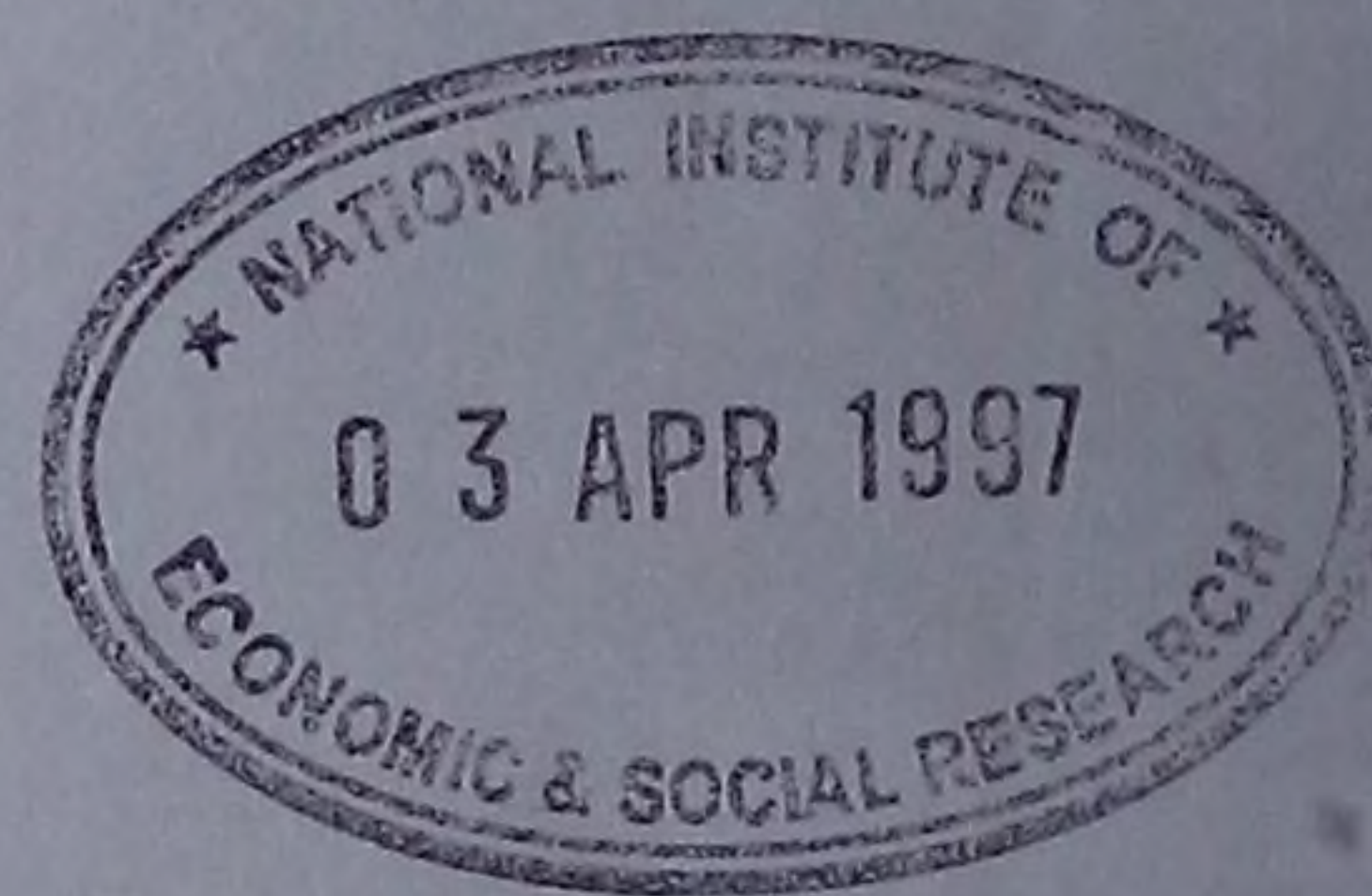


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# Public Expenditure

Statistical Analyses 1997-98

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HM TREASURY  
MARCH, 1997

Cm 3601



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This Analyses summarises the more detailed information on the outcome of the 1996 Public Expenditure Survey published in the series of departmental reports, listed below. They present the Government's expenditure plans for 1997–98 to 1999–2000.

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- Cm 3602 Ministry of Defence
- Cm 3603 Foreign and Commonwealth Office (including Overseas Development Administration)
- Cm 3604 Ministry of Agriculture, Fisheries and Food and Intervention Board
- Cm 3605 Trade and Industry
- Cm 3606 Department of Transport
- Cm 3607 Environment
- Cm 3608 Home Office
- Cm 3609 Lord Chancellor's and Law Officers' Departments
- Cm 3610 Department for Education and Employment
- Cm 3611 Department for National Heritage
- Cm 3612 Department of Health
- Cm 3613 Department of Social Security
- Cm 3614 Scottish Office and Forestry Commission
- Cm 3615 Wales
- Cm 3616 Northern Ireland
- Cm 3617 Chancellor of the Exchequer's smaller Departments and Net Payments to European Community institutions
- Cm 3618 Customs & Excise
- Cm 3619 Inland Revenue
- Cm 3620 Cabinet Office, Privy Council Office Parliament





# Public Expenditure

Statistical Analyses 1997–98

*Presented to Parliament by the Chancellor of the Exchequer  
by Command of Her Majesty March 1997*



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# 1. Public expenditure overview

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## General government expenditure and the Control Total

1.1. The Government's medium-term objective for public spending is that, over time, it should take a declining share of national income. In giving operational effect to this objective, the starting point is the national accounts aggregate which measures public expenditure for Government as a whole, General Government Expenditure (GGE). GGE broadly comprises expenditure by central Government, expenditure by local authorities and subsidies to nationalised industries and other public corporations; it therefore excludes all public corporations' own expenditure. The Government's medium-term objective is actually expressed, however, in a more useful variant of this aggregate: GGE(X), which is GGE with three adjustments. GGE(X) excludes privatisation proceeds and expenditure financed out of the proceeds of the National Lottery; and receipts of interest and dividends from public corporations and the private sector are netted off. A table showing the medium-term trend of GGE(X) is shown in section 3. As a result of the expenditure plans in the Budget, GGE(X) is expected to grow at 2½ per cent a year on average between 1997–98 and 1999–2000. This rate of growth is substantially below the expected growth of the economy, and should result in a reduction in its share of national income. The share is projected to fall from 41¼ per cent in 1996–97 to 38¼ per cent in 1999–2000.

1.2. To help achieve this overall objective, the Government controls expenditure through a different aggregate, the Control Total. Compared to GGE(X), the Control Total excludes volatile elements such as payments of central government debt interest, the cyclical element of social security, and also includes the market and overseas borrowing of public corporations (in order that the financing requirements of public corporations which affect the Public Sector Borrowing Requirement are adequately reflected in the overall control framework). The differences between the Control Total and GGE(X) are set out more fully in Appendix B.

1.3. **Table 1.1** shows the relationship between the Control Total and GGE(X) between 1995–96 and 1999–2000. The table shows cash plans for the Control Total for the three years decided in the Budget, and also changes from plans or projections made in the previous Budget (as set out in the "Public Expenditure Statistical Analyses 1996–97").

1.4. The Control Total has been set at £266.5 billion for 1997–98, £273.7 billion for 1998–99 and £280.9 billion for 1999–2000. In real terms, these totals imply an annual growth of 0.1 per cent, 0.7 per cent and 0.6 per cent respectively. The real terms growth of the Control Total from 1984–85 to 1996–97 and projected real growth up to 1999–2000 can be seen in **Chart 1.1**.

1.5. The estimated outturn for the Control Total and GGE(X) for 1996–97 have been updated to take account of the latest information. The increase in the Control Total compared to that published in last year's "Public Expenditure Statistical Analyses" reflects the impact of Bovine Spongiform Encephalopathy (BSE), which required additional expenditure of £1.5 billion on the agriculture programme.

1.6. **Table 1.2** gives a departmental breakdown of the Control Total over the 9 year period 1991–92 to 1999–2000, and this information is presented in real terms in **Table 1.3**. Each individual line on the tables covers all the expenditure for which the department concerned has direct responsibility. They thus include not only central government expenditure but also, where relevant, support for local authorities and the financing requirements of nationalised



## 1. Public expenditure overview

industries. The remainder of local authority public expenditure is shown in the line for local authority self-financed expenditure. The separate contributions of different spending sectors—the department itself, local authorities, public corporations—to each departmental total are shown in the detailed cash plans tables in each departmental report.

1.7. **Tables 1.4** and **1.5** show the relationship between the Control Total and Supply expenditure. Table 1.4 shows the split of the Control Total between money voted in Estimates, which accounts for about two-thirds, and other expenditure. About 70 per cent of central government expenditure is voted in Estimates. Most of the remainder is expenditure from the National Insurance Fund. About 95 per cent of central government support for local authorities is voted. Most of the rest is accounted for by credit approvals.

1.8. Table 1.5 shows the relationship between the Control Total for 1997–98 and the various control aggregates which operate during the year. It summarises the departmental figures given in the various departmental reports, illustrating how they are split between central government expenditure (whether voted in Estimates or not), central government support for local authorities (also either voted or non-voted) and the financing requirements of nationalised industries. Detailed proposals for the level of voted expenditure will be put forward as part of the Supply Estimates for 1997–98, and will also be spelt out in departmental reports.

1.9. These plans represent the fifth year in succession in which cash plans have been reduced below those set in the previous year, as can be seen in **Chart 1.2**. In real terms the plans are slightly higher than those set out in the 1995 Budget, reflecting a reduction in the forecast price level. GGE(X) as a percentage of GDP remains on a downward path.

### Content of this publication

1.10. This annual publication, formerly known as the Statistical Supplement to the Financial Statement and Budget Report, summarizes some of the information about spending by particular departments, which is provided in their departmental reports, and provides supporting information to the Supply Estimates 1997–98 (HC 335), published shortly. The figures for 1997–98 therefore differ from those published in the Budget in November 1996, as they reflect later policy and estimating changes. Figures for all of the future years are affected by switches between departments and by detailed allocation decisions taken by departments, in particular the Scotland, Wales and Northern Ireland departments, for which only a provisional allocation was available at the time of the Budget Statement. The figures for past years and the current year have been updated to reflect the latest information on spending.

1.11. The organisation and content of this publication are reviewed annually. Any comments on the coverage or presentation should be sent to Eleanor Emberson at the following address:

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Table 1.1 Control Total and general government expenditure, 1995-96 to 1999-2000

£ million

	Outturn	Estimated outturn	New plans/ projections <sup>(1)</sup>			Changes from previous plans/projections <sup>(2)</sup>		
	1995-96	1996-97	1997-98	1998-99	1999-2000	1996-97	1997-98	1998-99
Central government expenditure <sup>(3)</sup>	180,593	186,117	187,397	191,450	195,550	1,994	-618	-400
Local authority expenditure <sup>(4)</sup>	75,031	75,800	76,000	76,900	77,700	1,300	1,000	600
Financing requirements of nationalised industries	-355	-364	789	300	75	271	611	394
Reserve			2,300	5,000	7,500	-2,100	-2,700	-2,500
Allowance for shortfall <sup>(5)</sup>		-600				-600		
<b>Control Total</b>	<b>255,270</b>	<b>261,000</b>	<b>266,500</b>	<b>273,700</b>	<b>280,900</b>	<b>900</b>	<b>-1,700</b>	<b>-1,900</b>
Cyclical social security	14,460	14,300	14,100	14,300	14,700	400		-400
Central government net debt interest	19,966	22,200	24,800	24,400	24,000	-200	800	400
Accounting adjustments	10,085	10,300	9,200	9,800	11,000	700	100	200
<b>General government expenditure (X)</b>	<b>299,781</b>	<b>307,900</b>	<b>314,700</b>	<b>322,200</b>	<b>330,600</b>	<b>1,900</b>	<b>-800</b>	<b>-1,700</b>
GGE (X) (as a percentage of GDP)	42¼	41¼	40	39	38¼	¼	—	-¼

(1) The table shows new plans for the Control Total and its constituents and projections for the other items in general government expenditure.

(2) The changes shown are the differences from the figures set out in the Public Expenditure Statistical Analyses 1996-97.

(3) Includes the financing requirements of trading funds and public corporations other than the nationalised industries, and excludes cyclical social security.

(4) Comprises total central government support for local authorities and local authority self-financed expenditure.

(5) See paragraph 5 of Appendix A.



# 1. Public expenditure overview

**Table 1.2 Control Total by department, <sup>(1)</sup> 1991–92 to 1999–2000**

	£ million								
	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99	1999–2000
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Ministry of Defence <sup>(2)</sup>	22,913	22,910	22,757	22,562	21,517	21,164	21,122	22,276	22,832
Foreign and Commonwealth Office	1,103	1,242	1,244	1,263	1,339	1,091	1,078	1,074	1,094
Overseas Development Administration	1,994	2,126	2,235	2,385	2,337	2,349	2,187	2,321	2,346
Ministry of Agriculture, Fisheries and Food	2,154	2,194	2,948	2,450	2,831	4,453	3,739	3,416	3,329
Trade and Industry	4,418	4,111	4,014	3,387	3,246	2,865	3,059	2,874	2,768
ECGD	215	117	-60	-26	16	27	9	1	-27
Department of Transport	5,361	6,568	5,973	5,988	4,636	4,797	5,207	4,602	4,322
DOE—Housing	7,451	8,158	7,735	7,169	6,638	5,960	5,294	5,624	4,979
DOE—Urban and Environment	1,895	2,213	2,550	2,466	2,277	2,433	2,268	1,958	1,911
DOE—Local Government <sup>(3)(4)</sup>	28,356	31,175	29,378	29,913	30,298	31,319	31,378	31,746	31,637
Home Office	5,491	5,794	5,936	6,229	6,452	6,605	6,889	6,809	6,935
Lord Chancellor's and Law Officers' Departments	2,001	2,334	2,415	2,585	2,684	2,747	2,708	2,747	2,660
Department for Education and Employment <sup>(4)</sup>	9,920	10,762	13,616	14,364	14,515	14,773	13,876	13,945	13,977
National Heritage	916	1,040	1,012	1,016	1,062	1,018	924	959	949
Department of Health <sup>(4)</sup>	25,543	28,212	29,772	31,584	32,916	34,078	34,938	35,372	36,113
Department of Social Security <sup>(4)</sup>	54,598	61,130	67,091	69,457	72,748	77,098	79,843	83,100	86,350
Scotland <sup>(3)(4)</sup>	11,723	12,723	13,580	14,082	14,300	14,713	14,337	14,424	14,494
Wales <sup>(3)(4)</sup>	5,310	5,992	6,296	6,551	6,725	6,853	6,894	6,877	6,899
Northern Ireland	6,041	6,606	7,108	7,426	7,705	8,185	8,227	8,256	8,361
Chancellor of the Exchequer's Departments	3,502	3,478	3,393	3,329	3,288	3,259	3,168	3,199	3,219
Cabinet Office	308	1,013	1,056	967	1,251	1,251	1,045	1,034	1,047
Local authority self-financed expenditure	11,280	9,855	8,787	11,434	13,255	13,200	13,700	13,700	14,300
European Union	707	1,912	1,877	1,268	3,232	1,400	2,247	2,392	2,791
Reserve							2,300	5,000	7,500
Allowance for shortfall <sup>(5)</sup>						-600			
<b>Control Total</b>	<b>213,201</b>	<b>231,665</b>	<b>240,712</b>	<b>247,848</b>	<b>255,270</b>	<b>261,000</b>	<b>266,500</b>	<b>273,700</b>	<b>280,900</b>

(1) A full list of departments included in each departmental grouping is given in Appendix C.

(2) The outturn for the Ministry of Defence in 1991–92 is net of other government's contributions to the cost of the Gulf conflict. Figures for 1996–97 and 1997–98 include receipts from the sale of Ministry of Defence married quarters. Figures for these receipts are shown in table 5.4.

(3) Includes revenue/rate support grant and non-domestic rates payments in England and certain transitional grants associated with the change from rates to the community charge. (Comparable items are included in the figures for Scotland and Wales.)

(4) Comparisons between years up to and including 1992–93 and later years are distorted by the effects of transfers between departments and spending sectors. The main changes reflect the transfer of responsibility for funding further education and sixth form colleges from local authorities to the Further Education Funding Council and the Scottish Office, the transfer of responsibility for funding Scottish and Welsh Universities from the Department for Education to the Scottish and Welsh Higher Education Funding Councils, the transfer of responsibility for funding training from the former Department of Employment to the Welsh Office and the transfer for responsibility for community care from central government to local authorities.

(5) See paragraph 5 of Appendix A.



Table 1.3 Control Total by department<sup>(1)</sup> in real terms<sup>(2)</sup>, 1991–92 to 1999–2000

	£ million								
	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99	1999–2000
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Ministry of Defence <sup>(3)</sup>	25,637	24,598	23,747	23,134	21,517	20,648	20,203	20,889	20,990
Foreign and Commonwealth Office	1,235	1,333	1,298	1,295	1,339	1,064	1,031	1,007	1,006
Overseas Development Administration	2,231	2,282	2,332	2,445	2,337	2,292	2,092	2,177	2,157
Ministry of Agriculture, Fisheries and Food	2,410	2,356	3,076	2,512	2,831	4,344	3,576	3,203	3,061
Trade and Industry	4,944	4,413	4,189	3,473	3,246	2,795	2,926	2,695	2,545
ECGD	240	125	-62	-27	16	27	9	1	-24
Department of Transport	5,999	7,051	6,232	6,140	4,636	4,680	4,980	4,316	3,973
DOE—Housing	8,337	8,759	8,071	7,351	6,638	5,815	5,064	5,274	4,577
DOE—Urban and Environment	2,121	2,376	2,660	2,528	2,277	2,373	2,169	1,836	1,756
DOE—Local Government <sup>(4)(5)</sup>	31,727	33,471	30,655	30,670	30,298	30,555	30,013	29,769	29,085
Home Office	6,144	6,221	6,194	6,387	6,452	6,444	6,589	6,385	6,375
Lord Chancellor's and Law Officers' Departments	2,239	2,506	2,520	2,650	2,684	2,680	2,591	2,576	2,446
Department for Education and Employment <sup>(5)</sup>	11,099	11,555	14,208	14,728	14,515	14,413	13,272	13,077	12,850
National Heritage	1,025	1,117	1,056	1,041	1,062	993	884	900	873
Department of Health <sup>(5)</sup>	28,580	30,290	31,066	32,384	32,916	33,247	33,417	33,169	33,200
Department of Social Security <sup>(5)</sup>	61,089	65,633	70,008	71,216	72,748	75,218	76,369	77,900	79,400
Scotland <sup>(4)(5)</sup>	13,116	13,660	14,170	14,439	14,300	14,354	13,713	13,526	13,325
Wales <sup>(4)(5)</sup>	5,941	6,434	6,570	6,716	6,725	6,686	6,594	6,448	6,342
Northern Ireland	6,759	7,093	7,417	7,614	7,705	7,986	7,869	7,742	7,687
Chancellor of the Exchequer's Departments	3,918	3,734	3,540	3,413	3,288	3,180	3,030	3,000	2,960
Cabinet Office	345	1,088	1,102	992	1,251	1,220	1,000	970	963
Local authority self-financed expenditure	12,621	10,580	9,169	11,724	13,255	12,800	13,100	12,800	13,200
European Union	791	2,053	1,958	1,300	3,232	1,366	2,149	2,243	2,566
Reserve							2,200	4,700	6,900
Allowance for shortfall <sup>(6)</sup>						-500			
<b>Control Total</b>	<b>238,549</b>	<b>248,728</b>	<b>251,176</b>	<b>254,125</b>	<b>255,270</b>	<b>254,700</b>	<b>254,900</b>	<b>256,600</b>	<b>258,200</b>

(1) A full list of departments included in each departmental grouping is given in Appendix C.

(2) Cash figures adjusted to 1995–96 price levels by excluding the effect of general inflation.

(3) See footnote (2) to table 1.2.

(4) See footnote (3) to table 1.2.

(5) See footnote (4) to table 1.2.

(6) See paragraph 5 of Appendix A.



## 1. Public expenditure overview

Table 1.4 Control Total: voted and other expenditure by spending sector 1991-92 to 1999-2000									
	£ million								
	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 outturn	1996-97 estimated outturn	1997-98 plans	1998-99 plans	1999-2000 plans
<b>Voted in Estimates</b>									
Central government expenditure	103,756	111,139	116,995	122,743	125,863	130,632	129,503	131,350	133,750
Central government support for local authorities	47,731	53,620	55,884	57,397	58,284	59,686	59,494	60,700	60,800
Financing requirements for nationalised industries	2,712	3,348	3,345	1,659	1,219	1,593	850	421	231
<b>Total voted in Estimates</b>	<b>154,199</b>	<b>168,107</b>	<b>176,224</b>	<b>181,798</b>	<b>185,367</b>	<b>191,911</b>	<b>189,847</b>	<b>192,450</b>	<b>194,800</b>
<b>Other</b>									
Central government expenditure	41,110	47,028	51,492	51,433	54,730	55,484	57,894	60,050	61,800
Central government support for local authorities	5,555	5,646	3,949	3,845	3,492	3,002	2,756	2,557	2,542
Local authority self-financed expenditure	11,280	9,855	8,787	11,434	13,255	13,200	13,700	13,700	14,300
Financing requirements for nationalised industries	1,056	1,030	260	-664	-1,574	-1,957	-61	-121	-155
<b>Total other</b>	<b>59,001</b>	<b>63,559</b>	<b>64,488</b>	<b>66,049</b>	<b>69,903</b>	<b>69,700</b>	<b>74,300</b>	<b>76,200</b>	<b>78,500</b>
Reserve							2,300	5,000	7,500
Allowance for shortfall <sup>(1)</sup>						-600			
<b>Control Total</b>	<b>213,201</b>	<b>231,665</b>	<b>240,712</b>	<b>247,848</b>	<b>255,270</b>	<b>261,000</b>	<b>266,500</b>	<b>273,700</b>	<b>280,900</b>

(1) See paragraph 5 of Appendix A.



**Table 1.5 Control Total: Voted and other expenditure by department<sup>(1)</sup> and spending sector, 1997–98**

£ million

	Central government expenditure		Central government support for local authorities		Financing requirements of nationalised industries		Control Total		
	Voted in Estimates	Other	Voted in Estimates	Other	Voted in Estimates	Other	Voted in Estimates	Other	Total
Ministry of Defence <sup>(2)</sup>	21,122						21,122		21,122
Foreign and Commonwealth Office	1,073	5					1,073	5	1,078
Overseas Development Administration	1,706	482					1,706	482	2,187
Ministry of Agriculture, Fisheries and Food	3,690	186	37	-174			3,726	12	3,739
Trade and Industry	2,899	144	35		71	-90	3,006	53	3,059
ECGD	9						9		9
Department of Transport	3,611	-3	411	452	701	35	4,723	484	5,207
DOE—Housing	1,710	-509	3,559	534			5,269	25	5,294
DOE—Urban and Environment	1,449	-105	757	116	51		2,257	11	2,268
DOE—Local Government	149	79	30,839	312			30,988	390	31,378
Home Office	2,776	1	4,011	100			6,788	101	6,889
Lord Chancellor's and Law Officers' Departments	2,346	81	277	5			2,623	85	2,708
Department for Education and Employment	11,276	-74	2,270	404			13,546	330	13,876
National Heritage	896			28			896	28	924
Department of Health	34,427	-24	466	68			34,894	44	34,938
Department of Social Security	27,313	43,884	8,647				35,960	43,884	79,843
Scotland	8,315	29	5,420	551	28	-6	13,763	574	14,337
Wales	3,860	4	2,765	265			6,625	269	6,894
Northern Ireland	929	7,202		96			929	7,297	8,227
Chancellor of the Exchequer's Departments	3,091	77					3,091	77	3,168
Cabinet Office	1,391	-346					1,391	-346	1,045
Local authority self-financed expenditure								13,700	13,700
European Union	-4,536	6,783					-4,536	6,783	2,247
Reserve		2,300						2,300	2,300
<b>Control Total</b>	<b>129,503</b>	<b>60,200</b>	<b>59,494</b>	<b>2,756</b>	<b>850</b>	<b>-61</b>	<b>189,848</b>	<b>76,600</b>	<b>266,500</b>

(1) A full list of the departments included in each departmental grouping is given in Appendix C.

(2) See footnote (2) to table 1.2.



# 1. Public expenditure overview

Chart 1.1: Control Total in real terms, 1984-85 to 1999-2000

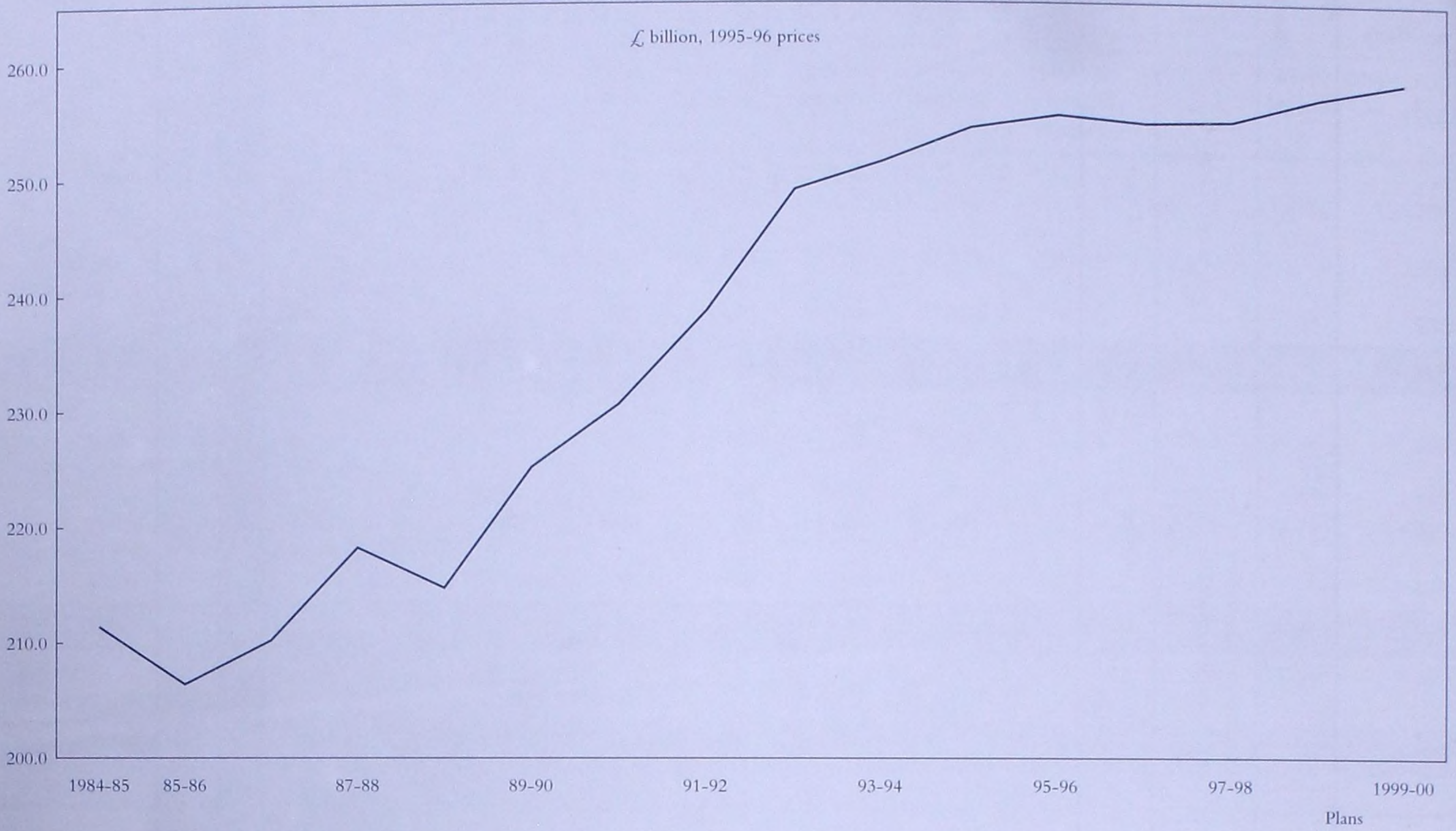
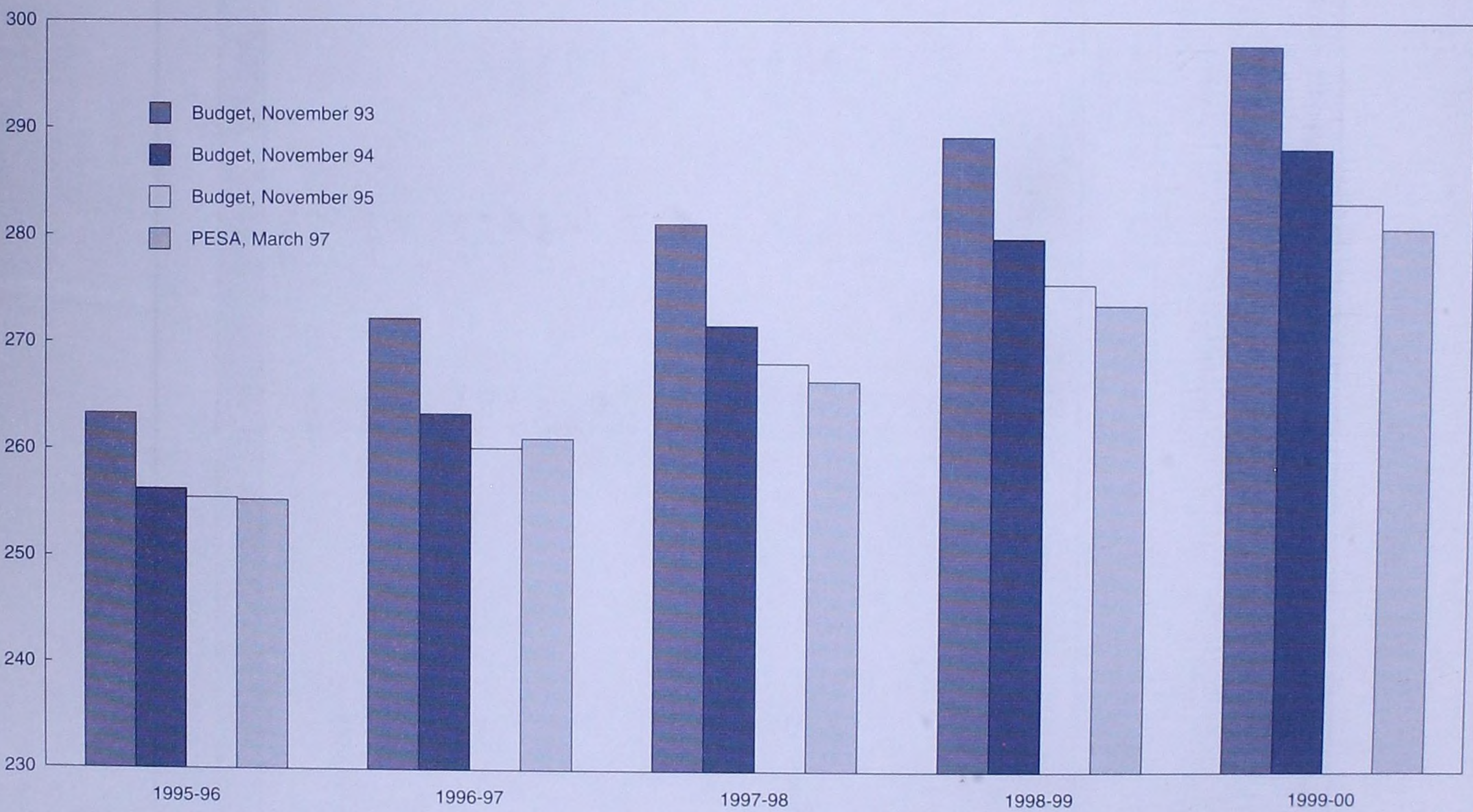


Chart 1.2: Comparison of Control Total plans and outturn, 1995-96 to 1999-2000





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## 2. Public expenditure controls

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2.1. In addition to the use of the Control Total set during the annual Public Expenditure Survey, the government controls public expenditure during a given financial year using several other measures, in particular cash limits, running costs limits and external finance limits. Cash limits are described in Section 3 of the Supply Estimates 1997–98, shortly to be presented to the House of Commons as HC 335, which also gives figures for cash limits on Voted expenditure. The other main control limits for 1997–98 are described and announced here.

### Running Costs

2.2. Departments' current expenditure on staff, goods and other services used in the administration of central government is defined as running costs. Current expenditure on assessing and paying benefits, assessing and collecting taxes, running prisons and helping people return to work amounts to about half the total. The primary objective of running costs control is to promote economical and efficient administration in central government by containing gross pay and administrative costs and maintaining downward pressure on the size of the Civil Service. Running costs controls leave departmental managers with flexibility to decide how they can use the funds available for administration most effectively to meet their objectives. The coverage and administration of running costs have evolved with developments within departments, including the establishment of executive agencies.

2.3. Running costs expenditure is controlled during the year through running costs limits which are notified to Parliament. Once set, these limits are not intended to be changed. The only general exception is that gross limits may be increased under the end-year flexibility scheme for running costs. The scheme allows underspends to be carried forward, thereby assisting departments to manage their running costs budgets and encouraging improvements in efficiency and value for money. Otherwise, any in-year increases will be exceptional, will require the specific approval of Treasury and will be notified to Parliament.

2.4. Running costs are normally controlled gross, although for areas where expenditure and receipts vary in line with demand and which have suitably robust monitoring and management systems, control through net running costs may be agreed as set out in "The Financing and Accountability of Next Steps Agencies" (Cm 914). From 1 April 1997, 22 bodies, mainly Executive Agencies, will be subject to net running costs controls. The Farming and Rural Conservation Agency, the Northern Ireland Land Registry and Historic Scotland will begin to operate under net control from that date.

2.5. **Tables 2.1** and **2.2** show the running costs limits for gross controlled and net controlled areas respectively. Details of the Ministry of Defence's operating costs are also shown.

2.6. Nine-year spans of outturn data and provision for running costs by department are provided in section 5, which also includes outturns and projections for departmental staffing levels.



## Nationalised industries objectives

2.7. Nationalised industries are publicly owned bodies, usually set up under their own statutes, which operate with a substantial degree of independence. They are usually run by boards appointed by Ministers and accountable to them. In most cases, accountability to Parliament runs through an individual sponsor Minister and department. Nationalised industries are trading bodies, or have substantial trading activities, though some also have significant regulatory or other non-commercial functions. Government's objectives for nationalised industries and external finance limits for 1997-98 are given in this section; for a historic overview of nationalised industries see section 3. Further details on individual industries can be found in the departmental report of the sponsor department or in the industry's annual report and accounts.

2.8. The Government's primary aim for the nationalised industries is to ensure their effectiveness and efficiency as commercial concerns and to strengthen them to the point where they can be transferred to the private sector or, where necessary, remain as successful businesses within the public sector. The financial controls on the nationalised industries have been built on the arrangements which were set out in the 1978 White Paper "The Nationalised Industries" (Cmnd 7131). They are designed to minimise the burden which the industries place on the taxpayer, to ensure that they move progressively towards earning an economic return on their assets and to stimulate the efficiency and effectiveness of their commercial performance.

### Recent developments

2.9. The performance of the individual nationalised industries is reviewed in detail in the individual departmental reports published at broadly the same time as this document. The privatisation of British Rail has been largely completed, with the few remaining businesses due to be transferred to the private sector by March 1997. The Government privatised British Energy (comprising the AGR and PWR power stations formerly part of Nuclear Electric and Scottish Nuclear) in July 1996. The Magnox stations remain in the public sector, operating as Magnox Electric. AEA Technology was separated from the UKAEA at the beginning of 1996 and was privatised in September 1996. In October 1996 the Government announced its intention to privatise the National Air Traffic Services (NATS) and in February 1997 announced plans for privatisation of London Underground. The Government remains of the view that privatisation of Royal Mail and Parcelforce would be in the best interests of both the Post Office and its customers.

2.10. The Citizen's Charter published in July 1991 (Cm 1559), followed up most recently by the Citizen's Charter Second Report (Cm 2540), published in March 1994, contained proposals for improving quality of service, including better information on performance standards and outturns, and improved procedure for redress. These are being taken forward by the Government and the industries themselves.

### The control framework

2.11. The Government's control framework for nationalised industries operates at a number of levels:

- **Strategic objectives** are agreed with each individual industry and provide the framework within which the financial controls and the industry's control procedures are set. In particular, they provide the context for the industry's corporate plan, the key document for ensuring good management of the industry.
- **Investment appraisal and pricing principles.** Most nationalised industries are required to aim at a rate of return on their new investment programmes of 8 per cent in real terms (before payment of interest and tax). This requirement is intended to ensure that there is a proper return on investment and, at the same time, that the resources invested are not diverted away from areas where they could be used more effectively. The required rate of return is reviewed from time to time. For some of the industries, prices are largely market determined. For those with scope for setting their prices, the financial target will determine the level of prices in the light of general objectives and the need to cover the continuing costs of supply, including an adequate return on capital.
- **Financial targets and performance aims.** Financial targets, which are usually set for three year periods, are the primary control on the industries. They vary in form, according to the circumstances of the industry. For profitable industries they are usually expressed as a target for current cost operating profits as a proportion of net assets valued at replacement cost. Backing up the financial targets are a series of performance aims, again usually for three years ahead, which may relate to costs and, where appropriate, standards of service.



- **External financing limits (EFLs)** were introduced in 1976 as an important short-term control on the amount of finance, whether grant, subsidy or borrowing (including financial leasing), which an industry may raise during the financial year to supplement the income from its trading activities. Where an industry generates a positive cash flow, after financing new investment, it is expected to repay outstanding debt, or if no debt is outstanding to invest in financial assets which are liabilities of the public sector. Industries are set an EFL for the year immediately ahead and provisional figures for external finance for the rest of the plan period are also set. To assist forward control, once investment plans are agreed, formal approval may be given to industries to commit up to 100 per cent of their agreed investment for the year ahead, and normally up to 85 per cent for the second year and up to 70 per cent for the third year.
- **Monitoring** plays an important role in controlling the industries' performance in the interests of the taxpayer and the consumer. Sponsor Ministers and departments continuously monitor the industries' performance against all aspects of the controls described. In addition the industries are periodically subjected to independent efficiency scrutinies by the Monopolies and Mergers Commission under the 1980 Competition Act.

**Strategic objectives** 2.12. The strategic objectives for the main nationalised industries are:

- **British Nuclear Fuels:** The Government has set the following objectives for BNFL:
  - (i) to continue to reduce costs and increase profits across the business;
  - (ii) to take opportunities to exploit decommissioning, fuel cycle and waste cleanup expertise profitably in major international markets.

Work is in hand to explore the integration of BNFL and Magnox Electric.

- **British Waterways Board:** The Board's objectives are to promote the fullest practicable use of the waterways for leisure, recreation, amenity and freight transport. The Board should act commercially, achieve value for money and an adequate return on investment. It aims to broaden its customer base and increase private sector participation in the business.
- **Caledonian MacBrayne:** Its strategic objective is to support remote island communities, through the provision of cost effective services. Cost effectiveness is ensured in part through new targets for covering operating costs from fares income.
- **Civil Aviation Authority:** The Authority's main objectives are to secure a high standard of safety in United Kingdom aviation; to continue to operate as an efficient regulatory body for the air traffic system; and to provide through its NATS subsidiary an air traffic control system to meet demand as far as is practicable. The Authority will also seek greater integration and compatibility of international, and especially European, air traffic management, communications systems and navigational technology.
- **Highlands and Islands Airports:** Its primary purpose is to provide an efficient, economic and safe infrastructure for ten airports. These airports provide facilities for essential air services in the Highlands and Islands. Its aims are to increase passenger numbers and the number of air movements; to reduce costs per passenger and to increase the involvement of the private sector, for example, through participation in the PFI.
- **London Transport:** The Government has set financial objectives for each area of London Transport's business. These objectives continue to stress the requirement for cost reduction, and the maximisation of revenue, across the whole range of London Transport's activities. The objectives set are for achievement in 1998–99.
 

Objectives have also been set for quality of service on London Underground and London Transport bus services.
- **Magnox Electric:** The government has set Magnox the objectives of enhancing competition in the electricity market and securing the best possible value for the taxpayer from its operations.



- **Post Office:** Its objective is to provide universally available, quality postal and counter services at the lowest possible cost. To achieve this it seeks to reduce costs by detailed cost control, increasing efficiency and increasing volumes processed through its networks. The Post Office aims to make a profit each year in each of its constituent businesses and to ensure that its price structure is sensibly related to costs and avoids cross subsidy, particularly from monopoly to competitive activities.

### Financial targets

2.13. **Table 2.3** sets out the current financial targets for the existing nationalised industries alongside their latest achievements.

## External finance

### Nationalised industries

2.14. A substantial part of the nationalised industries' activities is subject to commercial disciplines. Consequently their contribution to the Control Total is measured differently from central government's own expenditure. It is the industries' external finance which is included in the Control Total. External finance consists of government finance (grants, subsidies, loans and equity), market and overseas borrowing and the capital value of some assets acquired under finance leases.

2.15. Individual nationalised industries' requirements for external finance depend on the size of their investment programmes and on their ability to generate their own funds. **Table 2.4** shows the External Finance Limit which has been set for each industry for 1997–98, together with the estimated outturn for 1996–97. Figures for nationalised industries' external finance requirements for earlier years and planned for 1998–99 and 1999–2000 are shown in section 3, tables 3.10 and 3.11.

### Other public corporations

2.16. Almost all public corporations accountable to central government other than nationalised industries have external finance treatment within the public expenditure Control Total in the same way as nationalised industries do. And, again like nationalised industries, other public corporations should be set External Finance Limits, strategic objectives, financial targets and performance aims, and their performance should be monitored and evaluated. The Government's objectives for these bodies vary but for most it is a primary aim that, as far as possible, their activities should be financed by the consumers of their goods and/or services, rather than the taxpayer. For some services, however, public subsidy is appropriate. And investment programmes may also need partly to be financed by borrowing.

2.17. For historical reasons there are a few public corporations which still have different scoring arrangements: the Control Total includes subsidies to, and the capital expenditure of, the Commission for New Towns; grants, loans and subsidies to the BBC would also score in the Control Total.

2.18. **Table 2.4** shows, for public corporations which have external finance treatment in the Control Total, the External Finance Limit which has been set for 1997–98, together with estimated outturn for 1996–97. All expenditure scoring in the Control Total for public corporations (excluding nationalised industries) from 1991–92 to plans for 1999–2000 is shown in section 3, table 3.12.

### Trading Funds

2.19. A number of government departments, executive agencies and other parts of central government departments have been set up as trading funds. Trading funds are not subject to central government running costs controls. Instead, they are given external finance treatment in the Control Total like nationalised industries and other public corporations. Trading funds' external finance requirements are also subject to External Finance Limits. In the figures for other public corporations in **Table 2.4**, the trading funds are identified by a footnote.

### Relationship with external finance requirements

2.20. A public corporation's requirement for external finance represents the financing of the difference between what it will spend and what income it can generate. External finance requirements (EFRs) are controlled by setting an external finance limit at the start of a financial year and normally but not always at the level of the planned EFR. There may, therefore, be differences between the limits set in table 2.4 and the EFRs set out in table 3.12.



### Cash limits on expenditure not voted in Estimates

2.21. The 1997–98 cash limits on expenditure which is not voted in Estimates, or not subject to cash limit in Estimates, including, where appropriate, central government support to local authorities, are given in **Table 2.5**.

2.22. Outturn figures for 1996–97 are not yet available and will be given in the 1996–97 public expenditure provisional outturn White Paper. Final non-voted cash limits in 1996–97 are £76.369 million higher than original limits.



## 2. Public expenditure controls

**Table 2.1 Gross Running Costs limits 1997-98**

	Gross <sup>(1)</sup> expenditure	Allowable Appropriations in aid	£ thousand Gross running costs limit
Foreign and Commonwealth Office	522,513		522,513
Overseas Development Administration	56,379		56,379
Ministry of Agriculture, Fisheries and Food	339,292		339,292
Intervention Board	55,085		55,085
Department of Trade and Industry	366,380	-1,379	365,001
Office of Fair Trading	19,385		19,385
Office of Telecommunications	9,993		9,993
Office of Gas Supply	9,437		9,437
Office of Electricity Regulation	14,635		14,635
Department of Transport	373,274		373,274
Office of Passenger Rail Franchising	7,367		7,367
Office of the Rail Regulator	8,200		8,200
Department of the Environment	210,396		210,396
Health and Safety Commission	154,572		154,572
Office of Water Services	10,000		10,000
Home Office	1,888,071	-458	1,887,613
Lord Chancellor's Department	427,754		427,754
Northern Ireland Court Service	18,780		18,780
Public Record Office	23,536		23,536
Crown Prosecution Service	217,435	-830	216,605
Serious Fraud Office	9,350		9,350
Treasury Solicitor's Department	25,742		25,742
Crown Office	43,565		43,565
Department for Education and Employment	1,056,750		1,056,750
Office of Her Majesty's Chief Inspector of Schools in England	32,330		32,330
Department of National Heritage	30,091		30,091
Charity Commission	20,115		20,115
Office of the National Lottery	2,474		2,474
Department of Health	260,929		260,929
Department of Social Security	3,218,908		3,218,908
Scottish Office	319,454		319,454
Scottish Courts Administration	43,744		43,744
Scottish Record Office	4,445		4,445
General Register Office for Scotland	7,400		7,400
Welsh Office	72,139	-104	72,035
Office of Her Majesty's Chief Inspector of Schools in Wales	3,545	-345	3,200
Northern Ireland <sup>(2)</sup>	783,171		783,171
HM Treasury	55,509		55,509
Customs and Excise	748,986		748,986
Inland Revenue	1,680,155	-4,640	1,675,515
Department for National Savings	174,842		174,842
Registry of Friendly Societies	7,337		7,337
National Investment and Loans Office	1,524		1,524
Office for National Statistics	101,735		101,735
Office of Public Service	80,886		80,886
Cabinet Office (other services)	42,870		42,870
Security and Intelligence Services	362,082		362,082
Privy Council Office	2,531		2,531
<b>Total for gross running costs areas</b>	<b>13,925,093</b>	<b>-7,756</b>	<b>13,917,337</b>
Plus net areas (Table 2.2)	833,784	-831,918	1,866
<b>Total running costs</b>	<b>14,758,877</b>	<b>-839,674</b>	<b>13,919,203</b>
<b>MOD Operating Costs<sup>(3)</sup></b>	<b>18,123,307</b>	<b>-1,740,840</b>	<b>16,382,467</b>

(1) The figures shown are net of VAT refunds on contracted out services.

(2) Provision for running costs of the Northern Ireland Office will be controlled within the overall gross running cost limit of the Northern Ireland Departments.

(3) Figures cover all MOD costs (including service and civilian pay) other than purchase of new equipment and associated research, and offset by related receipts.



Table 2.2 Net Running Costs limits 1997-98

	Gross <sup>(1)</sup> expenditure	Receipts	Running costs limit
Wilton Park (Diplomatic Wing)	1,547	-909	638
Farming and Rural Conservation Agency (MAFF)	17,964	-17,964	
Veterinary Laboratories Agency (MAFF)	36,448	-36,448	
Central Science Laboratory (MAFF)	22,823	-22,823	
Veterinary Medicines Directorate (MAFF)	7,200	-7,200	
Radiocommunications Agency (DTI)	27,850	-27,850	
Central Services (DTI)	13,726	-13,726	
National Weights and Measures Laboratory (DTI)	2,516	-2,516	
Vehicle Certification Agency (DoT)	3,959	-3,859	100
Historic Scotland (SO)	13,101	-8,000	5,101
Health and Safety Laboratory (HSE)	13,358	-13,358	
Ordnance Survey	73,970	-70,945	3,025
Forensic Science Service (HO)	45,641	-45,641	
Historic Royal Palaces Agency (DNH)	11,173	-11,173	
NHS Estates Agency (DH)	10,384	-10,384	
Information Technology Services Agency (DSS)	300,681	-300,681	
Valuation Office (IR)	154,383	-161,002	-6,619
Customer Funded Services (ONS)	16,790	-17,554	-764
Government Actuary's Department	6,616	-6,232	384
Civil Service College (OPS)	20,200	-20,199	1
Security Facilities Executive (OPS)	29,450	-29,450	
Land Registers of Northern Ireland (NI)	4,004	-4,004	
<b>Total for net running costs areas</b>	<b>833,784</b>	<b>-831,918</b>	<b>1,866</b>

(1) The figures shown are net of VAT refunds on contracted out services.

Table 2.3 Nationalised industries: financial targets

Industry	Current target	Latest achievement <sup>(1)</sup>
<b>British Nuclear Fuels</b>	In 1996-97: profit before tax £250m. <sup>(2)</sup>	In 1995-96 rate of return 11%.
<b>British Waterways Board</b>	New target regime being set.	No targets set for 1995-96.
<b>Caledonian MacBrayne</b>	1996-97: Fares income to cover at least 56% of operating costs.	1995-96 target of 58% exceeded. Outcome: 61%.
<b>Civil Aviation Authority</b>	1994-95 to 1996-97 rate of return: 8% average. <sup>(3)(4)</sup>	1993-94 to 1995-96: 22.8% average. <sup>(3)(4)</sup>
<b>Highlands and Islands Airports</b>	To be introduced for 1997-98.	No targets set for 1995-96.
<b>London Transport</b>	Three year objective: train costs per km to be £9.45 at 1995-96 prices. Objectives set for other areas of LT business progress reported in LT Annual Report 1995-96.	1995-96: performance: £10.60 per km.
<b>Magnox Electric</b>	1996-97: energy incomes less operating costs £170m to £210m.	1995-96: profit £3 million.
<b>Post Office</b>	Royal Mail letters (RML): 16.8% Post Office Counters Ltd (POCL): 5.2% Parcelforce: Breakeven before exceptional items.	1995-96 rates of return RML: 23.4% POCL: 13.1% Parcelforce: 1.0% <sup>(5)</sup>

(1) On same basis as current target, except where specified.

(2) From 1996-97 targets are set by reference to profit before tax.

(3) Current cost accounting return on average net assets.

(4) Excludes activities where CAA's charges are determined by international agreement.

(5) Parcelforce 1995-96 target: breakeven before exceptionals.



## 2. Public expenditure controls

**Table 2.4 External finance limits<sup>(1)</sup> of nationalised industries and other public corporations 1997-98**

	£ thousand	
	1996-97 Estimated outturn	1997-98 limit
<b>Nationalised Industries</b>		
<b>Department of Trade and Industry</b>		
British Coal	104,000	71,000
British Nuclear Fuels	-29,400	-66,510
British Shipbuilders	-1,100	-1,300
Magnox Electric	302,190	307,420
Post Office	-268,000	-330,000
Trade and Industry Total	107,690	-19,390
<b>Department of Transport</b>		
National Railways	-1056,480	69,700
Civil Aviation Authority	-13,400	-34,474
London Transport	972,700	700,750
Transport Total	-97,180	735,976
<b>Department of the Environment</b>		
British Waterways Board	49,800	50,890
Environment Total	49,800	50,890
<b>Scotland</b>		
Highlands & Islands Airports	9,200	6,800
Caledonian MacBrayne	10,700	14,700
Scottish Transport Group	200	
Scotland Total	20,100	21,500
<b>Total Nationalised Industries</b>	<b>80,410</b>	<b>788,976</b>
<b>Other public corporations and trading funds</b>		
Audit Commission		
The Buying Agency <sup>(2)</sup>	1	
Central Office of Information <sup>(2)</sup>	5,200	
Commonwealth Development Corporation	16,400	-40,000
Companies House <sup>(2)</sup>	951	2,840
Covent Garden Market Authority		
Crown Agents Holding and Realisation Board		
Defence Evaluation and Research Agency <sup>(2)</sup>	18,980	-26,161
Development Board for Rural Wales	4,280	9,480
Docklands Light Railway	20,670	33,900
Driving Standards Agency <sup>(2)</sup>		
Driver Vehicle Testing Agency <sup>(2)</sup>	-599	-599
Highlands and Islands Enterprise	44,625	49,576
Housing Action Trusts	87,660	88,688
Hydrographic Office <sup>(2)</sup>		
Laganside	7,574	7,574
Land Authority For Wales	-2,000	
Land Registry <sup>(2)</sup>	-25,351	
Meteorological Office <sup>(2)</sup>	26,915	-8,656
National Health Service Trusts (England)	243,926	309,950
National Health Service Trusts (Scotland)	38,449	-11,590
National Health Service Trusts (Wales)	68,783	44,914
National Health Service Trusts (Northern Ireland)	-8,122	-8,122
Northern Ireland Housing Executive	212,313	208,815
Northern Ireland Public Trust Port Authorities		
Northern Ireland Transport Holding Company	20,583	20,411
Oil and Pipelines Agency		
The Patent Office <sup>(2)</sup>	-11,344	-13,207
Registers of Scotland	1	1
Royal Mint <sup>(2)</sup>		
Scottish Enterprise	251,323	229,161
Scottish Water Authorities	309,556	222,656
Urban Regeneration Agency (English Partnerships)	208,965	177,779
Urban Development Corporations (England)	187,147	165,884
Urban Development Corporations (Wales)	59,240	47,919
Vehicle Inspectorate <sup>(2)</sup>	1	977
Welsh Development Agency	81,631	101,706
<b>Total other public corporations and trading funds</b>	<b>1,867,758</b>	<b>1,613,896</b>
<b>Total external finance</b>	<b>1,948,168</b>	<b>2,402,872</b>

(1) Some bodies shown in Table 3.10 and 3.12 are omitted from this table. These are bodies which have been privatised or are planned to be privatised by the end of financial year 1996-97, or for which no EFL has yet been agreed. Figures for External Finance Limits shown here may differ from external finance requirements shown in tables 3.10 and 3.12 as explained in paragraph 2.20.

(2) Government department or part of department constituted as a trading fund and treated as a public corporation for planning and control purposes.



Table 2.5 Cash limits on expenditure not voted in Estimates, 1996–97 and 1997–98

Cash Block	Description	£ million		
		1996–97 Original limit	1996–97 Final limit	1997–98 Original limit
BOE	Bank of England costs for banknote production and issue, debt management and the Exchange Equalisation Account.	80.572	80.572	74.961
DOE/HC	Grants and capital expenditure financed by the Housing Corporation in England. <sup>(1)</sup>	1,030.199	1,037.868	673.050
DOE/NT	Net capital expenditure by the Commission for the New Towns and Letchworth Garden City Development Corporation for housing, roads, commercial and industrial investment and certain water services.	-100.000	-110.000	-105.000
DOE/DLG	Supplementary Credit Approvals to local authorities under the single Regeneration Budget.	0.600	0.600	0.500
DOE/LGR	Supplementary Credit Approvals to certain local authorities for all capital purposes to offset: certain transitional costs of local government reorganisation; some cases of commutation losses; and the abatement and recovery of HRA subsidy in respect of deemed debt in 1995–96. Borrowing provision for the Local Government Residuary Body (England).	108.050	105.669	155.314
DOE/LACAP	Basic credit approvals to local authorities in England for housing, transport (except passenger transport authorities), education, health, other services and (for counties only) fire services. Supplementary credit approvals, specified capital grants and certain other grants to local authorities in England for housing.	1,741.558	1,745.087	1,056.007
DOE/OES	Supplementary credit approvals for other environmental services in England. Lee Valley Regional Park Authority and the Isles of Scilly (water and sewerage).	25.289	25.289	21.042
DOE/ERDF	Supplementary credit approvals for capital expenditure by local authorities and payments to public and private sector bodies in England funded by ERDF grant.	184.222	177.817	146.332
DOE/CC	Supplementary Credit Approvals to the successful local authorities for Capital Challenge.	—	—	150.000
DFEE/LACAP	Supplementary credit approvals for education in England.	46.823	54.240	72.505
DFEE/ERDF	Payments for approved education and training projects prefunded by the ERDF.	26.958	45.842	26.912
DNH/ERDF	Payment of ERDF grants, including supplementary credit approvals in respect of capital expenditure by local authorities.	28.002	28.002	34.000
DOH/LACAP	Supplementary credit approvals for health in England.	14.700	16.005	14.700
DOT/LACAP	Supplementary credit approvals for transport in England. Basic credit approvals for passenger transport authorities. Supplementary credit approvals to cover local authority expenditure which will be reimbursed by ERDF grant.	304.732	313.091	349.193
HO/LACAP	Supplementary credit approvals for probation, fire and police in England and Wales. Basic credit approvals for fire (joint FCDA's only) in England.	98.382	97.712	89.606
LCD/LACAP	Supplementary credit approvals for magistrates' courts (England and Wales.) (joint FCDA's only) in England.	6.948	6.948	4.606
MAFF/LACAP	Supplementary credit approvals for flood defence, coast protection and harbour improvements in England.	14.422	16.433	12.345
NID1	Services in Northern Ireland broadly analogous to services in Great Britain covered by cash limits but including family practitioner services.	4,151.983	4,187.192	4,132.783
NID2	Northern Ireland Grant to the Independent Living Fund.	5.414	5.077	5.198
NID3	Social Fund Discretionary Payments in Northern Ireland.	12.989	12.989	12.989
NID4	Expenditure in Northern Ireland on national agriculture capital grant schemes, certain assistance for production, marketing and processing and the fishing industry.	19.957	20.603	30.274
NID5	Discretionary Rent Allowance Payments in Northern Ireland.	0.540	0.469	0.689
SO/LA1	Net capital allocations and grants to local authorities in Scotland for roads and transport, non-HRA housing (from 1996–97), police, education, social work services, general services, urban programme, and (up to 1995–96) water and sewerage and river purification. <sup>(2)</sup>	431.120	442.999	389.428
SO/LA2	Net capital allocations and grants to local authorities in Scotland for housing (HRA only from 1996–97). Capital expenditure by New Towns in Scotland for housing and other environmental services.	111.210	85.957	179.928
SO/ERDF	Payments of grants to local authorities and other bodies in Scotland on approved projects which match forecast European Regional Development Fund receipts.	109.079	129.184	95.900
WO/LACAP	Basic credit approvals for local authorities in Wales Supplementary credit approvals for all services (except ERDF projects). Grants for housing, Strategic Development Scheme, Capital Challenge and rural support.	513.733	518.206	422.680
WO/HFW	Capital grants and net lending both to Housing for Wales and by housing to Wales to housing associations, Special Needs Management Allowance and Supported Housing Revenue Grant.	96.137	96.137	70.335
WO/ERDF	Payments of European Regional Development Fund grants in Wales including supplementary credit approvals in respect of capital expenditure by local authorities.	36.080	36.080	44.750
<b>Total</b>		<b>9,099.699</b>	<b>9,176.068</b>	<b>8,161.027</b>

(1) Receipts on this cash limit are expected to exceed capital expenditure in each year, hence the negative limit.

(2) The original limit in Cm 3201 was incorrectly shown as £426.120 million. The correct limit was £431.120 million.



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## 3. Trends in public sector expenditure

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3.1. Comparisons of current and planned government expenditure with outturn figures stretching as far back as possible are always of particular interest. Over time, preparing figures on a consistent basis becomes increasingly difficult, as responsibilities transfer between departments and the basis for controlling public expenditure is modified to meet changing needs. The analyses in this chapter attempt to give a picture of changes in government expenditure over recent years, adjusted as far as possible so that figure for outturn years are based on current allocations of responsibilities between departments and on current definitions for the aggregate spending measures.

### General Government Expenditure

3.2. **Table 3.1** shows trends in general government expenditure and GGE(X) over the years 1963–64 to 1999–2000, in cash and in real terms and as a percentage of gross domestic product (GDP). The figures for general government expenditure for the years up to 1995–96 are taken from the national accounts compiled by the Office for National Statistics (ONS). Figures for 1996–97 onwards are projections produced by the Treasury. General government comprises central and local government; it therefore excludes public corporations.

### General government expenditure by function

3.3 **Table 3.2** gives a functional analysis of general government spending in the UK in the years since 1978–79, allocating expenditure for which the respective Secretaries of State for Scotland, Wales and Northern Ireland are responsible to the appropriate function. **Tables 3.3** and **3.4** present this material in real terms and as a percentage of GDP. A more detailed analysis, covering the period 1991–92 to 1996–97 is given in **Table 3.5**.

3.4. These tables cover outturn years only because future levels of local authority expenditure on particular services are the responsibility of individual authorities.

### General government spending by economic category

3.5. The economic significance of components of public spending depends on their nature, for example whether they are transfer payments or expenditure on goods and services, current or capital. **Table 3.6** breaks down general government expenditure into the following economic categories:

- (i) **Pay**—pay and pension costs;
- (ii) **Other current expenditure on goods and services**—including general administrative expenses and purchases of other goods and services which are not of a capital nature;
- (iii) **Subsidies**—payments to producers designed to reduce their prices;
- (iv) **Current grants to the private sector**—including grants to persons, such as social security benefits, and grants towards the current expenditure of non-profit making bodies outside the public sector;



- (v) **Current transfers abroad**—including net payments to European Union institutions, payments from the UK's Development assistance, subscriptions to international organisations and pensions paid to overseas residents.
- (vi) **Net capital expenditure on assets**—comprising expenditure on new construction, the purchase of land, buildings and other physical assets, less proceeds from sales of similar assets and the value of net changes in the level of stocks;
- (vii) **Capital grants**—grants to the private sector, nationalised industries and other public corporations;
- (viii) **Lending and other financial transactions**—comprising net lending to the private sector and public corporations, net lending and investment abroad from the UK's Aid Programme.
- (ix) **General government debt interest.**

## Capital spending

3.6. Capital expenditure is undertaken by all levels of the public sector: ie. central and local government and public corporations, including nationalised industries. **Table 3.7** gives a functional breakdown of the capital expenditure of central and local government for outturn years. For future years, a functional split of local authority capital spending is not available as the allocation of spending between services is a matter for determination by individual local authorities. The capital expenditure of each nationalised industry is shown, and other public corporations with substantial capital spending are also shown separately. The capital expenditure of nationalised industries declines from 1995–96 to 1996–97, and the planned level continues to fall up to 1999–2000, mainly reflecting the transfer of Railtrack and other rail businesses to the private sector.

3.7 Capital spending in Table 3.7 follows the national accounts definition which includes:—

- (i) gross domestic fixed capital formation, net of receipts for disposals,
- (ii) grants in support of capital spending by the private sector,
- (iii) the value of the physical increase in stocks (for central government, primarily agricultural commodity stocks).

3.8. The capital figures for future years reflect departments' detailed decisions on the allocation of expenditure following the 1996 Public Expenditure Survey. Total public sector capital spending is expected to be £19.3 billion in 1996–97. Capital spending directly financed by the public sector is planned to fall to around £17.5 billion in 1997–98, beyond which the level of capital spending is particularly uncertain, though it is expected to continue to decline over the next two years. This is the result of the government reforms of the way in which public services are delivered; the main programme of contracting out through the Competing for Quality initiative, and privately financed capital under the Private Finance Initiative.

### Private Finance Initiative

3.9. Under the Private Finance Initiative the public sector contracts to buy services rather than purchase assets. It is up to the private sector to decide how best to provide those services but often this will involve the private sector in significant amounts of capital investment. Under a PFI contract the private sector party will be in control of the asset and bear the risks of its performance. It is therefore classified as private sector capital expenditure and is not included in the figures in table 3.7 or indeed in other analyses in this publication.

3.10. Capital investment under the PFI is expected to amount to more than £10 billion over the next three years. Further details of this capital expenditure were given in the Financial Statement and Budget Report published in November 1996.

### Sales and purchases of land and buildings

3.11. **Table 3.8** gives figures for sales and purchases of land and existing buildings by general government for the years 1978–79, 1982–83 to 1996–97.

## The Control Total

3.12. The Control Total was introduced as a the government's measure for planning and controlling public expenditure in 1992. It differs from earlier planning aggregates mainly in the treatment of local authority expenditure, cyclical social security and privatisation



proceeds. **Table 3.9** shows outturn figures for the Control Total calculated on the current basis back to 1984–85, and plans up to 1999–2000. In addition to spending sector totals, the table gives figures for the departments responsible for the majority of central government expenditure and for the individual components of central government support for local authorities. A breakdown of the financing requirements of nationalised industries is given in **Table 3.11** (see below).

#### **Nationalised industries, other public corporations and trading funds**

3.13. The external finance regime for nationalised industries, other public corporations and trading funds is explained in section 2, and external finance limits for nationalised industries, other public corporations and trading funds in 1997–98 are set out in **Table 2.4**. **Table 3.10** shows the overall requirement for external finance by department and industry from 1991–92 to 1999–2000. Figures for the requirement by industry back to 1978–79 are given in **Table 3.11**.

3.14 **Table 3.12** shows the contribution to the Control Total for all public corporations (excluding nationalised industries) and trading funds for 1991–92 to 1999–2000. As explained in section 2, the New Town Development Corporations and the Commission for New Towns do not have external finance treatment. The figures for these bodies shown at the bottom of **Table 3.12** reflect their contribution to the Control Total, made up of their capital expenditure and subsidies they receive.

#### **Privatisation**

3.15. The state sector of industry, predominantly the nationalised industries, accounted for 11 per cent of GDP in 1979. Fifty major (and dozens of smaller) companies have been privatised since then. By 1993 the nationalised industries' share of GDP had fallen to 2.3 per cent. Between 1979 and 1995 the numbers employed in nationalised industries have fallen by some 80 per cent to 0.25 million and some 1 million jobs have been transferred to the private sector. Privatisations include Scottish Power, Scottish Hydro-Electric, the two electricity generating companies and twelve Regional Electricity Companies in England and Wales, the ten Water Companies in England and Wales, British Steel, Rover Group, BAA, Rolls-Royce, Royal Ordnance, British Airways, British Gas, BT, Jaguar, Enterprise Oil, Associated British Ports, Britoil, National Freight Consortium, Amersham International, British Aerospace, Cable and Wireless, the mining businesses of British Coal, Railtrack and the vast majority of the British Rail businesses, British Energy and AEA technology.

3.16. **Table 3.13** gives a breakdown of privatisation proceeds from 1979–83 to 1996–97. Total proceeds are projected to be £2.0 billion in 1997–98, £1.5 billion in 1998–99 and £1.0 billion in 1999–2000. Detailed estimates for future receipts from privatisation proceeds are not shown because they are dependent on commercially sensitive assumptions about further sales.



**Table 3.1 Public expenditure, 1963–64 to 1999–2000**

	Control Total <sup>(1)</sup>		GGE(X)			General government expenditure	Money GDP <sup>(4)</sup>	Adjusted GDP deflator
	£ billion	Real terms <sup>(2)</sup> £ billion	£ billion	Real terms <sup>(2)</sup> £ billion	per cent of GDP <sup>(3)</sup> £ billion	Total £ billion	£ billion	Index series (1995–96) =100)
1963–64			10.9	124.6	35½	11.3	31.4	8.8
1964–65			11.8	128.8	35	12.3	34.2	9.2
1965–66			13.1	136.4	36½	13.6	36.6	9.6
1966–67			14.5	144.7	38	15.1	38.9	10.0
1967–68			16.8	163.3	41½	17.5	41.2	10.3
1968–69			17.5	161.9	40	18.2	44.6	10.8
1969–70			18.5	162.8	39¼	19.3	48.0	11.4
1970–71			20.7	168.0	39½	21.6	53.2	12.3
1971–72			23.3	173.3	40	24.4	59.3	13.4
1972–73			26.4	181.7	39¼	27.6	67.6	14.5
1973–74			30.5	196.4	41½	32.0	75.0	15.5
1974–75			41.0	220.9	46¼	42.9	89.4	18.6
1975–76			51.6	221.5	47¼	53.8	111.2	23.3
1976–77			57.0	215.7	44¼	59.6	130.0	26.4
1977–78			61.7	205.3	41½	63.9	151.3	30.0
1978–79			72.0	215.7	42¼	75.0	173.7	33.4
1979–80			87.0	223.1	42½	90.0	208.6	39.0
1980–81			104.8	227.1	44¼	108.6	237.7	46.1
1981–82			116.3	229.9	45½	120.5	261.0	50.6
1982–83			127.8	235.9	45½	132.7	285.8	54.2
1983–84			136.5	240.8	44¼	140.4	310.0	56.7
1984–85	126.0	211.6	147.9	248.3	45¼	150.8	332.1	59.5
1985–86	129.6	206.4	154.9	246.6	43¼	158.5	364.9	62.8
1986–87	136.0	210.2	163.3	252.3	42¼	164.6	392.7	64.7
1987–88	148.6	218.1	172.9	253.7	40½	173.5	434.8	68.1
1988–89	156.1	214.8	180.7	248.5	38	179.8	484.1	72.7
1989–90	175.1	225.2	198.0	254.6	38¼	200.9	525.8	77.8
1990–91	193.6	230.5	217.2	258.6	39	218.1	556.6	84.0
1991–92	213.2	238.6	238.5	266.9	41	236.2	581.2	89.4
1992–93	231.7	248.7	263.5	282.9	43½	260.4	606.8	93.1
1993–94	240.7	251.2	277.0	289.1	43¼	276.6	639.7	95.8
1994–95	247.8	254.1	288.3	295.6	42½	287.0	676.8	97.5
1995–96	255.3	255.3	299.8	299.8	42¼	303.1	708.5	100.0
1996–97	261.0	254.7	307.9	300.4	41¼	309.0	746	102.5
1997–98	266.5	254.9	314.7	301.0	40	319.0	787	104.6
1998–99	273.7	256.6	322.2	302.1	39	327.2	826	106.6
1999–2000	280.9	258.2	330.6	304.0	38¼	336.3	864	108.8

(1) Figures for the Control Total are only available on a consistent basis for the years shown. Figures are estimated outturn for 1996–97 and plans for 1997–98 onwards.

(2) Cash figures adjusted to price levels of 1995–96.

(3) An adjusted series for money GDP is used in the calculation of the ratio for years up to 1989–90. This has been constructed to remove the distortion caused by the abolition of domestic rates. A description of the adjustment method was given in Annex C to chapter 1 of the 1990 Autumn Statement.

(4) GDP as published. This differs from the adjusted series used in calculations of ratios—see footnote (2).



Table 3.2 General government expenditure by function, 1978–79, 1982–83 to 1996–97

	£ billion															
	1978–79 outturn	1982–83 outturn	1983–84 outturn	1984–85 outturn	1985–86 outturn	1986–87 outturn	1987–88 outturn	1988–89 outturn	1989–90 outturn	1990–91 outturn	1991–92 outturn	1992–93 outturn	1993–94 outturn	1994–95 outturn	1995–96 outturn	1996–97 estimated outturn
Defence <sup>(1)</sup>	7.6	14.6	15.7	17.4	18.2	18.4	18.9	19.2	20.8	21.7	22.9	22.9	22.8	22.6	21.5	21.2
Overseas services, including overseas aid	1.1	1.6	1.7	1.7	1.9	2.0	2.0	2.3	2.5	2.7	3.1	3.4	3.5	3.6	3.7	3.4
Agriculture, fisheries, food and forestry	1.0	2.2	2.4	2.4	2.9	2.2	2.4	2.2	2.2	2.9	3.1	3.2	4.1	3.7	4.1	6.2
Trade, industry, energy and employment	4.2	8.2	7.3	8.2	8.4	8.4	7.0	8.4	8.0	9.3	9.8	10.4	10.7	10.2	9.6	9.4
Transport	3.0	5.3	5.4	5.7	5.8	5.7	5.7	5.9	6.8	8.3	9.3	10.7	10.0	10.3	8.9	9.0
Housing	4.5	3.8	4.4	4.5	4.1	4.0	4.1	3.2	5.1	4.8	5.7	6.2	5.2	5.2	4.9	4.0
Other environmental services	2.7	4.5	4.6	4.4	4.5	5.3	5.5	5.6	6.7	7.4	8.3	8.8	8.6	9.3	9.8	9.8
Law, order and protective services	2.6	5.2	5.7	6.4	6.6	7.2	8.1	9.0	10.2	11.5	13.0	14.2	14.8	15.4	15.9	16.5
Education	9.1	15.0	15.8	16.4	17.0	18.7	20.4	22.0	24.6	26.5	29.3	31.7	33.4	35.1	36.3	36.9
National Heritage	0.7	1.3	1.3	1.4	1.5	1.6	1.8	2.0	2.3	2.5	2.6	2.7	2.7	2.8	2.9	2.8
Health and personal social services	9.2	17.2	18.3	19.6	20.7	22.3	24.5	27.0	29.5	33.1	37.8	41.0	43.1	46.3	48.9	51.2
of which: Health	7.8	14.7	15.5	16.7	17.6	18.9	20.7	22.9	24.7	27.7	31.5	34.6	35.9	37.8	39.5	41.2
Social security	16.9	33.4	36.7	39.7	43.3	46.5	48.6	49.7	52.8	59.1	70.2	79.5	86.8	89.1	93.1	97.5
Miscellaneous expenditure <sup>(2)</sup>	2.8	3.9	3.4	3.9	3.8	4.4	5.3	5.0	6.9	7.0	5.9	7.9	8.1	7.4	9.6	7.8
<b>Total expenditure on services</b>	<b>65.4</b>	<b>116.2</b>	<b>122.8</b>	<b>131.7</b>	<b>138.6</b>	<b>146.5</b>	<b>154.3</b>	<b>161.6</b>	<b>178.4</b>	<b>196.8</b>	<b>219.6</b>	<b>241.5</b>	<b>252.5</b>	<b>259.5</b>	<b>267.7</b>	<b>274.2</b>
General government net debt interest	4.4	8.6	9.3	10.9	11.4	11.8	12.1	12.3	11.7	12.1	11.3	12.8	14.6	17.4	20.0	22.0
Other accounting adjustments <sup>(3)</sup>	2.2	3.1	4.3	5.3	4.9	5.0	6.5	6.8	7.9	8.2	7.7	9.2	9.9	11.3	12.6	13.1
Allowance for shortfall <sup>(4)</sup>															-0.6	-1.5
<b>General government expenditure (X)</b>	<b>72.0</b>	<b>127.8</b>	<b>136.5</b>	<b>147.9</b>	<b>154.9</b>	<b>163.3</b>	<b>172.9</b>	<b>180.7</b>	<b>198.0</b>	<b>217.2</b>	<b>238.5</b>	<b>263.5</b>	<b>277.0</b>	<b>288.3</b>	<b>299.8</b>	<b>307.9</b>
General government interest and dividend receipts	3.0	5.3	5.1	5.0	6.3	5.8	5.8	6.2	7.1	6.3	5.5	5.1	5.0	5.1	5.6	5.0
National Lottery															0.1	0.6
Privatisation proceeds		-0.5	-1.1	-2.0	-2.7	-4.5	-5.1	-7.1	-4.2	-5.3	-7.9	-8.2	-5.5	-6.4	-2.4	-4.5
<b>General government expenditure</b>	<b>75.0</b>	<b>132.7</b>	<b>140.4</b>	<b>150.8</b>	<b>158.5</b>	<b>164.6</b>	<b>173.5</b>	<b>179.8</b>	<b>200.9</b>	<b>218.1</b>	<b>236.2</b>	<b>260.4</b>	<b>276.6</b>	<b>287.0</b>	<b>303.1</b>	<b>309.0</b>

(1) The outturns for defence for 1990–91 and 1991–92 are net of other governments' contributions to the cost of the Gulf conflict. Figures for 1996–97 and 1997–98 include receipts from the sale of Ministry of Defence married quarters. Figures for these receipts are shown in table 5.4

(2) Includes contributions to the European Union and activities required for the general maintenance of government, such as tax collection, and the registration of population.

(3) These adjustments differ from those shown in tables linking the Control Total with general government expenditure because of the different treatment of debt interest and the exclusion of market and overseas borrowing of public corporations from expenditure on services.

(4) See paragraph 5 of Appendix A.



**Table 3.3 General government expenditure by function in real terms<sup>(1)</sup>, 1978–79, 1982–83 to 1996–97**

	£ billion															
	1978–79 outturn	1982–83 outturn	1983–84 outturn	1984–85 outturn	1985–86 outturn	1986–87 outturn	1987–88 outturn	1988–89 outturn	1989–90 outturn	1990–91 outturn	1991–92 outturn	1992–93 outturn	1993–94 outturn	1994–95 outturn	1995–96 outturn	1996–97 estimated outturn
Defence <sup>(2)</sup>	22.7	27.0	27.8	29.2	29.0	28.5	27.8	26.4	26.7	25.8	25.6	24.6	23.7	23.1	21.5	20.6
Overseas services, including overseas aid	3.2	2.9	3.0	2.9	3.0	3.0	2.9	3.1	3.3	3.2	3.5	3.6	3.6	3.7	3.7	3.3
Agriculture, fisheries, food and forestry	3.1	4.0	4.3	4.1	4.6	3.4	3.6	3.1	2.8	3.5	3.5	3.4	4.3	3.7	4.1	6.1
Trade, industry, energy and employment <sup>(3)</sup>	12.4	15.1	12.8	13.8	13.3	13.0	10.3	11.6	10.3	11.1	10.9	11.1	11.1	10.4	9.6	9.2
Transport	9.0	9.8	9.6	9.5	9.2	8.8	8.4	8.1	8.7	9.9	10.4	11.5	10.4	10.5	8.9	8.8
Housing	13.5	7.1	7.8	7.5	6.5	6.1	6.0	4.4	6.5	5.7	6.4	6.7	5.4	5.3	4.9	3.9
Other environmental services	7.9	8.3	8.0	7.3	7.1	8.1	8.1	7.7	8.6	8.9	9.3	9.5	9.0	9.6	9.8	9.6
Law order and protective services	7.7	9.5	10.1	10.7	10.5	11.1	11.8	12.3	13.1	13.7	14.6	15.3	15.4	15.8	15.9	16.1
Education	27.3	27.7	27.9	27.6	27.0	28.8	29.9	30.3	31.6	31.6	32.8	34.0	34.9	36.0	36.3	36.0
National Heritage	2.2	2.3	2.3	2.4	2.4	2.5	2.7	2.8	3.0	3.0	2.9	2.9	2.8	2.8	2.9	2.7
Health and personal social services	27.6	31.8	32.3	32.9	33.0	34.4	35.9	37.2	37.9	39.4	42.3	44.0	45.0	47.4	48.9	50.0
<i>of which: Health</i>	23.5	27.1	27.4	28.0	28.1	29.2	30.4	31.4	31.8	33.0	35.2	37.2	37.4	38.7	39.5	40.2
Social security	50.7	61.7	64.7	66.7	68.9	71.9	71.3	68.4	67.9	70.3	78.6	85.3	90.6	91.4	93.1	95.1
Miscellaneous expenditure <sup>(3)</sup>	8.3	7.3	6.0	6.6	6.1	6.8	7.8	6.8	8.8	8.3	6.6	8.4	8.4	7.6	9.6	7.6
<b>Total expenditure on services</b>	<b>195.7</b>	<b>214.4</b>	<b>216.7</b>	<b>221.1</b>	<b>220.7</b>	<b>226.4</b>	<b>226.4</b>	<b>222.3</b>	<b>229.4</b>	<b>234.4</b>	<b>245.7</b>	<b>259.3</b>	<b>263.5</b>	<b>266.1</b>	<b>267.7</b>	<b>267.5</b>
General government net debt interest	13.3	15.8	16.4	18.3	18.1	18.2	17.7	16.9	15.0	14.4	12.6	13.7	15.3	17.9	20.0	21.5
Other accounting adjustments <sup>(4)</sup>	6.6	5.7	7.6	8.9	7.8	7.7	9.6	9.4	10.2	9.8	8.6	9.9	10.3	11.6	12.6	12.8
Allowance for shortfall <sup>(5)</sup>															-0.6	-1.4
<b>General government expenditure (X)</b>	<b>215.7</b>	<b>235.9</b>	<b>240.8</b>	<b>248.3</b>	<b>246.6</b>	<b>252.3</b>	<b>253.7</b>	<b>248.5</b>	<b>254.6</b>	<b>258.6</b>	<b>266.9</b>	<b>282.9</b>	<b>289.1</b>	<b>295.6</b>	<b>299.8</b>	<b>300.4</b>
General government interest and dividend receipts	8.9	9.8	9.0	8.4	10.1	8.9	8.5	8.5	9.1	7.5	6.2	5.5	5.2	5.2	5.6	5.0
National Lottery															0.1	0.6
Privatisation proceeds		-0.8	-2.0	-3.4	-4.3	-6.9	-7.5	-9.7	-5.4	-6.4	-8.9	-8.8	-5.7	-6.6	-2.4	-4.4
<b>General government expenditure</b>	<b>224.6</b>	<b>244.9</b>	<b>247.7</b>	<b>253.2</b>	<b>252.4</b>	<b>254.3</b>	<b>254.6</b>	<b>247.4</b>	<b>258.2</b>	<b>259.7</b>	<b>264.2</b>	<b>279.6</b>	<b>288.6</b>	<b>294.3</b>	<b>303.1</b>	<b>301.5</b>

(1) Cash figures adjusted to 1995–96 price levels by excluding the effect of general inflation.

(2) See footnote (1) to table 3.2.

(3) Includes contributions to the European Union and activities required for the general maintenance of government, such as tax collection, and the registration of population.

(4) These adjustments differ from those shown in tables linking the Control Total with general government expenditure because of the different treatment of debt interest and the exclusion of market and overseas borrowing of public corporations from expenditure on services.

(5) See paragraph 5 of Appendix A.



Table 3.4 General government expenditure by function, as a percentage of GDP, 1978–79, 1982–83 to 1996–97

	percentages															
	1978–79 outturn	1982–83 outturn	1983–84 outturn	1984–85 outturn	1985–86 outturn	1986–87 outturn	1987–88 outturn	1988–89 outturn	1989–90 outturn	1990–91 outturn	1991–92 outturn	1992–93 outturn	1993–94 outturn	1994–95 outturn	1995–96 outturn	1996–97 estimated outturn
Defence <sup>(1)</sup>	4.5	5.2	5.2	5.3	5.1	4.8	4.4	4.0	4.0	3.9	3.9	3.8	3.6	3.3	3.0	2.8
Overseas services, including overseas aid	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.5	0.5
Agriculture, fisheries, food and forestry	0.6	0.8	0.8	0.7	0.8	0.6	0.6	0.5	0.4	0.5	0.5	0.5	0.6	0.5	0.6	0.8
Trade, industry, energy and employment	2.4	2.9	2.4	2.5	2.3	2.2	1.6	1.8	1.6	1.7	1.7	1.7	1.7	1.5	1.4	1.3
Transport	1.8	1.9	1.8	1.7	1.6	1.5	1.3	1.2	1.3	1.5	1.6	1.8	1.6	1.5	1.3	1.2
Housing	2.6	1.4	1.4	1.4	1.1	1.0	1.0	0.7	1.0	0.9	1.0	1.0	0.8	0.8	0.7	0.5
Other environmental services	1.6	1.6	1.5	1.3	1.3	1.4	1.3	1.2	1.3	1.3	1.4	1.5	1.3	1.4	1.4	1.3
Law, order and protective services	1.5	1.8	1.9	2.0	1.8	1.9	1.9	1.9	2.0	2.1	2.2	2.3	2.3	2.3	2.2	2.2
Education	5.4	5.4	5.2	5.0	4.7	4.8	4.8	4.6	4.8	4.8	5.0	5.2	5.2	5.2	5.1	4.9
National Heritage	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.4
Health and personal social services	5.4	6.1	6.0	6.0	5.8	5.8	5.7	5.7	5.7	5.9	6.5	6.8	6.7	6.8	6.9	6.9
of which: Health	4.6	5.2	5.1	5.1	4.9	4.9	4.9	4.8	4.8	5.0	5.4	5.7	5.6	5.6	5.6	5.5
Social security	9.9	11.9	12.0	12.2	12.1	12.1	11.4	10.5	10.2	10.6	12.1	13.1	13.6	13.2	13.1	13.1
Miscellaneous expenditure <sup>(2)</sup>	1.6	1.4	1.1	1.2	1.1	1.1	1.3	1.0	1.3	1.3	1.0	1.3	1.3	1.1	1.4	1.0
<b>Total expenditure on services</b>	<b>38.3</b>	<b>41.4</b>	<b>40.4</b>	<b>40.4</b>	<b>38.7</b>	<b>38.0</b>	<b>36.1</b>	<b>34.0</b>	<b>34.5</b>	<b>35.4</b>	<b>37.8</b>	<b>39.8</b>	<b>39.5</b>	<b>38.3</b>	<b>37.8</b>	<b>36.8</b>
General government net debt interest	2.6	3.0	3.1	3.3	3.2	3.1	2.8	2.6	2.3	2.2	1.9	2.1	2.3	2.6	2.8	3.0
Other accounting adjustments <sup>(3)</sup>	1.3	1.1	1.4	1.6	1.4	1.3	1.5	1.4	1.5	1.5	1.3	1.5	1.5	1.7	1.8	1.8
Allowance for shortfall <sup>(4)</sup>															-0.1	-0.2
<b>General government expenditure (X)</b>	<b>42.2</b>	<b>45.5</b>	<b>44.8</b>	<b>45.3</b>	<b>43.2</b>	<b>42.3</b>	<b>40.5</b>	<b>38.0</b>	<b>38.3</b>	<b>39.0</b>	<b>41.0</b>	<b>43.4</b>	<b>43.3</b>	<b>42.6</b>	<b>42.3</b>	<b>41.3</b>
General government interest and dividend receipts	1.7	1.9	1.7	1.5	1.8	1.5	1.4	1.3	1.4	1.1	1.0	0.8	0.8	0.8	0.8	0.7
National Lottery																0.1
Privatisation proceeds		-0.2	-0.4	-0.6	-0.8	-1.2	-1.2	-1.5	-0.8	-1.0	-1.4	-1.3	-0.9	-0.9	-0.3	-0.6
<b>General government expenditure</b>	<b>44.0</b>	<b>47.3</b>	<b>46.1</b>	<b>46.2</b>	<b>44.2</b>	<b>42.7</b>	<b>40.6</b>	<b>37.8</b>	<b>38.9</b>	<b>39.2</b>	<b>40.6</b>	<b>42.9</b>	<b>43.2</b>	<b>42.4</b>	<b>42.8</b>	<b>41.4</b>

(1) See footnote (1) to table 3.2.

(2) Includes contributions to the European Union and activities required for the general maintenance of government, such as tax collection, and the registration of population.

(3) These adjustments differ from those shown in tables linking the Control Total with general government expenditure because of the different treatment of debt interest and the exclusion of market and overseas borrowing of public corporations from expenditure on services.

(4) See paragraph 5 of Appendix A.



Table 3.5 General government expenditure by function, 1991-92 to 1996-97

	£ million					
	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
	outturn	outturn	outturn	outturn	outturn	estimated outturn
<b>Defence</b>						
Defence budget	24,438	22,910	22,757	22,562	21,517	22,110
Receipts from sale of married quarters						-945
Other governments' contributions to the cost of the Gulf conflict	-1,525					
<b>Total defence</b>	<b>22,913</b>	<b>22,910</b>	<b>22,757</b>	<b>22,562</b>	<b>21,517</b>	<b>21,164</b>
<b>Overseas development assistance and services</b>						
Overseas development assistance <sup>(1)</sup>	1,869	2,014	2,127	2,239	2,215	2,197
Other overseas services	1,223	1,361	1,363	1,381	1,452	1,212
<b>Total overseas development assistance and services</b>	<b>3,092</b>	<b>3,375</b>	<b>3,490</b>	<b>3,620</b>	<b>3,667</b>	<b>3,409</b>
<b>Agriculture, fisheries, food and forestry</b>						
Market support under CAP	1,601	1,621	2,396	1,969	2,317	3,840
Other agriculture, fisheries and food	1,394	1,481	1,617	1,592	1,739	2,319
Forestry	92	103	100	94	60	56
<b>Total agriculture, fisheries, food and forestry</b>	<b>3,087</b>	<b>3,205</b>	<b>4,112</b>	<b>3,654</b>	<b>4,116</b>	<b>6,215</b>
<b>Trade, industry, energy, employment and training</b>						
Regional and other industrial support	3,048	3,401	3,711	3,018	2,215	1,985
Trade, scientific and technological support	2,073	2,155	2,062	2,130	2,299	2,301
Support for aerospace, shipbuilding, coal, steel and vehicle manufacture	215	177	75	73	351	260
Employment	2,402	2,710	2,861	3,066	3,020	3,088
Training	1,592	1,511	1,508	1,447	1,258	1,328
Departmental administration and other services	444	416	436	453	485	487
<b>Total trade, industry, energy, employment and training</b>	<b>9,773</b>	<b>10,370</b>	<b>10,653</b>	<b>10,186</b>	<b>9,629</b>	<b>9,449</b>
<b>Transport</b>						
National roads	2,426	2,601	2,729	2,721	2,414	2,178
Local roads	3,285	3,533	3,628	3,787	3,642	3,593
Local transport	2,731	3,678	2,718	1,232	1,121	1,809
Ports	9	7	4	3	5	2
Marine, coastguard, shipping and civil aviation services	89	72	135	112	104	125
Driver and vehicle licensing	131	147	122	141	141	150
National rail services	309	365	398	1,991	2,005	1,885
Other transport services	277	323	274	298	-496	-769
<b>Total transport</b>	<b>9,256</b>	<b>10,725</b>	<b>10,009</b>	<b>10,283</b>	<b>8,935</b>	<b>8,974</b>



**Table 3.5 General government expenditure by function, 1991-92 to 1996-97 (continued)**

	£ million					
	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 outturn	1996-97 estimated outturn
<b>Housing</b>						
Central government subsidies to local authority housing	1,575	1,388	1,198	1,219	1,160	1,051
Other central government subsidies	105	137	147	202	200	221
Other housing and central government administration	2,024	2,063	1,774	1,983	2,103	1,915
Support for Social Housing	345	336	337	340	299	279
Housing Corporations	1,639	2,285	1,761	1,463	1,131	519
<b>Total housing</b>	<b>5,688</b>	<b>6,208</b>	<b>5,218</b>	<b>5,207</b>	<b>4,892</b>	<b>3,985</b>
<b>Other environmental services</b>						
Environmental protection	2,954	2,848	2,820	2,946	3,158	3,439
Countryside and water	1,051	1,128	1,146	1,198	1,228	935
Urban	1,381	1,515	1,690	1,605	1,433	1,476
Other	2,914	3,344	2,947	3,578	3,943	3,953
<b>Total other environmental services</b>	<b>8,300</b>	<b>8,835</b>	<b>8,603</b>	<b>9,327</b>	<b>9,762</b>	<b>9,802</b>
<b>Law, order and protective services</b>						
Administration of justice	2,289	2,674	2,823	2,956	3,048	3,249
Prisons and offender programmes	2,198	2,259	2,213	2,321	2,390	2,403
Police	6,439	7,014	7,403	7,676	7,975	8,327
Immigration and citizenship	178	212	247	246	263	275
Fire	1,343	1,443	1,508	1,547	1,600	1,651
Civil defence	82	73	48	46	43	44
Constitutional and community services	53	43	38	85	38	40
Central and miscellaneous services	437	525	525	526	499	466
<b>Total law, order and protective services</b>	<b>13,020</b>	<b>14,242</b>	<b>14,805</b>	<b>15,403</b>	<b>15,856</b>	<b>16,455</b>
<b>Education</b>						
Under fives	1,102	1,232	1,305	1,387	1,439	1,469
Schools	16,048	17,341	17,541	18,369	18,954	19,469
Further Education	3,352	3,550	4,676	4,812	4,920	4,985
Higher Education	3,680	3,825	3,805	4,555	5,013	5,001
Student support (inc mandatory awards & access fund)	2,436	3,066	3,399	3,185	3,078	3,010
Miscellaneous educational services, research and administration	2,702	2,693	2,715	2,782	2,851	2,917
<b>Total education</b>	<b>29,319</b>	<b>31,707</b>	<b>33,442</b>	<b>35,090</b>	<b>36,255</b>	<b>36,851</b>



**Table 3.5 General government expenditure by function, 1991-92 to 1996-97 (continued)**

	£ million					
	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 outturn	1996-97 estimated outturn
<b>National heritage</b>						
Museums and galleries	413	437	453	465	474	462
Other arts and heritage	443	490	484	494	510	501
Libraries	855	891	896	938	989	926
Films	20	22	24	26	26	24
Tourism	66	70	71	71	74	73
Sport and recreation	826	744	709	759	765	780
Broadcasting	2	2	3	3	3	1
Administration	8	17	23	23	28	30
<b>Total national heritage</b>	<b>2,633</b>	<b>2,673</b>	<b>2,663</b>	<b>2,780</b>	<b>2,869</b>	<b>2,797</b>
<b>Health and personal social services</b>						
<b>Health</b>						
National Health Service hospitals, community health, family health (cash limited) and related services	24,433	26,846	27,932	29,524	31,226	32,986
Family health (non-cash limited)	6,215	6,698	6,750	6,792	6,915	6,871
Central health, administration and other services	822	1,083	1,206	1,445	1,343	1,266
<b>Total health</b>	<b>31,470</b>	<b>34,627</b>	<b>35,888</b>	<b>37,761</b>	<b>39,484</b>	<b>41,123</b>
Personal social services	5,915	6,387	7,248	8,496	9,406	10,104
<b>Total health and personal social services</b>	<b>37,385</b>	<b>41,015</b>	<b>43,135</b>	<b>46,258</b>	<b>48,889</b>	<b>51,227</b>
<b>Social security</b>						
Pension benefits (contributory)	26,220	27,413	28,937	29,503	30,748	32,671
Widows' benefits	1,045	1,044	1,076	1,057	1,052	1,086
Unemployment (cyclical)	1,642	1,801	1,690	1,331	1,133	606
Unemployment, incapacity and other benefits (non- cyclical)	6,803	7,555	8,414	8,456	8,279	8,127
Industrial injury benefits	674	688	707	728	753	740
Family benefits (contributory)	456	485	467	525	572	544
Pension benefits (non- contributory)	49	53	54	51	54	56
War pensions	967	1,158	1,286	1,147	1,258	1,419
Disability benefits	3,834	4,874	6,127	6,888	8,019	9,126
Income support (cyclical)	9,281	11,499	12,648	12,923	13,327	13,734
Income support (non- cyclical)	2,853	3,860	4,086	4,114	4,032	3,895
Social Fund	210	212	234	217	251	252
Family benefits (non- contributory)	6,302	7,148	7,826	8,138	8,691	9,462
Housing benefits	7,033	8,508	9,860	10,780	11,592	12,209
Administration and miscellaneous services	2,836	3,182	3,395	3,263	3,335	3,543
<b>Total social security</b>	<b>70,204</b>	<b>79,479</b>	<b>86,806</b>	<b>89,120</b>	<b>93,096</b>	<b>97,470</b>



### 3. Trends in public sector expenditure

**Table 3.5 General government expenditure by function, 1991-92 to 1996-97 (continued)**

	£ million					
	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 outturn	1996-97 estimated outturn
<b>Central administration and associated expenditure<sup>(2)</sup></b>						
Other public services	4,113	4,845	4,946	4,681	4,668	4,642
Common services	73	-64	-32	49	278	299
Contributions to European Union	707	1,912	1,877	1,268	3,232	1,400
Finance for public corporations	-5	52	55	60	76	66
<b>Total Central administration and associated expenditure<sup>(2)</sup></b>	<b>4,889</b>	<b>6,744</b>	<b>6,845</b>	<b>6,058</b>	<b>8,254</b>	<b>6,407</b>
<b>Total expenditure on services</b>	<b>219,560</b>	<b>241,489</b>	<b>252,538</b>	<b>259,550</b>	<b>267,739</b>	<b>274,205</b>
General government net debt interest	11,258	12,800	14,635	17,449	20,004	22,000
Other accounting adjustments <sup>(3)</sup>	7,714	9,180	9,860	11,313	12,638	13,100
Allowance for shortfall <sup>(4)</sup>					-600	-1,500
<b>General government expenditure (X)</b>	<b>238,532</b>	<b>263,470</b>	<b>277,033</b>	<b>288,311</b>	<b>299,781</b>	<b>307,900</b>
General government interest and dividend receipts	5,546	5,105	5,027	5,116	5,622	5,000
National lottery					126	600
Privatisation proceeds	-7,924	-8,189	-5,453	-6,429	-2,439	-4,500
<b>Total general government expenditure</b>	<b>236,154</b>	<b>260,386</b>	<b>276,607</b>	<b>286,998</b>	<b>303,090</b>	<b>309,000</b>

(1) In addition to development assistance to developing countries this includes assistance to Eastern Europe and the former Soviet Union and global environmental assistance. The figures include the UK contributions to the European Community aid budget and the UK share of European Community assistance to Eastern Europe and the former Soviet Union.

(2) As well as contributions to the European Communities, "Central administration and associated expenditure" includes the activities required for the general maintenance of government, such as tax collection, and the registration of the population.

(3) These adjustments differ from those shown in tables linking the Control Total with general government expenditure because of the different treatment of debt interest and the exclusion of market and overseas borrowing of public corporations from expenditure on services.

(4) See paragraph 5 of Appendix A.



**Table 3.6 General government expenditure by economic category, 1991-92 to 1996-97**

	£ million					
	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 outturn	1996-97 estimated outturn
Pay	68,809	71,626	65,053	58,896	59,423	
Other current expenditure on goods and services	46,823	50,141	58,361	69,250	72,764	} 137,282
Subsidies	5,422	5,567	5,908	7,821	7,304	
Current grants to the private sector	75,844	85,917	96,384	99,375	103,659	108,376
Current transfers abroad <sup>(1)</sup>	1,928	4,958	5,069	4,654	6,710	4,840
Net capital expenditure on assets	11,944	12,158	10,753	10,709	10,307	8,273
Capital grants	7,298	8,251	8,072	7,943	7,397	6,883
Lending and other financial transactions	1,492	2,871	2,939	901	175	-302
General government net debt interest	11,258	12,800	14,635	17,449	20,004	22,000
Other accounting adjustments <sup>(2)</sup>	7,714	9,180	9,860	11,313	12,638	13,100
Allowance for shortfall <sup>(3)</sup>					-600	-1,500
<b>Total general government expenditure (X)</b>	<b>238,532</b>	<b>263,470</b>	<b>277,033</b>	<b>288,311</b>	<b>299,781</b>	<b>307,900</b>
General government interest and dividend receipts	5,546	5,105	5,027	5,116	5,622	5,000
National Lottery					126	600
Privatisation proceeds	-7,924	-8,189	-5,453	-6,429	-2,439	-4,500
<b>Total general government expenditure</b>	<b>236,154</b>	<b>260,386</b>	<b>276,607</b>	<b>286,998</b>	<b>303,090</b>	<b>309,000</b>

(1) The outturns for current transfers abroad for 1991-92 are net of other governments' contributions to the cost of the Gulf conflict.

(2) These adjustments differ from those shown in tables linking the Control Total with general government expenditure because of the different treatment of debt interest and the exclusion of market and overseas borrowing of public corporations from expenditure on services.

(3) See paragraph 5 of Appendix A.



### 3. Trends in public sector expenditure

**Table 3.7 Public sector capital by spending sector and function, 1991-92 to 1999-2000**

	£ million								
	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
<b>Central government's own</b>									
Defence <sup>(1)</sup>	614	649	701	727	669	-594	-200	400	400
Overseas services including overseas aid	119	116	118	93	138	75	100	100	100
Agriculture, fisheries, food and forestry	468	405	326	58	135	432	400	300	200
Trade, industry, energy, and employment	713	654	688	756	703	728	700	700	700
<i>of which:</i>									
<i>Regional and other industrial support</i>	385	305	329	386	369	375	500	500	400
National roads	2,061	2,198	2,301	2,298	1,972	1,808	1,500	1,400	1,300
Other transport	34	38	30	46	33	44	100		
Housing	2,131	2,558	2,035	1,683	1,343	1,205	900	900	800
Other environmental services	190	257	315	272	275	337	200	200	200
Prisons and offender programmes	430	350	302	334	349	260	300	200	200
Other Law, order and protective services	275	313	308	261	272	218	200	200	100
Education	598	623	858	943	901	734	400	400	400
National heritage	181	196	170	199	212	144	100	100	100
National Health Service, hospitals, community health, family health, and related services	1,646	1,527	829	357	267	276	100	200	200
Other Health and personal social services	40	60	31	29	24	23			
Social security	271	293	336	250	164	133	-200	100	100
Miscellaneous <sup>(2)</sup>	541	606	623	599	478	465	400	400	400
Other accounting adjustments	29	25	-197	59	616	641	1,000	1,100	1,200
<b>Total central government's own</b>	<b>10,344</b>	<b>10,869</b>	<b>9,775</b>	<b>8,966</b>	<b>8,550</b>	<b>6,930</b>	<b>5,900</b>	<b>6,500</b>	<b>6,300</b>
<b>Local authorities<sup>(3)</sup></b>									
Agriculture, fisheries, food and forestry	44	17	-25	-34	6	-9			
Trade, industry, energy employment	12	10	18	14	16	12			
Local roads	274	296	353	352	304	277			
Other transport	1,029	1,249	1,360	1,376	1,326	1,268			
Housing	1,618	1,602	1,565	1,526	1,705	1,516			
Other environmental services	1,289	1,463	1,031	1,622	1,478	1,207			
Law, order and protective services	319	380	372	363	352	368			
Education	886	921	747	859	968	878			
National heritage	298	216	197	245	281	280			
Personal social services	166	165	157	195	200	195			
Other accounting adjustments	1,021	832	968	885	904	1,098			
<b>Total local authorities</b>	<b>6,956</b>	<b>7,150</b>	<b>6,744</b>	<b>7,403</b>	<b>7,452</b>	<b>7,089</b>	<b>6,400</b>	<b>5,900</b>	<b>5,700</b>
<b>Public Corporations</b>									
<b>Nationalised Industries</b>									
British Coal	301	10	175	6					
British Nuclear Fuels		475	343	534	373	468	470	460	428
British Shipbuilders	-3	-3	-6	11	1				
Nuclear Electric/Magnox Electric	706	488	402	239	125	39	42	30	30
Post Office	220	293	249	271	311	375	407	396	373
National Railways	1,264	1,494	1,003	798	660	60	55	50	50
Union Railways	22	30	36	40					
European Passenger Services									
Civil Aviation Authority	88	116	144	114	72	72	55	61	61
London Transport	417	786	689	949	1,018	1,072	808	624	624
British Waterways Board	2	3		4	7	4	4	4	5
Highlands & Islands Airports									
Scottish Hydro-electric									
Scottish Power									
Scottish Nuclear	72	149	72	-44	-41				
Caledonian MacBrayne	9	13	12	11	11	11	10	5	4
Scottish Transport Group	-2		44						
<b>Total nationalised industries</b>	<b>3,095</b>	<b>3,854</b>	<b>3,164</b>	<b>2,933</b>	<b>2,537</b>	<b>2,102</b>	<b>1,853</b>	<b>1,630</b>	<b>1,575</b>



Table 3.7 Public sector capital by spending sector and function, 1991–92 to 1999–2000 (continued)

£ million

<b>Other public corporations and trading funds</b>									
National Health Service Trusts	208	586	1,198	1,744	1,838	1,598	1,505	1,469	1,519
Northern Ireland Housing Executive	120	111	114	104	117	134	147	145	145
Scottish Enterprise	145	171	148	174	176	163	157	159	159
Scottish Homes	232	279	294	278	275	264	269	269	269
Scottish Water						274	212	201	201
Urban Development Corporations	463	376	341	194	215	194	149	95	44
Urban Regeneration Agency			20	119	157	189	185	176	185
Other	221	387	237	330	389	400	500	400	400
<b>Total other public corporations and trading funds</b>	<b>1,389</b>	<b>1,910</b>	<b>2,353</b>	<b>2,944</b>	<b>3,166</b>	<b>3,200</b>	<b>3,100</b>	<b>2,900</b>	<b>2,900</b>
Other accounting adjustments	-185	-291	-665	-609	-406				
<b>Total public corporations (including nationalised industries)</b>	<b>4,300</b>	<b>5,473</b>	<b>4,851</b>	<b>5,268</b>	<b>5,298</b>	<b>5,309</b>	<b>4,932</b>	<b>4,577</b>	<b>4,522</b>
Allocation from the Reserve							200	500	800
<b>Total public sector</b>	<b>21,600</b>	<b>23,492</b>	<b>21,370</b>	<b>21,637</b>	<b>21,390</b>	<b>19,328</b>	<b>17,500</b>	<b>17,500</b>	<b>17,300</b>
Real terms <sup>(4)</sup>	24,168	25,222	22,299	22,185	21,390	18,856	16,700	16,400	15,900

(1) See footnote (2) to table 1.2.

(2) "Miscellaneous" includes the activities required for the general maintenance of government, such as tax collection, and the registration of the population.

(3) For future years, a functional split of local authority capital spending is not available as the allocation of spending between services is a matter for determination by individual local authorities.

(4) Real term figures are cash outturns adjusted to 1995–96 price levels by excluding the effect of general inflation. The deflator series used is that for GDP at market prices adjusted to remove the distortion caused by the abolition of domestic rates.



Table 3.8 General government sales and purchases of land and existing buildings by spending sector, 1978-79, 1982-83 to 1996-97

	£ billion															
	1978-79	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	estimated outturn
<b>Receipts from sales</b>																
Central government	-0.1	-0.1	-0.1	-0.2	-0.2	-0.3	-0.4	-0.6	-0.5	-0.4	-0.4	-0.3	-0.4	-0.4	-0.5	-1.6
Total local authorities	-1.0	-2.5	-2.1	-2.0	-2.1	-2.6	-3.7	-5.5	-5.4	-3.6	-2.5	-2.4	-3.6	-2.8	-2.4	-2.1
<i>of which:</i>																
DOE—Housing		-1.9	-1.4	-1.3	-1.2	-1.4	-1.9	-3.0	-3.0	-2.2	-1.4	-1.2	-1.6	-1.4	-1.2	-1.1
DOE—Urban and Environment	-0.4	-0.2	-0.2	-0.3	-0.4	-0.6	-1.0	-1.4	-1.3	-0.6	-0.5	-0.4	-0.9	-0.5	-0.4	-0.4
<b>Total general government</b>	<b>-0.6</b>	<b>-2.6</b>	<b>-2.2</b>	<b>-2.2</b>	<b>-2.3</b>	<b>-2.9</b>	<b>-4.0</b>	<b>-6.2</b>	<b>-5.9</b>	<b>-4.0</b>	<b>-2.9</b>	<b>-2.6</b>	<b>-3.9</b>	<b>-3.2</b>	<b>-3.0</b>	<b>-3.7</b>
<b>Purchases</b>																
Central government	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.4	0.5	0.6	0.4	0.4	0.3
Local authorities	0.3	0.4	0.3	0.3	0.4	0.6	0.7	0.8	1.1	0.6	0.7	0.6	0.8	0.6	0.6	0.5
<i>of which:</i>																
DOE—Housing		0.1	0.1	0.1	0.2	0.3	0.3	0.4	0.5	0.1	0.2	0.2	0.3	0.1		0.1
DOE—Urban and Environment	0.2	0.1	0.1		0.1	0.2	0.2	0.2	0.3	0.1	0.2	0.1	0.2	0.1	0.2	0.2
<b>Total general government</b>	<b>0.4</b>	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>	<b>0.6</b>	<b>0.7</b>	<b>1.0</b>	<b>1.0</b>	<b>1.4</b>	<b>0.8</b>	<b>1.1</b>	<b>1.1</b>	<b>1.3</b>	<b>1.0</b>	<b>1.0</b>	<b>0.9</b>
<b>Receipts less purchases</b>																
Central government					-0.1	-0.2	-0.1	-0.5	-0.2	-0.1		0.3	0.2		-0.1	-1.3
Local authorities	-0.1	-2.1	-1.7	-1.7	-1.6	-2.0	-3.0	-4.7	-4.3	-3.0	-1.9	-1.8	-2.8	-2.2	-1.8	-1.6
<i>of which:</i>																
DOE—Housing		-1.8	-1.3	-1.2	-1.0	-1.1	-1.5	-2.6	-2.5	-2.0	-1.2	-1.1	-1.4	-1.3	-1.2	-1.0
DOE—Urban and Environment	-0.2	-0.1	-0.1	-0.3	-0.3	-0.4	-0.9	-1.1	-1.0	-0.4	-0.3	-0.3	-0.8	-0.3	-0.2	-0.2
<b>Total general government</b>	<b>-0.1</b>	<b>-2.1</b>	<b>-1.8</b>	<b>-1.8</b>	<b>-1.8</b>	<b>-2.2</b>	<b>-3.1</b>	<b>-5.2</b>	<b>-4.5</b>	<b>-3.1</b>	<b>-1.9</b>	<b>-1.5</b>	<b>-2.6</b>	<b>-2.2</b>	<b>-1.9</b>	<b>-2.9</b>



**Table 3.9 Control Total by spending sector, 1984–85 to 1999–2000**

£ billion

	1984–85 outturn	1985–86 outturn	1986–87 outturn	1987–88 outturn	1988–89 outturn	1989–90 outturn	1990–91 outturn	1991–92 outturn	1992–93 outturn	1993–94 outturn	1994–95 outturn	1995–96 outturn	1996–97 estimated outturn	1997–98 plans	1998–99 plans	1999–2000 plans
<b>Central government expenditure<sup>(1)(2)</sup></b>																
Ministry of Defence <sup>(3)</sup>	17.4	18.3	18.4	18.9	19.2	20.8	21.7	22.9	22.9	22.8	22.6	21.5	21.2	21.1	22.3	22.8
Department of Health	13.4	14.2	15.2	16.7	18.4	19.9	22.3	25.4	28.0	29.0	30.6	32.0	33.3	34.4	35.2	35.9
Department of Social Security	29.0	31.2	33.2	35.6	37.4	40.3	44.3	50.8	56.0	60.8	62.2	65.0	68.7	71.2	73.7	76.2
Scotland	3.3	3.5	3.6	3.8	4.1	4.5	5.0	6.0	6.6	7.3	7.8	7.8	8.6	8.3	8.5	8.6
Wales	1.3	1.4	1.5	1.6	1.8	2.0	2.2	2.6	3.0	3.4	3.6	3.7	3.8	3.9	3.9	3.9
Northern Ireland	3.7	3.9	4.1	4.4	5.1	5.3	5.5	6.0	6.6	7.0	7.4	7.6	8.1	8.1	8.2	8.3
Other departments	19.5	20.3	22.0	22.4	23.2	27.5	31.3	31.2	35.1	38.1	40.1	42.9	42.5	40.3	39.7	39.8
<b>Total</b>	<b>87.6</b>	<b>92.8</b>	<b>98.0</b>	<b>103.4</b>	<b>109.2</b>	<b>120.3</b>	<b>132.3</b>	<b>144.9</b>	<b>158.2</b>	<b>168.5</b>	<b>174.2</b>	<b>180.6</b>	<b>186.1</b>	<b>187.4</b>	<b>191.4</b>	<b>195.6</b>
<b>Central government support for local authorities</b>																
Revenue/Rate Support Grant <sup>(4)</sup>	11.3	11.2	11.8	12.6	12.8	13.0	13.1	13.6	21.7	22.3	24.0	23.8	23.5	23.9	} 38.5	38.4
Non-domestic rate payments <sup>(5)</sup>	7.6	8.2	9.1	9.8	10.5	11.3	12.1	14.2	14.1	13.2	12.3	13.1	14.5	13.9		21.2
Current grants	6.9	7.4	8.2	8.9	8.9	9.7	12.3	19.8	17.3	18.3	19.5	19.5	19.9	20.1	20.9	21.2
Capital grants	0.9	0.6	0.7	0.7	0.7	0.9	1.1	1.3	1.5	1.8	1.4	1.8	1.7	1.5	1.3	1.2
Credit approvals <sup>(6)</sup>	4.1	3.8	3.6	3.9	3.7	3.4	3.9	4.4	4.5	4.1	4.0	3.6	3.1	2.8	2.6	2.5
<b>Total</b>	<b>30.8</b>	<b>31.2</b>	<b>33.4</b>	<b>35.8</b>	<b>36.6</b>	<b>38.3</b>	<b>42.5</b>	<b>53.3</b>	<b>59.3</b>	<b>59.8</b>	<b>61.2</b>	<b>61.8</b>	<b>62.7</b>	<b>62.3</b>	<b>63.2</b>	<b>63.4</b>
<b>Local authority self- financed expenditure</b>	<b>3.8</b>	<b>3.9</b>	<b>4.3</b>	<b>9.2</b>	<b>10.7</b>	<b>15.5</b>	<b>15.3</b>	<b>11.3</b>	<b>9.9</b>	<b>8.8</b>	<b>11.4</b>	<b>13.3</b>	<b>13.2</b>	<b>13.7</b>	<b>13.7</b>	<b>14.3</b>
<b>Financing requirements of nationalised industries<sup>(7)</sup></b>	<b>3.9</b>	<b>1.7</b>	<b>0.3</b>	<b>0.2</b>	<b>-0.5</b>	<b>0.9</b>	<b>3.5</b>	<b>3.8</b>	<b>4.4</b>	<b>3.6</b>	<b>1.0</b>	<b>-0.4</b>	<b>-0.4</b>	<b>0.8</b>	<b>0.3</b>	<b>0.1</b>
Reserve Allowance for shortfall <sup>(8)</sup>													-0.6	2.3	5.0	7.5
<b>Control Total</b>	<b>126.0</b>	<b>129.6</b>	<b>136.0</b>	<b>148.6</b>	<b>156.1</b>	<b>175.1</b>	<b>193.6</b>	<b>213.2</b>	<b>231.7</b>	<b>240.7</b>	<b>247.8</b>	<b>255.3</b>	<b>261.0</b>	<b>266.5</b>	<b>273.7</b>	<b>280.9</b>

(1) See footnote (3) to table 1.1.

(2) See footnote (4) to table 1.2.

(3) See footnote (1) to table 3.2.

(4) Rate support grant up to 1 April 1989 in Scotland and 1 April 1990 in England and Wales.

(5) For the years before 1991–92 the estimated yield of non-domestic rates has been used as a proxy for non-domestic rate payments.

(6) Including net capital allocations in Scotland.

(7) Includes central government support for nationalised industries other than grants and subsidies which are generally available to the private sector; these are treated as contributing to internal resources.

(8) See paragraph 5 of Appendix A.



### 3. Trends in public sector expenditure

**Table 3.10 External financing requirements<sup>(1)</sup> of nationalised industries by department and industry, 1991-92 to 1999-2000**

	£ million								
	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
<b>Department of Trade and Industry</b>									
British Coal <sup>(2)</sup>	605	791	1,400	742	48	104	71	1	1
British Nuclear Fuels		-392	-653	-422	-13	-29	-67	-44	-83
British Shipbuilders	-9	-10	-9	10	-1	-1	-1	-21	-1
Nuclear Electric/Magnox Electric <sup>(3)</sup>	1,180	991	726	483	235	-176	307	222	192
Post Office	-74	-80	-186	-235	-245	-268	-330	-335	-345
<b>Subtotal</b>	<b>1,702</b>	<b>1,300</b>	<b>1,278</b>	<b>577</b>	<b>25</b>	<b>-370</b>	<b>-19</b>	<b>-176</b>	<b>-235</b>
<b>Department of Transport</b>									
National Railways	1,135	1,673	1,033	-657	-1,663	-1,056	70	97	107
Union Railways	21	26	36	46	30	19			
European Passenger Services	308	365	392	178	288	15			
Civil Aviation Authority	33	51	91	46	34	-13	-34	-39	-23
London Transport	554	883	693	783	903	973	701	350	161
<b>Subtotal</b>	<b>2,051</b>	<b>2,998</b>	<b>2,244</b>	<b>396</b>	<b>-408</b>	<b>-64</b>	<b>736</b>	<b>409</b>	<b>244</b>
<b>Department of the Environment</b>									
British Waterways Board	50	48	49	48	50	50	51	51	51
<b>Subtotal</b>	<b>50</b>	<b>48</b>	<b>49</b>	<b>48</b>	<b>50</b>	<b>50</b>	<b>51</b>	<b>51</b>	<b>51</b>
<b>Scotland</b>									
Highlands & Islands Airports	4	5	6	8	11	9	7	6	5
Scottish Hydro-electric	-23								
Scottish Power	-48								
Scottish Nuclear	25	14	-28	-46	-43				
Caledonian MacBrayne	9	13	12	11	11	11	15	10	10
Scottish Transport Group	-2		44						
<b>Subtotal</b>	<b>-34</b>	<b>32</b>	<b>34</b>	<b>-27</b>	<b>-22</b>	<b>20</b>	<b>22</b>	<b>17</b>	<b>16</b>
<b>Total external finance</b>	<b>3,768</b>	<b>4,378</b>	<b>3,605</b>	<b>995</b>	<b>-355</b>	<b>-364</b>	<b>789</b>	<b>300</b>	<b>75</b>

(1) Excludes grants and subsidies from central government which are generally available to the private sector; these are treated as contributing to internal resources and are included in central government's own expenditure.

(2) Figures for 1995-96 onwards largely reflect departmental costs of meeting coal related liabilities.

(3) Figures up to 1996-97 include Nuclear Electric, which was privatised in July 1996.



**Table 3.11 External financing requirements<sup>(1)</sup> of nationalised industries, 1978–79, 1982–83 to 1999–2000**

	£ billion																		
	1978–79	1982–83	1983–84	1984–85	1985–86	1986–87	1987–88	1988–89	1989–90	1990–91	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99	1999–2000
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
British Airways	0.1		-0.2	-0.3	-0.2	-0.1							-0.4	-0.7	-0.4		-0.1		-0.1
British Nuclear Fuels																0.1	0.1		
British Coal <sup>(2)</sup>	0.6	1.0	1.2	1.7	0.4	0.9	0.9	0.8	1.3	0.9	0.6	0.8	1.4	0.7					
British Gas Corporation	-0.4	-0.2		-0.2	-0.2	-0.7													
National Railways <sup>(3)</sup>	0.6	0.8	0.8	1.0	0.9	0.8	0.5	0.4	0.6	0.9	1.1	1.7	1.0	-0.7	-1.7	-1.1	0.1	0.1	0.1
European Passenger Services									0.1	0.2	0.3	0.4	0.4	0.2	0.3				
British Shipbuilders	0.1	0.1	0.3	0.2		0.2	0.1	0.1											
British Steel Corporation	0.8	0.6	0.3	0.5	0.4		-0.3	-0.4											
British Telecom	-0.1	-0.3	-0.2	-0.3															
Electricity (England and Wales)	-0.1	-0.2	-0.5	0.5	-0.5	-1.3	-1.3	-1.8	-1.3	1.0	1.2	1.0	0.7	0.5	0.2	-0.2	0.3	0.2	0.2
Electricity (Scotland)		0.1	0.2	0.3	0.2	0.2	0.1	0.1	-0.1	-0.1									
London Transport					0.3	0.3	0.2	0.2	0.3	0.5	0.6	0.9	0.7	0.8	0.9	1.0	0.7	0.4	0.2
Post Office		-0.1	-0.1		-0.1	-0.1	-0.1	-0.1			-0.1	-0.1	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3
Water (England and Wales)	0.3	0.3	0.4	0.3	0.2	0.1					0.1						0.1	0.1	0.1
Other	0.5		0.1	0.1	0.1		-0.1		0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.1			
<b>Total nationalised industries</b>	<b>2.3</b>	<b>2.1</b>	<b>2.3</b>	<b>3.9</b>	<b>1.7</b>	<b>0.3</b>	<b>0.2</b>	<b>-0.5</b>	<b>0.9</b>	<b>3.5</b>	<b>3.8</b>	<b>4.4</b>	<b>3.6</b>	<b>1.0</b>	<b>-0.4</b>	<b>-0.4</b>	<b>0.8</b>	<b>0.3</b>	<b>0.1</b>

(1) Excludes grants and subsidies from central government which are generally available to the private sector; these are treated as contributing to internal resources.

(2) Figures for 1995–96 onwards largely reflect departmental costs of meeting coal related liabilities.

(3) From 1978–79 to 1988–89 British Rail figures shown.



### 3. Trends in public sector expenditure

**Table 3.12 Financing requirements<sup>(1)</sup> of individual public corporations and trading funds (excluding nationalised industries), 1991–92 to 1999–2000**

	£ million								
	1991–92 outturn	1992–93 outturn	1993–94 outturn	1994–95 outturn	1995–96 outturn	1996–97 estimated outturn	1997–98 plans	1998–99 plans	1999–2000 plans
<b>Public corporations and trading funds whose external finance is included in the Control Total<sup>(2)</sup></b>									
Air Travel Trust Fund						4			
Audit Commission									
The Buying Agency <sup>(2)</sup>									
Central Office of Information <sup>(2)</sup>	27					5			
Chessington Computer Centre <sup>(2)(3)</sup>			1		-1				
Commonwealth Development Corporation	42	47	34	30	27	16	-40	-15	-15
Companies House <sup>(2)</sup>	1	-4	-3	-3	-7	1	3	1	3
Covent Garden Market Authority									
The Crown Agents	1	-3	3	3		7			
Crown Agents Holding and Realisation Board									
Defence Evaluation and Research Agency <sup>(2)</sup>			135	87	17	19	-26	-3	-3
Development Board for Rural Wales	13	14	15	15	6	4	9	9	9
Docklands Light Railway	93	84	28	29	37	21	34	55	20
Driving Standards Agency <sup>(2)(4)</sup>									
Driver Vehicle Testing Agency <sup>(2)</sup>						-1	-1	-1	-1
English Industrial Estates Corporation	-16	6	13						
Fire Service College <sup>(2)</sup>		2	2	1	2	1	1		
Her Majesty's Stationery Office <sup>(2)(3)</sup>	-5	-4	-3	-3	7	-7			
Highlands and Islands Enterprise <sup>(5)</sup>	43	49	48	45	46	45	50	47	47
Housing Action Trusts	10	26	78	92	93	88	89	89	88
Hydrographic Office <sup>(2)</sup>									
Laganside	7	5	5	6	8	8	8	8	8
Land Authority For Wales	1	1	1			-2			
Land Registry <sup>(2)</sup>			-36	-34	-7	-25			
Letchworth Garden City		-3	-2	1					
Medicines Control Agency <sup>(2)</sup>			5				1	1	1
Meteorological Office <sup>(2)</sup>						27	-9		
National Health Service Trusts	-24	222	313	613	455	343	335	280	280
Northern Ireland Electricity Service	-92	-55							
Northern Ireland Housing Executive	226	216	208	195	208	212	209	209	205
Northern Ireland Public Trust Port Authorities									
Northern Ireland Transport Holding Company	22	22	24	21	24	21	20	20	20
Queen Elizabeth II Conference Centre <sup>(2)(4)</sup>									
Oil and Pipelines Agency									
The Patent Office <sup>(2)</sup>	1	-7	-12	-10	-15	-11	-13	-12	-11
Registers of Scotland <sup>(2)</sup>									
Royal Mint <sup>(2)</sup>									
Scottish Enterprise <sup>(6)</sup>	156	173	195	239	239	251	229	217	217
Scottish Homes	319	312	316	323	293	279	124	207	221
Scottish Water Authorities						310	223	217	223
United Kingdom Atomic Energy Authority	24	17	-3	12	-13				
Urban Regeneration Agency (English Partnerships)	2	2	24	118	156	209	178	187	195
Urban Development Corporations	541	467	390	310	275	246	214	117	49
Vehicle Inspectorate <sup>(2)</sup>									
Welsh Development Agency	87	78	72	64	41	82	102	122	123
The Welsh Fourth Channel Authority		56	58	64	69	73	18	75	77
<b>Total</b>	<b>1,477</b>	<b>1,723</b>	<b>1,908</b>	<b>2,218</b>	<b>1,962</b>	<b>2,226</b>	<b>1,756</b>	<b>1,830</b>	<b>1,757</b>
<b>Public corporations whose capital spending and subsidies are in the Control Total</b>									
New Town Development Corporations and the Commission for New Towns	-270	-107	-185	-140	-273	-200	-105	-190	-190
<b>Total</b>	<b>-270</b>	<b>-107</b>	<b>-185</b>	<b>-140</b>	<b>-273</b>	<b>-200</b>	<b>-105</b>	<b>-190</b>	<b>-190</b>
<b>Total public corporations (excluding nationalised industries)</b>	<b>1,207</b>	<b>1,615</b>	<b>1,722</b>	<b>2,078</b>	<b>1,689</b>	<b>2,026</b>	<b>1,651</b>	<b>1,640</b>	<b>1,567</b>

(1) Excludes grants and subsidies from central government generally available to the private sector; these are treated as contributing to internal resources and are included in central government's own expenditure.

(2) Government department or part of a department constituted as a trading fund and treated as a public corporation for planning and control purposes.

(3) Chessington Computer Centre and HMSO were privatised during 1996–97.

(4) Prospective trading funds in 1997–98 therefore no external finance yet agreed.

(5) Formerly the Highlands and Islands Development Board.

(6) Formerly the Scottish Development Agency.



Table 3.13 Privatisation proceeds<sup>(1)</sup>, 1979–80 to 1996–97

£ million

	1979–80 to 1982–83 outturn	1983–84 outturn	1984–85 outturn	1985–86 outturn	1986–87 outturn	1987–88 outturn	1988–89 outturn	1989–90 outturn	1990–91 outturn	1991–92 outturn	1992–93 outturn	1993–94 outturn	1994–95 outturn	1995–96 outturn	1996–97 estimated outturn <sup>(2)</sup>
Amersham International	64														
Associated British Ports Holdings plc	46		51											-2	215
Atomic Energy Authority Technology						534	689						47		
BAA plc															
Belfast International Airport				347											
British Aerospace plc	43				435	419									
British Airways plc													811	3	111
British Coal															
British Gas plc					1,820	1,758	1,555	4	150	4					
—sale of shares					750		250	800	350		350				
—redemption of debt						863 <sup>(3)</sup>	3,000 <sup>(3)</sup>	1,363							
British Petroleum plc	284	543					1,138	1,287							
British Steel plc															
British Sugar Corporation	44														
British Telecommunications															
—sale of shares			1,358	1,246 <sup>(4)</sup>	1,081					1,666	3,544	3,773	1,519		
—loan stock			44	61	53	23	85	92	100	106	113	124	130	130	140
—redemption of preference shares					250	250	250								
Britoil plc	334 <sup>(5)</sup>	293		426						25					
BTG															
Cable and Wireless plc	181														
Chessington Computer Centre		263		577									5		11
DTEls													12		
DVOIT															
Electricity industries															
—sale of shares															
(England and Wales)									3,134	2,329	1,465	13	1,724	1,029	796
—sale of shares (Scotland)										1,112	907	703	2		
—redemption of debt										1,106	110	654	390		
Enterprise Oil plc			384												
Forestry Commission	14	21	28	15	16	13	12	15	11	16	10	17	11		
Forward													4		
General Practice Finance Corporation							67								
Harland and Wolff								8							
HMSO															2
Insurance Services Group											12				5
Land Settlement		2	12	5	2				1						
Motorway Service Area leases	4	1				1		2	5	5	4				
National Enterprise Board Holdings	122		168	30	34										
National Freight Consortium	5 <sup>(6)</sup>														
National Seed Development Organisation						65 <sup>(7)</sup>									
National Transcommunications Ltd										70					



Table 3.13 Privatisation proceeds<sup>(1)</sup>, 1979–80 to 1996–97 (continued)

	£ million														
	1979–80 to 1982–83 outturn	1983–84 outturn	1984–85 outturn	1985–86 outturn	1986–87 outturn	1987–88 outturn	1988–89 outturn	1989–90 outturn	1990–91 outturn	1991–92 outturn	1992–93 outturn	1993–94 outturn	1994–95 outturn	1995–96 outturn	1996–97 estimated outturn <sup>(2)</sup>
Northern Ireland Electricity															
—sale of shares											350	148	187	2	8
—redemption of debt												70			
Nuclear Power Industry															
—sale of shares															
—redemption of debt														–8	525
Privatised companies' debt											1,337		1,617	517	663
PSA (Building management)														15	6
Professional and Executive Recruitment							5								
Railtrack <sup>(8)</sup>															
—sale of shares															
—redemption of debt														–10	910
Recruitment and Assessment Services															282
Residual Share Sales															7
Rolls-Royce plc														750	560
Rover Group plc							1,029	3							
Royal Ordnance								150 <sup>(9)</sup>							
Short Brothers						186									
Transport Research Laboratories								30							
Water companies														–1	4
—sale of shares									423	1,487	1,485				
—redemption of debt									73						
Wytch Farm					18					130					
Miscellaneous <sup>(10)</sup>	394	16	5	–1	–3	–1	15	–22	–21	–12	–1	–70	–9	14	95
<b>Total</b>	<b>1,535<sup>(11)</sup></b>	<b>1,139</b>	<b>2,050</b>	<b>2,706</b>	<b>4,458</b>	<b>5,140</b>	<b>7,069</b>	<b>4,225</b>	<b>5,347</b>	<b>7,924</b>	<b>8,189</b>	<b>5,453</b>	<b>6,429</b>	<b>2,439</b>	<b>4,500</b>

(1) Excludes proceeds from sales of subsidiaries which were retained by the parent industry. The main sales in this category were:

Year	Company	£ million	Year	Company	£ million	Year	Company	£ million	
1982–83	International Aeradio (BA)	60	1986–87	Leeds tank factory (RO)	15	1990–91	Girobank (Post Office)	112	
	British Rail Hotels	30		British Airways Helicopters	14		National Bus Company subsidiaries	124	
	Vicatonic (BSC)	8		Unipart (Rover)	up to 52		Scottish Transport Group subsidiaries	27	
1983–84	British Rail Hotels	45	Leyland Bus (Rover)	4	1991–92	Scottish Transport Group subsidiaries	15		
			British Coal subsidiaries	1		1992–93	Scottish Transport Group subsidiaries	5	
1984–85	Jaguar (BL)	297	1987–88	British Transport Advertising	40		1993–94	Westlink (London Buses)	2
	Sealink (BR)	40		Istel (Rover)	48	1996–97		BBC Domestic services transmission business	244
	Wytch Farm (BGC)	82		DAB (Rover)	7				
1985–86	Warship yards (BS)	54	1988–89	National Bus Company subsidiaries	24				
	Sealink (BR)	26		Travellers Fare (BR)	12				
			1989–90	National Bus Company subsidiaries	1				
				BREL (BR)	14				
				Scottish Transport Group subsidiaries	2				
				Giroleasing (Post Office)	339				

(2) Figures are only given for privatisations for which estimates of the proceeds were available in time for inclusion in this Supplement. Proceeds for other sales are all included under miscellaneous.

(3) Net of the cost of acquiring partly-paid shares under the support arrangements announced by the Chancellor on 29 October 1987.

(4) Includes some third instalments (worth £87 million approx) paid early.

(5) Includes repayments of debentures of £88 million with interest.

(6) £49 million of the £54 million proceeds paid into the pension fund to cover a deficit.

(7) The central government sector received £65 million net but only £27 million was paid to the Consolidated Fund.

(8) Proceeds from the sale of British Rail businesses, other than Railtrack, were treated as privatisation effects within the Department of Transport provision for the Railways and therefore did not score as privatisation proceeds.

(9) Does not take into account the cost of deferring payments of consideration.

(10) Includes expenses which could not be netted off the associated sale because they arose in a financial year in which there were no proceeds from that sale. See also footnote 2.

(11) Excludes certain advance oil payments which net out to zero (1979–80 (£622 million), 1980–81 (£49 million) and 1981–82 (£573 million)).



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## 4. Differences from previous plans

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### Introduction

4.1. Since the introduction of Simplified Estimates in 1995, both PESA and departmental reports coincide both in consistency of figures and timing of publication with the Main Supply Estimates. The figures which will be presented in the Supply Estimates for 1997–98, and therefore also in this publication, differ slightly from those in the Financial Statement and Budget Report 1997–98. The main differences are outlined in paragraph 4.7 below.

4.2. The main analyses in this section compare the new plans for the Control Total in 1997–98 and 1998–99, and estimated outturn for 1996–97, with the plans set out in last year's Public Expenditure Statistical Analyses (Cm 3201). There is also a comparison of outturn for the Control Total in 1995–96 with the plans set out in the Statistical Supplement to the Financial Statement and Budget Report 1995–96 (Cm 2821).

4.3. The comparisons distinguish between:

- transfers of financing responsibility between departments and spending sectors;
- classification changes, ie. changes in the way public expenditure is scored or reallocation of functions between departments; and
- other changes.

### Changes in the Control Total

4.4. **Table 4.1** shows the differences, by spending sector and type of change, between the new plans shown in this publication and the corresponding figures from last year's PESA. **Tables 4.2 to 4.4** show comparisons with previous plans by department for 1996–97 to 1998–99 respectively.

4.5. The main transfers of financing responsibility affecting 1996–97 to 1998–99 are:

- a transfer of responsibility for funding local authorities' Housing Benefit payments from the Department of the Environment (Housing) to the Department of Social Security following Large Scale Voluntary Transfers of housing stock, amounting to £46 million in 1997–98 and £48 million in 1998–99.
- the creation of a local authority capital challenge fund within the Department of the Environment—Local government programme amounting to £150 million in 1997–98 and £250 million in 1998–99. Several government departments made transfers to set up the fund, including other areas of the Department of the Environment, the Department of Transport, the Department for Education and Employment and the Department of Health.
- a transfer of £33 million in 1997–98 and 1998–99 from the Department of Health to the Department of the Environment—Local government programme in connection with the raising of capital limits for residential care.
- a transfer from the Department for Education and Employment to the Department of the Environment—Local government programme for the Nursery Education Voucher Scheme amounting to £38 million in both 1997–98 and 1998–99.



#### 4. Differences from previous plans

- a transfer of responsibility for the funding of Passenger Transport Executives from the Department of the Environment—Local government programme to the Department of Transport. The amounts involved are £173 million in both 1997–98 and 1998–99.
- a transfer of £66 million in 1997–98 and 1998–99 from the Department of Social Security to the Department for Education and Employment to facilitate the introduction of a charging loop under which the Department of Social Security will pay for the cost of administration work on Jobseeker's allowance undertaken by Employment Service staff. Once the payment loop is in place, DfEE will receive £21 million net for the administration work carried out during 1997–98, with similar amounts estimated for future years.

4.6. The main classification changes affecting 1996–97 to 1998–99 are:

- the restructuring of provision for Nuclear Electric and Scottish Electric to reflect the creation of the new body, Magnox Electric. This involved a switch of £12 million in 1996–97, £61 million in 1997–98 and £89 million in 1998–99 from the Scottish Office to the Department of Trade and Industry.
- the inclusion in the Control Total of accruing superannuation liability charges for the Royal Ulster Constabulary instead of pensions paid. This increases Control Total figures for Northern Ireland by £37 million in 1996–97 and £36 million in 1997–98 and 1998–99.
- two machinery of government changes transferring functions from the Home Office to the Department of National Heritage, which took on responsibility for the both the Charities Commission and voluntary services. The total amounts involved were £41 million in 1996–97, £40 million in 1997–98 and £41 million in 1998–99.
- receipts for driving licences and visas are now treated as reducing the Control Total. The result is a reduction in Control Total figures for the Department of Transport of £28 million in each year from 1996–97 to 1998–99, and a similar reduction for the Foreign and Commonwealth Office of £51 million in 1996–97, £54 million in 1997–98 and £56 million in 1998–99. There is no change in the GGE treatment of these receipts and a new national accounts adjustment has been introduced—see Appendix B.

#### 1997–98 changes since the Budget

4.7. The figures for 1997–98 also reflect some estimating changes and policy decisions made since the publication of the Financial Statement and Budget Report 1997–98 in November 1996. These changes are offset by reductions in the 1997–98 Reserve. The main differences are:

- changes to planned expenditure by the Intervention Board on BSE, amounting to an extra £164 million for the introduction of the Selective Cull Scheme, partially offset by a reduction of £35 million in planned expenditure on the Over Thirty Months Scheme. It is expected that this additional expenditure will be further offset by increased receipts by IB from the European Union.
- an extra £111 million for the Home Office reflecting provision for the compensation scheme following the Firearms (Amendment) Bill.
- an increase of £20 million to planned expenditure by the Ministry of Defence, following a revision to the outturn figures for the GDP deflator.
- an additional £8 million for the Department of Trade and Industry to cover expected higher forecast expenditure by the Research Councils on contract work for the European Union. This additional amount will be funded by receipts from the European Union.
- a decrease of £21 million in figure for the Cabinet Office, reflecting a revised forecast of the costs of central funding of early departures.
- a decrease of £5 million for the Foreign Office reflecting changes in overseas price movements.

#### 1995–96 outturn

4.8. **Table 4.5** presents differences for 1995–96 for the Control Total from the plans set out in the Supplement to the Financial Statement and Budget Report 1995–96 and, therefore, also reflects transfers and classification changes made between that Supplement and last year's PESA. After taking account of classification changes, the total outturn for the Control Total in 1995–96 is £255.3 billion, an decrease of £1.0 billion on the plans in the Statistical Supplement to the Financial Statement and Budget Report 1995–96 (Cm 2821).



**Table 4.1 Changes to the Control Total since last year's PESA by spending sector, 1993-94 to 1998-99**

	£ million					
	1993-94 outturn	1994-95 outturn	1995-96 outturn	1996-97 estimated outturn	1997-98 plans	1998-99 plans
<b>Control Total as in last years PESA</b>	<b>240,880</b>	<b>248,452</b>	<b>255,903</b>	<b>260,200</b>	<b>268,200</b>	<b>275,600</b>
<b>Changes in central government expenditure</b>						
Transfers and Classification						
Changes	-41	-24	-44		-100	-100
Other changes	8	103	-1,105	2,000	-600	-400
<b>Total changes in central government expenditure</b>	<b>-33</b>	<b>79</b>	<b>-1,150</b>	<b>1,900</b>	<b>-700</b>	<b>-500</b>
<b>Changes in central government support for local authorities</b>						
Transfers and Classification						
Changes			6		100	100
Other changes	4	-20	-209	600	200	200
<b>Total changes in central government support for local authorities</b>	<b>4</b>	<b>-20</b>	<b>-203</b>	<b>600</b>	<b>300</b>	<b>300</b>
<b>Changes in Local authority self-financed expenditure</b>	<b>-139</b>	<b>-662</b>	<b>466</b>	<b>600</b>	<b>800</b>	<b>300</b>
<b>Total changes in Local Authority Expenditure</b>	<b>-135</b>	<b>-683</b>	<b>263</b>	<b>1,300</b>	<b>1,100</b>	<b>700</b>
<b>Changes in financing requirements of nationalised industries</b>						
Transfers and Classification						
Changes						
Other changes			-347	300	600	400
<b>Total changes in financing requirements of nationalised industries</b>			<b>-347</b>	<b>300</b>	<b>600</b>	<b>400</b>
<b>Changes in the reserve</b>				<b>-2,100</b>	<b>-2,700</b>	<b>-2,500</b>
<b>Changes to allowance for shortfall</b>			<b>600</b>	<b>-600</b>		
<b>Control Total</b>	<b>240,712</b>	<b>247,848</b>	<b>255,270</b>	<b>261,000</b>	<b>266,500</b>	<b>273,700</b>



4. Differences from previous plans

**Table 4.2 Control Total by department in 1996-97, differences from previous plans**

	£ million				
	Plans in PESA 1996-97	Transfers and Classifi- cation Changes	Revised Plans	Other Changes	Estimated Outturn
Ministry of Defence <sup>(1)</sup>	21,425	-11	21,414	-249	21,164
Foreign and Commonwealth Office	1,111	-42	1,069	22	1,091
Overseas Development Administration	2,293	-6	2,286	63	2,349
Ministry of Agriculture, Fisheries and Food	3,039	2	3,041	1,412	4,453
Trade and Industry	2,902	15	2,918	-53	2,865
ECGD	10		10	17	27
Department of Transport	4,185	-27	4,158	639	4,797
DOE—Housing	5,844	-49	5,795	165	5,960
DOE—Urban and Environment	2,381	-2	2,379	53	2,433
DOE—Local government	31,323		31,323	-4	31,319
Home Office	6,526	-37	6,490	115	6,605
Lord Chancellor's and Law Officers' Departments	2,711		2,711	36	2,747
Department for Education and Employment	14,590	-36	14,555	218	14,773
National Heritage	962	42	1,004	14	1,018
Department of Health	33,815		33,815	263	34,078
Department of Social Security	76,274	79	76,353	745	77,098
Scotland	14,558	-10	14,548	165	14,713
Wales	6,805	3	6,808	45	6,853
Northern Ireland	8,015	38	8,053	132	8,185
Chancellor of the Exchequer's Departments	3,206	1	3,207	52	3,259
Cabinet Office	1,308	-6	1,303	-52	1,251
Local authority self-financed expenditure	12,500		12,500	600	13,200
European Union	2,308		2,308	-908	1,400
Reserve	2,100		2,100	-2,100	
Allowance for shortfall				-600	-600
<b>Total</b>	<b>260,200</b>		<b>260,100</b>	<b>900</b>	<b>261,000</b>

(1) See footnote (2) to table 1.2.



**Table 4.3 Control Total by department in 1997-98, differences from previous plans**

	£ million				
	Plans in PESA 1996-97	Transfers and Classifi- cation Changes	Revised Plans	Other Changes	New Plans
Ministry of Defence <sup>(1)</sup>	21,923	-24	21,899	-777	21,122
Foreign and Commonwealth Office	1,130	-50	1,080	-1	1,078
Overseas Development Administration	2,366	1	2,367	-180	2,187
Ministry of Agriculture, Fisheries and Food	2,980	1	2,981	758	3,739
Trade and Industry	2,934	91	3,025	34	3,059
ECGD	4		4	5	9
Department of Transport	4,663	125	4,788	419	5,207
DOE—Housing	5,655	-113	5,542	-248	5,294
DOE—Urban and Environment	2,244	-21	2,223	45	2,268
DOE—Local government	31,372	60	31,432	-54	31,378
Home Office	6,637	-28	6,608	280	6,889
Lord Chancellor's and Law Officers' Departments	2,752	-7	2,745	-36	2,708
Department for Education and Employment	15,049	-150	14,898	-1,022	13,876
National Heritage	939	40	980	-55	924
Department of Health	34,213	-46	34,167	770	34,938
Department of Social Security	79,070	111	79,181	662	79,843
Scotland	14,691	-52	14,640	-303	14,337
Wales	6,830	3	6,833	61	6,894
Northern Ireland	8,210	37	8,247	-21	8,227
Chancellor of the Exchequer's Departments	3,125	-1	3,124	44	3,168
Cabinet Office	970	-22	948	97	1,045
Local authority self-financed expenditure	13,000		13,000	800	13,700
European Union	2,499		2,499	-253	2,247
Reserve	5,000		5,000	-2,700	2,300
<b>Total</b>	<b>268,200</b>		<b>268,200</b>	<b>-1,700</b>	<b>266,500</b>

(1) See footnote (2) to table 1.2.



4. Differences from previous plans

**Table 4.4 Control Total by department in 1998–99, differences from previous plans**

	£ million				
	Plans in PESA 1996–97	Transfers and Classifi- cation Changes	Revised Plans	Other Changes	New Plans
Ministry of Defence	22,624	-6	22,617	-342	22,276
Foreign and Commonwealth Office	1,124	-52	1,072	2	1,074
Overseas Development Administration	2,421		2,421	-100	2,321
Ministry of Agriculture, Fisheries and Food	2,946	-2	2,944	472	3,416
Trade and Industry	2,847	115	2,962	-88	2,874
ECGD	-14		-14	15	1
Department of Transport	4,413	77	4,490	112	4,602
DOE—Housing	6,050	-163	5,888	-263	5,624
DOE—Urban Environment	2,009	-16	1,993	-35	1,958
DOE—Local government	31,531	168	31,699	47	31,746
Home Office	6,758	-45	6,713	95	6,809
Lord Chancellor's and Law Officers' Departments	2,887	-1	2,886	-139	2,747
Department for Education and Employment	15,060	-153	14,907	-962	13,945
National Heritage	939	41	980	-21	959
Department of Health	34,998	-57	34,941	430	35,372
Department of Social Security	81,700	100	81,850	1,250	83,100
Scotland	14,804	-82	14,722	-298	14,424
Wales	6,865	3	6,868	9	6,877
Northern Ireland	8,273	37	8,310	-54	8,256
Chancellor of the Exchequer's Departments	3,106	-4	3,103	97	3,199
Cabinet Office	961	-24	936	98	1,034
Local authority self-financed expenditure	13,300		13,300	300	13,700
European Union	2,500		2,500	-108	2,392
Reserve	7,500		7,500	-2,500	5,000
<b>Total</b>	<b>275,600</b>		<b>275,600</b>	<b>-1,900</b>	<b>273,700</b>



**Table 4.5 Difference between plans and outturn for the Control  
Total by department, 1995-96**

	£ million				
	Plans in Statistical Supplement to the FSBR 1995-96	Transfer and Classification Changes	Revised Plans	Other Changes	Outturn
Ministry of Defence	21,723	-2	21,721	-203	21,517
Foreign and Commonwealth Office	1,158	-43	1,115	224	1,339
Overseas Development Administration	2,363		2,364	-27	2,337
Ministry of Agriculture, Fisheries and Food	3,026	11	3,036	-205	2,831
Trade and Industry	1,379	2,322	3,701	-455	3,246
ECGD	-16		-16	32	16
Department of Transport	4,387	-37	4,350	285	4,636
DOE-Housing	6,895	-194	6,702	-64	6,638
DOE-Urban and Environment	1,777	556	2,333	-56	2,277
DOE-Local government	30,307		30,307	-10	30,298
Home Office	6,415	-21	6,393	59	6,452
Lord Chancellor's and Law Officers' Departments	2,796	5	2,801	-117	2,684
Department for Education and Employment	14,417	346	14,763	-247	14,515
National Heritage	1,001	37	1,038	24	1,062
Department of Health	32,957	-35	32,922	-6	32,916
Department of Social Security	72,798	-809	71,989	759	72,748
Scotland	14,412	25	14,437	-137	14,300
Wales	6,778		6,778	-53	6,725
Northern Ireland	7,711	43	7,754	-48	7,705
Chancellor of the Exchequer's Departments	3,223	48	3,271	18	3,288
Cabinet Office	2,462	-1,516	946	305	1,251
Local authority self-financed expenditure	11,700		11,700	1,500	13,300
European Union	2,821		2,821	411	3,232
Reserve	3,000		3,000	-3,000	
<b>Control Total</b>	<b>255,500</b>	<b>700</b>	<b>256,200</b>	<b>-1,000</b>	<b>255,300</b>



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## 5. Central government expenditure

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### Introduction

5.1. This section provides summary analyses of central government expenditure, ie. central government's own expenditure (excluding cyclical social security) within the Control Total and the financing requirements of public corporations (excluding nationalised industries) and trading funds.

5.2. Central government expenditure, which accounts for about 70 per cent of the Control Total, includes the expenditure of government departments on their own activities and their funding of other non-trading central government bodies. In addition it covers subsidies to a small number of trading bodies.

5.3. Public corporations' and trading funds' activities are generally subject to commercial disciplines. For this reason different conventions are applied to the measurement of their contribution to the Control Total from those applying to central government's own expenditure. The guiding principle is that public expenditure should be measured to reflect the burden on national resources and should, therefore, not include expenditure financed by revenue from trading activities. Accordingly for most public corporations and trading funds it is their external finance—grants, subsidies and loans from central government, market and overseas borrowing and the capital value of assets acquired under finance leases as described in section 2—which is included in the Control Total. NHS Trusts, although part of the National Health Service, are classified as public corporations because of the financial framework within which they operate and their greater freedom in day to day management. Public corporations and trading funds external financing requirements represent just under 1 per cent of the Control Total.

### Central government expenditure by department

5.4. **Table 5.1** gives a departmental breakdown of central government expenditure for the period 1991–92 to 1999–2000. Social Security, Health and Defence together account for two thirds of the total. For other departments a large proportion of expenditure is carried out by local authorities, with only a relatively small proportion spent directly by central government, for example education, transport and law and order. **Tables 5.2** and **5.3** give figures for central government expenditure, by department, for the years 1978–79, 1982–83 to 1999–2000 in cash and real terms respectively.

### Central government expenditure by function

5.5. **Table 5.4** shows central government spending by function. This allocates to the appropriate function the expenditure for which the respective Secretaries of State are responsible in Scotland, Wales and Northern Ireland.

### Central government expenditure by economic category

5.6. **Table 5.5** shows central government expenditure by economic category (for an explanation of these categories see section 3 paragraph 5). Figures are presented separately for central government's own expenditure and for public corporations (excluding nationalised industries). The largest elements are spending on pay (mainly the Armed Forces and the National Health Service) and other current expenditure on goods and services. The creation



of NHS Trusts and the NHS internal market on 1 April 1991 means that some expenditure previously classified as pay or as capital expenditure is now classified as other current expenditure on goods and services. This reflects health authorities' purchase of health care from providers—mostly from NHS Trusts but also from hospitals managed by health authorities—under contracts. In the case of contracts with NHS Trusts, which are public corporations, it is the payments for the goods and services provided rather than the trusts' actual expenditure which is recorded in central government's own expenditure. **Table 5.6** shows central government current, capital and other spending by department.

## Running Costs

5.7 Running costs plans for each department were agreed during the 1996 Public Expenditure Survey. Plans for each department and agency appear in the series of published departmental reports, as do planned expenditure on the admin costs of larger NDPB's. **Table 5.7** compares departmental plans for gross expenditure on running costs (whether controlled gross or net) with the outturn for past years and the estimated outturn for the current year. The table also shows total expenditure net of related receipts. These plans form the basis for the running costs limits set out in section 2, tables 2.1 and 2.2.

5.8. The aggregate figures for gross expenditure in table 5.7 differ from those announced in the Financial Statement and Budget Report 1997–98. This is mainly due to privatisation and to change in anticipated workloads and receipts, along with some reclassification and some transfers.

5.9. Table 5.7 includes the gross running costs of all areas whether controlled gross or net, so the figures in this table do not correspond directly to the control limits. Tables 2.1 and 2.2 show the running costs limits for gross controlled and net controlled areas respectively.

5.10. Departments' paybill outturns are published in the departmental reports, together with the related staff numbers. Since 1 April 1996, all departments and agencies have had responsibility for negotiating pay and grading arrangements appropriate for their own staff.

## Civil Service staffing

5.11 **Table 5.8** provides a summary of Civil Service staffing for 1978–79 and 1991–92 to 1996–97, with plans for the period 1997–98 to 1999–2000. The figures comprise all permanent staff but exclude temporary and casual staff. The figures are measured as "full time equivalent" staff, with part time staff recorded according to the proportion of a full week for which they are contracted to work. The table also reflects staff transfers between departments for all years.

5.12. By 1 January 1996, Civil Service staffing had fallen below 500,000. The fall between 1995–96 and 1996–97 of 17,500 (3.5 per cent) to 487,800 resulted from reductions across a number of departments. The largest of these falls were in the Ministry of Defence, Inland Revenue and, partially reflecting a transfer, the Department for Education and Employment.

5.13. Since 1978–79, Home Civil Service staffing has fallen by 249,400, a reduction of 34 per cent.

5.14. Departments' plans for future years imply further reductions over the Survey period, to 443,800 by 1999–2000. This is consistent with the expectation announced in the 1994 Civil Service White Paper (Cm 2627), that staffing would fall significantly below 500,000 over the next few years.

5.15. Historically, outturn has been lower than original plans for the first year ahead by around 3 per cent. The outturn for 1996–97 is around 2 per cent lower than originally estimated.

5.16. Figures on public sector staffing were published in Economic Trends (No 520, March 1997).



## 5. Central government expenditure

**Table 5.1 Central government expenditure within the Control Total <sup>(1)</sup> by department, <sup>(2)</sup> 1991–92 to 1999–2000**

	£ million								
	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99	1999–2000
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Ministry of Defence <sup>(3)</sup>	22,913	22,910	22,757	22,562	21,517	21,164	21,122	22,276	22,832
Foreign and Commonwealth Office	1,103	1,242	1,244	1,263	1,339	1,091	1,078	1,074	1,094
Overseas Development Administration	1,994	2,126	2,235	2,385	2,337	2,349	2,187	2,321	2,346
Ministry of Agriculture, Fisheries and Food	2,247	2,325	3,098	2,575	2,951	4,574	3,876	3,553	3,466
Trade and Industry	2,712	2,806	2,731	2,801	3,214	3,198	3,043	2,996	2,945
ECGD	215	117	-60	-26	16	27	9	1	-27
Department of Transport	2,392	2,545	2,627	4,438	4,053	4,071	3,608	3,441	3,351
DOE—Housing	3,025	3,524	2,834	2,529	2,063	1,518	1,201	1,120	1,025
DOE—Urban and Environment	1,164	1,284	1,422	1,465	1,370	1,471	1,344	1,130	1,081
DOE—Local Government	187	239	235	243	230	221	227	215	209
Home Office	2,323	2,444	2,375	2,498	2,515	2,602	2,777	2,619	2,755
Lord Chancellor's and Law Officers' Departments	1,716	2,038	2,114	2,265	2,366	2,447	2,427	2,451	2,364
Department for Education and Employment <sup>(4)</sup>	6,705	6,954	9,927	11,081	11,642	12,043	11,202	11,250	11,231
National Heritage	877	1,010	1,002	1,016	1,062	994	896	929	919
Department of Health <sup>(4)</sup>	25,379	28,002	28,986	30,612	31,998	33,320	34,403	35,178	35,917
Department of Social Security <sup>(4)(5)</sup>	50,806	56,050	60,803	62,153	64,980	68,660	71,197	73,700	76,200
Scotland <sup>(4)</sup>	6,034	6,555	7,347	7,774	7,830	8,580	8,344	8,510	8,606
Wales <sup>(4)</sup>	2,568	3,042	3,440	3,607	3,693	3,779	3,863	3,860	3,907
Northern Ireland <sup>(5)</sup>	5,989	6,550	7,045	7,369	7,646	8,098	8,131	8,189	8,301
Chancellor of the Exchequer's Departments	3,502	3,478	3,393	3,329	3,288	3,259	3,168	3,199	3,219
Cabinet Office	308	1,013	1,056	967	1,251	1,251	1,045	1,034	1,047
European Union	707	1,912	1,877	1,268	3,232	1,400	2,247	2,392	2,791
<b>Total central government expenditure<sup>(4)(5)</sup></b>	<b>144,866</b>	<b>158,167</b>	<b>168,487</b>	<b>174,176</b>	<b>180,593</b>	<b>186,117</b>	<b>187,397</b>	<b>191,450</b>	<b>195,550</b>
Of which: Central government's own expenditure <sup>(4)(5)</sup>	143,659	156,552	166,765	172,098	178,905	184,090	185,745	189,800	194,000
Public corporations (excluding nationalised industries)	1,207	1,615	1,722	2,078	1,689	2,026	1,651	1,640	1,567

This table and the following tables in this section do not include any allocation from the Reserve for the plan years.

(1) Excluding support for local authorities and the financing requirements of nationalised industries.

(2) A full list of the departments included in each departmental grouping is given in Appendix C.

(3) See footnote (2) to table 1.2.

(4) See footnote (4) to table 1.2.

(5) Excludes cyclical social security.



**Table 5.2 Central government expenditure within the Control Total by department<sup>(1)</sup>, 1978–79, 1982–83 to 1999–2000**

£ billion

	1978–79 outturn	1982–83 outturn	1983–84 outturn	1984–85 outturn	1985–86 outturn	1986–87 outturn	1987–88 outturn	1988–89 outturn	1989–90 outturn	1990–91 outturn	1991–92 outturn	1992–93 outturn	1993–94 outturn	1994–95 outturn	1995–96 outturn	1996–97 estimated outturn	1997–98 plans	1998–99 plans	1999–2000 plans
Ministry of Defence <sup>(2)</sup>	7.6	14.6	15.7	17.4	18.3	18.4	18.9	19.2	20.8	21.7	22.9	22.9	22.8	22.6	21.5	21.2	21.1	22.3	22.8
Foreign and Commonwealth Office	0.3	0.5	0.6	0.6	0.6	0.7	0.7	0.7	0.9	0.9	1.1	1.2	1.2	1.3	1.3	1.1	1.1	1.1	1.1
Overseas Development Administration	0.8	1.0	1.2	1.2	1.3	1.3	1.3	1.5	1.7	1.7	2.0	2.1	2.2	2.4	2.3	2.3	2.2	2.3	2.3
Ministry of Agriculture, Fisheries and Food	0.6	1.5	1.8	1.8	2.2	1.5	1.8	1.5	1.5	2.2	2.2	2.3	3.1	2.6	3.0	4.6	3.9	3.6	3.5
Trade and Industry	1.5	2.9	2.7	2.6	3.0	3.7	2.3	3.0	2.5	2.7	2.7	2.8	2.7	2.8	3.2	3.2	3.0	3.0	2.9
ECGD	0.4	0.3	0.2	0.5	0.3	0.3	0.2	0.1	0.4	0.4	0.2	0.1	-0.1						
Department of Transport	0.5	1.1	1.1	1.2	1.2	1.3	1.4	1.4	1.9	2.3	2.4	2.5	2.6	4.4	4.1	4.1	3.6	3.4	3.4
DOE—Housing	1.6	1.6	1.2	1.3	1.3	1.4	1.4	1.4	1.7	2.7	3.0	3.5	2.8	2.5	2.1	1.5	1.2	1.1	1.0
DOE—Urban and Environment	0.9	1.1	0.6	0.8	0.7	0.7	0.5	0.5	0.8	1.2	1.2	1.3	1.4	1.5	1.4	1.5	1.3	1.1	1.1
DOE—Local government										0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Home Office	0.4	0.8	1.0	1.1	1.1	1.2	1.4	1.5	1.7	2.1	2.3	2.4	2.4	2.5	2.5	2.6	2.8	2.6	2.8
Lord Chancellor's and Law Officers' Departments	0.2	0.4	0.5	0.6	0.6	0.7	0.8	1.0	1.2	1.4	1.7	2.0	2.1	2.3	2.4	2.4	2.4	2.5	2.4
Department for Education and Employment <sup>(3)</sup>	1.7	3.3	3.9	4.2	4.4	5.1	5.6	5.8	6.9	7.0	6.7	7.0	9.9	11.1	11.6	12.0	11.2	11.3	11.2
National Heritage	0.2	0.3	0.3	0.3	0.4	0.4	0.6	0.7	0.7	0.8	0.9	1.0	1.0	1.0	1.1	1.0	0.9	0.9	0.9
Department of Health	6.3	11.8	12.5	13.4	14.2	15.2	16.7	18.4	19.9	22.3	25.4	28.0	29.0	30.6	32.0	33.3	34.4	35.2	35.9
Department of Social Security <sup>(4)</sup>	16.2	31.4	33.0	35.6	38.7	41.6	43.4	44.3	46.6	51.8	61.3	68.9	74.6	75.9	78.9	82.4	84.7	87.3	90.2
Scotland <sup>(3)</sup>	1.9	3.2	3.1	3.3	3.5	3.6	3.8	4.1	4.5	5.0	6.0	6.6	7.3	7.8	7.8	8.6	8.3	8.5	8.6
Wales <sup>(3)</sup>	0.7	1.2	1.3	1.3	1.4	1.5	1.6	1.8	2.0	2.2	2.6	3.0	3.4	3.6	3.7	3.8	3.9	3.9	3.9
Northern Ireland	2.1	3.5	3.7	4.0	4.3	4.5	4.8	5.4	5.7	5.9	6.4	7.0	7.6	7.9	8.2	8.7	8.8	8.8	9.0
Chancellor of the Exchequer's departments	1.2	2.1	1.8	1.9	2.1	2.3	2.5	2.7	3.2	3.4	3.5	3.5	3.4	3.3	3.3	3.3	3.2	3.2	3.2
Cabinet Office		0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	1.0	1.1	1.0	1.3	1.3	1.0	1.0	1.0
European Union	0.8	0.6	0.8	1.0	0.8	1.1	1.7	1.0	2.3	2.0	0.7	1.9	1.9	1.3	3.2	1.4	2.2	2.4	2.8
<b>Total central government expenditure<sup>(4)</sup></b>	<b>45.9</b>	<b>83.5</b>	<b>87.3</b>	<b>94.4</b>	<b>100.6</b>	<b>106.7</b>	<b>111.5</b>	<b>116.3</b>	<b>127.0</b>	<b>140.1</b>	<b>155.8</b>	<b>171.5</b>	<b>182.8</b>	<b>188.4</b>	<b>195.1</b>	<b>200.5</b>	<b>201.5</b>	<b>205.7</b>	<b>210.2</b>

(1) A full list of departments included in each departmental grouping is given in Appendix C.

(2) See footnote (1) to table 3.2.

(3) See footnote (4) to table 1.2.

(4) Includes cyclical social security, cyclical social for 1991–92 to 1999–2000 is:

10.9 13.3 14.3 14.3 14.5 14.3 14.1 14.3 14.7



Table 5.3 Central government expenditure within the Control Total by department<sup>(1)</sup> in real terms<sup>(2)</sup>, 1978–79, 1982–83 to 1999–2000

	£ billion																		
	1978–79	1982–83	1983–84	1984–85	1985–86	1986–87	1987–88	1988–89	1989–90	1990–91	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99	1999–2000
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn estimated	outturn	plans	plans	plans
Ministry of Defence <sup>(3)</sup>	22.7	27.0	27.7	29.3	29.1	28.5	27.8	26.4	26.7	25.8	25.6	24.6	23.7	23.1	21.5	20.6	20.2	20.9	21.0
Foreign and Commonwealth Office	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.2	1.3	1.3	1.3	1.3	1.1	1.0	1.0	1.0
Overseas Development Administration	2.3	1.9	2.0	2.1	2.0	2.0	1.9	2.1	2.2	2.1	2.2	2.3	2.3	2.4	2.3	2.3	2.1	2.2	2.3
Ministry of Agriculture, Fisheries and Food	1.9	2.8	3.2	3.0	3.6	2.4	2.6	2.1	1.9	2.6	2.5	2.5	3.2	2.6	3.0	4.5	3.7	3.3	3.2
Trade and Industry	4.6	5.4	4.8	4.4	4.8	5.8	3.4	4.1	3.3	3.2	3.0	3.0	2.8	2.9	3.2	3.1	2.9	2.8	2.7
ECGD	1.1	0.6	0.4	0.9	0.6	0.5	0.2	0.2	0.5	0.4	0.2	0.1	-0.1						
Department of Transport	1.5	2.1	2.0	2.1	2.0	2.0	2.0	2.0	2.4	2.7	2.7	2.7	2.7	4.6	4.1	4.0	3.5	3.2	3.1
DOE—Housing	4.9	2.9	2.2	2.1	2.1	2.1	2.0	1.9	2.2	3.2	3.4	3.8	3.0	2.6	2.1	1.5	1.1	1.1	1.0
DOE—Urban and Environment	2.7	2.0	1.1	1.3	1.1	1.0	0.8	0.7	1.0	1.4	1.3	1.4	1.5	1.5	1.4	1.4	1.3	1.1	1.0
DOE—Local government										0.1	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Home Office	1.3	1.5	1.7	1.8	1.8	1.9	2.0	2.1	2.2	2.5	2.6	2.6	2.5	2.6	2.5	2.5	2.7	2.5	2.5
Lord Chancellor's and Law Officers' Departments	0.6	0.8	0.8	0.9	1.0	1.1	1.2	1.3	1.5	1.6	1.9	2.2	2.2	2.3	2.4	2.4	2.3	2.3	2.2
Department for Education and Employment <sup>(4)</sup>	4.9	6.1	6.9	7.1	7.0	7.8	8.2	8.0	8.8	8.3	7.5	7.5	10.4	11.4	11.6	11.7	10.7	10.5	10.3
National Heritage	0.5	0.6	0.6	0.6	0.6	0.7	0.9	0.9	0.9	0.9	1.0	1.1	1.0	1.0	1.1	1.0	0.9	0.9	0.8
Department of Health	18.9	21.8	22.1	22.5	22.6	23.5	24.5	25.3	25.5	26.6	28.4	30.1	30.2	31.4	32.0	32.5	32.9	33.0	33.0
Department of Social Security <sup>(5)</sup>	48.5	57.9	58.2	59.9	61.6	64.3	63.7	60.9	60.0	61.6	68.6	73.9	77.9	77.8	78.9	80.4	81.0	81.9	82.9
Scotland <sup>(4)</sup>	5.7	5.8	5.5	5.5	5.5	5.6	5.6	5.6	5.8	6.0	6.8	7.0	7.7	7.8	8.4	8.4	8.0	8.0	7.9
Wales <sup>(4)</sup>	2.2	2.3	2.3	2.2	2.2	2.3	2.4	2.5	2.5	2.7	2.9	3.3	3.6	3.7	3.7	3.7	3.7	3.6	3.6
Northern Ireland <sup>(5)</sup>	6.4	6.4	6.6	6.8	6.8	6.9	7.1	7.5	7.3	7.0	7.2	7.5	7.9	8.1	8.2	8.5	8.4	8.3	8.3
Chancellor of the Exchequer's departments	3.6	3.9	3.2	3.2	3.3	3.6	3.7	3.8	4.1	4.1	3.9	3.7	3.5	3.4	3.3	3.2	3.0	3.0	3.0
Cabinet Office	0.1	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	1.1	1.1	1.0	1.3	1.2	1.0	1.0	1.0
European Union	2.2	1.1	1.5	1.6	1.3	1.7	2.4	1.4	3.0	2.4	0.8	2.1	2.0	1.3	3.2	1.4	2.1	2.2	2.6
<b>Total central government expenditure<sup>(4)</sup></b>	<b>137.5</b>	<b>154.1</b>	<b>153.9</b>	<b>158.6</b>	<b>160.2</b>	<b>164.9</b>	<b>163.6</b>	<b>160.0</b>	<b>163.3</b>	<b>166.7</b>	<b>174.3</b>	<b>184.1</b>	<b>190.8</b>	<b>193.2</b>	<b>195.1</b>	<b>195.6</b>	<b>192.8</b>	<b>192.9</b>	<b>193.3</b>

(1) A full list of departments included in each departmental grouping is given in Appendix C.

(2) Cash figures adjusted to price levels of 1995–96.

(3) See footnote (1) to table 3.2.

(4) See footnote (4) to table 1.2.

(5) Includes cyclical social security, cyclical social security for 1991–92 to 1999–2000 is:

12.2 14.3 15.0 14.6 14.5 14.0 13.5 13.4 13.5



Table 5.4 Central government expenditure<sup>(1)</sup> within the Control Total by function, 1991-92 to 1999-2000

	£ million								
	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
<b>Defence</b>									
Defence budget	24,438	22,910	22,757	22,562	21,517	22,110	21,822	22,276	22,832
Receipts from sale of married quarters						-945	-700		
Other governments' contributions to the cost of the Gulf conflict	-1,525								
<b>Total defence</b>	<b>22,913</b>	<b>22,910</b>	<b>22,757</b>	<b>22,562</b>	<b>21,517</b>	<b>21,164</b>	<b>21,122</b>	<b>22,276</b>	<b>22,832</b>
Overseas development assistance <sup>(2)</sup>	1,875	2,007	2,115	2,268	2,223	2,229	2,046	2,198	2,223
Other overseas services	1,223	1,361	1,363	1,381	1,452	1,212	1,219	1,197	1,217
<b>Total overseas development assistance and services</b>	<b>3,098</b>	<b>3,368</b>	<b>3,479</b>	<b>3,648</b>	<b>3,676</b>	<b>3,440</b>	<b>3,265</b>	<b>3,395</b>	<b>3,440</b>
<b>Agriculture, fisheries, food and forestry</b>									
Market support under CAP	1,569	1,585	2,364	1,953	2,302	3,827	3,249	2,991	2,903
Other agriculture, fisheries and food	1,322	1,433	1,612	1,593	1,692	2,281	2,005	1,873	1,882
Forestry	92	103	100	94	60	56	59	54	36
<b>Total agriculture, fisheries, food and forestry</b>	<b>2,983</b>	<b>3,121</b>	<b>4,076</b>	<b>3,640</b>	<b>4,054</b>	<b>6,164</b>	<b>5,313</b>	<b>4,918</b>	<b>4,820</b>
<b>Trade, industry, energy, employment and training</b>									
Regional and other industrial support	882	878	910	920	864	1,043	1,142	1,206	1,189
Trade, scientific and technological support	1,958	2,010	1,887	1,965	2,099	2,124	2,116	2,075	2,016
Support for aerospace, shipbuilding, coal, steel and vehicle manufacture	215	177	75	73	351	260	95	74	64
Employment	2,212	2,510	2,654	2,876	2,891	3,018	2,673	2,547	2,549
Training	1,592	1,511	1,508	1,447	1,258	1,328	1,263	1,307	1,345
Departmental administration and other services	491	464	484	498	531	532	532	499	489
<b>Total trade, industry, energy, employment and training</b>	<b>7,349</b>	<b>7,551</b>	<b>7,519</b>	<b>7,780</b>	<b>7,994</b>	<b>8,304</b>	<b>7,821</b>	<b>7,709</b>	<b>7,652</b>
<b>Transport</b>									
National roads	2,421	2,595	2,722	2,713	2,406	2,170	1,980	1,977	2,020
Local roads	1		-2	-1	-2	3	3	3	3
Local transport	129	117	63	62	76	57	70	91	56
Ports	3	2	2	1	3	2	1	1	1
Marine, coastguard, shipping and civil aviation services	76	61	111	89	77	103	96	91	91
Driver and vehicle licensing	131	147	122	141	141	150	152	144	144
National rail services	1		6	1,813	1,717	1,870	1,526	1,403	1,283
Other transport services	277	323	274	298	291	301	282	256	253
<b>Total transport</b>	<b>3,039</b>	<b>3,244</b>	<b>3,299</b>	<b>5,117</b>	<b>4,709</b>	<b>4,657</b>	<b>4,110</b>	<b>3,966</b>	<b>3,851</b>
<b>Housing</b>									
Central government subsidies to local authority housing	1,258	1,108	908	847	715	746	723	174	130
Other central government subsidies	105	137	147	202	200	221	214	174	174
Other housing and central government administration	175	369	265	329	230	245	445	410	398
Support for Social Housing	345	336	337	340	299	279	274	277	269
Housing Corporations	1,639	2,285	1,761	1,463	1,131	519	23	547	515
<b>Total housing</b>	<b>3,522</b>	<b>4,235</b>	<b>3,419</b>	<b>3,180</b>	<b>2,575</b>	<b>2,011</b>	<b>1,679</b>	<b>1,582</b>	<b>1,486</b>



## 5. Central government expenditure

**Table 5.4 Central government expenditure<sup>(1)</sup> within the Control Total by function, 1991-92 to 1999-2000 (continued)**

	£ million								
	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 outturn	1996-97 estimated outturn	1997-98 plans	1998-99 plans	1999-2000 plans
<b>Other environmental services</b>									
Environmental protection	257	274	298	293	296	371	350	335	336
Countryside and water	261	291	292	310	332	281	266	264	248
Urban	760	731	763	706	625	628	579	480	444
Other	446	547	575	602	586	663	574	514	526
<b>Total other environmental services</b>	<b>1,724</b>	<b>1,843</b>	<b>1,928</b>	<b>1,912</b>	<b>1,838</b>	<b>1,943</b>	<b>1,768</b>	<b>1,593</b>	<b>1,554</b>
<b>Law, order and protective services</b>									
Administration of justice	1,927	2,289	2,428	2,545	2,631	2,848	2,773	2,821	2,749
Prisons and offender programmes	1,864	1,894	1,820	1,915	1,961	1,974	2,084	2,032	2,156
Police	692	769	810	823	825	814	973	844	853
Immigration and citizenship	178	212	247	246	263	275	268	275	274
Fire	53	53	54	53	58	61	60	57	57
Civil defence	51	41	23	24	21	24	20	19	19
Constitutional and community services	53	43	38	85	38	40	37	32	36
Central and miscellaneous services	399	487	487	486	456	422	420	402	398
<b>Total law, order and protective services</b>	<b>5,218</b>	<b>5,788</b>	<b>5,906</b>	<b>6,177</b>	<b>6,252</b>	<b>6,459</b>	<b>6,635</b>	<b>6,482</b>	<b>6,542</b>
<b>Education</b>									
Under fives						11	657	672	672
Schools	906	1,009	1,165	1,306	1,379	1,499	1,707	1,739	1,745
Further education	129	153	3,137	3,310	3,435	3,597	3,521	3,505	3,464
Higher education	3,483	3,623	3,789	4,542	4,996	4,982	4,848	4,814	4,741
Student support (inc mandatory awards & access fund)	254	338	448	595	826	866	-400	-255	-184
Miscellaneous educational services, research and administration	276	344	647	712	717	752	789	753	753
<b>Total education<sup>(3)</sup></b>	<b>5,048</b>	<b>5,468</b>	<b>9,186</b>	<b>10,464</b>	<b>11,354</b>	<b>11,705</b>	<b>11,122</b>	<b>11,228</b>	<b>11,191</b>
<b>National heritage</b>									
Museums and galleries	246	259	262	270	268	263	260	253	249
Other arts and heritage	443	490	484	494	516	507	480	474	467
Libraries	165	172	159	186	216	157	137	127	126
Films	20	22	24	26	26	24	23	23	23
Tourism	56	60	59	62	62	64	64	63	63
Sport and recreation	59	63	68	66	68	69	67	65	63
Broadcasting	2	57	61	67	71	75	19	76	78
Administration	8	17	23	23	22	24	25	24	24
<b>Total national heritage</b>	<b>1,000</b>	<b>1,141</b>	<b>1,140</b>	<b>1,194</b>	<b>1,249</b>	<b>1,182</b>	<b>1,077</b>	<b>1,106</b>	<b>1,092</b>
<b>Health and personal social services<sup>(3)</sup></b>									
<b>Health</b>									
National Health Service hospitals, community health, family health (cash limited) and related services	24,433	26,846	27,954	29,572	31,276	33,042	34,642	32,937	33,558
Family health (non-cash limited)	6,214	6,698	6,717	6,744	6,859	6,827	6,555	9,253	9,489
Central health and other services	757	1,079	1,164	1,444	1,314	1,232	1,220	1,172	1,212
<b>Total health</b>	<b>31,405</b>	<b>34,623</b>	<b>35,835</b>	<b>37,760</b>	<b>39,449</b>	<b>41,101</b>	<b>42,417</b>	<b>43,363</b>	<b>44,258</b>
Personal social services	227	256	295	350	396	436	421	421	427
<b>Total health and personal social services</b>	<b>31,632</b>	<b>34,879</b>	<b>36,129</b>	<b>38,110</b>	<b>39,845</b>	<b>41,537</b>	<b>42,838</b>	<b>43,784</b>	<b>44,686</b>



Table 5.4 Central government expenditure<sup>(1)</sup> within the Control Total by function, 1991–92 to 1999–2000 (continued)

	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99	1999–2000
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
<b>Social security<sup>(4)</sup></b>									
Pension benefits (contributory)	26,220	27,413	28,937	29,503	30,748	32,671	34,133	35,600	37,050
Widows' benefits	1,045	1,044	1,076	1,057	1,052	1,086	1,088	1,100	1,100
Unemployment, incapacity and other benefits	6,803	7,555	8,414	8,456	8,279	8,127	7,959	7,700	7,550
Industrial injury benefits	674	688	707	728	753	740	796	850	850
Family benefits (contributory)	456	485	467	525	572	544	558	550	600
Pension benefits (non-contributory)	49	53	54	51	54	56	56	50	50
War pensions	967	1,158	1,286	1,147	1,258	1,419	1,342	1,350	1,350
Disability benefits	3,834	4,874	6,127	6,888	8,019	9,126	10,238	11,200	12,150
Income Support	2,853	3,860	4,086	4,114	4,032	3,895	4,028	4,100	4,150
Social Fund	210	212	234	217	251	252	208	200	200
Family benefits (non-contributory)	6,302	7,148	7,826	8,138	8,691	9,462	9,575	9,850	10,150
Housing benefits	205	259	286	290	308	320	639	650	650
Administration and miscellaneous services	2,836	3,182	3,395	3,263	3,335	3,543	3,221	3,200	3,200
<b>Total social security</b>	<b>52,452</b>	<b>57,931</b>	<b>62,895</b>	<b>64,377</b>	<b>67,352</b>	<b>71,241</b>	<b>73,842</b>	<b>76,450</b>	<b>79,000</b>
<b>Central administration and associated expenditure<sup>(5)</sup></b>									
Other public services	4,109	4,841	4,907	4,697	4,668	4,610	4,531	4,555	4,592
Common services	73	-64	-32	49	278	299	26	12	4
Contributions to European Union <sup>(6)</sup>	707	1,912	1,877	1,268	3,232	1,400	2,247	2,392	2,791
<b>Total Central administration and associated expenditure<sup>(5)</sup></b>	<b>4,889</b>	<b>6,689</b>	<b>6,752</b>	<b>6,014</b>	<b>8,179</b>	<b>6,309</b>	<b>6,804</b>	<b>6,959</b>	<b>7,386</b>
<b>Total central government expenditure<sup>(4)</sup></b>	<b>144,866</b>	<b>158,167</b>	<b>168,487</b>	<b>174,176</b>	<b>180,593</b>	<b>186,117</b>	<b>187,397</b>	<b>191,450</b>	<b>195,550</b>

(1) Excludes support for local authorities and the financing requirements of nationalised industries.

(2) In addition to development assistance to developing countries this includes assistance to Eastern Europe and the former Soviet Union and global environmental assistance. The figures include the UK contributions to the European Community aid budget and the UK's share of European Community assistance to Eastern Europe and the former Soviet Union.

(3) See footnote (4) to Table 1.2

(4) Excludes cyclical social security.

(5) "Central administration and associated expenditure" includes the activities required for general maintenance of government, such as tax collection, and the registration of the population.

(6) UK contributions to the European Community aid budget and the UK share of assistance to Eastern Europe and the former Soviet Union are included in overseas aid.



## 5. Central government expenditure

**Table 5.5 Central government expenditure<sup>(1)</sup> within the Control Total by economic category, 1991–92 to 1999–2000**

	£ million									
	1991–92 outturn	1992–93 outturn	1993–94 outturn	1994–95 outturn	1995–96 outturn	1996–97 estimated outturn	1997–98 plans	1998–99 plans	1999–2000 plans	
<b>Central government's own expenditure</b>										
Pay	34,900	35,372	31,624	24,686	23,785	}	85,114	85,574	86,650	88,250
Other current expenditure on goods and services	36,773	39,758	45,919	55,065	57,771					
Subsidies	3,583	3,477	4,089	5,787	5,904	7,324	6,267	5,353	5,165	
Current grants to the private sector <sup>(2)</sup>	55,991	61,663	69,562	72,085	75,721	80,055	84,169	86,750	89,250	
Current transfers abroad <sup>(3)</sup>	1,928	4,958	5,069	4,654	6,710	4,840	5,683	5,900	6,300	
Net capital expenditure on assets	6,958	7,048	6,340	5,502	5,011	3,561	2,838	3,423	3,174	
Capital grants	3,370	3,823	3,663	3,460	2,960	2,757	2,157	2,009	1,949	
Lending and other financial transactions	155	454	498	859	1,043	439	-941	-223	-117	
<b>Total central government's own expenditure</b>	<b>143,659</b>	<b>156,552</b>	<b>166,765</b>	<b>172,098</b>	<b>178,905</b>	<b>184,090</b>	<b>185,745</b>	<b>189,800</b>	<b>194,000</b>	
<b>Public corporations (excluding nationalised industries)<sup>(4)(5)</sup></b>										
<b>(a) External finance</b>										
Subsidies	388	424	467	468	515	600	564	541	517	
Capital grants	1,215	1,281	1,156	1,108	1,006	1,077	921	912	810	
Lending and other financial transactions	-125	18	284	643	447	549	271	376	431	
<b>(b) Expenditure</b>										
Subsidies	86	54	52	42	37	16				
Net capital expenditure on assets	-352	-159	-234	-180	-313	-212	-105	-190	-190	
Lending and other financial transactions	-4	-3	-4	-3	-3	-4				
<b>Total public corporations (excluding nationalised industries)</b>	<b>1,207</b>	<b>1,615</b>	<b>1,722</b>	<b>2,078</b>	<b>1,689</b>	<b>2,026</b>	<b>1,651</b>	<b>1,640</b>	<b>1,567</b>	
<b>Total central government expenditure</b>	<b>144,866</b>	<b>158,167</b>	<b>168,487</b>	<b>174,176</b>	<b>180,593</b>	<b>186,117</b>	<b>187,397</b>	<b>191,450</b>	<b>195,550</b>	

(1) Excluding support for local authorities and the financing requirements of nationalised industries.

(2) Excludes cyclical social security.

(3) The outturn for current transfer abroad for 1991–92 is net of other governments' contributions to the cost of the Gulf conflict.

(4) For most public corporations it is their external finance that is included in the control total. The split between economic categories is given in section (a). For a few corporations their capital expenditure and subsidies to them are included in the Control Total. The split between economic categories for these is given in section (b).

(5) Excludes grants and subsidies from central government which are generally available to the private sector; these are treated as contributing to internal resources and are included in central government's own expenditure.



Table 5.6 Central government's own capital and current expenditure<sup>(1)</sup> by department<sup>(2)</sup>, 1991-92 to 1999-2000

	£ million								
	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
<b>Current</b>									
Ministry of Defence <sup>(3)</sup>	22,299	22,262	21,921	21,748	20,831	21,712	21,398	21,889	22,445
Foreign and Commonwealth Office	990	1,130	1,129	1,175	1,206	1,022	998	1,006	1,027
Overseas Development Administration	1,737	1,820	1,954	1,997	2,037	2,120	2,028	2,107	2,110
Ministry of Agriculture, Fisheries and Food	1,920	2,034	2,874	2,642	2,872	4,186	3,500	3,281	3,266
Trade and Industry	2,399	2,559	2,500	2,502	2,989	2,991	2,813	2,783	2,732
ECGD	211	116	-60	-27	15	27	9	1	-27
Department of Transport	651	720	694	2,503	2,413	2,550	2,332	2,247	2,256
DoE—Housing	1,344	1,227	1,063	1,068	932	993	972	389	356
DoE—Urban and environment	743	817	927	859	737	782	748	722	724
DoE—Local government	187	234	234	243	230	221	227	215	208
Home Office	1,869	2,057	2,025	2,130	2,129	2,305	2,438	2,429	2,578
Lord Chancellor's and Law Officers' Departments	1,529	1,845	1,975	2,146	2,225	2,385	2,371	2,408	2,316
Department for Education and Employment <sup>(4)</sup>	5,963	6,162	8,887	9,833	10,144	10,628	11,449	11,369	11,284
National Heritage	725	790	812	784	816	811	815	789	780
Department of Health <sup>(4)</sup>	24,131	26,633	28,102	29,723	31,317	32,782	34,014	34,772	35,489
Department of Social Security <sup>(4)(5)</sup>	50,492	55,727	60,430	61,865	64,780	68,486	71,333	73,600	76,100
Scotland <sup>(4)</sup>	4,749	5,232	6,063	6,542	6,847	7,183	7,386	7,433	7,525
Wales <sup>(4)</sup>	1,928	2,342	2,754	2,953	3,146	3,310	3,402	3,438	3,512
Northern Ireland <sup>(5)</sup>	5,228	5,768	6,240	6,565	6,880	7,352	7,410	7,474	7,601
Chancellor of the Exchequer's Departments	3,175	3,191	3,105	3,130	3,069	3,043	3,002	3,041	3,061
Cabinet Office	198	649	757	629	1,042	1,041	802	804	868
European Union	707	1,912	1,877	1,268	3,232	1,400	2,247	2,392	2,791
<b>Total current expenditure<sup>(6)</sup></b>	<b>133,175</b>	<b>145,228</b>	<b>156,264</b>	<b>162,277</b>	<b>169,890</b>	<b>177,333</b>	<b>181,692</b>	<b>184,600</b>	<b>189,000</b>
<b>Capital<sup>(6)</sup></b>									
Ministry of Defence <sup>(3)</sup>	614	649	701	727	669	-594	-241	390	390
Foreign and Commonwealth Office	115	113	115	90	134	69	80	67	67
Overseas Development Administration	5	3	2	3	3	6	2	2	2
Ministry of Agriculture, Fisheries and Food	328	291	224	-66	79	388	376	272	200
Trade and Industry	286	275	299	338	290	262	279	310	303
ECGD	4		1		1	1	1	1	1
Department of Transport	1,741	1,834	1,910	1,918	1,630	1,513	1,315	1,191	1,091
DoE—Housing	1,927	2,331	1,821	1,487	1,139	1,041	738	731	669
DoE—Urban and environment	195	80	209	213	244	282	205	188	218
DoE—Local government	1	5							
Home Office	454	384	347	367	383	294	338	189	176
Lord Chancellor's and Law Officers' Departments	187	194	174	153	148	87	56	43	48
Department for Education and Employment <sup>(4)</sup>	625	620	773	826	842	720	300	292	293
National Heritage	152	165	131	167	177	109	63	65	63
Department of Health <sup>(4)</sup>	1,273	1,146	576	299	281	293	78	168	161
Department of Social Security <sup>(4)(5)</sup>	267	286	332	247	162	129	-178	55	53
Scotland <sup>(4)</sup>	691	720	685	593	444	453	402	395	359
Wales <sup>(4)</sup>	530	580	553	481	399	334	269	217	230
Northern Ireland <sup>(5)</sup>	507	513	528	521	486	474	463	444	437
Chancellor of the Exchequer's Departments	327	287	288	199	219	216	166	158	159
Cabinet Office	88	368	301	341	203	211	244	230	180
European Union									
<b>Total capital expenditure<sup>(6)</sup></b>	<b>10,315</b>	<b>10,844</b>	<b>9,972</b>	<b>8,907</b>	<b>7,934</b>	<b>6,289</b>	<b>4,954</b>	<b>5,408</b>	<b>5,099</b>



## 5. Central government expenditure

**Table 5.6 Central government's own capital and current expenditure<sup>(1)</sup> by department<sup>(2)</sup>, 1991-92 to 1999-2000 (continued)**

	£ million								
	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 outturn	1996-97 estimated outturn	1997-98 plans	1998-99 plans	1999-2000 plans
<b>Other transactions<sup>(6)</sup></b>									
Ministry of Defence <sup>(3)</sup>									
Foreign and Commonwealth Office	-1	-1	-1	-1	-1				
Overseas Development Administration	210	258	241	351	269	200	198	228	250
Ministry of Agriculture, Fisheries and Food	-1	-1		-1					
Trade and Industry	1	-34	-51	-37	-31	-45	-38	-87	-82
ECGD									
Department of Transport		-8	23	17	10	4	-39	4	4
DoE—Housing	-289	-46	-59	-25	-8	-517	-509		
DoE—Urban and environment		6		31	13	12	30	10	11
DoE—Local government									
Home Office			1		1	1	1	1	1
Lord Chancellor's and Law Officers'									
Departments									
Department for Education and Education <sup>(4)</sup>	118	171	267	423	656	695	-546	-411	-346
National Heritage									
Department of Health <sup>(4)</sup>									
Department of Social Security <sup>(4)(5)</sup>	47	37	42	40	38	46	41	41	41
Scotland <sup>(4)</sup>	18	24	38	54	84	111	-56	-27	-8
Wales <sup>(4)</sup>	-24	-8	-13	-5	-1	-77	-12	-2	-2
Northern Ireland <sup>(5)</sup>	91	81	42	68	50	39	29	43	39
Chancellor of the Exchequer's									
Departments									
Cabinet Office, Office of Public Service and Science									
Cabinet Office—other services, Privy Council Office and Parliament									
European Union									
<b>Total other transactions expenditure<sup>(6)</sup></b>	<b>169</b>	<b>481</b>	<b>529</b>	<b>915</b>	<b>1,080</b>	<b>469</b>	<b>-901</b>	<b>-200</b>	<b>-93</b>
<b>Total central government expenditure</b>	<b>143,659</b>	<b>156,552</b>	<b>166,765</b>	<b>172,098</b>	<b>178,905</b>	<b>184,090</b>	<b>185,745</b>	<b>189,800</b>	<b>194,000</b>

This table and the following tables in this section do not include any allocation from the Reserve for the plan years.

(1) Excluding support for local authorities and the financing requirements of nationalised industries, other public corporations and trading funds.

(2) A full list of the departments included in each departmental grouping is given in Appendix C.

(3) See footnote (2) to table 1.2.

(4) See footnote (4) to table 1.2.

(5) Excludes cyclical social security.

(6) Current expenditure includes pay, procurement, subsidies and current grants to the private sector and abroad; Capital expenditure includes net capital expenditure on assets the value of the physical increase in stocks and capital grants and other transactions includes lending and other financial transactions.



Table 5.7 Gross administrative expenditure by department<sup>(1)</sup>, 1991-92 to 1999-2000

	£ million								
	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 outturn	1996-97 estimated outturn	1997-98 plans	1998-99 plans	1999-2000 plans
Foreign & Commonwealth Office <sup>(2)</sup>	511	494	475	489	507	520	524	534	546
Overseas Development Administration	64	66	73	71	72	58	56	56	55
Ministry of Agriculture, Fisheries and Food	379	402	441	445	479	547	479	477	472
Trade and Industry <sup>(3)</sup>	532	547	547	513	497	484	464	457	456
Department of Transport	368	421	397	405	416	420	393	374	372
Environment Departments	1,112	992	757	591	525	533	462	452	447
Home Office	1,463	1,619	1,649	1,703	1,743	1,869	1,934	2,014	2,121
Lord Chancellor's and Law Officers' Departments	822	907	734	754	779	781	766	759	757
Department for Education and Employment	1,283	1,378	1,470	1,493	1,395	1,311	1,089	1,041	1,027
Department of National Heritage	48	52	57	62	62	65	64	63	62
Department of Health	287	326	304	294	290	278	271	271	271
Department of Social Security	2,628	2,987	3,216	3,270	3,407	3,516	3,520	3,238	3,238
Scotland	379	391	408	413	411	404	388	379	383
Wales	62	75	80	81	79	78	76	75	73
Northern Ireland <sup>(4)</sup>	710	755	777	780	780	820	787	787	787
Chancellor of the Exchequer's Departments:									
Inland Revenue	1,687	1,766	1,823	1,816	1,833	1,849	1,835	1,877	1,848
Customs and Excise	692	738	735	745	746	743	749	758	779
Other	493	456	452	427	422	403	364	367	370
Cabinet Office including Office of Public Service <sup>(2)</sup>	179	556	613	627	596	594	538	538	537
<b>Total gross expenditure on civil departments' running costs</b>	<b>13,701</b>	<b>14,928</b>	<b>15,009</b>	<b>14,981</b>	<b>15,039</b>	<b>15,274</b>	<b>14,759</b>	<b>14,517</b>	<b>14,662</b>
Ministry of Defence gross operating costs <sup>(2)(5)</sup>	19,759	19,366	18,940	19,009	18,269	18,671	18,123	17,924	17,924
<b>Gross total</b>	<b>33,460</b>	<b>34,294</b>	<b>33,949</b>	<b>33,990</b>	<b>33,308</b>	<b>33,946</b>	<b>32,882</b>	<b>32,441</b>	<b>32,526</b>
<i>of which: Paybill<sup>(6)</sup></i>	<i>18,305</i>	<i>19,439</i>	<i>18,648</i>	<i>18,548</i>	<i>17,759</i>	<i>18,001</i>			
Intra-departmental and inter-departmental receipts (paid from running costs)	-1,166	-1,049	-790	-586	-546	-532	-515	-507	-499
<b>Net total</b>	<b>32,294</b>	<b>33,245</b>	<b>33,158</b>	<b>33,404</b>	<b>32,762</b>	<b>33,414</b>	<b>32,368</b>	<b>31,934</b>	<b>32,027</b>
Other related receipts <sup>(7)</sup>	-3,641	-3,843	-4,290	-3,893	-3,771	-3,770	-3,581	-3,429	-3,418
<b>Total net of all related receipts</b>	<b>28,653</b>	<b>29,402</b>	<b>28,868</b>	<b>29,512</b>	<b>28,991</b>	<b>29,644</b>	<b>28,787</b>	<b>28,505</b>	<b>28,609</b>

(1) The gross figures are net of any refundable VAT on contracted out services.

(2) Expenditure relating to the Security and Intelligence Services prior to 1992-93 is included in the figures for Foreign &amp; Commonwealth Office and Ministry of Defence.

(3) Excluding Export Credits Guarantee Department (ECGD) whose running costs are met from trading income and are therefore not included in the public expenditure Control Total. However, ECGD sets running costs plans.

(4) Figures cover both the Northern Ireland Office and Northern Ireland Departments.

(5) Figures cover all Ministry of Defence costs (including service and civilian pay) other than purchase of new equipment and associated research.

(6) This covers the pay costs of civil servants and others (including casual staff) covered by running costs plus Ministry of Defence's operating costs regime, and includes superannuation charges and national insurance contributions.

(7) Receipts for services charged against departmental running costs, eg fees.



## 5. Central government expenditure

**Table 5.8 Staff of central government departments, 1978–79, 1991–92 to 1999–2000**

	thousands (full-time equivalents) <sup>(1)(2)</sup>									
	1978–79	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99	1999–2000
	actual	actual	actual	actual	actual	actual	estimated outturn	plans	plans	plans
Ministry of Defence <sup>(2)</sup>	227.3	140.8	132.6	113.9	109.1	101.8	95.4	94.1	88.1	85.6
Foreign and Commonwealth Office	9.8	8.3	6.6	6.4	6.2	5.9	5.7	5.7	5.7	5.6
Overseas Development Administration	2.3	1.7	1.7	1.6	1.5	1.4	1.0	1.0	1.0	0.9
Ministry of Agriculture, Fisheries and Food	14.1	10.0	10.0	10.3	10.0	10.3	10.2	10.0	9.8	9.6
Intervention Board	0.5	1.0	1.0	0.9	0.9	0.9	0.9	1.1	1.0	1.0
Trade and Industry (including ACAS, OFT, OFTEL, OFGAS and OFFER)	19.6	13.4	12.3	12.0	11.1	9.9	8.7	8.7	8.6	8.6
Export Credits Guarantee Department	2.0	1.0	0.7	0.6	0.5	0.5	0.4	0.4	0.4	0.4
Department of Transport (including OPRAF and ORR)	14.3	11.3	11.2	10.8	10.2	9.2	8.0	8.0	7.9	7.9
Department of the Environment (including PSA Services, HSC, OFWAT and Ordnance Survey)	57.3	26.7	22.9	16.8	13.1	11.5	10.5	9.8	9.4	9.2
Home Office	33.5	48.1	51.0	50.8	50.2	50.5	50.3	51.0	50.2	49.6
Lord Chancellor's and Law Officers' Departments	18.0	30.0	30.6	21.4	21.1	20.6	20.0	19.8	19.1	18.7
Department for Education and Employment (including OFSTED) <sup>(3)(6)</sup>	52.8	51.1	55.7	53.6	50.0	44.3	37.4	34.6	32.2	30.7
Department of National Heritage (including OFLOT and Charity Commission) <sup>(4)</sup>	0.3	1.6	1.4	1.6	1.6	1.5	1.6	1.6	1.6	1.6
Department of Health <sup>(5)</sup>	} 97.9	{ 4.7	4.9	4.5	4.4	3.9	4.5	4.6	4.6	4.6
Department of Social Security <sup>(5)(6)</sup>			79.6	83.6	89.0	89.8	90.2	93.3	90.9	79.5
Scotland	12.9	13.0	13.3	13.4	12.7	12.1	10.8	10.7	10.4	10.3
Wales	2.6	2.4	2.5	2.4	2.3	2.2	1.9	2.1	2.0	2.0
Northern Ireland	32.9	28.5	28.7	28.4	26.4	25.7	25.2	24.2	24.1	23.4
HM Customs and Excise	28.8	26.9	25.8	25.3	24.8	23.5	22.9	22.9	22.6	22.4
Inland Revenue	85.3	68.4	69.4	65.9	62.0	57.6	55.2	54.7	53.7	52.4
Chancellor's other departments Cabinet Office, OPS, COI and Privy Council Office	7.0	4.0	4.0	3.5	3.3	2.5	3.0	1.8	1.8	1.8
Security and Intelligence Services <sup>(2)</sup>			10.8	10.6	10.4	9.4	8.6	8.4	8.2	8.0
Trading funds, DSA and Crown Estate Office	34.9	10.1	11.0	29.9	29.3	29.7	31.9	31.0	30.7	30.3
<b>Total<sup>(1)</sup></b>	<b>769.9</b>	<b>596.2</b>	<b>604.5</b>	<b>586.0</b>	<b>562.1</b>	<b>535.2</b>	<b>516.9</b>	<b>505.8</b>	<b>481.2</b>	<b>470.9</b>
of which:										
Home Civil Service	737.2	567.2	570.9	552.8	530.8	505.3	487.8	477.3	453.3	443.8

(1) Unless otherwise indicated all figures are financial year averages for permanent staff in central government departments. This includes the staff of the Home Civil Service, the Northern Ireland Civil Service and the Security and Intelligence Services.

(2) Prior to 1992–93, staff of the Security and Intelligence Services are included within the Ministry of Defence and the Foreign and Commonwealth Office.

(3) OFSTED is the official name of the Office of Her Majesty's Chief Inspector of Schools in England.

(4) The figure for 1978–79 includes Charity Commission only, figures for the Department of National Heritage are not available for this year.

(5) The allocation of staff between Department of Health and Department of Social Security is not available for 1978–79.

(6) From 1996–97 figures include transfers due to the introduction of the Job Seekers Allowance.



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## 6. Local authority expenditure

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### Introduction

6.1 This section describes central government support for local authorities within the Control Total over the Survey period and local authority expenditure for outturn years. It deals primarily with Great Britain—most equivalent spending in Northern Ireland is central government spending carried out by Northern Ireland departments (see the departmental report for Northern Ireland (Cm3616). Where relevant, district council spending in Northern Ireland is included in certain of the tables in this section.

6.2. Details of the Government's policies and objectives for particular services provided, in whole or in part, by local authorities, can be found in the relevant departmental reports.

6.3. Single tier local government was introduced in Scotland and Wales (in April 1996). It is also being progressively introduced in some shire areas of England.

6.4. Local authorities account for around one quarter of general government expenditure. Total current and capital spending (including debt interest) by local authorities in 1995–96 and 1996–97 is estimated to be £75.0 billion and £75.8 billion respectively. Figures for 1995–96 and 1996–97 are derived from local authority budget information and departmental information where available. The Treasury allows for shortfalls of £600 million and £900 million in 1995–96 and 1996–97 respectively. Final outturn information for 1995–96 local authority expenditure will not become available until later this year. The projections for the later years are set out in **Table 6.1**. **Table 6.2** sets out total local authority expenditure by department for 1991–92 to 1996–97. **Table 6.3** shows total local authority expenditure for the outturn years, broken down by country and economic category.

6.5. Central government support for expenditure by local authorities is provided in three forms: grants, for both capital and current expenditure; non-domestic rate payments; and credit approvals (net capital allocations in Scotland). 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, with the exception of certain grants which are excluded to avoid double-counting with credit approvals/net capital allocations.

6.6. European Union grants in England and Wales in support of capital expenditure are an example of grants which are excluded from the control total. When local authorities receive these grants they are set-aside to repay debt rather than used to finance capital spending. However credit approvals are set at a level which includes the expected value of these grants, so that government support, and local authority spending, is higher than it would otherwise have been. The grants are excluded from the control total as the related credit approvals have already been taken into account.

6.7. **Table 6.4** gives a departmental breakdown of central government support for current and capital expenditure by local authorities.

### Current expenditure

6.8. Local authority current spending can broadly be divided into two categories.



## 6. Local authority expenditure

### Main local services

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

6.10. The Government announces, as part of the local authority settlement, the level of Total Standard Spending (TSS) which represents the amount of revenue spending which it judges appropriate on the main services. For 1997–98, TSS in England will be £45.5 billion, and in Wales £2.9 billion. In Scotland, the equivalent figure, known as Government Supported Expenditure, will be £6.1 billion. The Government has also provided service breakdowns of TSS in England and GSE in Scotland, giving an indication of the level of spending on each main service which would be consistent with the overall figure. The actual allocation of spending between services is a matter for determination by local authorities. **Table 6.5** sets out Total Standard Spending and Government Supported Expenditure for 1997–98.

6.11. Government support for expenditure on the main services above is provided through Aggregate External Finance (AEF). This comprises:

- Revenue Support Grant (RSG);
- non-domestic rate payments: there are separate National Non-Domestic Rate (NNDR) poundages, set by central government for England, Wales and (from 1995–96) Scotland, with the proceeds pooled and distributed to local authorities in the country concerned on a per capita basis;
- certain current specific and special grants, which fund part of the expenditure on a specific service or activity.

6.12. **Table 6.6** shows AEF in Great Britain by territorial area and grant.

### Other spending

6.13. This is financed wholly, or almost wholly, by central government through specific grants outside AEF, with little or no impact on local tax levels. The main examples are rent allowances and mandatory student awards. **Table 6.7** shows, by country, for the years 1991–92 to 1999–2000, current specific grants outside AEF.

## Capital expenditure

6.14. Local authorities have several ways of paying for capital expenditure:

- central government support (see paragraph 6.5);
- own resources: capital receipts, and revenue.

Local authorities in England, Wales and (from 1996–97) Scotland must set aside part of their capital receipts to repay debt but they are free to spend the remainder on capital programmes at anytime.

6.15. The Government has prepared an illustrative projection for capital expenditure for the year ahead only. Gross capital spending is projected to be of the order of £7½ billion in 1997–98, somewhat lower than the levels in recent years, which were inflated by the temporary relaxation of the capital receipts rules announced in the 1992 Autumn Statement. The inflow of capital receipts for 1997–98 is projected to be of the order of £2¼ billion.

6.16. Gross capital expenditure to 1996–97 is shown in **Table 6.8** by service. Local authority gross capital spending in the United Kingdom in 1995–96 totalled £9.1 billion with offsetting receipts of £2.6 billion. In 1996–97 gross capital spending is expected to fall to £8.3 billion with offsetting receipts of £2.3 billion, giving net capital spending of around £6 billion. These estimates take account of the returns from local authorities on capital expenditure. **Table 6.9** shows local authority receipts by service.

### Support for local authority capital programmes

6.17. Central government support for local authority capital expenditure comprises grants and credit approvals (net capital allocations in Scotland). Credit approvals and net capital allocations authorise local authorities to borrow or use other forms of credit to finance capital expenditure. **Table 6.10** shows this government support by country and by service.



6.18. Most credit approvals are issued as Basic Credit Approvals (BCAs) and can be used for any local authority service. The remainder—Supplementary Credit Approvals (SCAs)—are for particular projects or services. The distribution of BCAs takes account of local authorities' relative capital spending needs and their ability to finance their capital programmes from their capital receipts.

6.19. The Government announced in the Autumn of 1996 that it is willing to support £250 million of Private Finance Initiative (PFI) investment in the local authority sector over the next 8 months. Local authorities are working on numerous projects with the private sector including the provision of schools, roads, police stations and headquarters and magistrates' courts.

6.20. The local authority capital challenge was set up during the Summer of 1996. Departments transferred a total of £600 million from their programmes for the next 3 years to the Fund. Local authorities submitted bids during the Autumn and the winners were announced last December. A wide range of projects will be undertaken over the next three years including many which cut across services.



## 6. Local authority expenditure

Table 6.1 Financing of local authority expenditure in the United Kingdom, 1991-92 to 1999-2000

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
<b>£ million</b>									
<b>Current</b>									
<b>Aggregate External Finance <sup>(1)(2)</sup></b>									
<b>England</b>									
Revenue support grant	9,675	16,679	17,052	18,497	18,314	18,024	18,675	} 31,274	31,221
Non-domestic rate payments	12,408	12,306	11,559	10,685	11,354	12,736	12,027		
Specific and special grants	8,505	4,496	4,642	5,168	5,027	5,002	5,073	4,700	4,699
<b>Total England</b>	<b>30,587</b>	<b>33,481</b>	<b>33,252</b>	<b>34,349</b>	<b>34,695</b>	<b>35,762</b>	<b>35,775</b>	<b>35,973</b>	<b>35,920</b>
<b>Scotland<sup>(3)</sup></b>									
Revenue support grant	2,692	3,499	3,624	3,773	3,782	3,664	3,482	} 4,849	4,845
Non-domestic rate payments	1,262	1,247	1,186	1,109	1,193	1,313	1,326		
Specific and special grants	775	380	404	412	395	418	431	436	444
<b>Total Scotland</b>	<b>4,729</b>	<b>5,126</b>	<b>5,214</b>	<b>5,295</b>	<b>5,370</b>	<b>5,395</b>	<b>5,239</b>	<b>5,286</b>	<b>5,289</b>
<b>Wales</b>									
Revenue support grant	1,236	1,616	1,657	1,740	1,718	1,792	1,733	} 2,345	2,346
Non-domestic rate payments	525	536	470	464	520	459	584		
Specific and special grants	455	224	211	212	228	267	261	250	250
<b>Total Wales</b>	<b>2,216</b>	<b>2,376</b>	<b>2,338</b>	<b>2,416</b>	<b>2,466</b>	<b>2,518</b>	<b>2,578</b>	<b>2,594</b>	<b>2,596</b>
<b>Great Britain</b>									
Revenue support grant	13,603	21,795	22,332	24,010	23,815	23,481	23,889	} 38,468	38,413
Non-domestic rate payments	14,195	14,089	13,215	12,258	13,067	14,508	13,937		
Specific and special grants	9,735	5,100	5,257	5,792	5,650	5,686	5,765	5,386	5,393
<b>Total Aggregate External Finance</b>	<b>37,533</b>	<b>40,983</b>	<b>40,805</b>	<b>42,060</b>	<b>42,532</b>	<b>43,675</b>	<b>43,592</b>	<b>43,853</b>	<b>43,805</b>
Other current grants <sup>(4)</sup>	10,031	12,203	13,078	13,738	13,857	14,167	14,367	15,500	15,800
<b>Total current grants</b>	<b>47,564</b>	<b>53,186</b>	<b>53,883</b>	<b>55,798</b>	<b>56,389</b>	<b>57,842</b>	<b>57,959</b>	<b>59,350</b>	<b>59,600</b>
<b>Capital</b>									
Capital grants	1,334	1,544	1,802	1,441	1,753	1,737	1,477	1,287	1,187
Credit approvals	4,389	4,535	4,148	4,003	3,634	3,108	2,814	2,606	2,542
<b>Total capital support</b>	<b>5,723</b>	<b>6,079</b>	<b>5,950</b>	<b>5,444</b>	<b>5,387</b>	<b>4,845</b>	<b>4,291</b>	<b>3,893</b>	<b>3,729</b>
<b>Total central government support to local authorities</b>	<b>53,287</b>	<b>59,265</b>	<b>59,832</b>	<b>61,242</b>	<b>61,776</b>	<b>62,687</b>	<b>62,251</b>	<b>63,250</b>	<b>63,350</b>
<b>Local Authority self-financed expenditure</b>	<b>11,280</b>	<b>9,855</b>	<b>8,787</b>	<b>11,434</b>	<b>13,255</b>	<b>13,200</b>	<b>13,700</b>	<b>13,700</b>	<b>14,300</b>
<b>Total local authority expenditure</b>	<b>64,566</b>	<b>69,120</b>	<b>68,619</b>	<b>72,677</b>	<b>75,031</b>	<b>75,800</b>	<b>76,000</b>	<b>76,900</b>	<b>77,700</b>

(1) Aggregate External Finance (AEF) is described in para 6.11 above.

(2) See footnote (4) to table 1.2.

(3) Scottish and Welsh figures for 1998-99 and 1999-2000 are illustrative; final figures will depend on the Secretaries of State's decisions on the allocation of resources.

(4) See paragraph 6.13 above.



**Table 6.2 Local authority expenditure in the United Kingdom by department, 1991-92 to 1996-97**

	£ million					
	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 estimated outturn	1996-97 estimated outturn
<b>Current</b>						
Ministry of Agriculture, Fisheries and Food	58	64	57	44	52	56
Trade and Industry	133	151	156	162	164	164
Department of Transport	2,277	2,288	2,205	2,396	2,422	2,177
DOE—Housing	316	330	308	345	343	336
DOE—Urban and Environment	4,275	4,460	4,524	4,645	5,077	5,238
Home Office	6,591	7,125	7,521	7,821	8,134	8,526
Lord Chancellor's and Law Officers' Departments	285	289	303	319	327	322
Department of Education and Employment <sup>(1)</sup>	19,842	21,537	20,002	20,199	20,233	20,527
National Heritage	1,201	1,231	1,234	1,254	1,248	1,252
Department of Health <sup>(1)</sup>	4,627	4,979	5,665	6,622	7,342	7,927
Department of Social Security <sup>(1)</sup>	6,828	8,249	9,573	10,489	11,284	11,889
Scotland <sup>(1)</sup>	4,763	5,111	5,134	5,495	5,750	5,727
Wales <sup>(1)</sup>	2,000	2,134	2,053	2,163	2,266	2,327
Northern Ireland	140	149	160	165	171	186
<b>Total current</b>	<b>53,337</b>	<b>58,097</b>	<b>58,897</b>	<b>62,118</b>	<b>64,800</b>	<b>66,700</b>
<b>Capital</b>						
Ministry of Agriculture, Fisheries and Food	24	6	-23	-44	1	-17
Trade and Industry	1	1	3	3	3	3
Department of Transport	1,019	1,251	1,304	1,331	1,322	1,276
DOE—Housing	972	937	707	859	925	848
DOE—Urban and Environment	886	971	563	1,086	987	1,021
Home Office	254	290	291	288	266	284
Lord Chancellor's and Law Officers' Departments	46	62	55	55	52	43
Department of Education and Employment <sup>(1)</sup>	707	712	543	662	714	699
National Heritage	287	197	180	225	256	276
Department of Health <sup>(1)</sup>	133	132	118	156	164	161
Scotland <sup>(1)</sup>	920	1,014	1,101	1,066	1,178	707
Wales <sup>(1)</sup>	515	589	506	634	627	620
Northern Ireland	33	40	46	50	50	54
<b>Total capital</b>	<b>5,797</b>	<b>6,200</b>	<b>5,393</b>	<b>6,371</b>	<b>6,546</b>	<b>5,974</b>
Debt interest	5,432	4,823	4,329	4,188	4,272	4,115
Allowance for shortfall <sup>(2)</sup>					-600	-900
<b>Total</b>	<b>64,566</b>	<b>69,120</b>	<b>68,619</b>	<b>72,677</b>	<b>75,000</b>	<b>75,800</b>

(1) See footnote (4) to table 1.2.

(2) See paragraph 5 of Appendix A.



## 6. Local authority expenditure

**Table 6.3 Local authority expenditure in the United Kingdom by country and economic category, 1991-92 to 1996-97**

	£ million					
	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 estimated outturn	1996-97 estimated outturn
<b>England<sup>(1)</sup></b>						
Pay	28,734	30,728	27,965	28,491	29,647	43,642
Other current expenditure on goods and services	8,069	8,262	10,273	11,822	12,515	
Subsidies	366	422	461	598	609	402
Current grants to persons	7,831	9,663	11,046	11,519	11,893	12,295
Net capital expenditure on assets	3,710	3,707	3,002	3,722	3,721	3,591
Capital grants	750	961	1,105	1,046	1,055	1,021
Lending and other financial transactions	-147	-134	-387	-162	-101	-34
<b>Total England</b>	<b>49,313</b>	<b>53,609</b>	<b>53,464</b>	<b>57,036</b>	<b>59,339</b>	<b>60,917</b>
<b>Scotland<sup>(1)</sup></b>						
Pay	3,267	3,516	3,532	3,713	3,895	5,592
Other current expenditure on goods and services	1,392	1,488	1,492	1,662	1,731	
Subsidies	83	83	83	88	95	105
Current grants to persons	658	742	812	875	929	989
Net capital expenditure on assets	816	905	993	949	1,072	616
Capital grants	111	116	109	119	115	91
Lending and other financial transactions	-6	-4	2	-3	-8	
<b>Total Scotland</b>	<b>6,323</b>	<b>6,846</b>	<b>7,024</b>	<b>7,403</b>	<b>7,827</b>	<b>7,393</b>
<b>Wales<sup>(1)</sup></b>						
Pay	1,768	1,859	1,772	1,843	1,927	2,748
Other current expenditure on goods and services	587	635	675	699	746	
Subsidies						
Current grants to persons	440	549	626	643	657	696
Net capital expenditure on assets	428	460	373	487	461	453
Capital grants	115	159	174	173	190	186
Lending and other financial transactions	-13	-9	-24	-11	-8	-5
<b>Total Wales</b>	<b>3,327</b>	<b>3,653</b>	<b>3,596</b>	<b>3,834</b>	<b>3,972</b>	<b>4,079</b>
<b>Great Britain</b>						
Pay	33,770	36,104	33,270	34,047	35,468	51,981
Other current expenditure on goods and services	10,049	10,384	12,440	14,183	14,991	
Subsidies	449	505	543	687	704	507
Current grants to persons	8,930	10,954	12,484	13,036	13,479	13,980
Net capital expenditure on assets	4,954	5,071	4,369	5,159	5,253	4,660
Capital grants	976	1,236	1,387	1,339	1,360	1,299
Lending and other financial transactions	-165	-146	-408	-176	-117	-38
<b>Total Great Britain</b>	<b>58,962</b>	<b>64,108</b>	<b>64,085</b>	<b>68,274</b>	<b>71,138</b>	<b>72,389</b>
<b>Northern Ireland</b>						
Pay	139	151	159	163	170	186
Other current expenditure on goods and services	1	-1	2	3	1	
Subsidies						
Current grants to persons						
Net capital expenditure on assets	32	38	44	48	49	52
Capital grants	1	1	1	1	1	1
Lending and other financial transactions						
<b>Total Northern Ireland</b>	<b>172</b>	<b>189</b>	<b>206</b>	<b>215</b>	<b>221</b>	<b>240</b>



Table 6.3 Local authority expenditure in the United Kingdom by country and economic category (continued)

	£ million					
	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 estimated outturn	1996-97 estimated outturn
<b>United Kingdom</b>						
Pay	33,909	36,254	33,428	34,210	35,638	} 52,168
Other current expenditure on goods and services	10,049	10,383	12,442	14,185	14,993	
Subsidies	449	505	543	687	704	507
Current grants to persons	8,930	10,954	12,484	13,036	13,479	13,980
Net capital expenditure on assets	4,986	5,110	4,413	5,207	5,302	4,712
Capital grants	976	1,237	1,388	1,340	1,361	1,300
Lending and other financial transactions	-165	-146	-408	-176	-117	-38
Local authority debt interest	5,432	4,823	4,329	4,188	4,272	4,115
Allowance for shortfall					-600	-900
<b>Total United Kingdom</b>	<b>64,566</b>	<b>69,120</b>	<b>68,619</b>	<b>72,677</b>	<b>75,031</b>	<b>75,800</b>
<i>of which:</i>						
<i>Expenditure excluding debt interest</i>	<i>59,134</i>	<i>64,297</i>	<i>64,290</i>	<i>68,489</i>	<i>70,759</i>	<i>71,700</i>

(1) See footnote (4) to table 1.2.



## 6. Local authority expenditure

**Table 6.4 Central government support for local authorities in the United Kingdom by department, 1991–92 to 1999–2000**

	£ million								
	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99	1999–2000
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
<b>Current</b>									
Ministry of Agriculture, Fisheries and Food	-129	-158	-184	-162	-170	-173	-176	-176	-176
Trade and Industry	4	5	5	8	7	37	35	55	59
Department of Transport	2	2	2	148	73	22	200	200	200
DOE—Housing	2,633	3,017	3,366	3,425	3,416	3,349	3,282	3,772	3,248
DOE—Urban and Environment	127	154	185	171	185	209	254	253	274
DOE—Local government <sup>(1)</sup>	27,993	30,714	29,094	29,619	30,000	30,989	30,846	31,274	31,221
Home Office	2,933	3,086	3,271	3,449	3,642	3,760	3,893	3,978	3,972
Lord Chancellor's and Law Officers' Departments	232	235	246	261	252	259	258	278	278
Department for Education and Employment <sup>(1)</sup>	2,704	3,226	3,286	2,887	2,461	2,280	2,259	2,313	2,353
Department of Health <sup>(1)</sup>	56	82	652	827	752	627	453	122	122
Department of Social Security <sup>(1)</sup>	3,792	5,080	6,288	7,304	7,768	8,438	8,647	9,400	10,150
Scotland <sup>(1)</sup>	4,883	5,250	5,248	5,385	5,472	5,444	5,356	5,276	5,278
Wales <sup>(1)</sup>	2,287	2,442	2,368	2,424	2,474	2,516	2,558	2,565	2,566
Northern Ireland	47	50	56	53	57	85	94	66	59
<b>Total current</b>	<b>47,564</b>	<b>53,186</b>	<b>53,883</b>	<b>55,798</b>	<b>56,389</b>	<b>57,842</b>	<b>57,959</b>	<b>59,350</b>	<b>59,600</b>
<b>Capital</b>									
Ministry of Agriculture, Fisheries and Food	36	27	34	37	50	52	38	39	39
Trade and Industry									
Department of Transport	917	1,022	1,099	1,006	917	768	663	552	527
DOE—Housing	1,793	1,617	1,534	1,215	1,159	1,094	811	733	706
DOE—Urban and Environment <sup>(2)</sup>	554	727	893	781	673	702	619	524	505
DOE—Local government <sup>(1)</sup>	176	222	49	50	68	109	305	257	207
Home Office	235	264	289	282	295	244	218	212	208
Lord Chancellor's and Law Officers' Departments	53	60	55	58	67	42	23	18	19
Department for Education and Employment <sup>(1)</sup>	510	582	403	396	412	450	414	382	393
National Heritage	39	30	10			25	28	30	30
Department of Health <sup>(1)</sup>	108	128	134	145	166	132	81	72	74
Scotland <sup>(1)</sup>	841	886	951	951	1,019	669	615	621	594
Wales <sup>(1)</sup>	455	508	489	519	559	557	473	451	426
Northern Ireland	5	6	8	4	2	3	2	2	1
<b>Total capital</b>	<b>5,723</b>	<b>6,079</b>	<b>5,950</b>	<b>5,444</b>	<b>5,387</b>	<b>4,845</b>	<b>4,291</b>	<b>3,893</b>	<b>3,729</b>
<b>Total</b>	<b>53,287</b>	<b>59,265</b>	<b>59,832</b>	<b>61,242</b>	<b>61,776</b>	<b>62,687</b>	<b>62,251</b>	<b>63,250</b>	<b>63,350</b>

(1) See footnote (4) to table 1.2.

(2) Includes support for Estate Action schemes, which is now within the Single Regeneration Budget but was until February 1994's Statistical Supplement included in DOE-housing.



Table 6.5 Total Standard Spending for 1997-98 by main service block

£ million

<b>Total Standard Spending</b>	
<b>England</b>	
Education	18,092
Personal social services	7,846
Police	6,390
Fire and civil defence	1,237
Highway maintenance	1,759
Other services	8,568
Capital financing	1,600
<b>Total England</b>	<b>45,492</b>
<b>Total Wales<sup>(1)</sup></b>	<b>2,931</b>
<b>Total Government Supported Expenditure</b>	
<b>Scotland</b>	
Education, Libraries and Museums	2,624
Health and personal social services	1,010
Law, order, and protective services	855
Roads and transport	330
Environmental services	435
Miscellaneous	14
Other services	48
Loans and Leasing Charges	793
<b>Total Scotland</b>	<b>6,109</b>

(1) No service split for Wales is published.



## 6. Local authority expenditure

Table 6.6 Aggregate External Finance in Great Britain by country and grant, 1991-92 to 1999-2000

	£ million								
	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
<b>England</b>									
Revenue support grant <sup>(1)</sup>	9,675	16,679	17,052	18,497	18,314	18,024	18,675	} 31,274	31,221
Non-domestic rate payments	12,408	12,306	11,559	10,685	11,354	12,736	12,027		
Community charge grant	4,346	329	84	36	42	-2			
Magistrates courts	219	222	233	247	238	245	244	263	263
Community services	113	130	123	107	50	53	69	39	39
Probation and after care	246	254	274	290	302	314	312	312	306
Police	2,480	2,605	2,771	2,908	3,036	3,183	3,302	3,413	3,413
Grants for education support and training	221	209	165	168	134	145	167	160	160
Administration of housing benefit	119	124	127	133	141	130	137	135	140
Community Care special grant			565	736	648	482	325		
Health and Social Services	56	82	87	91	104	116	125	119	119
Sheltered Employment	38	38	18	24	25	25	26	26	26
National Parks	12	15	16	16	16	16	16	16	16
Other grants	656	488	179	412	289	293	351	217	217
<b>Total</b>	<b>30,587</b>	<b>33,481</b>	<b>33,252</b>	<b>34,349</b>	<b>34,695</b>	<b>35,762</b>	<b>35,775</b>	<b>35,973</b>	<b>35,920</b>
<b>Scotland</b>									
Revenue support grant <sup>(1)</sup>	2,692	3,499	3,624	3,773	3,782	3,664	3,482	} 4,849	4,845
Non-domestic rate payments	1,262	1,247	1,186	1,109	1,193	1,313	1,326		
Community charge grant	437	16	9	7	4				
Urban Programme	41	43	48	55	52	51	45	41	41
Police	234	252	270	273	287	309	334	343	355
Administration of housing benefit	13	13	13	15	16	14	15	15	16
Other grants	50	57	64	63	37	43	37	37	32
<b>Total</b>	<b>4,729</b>	<b>5,126</b>	<b>5,214</b>	<b>5,295</b>	<b>5,370</b>	<b>5,395</b>	<b>5,239</b>	<b>5,286</b>	<b>5,289</b>
<b>Wales</b>									
Revenue support grant <sup>(1)</sup>	1,236	1,616	1,657	1,740	1,718	1,792	1,733	} 2,345	2,346
Non-domestic rate payments	525	536	470	464	520	459	584		
Community charge grant	268	27	7	2	2				
Police	123	132	136	140	156	166	171	177	177
Other grants	64	65	68	69	70	101	87	73	72
<b>Total</b>	<b>2,216</b>	<b>2,376</b>	<b>2,338</b>	<b>2,416</b>	<b>2,466</b>	<b>2,518</b>	<b>2,578</b>	<b>2,594</b>	<b>2,596</b>
<b>Total Great Britain</b>	<b>37,533</b>	<b>40,983</b>	<b>40,805</b>	<b>42,060</b>	<b>42,532</b>	<b>43,675</b>	<b>43,592</b>	<b>43,853</b>	<b>43,805</b>

(1) Area protection grant in Scotland is amalgamated with revenue support grant for distribution purposes. The amounts involved in the years 1991-92 to 1992-93 are £15 million and £8 million respectively.



**Table 6.7** Current specific grants outside Aggregate External Finance in the United Kingdom by country and grant, 1991-92 to 1999-2000

	£ million								
	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
<b>England</b>									
Skills and competence for work	269	309	377	77	120	94	101	101	101
Work-related further education <sup>(1)</sup>	105	101							
Careers service	1	7	20	117	67				
Technical and vocational education initiative	141	118	119	83	52	22	5	1	
Mandatory student awards	1,865	2,386	2,584	2,298	1,981	1,887	1,868	1,927	1,968
Rent rebates	2,610	3,088	3,406	3,453	3,457	3,386	3,284	3,200	3,150
Rent allowances	1,925	2,630	3,443	4,217	4,497	4,921	4,892	5,400	6,000
Rate/community charge rebates	956	1,298	1,525	1,663	1,749	1,845	1,998	2,100	2,250
Community charge transitional relief	17	-2	-1						
Community charge reduction scheme	1,024	1,001	-19	-6					
Council tax preparation costs		57	29						
Council tax transitional reduction grant			358	121	22	-1			
Other grants	-217	-256	-307	58	144	138	242	785	371
<b>Total</b>	<b>8,696</b>	<b>10,737</b>	<b>11,534</b>	<b>12,080</b>	<b>12,088</b>	<b>12,292</b>	<b>12,391</b>	<b>13,600</b>	<b>13,800</b>
<b>Scotland</b>									
Rent rebates	412	438	503	505	528	566	558	550	600
Rent allowances	121	147	189	222	252	290	293	350	350
Rate/community charge rebates	109	137	162	194	207	229	242	250	250
Community charge transitional relief	2								
Community charge reduction scheme	144	107	3						
Council Tax reduction scheme			17	3					
Other grants	23	35	28	104	118	70	141	13	14
<b>Total</b>	<b>810</b>	<b>863</b>	<b>903</b>	<b>1,028</b>	<b>1,105</b>	<b>1,154</b>	<b>1,234</b>	<b>1,150</b>	<b>1,200</b>
<b>Wales</b>									
Mandatory student awards	119	152	165	139	126	121	118	124	124
Rent rebates	161	193	197	187	190	190	199	200	200
Rent allowances	107	117	160	191	209	225	235	250	300
Rate/community charge rebates	21	38	53	58	67	82	98	100	100
Other grants <sup>(2)</sup>	69	52	10	2	15	19	-2	-4	-3
<b>Total</b>	<b>478</b>	<b>552</b>	<b>585</b>	<b>578</b>	<b>607</b>	<b>636</b>	<b>648</b>	<b>700</b>	<b>700</b>
<b>Northern Ireland Current Specific Grants</b>									
	47	50	56	53	57	85	94	66	59
<b>Total United Kingdom</b>	<b>10,031</b>	<b>12,203</b>	<b>13,078</b>	<b>13,738</b>	<b>13,857</b>	<b>14,167</b>	<b>14,367</b>	<b>15,500</b>	<b>15,800</b>

(1) Responsibility for work-related further education moved to central government in 1993-94.

(2) Includes community charge transitional relief &amp; reduction scheme.



**Table 6.8 Local authority gross capital expenditure in the United Kingdom by country and service, 1991-92 to 1996-97**

	£ million					
	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 estimated outturn	1996-97 estimated outturn
<b>England</b>						
Housing	2,365	2,089	2,334	2,070	1,912	1,747
Transport	1,087	1,282	1,430	1,440	1,363	1,302
Education	797	797	732	771	756	774
Personal social services	160	162	179	195	199	192
Fire services	51	58	66	72	67	55
Agriculture, Fisheries and Food <sup>(1)</sup>	51	32	34	33	41	42
Sport and recreation	234	149	140	175	206	221
Protective services <sup>(2)</sup>	262	307	316	314	288	309
Urban and regeneration programmes	541	693	761	694	611	602
Single Regeneration Budget—Environment <sup>(3)</sup>	496	639	684	636	567	566
Single Regeneration Budget—Other departments	40	45	65	47	43	36
Other—Environment	4	9	12	11	2	
Other services <sup>(4)</sup>						
“Environment	839	736	787	903	804	825
“Other departments	58	56	69	68	66	68
Housing Association Grant	156	280	374	331	354	327
<b>England—Total</b>	<b>6,602</b>	<b>6,641</b>	<b>7,222</b>	<b>7,066</b>	<b>6,667</b>	<b>6,463</b>
<b>Scotland</b>						
Scottish Office:						
Non housing	766	875	981	988	994	556
Housing	575	561	562	585	648	510
Other departments <sup>(5)</sup>	1	3	3			
<b>Scotland—Total</b>	<b>1,343</b>	<b>1,440</b>	<b>1,546</b>	<b>1,572</b>	<b>1,641</b>	<b>1,066</b>
<b>Wales</b>						
Welsh Office	599	664	654	723	737	669
Other departments <sup>(6)</sup>	18	23	23	21	19	18
<b>Wales—Total</b>	<b>617</b>	<b>687</b>	<b>678</b>	<b>744</b>	<b>756</b>	<b>686</b>
<b>Local authority gross capital expenditure in Great Britain</b>	<b>8,562</b>	<b>8,768</b>	<b>9,446</b>	<b>9,382</b>	<b>9,064</b>	<b>8,215</b>
<b>Local authority gross capital expenditure in Northern Ireland</b>	<b>35</b>	<b>44</b>	<b>52</b>	<b>56</b>	<b>58</b>	<b>59</b>
<b>Local authority gross capital expenditure in the United Kingdom</b>	<b>8,597</b>	<b>8,812</b>	<b>9,497</b>	<b>9,439</b>	<b>9,122</b>	<b>8,274</b>

(1) Includes expenditure by internal drainage boards but excludes expenditure on smallholdings.

(2) Includes police, probation and aftercare, civil defence and magistrates' courts.

(3) Includes expenditure on Estate Action schemes, which until the 1994 Statistical Supplement was included under Housing.

(4) Includes environmental services, smallholdings, consumer protection, careers and sheltered employment and museums, galleries and libraries.

(5) Includes expenditure on ports and airports and career services which are related to programmes of the Department of Transport and Department of Education and Employment and are outside the responsibilities of the Secretary of State for Scotland.

(6) Includes expenditure on services which are related to programmes of the Home Office, Lord Chancellor's Department, Department of Education and Employment and Department of Transport and which are outside the responsibilities of the Secretary of State for Wales.



**Table 6.9 Local authority capital receipts in the United Kingdom by country and service, 1991-92 to 1996-97**

	£ million					
	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 estimated outturn	1996-97 estimated outturn
<b>England</b>						
Housing	1,549	1,432	2,001	1,542	1,341	1,226
Transport	81	44	144	126	58	42
Education	107	104	221	128	58	89
Personal social services	34	38	69	45	40	31
Fire services	3	2	6	3	3	4
Agriculture, Fisheries and Food <sup>(1)</sup>	9	4	12	16	9	13
Sport and recreation	5	10	28	13	10	7
Protective services <sup>(2)</sup>	25	32	47	56	48	48
Other services <sup>(3)</sup>						
Environment	453	413	920	463	386	370
Other departments	24	28	54	69	39	55
<b>England—Total</b>	<b>2,290</b>	<b>2,107</b>	<b>3,502</b>	<b>2,461</b>	<b>1,992</b>	<b>1,885</b>
<b>Scotland</b>						
Scottish Office:						
Non Housing	158	136	164	225	220	119
Housing	263	287	278	281	243	240
<b>Scotland—Total</b>	<b>421</b>	<b>423</b>	<b>442</b>	<b>507</b>	<b>463</b>	<b>359</b>
<b>Wales</b>						
Welsh Office	84	75	149	89	110	49
Other departments <sup>(4)</sup>	2	2	6	5	4	3
<b>Wales—Total</b>	<b>86</b>	<b>77</b>	<b>154</b>	<b>94</b>	<b>114</b>	<b>52</b>
<b>Local authority capital receipts in Great Britain</b>	<b>2,797</b>	<b>2,607</b>	<b>4,098</b>	<b>3,061</b>	<b>2,569</b>	<b>2,295</b>
<b>Local authority capital receipts in Northern Ireland</b>	<b>2</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>5</b>
<b>Local authority capital receipts in the United Kingdom</b>	<b>2,799</b>	<b>2,611</b>	<b>4,104</b>	<b>3,068</b>	<b>2,576</b>	<b>2,301</b>
<small>(1) Excludes receipts from smallholdings.</small>						
<small>(2) Includes police, probation and aftercare.</small>						
<small>(3) Includes environmental services, smallholdings, consumer protection, careers and sheltered employment and museums, galleries and libraries.</small>						
<small>(4) Includes receipts associated with Home Office services in Wales.</small>						



## 6. Local authority expenditure

**Table 6.10 Central government capital support for local authorities in the United Kingdom by country and service, 1991-92 to 1999-2000**

	£ million								
	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
<b>England<sup>(1)</sup></b>									
<b>Credit approvals</b>									
Housing	1,441	1,194	1,120	872	820	750	499	436	402
Transport	570	630	653	658	625	504	452	366	401
Education	492	560	383	379	397	435	402	370	381
Personal social services	106	126	132	140	145	105	68	64	66
Fire services	45	51	54	58	51	31	29	28	29
Agriculture, Fisheries and Food <sup>(2)</sup>	14	12	13	11	17	14	12	15	15
Sport and recreation <sup>(3)</sup>	39	30	10			22	28	30	30
Protective services	73	88	96	94	95	79	70	66	64
Urban and regeneration programmes	328	436	497	490	69	111	95	130	141
<i>Single Regeneration Budget—Environment<sup>(4)</sup></i>	327	434	402	386	2	1			
<i>Other—Environment</i>	1	3	95	104	67	110	95	130	140
Other services <sup>(5)</sup>	197	226	60	42	35	25	21	21	18
DOE—local government <sup>(6)</sup>		40	32	37	66	109	305	257	207
<b>Total credit approvals</b>	<b>3,305</b>	<b>3,392</b>	<b>3,049</b>	<b>2,783</b>	<b>2,320</b>	<b>2,186</b>	<b>1,982</b>	<b>1,784</b>	<b>1,756</b>
<b>Capital grants</b>									
Housing	352	423	415	343	338	344	312	297	304
Transport	347	392	446	348	292	264	211	186	126
Education	14	14	14	13	12	10	8	8	8
Employment	3	8	5	3	2	4	3	3	3
Personal social services	2	1	2	5	21	27	13	8	8
Agriculture, Fisheries and Food <sup>(2)</sup>	22	15	21	26	33	38	26	23	23
Protective services	156	168	175	171	196	157	131	124	122
Urban and regeneration programmes	202	244	351	257	570	563	502	372	345
<i>Single Regeneration Budget—Environment<sup>(4)</sup></i>	199	237	340	249	563	563	502	372	345
<i>Other—Environment</i>	3	7	11	7	7				
Other services <sup>(5)</sup>	2	3	3	5	2	6	1	1	2
<b>Total capital grants</b>	<b>1,102</b>	<b>1,269</b>	<b>1,432</b>	<b>1,170</b>	<b>1,466</b>	<b>1,412</b>	<b>1,207</b>	<b>1,022</b>	<b>939</b>
<b>England—Total</b>	<b>4,407</b>	<b>4,661</b>	<b>4,481</b>	<b>3,953</b>	<b>3,785</b>	<b>3,598</b>	<b>3,189</b>	<b>2,806</b>	<b>2,695</b>
<b>Scotland</b>									
<b>Scottish Office: HRA Housing</b>									
Net capital allocations <sup>(7)</sup>	204	144	170	188	290	190	177	177	177
Capital grants	2	2	1	2	1	1	3	3	3
<b>Scottish Office: Other</b>									
Net capital allocations <sup>(7)</sup>	580	668	630	703	672	377	373	355	335
Capital grants	55	71	151	57	56	100	62	87	79
<b>Other departments<sup>(8)</sup></b>									
Capital consent allocations	1			1	1	1	1	1	1
<b>Total net capital allocations<sup>(9)</sup></b>	<b>785</b>	<b>812</b>	<b>800</b>	<b>892</b>	<b>963</b>	<b>568</b>	<b>551</b>	<b>533</b>	<b>513</b>
<b>Total capital grants</b>	<b>57</b>	<b>74</b>	<b>152</b>	<b>59</b>	<b>57</b>	<b>101</b>	<b>64</b>	<b>89</b>	<b>82</b>
<b>Scotland—Total</b>	<b>842</b>	<b>886</b>	<b>952</b>	<b>951</b>	<b>1,020</b>	<b>669</b>	<b>616</b>	<b>622</b>	<b>595</b>



**Table 6.10 Central government capital support for local authorities in the United Kingdom by country and service, 1991–92 to 1999–2000 (continued)**

	£ million								
	1991–92 outturn	1992–93 outturn	1993–94 outturn	1994–95 outturn	1995–96 outturn	1996–97 estimated outturn	1997–98 plans	1998–99 plans	1999–2000 plans
<b>Wales</b>									
<b>Credit approvals</b>									
Welsh Office	292	322	289	320	342	345	275	283	267
Other departments <sup>(10)</sup>	7	8	10	8	10	10	6	6	6
<b>Total credit approvals</b>	<b>299</b>	<b>331</b>	<b>299</b>	<b>328</b>	<b>352</b>	<b>354</b>	<b>281</b>	<b>289</b>	<b>274</b>
<b>Capital grants</b>									
Welsh Office	163	186	200	199	216	212	198	169	159
Other departments <sup>(10)</sup>	7	10	10	9	11	9	6	6	6
<b>Total capital grants</b>	<b>170</b>	<b>196</b>	<b>210</b>	<b>208</b>	<b>227</b>	<b>221</b>	<b>204</b>	<b>175</b>	<b>164</b>
<b>Wales—Total</b>	<b>470</b>	<b>527</b>	<b>509</b>	<b>536</b>	<b>580</b>	<b>576</b>	<b>485</b>	<b>464</b>	<b>438</b>
<b>Northern Ireland capital grants</b>	<b>5</b>	<b>6</b>	<b>8</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>
<b>Total United Kingdom</b>	<b>5,723</b>	<b>6,079</b>	<b>5,950</b>	<b>5,444</b>	<b>5,387</b>	<b>4,845</b>	<b>4,291</b>	<b>3,893</b>	<b>3,729</b>
<i>of which:</i>									
<i>Credit approvals <sup>(11)</sup></i>	<i>4,389</i>	<i>4,535</i>	<i>4,148</i>	<i>4,003</i>	<i>3,634</i>	<i>3,108</i>	<i>2,814</i>	<i>2,606</i>	<i>2,542</i>
<i>Capital grants</i>	<i>1,334</i>	<i>1,544</i>	<i>1,802</i>	<i>1,441</i>	<i>1,753</i>	<i>1,737</i>	<i>1,477</i>	<i>1,287</i>	<i>1,187</i>

(1) All the credit approvals in England are contained in the non-voted cash limits. All the capital grants are cash limited on the relevant departments' Votes; except for housing capital grants which are included in the non-voted cash limit DOE/LACAP.

(2) Support for expenditure on flood and coast protection including internal drainage boards, harbour improvements and fishing industry.

(3) Includes from 1996–97 credit approvals for projects (also including museums, galleries and libraries) attracting grants from the ERDF.

(4) Includes support for Estate Action schemes which were included under Housing until the 1994 Statistical Supplement.

(5) Includes support for expenditure on environmental services, smallholdings, consumer protection, careers and sheltered employment and museums, galleries and libraries. Prior to 1993–94, credit approvals for other services' projects attracting grants from ERDF are included "in this row. From 1993–94, such credit approvals are included in the Urban and regeneration programmes: Other—Environment row.

(6) Credit approvals for council tax preparation costs, commutation losses, Housing Revenue Account subsidy abatements for deemed debt, restructuring costs and local government residuary body borrowing powers.

(7) Net capital allocations are the equivalent of credit approvals in England and Wales.

(8) Includes Training Agency projects. Also includes provision for ports and airports projects which are not the responsibility of the Secretary of State for Scotland.

(9) Including capital consent allocations for other departments in Scotland.

(10) Includes Home Office, Lord Chancellors' and Law Officers' Departments, Department of Transport and Department of Education and Employment.

(11) Including net capital allocations in Scotland.



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## 7. Analysis of general government expenditure by country and region

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### Introduction

7.1. This section presents analyses of public expenditure outturn by country and region. For these purposes expenditure is allocated to specific countries where it can be identified from available records as having been incurred for the benefit of the relevant population.

7.2. It is important to recognise the limitations of this approach. In addition to practical difficulties which limit the extent of disaggregation possible, there are also significant definitional problems associated with allocating expenditure to particular areas on the basis of "who benefits". For example, hospitals and health facilities are not used solely by the residents of the region in which the facility is located and roads serve the needs of more than the geographical area through which they pass. Definitional and border problems become increasingly significant the smaller the geographical unit considered.

### General government expenditure by country

7.3. Public expenditure is planned and controlled on a departmental basis. This means that in several areas expenditure is planned on a national basis rather than by country. For example, the Department of Social Security is responsible for the operation of the social security benefit system throughout Great Britain. In order to provide more information on the geographic division of expenditure than is available from Public Expenditure Survey data, an annual exercise is carried out to collect data on expenditure by country, covering outturn years only. In this exercise departments are asked to allocate, where possible, expenditure to England, Scotland, Wales or Northern Ireland. The figures therefore include a wider coverage of expenditure than that for which the Secretaries of State for Scotland, Wales and Northern Ireland are directly responsible.

7.4. This analysis divides expenditure into identifiable and non-identifiable expenditure. Identifiable expenditure is that which can be identified from official records as having been incurred on behalf of a particular population. Non-identifiable expenditure is that which is deemed to be incurred on behalf of the United Kingdom as a whole (eg defence expenditure and overseas aid), amounting to 95 per cent of non-identifiable expenditure in 1995–96, or which cannot be separated between individual territories from existing records. Expenditure for the benefit of England and Wales, but not separable between the territories, amounts to 2 per cent of non-identifiable expenditure in 1995–96. The remaining 3 per cent of non-identifiable expenditure is for the benefit of Great Britain as a whole. The coverage of the exercise has not changed since last year.

7.5. The data presented in this chapter were collected in the summer of 1996 and updated that autumn and are therefore not entirely consistent with other figures in this publication. They do, however, provide an indication of the distribution by country of expenditure on each main function. **Table 7.1** summarises general government expenditure for the years 1991–92 to 1995–96. Fuller details of each of the five years covered in the 1996 analysis are given in **Tables 7.2 to 7.6**. **Table 7.7** gives a further breakdown of 1995–96 identifiable expenditure and also shows the non-identifiable elements by function.



## 7. Analysis of general government expenditure by country and region

**Table 7.1** Identifiable general government expenditure<sup>(1)</sup> by country, 1991-92 to 1995-96

	£ million				
	1991-92	1992-93	1993-94	1994-95	1995-96
England	143,581	156,263	166,527	175,989	183,063
Scotland	17,885	20,110	21,571	22,898	23,700
Wales	9,367	11,030	11,709	12,294	12,693
Northern Ireland	6,725	7,322	7,813	8,173	8,474
<b>Total</b>	<b>177,558</b>	<b>194,725</b>	<b>207,619</b>	<b>219,354</b>	<b>227,929</b>
	£ per head				
England	2,978	3,230	3,431	3,613	3,743
Scotland	3,502	3,935	4,213	4,461	4,614
Wales	3,240	3,805	4,029	4,220	4,352
Northern Ireland	4,200	4,524	4,788	4,979	5,139
<b>Total</b>	<b>3,072</b>	<b>3,357</b>	<b>3,568</b>	<b>3,756</b>	<b>3,889</b>

(1) See paragraphs 7.3 and 7.4.



## 7. Analysis of general government expenditure by country and region

**Table 7.2A Identifiable general government expenditure, 1991-92**

	£ million					As a percentage of United Kingdom identifiable expenditure			
	England	Scotland	Wales	Northern Ireland	United Kingdom	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry	1,043	292	170	200	1,704	61	17	10	12
Trade, industry, energy and employment	3,630	631	246	489	4,995	73	13	5	10
Roads and Transport	5,982	777	436	172	7,367	81	11	6	2
Housing	4,314	718	345	255	5,631	77	13	6	5
Other environmental services	6,441	888	570	237	8,136	79	11	7	3
Law, order and protective services	9,879	1,076	454	877	12,286	80	9	4	7
Education	23,267	3,332	1,498	1,182	29,280	79	11	5	4
National Heritage <sup>(1)</sup>	2,039	193	69		2,300	89	8	3	
Health and personal social services	30,153	3,963	1,999	1,166	37,282	81	11	5	3
Social security	56,832	5,855	3,518	2,096	68,301	83	9	5	3
Miscellaneous expenditure <sup>(2)</sup>		162	63	51	276		59	23	19
<b>Total expenditure on services</b>	<b>143,581</b>	<b>17,885</b>	<b>9,367</b>	<b>6,725</b>	<b>177,558</b>	<b>81</b>	<b>10</b>	<b>5</b>	<b>4</b>

**Table 7.2B Identifiable general government expenditure per head, 1991-92**

	£ per head					Index (United Kingdom identifiable expenditure = 100) <sup>(3)</sup>			
	England	Scotland	Wales	Northern Ireland	United Kingdom	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry	22	57	59	125	29	73	194	199	423
Trade, industry, energy and employment	75	123	85	305	86	87	143	99	353
Roads and Transport	124	152	151	107	127	97	119	118	84
Housing	89	141	119	159	97	92	144	122	163
Other environmental services	134	174	197	148	141	95	124	140	105
Law, order and protective services	205	211	157	548	213	96	99	74	258
Education	483	652	518	738	506	95	129	102	146
National Heritage <sup>(1)</sup>	42	38	24		40	106	95	60	
Health and personal social services	625	776	691	728	645	97	120	107	113
Social security	1,179	1,146	1,217	1,309	1,182	100	97	103	111
Miscellaneous expenditure <sup>(2)</sup>		32	22	32	5				
<b>Total expenditure on services</b>	<b>2,978</b>	<b>3,502</b>	<b>3,240</b>	<b>4,200</b>	<b>3,072</b>	<b>97</b>	<b>114</b>	<b>105</b>	<b>137</b>

(1) Expenditure on national heritage in Northern Ireland is included with education.

(2) Expenditure includes the costs of the central administration of the offices of the Secretaries of State of the territorial departments.

(3) An index of miscellaneous expenditure is not included as non-territorial departments' central administration costs are not separated from the functional expenditure and such an index would have little meaning.



Table 7.3A Identifiable general government expenditure, 1992-93

	£ million					As a percentage of United Kingdom identifiable expenditure			
	England	Scotland	Wales	Northern Ireland	United Kingdom	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry	1,219	318	177	209	1,922	63	17	9	11
Trade, industry, energy and employment	3,737	631	391	467	5,226	72	12	7	9
Roads and Transport	6,688	846	485	175	8,193	82	10	6	2
Housing	4,791	663	425	261	6,140	78	11	7	4
Other environmental services	6,782	1,001	634	261	8,678	78	12	7	3
Law, order and protective services	10,735	1,180	493	996	13,405	80	9	4	7
Education	23,827	3,412	1,554	1,267	30,060	79	11	5	4
National Heritage <sup>(1)</sup>	2,022	230	68		2,319	87	10	3	
Health and personal social services	33,047	4,351	2,233	1,256	40,885	81	11	5	3
Social security	63,414	7,313	4,505	2,379	77,611	82	9	6	3
Miscellaneous expenditure <sup>(2)</sup>		167	67	52	286		59	23	18
<b>Total expenditure on services</b>	<b>156,263</b>	<b>20,110</b>	<b>11,030</b>	<b>7,322</b>	<b>194,725</b>	<b>80</b>	<b>10</b>	<b>6</b>	<b>4</b>

Table 7.3B Identifiable general government expenditure per head, 1992-93

	£ per head					Index (United Kingdom identifiable expenditure = 100) <sup>(3)</sup>			
	England	Scotland	Wales	Northern Ireland	United Kingdom	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry	25	62	61	129	33	76	188	184	389
Trade, industry, energy and employment	77	123	135	289	90	86	137	150	321
Roads and Transport	138	165	167	108	141	98	117	119	76
Housing	99	130	147	161	106	94	123	139	152
Other environmental services	140	196	219	161	150	94	131	146	108
Law, order and protective services	222	231	170	616	231	96	100	74	266
Education	493	667	536	783	518	95	129	103	151
National Heritage <sup>(1)</sup>	42	45	23		40	105	112	59	
Health and personal social services	683	851	770	776	705	97	121	109	110
Social security	1,311	1,431	1,554	1,470	1,338	98	107	116	110
Miscellaneous expenditure <sup>(2)</sup>		33	23	32	5				
<b>Total expenditure on services</b>	<b>3,230</b>	<b>3,935</b>	<b>3,805</b>	<b>4,524</b>	<b>3,357</b>	<b>96</b>	<b>117</b>	<b>113</b>	<b>135</b>

(1) Expenditure on national heritage in Northern Ireland is included with education.

(2) Expenditure includes the costs of the administration of the offices of the Secretaries of State of the territorial departments.

(3) An index of miscellaneous expenditure is not included as non-territorial departments' central administration costs are not separated from the functional expenditure and such an index would have little meaning.



## 7. Analysis of general government expenditure by country and region

**Table 7.4A Identifiable general government expenditure, 1993-94**

	£ million					As a percentage of United Kingdom identifiable expenditure			
	England	Scotland	Wales	Northern Ireland	United Kingdom	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry	1,902	416	212	242	2,772	69	15	8	9
Trade, industry, energy and employment	3,906	636	368	488	5,398	72	12	7	9
Roads and Transport	6,530	883	497	185	8,095	81	11	6	2
Housing	3,850	663	386	237	5,136	75	13	8	5
Other environmental services	6,422	1,111	614	283	8,431	76	13	7	3
Law, order and protective services	11,103	1,263	545	1,028	13,939	80	9	4	7
Education	26,479	3,817	1,681	1,317	33,294	80	11	5	4
National Heritage <sup>(1)</sup>	1,997	242	70		2,309	86	10	3	
Health and personal social services	34,721	4,567	2,367	1,338	42,992	81	11	6	3
Social security	69,618	7,802	4,897	2,631	84,948	82	9	6	3
Miscellaneous expenditure <sup>(2)</sup>		170	73	63	306		56	24	21
<b>Total expenditure on services</b>	<b>166,527</b>	<b>21,571</b>	<b>11,709</b>	<b>7,813</b>	<b>207,619</b>	<b>80</b>	<b>10</b>	<b>6</b>	<b>4</b>

**Table 7.4B Identifiable general government expenditure per head, 1993-94**

	£ per head					Index (United Kingdom identifiable expenditure = 100) <sup>(3)</sup>			
	England	Scotland	Wales	Northern Ireland	United Kingdom	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry	39	81	73	148	48	82	171	153	311
Trade, industry, energy and employment	80	124	127	299	93	87	134	137	323
Roads and Transport	135	173	171	114	139	97	124	123	82
Housing	79	129	133	145	88	90	147	150	165
Other environmental services	132	217	211	173	145	91	150	146	120
Law, order and protective services	229	247	188	630	240	95	103	78	263
Education	546	745	578	807	572	95	130	101	141
National Heritage <sup>(1)</sup>	41	47	24		40	104	119	60	
Health and personal social services	715	892	814	820	739	97	121	110	111
Social security	1,434	1,524	1,685	1,612	1,460	98	104	115	110
Miscellaneous expenditure <sup>(2)</sup>		33	25	39	5				
<b>Total expenditure on services</b>	<b>3,431</b>	<b>4,213</b>	<b>4,029</b>	<b>4,788</b>	<b>3,568</b>	<b>96</b>	<b>118</b>	<b>113</b>	<b>134</b>

(1) Expenditure on national heritage in Northern Ireland is included with education.

(2) Expenditure includes the costs of the central administration of the Secretaries of State of the territorial departments.

(3) An index of miscellaneous expenditure is not included as non-territorial departments' central administration costs are not separated from the functional expenditure and such an index would have little meaning.



## 7. Analysis of general government expenditure by country and region

Table 7.5A Identifiable general government expenditure, 1994-95

	£ million					As a percentage of United Kingdom identifiable expenditure			
	England	Scotland	Wales	Northern Ireland	United Kingdom	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry	1,948	455	237	287	2,927	67	16	8	10
Trade, industry, energy and employment	4,002	678	355	488	5,522	72	12	6	9
Roads and Transport	8,604	991	502	187	10,285	84	10	5	2
Housing	3,734	673	379	226	5,012	74	13	8	5
Other environmental services	7,033	1,202	732	292	9,258	76	13	8	3
Law, order and protective services	11,636	1,285	543	1,050	14,515	80	9	4	7
Education	27,842	3,930	1,761	1,369	34,902	80	11	5	4
National Heritage <sup>(1)</sup>	2,289	266	88		2,643	87	10	3	
Health and personal social services	37,287	4,864	2,525	1,423	46,099	81	11	5	3
Social security	71,615	8,380	5,096	2,777	87,868	82	10	6	3
Miscellaneous expenditure <sup>(2)</sup>		174	76	74	324		54	24	23
<b>Total expenditure on services</b>	<b>175,989</b>	<b>22,898</b>	<b>12,294</b>	<b>8,173</b>	<b>219,354</b>	<b>80</b>	<b>10</b>	<b>6</b>	<b>4</b>

Table 7.5B Identifiable general government expenditure per head, 1994-95

	£ per head					Index (United Kingdom identifiable expenditure = 100) <sup>(3)</sup>			
	England	Scotland	Wales	Northern Ireland	United Kingdom	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry	40	89	81	175	50	80	177	162	349
Trade, industry, energy and employment	82	132	122	297	95	87	140	129	314
Roads and Transport	177	193	172	114	176	100	110	98	65
Housing	77	131	130	138	86	89	153	152	161
Other environmental services	144	234	251	178	159	91	148	158	112
Law, order and protective services	239	250	187	640	249	96	101	75	257
Education	572	766	605	834	598	96	128	101	140
National Heritage <sup>(1)</sup>	47	52	30		45	104	115	67	
Health and personal social services	766	948	867	866	789	97	120	110	110
Social security	1,470	1,633	1,749	1,692	1,505	98	109	116	112
Miscellaneous expenditure <sup>(2)</sup>		34	26	45	6				
<b>Total expenditure on services</b>	<b>3,613</b>	<b>4,461</b>	<b>4,220</b>	<b>4,979</b>	<b>3,756</b>	<b>96</b>	<b>119</b>	<b>112</b>	<b>133</b>

(1) Expenditure on national heritage in Northern Ireland is included with education.

(2) Expenditure includes the costs of the central administration of the Secretaries of the State of the territorial departments.

(3) An index of miscellaneous expenditure is not included as non-territorial departments' central administration costs are not separated from the functional expenditure and such an index would have little meaning.



## 7. Analysis of general government expenditure by country and region

**Table 7.6A Identifiable general government expenditure, 1995–96**

	£ million					As a percentage of United Kingdom identifiable expenditure			
	England	Scotland	Wales	Northern Ireland	United Kingdom	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry	2,384	517	242	270	3,412	70	15	7	8
Trade, industry, energy and employment	3,878	672	308	484	5,341	73	13	6	9
Roads and Transport	8,442	841	467	184	9,934	85	8	5	2
Housing	3,326	731	387	239	4,683	71	16	8	5
Other environmental services	7,333	1,354	762	306	9,755	75	14	8	3
Law, order and protective services	12,044	1,372	575	1,035	15,025	80	9	4	7
Education	28,773	4,062	1,823	1,430	36,088	80	11	5	4
National Heritage <sup>(1)</sup>	2,361	284	90		2,735	86	10	3	
Health and personal social services	39,412	5,082	2,674	1,523	48,691	81	10	5	3
Social security	75,112	8,608	5,290	2,943	91,954	82	9	6	3
Miscellaneous expenditure <sup>(2)</sup>		177	75	59	312		57	24	19
<b>Total expenditure on services</b>	<b>183,063</b>	<b>23,700</b>	<b>12,693</b>	<b>8,474</b>	<b>227,929</b>	<b>80</b>	<b>10</b>	<b>6</b>	<b>4</b>

**Table 7.6B Identifiable general government expenditure per head, 1995–96**

	£ per head					Index (United Kingdom identifiable expenditure = 100) <sup>(3)</sup>			
	England	Scotland	Wales	Northern Ireland	United Kingdom	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry	49	101	83	163	58	84	173	142	281
Trade, industry, energy and employment	79	131	106	293	91	87	144	116	322
Roads and Transport	173	164	160	112	170	102	97	94	66
Housing	68	142	133	145	80	85	178	166	182
Other environmental services	150	264	261	186	166	90	158	157	112
Law, order and protective services	246	267	197	627	256	96	104	77	245
Education	588	791	625	867	616	96	128	101	141
National Heritage <sup>(1)</sup>	48	55	31		47	103	119	66	
Health and personal social services	806	989	917	924	831	97	119	110	111
Social security	1,536	1,676	1,814	1,785	1,569	98	107	116	114
Miscellaneous expenditure <sup>(2)</sup>		34	26	36	6				
<b>Total expenditure on services</b>	<b>3,743</b>	<b>4,614</b>	<b>4,352</b>	<b>5,139</b>	<b>3,889</b>	<b>96</b>	<b>119</b>	<b>112</b>	<b>132</b>

(1) Expenditure on national heritage in Northern Ireland is included with education.

(2) Expenditure includes the costs of the central administration of the Secretaries of the State of the territorial departments.

(3) An index of miscellaneous expenditure is not included as non-territorial departments' central administration costs are not would have little meaning.



Table 7.7 General government expenditure: Total expenditure on services<sup>(1)</sup> analysed by country and function, 1995–96

£ million

	Identifiable expenditure										Total	Non Identified <sup>(3)</sup>	United Kingdom
	England	Scotland			Wales			Northern Ireland					
		Total	Scottish Departments	Other	Total	Welsh Office	Other	Total	Northern Ireland Departments	Other <sup>(2)</sup>			
Defence												21,517	21,517
Overseas services												3,748	3,748
Agriculture, fisheries, food and forestry	2,384	517	515	2	242	241	1	270	270		3,412	614	4,027
Trade, industry, energy and employment	3,878	672	527	145	308	239	69	484	484		5,341	4,218	9,559
Roads and transport	8,442	841	841		467	467		184	184		9,934	-1,482	8,452
Housing	3,326	731	731		387	387		239	239		4,683		4,683
Other environmental services	7,333	1,354	1,354		762	762		306	306		9,755	544	10,298
Law, order and protective services <sup>(4)</sup>	12,044	1,372	1,325	47	575		575	1,035	980	55	15,025	918	15,944
Education	28,773	4,062	4,062		1,823	1,655	167	1,430	1,430		36,088	91	36,180
National Heritage <sup>(5)</sup>	2,361	284	284		90	90		2,735			2,735	124	2,858
Health and personal social services	39,412	5,082	5,082		2,674	2,674		48,691	1,523		48,691	129	48,820
Social security	75,112	8,608		8,608	5,290		5,290	2,943	2,924	19	91,954	1,045	92,998
Miscellaneous expenditure <sup>(6)</sup>		177	177		75	75		312	59	59	312	7,847	8,159
<b>Total</b>	<b>183,063</b>	<b>23,700</b>	<b>14,899</b>	<b>8,801</b>	<b>12,693</b>	<b>6,591</b>	<b>6,103</b>	<b>8,474</b>	<b>8,400</b>	<b>74</b>	<b>227,929</b>	<b>39,313</b>	<b>267,242</b>

(1) Excluding privatisation proceeds, general government debt interest and accounting adjustments which are not allocated to territories.

(2) Responsibility for most expenditure in Northern Ireland rests with the Northern Ireland Office and Departments; this column includes certain expenditure in support of the agriculture and fishing industries, the costs of the NI Court Service and War Pension payments.

(3) In 1995–96, £684 million of non-identifiable expenditure was for the benefit of England and Wales, £1,171 million for the benefit of Great Britain and the remaining £37,459 million for the benefit of the United Kingdom as a whole.

(4) In 1995–96, 70% of non-identified expenditure on law, order and protective services was for the benefit of England and Wales alone.

(5) Expenditure on arts and libraries in Northern Ireland is included with education and science.

(6) Includes contributions to European Communities and expenditure associated with general maintenance of government, such as tax collection and population registration.



## Regional analysis of public expenditure

7.6. An analysis of spending by English region was undertaken during the summer of 1996. In this exercise identifiable expenditure is defined as expenditure which can be identified from official records as having been spent in a particular region. The results are set out in Tables 7.8 to 7.9.

7.7. **Table 7.8** sets out figures for expenditure by region in 1994–95. In addition to the regional expenditure figures the tables also give the corresponding figures from the 1996 territorial analysis. They show that just over 81 per cent of expenditure identifiable to England in 1994–95 can be disaggregated by region. The extent of this regional disaggregation varies widely between functions. For example, in 1994–95 about 93 per cent of expenditure on health and personal social services and over 88 per cent of expenditure on social security have been split by region. However, in a number of other areas, such as agriculture, fisheries and food there is an appreciable core of expenditure which cannot be readily disaggregated by region.

7.8. **Tables 7.9** presents the figures on a per capita basis. Spending in 1994–95 allocated by region varies from £2,635 per head in the East Midlands to £3,126 in the North West. These figures should be treated with caution. Identifiable expenditure which cannot be allocated by region averages £687 per head in England as a whole. Were it possible to allocate this expenditure between regions the relative levels of regional per capita spending could differ from those set out in **Table 7.9**. It is also important to bear in mind that because it has not been possible to allocate fully the amount shown in the territorial analysis the figures for spending in individual regions of England cannot be compared directly to the territorial totals.

7.9. The analyses of regional spending in England set out in **Tables 7.8** and **7.9** reflect (i) the spending of local authorities by region of authority; (ii) estimated spending by regional health authorities and family health service authorities located within the region (boundaries of RHAs do not align exactly with those of the standard regions, however); (iii) payments of certain social security benefits to residents of each region; (iv) spending on motorways and trunk roads in each region; (v) expenditure on regional preferential assistance by the region in which the recipient industries were located; (vi) grants to Urban Development Corporations; (vii) main housing subsidy. (viii) Support for London Transport and (ix) support for the Higher Education Funding Council (includes the combined expenditure of the University Funding Council and the Polytechnics and Colleges Funding Council).

7.10. Additional information on the regional distribution of spending is also available, but not on the “who benefits” basis used here. Appendix 5 of the TCSC’s Second Report for 1987–88 presented a note by the Treasury which includes a list of published information on regional spending. In addition to the analysis of expenditure on equipment by region, the Ministry of Defence also publish in the Statement on the Defence Estimates, an analysis of the deployment of UK manpower by standard region (eg Table 4.13 of Cm 1022-III).



Table 7.8 Identifiable general government expenditure by region and function, 1994–95

£ million

	Allocation of expenditure by region									Totals from 1996 territorial analysis <sup>(1)</sup>				
	Northern Region	Yorkshire and Humberside	East Midlands	East Anglia	South East	South West	West Midlands	North West	Total of all Regions	Unallocated <sup>(2)</sup>	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry	1	6	5	1	-25	8	-1	-3	-7	1,955	1,948	455	237	287
Trade, industry, energy and employment	59	55	25	14	122	40	41	52	408	3,594	4,002	678	355	488
Roads and transport	314	676	381	385	2,710	530	665	983	6,644	1,960	8,604	991	502	187
Housing	99	207	138	61	685	124	121	329	1,764	1,969	3,734	673	379	226
Other environmental services	442	547	447	202	2,150	532	640	749	5,708	1,324	7,033	1,202	732	292
Law, order and protective services	516	751	548	258	3,517	651	786	1,078	8,104	3,532	11,636	1,285	543	1,050
Education	1,312	2,118	1,703	825	7,767	1,845	2,289	2,849	20,707	7,134	27,842	3,930	1,761	1,369
National Heritage	116	168	125	53	579	112	145	182	1,479	810	2,289	266	88	
Health and personal social services	2,143	3,265	2,632	1,474	1,335	3,361	3,657	4,614	34,507	2,780	37,287	4,864	2,525	1,423
Social security	4,491	6,770	4,807	2,457	22,751	5,983	6,731	9,213	63,192	8,423	71,615	8,380	5,096	2,777
Miscellaneous expenditure												174	76	74
<b>Total</b>	<b>9,495</b>	<b>14,563</b>	<b>10,810</b>	<b>5,730</b>	<b>53,615</b>	<b>13,186</b>	<b>15,062</b>	<b>20,046</b>	<b>142,507</b>	<b>33,481</b>	<b>175,989</b>	<b>22,898</b>	<b>12,294</b>	<b>8,173</b>

(1) Figures show the identifiable spending by function from the Treasury's last territorial analysis (see Table 7.5A). The figures for England, Scotland, Wales and Northern Ireland are not consistent with those for the regions of England, set out in columns 1 to 8, which exclude expenditure within England not allocated between regions (see footnote(2)).

(2) The figures set out in the "unallocated" column show the difference between the functional totals for expenditure which could be allocated by region and the equivalent totals for identifiable expenditure in England from the Treasury's 1996 territorial analysis. This includes a data discrepancy resulting from differences in timing of the estimates and small differences of treatment or coverage.



Table 7.9 Identifiable general government expenditure per head, by region and function, 1994–95

	Allocation of expenditure by region									Totals from 1996 territorial analysis <sup>(1)</sup>					
	Northern Region	Yorkshire and Humberside		East Midlands	East Anglia	South East	South West	West Midlands	North West	Total of all Regions	Unallo- cated <sup>(2)</sup>	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry		1	1	1	-1	2				40	40	89	81	175	
Trade, industry, energy and employment	19	11	6	7	7	8	8	8	8	74	82	132	122	297	
Roads and transport	101	134	93	183	152	110	126	153	136	40	177	193	172	114	
Housing	32	41	34	29	38	26	23	51	36	40	77	131	130	138	
Other environmental services	143	109	109	96	120	111	121	117	117	27	144	234	251	178	
Law, order and protective services	167	149	133	122	197	136	148	168	166	73	239	250	187	640	
Education	423	421	415	392	435	384	432	444	425	146	572	766	605	834	
National Heritage	37	33	30	25	32	23	27	28	30	17	47	52	30		
Health and personal social services	691	650	642	700	748	700	691	720	708	57	766	948	867	866	
Social security	1,449	1,347	1,172	1,167	1,273	1,247	1,269	1,437	1,297	173	1,470	1,633	1,749	1,692	
Miscellaneous expenditure												34	26	45	
<b>Total</b>	<b>3,063</b>	<b>2,898</b>	<b>2,635</b>	<b>2,722</b>	<b>3,000</b>	<b>2,748</b>	<b>2,845</b>	<b>3,126</b>	<b>2,926</b>	<b>687</b>	<b>3,613</b>	<b>4,461</b>	<b>4,220</b>	<b>4,979</b>	

(1) Figures show the identifiable spending by function from the Treasury's last territorial analysis (see Table 7.5A). The figures for England, Scotland, Wales and Northern Ireland are not consistent with those for the regions of England, set out in columns 1 to 8, which exclude expenditure within England not allocated between regions (see footnote(2)).

(2) The figures set out in the "unallocated" column show the difference between the functional totals for expenditure which could be allocated by region and the equivalent totals for identifiable expenditure in England from the Treasury's 1995 territorial analysis. This includes a data discrepancy resulting from differences in timing of the estimates and small differences of treatment or coverage.



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## Appendix A Conventions and economic assumptions

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1. This appendix gives details of the various conventions used for the figures presented in this publication.
- Rounding conventions** 2. The figures in this publication are generally shown to the nearest £1 million, with the following exceptions:
- (i) figures for the last two plan years (1998–99 and 1999–2000) for social security benefits and totals including these benefits are rounded to the nearest £50 million; totals for central government's own expenditure, central government expenditure are all also rounded to the nearest £50 million in these two years. Local authority self-financed expenditure is rounded to the nearest £100 million from 1996–97 onwards, and, the Control Total from 1996–97 onwards is also rounded to the nearest £100 million;
  - (ii) projections for the three plan years for cyclical social security, debt interest and other national accounts adjustments are rounded to the nearest £100 million;
  - (iii) estimated outturn in the current year for the control total, items between the Control Total and GGE, and GGE are rounded to the nearest £100 million and,
  - (iv) figures in the tables covering years before 1991–92 are rounded to the nearest £100 million.
- Receipts** 3. GGE and the Control Total are both measured net of certain receipts. Most government receipts, eg taxes, national insurance contributions, interest, dividends and trading surpluses are treated as revenue. However receipts from the sales of fixed assets, the repayment of loans and certain fees and charges are treated as negative expenditure rather than revenue. Privatisation proceeds are treated as negative expenditure in GGE but not the Control Total.
- Real terms** 4. A number of the tables in this publication give figures in real terms. Real terms figures are the cash outturns or plans adjusted to a constant price level by excluding the effect of general inflation as measured by the GDP deflator at market prices. The real terms figures in this publication are given in 1995–96 prices. The deflator series used is adjusted to remove the distortion cause by the abolition of domestic rates. A description of the method of adjustment was set out in Annex C to Chapter 1 of the 1990 Autumn Statement.
- Current year outturn information** 5. The estimated outturns for individual departments in the current year are based on the latest information available from departments. The estimated outturn for the Control Total for the current year includes an allowance for shortfall reflecting the difference between the sum of individual departments' estimates of outturn and the Treasury's overall assessment. Similarly, as the outturn for local authorities' expenditure in the last completed financial year is not yet available, the estimated outturn for local authority expenditure in the last completed financial year also includes an allowance for shortfall reflecting the difference between the total budgeted for by local authorities and the Treasury's assessment.
- Historical data** 6. Most of the analyses in this publication show data for the three plan years alongside the estimated outturn for the current year and outturn for the five previous years. It is not possible



to look at trends over a longer period by simply comparing figures in successive public expenditure publications as such figures are not always on a consistent basis, because of changes in coverage and classification changes. This publication presents a number of summary analyses incorporating data for earlier years adjusted to current definitions to show trends over a longer period. Information is not available for all elements of the Control Total for years prior to 1984–85. For example proxies for some elements of central government support for local authorities, which was not included in the planning total prior to the 1989 Survey, were not generated for years prior to 1984–85.

**Economic assumptions** The following economic assumptions underlie the figures in this publication.

(a) For the purpose of projecting social security benefit expenditure it is assumed that the uprating in April 1998 will be based on a 2.1 per cent increase in the Retail Price Index from September 1996 to September 1997 and the uprating in April 1999 will be based on a 2½ per cent increase in the year to September 1997.

(b) The level of unemployment (excluding students and those temporarily stopped work in Great Britain) is assumed to average 1.98 million in 1997–98. Following the usual convention it is assumed to remain at the same level in 1998–99 and 1999–2000. For Northern Ireland the number of wholly unemployed adults is assumed to average 87,000 in 1997–98. Again similar assumptions have been made for 1998–99 and 1999–2000. These assumptions are not intended to be forecasts.

(c) General inflation as measured by the GDP deflator is assumed to be 2½ per cent in 1996–97 and 2 per cent in 1997–98, 1998–99 and 1999–2000. Details of GDP deflators used for years prior to 1996–97 are shown in **Table 3.1**.

(d) GDP at market prices (money GDP) is assumed to be £746 billion in 1996–97, £787 billion in 1997–98, £826 billion in 1998–99 and £864 billion in 1999–2000. Money GDP figures for years prior to 1996–97 and the adjusted series, in index form, are also shown in **Table 3.1**.



## Appendix B Differences between the Control Total and GGE(X)

1. The definitions used for public expenditure control are closely related to national accounts practice. The national accounts provide a widely accepted framework for analysing and forecasting the economic activity of the country. It is, therefore, important that public expenditure can readily be related to this framework. Consequently the definitions of public expenditure are closely allied to the national accounting concepts which themselves broadly follow international guidelines.

2. However, there are certain aspects of the national accounts which cannot sensibly be read across to a Control Total for public expenditure purposes and sometimes other factors dictate an alternative approach. A number of adjustments are needed to relate the public expenditure control total to the broader concept of general government expenditure(X).

3. The relationship between the public expenditure Control Total and general government expenditure (X) is shown in **Table B1**.

**Table B1 The Control Total and general government expenditure (X)**

	£ million								
	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 outturn	1995-96 outturn	1996-97 estimated outturn	1997-98 plans	1998-99 plans	1999-2000 plans
<b>Control Total</b>	<b>213,201</b>	<b>231,665</b>	<b>240,712</b>	<b>247,848</b>	<b>255,270</b>	<b>261,000</b>	<b>266,500</b>	<b>273,700</b>	<b>280,900</b>
<b>Add</b>									
Cyclical social security	10,923	13,300	14,338	14,254	14,460	14,300	14,100	14,300	14,700
<b>Add</b>									
Central government net debt interest	11,465	12,922	14,715	17,511	19,966	22,200	24,800	24,400	24,000
<b>Add</b>									
Other national accounts adjustments	2,943	5,582	7,269	8,698	10,085	10,300	9,200	9,800	11,000
Of which:									
Capital consumption	3,743	3,621	3,279	3,272	3,290				
VAT refunded	3,175	3,307	3,409	3,691	3,987				
Pension increase payments	1,247	1,328	1,379	1,439	1,438				
Civil superannuation-charging	298	316	849	937	1,121				
Defence superannuation-charging	344	578	745	893	828				
Adjustments for public corporations	868	1,370	1,766	1,646	2,253				
Trust debt remuneration	134	397	755	1,050	1,162				
Local authority debt interest to central government	-4,881	-4,347	-3,949	-3,727	-3,613				
Local authority interest and dividend receipts	-758	-598	-460	-523	-621				
Other	-1,227	-390	-505	20	240				
<b>GGE(X)</b>	<b>238,532</b>	<b>263,470</b>	<b>277,033</b>	<b>288,311</b>	<b>299,781</b>	<b>307,900</b>	<b>314,700</b>	<b>322,200</b>	<b>330,600</b>



The main stages in moving from the Control Total to GGE(X) are as follows:—

- (i) Add cyclical social security.
- (ii) Add central government net debt interest (ie. net of interest and dividend receipts).
- (iii) Add the value of non-trading capital consumption (ie. depreciation).
- (iv) Add VAT refunded to local authorities and central government departments in respect of contracted out services for non-business purposes and VAT refunds to local authorities in respect of non-business activities. The Control Total is measured net of these VAT refunds, but for GGE this expenditure is recorded including the VAT paid.
- (v) Add VAT refunds to NHS trusts in respect of contracted out services in connection with activities that are non-business for VAT purposes. GGE records these as refunds as grants to NHS trusts. expenditure includes VAT even where it is refunded.
- (vi) Add the pension increase elements of the pensions paid to members of the teachers and National Health Service superannuation schemes.
- (vii) Add the difference between pensions in payment and accruing superannuation liability charges for the civil service and armed forces superannuation schemes.
- (viii) Add the element of NHS Trusts' charges to health authorities which trusts use to remunerate their debt to central government.
- (ix) Deduct the market and overseas borrowing of nationalised industries and other public corporations which have external finance treatment (including the capital value of certain leasing transactions). General government expenditure only covers central and local government transactions.
- (x) Deduct interest and dividend receipts of Local Authorities.
- (xi) Add the surpluses of some local authority trading services, which are treated as negative expenditure in the Control Total but as revenue in the national accounts.
- (xii) Add the distribution of fossil fuel levy receipts to the renewables generators which will score as government expenditure outside the Control Total.
- (xiii) Deduct the capital expenditure of New Town Corporations and the Commission for the New Towns.
- (xiv) Add the grants and loans made to New Towns by central government.
- (xv) Deduct the capital expenditure of Passenger Transport Executives.
- (xvi) Add capital grants and loans made to Passenger Transport Executives.
- (xvii) Deduct local authority debt interest payments to central government which are included in the Control Total.
- (xviii) Add local authorities' net cash expenditure on company securities.
- (xix) Add the capital value of assets and deduct rents on financial leases taken out by central government.
- (xx) Deduct the capital value of certain property leases involving local authorities and add rents on such leases.
- (xxi) Add rent received from private contractors for HM Dockyards and rent received for other MOD land, which is treated as negative expenditure in the Control Total but as revenue in national accounts.
- (xxii) Add expenditure by the Securities and Investments Board.
- (xxiii) Add receipts from driving licence fees which are treated as negative expenditure in the Control Total but as revenue in national accounts.
- (xxiv) Add the tolls received on the Severn Road Bridge and the Erskine Road Bridge which are treated as negative expenditure in the Control Total but as revenue in national accounts.
- (xxv) Add adjustments to put certain central government expenditure on an accruals basis.
- (xxvi) Add the capital expenditure of the Crown Estate Office.



## Appendix B Differences between the Control Total and GGE(X)

- (xxvii) Add capital expenditure in respect of work carried out by Scottish Enterprise and the Welsh Development Agency on behalf of local authorities.
- (xxviii) Deduct increases in the value of stocks held by Forestry Enterprise.
- (xxix) Add the receipts from visa fees which are treated as negative expenditure in the Control Total but as revenue in national accounts.
- (xxx) Add, for outturn years, the residual difference between general government expenditure as measured by national accounts and Treasury sources.

4. The national accounts and the Control Total are generally consistent in their treatment of changes, although there are occasionally timing lags. Changes which stem from amending past practice or movements in the way expenditure is measured are termed classification changes and are applied to all years. Substantive changes in activity are termed policy changes and are not applied to figures before the date when they occurred. The only major difference in this area between the national accounts and the Control Total is that the national accounts regard switches of function between government departments as policy changes whereas, to avoid unhelpful discontinuities in the figures, they are treated as classification changes in the Control Total.



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## Appendix C Departmental groupings

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1. A number of the tables in this publication present analyses by department. It is not possible to show figures for all individual government departments separately and so departments are grouped together in these analyses, broadly on the basis of Ministerial responsibilities. The groupings, which reflect the coverage of the 1997 departmental reports and the 1997–98 Estimates, are set out below.

<u>Title</u>	<u>Departments included</u>
Ministry of Defence	Ministry of Defence
Foreign Office	Foreign and Commonwealth Office—Diplomatic Wing
Overseas Development Administration	Foreign and Commonwealth Office—Overseas Development Administration
Agriculture, Fisheries and Food	Ministry of Agriculture, Fisheries and Food The Intervention Board
Trade and Industry	Department of Trade and Industry Office of Electricity Regulation Office of Fair Trading Office of Gas Supply Advisory, Conciliation and Arbitration Service Office of Telecommunications
Export Credits Guarantee Department	Export Credits Guarantee Department
Transport	Department of Transport Office of Passenger Rail Franchising Office of the Rail Regulator
DOE—Housing	Department of Environment—Housing
DOE—Urban and Environment	Department of Environment— Office of Water Services Ordnance Survey PSA Services Health and Safety Commission Other Environmental Services
DOE—Local government	Department of Environment—mainly block and transitional grants to English local authorities
Home Office	Home Office
Lord Chancellor's and Law Officers' Departments	Lord Chancellor's Department Crown Office, Scotland and Lord Advocate's department Crown Prosecution Service Northern Ireland Court Service Public Record Office Serious Fraud Office Treasury Solicitor's Department HM Land Registry



<u>Title</u>	<u>Departments included</u>
Education and Employment	Department for Education and Employment Office for Standards in Education
National Heritage	Department of National Heritage Charity Commission Office of the National Lottery
Health	Department of Health
Social Security	Department of Social Security
Scotland	Scottish Office Forestry Commission General Register Office (Scotland) Scottish Courts Administration Scottish Record Office Registers of Scotland
Wales	Welsh Office Office of Her Majesty's Chief Inspector of Schools in Wales
Northern Ireland	Northern Ireland Office and Departments
Chancellor's departments	HM Treasury Office for National Statistics Crown Estate Office National Savings Government Actuary's Department HM Customs and Excise Inland Revenue National Investment and Loans Office Registry of Friendly Societies Royal Mint Paymaster General's Office
Cabinet Office	Office of Public Service Central Office of Information Cabinet Office House of Commons House of Lords National Audit Office The Office of the Parliamentary Commissioner for Administration and Health Service Commissioners Privy Council Office Property Advisers to the Civil Estate
European Union	Net payments to European Union institutions



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## Appendix D Executive Agencies

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This appendix groups the current Executive Agencies, according to the Minister responsible for the Agency.

<u>Responsible Minister</u>	<u>Agency</u>
Secretary of State for Defence	Army Base Repair Organisation Army Base Storage and Distribution Agency Army Individual Training Organisation Army Personnel Centre Army Technical Support Agency Defence Analytical Services Agency Defence Animals Centre Defence Bills Agency Defence Clothing and Textiles Agency Defence Codification Agency Defence Dental Agency Defence Evaluation and Research Agency Defence Intelligence and Security Centre Defence Postal and Courier Services Defence Secondary Care Agency Defence Transport Movements Executive Disposal Sales Agency Duke of York's Royal Military School Hydrographic Office Joint Air Reconnaissance Centre Logistic Information Systems Agency Logistic Support Services Medical Supply Agency Meteorological Office Military Survey Ministry of Defence Police Naval Aircraft Repair Organisation Naval Bases and Supply Agency Naval Manning Agency Naval Recruiting and Training Agency Pay and Personnel Agency Queen Victoria School RAF Maintenance Group RAF Personnel Management Agency RAF Signals Engineering Establishment RAF Training Group Ships Support Agency Service Children's Education (NWE)



<u>Responsible Minister</u>	<u>Agency</u>
Secretary of State for Foreign and Commonwealth Affairs	Wilton Park Conference Centre
Minister of Agriculture, Fisheries and Food	Agricultural Development Advisory Service Centre for Environment, Fisheries and Aquaculture Science Central Science Laboratories Farming and Rural Conservation Agency Intervention Board Meat Hygiene Service Pesticide Safety Directorate Veterinary Laboratory Agency Veterinary Medicines Directorate
President of the Board of Trade	Companies House Insolvency Service National Weights and Measures Laboratory Patent Office Radiocommunications Agency
Secretary of State for Transport	Coastguard Agency Driver and Vehicle Licensing Agency Driving Standards Agency Highways Agency Marine Safety Agency Vehicle Certification Agency Vehicle Inspectorate
Secretary of State for the Environment	Building Research Establishment Ordnance Survey Planning Inspectorate Queen Elizabeth II Conference Centre
Secretary of State for the Home Department	Fire Service College Forensic Science Service HM Prison Service UK Passport Agency
Lord Chancellor	Court Service HM Land Registry Public Record Office Public Trust Office
Attorney General	Government Property Lawyers
Secretary of State for Education and Employment	Employment Service
Secretary of State for National Heritage	Historic Royal Palaces Agency Royal Parks Agency
Secretary of State for Health	Medicines Control Agency Medical Devices Agency NHS Estates NHS Pensions NHS Supplies
Secretary of State for Social Security	Child Support Agency Social Security Benefits Agency Social Security Contributions Agency Social Security Information Technology Services Agency Social Security War Pensions Agency
Secretary of State for Scotland	Forest Enterprises Historic Scotland Registers of Scotland Scottish Agriculture Science Agency Scottish Court Service Scottish Fisheries Protection Service Scottish Office Pensions Agency Scottish Prison Service Scottish Record Officer Student Awards Agency for Scotland



## Appendix D Executive Agencies

<u>Responsible Minister</u>	<u>Agency</u>
Secretary of State for Wales	CADW (Welsh Historic Monuments)
Secretary of State for Northern Ireland	Business Development Service Compensation Agency Construction Service Driver and Vehicle Licensing (NI) Environment and Heritage Service Forensic Science Agency of Northern Ireland Government Purchasing Agency Industrial Research and Technology Unit Land Registers of Northern Ireland Northern Ireland Child Support Agency Northern Ireland Health and Social Services Estates Agency Northern Ireland Statistics and Research Agency Ordnance Survey of Northern Ireland Planning Service Prison Service (NI) Public Record Office (NI) Rate Collection Agency Rivers Agency Roads Service Social Security Agency (NI) Training and Employment Agency (NI) Valuation and Lands Agency Water Service
Chancellor of the Exchequer	National Savings Office for National Statistics Paymaster Royal Mint Valuation Office
Chancellor of the Duchy of Lancaster	CCTA Central Office of Information Civil Service College Occupational Health and Safety Agency Securities Facilities Executive The Buying Agency



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