<b>10 160</b>	<b>11 804</b>	<b>8 410</b>
<b>Total transactions in financial liabilities</b>	<b>ACJR</b>	<b>8 952</b>	<b>11 365</b>	<b>10 932</b>	<b>12 088</b>	<b>9 614</b>	<b>15 065</b>	<b>12 462</b>	<b>12 798</b>	<b>8 889</b>

1 **Assets:** increase negative/decrease positive.

**Liabilities:** increase positive/decrease negative.

2 Including government guaranteed securities.

3 Including Northern Ireland central government borrowing from the European Investment Bank.



# 10.38 Financial account and balancing item

## Detail

continued

£ million

		1987	1988	1989	1990	1991	1992	1993	1994
<b>FINANCIAL SURPLUS OR DEFICIT</b>	<b>AABA</b>	-4 542	5 403	6 119	-5 906	-12 924	-41 777	-50 309	-43 593
<b>TRANSACTIONS IN FINANCIAL LIABILITIES (NET)</b>									
Accruals adjustments:									
Current expenditure on goods and services	ACJC	-9	-5	-9	238	426	-218	828	941
Subsidies	ACJD	188	238	43	-9	-502	-88	-36	-390
Current grants to personal sector	ACJE	13	-15	-2	-2	-	-461	461	-
Debt interest	ACLE	613	291	1 288	1 501	1 235	771	402	763
Increase in value of stocks	ACLJ	-198	74	114	190	29	-48	-37	-216
<b>Total accruals adjustments</b>	<b>ACJB</b>	<b>607</b>	<b>583</b>	<b>1 434</b>	<b>1 918</b>	<b>1 188</b>	<b>-44</b>	<b>1 618</b>	<b>1 098</b>
Transactions concerning certain public sector pension schemes (net)	AACW	639	856	389	61	-40	-292	-492	-357
Borrowing for finance leasing	CULP	11	12	25	36	1	-2	-4	-4
Other identified financial liabilities (net)	ACJS	404	118	140	121	-775	-99	908	1 301
Borrowing requirement:									
Liabilities <sup>1</sup>									
Notes and coin in circulation	-AACB	1 089	1 476	1 245	78	207	1 397	1 330	1 370
Market transactions:									
Sterling treasury bills	-AACC	2 186	1 335	2 936	2 149	-1 675	-4 423	-1 250	2 208
Government securities <sup>2</sup>	-AACD	4 609	-5 032	-18 327	-7 330	9 178	21 373	51 853	22 621
Non-marketable debt:									
National savings	-AACE	2 550	1 528	-1 547	801	2 229	5 065	2 897	4 611
Tax reserve certificates	CTIX	-	-	-	-	-	-	-	-
Certificates of tax deposit	CTIZ	-577	-997	150	293	-24	-448	-91	-535
British Gas Corporation deposits	-CTJA	-	-	-	-	-	-	-	-
Temporary deposit facility	-CTJB	204	449	-99	194	236	64	1 125	307
Ways and means advances	CTJC	-	-	-	-	-	-	-	-
Fund for the Bank for Savings repayments	CTJD	-	-	-	-	-	-	-	-
Trading fund balances with Paymaster General	CTJE	11	1	2	19	-30	51	98	325
Net indebtedness to Bank of England Banking Department	-RRBT	281	138	370	353	-131	-206	-6 719	4 463
Northern Ireland central government debt	-AACH	-6	-6	-13	-3	1	-34	-10	-3
Cost of exchange cover scheme on repayment of principal	-AACI	-147	188	87	-33	-34	-28	-46	-24
Borrowing from overseas governments (net)	HEUL	-69	-73	-83	-73	-74	-99	-95	-95
British Government foreign currency bonds	HGBA	-11	-	-	-	-	-	-	-
HMG Total \$ floating rate note issues	-CTJK	-	-1 477	-	-10	1 887	5 567	1 565	1 904
Miscellaneous direct official borrowing from overseas	CTJL	-	-	-	-	-	-	-	-
Allocation of SDRs	HBUN	-	-	-	-	-	-	-	-
Net drawings from less repayments to IMF	AION	-	-	-	-	-	-	-	-
Foreign currency borrowing <sup>3</sup>	CTJQ	-152	1 026	1 256	142	-181	4 231	-2 978	-3 432
Assets <sup>1</sup>									
Net change in official reserves	AIPA	-12 012	-2 761	5 440	-76	-2 679	1 407	-698	-1 045
Redemption of government guaranteed stock	-ACMN	-	-	-	10	-	-	-	-
Transactions in Building Societies deposits	-CBQM	-	-	-	-	-	-	-	-14
Insurance Fund transactions in:									
Commercial bills and ECGD backed promissory notes	-AACK	5 735	-435	3 598	-705	-1 751	-4 517	-1 535	6 198
Public corporations debt	-ACMY	-38	90	147	-7	3	-	-8	-
Local authority, etc. debt	-ACMV	341	-31	-12	21	161	118	97	-61
Deposits with banks	-AADM	78	-376	-284	-465	382	-278	230	-371
<b>Total borrowing requirement</b>	<b>ABEA</b>	<b>4 072</b>	<b>-4 957</b>	<b>-5 134</b>	<b>-4 642</b>	<b>7 705</b>	<b>29 240</b>	<b>45 765</b>	<b>38 427</b>
<b>Total transactions in financial liabilities</b>	<b>ACJR</b>	<b>5 733</b>	<b>-3 388</b>	<b>-3 146</b>	<b>-2 506</b>	<b>8 079</b>	<b>28 803</b>	<b>47 795</b>	<b>40 465</b>

See previous page for footnotes.

# 10.38 Financial account and balancing item

## Detail

continued

£ million

		1978	1979	1980	1981	1982	1983	1984	1985	1986
<b>TRANSACTIONS IN FINANCIAL ASSETS (NET)</b>										
Accruals adjustments:										
Income tax	ACJW	533	639	941	921	271	754	911	1 288	-1 708
Customs duties										
Value added tax	CUAI	183	2 036	105	1 479	-259	329	250	-523	561
Car tax	CUAF	-9	33	7	-13	25	20	8	18	34
Beer	CINV	-	-1	23	31	20	-1	6	8	6
Wines, cider, sherry and spirits	CINX	-	-	-	-	-	105	-9	18	8
Tobacco	CINZ	-	6	39	86	-13	9	19	36	57
Hydrocarbon oils	CIOB	-	-	-	-	-	-	-	32	116
Customs/protective duties	CIOD	-	13	-14	76	-62	16	4	-11	14
EC agricultural levies	CIOF	-	-2	2	20	-26	2	-13	13	3
Air passenger duty	CSAV	-	-	-	-	-	-	-	-	-
Insurance premium tax	CSAW	-	-	-	-	-	-	-	-	-
Gas levy	CUAG	-	-	83	45	32	-12	-2	5	-9
Northern Ireland rates	CUBN	-3	-2	5	-9	2	1	-6	-1	-2
National non-domestic rates	CULD	-	-	-	-	-	-	-	-	-
National insurance surcharge	CUAH	160	113	101	161	-823	366	-179	-54	-2
Social security contributions	ACJY	109	362	408	928	-459	426	457	441	55
Royalties	ACJZ	4	92	-120	49	102	-7	226	-70	-242
Other interest and dividends	CUCF	3	18	29	24	48	1	-30	-18	-3
<b>Total accruals adjustments</b>	<b>CUBO</b>	<b>980</b>	<b>3 307</b>	<b>1 609</b>	<b>3 798</b>	<b>-1 142</b>	<b>2 009</b>	<b>1 642</b>	<b>1 182</b>	<b>-1 112</b>
Net lending:										
To private sector:										
Refinanced shipbuilding credits	CUBP	-96	-24	-62	-48	-30	-47	-26	-82	-9
Other industry and trade	CUBQ	66	133	114	151	94	162	133	211	135
Building societies	CUBR	-5	-4	-4	-1	-	-	-	-	-
Loans secured on dwellings	AADK	45	95	297	316	372	55	-22	69	68
Other	CUBT	11	10	2	-	-9	-32	-19	-26	-12
<b>Total net lending to private sector</b>	<b>ACKB</b>	<b>21</b>	<b>210</b>	<b>347</b>	<b>418</b>	<b>427</b>	<b>138</b>	<b>66</b>	<b>172</b>	<b>182</b>
To local authorities	ABEC	362	555	1 224	-697	1 365	3 710	2 758	4 960	5 786
To public corporations	ACKD	728	1 624	1 690	904	1 215	781	-128	-230	-77
To overseas sector:										
Overseas governments	CUAD	45	12	-71	-9	-31	-12	-66	-52	-69
Refinanced export credits	-AACT	-160	-298	-500	-476	-423	-235	-6	126	-199
Drawings from UK subscriptions to international lending bodies	CUAA	227	260	52	222	244	256	205	209	227
Other	CUBV	3	-2	1	-	-	-	-	-	-
<b>Total net lending to overseas sector</b>	<b>ACKE</b>	<b>115</b>	<b>-28</b>	<b>-518</b>	<b>-263</b>	<b>-210</b>	<b>9</b>	<b>133</b>	<b>283</b>	<b>-41</b>
<b>Total net lending</b>	<b>CUBX</b>	<b>1 226</b>	<b>2 361</b>	<b>2 743</b>	<b>362</b>	<b>2 797</b>	<b>4 638</b>	<b>2 829</b>	<b>5 185</b>	<b>5 850</b>
Public dividend capital, etc.	ACKF	1 093	1 572	1 415	-160	840	665	853	836	157
Company securities:										
Purchases	CUBZ	2	2	328	1 934	310	201	2	1	-
less Sales	CUCA	-70	-134	-180	-285	-370	-707	-2 433	-2 346	-3 809
<b>Net</b>	<b>ACKG</b>	<b>-68</b>	<b>-132</b>	<b>148</b>	<b>1 649</b>	<b>-60</b>	<b>-506</b>	<b>-2 431</b>	<b>-2 345</b>	<b>-3 809</b>
<b>Total transactions in financial assets</b>	<b>ACJU</b>	<b>3 231</b>	<b>7 108</b>	<b>5 915</b>	<b>5 649</b>	<b>2 435</b>	<b>6 806</b>	<b>2 893</b>	<b>4 858</b>	<b>1 086</b>
<b>NET TOTAL FINANCIAL TRANSACTIONS<sup>1</sup></b>	<b>AADA</b>	<b>-5 721</b>	<b>-4 257</b>	<b>-5 017</b>	<b>-6 439</b>	<b>-7 179</b>	<b>-8 259</b>	<b>-9 569</b>	<b>-7 940</b>	<b>-7 803</b>
<b>BALANCING ITEM</b>	<b>AADB</b>	<b>144</b>	<b>-68</b>	<b>-154</b>	<b>-105</b>	<b>-392</b>	<b>-48</b>	<b>-477</b>	<b>-237</b>	<b>-105</b>

<sup>1</sup> Total assets less total liabilities.

# 10.38 Financial account and balancing item

## Detail

continued

£ million

		1987	1988	1989	1990	1991	1992	1993	1994
<b>TRANSACTIONS IN FINANCIAL ASSETS (NET)</b>									
Accruals adjustments:									
Income tax	ACJW	36	452	1 225	958	-947	234	473	548
Customs duties									
Value added tax	CUAI	910	785	174	110	2 477	420	2 578	2 299
Car tax	CUAF	47	86	-27	-47	-20	-224	-35	-
Beer	CINV	-13	1	-13	-6	17	18	267	60
Wines, cider, sherry and spirits	CINX	27	-10	-9	-	22	32	41	137
Tobacco	CINZ	258	-2	-166	29	158	-362	-1 038	-458
Hydrocarbon oils	CIOB	31	84	-5	33	112	61	105	125
Customs/protective duties	CIOD	8	-1	-3	-6	5	30	4	-
EC agricultural levies	CIOF	-24	8	-11	12	-	-3	-3	-4
Air passenger duty	CSAV	-	-	-	-	-	-	-	24
Insurance premium tax	CSAW	-	-	-	-	-	-	-	115
Gas levy	CUAG	9	-30	-6	-32	-2	7	-20	-21
Northern Ireland rates	CUBN	-	-6	8	-5	3	-69	15	-8
National non-domestic rates	CULD	-	-	-	-1 333	73	243	-43	-263
National insurance surcharge	CUAH	-	-	-	-	-	-	-	-
Social security contributions	ACJY	475	130	320	453	686	-912	1 027	949
Royalties	ACJZ	89	37	161	-456	4	3	2	-12
Other interest and dividends	CUCF	1	4	15	-2	-92	-55	-47	-64
<b>Total accruals adjustments</b>	<b>CUBO</b>	<b>1 854</b>	<b>1 538</b>	<b>1 663</b>	<b>-292</b>	<b>2 496</b>	<b>-577</b>	<b>3 326</b>	<b>3 427</b>
Net lending:									
To private sector:									
Refinanced shipbuilding credits	CUBP	-	-	-	-	-	-	-	-
Other industry and trade	CUBQ	71	86	863	188	165	-72	13	24
Building societies	CUBR	-	-	-	-	-	-	-	-
Loans secured on dwellings	AADK	60	153	137	-98	-433	-104	-74	-37
Other	CUBT	-11	33	42	65	171	241	288	498
<b>Total net lending to private sector</b>	<b>ACKB</b>	<b>120</b>	<b>272</b>	<b>1 042</b>	<b>155</b>	<b>-97</b>	<b>65</b>	<b>227</b>	<b>485</b>
To local authorities	ABEC	5 468	4 829	2 577	762	1 230	-5 818	-1 540	-845
To public corporations	ACKD	-626	659	1 900	-4 305	-113	1 301	1 044	608
To overseas sector:									
Overseas governments	CUAD	-84	-66	-47	-51	-46	-31	-57	-53
Refinanced export credits	-AACT	-	-	-	-	-	-	-	-
Drawings from UK subscriptions to international lending bodies	CUAA	210	251	316	211	310	375	266	272
Other	CUBV	-	-	-	-	-	-	-	-
<b>Total net lending to overseas sector</b>	<b>ACKE</b>	<b>126</b>	<b>185</b>	<b>269</b>	<b>160</b>	<b>264</b>	<b>344</b>	<b>209</b>	<b>219</b>
<b>Total net lending</b>	<b>CUBX</b>	<b>5 088</b>	<b>5 945</b>	<b>5 788</b>	<b>-3 228</b>	<b>1 284</b>	<b>-4 108</b>	<b>-60</b>	<b>467</b>
Public dividend capital, etc.	ACKF	144	147	45	5	1	1	-	-
Company securities:									
Purchases	CUBZ	2 489	38	1 580	15	-	-	6	3
less Sales	CUCA	-8 419	-6 232	-6 237	-4 477	-8 925	-7 580	-5 406	-6 489
<b>Net</b>	<b>ACKG</b>	<b>-5 930</b>	<b>-6 194</b>	<b>-4 657</b>	<b>-4 462</b>	<b>-8 925</b>	<b>-7 580</b>	<b>-5 400</b>	<b>-6 486</b>
<b>Total transactions in financial assets</b>	<b>ACJU</b>	<b>1 156</b>	<b>1 436</b>	<b>2 839</b>	<b>-7 977</b>	<b>-5 144</b>	<b>-12 264</b>	<b>-2 134</b>	<b>-2 592</b>
<b>NET TOTAL FINANCIAL TRANSACTIONS<sup>1</sup></b>	<b>AADA</b>	<b>-4 577</b>	<b>4 824</b>	<b>5 985</b>	<b>-5 471</b>	<b>-13 223</b>	<b>-41 067</b>	<b>-49 929</b>	<b>-43 057</b>
<b>BALANCING ITEM</b>	<b>AADB</b>	<b>35</b>	<b>579</b>	<b>134</b>	<b>-435</b>	<b>299</b>	<b>-710</b>	<b>-380</b>	<b>-536</b>

See previous page for footnote.

# Central government

## 10.39 Analysis of total expenditure

£ million

		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
<b>General public services</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTMB	1 986	2 274	2 271	2 494	2 862	3 174	3 293	4 090	4 355	4 457	4 660
Other	GTML	730	596	823	651	592	1 104	1 410	921	1 026	1 083	1 172
Current grants to personal sector	GTPB	533	492	519	715	866	931	1 203	1 146	1 302	1 547	1 558
Current grants to local authorities	GTLN	88	75	86	97	95	92	162	164	162	158	138
Current grants abroad	GTPC	885	978	1 061	954	1 217	1 316	1 438	1 800	1 976	1 879	1 974
Gross domestic fixed capital formation	GTCR	286	368	379	349	512	687	681	730	740	766	718
Capital transfers to private sector	GTFD	49	54	66	70	73	80	91	64	60	83	53
Net lending to public corporations	GTFE	65	50	43	7	14	53	62	56	42	32	-5
Company securities (net)	GTFP	-	-	-	-	-	-	-	-	-14	-	-
<b>Total</b>	<b>GTOD</b>	<b>4 622</b>	<b>4 887</b>	<b>5 248</b>	<b>5 337</b>	<b>6 231</b>	<b>7 437</b>	<b>8 340</b>	<b>8 971</b>	<b>9 649</b>	<b>10 005</b>	<b>10 268</b>
<i>of which:</i> Parliament	GTFH	379	405	530	487	638	708	664	806	926	1 013	1 097
Finance and tax collection	GTNX	1 445	1 779	1 827	2 216	2 372	2 725	3 113	3 375	3 334	3 386	3 206
External	GTFJ	908	765	795	935	902	977	1 154	1 435	1 697	1 818	1 659
Other	GTOS	1 890	1 938	2 096	1 699	2 319	3 027	3 409	3 355	3 692	3 788	4 306
<b>Defence</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTPA	6 364	6 917	7 325	7 472	7 797	8 301	9 026	10 039	10 532	10 940	10 645
Other	GTMM	10 475	10 938	11 268	11 189	11 485	12 146	13 156	14 506	12 936	12 729	12 419
Current grants to personal sector	GTPB	-	-	-	15	34	27	35	42	25	20	30
Current grants to local authorities	CTKA	12	10	13	17	23	21	22	19	23	21	8
Current grants abroad	GTFP	61	51	82	84	99	79	39	-2 007	169	109	49
<i>of which</i> Gulf contributions	-HHQG	-	-	-	-	-	-	-38	-2 110	-9	-	-
Gross domestic fixed capital formation	GTCR	208	268	356	351	356	406	619	611	711	753	670
Value of physical increase in stocks	GTFD	-5	-	-	-	-	-	-	-	-11	-25	-29
Capital transfers to private sector	GTFD	17	21	12	-	-	-	-	1	5	6	3
Company securities (net)	GTFD	-	-	-	-190	-	-	-	-	-	-	-
<b>Total</b>	<b>GTOB</b>	<b>17 132</b>	<b>18 205</b>	<b>19 056</b>	<b>18 938</b>	<b>19 794</b>	<b>20 980</b>	<b>22 897</b>	<b>23 211</b>	<b>24 390</b>	<b>24 553</b>	<b>23 795</b>
<b>Public order and safety</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTMC	969	1 000	1 102	1 301	1 433	1 548	1 759	2 124	2 321	2 304	2 271
Other	GTMN	612	598	852	839	980	1 141	1 301	1 752	2 208	2 249	2 414
Current grants to personal sector	GTFV	108	98	107	138	179	187	236	299	316	375	402
Current grants to local authorities	CTKB	1 756	1 828	1 781	2 334	2 133	2 565	2 876	3 177	3 514	3 722	3 864
Gross domestic fixed capital formation	GTCR	171	174	200	194	223	320	610	726	547	579	562
Capital transfers to local authorities	CTLI	-	-	-	26	29	54	122	156	182	169	183
<b>Total</b>	<b>GTOF</b>	<b>3 616</b>	<b>3 698</b>	<b>4 042</b>	<b>4 832</b>	<b>4 977</b>	<b>5 815</b>	<b>6 904</b>	<b>8 234</b>	<b>9 088</b>	<b>9 398</b>	<b>9 696</b>
<i>of which:</i> Police	GTNY	1 854	1 891	1 843	2 192	1 853	2 155	2 413	3 098	3 560	3 799	3 962
Fire	GTNZ	28	30	32	32	37	40	45	45	51	47	48
Law courts	GTOT	916	840	962	1 220	1 751	2 100	2 632	3 264	3 651	3 923	4 028
Prisons	GTPE	818	937	1 205	1 388	1 336	1 520	1 814	1 827	1 826	1 629	1 658
<b>Education</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTMD	801	808	850	938	1 009	1 101	1 227	1 431	1 602	1 566	1 617
Other	GTOU	78	167	235	161	122	146	174	207	220	227	269
Education grants	CUKF	1 441	1 462	1 530	1 696	1 912	2 767	3 056	2 754	3 131	5 920	7 393
Current grants to personal sector	GTOV	332	373	464	399	388	338	352	522	613	905	1 045
Current grants to local authorities	CTKC	749	793	796	955	952	998	1 223	1 802	2 266	2 149	1 655
Gross domestic fixed capital formation	GTCU	25	23	30	19	25	24	25	29	33	27	29
Capital transfers to private sector	GTFP	187	208	235	245	455	570	659	569	505	776	745
Capital transfers to local authorities	CTNR	-	-	7	19	15	4	2	11	15	7	14
Net lending to private sector	GTGG	-1	-3	-4	-	-	-	33	82	162	236	472
<b>Total</b>	<b>GTOG</b>	<b>3 612</b>	<b>3 831</b>	<b>4 143</b>	<b>4 432</b>	<b>4 878</b>	<b>5 948</b>	<b>6 751</b>	<b>7 407</b>	<b>8 547</b>	<b>11 813</b>	<b>13 239</b>
<b>Health</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	CIKN	8 871	9 312	9 943	11 117	12 268	13 617	14 900	14 931	14 229	10 705	5 601
Other	CIKO	6 870	7 451	8 013	8 648	9 503	9 960	10 953	14 410	19 021	24 885	32 441
Current grants to personal sector	GTGK	70	97	99	109	127	129	206	123	93	101	115
Current grants to local authorities	GTLO	-	4	1	2	5	7	-	-	-	-	-
Current grants abroad	GTGL	21	20	26	29	31	45	39	49	58	67	65
Gross domestic fixed capital formation	GTCV	945	1 005	1 078	998	994	1 402	1 643	1 625	1 594	999	409
Capital transfers to private sector	GTGM	4	4	5	4	13	13	25	12	4	7	26
Company securities (net)	GTLT	-	-	-	-	-	-14	-	-	-	-	-
<b>Total</b>	<b>GTOH</b>	<b>16 781</b>	<b>17 893</b>	<b>19 165</b>	<b>20 907</b>	<b>22 941</b>	<b>25 159</b>	<b>27 766</b>	<b>31 150</b>	<b>34 999</b>	<b>36 764</b>	<b>38 657</b>
<b>Social security</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTME	755	844	888	1 020	1 111	1 114	1 239	1 527	1 681	1 660	1 713
Other	GTMP	805	826	719	1 030	1 174	1 266	1 293	1 546	1 697	2 292	2 342
Current grants to personal sector	GTMX	34 358	37 614	40 864	41 968	43 062	44 964	48 914	57 396	65 926	71 673	74 252
Current grants to local authorities	CTKD	2 645	2 977	3 258	3 501	3 680	4 388	4 647	5 118	5 099	6 571	7 837
Current grants abroad	GTGS	326	365	405	441	478	555	620	728	661	824	889
Gross domestic fixed capital formation	GTCW	18	33	60	84	119	233	296	310	306	317	323
Capital transfers to private sector	GTGT	1	-	-	-1	-2	-3	-	-	1	3	4
Capital transfers to local authorities	CTLJ	-	-	-	1	1	1	2	2	3	2	12
Net lending to private sector	GTLV	-	-	-	-	54	48	37	26	42	48	28
<b>Total</b>	<b>GTOI</b>	<b>38 908</b>	<b>42 659</b>	<b>46 194</b>	<b>48 044</b>	<b>49 677</b>	<b>52 566</b>	<b>57 048</b>	<b>66 653</b>	<b>75 416</b>	<b>83 390</b>	<b>87 400</b>

# 10.39 Analysis of total expenditure

continued

£ million

		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
<b>Housing and community amenities</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTMP	16	13	13	59	51	43	51	70	89	128	149
Other	GTMQ	36	25	30	66	85	127	249	215	306	169	142
Subsidies	GTBX	744	852	849	837	924	1 027	1 484	1 482	1 373	1 304	1 130
Current grants to personal sector	GTGZ	528	572	800	1 263	1 102	165	146	171	117	64	35
Current grants to local authorities	CTKE	932	1 016	1 132	1 282	1 189	1 141	1 061	1 131	1 038	406	382
Gross domestic fixed capital formation	GTCX	34	26	28	33	27	31	33	33	43	93	143
Capital transfers to private sector	GTMZ	1 019	916	847	863	891	714	1 219	1 944	1 951	2 765	1 898
Capital transfers to local authorities	CTLK	138	222	293	306	380	484	659	1 119	1 303	1 546	1 162
Capital transfers to public corporations	GTHB	67	64	26	160	255	573	661	1 483	999	792	521
Net lending to private sector	AADK	-22	69	68	60	153	137	-98	-433	-104	-74	-37
Net lending to public corporations	GTHD	167	18	558	674	895	1 169	221	-92	36	38	36
Company securities (net)	GTLJ	-	-	-	-	-	-607	-1 524	-1 391	-101	-	-
<b>Total</b>	<b>GTOJ</b>	<b>3 659</b>	<b>3 793</b>	<b>4 644</b>	<b>5 603</b>	<b>5 952</b>	<b>5 004</b>	<b>4 162</b>	<b>5 732</b>	<b>7 050</b>	<b>7 231</b>	<b>5 561</b>
of which: Housing	GTOA	2 797	2 987	2 996	3 081	3 252	3 360	4 492	5 870	5 740	5 920	4 607
Water and sewerage	GTOB	56	-110	441	530	736	538	-1 311	-1 319	-32	96	236
Other	GTOV	806	916	1 207	1 992	1 964	1 106	981	1 181	1 342	1 215	718
<b>Recreational and cultural affairs</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTMG	54	55	93	140	102	144	170	226	271	375	365
Other	GTMR	163	147	147	142	267	275	304	317	399	405	422
Subsidies	GTBY	-	-	-	-	-	-	-	-	59	56	56
Current grants to personal sector	GTHM	193	298	290	301	293	205	223	291	398	272	436
Current grants to local authorities	CTKF	164	144	33	12	23	15	32	41	51	49	55
Gross domestic fixed capital formation	GTCY	23	33	38	59	37	129	121	170	148	240	179
Capital transfers to private sector	GTHN	1	3	1	3	6	6	9	22	10	10	18
Capital transfers to local authorities	CTLL	3	6	10	-	3	3	-	-	-	-	-
Capital transfers to public corporations	GTHO	-	-	-	-	-	-	-	-	-	-	-
Net lending to public corporations	GTHP	-7	-7	-2	2	-8	3	-11	-20	-15	-4	16
Company securities (net)	GTOC	-	-	-	-	-	-	-	-68	-	-	-
<b>Total</b>	<b>GTOK</b>	<b>594</b>	<b>679</b>	<b>610</b>	<b>659</b>	<b>723</b>	<b>780</b>	<b>848</b>	<b>979</b>	<b>1 321</b>	<b>1 403</b>	<b>1 547</b>
<b>Fuel and energy<sup>2</sup></b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTHR	199	197	19	-	-	1	-	-	-	-	-
Other	GTHS	44	67	285	281	167	302	237	227	244	203	155
Subsidies	GTHV	1 941	1 501	766	760	610	740	222	408	685	810	627
Current grants to personal sector	GTHW	206	421	593	482	159	157	103	61	48	25	39
Gross domestic fixed capital formation	GTCZ	34	50	4	-	-	-	-	-	-	-	-
Value of physical increase in stocks	GTHU	-	-1	-	-	-	-	-	-	-	-	-
Capital transfers to private sector	GTHX	-	-	-	-	-	-	-	51	53	61	93
Capital transfers to public corporations	GTHY	5	-	-	6	7	7	5 179	1 486	1 421	1 431	1 385
Net lending to private sector	GTHZ	-2	-2	-2	-4	-2	-2	-3	-3	-2	-	-
Net lending to public corporations	GTIA	-484	-708	-819	-1 329	72	-351	-6 046	190	1 047	295	691
Company securities (net)	GTIB	-705	-446	-2 020	-3 566	-4 039	-2 639	-2 708	-5 474	-4 012	-1 698	-2 390
<b>Total</b>	<b>GTOL</b>	<b>1 238</b>	<b>1 079</b>	<b>-1 174</b>	<b>-3 370</b>	<b>-3 026</b>	<b>-1 785</b>	<b>-3 016</b>	<b>-3 054</b>	<b>-516</b>	<b>1 127</b>	<b>600</b>
<b>Agriculture, forestry and fishing</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTMH	175	188	184	238	234	256	277	341	414	403	417
Other	GTMK	133	194	216	266	244	225	308	311	419	355	377
Subsidies	GTIH	1 402	1 311	1 523	1 963	2 010	1 372	1 633	1 687	1 823	2 966	2 422
Current grants to personal sector	GTII	49	49	21	14	1	3	3	7	10	10	11
Current grants to local authorities	GTLP	27	26	27	29	30	30	32	33	33	36	17
Gross domestic fixed capital formation	GTDA	34	32	40	44	89	72	100	84	108	93	112
Value of physical increase in stocks	GTIG	285	449	-233	-493	-315	-160	161	329	175	216	-166
Capital transfers to private sector	GTIJ	277	220	170	169	71	80	85	68	90	71	70
Capital transfers to local authorities	CTLM	24	22	11	10	16	20	15	22	17	26	21
Net lending to private sector	GTIK	-4	-3	5	-3	-3	-	-	2	2	2	4
Company securities (net)	GTLE	-	-	-	-66	-	-	-	-	-	-	-
<b>Total</b>	<b>GTOM</b>	<b>2 402</b>	<b>2 488</b>	<b>1 964</b>	<b>2 171</b>	<b>2 377</b>	<b>1 898</b>	<b>2 614</b>	<b>2 884</b>	<b>3 091</b>	<b>4 178</b>	<b>3 285</b>
<b>Mining and mineral resources, manufacturing and construction</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTMJ	36	39	56	70	74	77	92	62	76	100	94
Other	GTMN	299	349	298	288	345	281	305	460	369	355	296
Subsidies	GTIQ	291	250	226	301	297	226	152	237	293	297	389
Current grants to personal sector	GHIR	101	86	94	35	18	9	11	56	66	68	94
Current grants to local authorities	GTOZ	-	-	-	-	-	-	-	3	7	5	37
Gross domestic fixed capital formation	GTDB	49	70	51	34	27	32	37	77	92	44	32
Value of physical increase in stocks	GTIP	-	3	-2	-4	-6	-1	-1	-	-1	-3	-4
Capital transfers to private sector	GTIS	543	564	697	486	971	495	432	350	288	280	358
Capital transfers to local authorities	CTLP	-	-	-	-	-	-	-	5	6	71	106
Capital transfers to public corporations	GTIT	127	233	148	76	6	10	3	-	-	23	183
Net lending to private sector	GTIU	109	130	119	75	89	860	166	165	-72	11	20
Net lending to public corporations	GTIW	-83	97	-21	66	49	699	100	-1	-2	-1	-2
Public dividend capital etc	GTIW	853	836	157	144	147	45	5	1	1	-	-
Company securities (net)	GTIW	-	-363	-1	-385	-1 194	-1 315	-152	-	-43	-	-
<b>Total</b>	<b>GTON</b>	<b>2 325</b>	<b>2 294</b>	<b>1 822</b>	<b>1 186</b>	<b>823</b>	<b>1 418</b>	<b>1 150</b>	<b>1 415</b>	<b>1 080</b>	<b>1 250</b>	<b>1 603</b>

1 Including employers' contributions to social security, superannuation, etc.

2 Comprises identifiable expenditure only.

# 10.39 Analysis of total expenditure

continued

£ million

		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
<b>Transport and communications</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTMJ	220	190	126	100	196	272	294	341	357	286	279
Other	GTMU	151	240	314	438	327	417	406	617	492	613	767
Subsidies	GTNP	944	1 047	957	956	813	736	836	1 046	1 517	1 317	1 734
Current grants to personal sector	GTJD	96	82	88	94	86	89	94	26	64	65	64
Current grants to local authorities	CTKG	449	143	51	4	2	2	1	1	11	22	40
Gross domestic fixed capital formation	GTDC	846	943	984	1 081	1 214	1 455	2 066	2 232	2 434	2 392	2 576
Capital transfers to private sector	GTJE	7	6	7	10	6	7	4	1	11	4	-1
Capital transfers to local authorities	CTLN	171	218	240	255	294	312	305	456	489	487	399
Capital transfers to public corporations	GTNR	102	213	274	251	264	382	466	390	740	708	627
Net lending to private sector	GTJG	-2	-9	-4	-10	-10	-10	-4	-2	-49	-1	-
Net lending to public corporations	GTJH	-23	169	-56	84	-201	759	1 612	500	342	805	67
Public dividend capital etc	GTJI	-	-	-	-	-	-	-	-	-	-	-
Company securities (net)	GTJJ	-1 728	-1 537	-1 788	-1 723	-961	-85	-92	-1 938	-3 398	-3 708	-4 099
<b>Total</b>	<b>GTOO</b>	<b>1 233</b>	<b>1 705</b>	<b>1 193</b>	<b>1 540</b>	<b>2 030</b>	<b>4 336</b>	<b>5 988</b>	<b>3 670</b>	<b>3 010</b>	<b>2 990</b>	<b>2 453</b>
<b>Other economic affairs and services</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GTMK	797	819	1 101	1 182	968	1 050	1 449	769	1 062	1 496	1 431
Other	GTMV	607	642	554	731	911	955	1 556	1 116	1 194	1 621	2 155
Subsidies	GTNQ	718	978	818	498	353	673	1 074	550	383	98	139
of which interest support costs	GTCF	410	506	315	184	151	360	406	273	134	42	31
Other	GTLC	308	472	503	314	202	313	668	277	249	56	108
Current grants to personal sector	GTJP	1 269	1 088	1 127	656	993	1 471	1 479	1 270	1 148	1 368	1 286
Current grants to local authorities	CTKH	27	21	25	21	18	33	291	381	442	403	378
Gross domestic fixed capital formation	GTDD	55	101	103	112	86	160	184	249	99	239	357
Value of physical increase in stocks	GTLS	-	-1	-2	-1	-1	-2	-4	-178	-180	-212	-51
Capital transfers to private sector	GTJQ	18	23	-98	-28	-234	197	215	198	212	168	126
Capital transfers to local authorities	CTLO	10	17	47	49	39	44	57	35	17	165	194
Capital transfers to public corporations	GTJR	38	19	15	120	174	228	236	217	91	152	332
Net lending to private sector	GTOX	-12	-10	-	2	-9	9	24	66	86	5	-2
Net lending to public corporations	GTJT	237	151	220	-130	-162	-432	-243	-746	-149	-121	-195
Net lending to overseas sector	-AACT	-6	126	-199	-	-	-	-	-	-	-	-
Public dividend capital etc	GTJU	-	-	-	-	-	-	-	-	-	-	-
Company securities (net)	GTMW	2	1	-	-	-	3	14	-54	-12	6	3
<b>Total</b>	<b>GTOP</b>	<b>3 760</b>	<b>3 975</b>	<b>3 711</b>	<b>3 212</b>	<b>3 136</b>	<b>4 389</b>	<b>6 332</b>	<b>3 873</b>	<b>4 393</b>	<b>5 388</b>	<b>6 153</b>
<b>Other expenditure</b>												
Non-trading capital consumption	ACGL	896	983	1 076	1 179	1 303	1 484	1 623	1 675	1 608	1 592	1 408
Debt interest	ACHL	14 110	15 724	15 954	17 089	17 371	18 037	17 921	16 337	16 634	18 077	21 716
Current grants to local authorities	CTJZ	13 059	13 401	14 610	15 023	15 302	14 908	27 926	35 708	40 445	41 090	40 992
of which NNDR	CIOZ	-	-	-	-	-	-	10 426	14 010	13 260	13 741	13 017
Current grants abroad	GTKA	806	2 013	659	1 769	1 423	2 283	2 460	513	1 970	2 090	2 162
Capital transfers to local authorities	CTLH	331	265	329	336	260	1 222	648	627	5 889	681	1 085
Net lending to local authorities	ABEC	2 758	4 960	5 786	5 468	4 829	2 577	762	1 230	-5 818	-1 540	-845
Net lending to overseas sector	GTKD	139	157	158	126	185	269	160	264	344	209	219
<b>Total</b>	<b>GTOQ</b>	<b>32 099</b>	<b>37 503</b>	<b>38 572</b>	<b>40 990</b>	<b>40 673</b>	<b>40 780</b>	<b>51 500</b>	<b>56 354</b>	<b>61 072</b>	<b>62 199</b>	<b>66 737</b>
<b>Total expenditure</b>												
Current expenditure on goods and services:												
Wages and salaries etc <sup>1</sup>	GILN	21 243	22 656	23 971	26 131	28 105	30 698	33 777	35 951	36 989	34 420	29 242
Other <sup>2</sup>	CUCN	21 003	22 240	23 754	24 730	26 202	28 345	31 652	36 605	40 531	47 186	55 371
Education grants	CUKF	1 441	1 462	1 530	1 696	1 912	2 767	3 056	2 754	3 131	5 920	7 393
Subsidies	ACHG	6 040	5 939	5 139	5 315	5 007	4 774	5 401	5 410	6 133	6 848	6 497
Current grants to personal sector	GTAC	37 843	41 270	45 066	46 189	47 308	48 675	53 005	61 410	70 126	76 493	79 367
Current grants to local authorities	ACHJ	19 908	20 438	21 813	23 277	23 452	24 200	38 273	47 578	53 091	54 632	55 403
Current grants abroad	-HDKH	2 099	3 427	2 233	3 277	3 248	4 278	4 596	1 083	4 834	4 969	5 139
of which Gulf contributions	-HHQG	-	-	-	-	-	-	-38	-2 110	-9	-	-
Gross domestic fixed capital formation	AAAC	2 728	3 126	3 351	3 358	3 709	4 951	6 415	6 876	6 855	6 542	6 110
Value of physical increase in stocks	AAAD	280	450	-237	-498	-322	-163	156	151	-17	-24	-250
Capital transfers to private sector	ACIH	2 123	2 019	1 942	1 821	2 250	2 159	2 739	3 280	3 190	4 234	3 393
Capital transfers to local authorities	ACII	677	750	937	1 002	1 037	2 144	1 810	2 433	7 921	3 154	3 176
Capital transfers to public corporations	ACIJ	339	529	463	613	706	1 200	6 545	3 576	3 251	3 106	3 048
Net lending to private sector	ACKB	66	172	182	120	272	1 042	155	-97	65	227	485
Net lending to public corporations	ACKD	-128	-230	-77	-626	659	1 900	-4 305	-113	1 301	1 044	608
Net lending to overseas sector	ACKE	133	283	-41	126	185	269	160	264	344	209	219
Public dividend capital etc	ACKF	853	836	157	144	147	45	5	1	1	-	-
Company securities (net)	ACKG	-2 431	-2 345	-3 809	-5 930	-6 194	-4 657	-4 462	-8 925	-7 580	-5 400	-6 486
<b>Total</b>	<b>GTOR</b>	<b>114 217</b>	<b>123 022</b>	<b>126 374</b>	<b>130 745</b>	<b>137 683</b>	<b>152 627</b>	<b>178 978</b>	<b>198 237</b>	<b>230 166</b>	<b>243 560</b>	<b>248 715</b>
Non-trading capital consumption	ACGL	896	983	1 076	1 179	1 303	1 484	1 623	1 675	1 608	1 592	1 408
Debt interest	ACHL	14 110	15 724	15 954	17 089	17 371	18 037	17 921	16 337	16 634	18 077	21 716
Net lending to local authorities	ABEC	2 758	4 960	5 786	5 468	4 829	2 577	762	1 230	-5 818	-1 540	-845
<b>Total expenditure</b>	<b>GTOY</b>	<b>131 981</b>	<b>144 689</b>	<b>149 190</b>	<b>154 481</b>	<b>161 186</b>	<b>174 725</b>	<b>199 284</b>	<b>217 479</b>	<b>242 590</b>	<b>261 689</b>	<b>270 994</b>

1 Including employers' contributions to social security, superannuation, etc.

2 Net of the following income from fees & charges, etc (£million).

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
GTCQ	2 741	2 287	1 970	2 026	2 255	2 498	2 555	2 667	2 792	2 820	2 900

# Local authorities

## 10.41 Current account Receipts

£ million

	Total	Central Government grants to LAs	Non-Domestic rate distribution	Net Rates Income	Community Charge/Council Tax	Gross Trading Surplus	Rent <sup>1</sup>	Interest and dividends etc.	Imputed Charge for Non Trading Capital Consumption
	ADAA	CUKZ	CIOZ	ADAB	ADBH	ADAD	ADAE	ADAF	ADAG
1965	3 123	1 249	-	1 228	-	88	363	70	125
1966	3 570	1 481	-	1 374	-	91	404	84	136
1967	3 956	1 706	-	1 467	-	94	453	92	144
1968	4 323	1 898	-	1 548	-	102	520	96	159
1969	4 763	2 099	-	1 678	-	113	595	103	175
1970	5 369	2 450	-	1 827	-	116	670	109	197
1971	6 132	2 858	-	2 086	-	135	704	118	231
1972	6 877	3 233	-	2 379	-	134	738	124	269
1973	8 112	3 988	-	2 647	-	134	886	182	275
1974	9 790	4 686	-	3 089	-	97	1 213	345	360
1975	14 088	7 619	-	3 978	-	89	1 464	460	478
1976	16 780	9 246	-	4 503	-	117	1 805	544	565
1977	17 541	9 201	-	5 077	-	148	1 967	516	632
1978	19 184	9 954	-	5 660	-	186	2 173	495	716
1979	22 050	11 272	-	6 567	-	204	2 594	559	854
1980	26 545	13 233	-	8 261	-	254	3 031	707	1 059
1981	30 849	15 201	-	10 194	-	262	3 279	738	1 175
1982	33 473	16 190	-	11 732	-	350	3 177	818	1 206
1983	36 115	18 703	-	12 219	-	354	2 857	745	1 237
1984	37 851	19 908	-	12 767	-	372	2 839	674	1 291
1985	39 679	20 438	-	13 638	-	440	3 043	731	1 389
1986	42 765	21 813	-	15 251	-	434	3 056	704	1 507
1987	45 856	23 277	-	16 777	-	410	3 022	745	1 625
1988	48 372	23 452	-	18 726	-	427	3 142	818	1 807
1989	51 769	24 200	-	19 913	586	522	3 238	1 346	1 964
1990	59 453	27 847	10 426	5 129	8 629	557	3 459	1 223	2 183
1991	62 974	33 568	14 010	121	8 128	407	3 808	844	2 088
1992	68 139	39 831	13 260	133	7 907	392	3 965	656	1 995
1993	69 876	40 891	13 741	142	8 038	440	4 178	470	1 976
1994	71 148	42 386	13 017	148	8 465	460	4 227	502	1 943
1965/66	3 251	1 320	-	1 266	-	88	372	75	130
1966/67	3 660	1 520	-	1 411	-	92	414	86	137
1967/68	4 045	1 756	-	1 484	-	96	467	94	148
1968/69	4 393	1 922	-	1 569	-	106	537	97	162
1969/70	4 951	2 222	-	1 716	-	111	617	105	180
1970/71	5 567	2 587	-	1 863	-	117	686	110	204
1971/72	6 328	2 951	-	2 166	-	142	708	121	240
1972/73	7 165	3 424	-	2 450	-	133	759	131	268
1973/74	8 399	4 111	-	2 708	-	134	956	198	292
1974/75	10 998	5 595	-	3 245	-	87	1 284	393	394
1975/76	15 070	8 243	-	4 206	-	89	1 546	490	496
1976/77	16 628	8 898	-	4 603	-	119	1 867	557	584
1977/78	17 910	9 340	-	5 239	-	169	2 000	510	652
1978/79	19 677	10 193	-	5 791	-	187	2 254	510	742
1979/80	22 881	11 621	-	6 827	-	215	2 719	594	905
1980/81	28 314	14 356	-	8 745	-	262	3 114	742	1 095
1981/82	31 614	15 439	-	10 678	-	271	3 289	743	1 194
1982/83	33 670	16 078	-	12 087	-	359	3 101	836	1 209
1983/84	37 120	19 770	-	12 255	-	357	2 818	672	1 248
1984/85	38 176	19 980	-	12 940	-	384	2 871	686	1 315
1985/86	40 018	20 468	-	13 863	-	454	3 089	732	1 412
1986/87	43 624	22 199	-	15 717	-	423	3 046	699	1 540
1987/88	46 475	23 530	-	17 130	-	411	3 012	731	1 661
1988/89	49 453	23 771	-	19 260	-	435	3 193	941	1 853
1989/90	52 940	24 810	-	20 133	782	549	3 251	1 401	2 014
1990/91	58 850	27 970	12 134	109	11 245	559	3 528	1 131	2 174
1991/92	64 670	36 086	14 279	124	7 088	356	3 906	764	2 067
1992/93	70 385	40 954	14 105	136	8 182	404	3 988	604	2 012
1993/94	70 059	41 622	13 215	145	7 988	452	4 233	470	1 934
1994/95	72 113	43 314	12 876	148	8 627	462	4 198	528	1 960

<sup>1</sup> See table 10.48.

# Local authorities

## 10.42 Current account Summary of expenditure<sup>1</sup> and current surplus/deficit

£ million

	Total	Final Consumption	Subsidies	Grants	Debt interest	Current surplus/deficit
	ADAH	CSBA	ADAK	ADAL	ADAM	AAAE
1965	2 830	2 143	76	89	522	293
1966	3 186	2 401	79	106	600	384
1967	3 567	2 695	81	120	671	389
1968	3 921	2 903	94	133	791	402
1969	4 317	3 123	116	148	930	446
1970	4 905	3 557	118	162	1 068	464
1971	5 455	4 078	101	172	1 104	677
1972	6 176	4 744	75	213	1 144	701
1973	7 313	5 497	108	264	1 444	799
1974	9 202	6 577	274	305	2 046	588
1975	12 788	9 597	457	401	2 333	1 300
1976	14 629	10 868	472	532	2 757	2 151
1977	15 749	11 645	471	674	2 959	1 792
1978	17 592	13 261	590	827	2 914	1 592
1979	20 601	15 429	806	885	3 481	1 449
1980	25 403	18 951	1 099	1 105	4 248	1 142
1981	28 248	21 495	1 198	1 142	4 413	2 601
1982	30 382	23 363	1 425	1 296	4 298	3 091
1983	33 798	25 133	1 525	3 181	3 959	2 317
1984	35 787	26 618	1 497	3 736	3 936	2 064
1985	37 853	27 926	1 286	4 081	4 560	1 826
1986	40 538	30 580	1 162	4 388	4 408	2 227
1987	43 419	33 309	950	4 609	4 551	2 437
1988	46 808	36 119	1 030	4 867	4 792	1 564
1989	50 192	38 502	1 008	5 358	5 324	1 577
1990	54 896	42 826	665	5 934	5 471	4 557
1991	60 917	47 120	585	7 877	5 335	2 057
1992	65 162	49 616	604	9 926	5 016	2 977
1993	65 796	48 847	604	11 906	4 439	4 080
1994	68 737	50 670	727	13 053	4 287	2 411
1965/66	2 943	2 220	79	95	549	308
1966/67	3 292	2 479	77	112	624	368
1967/68	3 670	2 759	83	124	704	375
1968/69	4 008	2 945	99	138	826	385
1969/70	4 430	3 181	121	153	975	521
1970/71	5 046	3 701	115	164	1 066	521
1971/72	5 626	4 232	94	179	1 121	702
1972/73	6 441	4 946	75	231	1 189	724
1973/74	7 711	5 696	136	271	1 608	688
1974/75	10 306	7 511	325	327	2 143	692
1975/76	13 182	9 726	478	445	2 533	1 888
1976/77	14 976	11 083	466	566	2 861	1 652
1977/78	16 167	12 011	490	749	2 917	1 743
1978/79	18 135	13 616	636	826	3 057	1 542
1979/80	21 802	16 301	871	951	3 679	1 079
1980/81	26 431	19 749	1 145	1 155	4 382	1 883
1981/82	28 788	21 928	1 285	1 173	4 402	2 826
1982/83	31 021	23 896	1 415	1 526	4 184	2 649
1983/84	34 237	25 534	1 516	3 522	3 665	2 883
1984/85	36 575	27 112	1 512	3 846	4 105	1 601
1985/86	38 232	28 318	1 218	4 126	4 570	1 786
1986/87	41 144	31 116	1 097	4 484	4 447	2 480
1987/88	44 322	34 166	954	4 624	4 578	2 153
1988/89	47 615	36 636	1 057	4 919	5 003	1 838
1989/90	50 947	39 297	981	5 459	5 210	1 993
1990/91	56 408	44 036	552	6 406	5 414	2 442
1991/92	62 521	47 942	595	8 476	5 508	2 149
1992/93	66 311	50 210	613	10 660	4 828	4 074
1993/94	65 775	48 585	601	12 183	4 406	4 284
1994/95	69 184	51 207	767	12 977	4 233	2 929

<sup>1</sup> For a more detailed breakdown of expenditure since 1978 see table 10.43.





# Local authorities

## 10.43 Current account Detail

£ million

		1978	1979	1980	1981	1982	1983	1984	1985	1986
<b>RECEIPTS</b>										
Current grants from central government	ACHJ	9 954	11 272	13 233	15 201	16 190	18 703	19 908	20 438	21 813
Net Rates income	ADAB	5 660	6 567	8 261	10 194	11 732	12 219	12 767	13 638	15 251
Community charge/Council tax <sup>1</sup>	ADBH	-	-	-	-	-	-	-	-	-
Gross trading surplus	ADAD	186	204	254	262	350	354	372	440	434
Rent	ADAE	2 173	2 594	3 031	3 279	3 177	2 857	2 839	3 043	3 056
Interest and dividends, etc.	ADAF	495	559	707	738	818	745	674	731	704
Imputed charge for consumption of non-trading capital	ADAG	716	854	1 059	1 175	1 206	1 237	1 291	1 389	1 507
<b>Total</b>	<b>ADAA</b>	<b>19 184</b>	<b>22 050</b>	<b>26 545</b>	<b>30 849</b>	<b>33 473</b>	<b>36 115</b>	<b>37 851</b>	<b>39 679</b>	<b>42 765</b>
<b>EXPENDITURE</b>										
<b>Final consumption:</b>										
Current expenditure on goods and services:										
General public services	CTKI	381	403	429	528	536	554	650	880	956
Civil defence	CTKJ	4	5	7	9	10	12	13	17	20
Public order and safety:										
Police	CTKK	1 187	1 463	1 803	2 170	2 415	2 654	2 982	3 147	3 315
Fire services	CTKL	286	351	435	509	569	620	656	719	761
Law courts	CTKN	126	153	205	244	274	281	311	319	371
Education <sup>2</sup>	CTKM	6 655	7 532	9 233	10 420	11 229	11 955	12 350	12 559	14 140
Social security:										
Concessionary fares	CTKO	135	166	195	214	275	316	332	349	297
Housing benefit administration	CTKP	4	5	5	6	7	20	105	106	156
Personal social services	CTKQ	1 252	1 504	1 912	2 165	2 372	2 606	2 761	2 993	3 193
Housing and community amenity:										
Housing	CTKR	67	85	115	109	140	168	122	131	200
Community development	CTKS	199	236	289	323	380	487	620	691	790
Sanitary services	CTKT	680	821	1 015	1 105	1 178	1 232	1 256	1 325	1 366
Street lighting	CTKU	98	114	147	163	181	189	195	191	200
Recreational and cultural affairs	CTKV	619	744	908	1 008	1 110	1 226	1 318	1 344	1 497
Agriculture (including land drainage and coast protection)	CTKW	62	71	85	81	101	122	136	144	152
Mining, manufacturing and construction:										
Consumer protection	CTKX	35	40	49	55	61	66	70	77	83
Transport and communication	CTKY	710	829	994	1 131	1 229	1 291	1 345	1 431	1 455
Other economic affairs and services	CTKZ	45	53	66	80	90	97	105	114	121
<b>Total<sup>3</sup></b>	<b>CTNA</b>	<b>12 545</b>	<b>14 575</b>	<b>17 892</b>	<b>20 320</b>	<b>22 157</b>	<b>23 896</b>	<b>25 327</b>	<b>26 537</b>	<b>29 073</b>
Non-trading capital consumption	ADAG	716	854	1 059	1 175	1 206	1 237	1 291	1 389	1 507
<b>Total final consumption</b>	<b>CSBA</b>	<b>13 261</b>	<b>15 429</b>	<b>18 951</b>	<b>21 495</b>	<b>23 363</b>	<b>25 133</b>	<b>26 618</b>	<b>27 926</b>	<b>30 580</b>
<b>Subsidies:</b>										
Housing	CTMO	244	373	516	554	571	637	632	578	538
Water supply	CTLB	14	17	23	25	25	25	26	26	24
Passenger transport	CTLC	246	320	440	492	656	661	624	487	419
Other economic affairs and services	CTLD	86	96	120	127	173	202	215	195	181
<b>Current grants to personal sector:</b>										
Education	CTNB	642	691	862	1 018	1 021	1 055	1 092	1 091	1 153
Rent rebates and allowances	CSBD	185	194	243	124	275	2 126	2 644	2 990	3 235
<b>Debt interest:</b>										
On loans from central government	ACGI	1 330	1 458	1 612	1 800	1 747	2 001	2 357	2 678	3 192
Other	ABAI	1 584	2 023	2 636	2 613	2 551	1 958	1 579	1 882	1 216
<b>Total current expenditure</b>	<b>ADAH</b>	<b>17 592</b>	<b>20 601</b>	<b>25 403</b>	<b>28 248</b>	<b>30 382</b>	<b>33 798</b>	<b>35 787</b>	<b>37 853</b>	<b>40 538</b>
<b>Balance: current surplus</b>	<b>AAAE</b>	<b>1 592</b>	<b>1 449</b>	<b>1 142</b>	<b>2 601</b>	<b>3 091</b>	<b>2 317</b>	<b>2 064</b>	<b>1 826</b>	<b>2 227</b>
<b>Total</b>	<b>ADAA</b>	<b>19 184</b>	<b>22 050</b>	<b>26 545</b>	<b>30 849</b>	<b>33 473</b>	<b>36 115</b>	<b>37 851</b>	<b>39 679</b>	<b>42 765</b>

1 Community charge replaced domestic rates in Scotland, from April 1989 and in England and Wales, from April 1990. This was replaced by the Council Tax in April 1993.

2 Excludes expenditure of polytechnics in England from April 1989, FE and Sixth form colleges from April 1993.

3 Net of the following income from fees and charges, etc. (£ million):

	1978	1979	1980	1981	1982	1983	1984	1985	1986
CTNC	1 247	1 451	1 741	2 032	2 271	2 429	2 624	2 809	3 012

# 10.43 Current account Detail

continued

£ million

		1987	1988	1989	1990	1991	1992	1993	1994
<b>RECEIPTS</b>									
Current grants from central government	ACHJ	23 277	23 452	24 200	38 273	47 578	53 091	54 632	55 403
Net Rates income	ADAB	16 777	18 726	19 913	5 129	121	133	142	148
Community charge/Council tax <sup>1</sup>	ADBH	—	—	586	8 629	8 128	7 907	8 038	8 465
Gross trading surplus	ADAD	410	427	522	557	407	392	440	460
Rent	ADAE	3 022	3 142	3 238	3 459	3 808	3 965	4 178	4 227
Interest and dividends, etc.	ADAF	745	818	1 346	1 223	844	656	470	502
Imputed charge for consumption of non-trading capital	ADAG	1 625	1 807	1 964	2 183	2 088	1 995	1 976	1 943
<b>Total</b>	<b>ADAA</b>	<b>45 856</b>	<b>48 372</b>	<b>51 769</b>	<b>59 453</b>	<b>62 974</b>	<b>68 139</b>	<b>69 876</b>	<b>71 148</b>
<b>EXPENDITURE</b>									
<b>Final consumption:</b>									
Current expenditure on goods and services:									
General public services	CTKI	1 088	1 182	1 473	1 950	2 242	1 910	1 884	1 947
Civil defence	CTKJ	22	24	27	29	32	33	29	27
Public order and safety:									
Police	CTKK	3 623	4 002	4 414	4 962	5 753	6 041	6 380	6 738
Fire services	CTKL	833	908	998	1 111	1 273	1 317	1 382	1 445
Law courts	CTKN	401	449	506	590	698	735	772	804
Education <sup>2</sup>	CTKM	15 388	16 794	17 561	18 719	20 610	21 943	20 124	20 486
Social security:									
Concessionary fares	CTKO	321	340	375	399	419	431	443	462
Housing benefit administration	CTKP	191	222	277	379	297	389	479	503
Personal social services	CTKQ	3 537	3 971	4 395	5 022	5 725	6 185	6 891	7 508
Housing and community amenity:									
Housing	CTKR	248	257	233	303	363	400	376	356
Community development	CTKS	841	674	514	620	699	790	826	859
Sanitary services	CTKT	1 470	1 570	1 667	1 823	1 989	2 179	2 174	2 265
Street lighting	CTKU	203	210	219	255	252	271	271	281
Recreational and cultural affairs	CTKV	1 612	1 761	1 889	2 176	2 375	2 484	2 478	2 562
Agriculture (including land drainage and coast protection)	CTKW	160	169	107	55	39	45	58	63
Mining, manufacturing and construction:									
Consumer protection	CTKX	88	93	106	120	137	155	163	172
Transport and communication	CTKY	1 526	1 537	1 616	1 961	1 938	2 090	1 926	2 008
Other economic affairs and services	CTKZ	132	149	161	169	191	223	215	241
<b>Total<sup>3</sup></b>	<b>CTNA</b>	<b>31 684</b>	<b>34 312</b>	<b>36 538</b>	<b>40 643</b>	<b>45 032</b>	<b>47 621</b>	<b>46 871</b>	<b>48 727</b>
Non-trading capital consumption	ADAG	1 625	1 807	1 964	2 183	2 088	1 995	1 976	1 943
<b>Total final consumption</b>	<b>CSBA</b>	<b>33 309</b>	<b>36 119</b>	<b>38 502</b>	<b>42 826</b>	<b>47 120</b>	<b>49 616</b>	<b>48 847</b>	<b>50 670</b>
<b>Subsidies:</b>									
Housing	CTMO	502	537	503	129	—	—	1	—
Water supply	CTLB	21	21	8	—	—	—	—	—
Passenger transport	CTLC	238	252	264	263	286	321	336	466
Other economic affairs and services	CTLD	189	220	233	273	299	283	267	261
<b>Current grants to personal sector:</b>									
Education	CTNB	1 204	1 276	1 432	1 453	2 250	2 758	3 216	3 075
Rent rebates and allowances	CSBD	3 405	3 591	3 926	4 481	5 627	7 168	8 690	9 978
<b>Debt interest:</b>									
On loans from central government	ACGI	3 683	3 956	4 418	4 628	4 656	4 497	3 988	3 812
Other	ABAI	868	836	906	843	679	519	451	475
<b>Total current expenditure</b>	<b>ADAH</b>	<b>43 419</b>	<b>46 808</b>	<b>50 192</b>	<b>54 896</b>	<b>60 917</b>	<b>65 162</b>	<b>65 796</b>	<b>68 737</b>
<b>Balance: current surplus</b>	<b>AAAE</b>	<b>2 437</b>	<b>1 564</b>	<b>1 577</b>	<b>4 557</b>	<b>2 057</b>	<b>2 977</b>	<b>4 080</b>	<b>2 411</b>
<b>Total</b>	<b>ADAA</b>	<b>45 856</b>	<b>48 372</b>	<b>51 769</b>	<b>59 453</b>	<b>62 974</b>	<b>68 139</b>	<b>69 876</b>	<b>71 148</b>

See previous page for footnotes 1 and 2.

<sup>3</sup> Net of the following income from fees and charges, etc. (£ million):

	1987	1988	1989	1990	1991	1992	1993	1994
CTNC	3 256	3 596	3 805	4 059	4 519	4 491	4 183	4 126

# Local authorities

## 10.44 Capital account Summary

£ million

	Receipts				Expenditure <sup>1</sup>			Balance: financial surplus or deficit
	Total	Current surplus or deficit	Capital grants from central government	Miscellaneous capital receipts	Total	Gross domestic fixed capital formation	Capital transfers	
	ADCA	AAAE	ACII	CBGA	ADCC	AAAG	ADCD	AABB
1965	370	293	77	-	1 207	1 186	21	-837
1966	466	384	82	-	1 368	1 348	20	-902
1967	502	389	113	-	1 594	1 572	22	-1 092
1968	546	402	144	-	1 738	1 716	22	-1 192
1969	589	446	143	-	1 780	1 759	21	-1 191
1970	620	464	156	-	1 883	1 853	30	-1 263
1971	852	677	175	-	2 015	1 963	52	-1 163
1972	904	701	203	-	2 190	2 091	99	-1 286
1973	1 037	799	238	-	3 048	2 889	159	-2 011
1974	812	588	224	-	3 624	3 415	209	-2 812
1975	1 468	1 300	168	-	3 869	3 734	135	-2 401
1976	2 307	2 151	154	2	4 176	4 014	162	-1 869
1977	1 950	1 792	146	12	3 706	3 523	183	-1 756
1978	1 842	1 592	223	27	3 623	3 406	217	-1 781
1979	1 752	1 449	267	36	3 876	3 665	211	-2 124
1980	1 480	1 142	295	43	4 149	3 891	258	-2 669
1981	2 953	2 601	317	35	3 114	2 804	310	-161
1982	3 461	3 091	328	42	2 751	2 207	544	710
1983	2 675	2 317	316	42	4 505	3 372	1 133	-1 830
1984	2 786	2 064	677	45	5 327	3 991	1 336	-2 541
1985	2 627	1 826	750	51	4 517	3 746	771	-1 890
1986	3 347	2 227	937	183	4 755	4 158	597	-1 408
1987	3 647	2 437	1 002	208	5 001	4 219	782	-1 354
1988	2 812	1 564	1 037	211	3 647	2 797	850	-835
1989	3 964	1 577	2 144	243	5 505	4 631	874	-1 541
1990	6 596	4 557	1 810	229	7 108	6 244	864	-512
1991	4 697	2 057	2 433	207	6 350	5 267	1 083	-1 653
1992	11 092	2 977	7 921	194	6 890	5 651	1 239	4 202
1993	7 423	4 080	3 154	189	6 207	4 945	1 262	1 216
1994	5 776	2 411	3 176	189	7 769	6 515	1 254	-1 993
1965/66	382	308	74	-	1 252	1 231	21	-870
1966/67	456	368	88	-	1 432	1 412	20	-976
1967/68	509	375	134	-	1 660	1 637	23	-1 151
1968/69	523	385	138	-	1 720	1 698	22	-1 197
1969/70	661	521	140	-	1 787	1 767	20	-1 126
1970/71	687	521	166	-	1 981	1 946	35	-1 294
1971/72	885	702	183	-	2 074	2 014	60	-1 189
1972/73	932	724	208	-	2 425	2 310	115	-1 493
1973/74	941	688	253	-	3 310	3 135	175	-2 369
1974/75	922	692	230	-	3 610	3 422	188	-2 688
1975/76	2 018	1 888	130	-	4 070	3 925	145	-2 052
1976/77	1 817	1 652	162	3	4 025	3 861	164	-2 208
1977/78	1 936	1 743	176	17	3 647	3 456	191	-1 711
1978/79	1 793	1 542	222	29	3 640	3 424	216	-1 847
1979/80	1 404	1 079	287	38	4 047	3 821	226	-2 643
1980/81	2 217	1 883	289	45	4 153	3 888	265	-1 936
1981/82	3 188	2 826	331	31	2 813	2 458	355	375
1982/83	3 007	2 649	313	45	3 418	2 733	685	-412
1983/84	3 240	2 883	316	41	4 834	3 479	1 355	-1 593
1984/85	2 482	1 601	835	46	5 010	3 875	1 135	-2 528
1985/86	2 627	1 786	763	78	4 812	4 135	677	-2 185
1986/87	3 638	2 480	964	194	4 764	4 132	632	-1 126
1987/88	3 380	2 153	1 015	212	4 908	4 083	825	-1 528
1988/89	3 079	1 838	1 031	210	3 638	2 813	825	-559
1989/90	4 516	1 993	2 267	256	6 960	6 058	902	-2 444
1990/91	4 714	2 442	2 053	219	5 948	5 069	879	-1 234
1991/92	4 961	2 149	2 607	205	6 977	5 806	1 171	-2 016
1992/93	12 237	4 074	7 974	189	7 197	5 910	1 287	5 040
1993/94	7 729	4 284	3 256	189	6 761	5 410	1 351	968
1994/95	6 312	2 929	3 195	188	7 596	6 436	1 160	-1 284

<sup>1</sup> For a more detailed breakdown of capital expenditure since 1978 see table 10.45.



# Local authorities

## 10.45 Capital account Detail

£ million

		1978	1979	1980	1981	1982	1983	1984	1985	1986
<b>RECEIPTS</b>										
Current surplus before providing for depreciation	AAAAE	1 592	1 449	1 142	2 601	3 091	2 317	2 064	1 826	2 227
Capital grants from central government	ACII	223	267	295	317	328	316	677	750	937
Miscellaneous capital receipts	CBGA	27	36	43	35	42	42	45	51	183
<b>Total</b>	<b>ADCA</b>	<b>1 842</b>	<b>1 752</b>	<b>1 480</b>	<b>2 953</b>	<b>3 461</b>	<b>2 675</b>	<b>2 786</b>	<b>2 627</b>	<b>3 347</b>
<b>EXPENDITURE</b>										
<b>Gross domestic fixed capital formation:</b>										
General public services	CTLQ	157	171	241	183	332	290	278	321	208
Civil defence	CTLR	-	-	-	-	-	1	-	1	3
Public order and safety:										
Police	CTLS	54	42	56	55	99	81	57	91	45
Fire service	CTLT	21	28	34	37	39	48	57	59	52
Law courts	CTLU	11	8	9	9	11	11	20	20	21
Education	CTLV	437	459	554	549	488	539	598	595	638
Social security:										
Personal social services	CTLW	75	74	90	91	87	90	108	126	130
Housing and community amenity:										
Housing	CTLX	1 775	1 775	1 566	621	-297	745	1 093	931	1 137
Community development	CTLY	110	128	131	126	119	166	193	157	293
Water supply	CTLZ	27	35	40	34	31	47	38	37	40
Sanitary services	CTMA	86	117	160	155	113	164	196	168	174
Street lighting	CTMB	13	11	11	10	20	15	12	15	16
Recreational and cultural affairs	CTMC	129	165	224	236	259	318	391	368	382
Fuel and energy	CTMD	2	1	1	-	-	-	-	-	-
Agriculture (including land drainage and coast protection)	CTME	61	86	105	95	140	67	51	38	10
Mining, manufacturing and construction	CTMP	-	2	1	1	2	-	1	4	1
Transport and communication	CTMG	384	473	534	527	655	666	748	766	930
Other economic affairs and services	CTMH	64	90	134	75	109	124	150	49	78
<b>Total<sup>1</sup></b>	<b>AAAG</b>	<b>3 406</b>	<b>3 665</b>	<b>3 891</b>	<b>2 804</b>	<b>2 207</b>	<b>3 372</b>	<b>3 991</b>	<b>3 746</b>	<b>4 158</b>
<b>Capital grants to personal sector</b>										
Housing	ADCE	98	142	176	230	428	991	1 186	705	575
<b>Capital grants to public corporations</b>										
Transport and communication	ADCF	119	69	82	80	116	142	150	66	22
<b>Total capital expenditure</b>	<b>ADCC</b>	<b>3 623</b>	<b>3 876</b>	<b>4 149</b>	<b>3 114</b>	<b>2 751</b>	<b>4 505</b>	<b>5 327</b>	<b>4 517</b>	<b>4 755</b>
<b>Balance: financial surplus or deficit</b>	<b>AABB</b>	<b>-1 781</b>	<b>-2 124</b>	<b>-2 669</b>	<b>-161</b>	<b>710</b>	<b>-1 830</b>	<b>-2 541</b>	<b>-1 890</b>	<b>-1 408</b>
<b>Total</b>	<b>ADCA</b>	<b>1 842</b>	<b>1 752</b>	<b>1 480</b>	<b>2 953</b>	<b>3 461</b>	<b>2 675</b>	<b>2 786</b>	<b>2 627</b>	<b>3 347</b>

<sup>1</sup> Net of the following receipts from sales (£ million):

		1978	1979	1980	1981	1982	1983	1984	1985	1986
Council houses	CTCS	242	401	786	1 039	2 035	1 572	1 310	1 240	1 339
Other	GTEE	194	214	230	378	433	537	620	875	856

# 10.45 Capital account Detail

continued

£ million

		1987	1988	1989	1990	1991	1992	1993	1994
<b>RECEIPTS</b>									
Current surplus before providing for depreciation	AAAE	2 437	1 564	1 577	4 557	2 057	2 977	4 080	2 411
Capital grants from central government	ACII	1 002	1 037	2 144	1 810	2 433	7 921	3 154	3 176
Miscellaneous capital receipts	CBGA	208	211	243	229	207	194	189	189
<b>Total</b>	<b>ADCA</b>	<b>3 647</b>	<b>2 812</b>	<b>3 964</b>	<b>6 596</b>	<b>4 697</b>	<b>11 092</b>	<b>7 423</b>	<b>5 776</b>
<b>EXPENDITURE</b>									
<b>Gross domestic fixed capital formation:</b>									
General public services	CTLQ	203	277	518	511	468	563	235	604
Civil defence	CTLR	-	2	2	3	2	2	-	1
Public order and safety:									
Police	CTLS	101	117	183	205	187	209	232	241
Fire service	CTLT	58	58	74	73	59	74	78	94
Law courts	CTLU	36	57	62	85	52	86	83	78
Education	CTLV	779	597	898	1 026	901	980	808	926
Social security:									
Personal social services	CTLW	137	137	193	248	194	179	163	234
Housing and community amenity:									
Housing	CTLX	1 153	244	634	1 310	824	833	643	821
Community development	CTLY	236	-164	-63	73	167	237	272	614
Water supply	CTLZ	41	40	47	69	76	107	141	145
Sanitary services	CTMA	186	213	208	229	211	220	235	256
Street lighting	CTMB	18	18	19	20	15	18	20	21
Recreational and cultural affairs	CTMC	340	370	534	663	601	414	379	422
Fuel and energy	CTMD	-	-	-	-	-	-	-	-
Agriculture (including land drainage and coast protection)	CTME	7	-13	17	25	38	25	-13	-30
Mining, manufacturing and construction	CTMP	-	1	-	-	-	-	-	-
Transport and communication	CTMG	897	928	1 211	1 521	1 281	1 682	1 773	1 896
Other economic affairs and services	CTMH	27	-85	94	183	191	22	-104	192
<b>Total<sup>1</sup></b>	<b>AAAG</b>	<b>4 219</b>	<b>2 797</b>	<b>4 631</b>	<b>6 244</b>	<b>5 267</b>	<b>5 651</b>	<b>4 945</b>	<b>6 515</b>
Capital grants to personal sector									
Housing	ADCE	726	821	858	848	1 063	1 198	1 202	1 197
Capital grants to public corporations									
Transport and communication	ADCF	56	29	16	16	20	41	60	57
<b>Total capital expenditure</b>	<b>ADCC</b>	<b>5 001</b>	<b>3 647</b>	<b>5 505</b>	<b>7 108</b>	<b>6 350</b>	<b>6 890</b>	<b>6 207</b>	<b>7 769</b>
<b>Balance: financial surplus or deficit</b>	<b>AAAB</b>	<b>-1 354</b>	<b>-835</b>	<b>-1 541</b>	<b>-512</b>	<b>-1 653</b>	<b>4 202</b>	<b>1 216</b>	<b>-1 993</b>
<b>Total</b>	<b>ADCA</b>	<b>3 647</b>	<b>2 812</b>	<b>3 964</b>	<b>6 596</b>	<b>4 697</b>	<b>11 092</b>	<b>7 423</b>	<b>5 776</b>

<sup>1</sup> Net of the following receipts from sales (£ million):

		1987	1988	1989	1990	1991	1992	1993	1994
Council houses	CTCS	1 648	2 665	3 153	2 215	1 447	1 229	1 226	1 088
Other	GTEE	1 127	2 121	1 988	2 099	1 274	1 273	2 147	1 549

# Local authorities

## 10.46 Financial account and balancing item Summary<sup>1</sup>

£ million

	Transactions in financial liabilities (net)					Transactions in financial assets (net)							Balancing item
	Financial surplus or deficit	Total	Accruals adjustments	Borrowing requirement	Other financial liabilities	Total	Accruals adjustments	Lending to private sector	Net acquisition of UK company securities	Other financial assets	Total financial transactions		
	AABB	ADDA	ADDB	ABEG	ADGK	ADDQ	ADDR	ADDU	ADNR	ADEE	AAES	AAET	
1965	-837	1 015	7	1 008	-	169	-	169	-	-	-846	9	
1966	-902	942	-18	960	-	55	1	54	-	-	-887	-15	
1967	-1 092	1 123	3	1 120	-	75	6	69	-	-	-1 048	-44	
1968	-1 192	1 171	36	1 135	-	17	7	10	-	-	-1 154	-38	
1969	-1 191	1 135	1	1 134	-	-8	9	-17	-	-	-1 143	-48	
1970	-1 263	1 258	21	1 237	-	63	-13	76	-	-	-1 195	-68	
1971	-1 163	1 418	45	1 373	-	107	-2	109	-	-	-1 311	148	
1972	-1 286	1 439	52	1 387	-	234	33	201	-	-	-1 205	-81	
1973	-2 011	2 278	-106	2 384	-	352	-5	357	-	-	-1 926	-85	
1974	-2 812	3 408	78	3 330	-	535	-19	558	-	-4	-2 873	61	
1975	-2 401	3 079	295	2 784	-	462	-148	620	-	-10	-2 617	216	
1976	-1 869	1 829	225	1 604	-	105	91	69	-	-55	-1 724	-145	
1977	-1 756	1 605	176	1 429	-	-206	-149	6	-	-63	-1 811	55	
1978	-1 781	1 270	188	1 061	21	-55	58	-49	-	-64	-1 325	-456	
1979	-2 124	2 721	320	2 375	26	372	85	307	32	-52	-2 349	225	
1980	-2 669	3 464	452	2 940	72	457	35	465	4	-47	-3 007	338	
1981	-161	830	557	264	9	241	1	279	15	-54	-589	428	
1982	710	-431	334	-798	33	369	-99	575	76	-183	800	-90	
1983	-1 830	1 365	74	1 228	63	-340	14	-288	15	-81	-1 705	-125	
1984	-2 541	2 527	109	2 304	114	-168	41	-162	4	-51	-2 695	154	
1985	-1 890	1 878	134	1 585	159	-486	130	-459	10	-167	-2 364	474	
1986	-1 408	1 233	308	673	252	-752	-38	-446	49	-317	-1 985	577	
1987	-1 354	1 424	396	736	292	-414	5	-372	163	-210	-1 838	484	
1988	-835	1 121	276	595	250	-86	103	-233	113	-69	-1 207	372	
1989	-1 541	922	195	565	162	76	176	-130	149	-119	-846	-695	
1990	-512	1 864	-1 900	3 735	29	910	1 124	-285	81	-10	-954	442	
1991	-1 653	1 959	87	1 914	-42	-278	161	-421	-9	-9	-2 237	584	
1992	4 202	-5 633	-64	-5 548	-21	-1 308	-966	-327	-5	-10	4 325	-123	
1993	1 216	-2 656	205	-2 870	9	-1 135	-803	-326	-1	-5	1 521	-305	
1994	-1 993	192	96	77	19	-1 506	-1 309	-213	17	-1	-1 698	-295	
1965/66	-870	994	6	988	-	137	2	135	-	-	-857	-13	
1966/67	-976	1 041	3	1 038	-	88	6	82	-	-	-953	-23	
1967/68	-1 151	1 071	-34	1 105	-	40	7	33	-	-	-1 031	-120	
1968/69	-1 197	1 177	11	1 166	-	19	8	11	-	-	-1 158	-39	
1969/70	-1 126	1 089	7	1 082	-	5	12	-7	-	-	-1 084	-42	
1970/71	-1 294	1 299	21	1 278	-	104	13	91	-	-	-1 195	-99	
1971/72	-1 189	1 395	-12	1 407	-	132	9	123	-	-	-1 263	74	
1972/73	-1 493	1 528	-14	1 542	-	242	3	239	-	-	-1 286	-207	
1973/74	-2 369	2 550	22	2 528	-	406	45	361	-	-	-2 144	-225	
1974/75	-2 688	3 417	78	3 339	-	727	21	708	-	-2	-2 690	2	
1975/76	-2 052	2 471	90	2 381	-	245	-122	419	-	-52	-2 226	174	
1976/77	-2 208	2 065	69	1 996	-	10	-8	57	-	-39	-2 055	-153	
1977/78	-1 711	1 472	46	1 420	6	-191	-77	-35	-	-79	-1 663	-48	
1978/79	-1 847	1 413	83	1 311	19	21	21	52	-	-52	-1 392	-455	
1979/80	-2 643	3 173	167	2 969	37	515	116	417	35	-53	-2 658	15	
1980/81	-1 936	2 293	117	2 120	56	184	-73	295	5	-43	-2 109	173	
1981/82	375	229	437	-224	16	376	-73	489	15	-55	147	228	
1982/83	-412	172	46	83	43	218	42	274	78	-176	46	-458	
1983/84	-1 593	1 354	80	1 209	65	-384	-55	-242	9	-96	-1 738	145	
1984/85	-2 528	2 669	112	2 387	170	-280	85	-306	5	-64	-2 949	421	
1985/86	-2 185	1 928	84	1 674	170	-485	116	-407	14	-208	-2 413	228	
1986/87	-1 126	369	-1	132	238	-677	-28	-437	71	-283	-1 046	-80	
1987/88	-1 528	1 646	83	1 275	288	-312	-6	-309	177	-174	-1 958	430	
1988/89	-559	2 479	116	340	2 023	-92	116	-229	103	-82	-2 571	2 012	
1989/90	-2 444	1 746	166	1 304	276	15	160	-185	138	-98	-1 731	-713	
1990/91	-1 234	3 611	427	3 324	-140	1 271	1 524	-259	6	-	-2 340	1 106	
1991/92	-2 016	1 832	192	1 676	-36	-904	-461	-468	38	-13	-2 736	720	
1992/93	5 040	-5 863	-52	-5 800	-11	-281	21	-290	-4	-8	5 582	-542	
1993/94	968	-2 608	169	-2 795	18	-1 124	-740	-402	22	-4	1 484	-516	
1994/95	-1 284	-911	123	-1 045	11	-1 369	-1 195	-190	17	-1	-458	-826	

<sup>1</sup> For a more detailed breakdown of financial transactions since 1978 see table 10.47.





# Local authorities

## 10.47 Financial account and balancing item Detail

£ million

		1978	1979	1980	1981	1982	1983	1984	1985	1986
<b>FINANCIAL SURPLUS OR DEFICIT</b>	<b>AABB</b>	-1 781	-2 124	-2 669	-161	710	-1 830	-2 541	-1 890	-1 408
<b>Transactions in financial liabilities (net)</b>										
Accruals adjustments:										
Rates	ADDC	88	249	314	327	479	-117	13	56	302
Income tax	ADDE	68	15	76	98	9	97	63	31	-
Social security contributions	ADDF	13	43	49	112	-55	50	54	53	6
National insurance surcharge	ADDG	19	13	13	20	-99	44	-21	-6	-
Borrowing requirement:										
Loans from central government (net)	ABEC	362	555	1 224	-697	1 365	3 710	2 758	4 960	5 786
Borrowing from other sources (net)	-ABED	640	1 747	1 800	1 099	-1 678	-2 412	-234	-2 564	-3 302
Transactions in short term assets	-AMIO	61	76	-50	-128	-502	-68	-164	-814	-1 800
Transactions in other public sector debt ( net sales)	-AMIV	-2	-3	-34	-10	17	-2	-56	3	-11
Total borrowing requirement	ABEG	1 061	2 375	2 940	264	-798	1 228	2 304	1 585	673
Other financial liabilities	ADGK	21	26	72	9	33	63	114	159	252
Total transactions in financial liabilities	ADDA	1 270	2 721	3 464	830	-431	1 365	2 527	1 878	1 233
<b>Transactions in financial assets (net)</b>										
Accruals adjustments:										
Subsidies	ADDS	72	83	28	21	-176	41	37	87	-94
Community charge/Council tax	CDXW	-	-	-	-	-	-	-	-	-
National non-domestic rates	CCXN	-	-	-	-	-	-	-	-	-
Other	RCZZ	-14	2	7	-20	77	-27	4	43	56
Net lending to private sector:										
For house purchase	AAEO	-51	301	456	271	555	-306	-195	-502	-506
Other	AAEP	2	6	9	8	20	18	33	43	60
Net acquisition of UK company securities	ADNR	-	32	4	15	76	15	4	10	49
Other financial assets	ADEE	-64	-52	-47	-54	-183	-81	-51	-167	-317
Total transactions in financial assets	ADDQ	-55	372	457	241	369	-340	-168	-486	-752
<b>NET TOTAL FINANCIAL TRANSACTIONS<sup>1</sup></b>	<b>AAES</b>	<b>-1 325</b>	<b>-2 349</b>	<b>-3 007</b>	<b>-589</b>	<b>800</b>	<b>-1 705</b>	<b>-2 695</b>	<b>-2 364</b>	<b>-1 985</b>
<b>BALANCING ITEM</b>	<b>AAET</b>	<b>-456</b>	<b>225</b>	<b>338</b>	<b>428</b>	<b>-90</b>	<b>-125</b>	<b>154</b>	<b>474</b>	<b>577</b>

<sup>1</sup> Total assets less total liabilities.

# 10.47 Financial account and balancing item

## Detail

continued

£ million

		1987	1988	1989	1990	1991	1992	1993	1994
<b>FINANCIAL SURPLUS OR DEFICIT</b>	<b>AABB</b>	-1 354	-835	-1 541	-512	-1 653	4 202	1 216	-1 993
<b>Transactions in financial liabilities (net)</b>									
Accruals adjustments:									
Rates	ADDC	310	210	24	-2 045	12	-23	-9	-1
Income tax	ADDE	29	50	133	90	-7	68	92	51
Social security contributions	ADDF	57	16	38	55	82	-109	122	114
National insurance surcharge	ADDG	-	-	-	-	-	-	-	-
Borrowing requirement:									
Loans from central government (net)	ABEC	5 468	4 829	2 577	762	1 230	-5 818	-1 540	-845
Borrowing from other sources (net)	-ABED	-2 139	-1 431	-1 167	344	-389	1 262	1 293	990
Transactions in short term assets	-AMIO	-2 524	-2 726	-916	2 540	1 068	-990	-2 580	-15
Transactions in other public sector debt ( net sales)	-AMIV	-69	-77	71	89	5	-2	-43	-53
Total borrowing requirement	ABEG	736	595	565	3 735	1 914	-5 548	-2 870	77
Other financial liabilities	ADGK	292	250	162	29	-42	-21	9	19
Total transactions in financial liabilities	ADDA	1 424	1 121	922	1 864	1 959	-5 633	-2 656	192
<b>Transactions in financial assets (net)</b>									
Accruals adjustments:									
Subsidies	ADDS	-34	47	21	-178	-176	-110	68	-40
Community charge/Council tax	CDXW	-	-	81	145	444	-796	-566	-587
National non-domestic rates	CCXN	-	-	-	1 090	-190	-132	-341	-705
Other	RCZZ	39	56	74	67	83	72	36	23
Net lending to private sector:									
For house purchase	AAEO	-433	-329	-230	-322	-446	-358	-357	-241
Other	AAEP	61	96	100	37	25	31	31	28
Net acquisition of UK company securities	ADNR	163	113	149	81	-9	-5	-1	17
Other financial assets	ADEE	-210	-69	-119	-10	-9	-10	-5	-1
Total transactions in financial assets	ADDQ	-414	-86	76	910	-278	-1 308	-1 135	-1 506
<b>NET TOTAL FINANCIAL TRANSACTIONS<sup>1</sup></b>	<b>AAES</b>	<b>-1 838</b>	<b>-1 207</b>	<b>-846</b>	<b>-954</b>	<b>-2 237</b>	<b>4 325</b>	<b>1 521</b>	<b>-1 698</b>
<b>BALANCING ITEM</b>	<b>AAET</b>	<b>484</b>	<b>372</b>	<b>-695</b>	<b>442</b>	<b>584</b>	<b>-123</b>	<b>-305</b>	<b>-295</b>

See previous page for footnote.

## Local authorities

# 10.48 Housing revenue and expenditure

£ million

		1978	1979	1980	1981	1982	1983	1984	1985	1986
<b>REVENUE</b>										
Rent on dwellings:										
Paid by tenants	CTMK	1 382	1 544	1 778	2 719	3 057	2 019	2 012	2 063	2 187
Rent rebates	CTML	392	414	541	473	782	1 881	2 005	2 190	2 285
Rent on other properties	CTMM	61	61	75	83	96	65	60	108	125
Subsidies:										
Central government	CTMN	1 162	1 438	1 715	1 258	644	434	432	537	521
Local authorities	CTMO	244	373	516	554	571	637	632	578	538
Other income	CTMP	51	121	133	188	267	317	353	393	306
<b>Total</b>	<b>CTMQ</b>	<b>3 292</b>	<b>3 951</b>	<b>4 758</b>	<b>5 275</b>	<b>5 417</b>	<b>5 353</b>	<b>5 494</b>	<b>5 869</b>	<b>5 962</b>
<b>EXPENDITURE</b>										
Supervision and management	CTMR	438	516	649	783	861	941	1 005	1 084	1 172
Repairs	CTMS	640	805	1 015	1 141	1 261	1 420	1 506	1 558	1 616
Other current expenditure <sup>1</sup>	CTMT	41	36	63	72	118	135	144	184	118
Balance: rent before providing for interest and depreciation <sup>2,3</sup>	ADAE	2 173	2 594	3 031	3 279	3 177	2 857	2 839	3 043	3 056
<b>Total</b>	<b>CTMQ</b>	<b>3 292</b>	<b>3 951</b>	<b>4 758</b>	<b>5 275</b>	<b>5 417</b>	<b>5 353</b>	<b>5 494</b>	<b>5 869</b>	<b>5 962</b>

1 Excluding payments and receipts of interest.

2 Transferred to table 10.41.

3 Loan charges to be met from rent are as follows (£ million):

		1978	1979	1980	1981	1982	1983	1984	1985	1986
Debt interest (net of interest receipts)	CTMW	1 794	2 293	2 715	2 774	2 586	2 309	2 276	2 447	2 389
Repayment of principal	CTMX	243	269	306	341	377	405	433	449	476
<b>Total</b>	<b>CTMY</b>	<b>2 037</b>	<b>2 562</b>	<b>3 021</b>	<b>3 115</b>	<b>2 963</b>	<b>2 714</b>	<b>2 709</b>	<b>2 896</b>	<b>2 865</b>

		1987	1988	1989	1990	1991	1992	1993	1994
<b>REVENUE</b>									
Rent on dwellings:									
Paid by tenants	CTMK	2 239	2 389	2 477	2 813	3 085	2 925	2 792	2 778
Rent rebates	CTML	2 389	2 547	2 773	3 003	3 442	4 171	4 768	5 174
Rent on other properties	CTMM	130	144	173	183	192	212	233	228
Subsidies:									
Central government	CTMN	501	577	688	1 132	1 175	1 030	914	741
Local authorities	CTMO	502	537	503	129	—	—	1	—
Other income	CTMP	305	336	402	409	419	397	400	439
<b>Total</b>	<b>CTMQ</b>	<b>6 066</b>	<b>6 530</b>	<b>7 016</b>	<b>7 669</b>	<b>8 313</b>	<b>8 735</b>	<b>9 108</b>	<b>9 360</b>
<b>EXPENDITURE</b>									
Supervision and management	CTMR	1 251	1 401	1 551	1 631	1 741	1 849	1 951	2 082
Repairs	CTMS	1 686	1 845	1 982	2 253	2 373	2 488	2 576	2 713
Other current expenditure <sup>1</sup>	CTMT	107	142	245	326	391	433	403	338
Balance: rent before providing for interest and depreciation <sup>2,3</sup>	ADAE	3 022	3 142	3 238	3 459	3 808	3 965	4 178	4 227
<b>Total</b>	<b>CTMQ</b>	<b>6 066</b>	<b>6 530</b>	<b>7 016</b>	<b>7 669</b>	<b>8 313</b>	<b>8 735</b>	<b>9 108</b>	<b>9 360</b>

1 Excluding payments and receipts of interest.

2 Transferred to table 10.41

3 Loan charges to be met from rent are as follows (£million):

		1987	1988	1989	1990	1991	1992	1993	1994
Debt interest (net of interest receipts)	CTMW	2 270	2 347	2 280	2 480	2 550	2 421	2 427	2 507
Repayment of principal	CTMX	520	546	583	558	544	525	528	541
<b>Total</b>	<b>CTMY</b>	<b>2 790</b>	<b>2 893</b>	<b>2 863</b>	<b>3 038</b>	<b>3 094</b>	<b>2 946</b>	<b>2 955</b>	<b>3 048</b>

# Public corporations<sup>1</sup>

## 10.51 Current account Receipts

£ million

	Gross trading surplus					Rent and non-trading receipts				
	Total	Total	Stock appreciation	After deducting stock appreciation	Of which: subsidies	Total	Rent	Of which: rent subsidies	Non-trading income	Income from abroad
	ADRA	ADRD	ADRC	ADRB	ADRZ	ADRF	GISI	ADVA	GISJ	ADRG
1965	1 085	988	15	973	140	89	49	9	40	8
1966	1 149	1 042	15	1 027	146	98	52	10	46	9
1967	1 244	1 132	7	1 125	181	102	55	11	47	10
1968	1 498	1 363	12	1 351	192	122	56	13	66	13
1969	1 610	1 451	46	1 405	140	144	64	15	80	15
1970	1 625	1 447	102	1 345	156	164	74	19	90	14
1971	1 709	1 523	75	1 448	153	172	84	23	88	14
1972	1 915	1 683	56	1 627	391	215	125	53	90	17
1973	2 410	2 065	151	1 914	610	325	123	44	202	20
1974	2 993	2 561	341	2 220	1 281	402	141	57	261	30
1975	3 589	3 094	406	2 688	1 036	455	182	99	273	40
1976	5 257	4 505	398	4 107	881	696	246	145	450	56
1977	5 890	5 095	394	4 701	846	743	297	191	446	52
1978	6 357	5 466	338	5 128	1 001	825	324	210	501	66
1979	6 665	5 710	653	5 057	1 318	884	358	251	526	71
1980	7 265	6 309	278	6 031	1 440	871	386	277	485	85
1981	9 192	7 974	284	7 690	1 955	1 148	457	288	691	70
1982	10 848	9 502	403	9 099	2 283	1 313	472	268	841	33
1983	11 484	10 004	35	9 969	2 662	1 435	499	269	936	45
1984	9 632	8 511	65	8 446	3 610	1 070	534	297	536	51
1985	8 297	7 262	108	7 154	3 112	985	522	297	463	50
1986	9 181	8 213	163	8 050	2 135	920	514	300	406	48
1987	7 838	6 993	88	6 905	1 887	789	519	304	270	56
1988	8 533	7 554	259	7 295	1 575	917	548	305	369	62
1989	7 756	6 528	55	6 473	1 649	1 160	568	290	592	68
1990	4 971	3 801	120	3 681	1 223	1 102	578	284	524	68
1991	2 786	1 809	30	1 779	1 719	905	541	266	364	72
1992	3 330	2 361	39	2 322	2 577	875	547	221	328	94
1993	4 391	3 485	-36	3 521	2 504	815	531	207	284	91
1994	5 415	4 529	8	4 521	2 904	794	478	205	316	92
1965/66	1 102	1 002	11	991	143	92	51	9	41	8
1966/67	1 158	1 050	17	1 033	153	99	52	10	47	9
1967/68	1 324	1 208	13	1 195	183	105	55	12	50	11
1968/69	1 565	1 424	11	1 413	179	128	58	13	70	13
1969/70	1 596	1 434	84	1 350	135	147	66	16	81	15
1970/71	1 594	1 409	77	1 332	165	171	77	20	94	14
1971/72	1 698	1 509	79	1 430	264	174	89	24	85	15
1972/73	2 106	1 849	91	1 758	344	239	133	61	106	18
1973/74	2 473	2 093	194	1 899	893	358	123	42	235	22
1974/75	3 134	2 705	415	2 290	1 230	397	147	62	250	32
1975/76	3 938	3 404	350	3 054	915	491	195	112	296	43
1976/77	5 727	4 906	487	4 419	876	765	267	156	498	56
1977/78	5 839	5 058	310	4 748	856	726	302	200	424	55
1978/79	6 651	5 731	472	5 259	1 076	852	328	216	524	68
1979/80	6 997	6 021	612	5 409	1 365	899	370	261	529	77
1980/81	7 367	6 385	218	6 167	1 499	899	392	281	507	83
1981/82	9 934	8 664	316	8 348	2 144	1 213	478	291	735	57
1982/83	11 142	9 746	200	9 546	2 281	1 360	469	260	891	36
1983/84	11 401	10 020	74	9 946	2 914	1 335	507	276	828	46
1984/85	8 248	7 122	93	7 029	3 916	1 073	545	304	528	53
1985/86	9 169	8 159	114	8 045	2 474	962	519	295	443	48
1986/87	8 438	7 522	155	7 367	2 206	866	505	298	361	50
1987/88	7 999	7 144	229	6 915	1 972	798	525	306	273	57
1988/89	8 688	7 640	22	7 618	1 284	984	554	304	430	64
1989/90	7 071	5 843	72	5 771	1 610	1 160	574	285	586	68
1990/91	4 128	2 984	144	2 840	1 257	1 075	575	284	500	69
1991/92	2 525	1 581	44	1 537	2 068	867	524	260	343	77
1992/93	3 779	2 798	56	2 742	2 856	888	565	208	323	93
1993/94	4 108	3 200	-65	3 265	2 202	816	521	207	295	92
1994/95	5 926	5 026	25	5 001	2 975	808	464	204	344	92

<sup>1</sup> The comparability of data over time is affected by the privatisation, since 1979, of a number of public corporations and the by the creation of NHS Trusts since 1991.

# Public corporations<sup>1</sup>

## 10.52 Current account Expenditure and current surplus/deficit

£ million

	Payment of interest and dividends etc.						
	Total	To central government	To local authorities	Other interest and dividend payments	Royalties and licence fees on oil and gas production	Payment of UK taxes on income	Surplus or deficit on current account
	ADRP	ACGJ	GIUL	ADRJ	GISK	ADRK	AAAI
1965	421	313	-	108	-	3	661
1966	473	385	-	88	-	31	645
1967	552	414	-	138	-	9	683
1968	636	523	-	113	-	17	845
1969	722	602	-	120	-	8	880
1970	796	677	-	119	-	10	819
1971	884	757	-	124	3	8	817
1972	943	819	-	122	2	7	965
1973	1 150	905	-	244	1	8	1 252
1974	1 604	1 050	119	432	3	11	1 378
1975	1 930	1 186	161	579	4	12	1 647
1976	2 459	1 491	157	808	3	2	2 796
1977	2 585	1 598	146	833	8	21	3 284
1978	2 541	1 521	140	869	11	28	3 788
1979	2 809	1 729	146	904	30	68	3 788
1980	2 963	1 895	180	811	77	52	4 250
1981	3 459	2 162	171	1 022	104	172	5 561
1982	3 806	2 358	154	1 182	112	435	6 607
1983	3 725	2 491	124	1 090	20	244	7 515
1984	3 185	2 245	109	817	14	285	6 162
1985	2 953	2 046	103	799	5	103	5 241
1986	2 877	2 020	80	771	6	313	5 991
1987	2 753	2 049	53	651	-	62	5 023
1988	2 577	2 017	37	523	-	103	5 853
1989	2 616	2 191	32	393	-	102	5 038
1990	1 934	1 664	26	244	-	161	2 876
1991	1 277	1 048	26	203	-	451	1 058
1992	1 243	1 034	30	179	-	199	1 888
1993	1 426	1 244	33	149	-	151	2 814
1994	2 116	1 947	34	135	-	132	3 167
1965/66	423	321	-	102	-	9	670
1966/67	468	379	-	89	-	15	675
1967/68	606	463	-	143	-	15	703
1968/69	661	546	-	115	-	12	892
1969/70	727	612	-	115	-	10	859
1970/71	828	703	-	125	-	8	758
1971/72	906	783	-	120	3	7	785
1972/73	1 017	879	-	136	2	8	1 081
1973/74	1 281	965	-	313	3	11	1 181
1974/75	1 699	1 062	158	475	4	12	1 423
1975/76	2 011	1 296	162	552	1	2	1 925
1976/77	2 544	1 515	156	870	3	21	3 162
1977/78	2 569	1 585	149	824	11	28	3 242
1978/79	2 665	1 592	146	915	12	68	3 918
1979/80	2 755	1 684	158	872	41	52	4 190
1980/81	3 083	1 976	179	841	87	43	4 241
1981/82	3 580	2 238	165	1 067	110	361	5 993
1982/83	3 886	2 448	146	1 208	84	413	6 843
1983/84	3 545	2 405	116	1 002	22	283	7 573
1984/85	3 012	2 071	104	826	11	139	5 097
1985/86	3 044	2 101	103	835	5	313	5 812
1986/87	2 822	2 046	69	703	4	62	5 554
1987/88	2 681	2 022	45	614	-	103	5 215
1988/89	2 513	1 986	33	494	-	102	6 073
1989/90	2 568	2 201	29	338	-	161	4 342
1990/91	1 808	1 532	27	249	-	451	1 869
1991/92	1 125	927	26	172	-	199	1 201
1992/93	1 366	1 154	30	182	-	151	2 262
1993/94	1 845	1 671	34	140	-	132	2 131
1994/95	2 263	2 085	34	144	-	173	3 490

<sup>1</sup> The comparability of data over time is affected by the privatisation, since 1979, of a number of public corporations and the by the creation of NHS Trusts since 1991.

# Public corporations<sup>1</sup>

## 10.53 Capital account Summary<sup>2</sup>

£ million

	Receipts			Expenditure				Balance: financial surplus or deficit	
	Total	Undistributed income	Capital transfers	Total	Gross domestic fixed capital formation	Increase in book value of stocks and work in progress	Taxes on capital		Capital transfers to other sectors
	ADSA	AAAI	ADSC	ADSF	AAAK	AAAL	ADSB	ADSG	AABD
1965	672	661	11	1 296	1 292	4	-	-	-624
1966	656	645	11	1 497	1 455	42	-	-	-841
1967	699	683	16	1 742	1 665	77	-	-	-1 043
1968	914	845	69	1 632	1 615	17	-	-	-718
1969	950	880	70	1 455	1 482	-27	-	-	-505
1970	895	819	76	1 739	1 676	63	-	-	-844
1971	901	817	84	2 000	1 858	141	-	1	-1 099
1972	1 087	965	122	1 841	1 771	69	-	1	-754
1973	1 404	1 252	152	2 191	2 068	121	-	2	-787
1974	1 593	1 378	215	3 149	2 858	289	-	2	-1 556
1975	1 938	1 647	291	4 763	3 920	841	-	2	-2 825
1976	3 177	2 796	381	5 463	4 693	766	-	4	-2 286
1977	3 725	3 284	441	5 101	4 779	299	1	22	-1 376
1978	4 336	3 788	548	5 399	5 069	282	2	46	-1 063
1979	4 268	3 788	480	6 511	5 833	610	3	65	-2 243
1980	4 809	4 250	559	7 412	6 828	497	6	81	-2 603
1981	6 174	5 561	613	7 349	6 924	344	8	73	-1 175
1982	7 186	6 607	579	8 084	7 314	664	4	102	-898
1983	8 222	7 515	707	8 541	8 065	371	5	100	-319
1984	6 857	6 162	695	7 190	7 441	-378	10	117	-333
1985	6 025	5 241	784	6 185	5 931	104	3	147	-160
1986	6 656	5 991	665	5 408	5 521	-322	61	148	1 248
1987	5 864	5 023	841	4 536	4 561	-152	-	127	1 328
1988	6 806	5 853	953	5 011	4 580	283	-	148	1 795
1989	6 491	5 038	1 453	5 964	5 467	274	-	223	527
1990	9 703	2 876	6 827	5 210	4 955	-134	-	389	4 493
1991	4 777	1 058	3 719	4 397	3 779	88	-	530	380
1992	5 223	1 888	3 335	5 259	4 727	53	-	479	-36
1993	6 087	2 814	3 273	5 146	4 885	-200	-	461	941
1994	6 280	3 167	3 113	4 983	4 817	-304	-	470	1 297
1965/66	680	670	10	1 307	1 309	-2	-	-	-627
1966/67	686	675	11	1 601	1 527	74	-	-	-915
1967/68	730	703	27	1 729	1 678	51	-	-	-999
1968/69	964	892	72	1 552	1 575	-23	-	-	-588
1969/70	932	859	73	1 500	1 490	10	-	-	-568
1970/71	843	758	85	1 868	1 751	117	-	-	-1 025
1971/72	863	785	78	1 887	1 868	18	-	1	-1 024
1972/73	1 235	1 081	154	2 008	1 816	191	-	1	-773
1973/74	1 329	1 181	148	2 181	2 142	37	-	2	-852
1974/75	1 682	1 423	259	3 780	3 203	575	-	2	-2 098
1975/76	2 244	1 925	319	4 967	4 305	659	-	3	-2 723
1976/77	3 572	3 162	410	5 340	4 584	750	1	5	-1 768
1977/78	3 736	3 242	494	5 006	4 817	157	2	30	-1 270
1978/79	4 409	3 918	491	5 771	5 237	482	2	50	-1 362
1979/80	4 690	4 190	500	6 932	6 106	753	4	69	-2 242
1980/81	4 836	4 241	595	7 355	6 955	311	4	85	-2 519
1981/82	6 567	5 993	574	7 506	7 021	407	9	69	-939
1982/83	7 500	6 843	657	8 167	7 560	493	5	109	-667
1983/84	8 274	7 573	701	8 218	8 093	18	4	103	56
1984/85	5 792	5 097	695	7 066	7 093	-154	9	118	-1 274
1985/86	6 584	5 812	772	5 842	5 735	-115	68	154	742
1986/87	6 219	5 554	665	5 287	5 386	-238	-5	144	932
1987/88	6 173	5 215	958	4 828	4 631	64	-	133	1 345
1988/89	7 069	6 073	996	5 040	4 467	408	-	165	2 029
1989/90	8 834	4 342	4 492	5 638	5 337	25	-	276	3 196
1990/91	6 842	1 869	4 973	5 295	4 921	-2	-	376	1 547
1991/92	4 294	1 201	3 093	4 399	3 695	122	-	582	-105
1992/93	5 629	2 262	3 367	5 583	5 291	-153	-	445	46
1993/94	5 383	2 131	3 252	4 952	4 643	-156	-	465	431
1994/95	6 694	3 490	3 204	5 328	5 126	-269	-	471	1 366

1 The comparability of data over time is affected by the privatisation, since 1979, of a number of public corporations and by the creation of NHS Trusts since 1991.

2 For a more detailed breakdown of this table since 1978 see table 10.54.

# Public corporations<sup>1</sup>

## 10.54 Capital account Detail

£ million

		1978	1979	1980	1981	1982	1983	1984	1985	1986
<b>CAPITAL RECEIPTS</b>										
Undistributed income before providing for depreciation and stock appreciation	AAAI	3 788	3 788	4 250	5 561	6 607	7 515	6 162	5 241	5 991
Capital transfers:										
From central government	ACIJ	350	310	343	400	404	373	339	529	463
From local authorities	ADCF	119	69	82	80	116	142	150	66	22
From private sector	ADSE	79	101	134	133	59	192	206	189	180
Total <sup>2</sup>	ADSA	4 336	4 268	4 809	6 174	7 186	8 222	6 857	6 025	6 656
<b>CAPITAL EXPENDITURE</b>										
Gross domestic fixed capital formation:										
Mining and quarrying	EGAV	583	696	999	1 069	1 291	1 444	1 000	959	681
Manufacturing	EGAW	429	376	320	211	224	205	212	294	311
Electricity, gas and water supply	EGAX	1 385	1 593	1 925	2 265	2 372	2 750	2 650	2 544	2 583
Transport, storage and communication	GISN	1 815	2 228	2 528	2 346	2 299	2 584	2 589	1 278	1 064
Financial intermediation, real estate and business activities	EGAY	58	85	110	138	166	146	143	134	130
Dwellings	DEER	269	289	335	309	301	326	318	280	242
Other	GISP	530	566	611	586	661	610	529	442	510
Total	AAAK	5 069	5 833	6 828	6 924	7 314	8 065	7 441	5 931	5 521
Increase in book value of stocks and work in progress	AAAL	282	610	497	344	664	371	-378	104	-322
Taxes on capital	ADSB	2	3	6	8	4	5	10	3	61
Other capital transfers	ADSG	46	65	81	73	102	100	117	147	148
Total capital expenditure	ADSF	5 399	6 511	7 412	7 349	8 084	8 541	7 190	6 185	5 408
Balance: financial surplus or deficit	AABD	-1 063	-2 243	-2 603	-1 175	-898	-319	-333	-160	1 248
Total	ADSA	4 336	4 268	4 809	6 174	7 186	8 222	6 857	6 025	6 656

See footnotes below.

		1987	1988	1989	1990	1991	1992	1993	1994
<b>CAPITAL RECEIPTS</b>									
Undistributed income before providing for depreciation and stock appreciation	AAAI	5 023	5 853	5 038	2 876	1 058	1 888	2 814	3 167
Capital transfers:									
From central government	ACIJ	613	706	1 200	6 545	3 576	3 251	3 106	3 048
From local authorities	ADCF	56	29	16	16	20	41	60	57
From private sector	ADSE	172	218	237	266	123	43	107	8
Total <sup>2</sup>	ADSA	5 864	6 806	6 491	9 703	4 777	5 223	6 087	6 280
<b>CAPITAL EXPENDITURE</b>									
Gross domestic fixed capital formation:									
Mining and quarrying	EGAV	518	454	325	332	256	174	133	68
Manufacturing	EGAW	406	426	39	40	35	384	406	332
Electricity, gas and water supply	EGAX	1 931	2 046	2 799	2 485	1 068	704	490	350
Transport, storage and communication	GISN	832	854	1 205	1 698	1 980	2 502	2 603	2 276
Financial intermediation, real estate and business activities	EGAY	224	243	360	356	403	399	268	279
Dwellings	DEER	253	246	256	247	211	219	235	240
Other (includes NHS Trusts from 1991)	GISP	397	311	483	-203	-174	345	750	1 272
Total	AAAK	4 561	4 580	5 467	4 955	3 779	4 727	4 885	4 817
Increase in book value of stocks and work in progress	AAAL	-152	283	274	-134	88	53	-200	-304
Taxes on capital	ADSB	-	-	-	-	-	-	-	-
Other capital transfers	ADSG	127	148	223	389	530	479	461	470
Total capital expenditure	ADSF	4 536	5 011	5 964	5 210	4 397	5 259	5 146	4 983
Balance: financial surplus or deficit	AABD	1 328	1 795	527	4 493	380	-36	941	1 297
Total	ADSA	5 864	6 806	6 491	9 703	4 777	5 223	6 087	6 280

1 The comparability of data over time is affected by the privatisation, since 1979, of a number of public corporations and by the creation of NHS Trusts since 1991.

2 Excluding notional transactions on central government debt written-off. See footnote 4 to table 10.56.



# Public corporations<sup>1</sup>

## 10.55 Financial account and balancing item Summary<sup>2</sup>

£ million

	Transactions in financial liabs (net)					Transactions in financial assets (net)								Total financial transactions	Balancing item
	Financial surplus or deficit	Total	Accruals adjustments	Borrowing requirement	Trade creditors etc.	Total	Accruals adjustments	Lending to private sector	Lending and investment overseas	Transactions in UK company securities	Trade debtors	Other assets			
	AABD	-ADTA	-ADTB	ABEM	-ADTC	ADTE	ADTF	ADTG	RCZY	RHQP	ADTK	ADTL	AAFX	AAFY	
1965	-624	699	5	689	5	35	3	7	13	10	-	2	-664	40	
1966	-841	905	1	842	62	29	-	11	13	20	-	-15	-876	35	
1967	-1 043	1 109	4	1 137	-32	49	12	31	11	5	-	-10	-1 060	17	
1968	-718	880	4	1 066	-190	136	10	39	14	56	-	17	-744	26	
1969	-505	564	6	686	-128	67	-36	50	18	9	-	26	-497	-8	
1970	-844	964	-2	990	-24	105	39	41	21	4	-	-	-859	15	
1971	-1 099	1 168	6	1 189	-27	98	44	28	29	-3	-	-	-1 070	-29	
1972	-754	1 009	4	971	34	353	127	29	24	-22	168	27	-656	-98	
1973	-787	1 435	61	1 223	151	558	267	55	32	8	178	18	-877	90	
1974	-1 556	1 906	51	1 444	411	464	146	33	49	13	228	-5	-1 442	-114	
1975	-2 825	2 672	68	2 424	180	-168	-299	19	54	15	69	-26	-2 840	15	
1976	-2 286	3 084	27	2 524	533	999	-148	34	130	236	739	8	-2 085	-201	
1977	-1 376	1 708	16	1 445	247	531	-11	162	80	40	229	31	-1 177	-199	
1978	-1 063	2 175	82	1 237	856	1 311	95	12	83	527	520	74	-864	-199	
1979	-2 243	4 704	174	3 563	967	2 272	104	39	115	254	1 726	34	-2 432	189	
1980	-2 603	3 221	171	2 390	660	-52	-139	-125	133	150	-51	-20	-3 273	670	
1981	-1 175	1 520	266	-98	1 352	215	38	-3	143	-1 171	1 234	-26	-1 305	130	
1982	-898	839	-84	1 243	-320	644	-94	45	36	21	550	86	-195	-703	
1983	-319	2 007	128	1 047	832	1 075	338	42	39	-44	735	-35	-932	613	
1984	-333	1 823	85	1 315	423	916	937	17	66	-146	23	19	-907	574	
1985	-160	-151	45	-378	182	371	-38	14	64	-21	325	27	522	-682	
1986	1 248	-540	-18	-852	330	350	240	62	33	-54	-30	99	890	358	
1987	1 328	-875	110	-1 160	175	463	233	-3	25	-144	339	13	1 338	-10	
1988	1 795	-1 045	83	-1 882	754	636	219	-9	49	-87	476	-12	1 681	114	
1989	527	-539	91	-238	-392	1 093	439	267	62	-9	361	-27	1 632	-1 105	
1990	4 493	-3 657	74	-4 958	1 227	1 143	480	-315	51	-40	997	-30	4 800	-307	
1991	380	-1 011	-13	-814	-184	272	180	1	42	-10	52	7	1 283	-903	
1992	-36	364	-63	404	23	405	483	-9	77	14	-193	33	41	-77	
1993	941	-62	60	-866	744	291	68	-27	77	15	154	4	353	588	
1994	1 297	-536	59	-1 642	1 047	766	-211	-30	31	-51	1 050	-23	1 302	-5	
1965/66	-627	688	4	671	13	43	8	10	15	12	-	-2	-645	18	
1966/67	-915	981	3	870	108	34	4	12	13	20	-	-15	-947	32	
1967/68	-999	1 114	6	1 254	-146	88	1	31	11	47	-	-2	-1 026	27	
1968/69	-588	692	3	894	-205	86	-5	41	15	18	-	17	-606	18	
1969/70	-568	619	6	707	-94	79	-14	53	18	2	-	20	-540	-28	
1970/71	-1 025	1 136	12	1 142	-18	115	53	43	24	7	-	-12	-1 021	-4	
1971/72	-1 024	1 036	-5	954	87	131	50	23	25	-5	29	9	-905	-119	
1972/73	-773	1 283	2	1 158	123	415	156	39	27	-22	172	43	-868	95	
1973/74	-852	1 397	64	1 210	123	610	319	61	40	12	178	-	-787	-65	
1974/75	-2 098	2 439	60	2 009	370	323	152	17	36	9	139	-30	-2 116	18	
1975/76	-2 723	2 652	44	2 270	338	-36	-640	20	103	108	370	3	-2 688	-35	
1976/77	-1 768	2 475	31	2 043	401	1 130	26	108	99	163	711	23	-1 345	-423	
1977/78	-1 270	1 812	43	1 204	565	887	5	362	82	55	339	44	-925	-345	
1978/79	-1 362	2 825	71	2 031	723	1 124	35	-259	85	530	689	44	-1 701	339	
1979/80	-2 242	4 145	137	2 593	1 415	1 489	11	-121	121	355	464	659	-2 656	414	
1980/81	-2 519	2 181	230	1 008	943	-328	-55	-32	150	-1 220	885	-56	-2 509	-10	
1981/82	-939	1 994	142	2 295	-443	969	126	70	110	65	1 204	-606	-1 025	86	
1982/83	-667	1 806	9	1 079	718	762	-260	59	37	-17	829	114	-1 044	377	
1983/84	56	999	122	470	407	729	433	12	66	-6	341	-117	-270	326	
1984/85	-1 274	2 421	53	1 211	1 157	1 514	724	21	61	-143	842	9	-907	-367	
1985/86	742	-512	69	-313	-268	418	189	15	41	-88	71	190	930	-188	
1986/87	932	-736	-58	-1 209	531	-27	338	61	48	-22	-442	-10	709	223	
1987/88	1 345	-1 037	103	-1 509	369	243	89	-18	12	-176	355	-19	1 280	65	
1988/89	2 029	-1 599	108	-1 927	220	389	215	-125	53	-26	331	-59	1 988	41	
1989/90	3 196	-3 055	81	-3 921	785	1 118	447	63	56	11	504	37	4 173	-977	
1990/91	1 547	-768	11	-1 025	246	1 578	584	24	59	-65	972	4	2 346	-799	
1991/92	-105	612	82	433	97	405	294	-10	27	-5	95	4	-207	102	
1992/93	46	154	-57	-399	610	689	459	-13	118	17	84	24	535	-489	
1993/94	431	518	59	92	367	350	7	-46	48	153	202	-14	-168	599	
1994/95	1 366	-2 301	60	-2 121	-240	-327	-204	-7	30	-263	129	-12	1 974	-608	

<sup>1</sup> The comparability of data over time is affected by the privatisation, since 1979, of a number of public corporations and by the creation of NHS Trusts since 1991.

<sup>2</sup> For a more detailed breakdown of financial transactions since 1978 see table 10.56.

# Public corporations<sup>1</sup>

## 10.56 Financial account and balancing item Detail

£ million

		1978	1979	1980	1981	1982	1983	1984	1985	1986
<b>FINANCIAL SURPLUS OR DEFICIT</b>	<b>AABD</b>	-1 063	-2 243	-2 603	-1 175	-898	-319	-333	-160	1 248
<b>Transactions in financial liabilities (net)</b>										
Accruals adjustment - taxes, etc., payable to central government <sup>2</sup>	-ADTB	82	174	171	266	-84	128	85	45	-18
Borrowing requirement:										
Loans from central government (net)	ACKD	728	1 624	1 690	904	1 215	781	-128	-230	-77
Public dividend capital, etc.	ADUK	1 089	1 572	1 415	-165	840	665	853	836	157
Redemption of govt. guaranteed stock	ACMN	-14	-540	-30	-	-	-	-	-	-
Other identified borrowing (net)	CHAH	-263	664	-635	-179	-297	-15	846	-468	-271
Transactions in short-term assets	-ADUE	124	-30	-	-167	-31	14	-587	-189	-1 230
Transactions in other public sector debt (net sales)	-CHAJ	-427	273	-50	-491	-484	-398	331	-327	569
Total borrowing requirement:	ABEM	1 237	3 563	2 390	-98	1 243	1 047	1 315	-378	-852
Trade creditors	CHAL	849	918	648	1 385	-259	859	425	268	641
Other liabilities (net)	CHAM	7	49	12	-33	-61	-27	-2	-86	-311
Total transactions in financial liabilities <sup>4</sup>	-ADTA	2 175	4 704	3 221	1 520	839	2 007	1 823	-151	-540
<b>Transactions in financial assets (net)</b>										
Accruals adjustment - subsidies and local authority rates	ADTF	95	104	-139	38	-94	338	937	-38	240
Net lending to private sector	ADTG	12	39	-125	-3	45	42	17	14	62
Net lending and investment abroad	RCZY	83	115	133	143	36	39	66	64	33
Transactions in company securities, etc. (net)	RHQP	527	254	150	-1 171	21	-44	-146	-21	-54
Trade debtors	ADTK	520	1 726	-51	1 234	550	735	23	325	-30
Other assets	ADTL	74	34	-20	-26	86	-35	19	27	99
Total transactions in financial assets	ADTE	1 311	2 272	-52	215	644	1 075	916	371	350
<b>NET TOTAL FINANCIAL TRANSACTIONS<sup>3</sup></b>	<b>AAFY</b>	<b>-864</b>	<b>-2 432</b>	<b>-3 273</b>	<b>-1 305</b>	<b>-195</b>	<b>-932</b>	<b>-907</b>	<b>522</b>	<b>890</b>
<b>BALANCING ITEM</b>	<b>AAFY</b>	<b>-199</b>	<b>189</b>	<b>670</b>	<b>130</b>	<b>-703</b>	<b>613</b>	<b>574</b>	<b>-682</b>	<b>358</b>

1 The comparability of data over time is affected by the privatisation, since 1979, of a number of public corporations and by the creation of NHS Trusts since 1991.

2 Value added tax and national insurance, etc. contributions.

3 Total assets less total liabilities.

4 Excluding notional transactions on central government debt written off. The amounts are as follows (£million):

	1978	1979	1980	1981	1982	1983	1984	1985	1986
CHAV	53	-	260	3 512	1 081	48	40	-	1 624

# 10.56 Financial account and balancing item

## Detail

continued

£ million

		1987	1988	1989	1990	1991	1992	1993	1994
<b>FINANCIAL SURPLUS OR DEFICIT</b>	<b>AABD</b>	1 328	1 795	527	4 493	380	-36	941	1 297
<b>Transactions in financial liabilities (net)</b>									
Accruals adjustment - taxes, etc., payable to central government <sup>2</sup>	-ADTB	110	83	91	74	-13	-63	60	59
<b>Borrowing requirement:</b>									
Loans from central government (net)	ACKD	-626	659	1 900	-4 305	-113	1 301	1 044	608
Public dividend capital, etc.	ADUK	144	147	45	5	1	1	-	-
Redemption of govt. guaranteed stock	ACMN	-	-	-	-10	-	-	-	-
Other identified borrowing (net)	CHAH	-259	-1 096	-2 655	-95	38	-508	-69	-144
Transactions in short-term assets	-ADUE	-222	-961	222	-129	-654	-389	-471	-927
Transactions in other public sector debt (net sales)	-CHAJ	-197	-631	250	-424	-86	-1	-1 370	-1 179
<b>Total borrowing requirement:</b>	<b>ABEM</b>	<b>-1 160</b>	<b>-1 882</b>	<b>-238</b>	<b>-4 958</b>	<b>-814</b>	<b>404</b>	<b>-866</b>	<b>-1 642</b>
Trade creditors	CHAL	382	824	-281	1 237	-179	37	750	1 029
Other liabilities (net)	CHAM	-207	-70	-111	-10	-5	-14	-6	18
<b>Total transactions in financial liabilities</b>	<b>-ADTA</b>	<b>-875</b>	<b>-1 045</b>	<b>-539</b>	<b>-3 657</b>	<b>-1 011</b>	<b>364</b>	<b>-62</b>	<b>-536</b>
<b>Transactions in financial assets (net)</b>									
Accruals adjustment - subsidies and local authority rates	ADTF	233	219	439	480	180	483	68	-211
Net lending to private sector	ADTG	-3	-9	267	-315	1	-9	-27	-30
Net lending and investment abroad	RCZY	25	49	62	51	42	77	77	31
Transactions in company securities, etc. (net)	RHQP	-144	-87	-9	-40	-10	14	15	-51
Trade debtors	ADTK	339	476	361	997	52	-193	154	1 050
Other assets	ADTL	13	-12	-27	-30	7	33	4	-23
<b>Total transactions in financial assets</b>	<b>ADTE</b>	<b>463</b>	<b>636</b>	<b>1 093</b>	<b>1 143</b>	<b>272</b>	<b>405</b>	<b>291</b>	<b>766</b>
<b>NET TOTAL FINANCIAL TRANSACTIONS<sup>3</sup></b>	<b>AAFY</b>	<b>1 338</b>	<b>1 681</b>	<b>1 632</b>	<b>4 800</b>	<b>1 283</b>	<b>41</b>	<b>353</b>	<b>1 302</b>
<b>BALANCING ITEM</b>	<b>AAFY</b>	<b>-10</b>	<b>114</b>	<b>-1 105</b>	<b>-307</b>	<b>-903</b>	<b>-77</b>	<b>588</b>	<b>-5</b>

See previous page for footnotes 1-3.

4 Excluding notional transactions on central government debt written off. The amounts are as follows (£million):

	1987	1988	1989	1990	1991	1992	1993	1994
CHAV	-	3 980	5 028	1 734	418	-	-	-

# Public sector

## 10.61 Finances of the public sector

Definitions are consistent with those in Summer Economic Forecast table 2.5

£ million

		1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
		/66	/67	/68	/69	/70	/71	/72	/73	/74	/75
<b>Public Sector current receipts</b>											
Taxes on income and oil royalties	AQPE	4 383	4 736	5 270	5 999	6 849	7 567	8 101	8 215	9 717	13 771
Taxes on expenditure	AAXC	4 990	5 540	6 101	6 968	7 863	8 450	8 773	9 404	10 199	11 781
Taxes on capital	AQEX	299	317	362	546	644	630	699	761	857	838
Social security contributions	AIIH	1 755	1 827	1 975	2 192	2 324	2 660	2 985	3 492	4 106	5 410
Community charge/Council tax	ADBH	-	-	-	-	-	-	-	-	-	-
Gross trading surplus	AQCB	1 133	1 170	1 343	1 582	1 610	1 592	1 716	1 990	2 251	2 831
Rent and miscellaneous current transfers	AQPF	464	508	568	651	746	836	917	978	1 181	1 550
Interest and dividends from private sector and abroad	AQCD	241	265	255	278	302	314	384	462	734	875
Imputed charge for non-trading capital consumption	AAAG	202	213	230	251	277	316	369	418	475	640
<b>Total current receipts</b>	<b>AQFN</b>	<b>13 467</b>	<b>14 576</b>	<b>16 104</b>	<b>18 467</b>	<b>20 615</b>	<b>22 365</b>	<b>23 944</b>	<b>25 720</b>	<b>29 520</b>	<b>37 696</b>
<b>Public Sector current expenditure</b>											
Final consumption	AAAXI	6 275	6 886	7 524	7 903	8 326	9 575	10 996	12 484	14 278	18 926
Subsidies	AAAJ	561	612	846	858	851	916	1 041	1 122	1 931	3 401
Current grants to personal sector	AQEB	2 581	2 780	3 163	3 602	3 847	4 136	4 793	5 689	6 215	7 874
Current grants paid abroad (net)	-HDKH	179	181	187	181	168	174	201	256	348	279
Debt interest to private sector and abroad	AQCG	1 470	1 592	1 811	1 941	2 056	2 108	2 277	2 442	3 200	4 070
Depreciation	AQFS	1 067	1 152	1 266	1 401	1 538	1 746	1 993	2 258	2 710	3 478
<b>Total current expenditure</b>	<b>AQFX</b>	<b>12 133</b>	<b>13 203</b>	<b>14 797</b>	<b>15 886</b>	<b>16 786</b>	<b>18 655</b>	<b>21 301</b>	<b>24 251</b>	<b>28 682</b>	<b>38 028</b>
<b>Public Sector current balance</b>	<b>CUNP</b>	<b>-1 334</b>	<b>-1 373</b>	<b>-1 307</b>	<b>-2 581</b>	<b>-3 829</b>	<b>-3 710</b>	<b>-2 643</b>	<b>-1 469</b>	<b>-838</b>	<b>332</b>
<b>Public Sector net capital spending</b>											
Gross domestic fixed capital formation	AQCH	2 848	3 305	3 745	3 735	3 764	4 300	4 513	4 813	6 133	7 624
Increase in stocks	AQCI	-4	73	55	-23	10	124	29	201	59	575
Capital grants to private sector	AQCCJ	182	192	520	674	788	821	803	760	848	964
less: Capital transfers from private sector	AQPI	8	9	11	30	21	27	27	20	26	34
less: Depreciation	AQFS	1 067	1 152	1 266	1 401	1 538	1 746	1 993	2 258	2 710	3 478
<b>Total net capital spending</b>		<b>1 951</b>	<b>2 409</b>	<b>3 043</b>	<b>2 955</b>	<b>3 003</b>	<b>3 472</b>	<b>3 325</b>	<b>3 496</b>	<b>4 304</b>	<b>5 651</b>
<b>Public Sector Financial deficit</b>	<b>-AABE</b>	<b>617</b>	<b>1 036</b>	<b>1 736</b>	<b>374</b>	<b>-826</b>	<b>-238</b>	<b>682</b>	<b>2 027</b>	<b>3 466</b>	<b>5 983</b>
<b>Privatisation proceeds and other financial transactions</b>											
Lending to private sector and abroad	-AQCL	267	213	179	154	235	482	503	684	886	1 671
Transactions in company securities	AAGY	29	36	47	19	5	39	44	17	19	226
Transactions concerning certain public sector											
Pension schemes	-AACW	-59	-60	-66	-73	-41	-83	-110	-162	-187	-350
Accruals adjustments	AAHC	39	36	105	73	112	145	-35	-12	544	777
Miscellaneous financial transactions	-AQCN	55	-118	17	-182	-87	432	-111	-119	-386	-306
<b>Public sector borrowing requirement</b>	<b>ABEN</b>	<b>948</b>	<b>1 143</b>	<b>2 018</b>	<b>365</b>	<b>-602</b>	<b>777</b>	<b>973</b>	<b>2 435</b>	<b>4 342</b>	<b>8 001</b>

### Public Sector finances as a percentage of GDP:

Current receipts	36.8	37.5	39.1	41.4	43.0	42.0	40.4	38.0	39.4	42.2
Current expenditure	33.1	34.0	35.9	35.6	35.0	35.1	35.9	35.9	38.2	42.5
Current balance	-3.6	-3.5	-3.2	-5.8	-8.0	-7.0	-4.5	-2.2	-1.1	0.4
Net Capital spending	5.3	6.2	7.4	6.6	6.3	6.5	5.6	5.2	5.7	6.3
Financial Deficit	1.7	2.7	4.2	0.8	-1.7	-0.4	1.2	3.0	4.6	6.7
Privatisation proceeds and other financial transactions	0.9	0.3	0.7	-	0.5	1.9	0.5	0.6	1.2	2.3
Public Sector Borrowing Requirement	2.6	2.9	4.9	0.8	-1.3	1.5	1.6	3.6	5.8	9.0

# 10.61 Finances of the public sector

Definitions are consistent with those in Summer Economic Forecast table 2.5

continued

£ million

		1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
		/76	/77	/78	/79	/80	/81	/82	/83	/84	/85
<b>Public Sector current receipts</b>											
Taxes on income and oil royalties	AQPE	17 308	19 940	21 043	23 458	27 661	32 658	39 244	42 774	45 173	50 827
Taxes on expenditure	AAXC	14 785	16 751	20 637	23 964	31 995	37 549	44 295	47 129	50 371	53 629
Taxes on capital	AQEX	803	791	832	840	1 034	1 154	1 685	1 497	1 699	1 903
Social security contributions	AIIH	7 173	8 833	9 751	10 238	12 020	14 400	16 477	18 732	21 336	22 748
Community charge/Council tax	ADBH	-	-	-	-	-	-	-	-	-	-
Gross trading surplus	AQCB	3 533	5 053	5 263	5 946	6 191	6 585	8 910	9 892	10 049	7 180
Rent and miscellaneous current transfers	AQPF	1 885	2 327	2 500	2 785	3 308	3 967	4 034	3 878	3 655	3 855
Interest and dividends from private sector and abroad	AQCD	1 044	1 303	1 269	1 539	1 936	2 353	2 810	3 333	2 923	3 156
Imputed charge for non-trading capital consumption	AAXG	812	958	1 077	1 225	1 487	1 815	1 976	2 031	2 101	2 232
<b>Total current receipts</b>	<b>AQFN</b>	<b>47 343</b>	<b>55 956</b>	<b>62 372</b>	<b>69 995</b>	<b>85 632</b>	<b>100 481</b>	<b>119 431</b>	<b>129 266</b>	<b>137 307</b>	<b>145 530</b>
<b>Public Sector current expenditure</b>											
Final consumption	AAXI	24 664	28 302	31 064	35 020	41 994	52 123	57 900	63 384	68 393	72 827
Subsidies	AAXJ	3 593	3 650	3 353	3 974	4 927	6 072	6 215	5 848	6 626	7 885
Current grants to personal sector	AQEE	10 561	12 530	15 116	17 818	21 181	25 863	31 584	36 099	39 340	42 344
Current grants paid abroad (net)	-HDKH	474	864	1 343	1 708	1 957	1 425	1 411	1 977	2 323	2 649
Debt interest to private sector and abroad	AQCG	5 009	6 329	7 036	8 048	10 083	12 074	14 075	14 760	14 893	16 485
Depreciation	AQFS	4 378	5 135	5 854	6 634	7 892	9 512	10 379	10 661	11 127	11 064
<b>Total current expenditure</b>	<b>AQFX</b>	<b>48 679</b>	<b>56 810</b>	<b>63 766</b>	<b>73 202</b>	<b>88 034</b>	<b>107 069</b>	<b>121 564</b>	<b>132 729</b>	<b>142 702</b>	<b>153 254</b>
<b>Public Sector current balance</b>	<b>CUNP</b>	<b>1 336</b>	<b>854</b>	<b>1 394</b>	<b>3 207</b>	<b>2 402</b>	<b>6 588</b>	<b>2 133</b>	<b>3 463</b>	<b>5 395</b>	<b>7 724</b>
<b>Public Sector net capital spending</b>											
Gross domestic fixed capital formation	AQCH	9 617	9 876	9 536	10 002	11 537	12 598	11 461	12 721	14 127	13 794
Increase in stocks	AQCI	670	744	210	507	695	351	302	746	137	319
Capital grants to private sector	AQCJ	940	1 161	1 374	1 455	1 598	1 863	2 020	2 539	3 352	3 137
less: Capital transfers from private sector	AQFI	44	58	65	82	116	129	44	153	215	201
less: Depreciation	AQFS	4 378	5 135	5 854	6 634	7 892	9 512	10 379	10 661	11 127	11 064
<b>Total net capital spending</b>		<b>6 805</b>	<b>6 588</b>	<b>5 201</b>	<b>5 248</b>	<b>5 822</b>	<b>5 171</b>	<b>3 360</b>	<b>5 192</b>	<b>6 274</b>	<b>5 985</b>
<b>Public Sector Financial deficit</b>	<b>-AABE</b>	<b>8 141</b>	<b>7 442</b>	<b>6 595</b>	<b>8 455</b>	<b>8 224</b>	<b>11 759</b>	<b>5 493</b>	<b>8 655</b>	<b>11 669</b>	<b>13 709</b>
<b>Privatisation proceeds and other financial transactions</b>											
Lending to private sector and abroad	-AQCL	1 292	1 038	286	508	355	289	929	774	-62	43
Transactions in company securities	AAGY	475	190	-501	532	78	347	365	179	-1 043	-2 121
Transactions concerning certain public sector Pension schemes	-AACW	-412	-418	-421	-474	-489	-813	-607	-681	-696	-719
Accruals adjustments	AAHC	509	372	552	935	2 151	1 262	1 406	-137	990	175
Miscellaneous financial transactions	-AQCX	246	-361	-1 130	-782	-393	-325	1 045	114	-1 181	-956
<b>Public sector borrowing requirement</b>	<b>ABEN</b>	<b>10 251</b>	<b>8 263</b>	<b>5 381</b>	<b>9 174</b>	<b>9 926</b>	<b>12 519</b>	<b>8 631</b>	<b>8 904</b>	<b>9 677</b>	<b>10 131</b>
<b>Public Sector finances as a percentage of GDP:</b>											
Current receipts		42.6	43.0	41.2	40.3	41.1	42.3	45.8	45.2	44.3	43.8
Current expenditure		43.8	43.7	42.1	42.1	42.2	45.0	46.6	46.4	46.0	46.1
Current balance		1.2	0.7	0.9	1.8	1.2	2.8	0.8	1.2	1.7	2.3
Net Capital spending		6.1	5.1	3.4	3.0	2.8	2.2	1.3	1.8	2.0	1.8
Financial Deficit		7.3	5.7	4.4	4.9	3.9	4.9	2.1	3.0	3.8	4.1
Privatisation proceeds and other financial transactions		1.9	0.6	-0.8	0.4	0.8	0.3	1.2	0.1	-0.6	-1.1
Public Sector Borrowing Requirement		9.2	6.4	3.6	5.3	4.8	5.3	3.3	3.1	3.1	3.1

# 10.61

## Finances of the public sector

Definitions are consistent with those in Summer Economic Forecast table 2.5

continued

£ million

		1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1994
		/86	/87	/88	/89	/90	/91	/92	/93	/94	/94	/95
<b>Public Sector current receipts</b>												
Taxes on income and oil royalties	AQFE	53 966	52 918	59 891	63 401	71 879	77 457	76 408	72 825	74 724	84 256	
Taxes on expenditure	AAXC	57 821	64 420	70 392	77 153	81 200	77 176	87 977	87 914	92 365	98 505	
Taxes on capital	AQEX	2 448	3 049	3 286	4 373	4 273	4 027	3 067	2 462	2 269	2 751	
Social security contributions	AIIH	24 639	26 679	29 456	32 842	33 181	35 406	36 868	37 155	39 484	42 491	
Community charge/Council tax	ADBH	-	-	-	-	782	11 245	7 088	8 182	7 988	8 627	
Gross trading surplus	AQCB	8 320	7 670	7 008	7 734	5 964	2 958	1 569	2 994	3 597	5 412	
Rent and miscellaneous current transfers	AQFF	3 986	3 939	4 140	4 316	4 423	4 751	5 239	5 144	5 619	5 606	
Interest and dividends from private sector and abroad	AQCD	4 333	3 854	3 931	4 488	5 118	4 950	4 696	4 126	3 332	3 002	
Imputed charge for non-trading capital consumption	AAHG	2 415	2 643	2 867	3 196	3 539	3 838	3 743	3 636	3 463	3 321	
<b>Total current receipts</b>	<b>AQFN</b>	<b>157 928</b>	<b>165 172</b>	<b>180 971</b>	<b>197 503</b>	<b>210 359</b>	<b>221 808</b>	<b>226 655</b>	<b>224 438</b>	<b>232 841</b>	<b>253 971</b>	
<b>Public Sector current expenditure</b>												
Final consumption	AAXI	76 441	81 840	88 887	95 154	104 146	115 489	126 602	133 399	139 649	145 263	
Subsidies	AAJX	6 631	6 487	6 189	5 854	5 663	6 157	6 206	6 968	7 038	7 187	
Current grants to personal sector	AQEE	46 401	49 733	51 319	52 315	55 015	60 729	72 132	82 847	89 853	93 120	
Current grants paid abroad (net)	-HDKH	2 537	2 687	3 811	2 880	4 544	3 895	2 114	4 940	5 079	4 784	
Debt interest to private sector and abroad	AQCG	18 277	18 036	18 344	18 775	18 732	18 314	16 778	17 871	19 670	22 503	
Depreciation	AQFS	10 549	10 715	10 513	11 310	11 689	10 915	9 910	10 105	10 066	10 301	
<b>Total current expenditure</b>	<b>AQFX</b>	<b>160 836</b>	<b>169 498</b>	<b>179 063</b>	<b>186 288</b>	<b>199 789</b>	<b>215 499</b>	<b>233 742</b>	<b>256 130</b>	<b>271 355</b>	<b>283 158</b>	
<b>Public Sector current balance</b>	<b>CUNP</b>	<b>2 908</b>	<b>4 326</b>	<b>-1 908</b>	<b>-11 215</b>	<b>-10 570</b>	<b>-6 309</b>	<b>7 087</b>	<b>31 692</b>	<b>38 514</b>	<b>29 187</b>	
<b>Public Sector net capital spending</b>												
Gross domestic fixed capital formation	AQCH	13 051	12 929	12 391	11 222	16 925	16 534	16 457	18 184	16 582	17 349	
Increase in stocks	AQCI	207	-672	-310	106	-76	220	199	-109	-289	-548	
Capital grants to private sector	AQCJ	2 685	2 639	2 587	3 255	3 405	3 950	4 944	5 437	5 311	4 904	
less: Capital transfers from private sector	AQFI	208	313	338	353	439	379	199	91	188	81	
less: Depreciation	AQFS	10 549	10 715	10 513	11 310	11 689	10 915	9 910	10 105	10 066	10 301	
<b>Total net capital spending</b>		<b>5 186</b>	<b>3 868</b>	<b>3 817</b>	<b>2 920</b>	<b>8 126</b>	<b>9 410</b>	<b>11 491</b>	<b>13 316</b>	<b>11 350</b>	<b>11 323</b>	
<b>Public Sector Financial deficit</b>	<b>-AABE</b>	<b>8 094</b>	<b>8 194</b>	<b>1 909</b>	<b>-8 295</b>	<b>-2 444</b>	<b>3 101</b>	<b>18 578</b>	<b>45 008</b>	<b>49 864</b>	<b>40 510</b>	
<b>Privatisation proceeds and other financial transactions</b>												
Lending to private sector and abroad	-AQCL	-266	-33	-68	615	678	-103	-184	121	57	551	
Transactions in company securities	AAGY	-2 821	-3 893	-5 367	-7 028	-4 254	-5 629	-8 390	-8 196	-5 333	-6 697	
<b>Transactions concerning certain public sector</b>												
Pension schemes	-AACW	-483	-883	-634	-833	-102	85	57	173	475	373	
Accruals adjustments	AAHC	829	667	1 368	684	580	253	2 886	630	2 340	2 055	
Miscellaneous financial transactions	-AQCN	269	-467	-724	203	-2 442	1 678	896	-1 532	-2 005	-1 663	
<b>Public sector borrowing requirement</b>	<b>ABEN</b>	<b>5 622</b>	<b>3 585</b>	<b>-3 516</b>	<b>-14 654</b>	<b>-7 984</b>	<b>-615</b>	<b>13 843</b>	<b>36 204</b>	<b>45 398</b>	<b>35 129</b>	
<b>Public Sector finances as a percentage of GDP:</b>												
Current receipts		43.3	42.1	41.6	40.8	40.0	39.8	39.0	37.1	36.4	37.5	
Current expenditure		44.1	43.2	41.2	38.5	38.0	38.7	40.3	42.3	42.4	41.8	
Current balance		0.8	1.1	-0.4	-2.3	-2.0	-1.1	1.2	5.2	6.0	4.3	
Net Capital spending		1.4	1.0	0.9	0.6	1.5	1.7	2.0	2.2	1.8	1.7	
Financial Deficit		2.2	2.1	0.4	-1.7	-0.5	0.6	3.2	7.4	7.8	6.0	
Privatisation proceeds and other financial transactions		-0.7	-1.2	-1.2	-1.3	-1.1	-0.7	-0.8	-1.5	-0.7	-0.8	
Public Sector Borrowing Requirement		1.5	0.9	-0.8	-3.0	-1.5	-0.1	2.4	6.0	7.1	5.2	

# Public sector

## 10.62 Public sector borrowing requirement (PSBR)

Definitions are consistent with those in Summer Economic Forecast table 2.1

£ million

General Government								
Borrowing Requirement								
	Expenditure	Receipts	Total	Borrowing by central government (CGBR(O))	Borrowing by local authorities (LABR)	Central government lending to public corporations	Public corporations' market and overseas borrowing	PSBR
	ABAB	ATAF	ABEH	ABEB	ABEG	ABEI	AAZL	ABEN
1965	13 322	12 174	1 148	-527	1 008	667	22	1 170
1966	14 474	13 524	950	-853	960	843	-1	949
1967	16 684	14 814	1 870	-413	1 120	1 163	-26	1 844
1968	18 307	17 021	1 286	-949	1 135	1 100	-34	1 252
1969	19 030	19 354	-324	-2 354	1 134	896	-210	-534
1970	20 918	21 098	-180	-2 278	1 237	861	129	-51
1971	23 529	22 253	1 276	-1 242	1 373	1 145	44	1 320
1972	26 453	24 395	2 058	-408	1 387	1 079	-108	1 950
1973	30 540	26 929	3 611	486	2 384	741	482	4 093
1974	39 264	33 612	5 652	1 677	3 330	645	799	6 451
1975	51 560	41 811	9 749	4 953	2 784	2 012	412	10 161
1976	58 651	50 776	7 875	4 771	1 604	1 500	1 024	8 899
1977	62 027	57 610	4 417	2 545	1 429	443	1 002	5 419
1978	72 431	63 511	8 920	6 042	1 061	1 817	-580	8 340
1979	85 729	73 545	12 184	6 613	2 375	3 196	367	12 551
1980	104 290	91 789	12 501	6 456	2 940	3 105	-715	11 786
1981	117 101	105 757	11 344	10 341	264	739	-837	10 507
1982	128 755	123 075	5 680	4 423	-798	2 055	-812	4 868
1983	138 521	126 548	11 973	9 299	1 228	1 446	-399	11 574
1984	147 218	137 512	9 706	6 677	2 304	725	590	10 296
1985	157 764	149 335	8 429	6 238	1 585	606	-984	7 445
1986	162 339	159 042	3 297	2 544	673	80	-932	2 365
1987	169 241	169 901	-660	-914	736	-482	-678	-1 338
1988	178 237	187 428	-9 191	-10 592	595	806	-2 688	-11 879
1989	197 086	204 232	-7 146	-9 656	565	1 945	-2 183	-9 329
1990	215 593	217 262	-1 669	-1 104	3 735	-4 300	-658	-2 327
1991	228 407	220 018	8 389	6 587	1 914	-112	-702	7 687
1992	254 604	225 094	29 510	33 756	-5 548	1 302	-898	28 612
1993	273 113	228 678	44 435	46 261	-2 870	1 044	-1 910	42 525
1994	285 736	246 387	39 349	38 664	77	608	-2 250	37 099
1965/66	13 599	12 667	932	-711	988	655	16	948
1966/67	15 052	13 864	1 188	-765	1 038	915	-45	1 143
1967/68	17 451	15 368	2 083	-341	1 105	1 319	-65	2 018
1968/69	18 240	17 874	366	-1 695	1 166	895	-1	365
1969/70	19 327	19 723	-396	-2 391	1 082	913	-206	-602
1970/71	21 606	21 050	556	-1 643	1 278	921	221	777
1971/72	24 363	23 206	1 157	-1 388	1 407	1 138	-184	973
1972/73	27 631	25 163	2 468	-265	1 542	1 191	-33	2 435
1973/74	31 969	28 335	3 634	604	2 528	502	708	4 342
1974/75	42 870	35 558	7 312	2 653	3 339	1 320	689	8 001
1975/76	53 823	43 897	9 926	5 600	2 381	1 945	325	10 251
1976/77	59 595	52 370	7 225	4 224	1 996	1 005	1 038	8 263
1977/78	63 863	58 984	4 879	2 757	1 420	702	502	5 381
1978/79	74 999	66 115	8 884	5 832	1 311	1 741	290	9 174
1979/80	89 992	79 578	10 414	4 364	2 969	3 081	-488	9 926
1980/81	108 637	95 086	13 551	9 391	2 120	2 040	-1 032	12 519
1981/82	120 516	111 963	8 553	6 560	-224	2 217	78	8 631
1982/83	132 672	122 639	10 033	7 742	83	2 208	-1 129	8 904
1983/84	140 436	130 522	9 914	7 998	1 209	707	-237	9 677
1984/85	150 789	141 534	9 255	6 533	2 387	335	876	10 131
1985/86	158 510	151 626	6 884	4 261	1 674	949	-1 262	5 622
1986/87	164 555	159 695	4 860	4 662	132	66	-1 275	3 585
1987/88	173 527	175 505	-1 978	-3 282	1 275	29	-1 538	-3 516
1988/89	179 844	191 587	-11 743	-13 067	340	984	-2 911	-14 654
1989/90	200 863	207 449	-6 586	-5 367	1 304	-2 523	-1 398	-7 984
1990/91	218 169	218 774	-605	-2 914	3 324	-1 015	-10	-615
1991/92	236 231	222 270	13 961	11 734	1 676	551	-118	13 843
1992/93	260 572	222 784	37 788	42 403	-5 800	1 185	-1 584	36 204
1993/94	277 370	230 560	46 810	48 101	-2 795	1 504	-1 412	45 398
1994/95	287 240	249 532	37 708	38 295	-1 045	458	-2 579	35 129

# Public sector

## 10.63 Public sector borrowing requirement (PSBR) as a % of GDP

Definitions are consistent with those in Summer Economic Forecast table 2.1

% of GDP

	Gross Domestic Product (GDP(A))	General Government							Market and overseas borrowing by PC's	PSBR
		Borrowing Requirement					CG lending to PCs			
		Expenditure	Receipts	Total	CGBR(O)	LABR				
	CAOB									
1965	36 035	37.0	33.8	3.2	-1.5	2.8	1.9	0.1	3.2	
1966	38 370	37.7	35.2	2.5	-2.2	2.5	2.2	-	2.5	
1967	40 400	41.3	36.7	4.6	-1.0	2.8	2.9	-0.1	4.6	
1968	43 808	41.8	38.9	2.9	-2.2	2.6	2.5	-0.1	2.9	
1969	47 153	40.4	41.0	-0.7	-5.0	2.4	1.9	-0.4	-1.1	
1970	51 770	40.4	40.8	-0.3	-4.4	2.4	1.7	0.2	-0.1	
1971	57 748	40.7	38.5	2.2	-2.2	2.4	2.0	0.1	2.3	
1972	64 663	40.9	37.7	3.2	-0.6	2.1	1.7	-0.2	3.0	
1973	74 257	41.1	36.3	4.9	0.7	3.2	1.0	0.6	5.5	
1974	83 862	46.8	40.1	6.7	2.0	4.0	0.8	1.0	7.7	
1975	105 852	48.7	39.5	9.2	4.7	2.6	1.9	0.4	9.6	
1976	125 247	46.8	40.5	6.3	3.8	1.3	1.2	0.8	7.1	
1977	145 983	42.5	39.5	3.0	1.7	1.0	0.3	0.7	3.7	
1978	168 526	43.0	37.7	5.3	3.6	0.6	1.1	-0.3	4.9	
1979	198 221	43.2	37.1	6.1	3.3	1.2	1.6	0.2	6.3	
1980	231 772	45.0	39.6	5.4	2.8	1.3	1.3	-0.3	5.1	
1981	254 927	45.9	41.5	4.4	4.1	0.1	0.3	-0.3	4.1	
1982	279 041	46.1	44.1	2.0	1.6	-0.3	0.7	-0.3	1.7	
1983	304 456	45.5	41.6	3.9	3.1	0.4	0.5	-0.1	3.8	
1984	325 852	45.2	42.2	3.0	2.0	0.7	0.2	0.2	3.2	
1985	357 344	44.1	41.8	2.4	1.7	0.4	0.2	-0.3	2.1	
1986	384 843	42.2	41.3	0.9	0.7	0.2	-	-0.2	0.6	
1987	423 381	40.0	40.1	-0.2	-0.2	0.2	-0.1	-0.2	-0.3	
1988	471 430	37.8	39.8	-1.9	-2.2	0.1	0.2	-0.6	-2.5	
1989	515 957	38.2	39.6	-1.4	-1.9	0.1	0.4	-0.4	-1.8	
1990	551 118	39.1	39.4	-0.3	-0.2	0.7	-0.8	-0.1	-0.4	
1991	575 321	39.7	38.2	1.5	1.1	0.3	-	-0.1	1.3	
1992	597 242	42.6	37.7	4.9	5.7	-0.9	0.2	-0.2	4.8	
1993	630 707	43.3	36.3	7.0	7.3	-0.5	0.2	-0.3	6.7	
1994	668 866	42.7	36.8	5.9	5.8	-	0.1	-0.3	5.5	
1965/66	36 613	37.1	34.6	2.5	-1.9	2.7	1.8	-	2.6	
1966/67	38 856	38.7	35.7	3.1	-2.0	2.7	2.4	-0.1	2.9	
1967/68	41 196	42.4	37.3	5.1	-0.8	2.7	3.2	-0.2	4.9	
1968/69	44 646	40.9	40.0	0.8	-3.8	2.6	2.0	-	0.8	
1969/70	47 963	40.3	41.1	-0.8	-5.0	2.3	1.9	-0.4	-1.3	
1970/71	53 188	40.6	39.6	1.0	-3.1	2.4	1.7	0.4	1.5	
1971/72	59 286	41.1	39.1	2.0	-2.3	2.4	1.9	-0.3	1.6	
1972/73	67 613	40.9	37.2	3.7	-0.4	2.3	1.8	-	3.6	
1973/74	75 014	42.6	37.8	4.8	0.8	3.4	0.7	0.9	5.8	
1974/75	89 388	48.0	39.8	8.2	3.0	3.7	1.5	0.8	9.0	
1975/76	111 201	48.4	39.5	8.9	5.0	2.1	1.7	0.3	9.2	
1976/77	130 024	45.8	40.3	5.6	3.2	1.5	0.8	0.8	6.4	
1977/78	151 328	42.2	39.0	3.2	1.8	0.9	0.5	0.3	3.6	
1978/79	173 747	43.2	38.1	5.1	3.4	0.8	1.0	0.2	5.3	
1979/80	208 588	43.1	38.2	5.0	2.1	1.4	1.5	-0.2	4.8	
1980/81	237 705	45.7	40.0	5.7	4.0	0.9	0.9	-0.4	5.3	
1981/82	260 954	46.2	42.9	3.3	2.5	-0.1	0.8	-	3.3	
1982/83	285 803	46.4	42.9	3.5	2.7	-	0.8	-0.4	3.1	
1983/84	309 970	45.3	42.1	3.2	2.6	0.4	0.2	-0.1	3.1	
1984/85	332 109	45.4	42.6	2.8	2.0	0.7	0.1	0.3	3.1	
1985/86	364 878	43.4	41.6	1.9	1.2	0.5	0.3	-0.3	1.5	
1986/87	392 748	41.9	40.7	1.2	1.2	-	-	-0.3	0.9	
1987/88	434 778	39.9	40.4	-0.5	-0.8	0.3	-	-0.4	-0.8	
1988/89	484 138	37.1	39.6	-2.4	-2.7	0.1	0.2	-0.6	-3.0	
1989/90	525 809	38.2	39.5	-1.3	-1.0	0.2	-0.5	-0.3	-1.5	
1990/91	556 781	39.2	39.3	-0.1	-0.5	0.6	-0.2	-	-0.1	
1991/92	580 518	40.7	38.3	2.4	2.0	0.3	0.1	-	2.4	
1992/93	605 156	43.1	36.8	6.2	7.0	-1.0	0.2	-0.3	6.0	
1993/94	640 314	43.3	36.0	7.3	7.5	-0.4	0.2	-0.2	7.1	
1994/95	677 256	42.4	36.8	5.6	5.7	-0.2	0.1	-0.4	5.2	



# Public sector

## 10.64 Public sector transactions by sub-sector and economic category

Definitions are consistent with those in 1995-96 FSBR table 4A.6

£ million

1994-95						
General government						
Line	Central government	Local authorities	Total	Public corporations	Public sector	
<i>Current receipts</i>						
1	84 429		84 429	-173	84 256	
2	98 357	148	98 505		98 505	
3	2 751		2 751	-	2 751	
4	42 491		42 491		42 491	
5		8 627	8 627		8 627	
6	-76	462	386	5 026	5 412	
7	944	4 198	5 142	464	5 606	
8	2 351	472	2 823	179	3 002	
9	5 811	-3 692	2 119	-2 119		
10	1 361	1 960	3 321		3 321	
<b>Total current receipts</b>	<b>238 419</b>	<b>12 175</b>	<b>250 594</b>	<b>3 377</b>	<b>253 971</b>	
<i>Current expenditure</i>						
12	94 056	51 207	145 263		145 263	
13	1 605	4 719	6 324	3 977	10 301	
14	6 420	767	7 187		7 187	
15	80 143	12 977	93 120		93 120	
16	4 784		4 784		4 784	
17	56 190	-56 190				
18	22 131	485	22 616	-113	22 503	
19						
<b>Total current expenditure</b>	<b>265 329</b>	<b>13 965</b>	<b>279 294</b>	<b>3 864</b>	<b>283 158</b>	
<b>Current deficit</b>	<b>26 910</b>	<b>1 790</b>	<b>28 700</b>	<b>487</b>	<b>29 187</b>	
<b>Capital transfers</b>		<b>188</b>	<b>188</b>	<b>-107</b>	<b>81</b>	
<i>Capital expenditure</i>						
23	5 787	6 436	12 223	5 126	17 349	
24	-1 605	-4 719	-6 324	-3 977	-10 301	
25	-279		-279	-269	-548	
26	3 436	1 105	4 541	363	4 904	
27	6 343	-3 140	3 203	-3 203		
28						
<b>Total capital expenditure</b>	<b>13 682</b>	<b>-318</b>	<b>13 364</b>	<b>-1 960</b>	<b>11 404</b>	
<b>Financial deficit<sup>2</sup></b>	<b>40 592</b>	<b>1 284</b>	<b>41 876</b>	<b>-1 366</b>	<b>40 510</b>	
<i>Financial transactions</i>						
31	748	-190	558	-7	551	
32	-6 451	17	-6 434	-263	-6 697	
33	373		373		373	
34	3 661	-1 195	2 466	-204	2 262	
35	-24	-123	-147	-60	-207	
36	-604	-838	-1 442	-221	-1 663	
<b>Borrowing requirement</b>	<b>38 295</b>	<b>-1 045</b>	<b>37 250</b>	<b>-2 121</b>	<b>35 129</b>	

Relationship between lines:

21=20-11

30=21-22+29

37=30+lines 31 to 36

1 Includes non-trading capital consumption.

2 The balance of current and capital accounts, financed by net borrowing/lending.

The financing components are shown in lines 31 to 36.

3 Including privatisation proceeds.

# Taxation

## 10.71 Taxes on income and capital, other revenue: allocation by sector, type of income, and property

£ million

		1978	1979	1980	1981	1982	1983	1984	1985	1986
<b>TAXES ON INCOME AND SOCIAL SECURITY, ETC CONTRIBUTIONS</b>										
Taxes on income (payments):										
Personal sector	AIIG	19 460	21 586	25 683	28 949	31 366	33 180	34 736	37 774	40 805
less Tax credits	-DBAI	-935	-1 411	-1 346	-1 379	-1 573	-1 864	-2 202	-2 687	-3 109
Companies	DAAB	3 526	3 949	5 219	5 481	6 387	6 870	7 891	9 348	9 538
Public corporations	ADRK	28	68	52	172	435	244	285	103	313
Non-residents	DKGN	545	1 047	1 394	2 911	3 667	4 914	5 948	7 060	4 426
Social security contributions	AIIH	10 101	11 526	13 939	15 916	18 095	20 780	22 322	24 210	26 165
Community charge	ADBH	-	-	-	-	-	-	-	-	-
Royalties	CTAI	278	522	936	1 348	1 588	1 837	2 433	2 240	925
ITC franchise payments	CUKL	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>GIKP</b>	<b>33 003</b>	<b>37 287</b>	<b>45 877</b>	<b>53 398</b>	<b>59 965</b>	<b>65 961</b>	<b>71 413</b>	<b>78 048</b>	<b>79 063</b>
<b>Income tax:</b>										
Deducted from										
Wages, salaries and forces' pay	GIKG	15 290	17 007	20 755	23 337	24 796	27 518	29 386	31 436	34 013
Dividends, interest, rent and trading incomes	GIKH	3 094	3 205	3 533	4 299	4 848	5 349	6 039	7 021	6 369
Social security benefits	GIKI	383	441	537	703	936	1 038	1 070	1 107	1 206
Life assurance premiums relieved at source	GIKJ	-	-310	-514	-530	-557	-659	-733	-636	-590
Mortgage interest relieved at source	GIKK	-	-	-	-	-	-1 655	-2 817	-3 728	-3 613
<b>Surtax</b>	<b>GTAP</b>	<b>18</b>	<b>12</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Petroleum revenue tax</b>	<b>GTAH</b>	<b>183</b>	<b>726</b>	<b>1 799</b>	<b>2 477</b>	<b>2 821</b>	<b>5 443</b>	<b>6 873</b>	<b>7 369</b>	<b>2 698</b>
<b>Supplementary petroleum duty</b>	<b>GTAI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 531</b>	<b>2 214</b>	<b>676</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Corporation tax</b>	<b>GTAJ</b>	<b>3 589</b>	<b>4 123</b>	<b>4 835</b>	<b>4 267</b>	<b>5 165</b>	<b>5 616</b>	<b>6 791</b>	<b>9 015</b>	<b>11 827</b>
less Overspill relief	GTAK	-2	-19	-1	-1	-	-	-	-	-
<b>Independent Broadcasting Authority levy</b>	<b>GTAL</b>	<b>69</b>	<b>54</b>	<b>52</b>	<b>48</b>	<b>56</b>	<b>15</b>	<b>48</b>	<b>14</b>	<b>63</b>
<b>Social security contributions:</b>										
Employers	CRAN	6 069	6 889	8 210	8 814	9 344	10 536	11 269	12 245	13 540
Employees	GIKT	3 713	4 373	5 412	6 747	8 269	9 692	10 453	11 220	11 900
Self-employed and non-employed persons	GIKU	319	264	317	355	482	552	600	745	725
<b>Community charge</b>	<b>ADBH</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Royalties</b>	<b>CTAI</b>	<b>278</b>	<b>522</b>	<b>936</b>	<b>1 348</b>	<b>1 588</b>	<b>1 837</b>	<b>2 433</b>	<b>2 240</b>	<b>925</b>
ITC franchise payments	CUKL	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>GIKP</b>	<b>33 003</b>	<b>37 287</b>	<b>45 877</b>	<b>53 398</b>	<b>59 965</b>	<b>65 961</b>	<b>71 413</b>	<b>78 048</b>	<b>79 063</b>
<b>TAXES ON CAPITAL</b>										
Personal sector	GIKW	715	848	960	1 028	1 214	1 321	1 486	1 808	1 937
Companies	FMCE	91	128	168	435	341	290	287	486	978
Public corporations	ADSB	2	3	6	8	4	5	10	3	61
<b>Total</b>	<b>ACIC</b>	<b>808</b>	<b>979</b>	<b>1 134</b>	<b>1 471</b>	<b>1 559</b>	<b>1 616</b>	<b>1 783</b>	<b>2 297</b>	<b>2 976</b>
<b>Death duties:</b>										
Land and buildings	GILA	110	146	163	160	157	162	166	209	228
Government and local authority debt	GILB	26	27	34	36	39	48	55	72	76
Company and overseas securities	GILC	108	108	123	136	154	185	219	309	355
Other assets	GTNW	104	112	113	117	128	145	162	215	235
<b>Total</b>	<b>GILF</b>	<b>348</b>	<b>393</b>	<b>433</b>	<b>449</b>	<b>478</b>	<b>540</b>	<b>602</b>	<b>805</b>	<b>894</b>
Tax on other capital transfers	GILG	24	25	14	28	40	31	58	49	60
Taxes on capital gains	GILH	416	529	645	684	886	974	1 048	1 375	1 957
Development land tax	GILJ	20	32	42	43	67	71	75	68	65
Special tax on banking deposits	ACCL	-	-	-	267	88	-	-	-	-
<b>Total</b>	<b>ACIC</b>	<b>808</b>	<b>979</b>	<b>1 134</b>	<b>1 471</b>	<b>1 559</b>	<b>1 616</b>	<b>1 783</b>	<b>2 297</b>	<b>2 976</b>

# 10.71 Taxes on income and capital, other revenue: allocation by sector, type of income, and property

continued

£ million

		1987	1988	1989	1990	1991	1992	1993	1994
<b>TAXES ON INCOME AND SOCIAL SECURITY, ETC CONTRIBUTIONS</b>									
Taxes on income (payments):									
Personal sector	AIIG	43 459	48 274	53 589	61 543	63 419	65 178	63 828	68 336
less Tax credits	-DBAI	-3 506	-4 452	-5 383	-5 888	-6 013	-6 851	-5 709	-5 938
Companies	DAAB	11 602	13 655	16 239	14 972	13 179	11 664	11 370	14 158
Public corporations	ADRK	62	103	102	161	451	199	151	132
Non-residents	DKGN	4 041	4 143	5 453	6 087	4 142	3 541	3 617	3 866
Social security contributions	AIIH	28 642	32 106	32 902	34 651	36 373	37 085	38 753	41 977
Community charge	ADBH	-	-	586	8 629	8 128	7 907	8 038	8 465
Royalties	CTAI	1 127	799	522	625	543	569	600	554
ITC franchise payments	CUKL	-	-	-	-	-	-	350	380
<b>Total</b>	<b>GIKP</b>	<b>85 427</b>	<b>94 628</b>	<b>104 010</b>	<b>120 780</b>	<b>120 222</b>	<b>119 292</b>	<b>120 998</b>	<b>131 930</b>
<b>Income tax:</b>									
Deducted from									
Wages, salaries and forces' pay	GIKG	36 356	38 643	43 415	48 504	50 279	51 510	52 499	56 378
Dividends, interest, rent and trading incomes	GIKH	6 780	8 305	8 887	11 418	10 745	10 161	8 059	8 152
Social security benefits	GIKI	1 213	1 143	1 127	1 273	1 300	1 250	1 200	1 200
Life assurance premiums relieved at source	GIKJ	-508	-477	-385	-308	-268	-234	-168	-138
Mortgage interest relieved at source	GIKK	-3 885	-4 034	-5 423	-6 224	-5 628	-4 921	-3 795	-3 201
<b>Surtax</b>	<b>GTAP</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Petroleum revenue tax</b>	<b>GTAH</b>	<b>1 754</b>	<b>1 505</b>	<b>1 003</b>	<b>942</b>	<b>-105</b>	<b>7</b>	<b>380</b>	<b>822</b>
<b>Supplementary petroleum duty</b>	<b>GTAI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Corporation tax</b>	<b>GTAJ</b>	<b>13 865</b>	<b>16 548</b>	<b>21 273</b>	<b>21 136</b>	<b>18 742</b>	<b>15 886</b>	<b>15 082</b>	<b>17 341</b>
less Overspill relief	GTAJ	-	-	-	-	-	-	-	-
<b>Independent Broadcasting Authority levy</b>	<b>GTAL</b>	<b>83</b>	<b>90</b>	<b>103</b>	<b>134</b>	<b>113</b>	<b>72</b>	<b>-</b>	<b>-</b>
<b>Social security contributions:</b>									
Employers	CEAN	14 878	16 817	17 912	20 076	21 267	21 651	22 827	23 381
Employees	GIKT	13 009	14 347	13 942	13 398	13 900	14 159	14 494	17 056
Self-employed and non-employed persons	GIKU	755	942	1 048	1 177	1 206	1 275	1 432	1 540
<b>Community charge</b>	<b>ADBH</b>	<b>-</b>	<b>-</b>	<b>586</b>	<b>8 629</b>	<b>8 128</b>	<b>7 907</b>	<b>8 038</b>	<b>8 465</b>
<b>Royalties</b>	<b>CTAI</b>	<b>1 127</b>	<b>799</b>	<b>522</b>	<b>625</b>	<b>543</b>	<b>569</b>	<b>600</b>	<b>554</b>
ITC franchise payments	CUKL	-	-	-	-	-	-	350	380
<b>Total</b>	<b>GIKP</b>	<b>85 427</b>	<b>94 628</b>	<b>104 010</b>	<b>120 780</b>	<b>120 222</b>	<b>119 292</b>	<b>120 998</b>	<b>131 930</b>
<b>TAXES ON CAPITAL</b>									
Personal sector	GIKW	2 294	3 246	3 175	3 207	2 623	2 300	2 064	2 258
Companies	FMCE	784	907	1 265	1 004	728	335	247	350
Public corporations	ADSB	-	-	-	-	-	-	-	-
<b>Total</b>	<b>ACIC</b>	<b>3 078</b>	<b>4 153</b>	<b>4 440</b>	<b>4 211</b>	<b>3 351</b>	<b>2 635</b>	<b>2 311</b>	<b>2 608</b>
<b>Death duties:</b>									
Land and buildings	GILA	277	337	423	423	359	297	268	285
Government and local authority debt	GILB	75	65	59	63	59	63	68	77
Company and overseas securities	GILC	396	389	376	434	441	446	499	603
Other assets	GTNW	260	261	280	355	361	379	398	456
<b>Total</b>	<b>GILP</b>	<b>1 008</b>	<b>1 052</b>	<b>1 138</b>	<b>1 275</b>	<b>1 220</b>	<b>1 185</b>	<b>1 233</b>	<b>1 421</b>
Tax on other capital transfers	GILG	50	38	33	40	43	42	35	22
Taxes on capital gains	GILH	1 990	3 046	3 258	2 890	2 087	1 407	1 042	1 164
Development land tax	GILJ	30	17	11	6	1	1	1	1
Special tax on banking deposits	ACCL	-	-	-	-	-	-	-	-
<b>Total</b>	<b>ACIC</b>	<b>3 078</b>	<b>4 153</b>	<b>4 440</b>	<b>4 211</b>	<b>3 351</b>	<b>2 635</b>	<b>2 311</b>	<b>2 608</b>

# Taxation

## 10.72 Taxes and social security contributions by category as a percentage of the total, for G7 countries

Percentages

	1978	1979	1980	1981	1982	1983	1984	1985
<b>UNITED KINGDOM</b>								
Direct taxes:								
Paid by households	34.5	31.4	31.8	31.1	30.5	29.8	29.0	28.9
Paid by corporations	7.4	7.7	7.4	8.2	9.1	9.6	10.6	11.5
Indirect taxes	39.5	43.2	43.3	43.6	42.8	42.0	41.8	41.0
of which: VAT	9.3	13.0	14.3	12.1	13.7	13.8	14.7	15.3
Taxes on capital	0.7	0.6	0.6	0.5	0.5	0.6	0.6	0.7
Social security contributions	17.9	17.1	16.9	16.6	17.0	18.0	18.1	18.0
of which: paid by employers	7.2	6.9	6.9	7.4	8.2	8.9	8.9	8.9
Community charge	-	-	-	-	-	-	-	-
<b>UNITED STATES</b>								
Direct taxes:								
Paid by households	36.5	37.9	37.9	39.2	39.5	37.1	35.8	36.6
Paid by corporations	13.2	12.4	11.0	9.2	7.0	8.1	8.9	8.5
Indirect taxes	28.2	26.9	28.4	28.4	29.0	30.0	30.0	29.4
Taxes on capital	1.1	1.0	1.1	1.0	1.2	0.9	0.8	0.8
Social security contributions	20.9	21.7	21.6	22.2	23.3	23.9	24.5	24.7
of which: paid by employers	9.6	10.0	10.1	10.5	11.1	11.2	11.3	11.8
<b>CANADA</b>								
Direct taxes:								
Paid by households	34.9	34.9	36.3	35.8	36.8	36.8	35.9	36.2
Paid by corporations	12.2	13.3	16.3	14.5	13.7	13.4	14.4	13.9
Indirect taxes	40.0	39.6	38.4	40.4	39.7	38.8	39.0	38.6
of which: VAT	-	-	-	..	..	..	..	..
Taxes on capital	0.6	0.5	0.4	0.3	0.5	0.6	0.6	0.6
Social security contributions	12.4	11.8	8.5	9.0	9.3	10.3	10.2	10.7
of which: paid by employers	7.2	6.9	6.9	7.2	7.1	7.9	8.0	8.3
<b>FRANCE</b>								
Direct taxes:								
Paid by households	14.6	14.0	14.5	14.8	14.7	15.4	15.4	14.9
Paid by corporations	5.4	5.4	5.7	5.8	5.9	5.2	5.5	5.6
Indirect taxes	37.9	37.7	36.6	36.2	36.0	35.5	35.4	35.5
of which: VAT	21.4	21.4	20.9	20.9	21.0	20.3	19.6	19.7
Taxes on capital	0.5	0.6	0.6	0.8	0.6	0.6	0.6	0.6
Social security contributions	41.6	42.3	42.7	42.4	42.7	43.3	43.1	43.3
of which: paid by employers	29.1	28.5	28.3	28.3	28.2	28.3	27.6	27.8
<b>GERMANY</b>								
Direct taxes:								
Paid by households	26.5	25.5	26.2	25.3	25.0	24.7	24.5	24.9
Paid by corporations	4.9	5.1	4.5	4.2	4.3	4.6	4.9	5.4
Indirect taxes	31.5	32.0	31.6	31.2	30.6	31.2	31.3	30.4
of which: VAT	13.8	14.7	15.3	15.4	14.8	15.4	15.3	14.5
Taxes on capital	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Social security contributions	36.9	37.2	37.6	39.1	40.0	39.3	39.1	39.2
of which: paid by employers	19.4	19.6	19.7	20.7	21.2	20.7	20.7	20.7
<b>ITALY</b>								
Direct taxes:								
Paid by households	24.9	24.8	27.5	30.1	30.1	30.0	30.7	31.1
Paid by corporations	5.5	5.1	4.2	4.8	5.3	5.6	5.7	6.4
Indirect taxes	31.6	30.4	30.4	28.4	27.5	28.2	28.7	27.7
of which: VAT	13.9	14.1	15.5	15.0	14.4	14.8	15.2	14.4
Taxes on capital	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Social security contributions	37.9	39.5	37.7	36.5	36.9	36.0	34.6	34.6
of which: paid by employers	6.8	9.5	9.5	9.1	10.3	10.2	10.1	9.9
<b>JAPAN</b>								
Direct taxes:								
Paid by households	21.0	22.9	25.6	25.8	25.9	26.6	25.7	24.7
Paid by corporations	18.9	17.2	16.4	16.2	16.0	15.8	16.6	17.8
Indirect taxes	29.7	29.7	28.8	28.2	27.7	26.8	27.5	27.5
of which: VAT	..	..	-	..	..	..	..	..
Taxes on capital	0.9	0.8	0.7	0.8	0.9	1.0	1.1	1.2
Social security contributions	29.6	29.4	28.5	29.0	29.5	29.8	29.1	28.9
of which: paid by employers	14.0	14.8	14.0	14.3	14.5	14.7	14.3	14.1

# 10.72 Taxes and social security contributions by category as a percentage of the total, for G7 countries

continued Percentages

	1986	1987	1988	1989	1990	1991	1992
<b>UNITED KINGDOM</b>							
Direct taxes:							
Paid by households	29.0	28.3	28.3	28.5	30.1	30.0	30.0
Paid by corporations	9.5	9.5	9.8	11.3	10.1	8.0	6.8
Indirect taxes	42.6	43.2	42.8	41.6	37.8	40.0	41.0
of which: VAT	15.7	15.8	16.8	16.8	16.5	18.6	19.7
Taxes on capital	0.7	0.7	0.6	0.6	0.7	0.6	0.6
Social security contributions	18.2	18.3	18.4	17.5	17.1	17.5	17.9
of which: paid by employers	8.8	8.8	8.8	8.0	7.2	7.3	7.4
Community charge	-	-	-	0.4	4.1	3.8	3.6
<b>UNITED STATES</b>							
Direct taxes:							
Paid by households	36.3	37.2	36.0	37.2	36.9	35.9	36.4
Paid by corporations	8.9	9.7	9.9	9.3	8.6	7.6	7.7
Indirect taxes	28.7	27.8	27.5	27.3	27.7	29.1	29.4
Taxes on capital	0.8	0.8	0.8	0.8	1.0	0.9	-
Social security contributions	25.3	24.6	25.8	25.5	25.8	26.5	26.5
of which: paid by employers	12.2	12.0	12.7	13.5	13.7	13.3	13.2
<b>CANADA</b>							
Direct taxes:							
Paid by households	37.9	38.2	38.2	38.3	41.9	41.0	39.6
Paid by corporations	12.7	12.8	12.2	12.0	10.5	9.2	9.1
Indirect taxes	38.4	38.1	37.8	38.8	36.0	37.4	37.9
of which: VAT	..	..	..	..	1.4	7.3	6.7
Taxes on capital	0.5	0.5	1.3	1.4	1.3	1.3	1.1
Social security contributions	10.5	10.4	10.5	9.6	10.3	11.1	12.3
of which: paid by employers	8.3	8.0	8.1	10.4	10.3	11.0	12.0
<b>FRANCE</b>							
Direct taxes:							
Paid by households	14.9	14.6	13.9	13.7	13.8	15.6	15.7
Paid by corporations	6.2	6.4	6.6	6.9	6.7	5.8	4.8
Indirect taxes	35.3	35.2	35.5	34.7	34.6	33.6	33.4
of which: VAT	19.2	19.2	19.3	18.9	18.4	17.6	17.4
Taxes on capital	0.7	0.8	0.9	0.9	1.0	0.9	0.9
Social security contributions	42.9	43.0	43.2	43.9	44.0	44.1	45.1
of which: paid by employers	27.3	27.0	26.9	27.0	27.0	27.1	27.4
<b>GERMANY</b>							
Direct taxes:							
Paid by households	24.9	25.6	25.1	25.7	23.8	25.2	25.6
Paid by corporations	5.2	4.5	4.8	4.9	4.4	4.1	3.9
Indirect taxes	30.0	29.9	30.0	30.3	31.6	31.4	31.4
of which: VAT	14.1	14.5	14.4	14.3	15.4	16.6	17.1
Taxes on capital	0.2	0.3	0.3	0.2	0.3	0.2	0.3
Social security contributions	39.7	39.8	39.8	38.8	39.9	39.1	38.8
of which: paid by employers	21.0	21.0	21.0	20.6	21.1	20.8	20.7
<b>ITALY</b>							
Direct taxes:							
Paid by households	29.5	28.7	30.4	29.3	29.2	29.2	..
Paid by corporations	7.0	8.3	6.2	8.3	8.1	7.4	..
Indirect taxes	28.1	28.6	29.7	29.2	29.3	30.2	29.7
of which: VAT	15.0	14.7	15.3	14.0	14.8	14.3	14.0
Taxes on capital	0.3	0.2	0.2	0.2	0.1	0.1	0.1
Social security contributions	35.1	34.2	33.6	33.0	33.3	33.1	33.3
of which: paid by employers	10.2	10.3	9.9	9.3	9.4	9.9	..
<b>JAPAN</b>							
Direct taxes:							
Paid by households	25.5	25.2	24.6	24.2	25.9	27.8	27.1
Paid by corporations	17.3	17.5	18.4	20.2	17.5	16.3	14.3
Indirect taxes	26.5	27.2	27.5	26.5	26.2	24.8	25.9
of which: VAT	..	..	..	3.4	4.3	4.4	4.6
Taxes on capital	1.5	1.7	1.6	1.7	1.4	1.8	1.9
Social security contributions	29.2	28.4	27.9	27.5	29.0	29.3	30.8
of which: paid by employers	13.8	13.7	13.4	12.9	14.0	14.1	15.0

Source: Data derived from OECD statistics

# Social security

## 10.81 Expenditure on social security benefits

£ million

		1978	1979	1980	1981	1982	1983	1984	1985	1986
<b>Total social security benefits</b>	<b>AUAA</b>	15 417	18 122	21 813	27 002	31 677	32 336	34 350	37 609	40 860
<b>Social security funds</b>	<b>GTKP</b>	10 641	12 072	14 689	17 674	19 151	20 582	21 630	23 085	25 383
<b>National insurance fund</b>										
<b>Total national insurance</b>	<b>ACHH</b>	10 521	11 927	14 402	17 168	18 676	20 066	21 215	22 680	24 977
Retirement pensions	CSDG	7 358	8 589	10 257	12 090	13 428	14 636	15 224	16 273	18 013
Widows and guardians allowances	CSDH	517	563	643	710	747	777	798	807	839
Unemployment benefit	CSDI	667	636	1 097	1 763	1 590	1 546	1 602	1 632	1 763
Sickness benefit	CSDJ	649	629	622	608	583	292	280	293	225
Invalidity benefit	CSDK	861	992	1 195	1 357	1 658	1 882	2 172	2 457	2 708
Maternity benefit	CSDL	119	140	166	179	163	149	162	168	176
Statutory sick pay	CSDQ	-	-	-	-	-	327	505	552	712
Statutory maternity pay	GTKZ	-	-	-	-	-	-	-	-	-
Payments in lieu of benefits foregone	GTKV	30	33	35	27	28	13	10	9	2
Death grant	CSDM	16	16	17	17	17	16	17	18	21
Injury benefit	CSDN	53	49	47	46	59	-	-	-	-
Disablement benefit	CSDO	219	245	281	324	352	373	389	411	452
Industrial death benefit	CSDP	32	35	42	47	51	55	56	60	66
<b>Other social security funds</b>										
Redundancy fund benefit	GTKN	96	114	249	459	423	458	355	343	334
Maternity fund benefit	GTKO	24	31	38	47	52	58	60	62	72
Social fund benefit	GTLQ	-	-	-	-	-	-	-	-	-
<b>Other social security benefits</b>										
War pensions and allowances	CSDD	304	342	392	433	476	497	502	557	572
Family benefits	CSDB	1 637	2 727	3 048	3 527	3 938	4 302	4 664	4 928	4 996
Supplementary benefits/Income support	CSD E	2 096	2 255	2 737	4 259	6 635	5 799	6 449	7 667	8 230
Other social security benefits	CSDC	739	726	947	1 109	1 477	1 156	1 105	1 372	1 679

		1987	1988	1989	1990	1991	1992	1993	1994
<b>Total social security benefits</b>	<b>AUAA</b>	41 961	43 056	44 965	48 898	57 381	65 902	71 646	74 224
<b>Social security funds</b>	<b>GTKP</b>	25 878	26 698	28 216	30 704	34 706	37 592	39 670	40 528
<b>National insurance fund</b>									
<b>Total national insurance</b>	<b>ACHH</b>	25 709	26 550	28 054	30 463	34 346	37 130	39 312	40 160
Retirement pensions	CSDG	18 535	19 182	20 587	22 269	25 191	26 788	28 270	28 906
Widows and guardians allowances	CSDH	836	877	827	873	865	1 020	1 023	1 043
Unemployment benefit	CSDI	1 606	1 261	806	780	1 486	1 749	1 685	1 360
Sickness benefit	CSDJ	170	196	227	217	263	348	308	390
Invalidity benefit	CSDK	2 958	3 355	3 793	4 411	5 203	6 078	6 867	7 798
Maternity benefit	CSDL	86	28	31	34	39	42	34	16
Statutory sick pay	CSDQ	855	873	970	974	788	694	694	192
Statutory maternity pay	GTKZ	140	257	284	331	362	411	431	455
Payments in lieu of benefits foregone	GTKV	2	-	-	-	-	-	-	-
Death grant	CSDM	7	-	-	-	-	-	-	-
Injury benefit	CSDN	-	-	-	-	-	-	-	-
Disablement benefit	CSDO	458	460	468	512	134	-	-	-
Industrial death benefit	CSDP	56	61	61	62	15	-	-	-
<b>Other social security funds</b>									
Redundancy fund benefit	GTKN	99	83	68	128	230	308	165	180
Maternity fund benefit	GTKO	47	1	-	-	-	-	-	-
Social fund benefit	GTLQ	23	64	94	113	130	154	193	188
<b>Other social security benefits</b>									
War pensions and allowances	CSDD	552	570	623	677	795	947	940	1 023
Family benefits	CSDB	5 099	5 268	5 361	5 487	6 032	7 035	7 619	8 164
Supplementary benefits/Income support	CSD E	8 316	8 016	8 156	8 907	11 155	15 022	16 676	17 096
Other social security benefits	CSDC	2 116	2 504	2 609	3 123	4 693	5 306	6 741	7 413

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