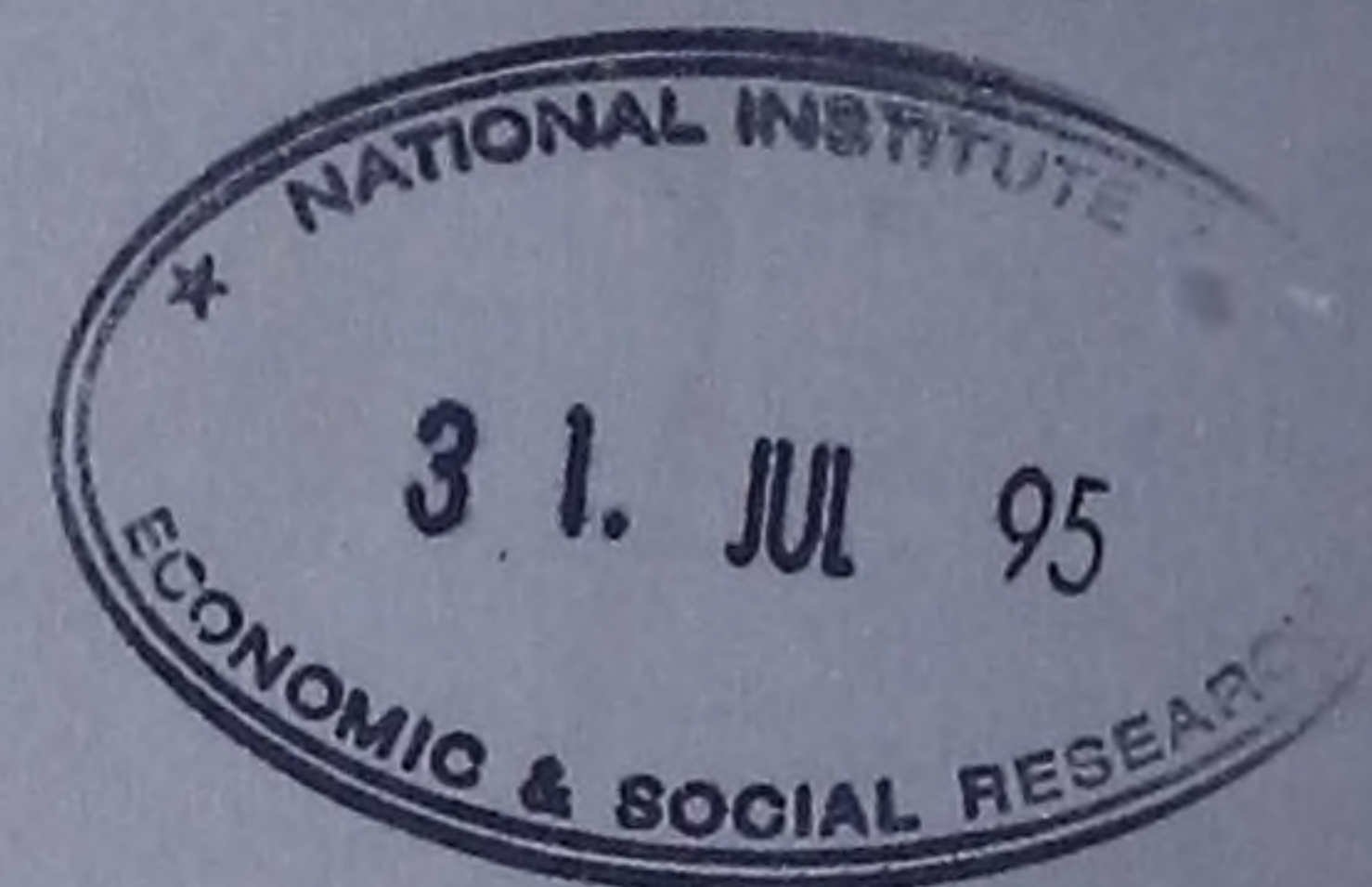

Public Expenditure

Statistical Supplement to the Financial Statement and Budget
Report 1995–96



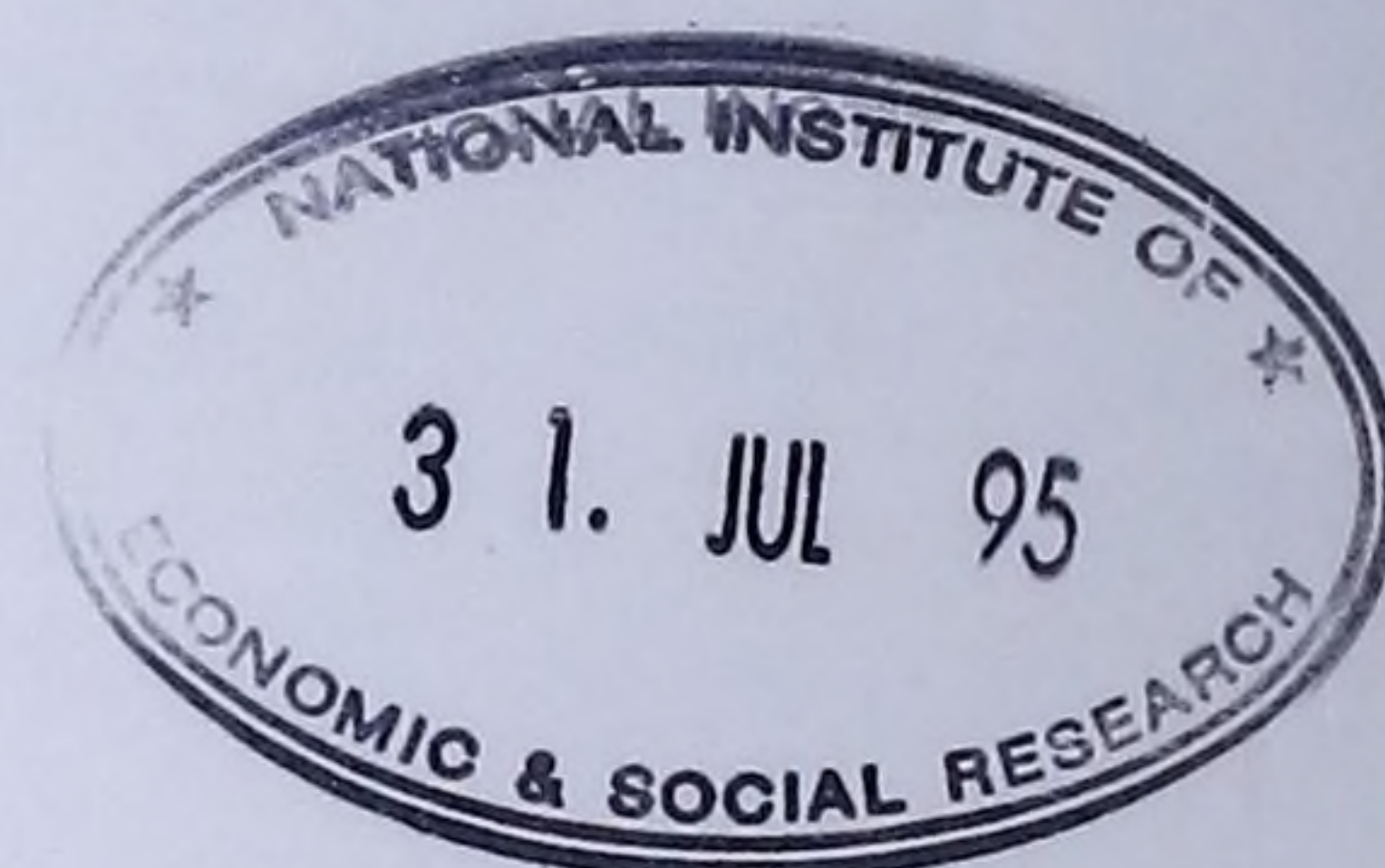
This Supplement summarises the more detailed information on the outcome of the 1994 Public Expenditure Survey published in the series of departmental reports, listed below. They present the Government's expenditure plans for 1995–96 to 1997–98.

- Cm 2801 Ministry of Defence
- Cm 2802 Foreign and Commonwealth Office (including Overseas Development Administration)
- Cm 2803 Ministry of Agriculture, Fisheries and Food and Intervention Board
- Cm 2804 Trade and Industry
- Cm 2805 Employment Department Group
- Cm 2806 Department of Transport
- Cm 2807 Department of the Environment
- Cm 2808 Home Office (including Charity Commission)
- Cm 2809 Lord Chancellor's and Law Officers' Departments
- Cm 2810 Department for Education
- Cm 2811 Department of National Heritage
- Cm 2812 Department of Health and Office of Population Censuses and Surveys
- Cm 2813 Department of Social Security
- Cm 2814 Scottish Office and Forestry Commission
- Cm 2815 Welsh Office
- Cm 2816 Northern Ireland
- Cm 2817 H. M. Treasury and Chancellor of the Exchequer's other small Departments and Net Payments to European Community Institutions
- Cm 2818 Customs and Excise
- Cm 2819 Inland Revenue
- Cm 2820 Cabinet Office, Chancellor of the Duchy of Lancaster's Departments, Privy Council Office and Parliament



Public Expenditure

Statistical Supplement to the Financial Statement
and Budget Report 1995–96



*Presented to Parliament by the Chancellor of the Exchequer
by Command of Her Majesty February 1995*

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1. Trends in public sector expenditure, and capital spending

Introduction

1.1 This Supplement sets out more detail on the new public expenditure plans announced in the Budget, and summarizes some of the information which will be provided in the departmental reports, published over the next two weeks.

1.2 The figures for the future years reflect the plans published in the Budget as amended by the Chancellor's statement of 8 December. However, they take account of detailed allocation decisions made by departments and may differ in composition from those in the Budget. This particularly affects the plans for 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.

1.3 The organisation and content of the Supplement is reviewed annually. Any comments on the coverage or presentation should be sent to Mrs Helen Patterson at the following address:

GEP3 Division,
HM Treasury
Room 91/4,
Treasury Chambers,
Parliament Street,
London SW1P 3AG.

General government expenditure

1.4 The Government's objective is to reduce public spending as a share of national income over time. The public expenditure plans set out here imply that the GGE ratio—general government expenditure (GGE), excluding privatisation proceeds, as a percentage of gross domestic product (GDP)—will fall from its recent peak of 44½ per cent in 1992–93 to 40¾ per cent in 1997–98.

1.5 **Table 1.1** shows trends in general government expenditure, including and excluding privatisation proceeds, over the years 1963–64 to 1997–98, 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 1993–94 are taken from the national accounts compiled by the Central Statistical Office (CSO). Figures for 1994–95 onwards are projections produced by the Treasury.

General government expenditure by function

1.6 **Table 1.2** 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 1.3** and **1.4** present this material in real terms and as a percentage of GDP. A more detailed analysis, covering the period 1989–90 to 1994–95 is given in **Table 1.5**.

1.7 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

1.8 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 1.6** 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 Community institutions, payments from the UK's Aid Programme, 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; and
- (ix) **General government debt interest**

Capital spending

1.9 Capital expenditure is undertaken by all levels of the public sector: ie. central and local government and public corporations, including nationalised industries. **Table 1.7** gives a functional breakdown of capital expenditure 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. Capital spending in **Table 1.7** 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).

1.10 The capital figures for future years reflect departments detailed decisions on the allocation of expenditure following the 1994 public expenditure Survey. Total public sector capital spending is expected to be £23.2 billion in 1994–95. The increase from 1993–94 largely reflects increased local authority capital spending as a result of the temporary relaxation of the rules governing the spending of capital receipts. The 1995–96 total is depressed by receipts from the expected sale of married quarters by the Ministry of Defence, and is reduced further as local authorities capital expenditure returns to the 1993–94 level. The level of public sector capital spending beyond 1995–96 is particularly uncertain. After allowing for a conventional stylised allocation from the Reserve, capital spending is expected to remain broadly flat at about £21½ billion. The other accounting adjustments include capital expenditure financed by the National Lottery, which though not part of the Control Total is included in GGE, along with VAT refunded to central government departments and local authorities.

Sales and purchases of land and buildings

1.11 **Table 1.8** gives figures for sales and purchases of land and existing buildings by general government for the years 1978–79, 1980–81 to 1994–95.

Table 1.1 Public expenditure, 1963–64 to 1997–98
Control Total⁽¹⁾

	Control Total ⁽¹⁾		General government expenditure (excluding privatisation proceeds)			Privatisation proceeds	General government expenditure	Money GDP ⁽²⁾	Adjusted GDP deflator	
	£ billion	Real terms ⁽³⁾ £ billion	£ billion	Real terms ⁽³⁾ £ billion	per cent of GDP ⁽²⁾ £ billion	£ billion	Total £ billion	£ billion	Adjusted series (1990–91) =100)	Index series (1993–94) =100)
1963–64			11.3	123.8	36¼		11.3	31.4	5.5	9.2
1964–65			12.3	128.1	36½		12.3	34.2	6.0	9.6
1965–66			13.6	135.7	37¼		13.6	36.6	6.5	10.0
1966–67			15.1	144.1	39½		15.1	38.9	6.9	10.4
1967–68			17.5	162.4	43¼		17.5	41.2	7.3	10.7
1968–69			18.2	161.6	41½		18.2	44.6	7.9	11.3
1969–70			19.3	162.7	41		19.3	48.0	8.5	11.9
1970–71			21.6	168.0	41¼		21.6	53.2	9.4	12.9
1971–72			24.4	173.6	41¼		24.4	59.3	10.5	14.0
1972–73			27.6	182.1	41½		27.6	67.6	11.9	15.2
1973–74			32.0	197.1	43½		32.0	75.0	13.2	16.2
1974–75			42.9	220.9	48¼		42.9	89.4	15.8	19.4
1975–76			53.8	221.1	49¼		53.8	111.2	19.6	24.3
1976–77			59.6	215.7	46¼		59.6	130.0	22.9	27.6
1977–78			64.4	205.2	43¼	-0.5	63.9	151.3	26.7	31.4
1978–79			75.0	214.9	44		75.0	173.7	30.6	34.9
1979–80			90.4	221.9	44	-0.4	90.0	208.6	36.8	40.7
1980–81			108.8	225.9	46½	-0.2	108.6	237.7	41.9	48.2
1981–82			121.0	228.9	47¼	-0.5	120.5	261.0	46.0	52.9
1982–83			133.1	235.1	47½	-0.5	132.7	285.8	50.4	56.6
1983–84			141.6	239.0	46½	-1.1	140.4	310.0	54.7	59.2
1984–85	126.0	202.6	152.8	245.6	46¼	-2.0	150.8	332.1	58.6	62.2
1985–86	129.6	197.4	161.2	245.6	45	-2.7	158.5	364.9	64.4	65.6
1986–87	136.0	201.2	169.3	250.4	44	-4.5	164.8	392.7	69.3	67.6
1987–88	148.6	208.7	178.4	250.5	41¼	-5.1	173.2	434.8	76.7	71.2
1988–89	156.1	205.4	186.9	245.9	39¼	-7.1	179.8	484.1	85.4	76.0
1989–90	175.1	215.5	205.0	252.3	39¼	-4.2	200.8	525.8	92.9	81.3
1990–91	193.5	220.4	223.5	254.5	40¼	-5.3	218.1	556.8	100.0	87.8
1991–92	213.0	228.2	244.2	261.7	42	-7.9	236.3	580.8		93.3
1992–93	231.5	238.6	268.4	276.6	44½	-8.2	260.2	604.8		97.0
1993–94	241.9	241.9	283.0	283.0	44¼	-5.5	277.6	639.0		100.0
1994–95	249.5	244.6	295.2	289.4	43½	-6.3	288.9	678		102.0
1995–96	255.5	242.6	304.8	289.4	42½	-3.0	301.8	719		105.3
1996–97	262.8	243.5	315.4	292.1	41¼	-3.0	312.4	757		107.9
1997–98	271.5	246.0	324.8	294.2	40¼	-2.0	322.8	795		110.4

(1) Figures for the Control Total are only available on a consistent basis for the years shown. Figures are estimated outturn for 1994–95 and plans for 1995–96 onwards.

(2) 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. The adjusted series is shown here as an index, based on the level of money GDP in 1990–91.

(3) Cash figures adjusted to price levels of 1993–94 by excluding effect of general inflation.

Table 1.2 General government expenditure by function, 1978–79, 1980–81 to 1994–95

	£ billion															
	1978–79	1980–81	1981–82	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
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	estimated outturn
Defence ⁽¹⁾	7.6	11.5	12.8	14.6	15.7	17.4	18.2	18.4	18.9	19.2	20.8	21.7	22.9	22.9	22.8	22.2
Overseas services, including overseas aid	1.1	1.3	1.5	1.6	1.7	1.7	1.9	2.0	2.0	2.3	2.6	2.7	3.1	3.4	3.5	3.7
Agriculture, fisheries, food and forestry	1.0	1.6	1.7	2.2	2.4	2.4	2.9	2.2	2.4	2.2	2.2	2.9	3.1	3.2	4.1	3.9
Trade, industry, energy and employment	4.1	4.7	6.2	8.0	7.0	8.0	8.1	8.1	6.6	8.0	7.6	8.8	8.2	8.6	9.0	8.6
<i>of which: Employment and training</i>	1.0	1.8	2.1	2.1	2.6	2.8	2.9	3.3	3.3	3.2	3.0	3.0	3.1	3.3	3.4	3.8
Transport	3.0	4.3	4.8	5.3	5.5	5.7	5.8	5.7	5.7	5.9	6.8	8.3	9.2	10.7	10.2	10.3
Housing	4.5	5.6	4.2	3.8	4.4	4.5	4.1	4.0	4.1	3.2	5.1	4.8	5.7	6.2	5.4	5.5
Other environmental services	2.7	3.8	3.9	4.5	4.6	4.4	4.5	5.3	5.5	5.6	6.7	7.4	8.2	8.7	8.8	9.6
Law, order and protective services	2.6	4.0	4.6	5.2	5.7	6.4	6.6	7.2	8.0	9.0	10.2	11.5	13.0	14.2	14.8	15.4
Education	9.1	12.8	13.9	15.0	15.8	16.4	17.0	18.7	20.4	22.0	24.6	26.5	29.4	31.8	33.6	35.1
National Heritage	0.7	1.0	1.2	1.2	1.3	1.4	1.5	1.6	1.8	2.0	2.3	2.5	2.6	2.6	2.6	2.7
Health and personal social services	9.2	14.1	15.8	17.2	18.3	19.6	20.7	22.3	24.5	27.0	29.5	33.1	37.4	41.0	43.2	46.4
<i>of which: Health</i>	7.8	12.0	13.5	14.7	15.5	16.7	17.6	18.9	20.7	22.9	24.7	27.7	31.5	34.7	35.9	37.9
Social security	17.0	24.3	29.6	33.6	36.9	40.0	43.5	46.8	48.9	50.2	53.3	59.5	70.6	80.0	87.6	90.6
Miscellaneous expenditure ⁽²⁾	2.8	3.0	3.3	3.9	3.4	3.9	3.8	4.4	5.3	5.0	6.9	7.0	5.9	7.8	8.1	8.3
Total expenditure on services	65.4	92.2	103.5	116.2	122.8	131.7	138.6	146.5	154.3	161.7	178.4	196.8	219.3	241.3	253.6	262.5
General government debt interest	7.4	11.4	13.3	13.9	14.3	16.2	17.9	17.6	17.9	18.4	18.7	18.4	16.9	17.9	19.7	22.6
Other accounting adjustments ⁽³⁾	2.2	5.3	4.2	3.0	4.4	5.0	4.7	5.1	6.1	6.8	7.9	8.3	8.1	9.2	9.6	11.5
Allowance for shortfall ⁽⁴⁾																-1.5
General government expenditure excluding privatisation proceeds	75.0	108.8	121.0	133.1	141.6	152.8	161.2	169.3	178.4	186.9	205.0	223.5	244.2	268.4	283.0	295.2
Privatisation proceeds	-0.2	-0.5	-0.5	-0.5	-1.1	-2.0	-2.7	-4.5	-5.1	-7.1	-4.2	-5.3	-7.9	-8.2	-5.5	-6.3
General government expenditure	75.0	108.6	120.5	132.7	140.4	150.8	158.5	164.8	173.2	179.8	200.8	218.1	236.3	260.2	277.6	288.9

(1) The outturns for defence for 1990–91 and 1991–92 are net of other governments' contributions to the cost of the Gulf conflict.

(2) Includes contributions to the European Communities 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 and paragraph 4.4.

Table 1.3 General government expenditure by function in real terms⁽¹⁾, 1978–79, 1980–81 to 1994–95

	£ billion															
	1978–79	1980–81	1981–82	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
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	estimated outturn
Defence ⁽²⁾	21.8	23.8	24.2	25.9	26.6	27.9	27.8	27.2	26.6	25.3	25.6	24.7	24.6	23.6	22.8	21.7
Overseas services, including overseas aid	3.0	2.8	2.8	2.8	2.9	2.7	2.9	2.9	2.8	3.0	3.2	3.1	3.3	3.5	3.5	3.7
Agriculture, fisheries, food and forestry	3.0	3.4	3.2	3.8	4.1	3.9	4.4	3.3	3.4	2.9	2.7	3.4	3.3	3.3	4.1	3.9
Trade and industry energy and employment	11.7	9.8	11.6	14.1	11.9	12.8	12.4	12.0	9.3	10.6	9.3	10.0	8.8	8.9	9.0	8.4
<i>of which: Employment and training</i>	2.9	3.8	4.0	3.8	4.5	4.6	4.4	4.9	4.6	4.3	3.7	3.4	3.3	3.4	3.4	3.7
Transport	8.6	8.9	9.1	9.4	9.2	9.1	8.9	8.5	8.0	7.7	8.4	9.5	9.8	11.0	10.2	10.1
Housing	12.9	11.7	7.9	6.8	7.4	7.2	6.2	5.9	5.8	4.2	6.2	5.5	6.1	6.4	5.4	5.4
Other environmental services	7.6	7.9	7.4	7.9	7.7	7.0	6.8	7.8	7.7	7.4	8.3	8.5	8.8	9.0	8.8	9.4
Law order and protective services	7.3	8.3	8.8	9.1	9.7	10.2	10.0	10.6	11.3	11.8	12.6	13.1	13.9	14.7	14.8	15.1
Education	26.2	26.6	26.4	26.5	26.7	26.4	25.9	27.6	28.7	29.0	30.2	30.2	31.5	32.8	33.6	34.4
National Heritage	2.1	2.1	2.2	2.2	2.2	2.3	2.3	2.4	2.5	2.6	2.8	2.8	2.8	2.7	2.6	2.7
Health and personal social services	26.4	29.3	29.9	30.4	30.9	31.5	31.5	32.9	34.4	35.6	36.3	37.7	40.1	42.3	43.2	45.5
<i>of which: Health</i>	22.4	24.8	25.5	25.9	26.2	26.8	26.9	27.9	29.1	30.1	30.4	31.6	33.7	35.7	35.9	37.2
Social security	48.8	50.4	56.0	59.4	62.3	64.3	66.3	69.2	68.7	66.0	65.5	67.8	75.6	82.5	87.6	88.8
Miscellaneous expenditure ⁽³⁾	7.9	6.2	6.2	7.0	5.8	6.3	5.8	6.5	7.5	6.6	8.5	7.9	6.3	8.1	8.1	8.2
Total expenditure on services	187.3	191.2	195.8	205.2	207.3	211.6	211.2	216.7	216.7	212.8	219.5	224.2	235.0	248.7	253.6	257.3
General government debt interest	21.3	23.7	25.1	24.5	24.2	26.0	27.2	26.1	25.1	24.3	23.0	20.9	18.1	18.4	19.7	22.2
Other accounting adjustments ⁽⁴⁾	6.3	11.0	8.0	5.4	7.5	8.0	7.1	7.6	8.6	8.9	9.7	9.5	8.6	9.5	9.6	11.3
Allowance for shortfall ⁽⁵⁾																-1.4
General government expenditure excluding privatisation proceeds	214.9	225.9	228.9	235.1	239.0	245.6	245.6	250.4	250.5	245.9	252.3	254.5	261.7	276.6	283.0	289.4
Privatisation proceeds		-0.4	-0.9	-0.8	-1.9	-3.3	-4.1	-6.6	-7.2	-9.3	-5.2	-6.1	-8.5	-8.4	-5.5	-6.2
General government expenditure	214.9	225.4	228.0	234.3	237.0	242.3	241.5	243.8	243.3	236.6	247.1	248.5	253.2	268.2	277.6	283.2

(1) Cash figures adjusted to 1993–94 price levels by excluding the effect of general inflation.

(2) The outturns for defence in 1990–91 and 1991–92 are net of other governments' contributions to the cost of the Gulf conflict.

(3) Includes contributions to the European Communities 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 and paragraph 4.4.

Table 1.4 General government expenditure as a percentage of GDP, 1978–79, 1980–81 to 1994–95

	percentages															
	1978–79	1980–81	1981–82	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
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	estimated outturn
Defence ⁽¹⁾	4.5	4.9	5.0	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
Overseas services, including overseas aid	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6
Agriculture, fisheries, food and forestry	0.6	0.7	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	0.6
Trade, industry, energy and employment	2.4	2.0	2.4	2.8	2.3	2.5	2.3	2.1	1.6	1.7	1.5	1.6	1.4	1.4	1.4	1.3
<i>of which: Employment and training</i>	0.6	0.8	0.8	0.8	0.9	0.9	0.8	0.9	0.8	0.7	0.6	0.5	0.5	0.5	0.5	0.6
Transport	1.8	1.8	1.9	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
Housing	2.6	2.4	1.6	1.4	1.4	1.4	1.1	1.0	1.0	0.7	1.0	0.9	1.0	1.0	0.9	0.8
Other environmental services	1.6	1.6	1.5	1.6	1.5	1.3	1.3	1.4	1.3	1.2	1.3	1.3	1.4	1.4	1.4	1.4
Law, order and protective services	1.5	1.7	1.8	1.8	1.9	2.0	1.8	1.9	1.9	1.9	2.0	2.1	2.2	2.4	2.3	2.3
Education	5.4	5.5	5.4	5.4	5.2	5.0	4.7	4.8	4.8	4.6	4.8	4.8	5.1	5.3	5.3	5.2
National Heritage	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Health and personal social services	5.4	6.1	6.2	6.1	6.0	6.0	5.8	5.8	5.7	5.7	5.7	5.9	6.4	6.8	6.8	6.9
<i>of which: Health</i>	4.6	5.1	5.3	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
Social security	10.0	10.4	11.5	12.0	12.1	12.3	12.1	12.1	11.5	10.5	10.3	10.7	12.1	13.2	13.7	13.4
Miscellaneous expenditure ⁽²⁾	1.6	1.3	1.3	1.4	1.1	1.2	1.1	1.1	1.3	1.0	1.3	1.3	1.0	1.3	1.3	1.2
Total expenditure on services	38.3	39.5	40.4	41.4	40.3	40.4	38.7	38.0	36.1	34.0	34.5	35.4	37.8	39.9	39.7	38.7
General government gross debt interest	4.3	4.9	5.2	4.9	4.7	5.0	5.0	4.6	4.2	3.9	3.6	3.3	2.9	3.0	3.1	3.3
Other accounting adjustments ⁽³⁾	1.3	2.3	1.7	1.1	1.5	1.5	1.3	1.3	1.4	1.4	1.5	1.5	1.4	1.5	1.5	1.7
Allowance for shortfall ⁽⁴⁾																-0.2
General government expenditure excluding privatisation proceeds	44.0	46.6	47.2	47.4	46.5	46.9	45.0	43.9	41.8	39.3	39.7	40.1	42.0	44.4	44.3	43.5
Privatisation proceeds		-0.1	-0.2	-0.2	-0.4	-0.6	-0.8	-1.2	-1.2	-1.5	-0.8	-1.0	-1.4	-1.4	-0.9	-0.9
General government expenditure	44.0	46.5	47.0	47.3	46.1	46.2	44.2	42.7	40.6	37.8	38.8	39.2	40.7	43.0	43.4	42.6

(1) The outturns for defence for 1990–91 and 1991–92 are net of other governments' contributions to the cost of the Gulf conflict.

(2) Includes contributions to the European Communities 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 and paragraph 4.4.

1. Trends in public sector expenditure, and capital spending

Table 1.5 General government expenditure by function, 1989-90 to 1994-95						
	£ million					
	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn
Defence						
Defence budget	20,777	22,207	24,438	22,910	22,757	22,173
<i>of which: capital receipts⁽¹⁾</i>	-94	-129	-127	-91	-150	-146
Other governments' contributions to the cost of the Gulf conflict		-498	-1,525			
Total defence	20,777	21,709	22,913	22,910	22,757	22,173
Overseas services, including overseas aid⁽²⁾						
Overseas aid	1,520	1,586	1,832	1,977	2,077	2,220
Other overseas services	998	1,077	1,251	1,397	1,396	1,504
Finance for public corporations	49	52	37	51	49	6
Total overseas services, including overseas aid	2,567	2,715	3,121	3,425	3,521	3,730
Agriculture, fisheries, food and forestry						
Intervention Board and EC						
Expenditure	1,051	1,663	1,680	1,742	2,650	2,454
Protection of the public	254	305	328	354	382	353
Protection and enhancement of the rural and marine environment	121	116	171	172	136	169
Improving the economic performance of the agriculture, fishing and food industries	174	212	226	251	214	254
ERDF			1	1	1	2
Programmes to protect farm animals	4	2	5	5	8	7
Programmes to make best use of internal resources	13	14	10	9	16	12
Operational costs of Executive Agencies						
Research and Development	122	130	176	193	200	212
Forestry	65	79	92	104	97	90
Civil Defence	11	9	-3	-15	-21	-21
Administration Costs	198	216	248	268	301	323
Executive Agencies	94	102	53	25	21	12
Other	78	99	99	93	62	71
Total agriculture, fisheries, food and forestry	2,186	2,945	3,086	3,202	4,068	3,938
Trade, industry, energy and employment						
Regional and general industrial support	712	618	579	517	615	659
Scientific and technological assistance	474	521	525	567	518	503
Support for aerospace, shipbuilding, coal, steel and vehicle manufacture	703	385	215	177	75	56
Trade and technological support	627	695	561	483	303	366
Employment	705	812	1,045	1,405	1,346	1,484
Training	2,287	2,162	2,064	1,860	2,044	2,276
Departmental administration and other services	873	995	1,079	1,065	1,096	1,134
Finance for public corporations	191	262	163	182	143	120
Nationalised industries' external finance	1,006	2,325	2,002	2,355	2,839	1,994
Total trade, industry, energy and employment	7,578	8,775	8,233	8,609	8,979	8,592

1. Trends in public sector expenditure, and capital spending

Table 1.5 General government expenditure by function, 1989-90 to 1994-95 (continued)

	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
	outturn	outturn	outturn	outturn	outturn	estimated outturn
	£ million					
Transport						
National road systems						
<i>Current</i>	262	299	338	395	411	408
<i>Capital</i>	1,522	2,030	2,061	2,195	2,300	2,316
<i>of which: capital receipts</i>	-63	-77	-107	-110	-139	-163
Local roads						
<i>Current</i>	1,771	2,053	2,104	2,142	2,172	2,196
<i>Capital</i>	1,079	1,003	1,184	1,366	1,543	1,554
Local transport						
<i>Current</i>	634	660	714	716	708	864
<i>Capital</i>	204	164	130	192	118	184
Ports	4	9	9	7	4	3
Marine, coastguard, shipping and civil aviation services	71	78	81	86	118	92
Driver and vehicle licensing	131	147	156	179	163	177
National rail services	63	187	308	365	396	1,943
Other transport services	368	286	289	316	293	333
Finance for public corporations	718	1,409	1,817	2,720	1,930	238
Total transport	6,828	8,325	9,191	10,677	10,155	10,307
Housing						
Central government subsidies to local authority housing	699	1,466	1,260	1,097	897	859
Other central government subsidies	55	71	108	140	154	200
Central government administration	70	87	130	147	161	204
Local authority expenditure						
<i>Current</i>	697	329	336	352	394	391
<i>Gross capital</i>	5,850	3,805	3,334	3,214	3,506	3,619
<i>Capital receipts</i>	-3,824	-2,771	-1,877	-1,774	-2,177	-1,891
Other capital	85	110	130	172	138	118
<i>of which: capital receipts</i>	-10	-11	-9	-12	-10	-10
Finance for public corporations	532	557	631	583	576	565
Housing corporations	907	1,153	1,638	2,305	1,793	1,479
Total housing	5,073	4,807	5,689	6,235	5,443	5,545
Other environmental services						
Environmental protection	2,292	2,699	2,846	2,735	2,780	3,082
Countryside and water	760	917	937	1,011	1,022	1,100
Urban	731	745	900	1,052	1,209	1,095
Other public corporations	1,006	704	677	635	576	604
Other	1,932	2,359	2,846	3,259	3,164	3,731
Total other environmental services	6,721	7,423	8,206	8,693	8,751	9,612
Law, order and protective services						
Administration of justice	1,505	1,764	2,185	2,539	2,700	2,833
The penal system	1,713	2,025	2,235	2,307	2,266	2,393
<i>of which: capital receipts</i>	-53	-24	-20	-12	-10	-2
Police	5,184	5,775	6,414	6,985	7,372	7,647
Immigration and citizenship	133	154	176	210	246	238
Fire	1,148	1,237	1,342	1,442	1,513	1,546
Civil defence	94	95	84	74	50	49
Community services	27	35	37	37	46	49
Central and miscellaneous services	414	453	529	625	617	650
Total law, order and protective services	10,217	11,537	13,002	14,219	14,809	15,405

Table 1.5 General government expenditure by function, 1989-90 to 1994-95 (continued)

	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
	outturn	outturn	outturn	outturn	outturn	estimated outturn
	£ million					
Education						
Local authority schools						
<i>Current</i>						
Primary schools	5,627	6,145	6,896	7,486	7,820	7,953
Secondary schools	6,388	6,676	7,247	7,532	7,046	6,567
Other schools and services	1,989	2,233	2,448	2,692	3,113	3,393
<i>Capital</i>	636	629	692	715	542	710
Central government schools						
<i>Current</i>	606	712	911	1,263	1,875	2,343
<i>Capital</i>	123	173	169	193	246	259
Further education: Funding Councils and central government						
<i>Current</i>	88	105	111	135	2,974	3,158
<i>Capital</i>	42	50	51	59	222	231
Higher education: Funding Councils and central government						
<i>Current</i>	3,097	3,082	2,791	2,913	3,142	3,917
<i>Capital</i>	300	317	408	403	404	410
Local authority further and higher education						
<i>Current</i>	2,242	2,368	2,562	2,659	437	416
<i>Capital</i>	133	108	99	106	88	104
Student awards and fees	1,324	1,722	2,582	3,207	3,525	3,051
Student loans and Access Funds		63	152	212	324	569
Miscellaneous educational services, research and administration	1,975	2,166	2,299	2,244	1,882	2,026
Total education	24,570	26,550	29,416	31,818	33,638	35,108
National heritage						
Museums and galleries	358	399	419	441	450	466
Other arts and heritage	339	373	431	478	474	487
Libraries	731	834	849	885	903	942
Films	16	17	20	22	24	26
Tourism	47	43	44	46	46	44
Sport and recreation	814	797	819	737	682	743
Broadcasting	1	1	2	2	3	2
Administration	6	7	7	16	22	19
ERDF						6
Total national heritage	2,311	2,471	2,591	2,626	2,604	2,735

Table 1.5 General government expenditure by function, 1989-90 to 1994-95 (continued)

	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn
£ million						
Health and personal social services						
Health						
National Health Service						
hospitals, community health, family health (cash limited) and related services	18,857	21,163	24,098	26,466	27,661	29,366
<i>of which: capital receipts</i>	-262	-201	-181	-125	-196	-173
Family health (non-cash limited)	5,017	5,572	6,202	6,683	6,711	6,704
Central health and other services	860	976	1,154	1,287	1,155	1,203
NHS Trusts			39	224	364	670
Total health	24,733	27,710	31,493	34,659	35,891	37,942
Personal social services						
Local authority services	4,602	5,207	5,682	6,130	7,022	8,104
Central government services	155	178	215	237	304	395
Total personal social services	4,758	5,385	5,898	6,366	7,326	8,499
Total health and personal social services	29,491	33,095	37,391	41,026	43,217	46,441
Social security						
Pension benefits (contributory)						
	21,265	23,309	26,220	27,413	28,906	29,527
Widows' benefits	884	921	1,045	1,026	1,075	1,081
Unemployment (cyclical)	765	899	1,642	1,801	1,691	1,298
Unemployment, incapacity and other benefits (non-cyclical)	5,203	5,824	6,722	7,550	8,479	8,804
Industrial injury benefits	549	602	674	689	708	736
Family benefits (contributory)	329	362	392	448	471	495
Pension benefits (non-contributory)	47	48	49	53	54	54
War pensions	641	815	961	1,152	1,281	1,202
Disability benefits	2,560	3,040	3,834	4,873	6,126	6,893
Income support (cyclical)	5,946	6,934	9,281	11,499	12,648	12,865
Income support (non-cyclical)	2,102	2,376	2,819	3,860	4,086	4,028
Social Fund	130	155	210	212	228	236
Family benefits (non-contributory)	5,371	5,528	6,302	7,148	7,826	8,200
Housing benefits	4,710	5,612	6,926	8,374	9,829	10,895
Administration and miscellaneous services	2,750	3,069	3,482	3,921	4,199	4,266
Total social security	53,252	59,495	70,558	80,018	87,607	90,579

1. Trends in public sector expenditure, and capital spending

Table 1.5 General government expenditure by function, 1989-90 to 1994-95 (continued)

	£ million					
	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
	outturn	outturn	outturn	outturn	outturn	estimated outturn
Miscellaneous expenditure⁽³⁾						
Other public services	4,359	4,732	5,111	5,969	6,213	6,205
Common services	209	222	64	-74	-40	7
Contributions to European Communities	2,316	2,027	707	1,898	1,873	2,043
Finance for public corporations	-7	-6	-5	52	55	63
Total miscellaneous expenditure⁽³⁾	6,876	6,976	5,877	7,845	8,101	8,318
Total expenditure on services	178,447	196,825	219,274	241,302	253,650	262,483
General government gross debt interest	18,711	18,350	16,864	17,901	19,730	22,600
Other accounting adjustments ⁽⁴⁾	7,892	8,310	8,053	9,223	9,646	11,500
Allowance for shortfall ⁽⁵⁾						-1,500
Total general government expenditure excluding privatisation proceeds	205,049	223,485	244,191	268,426	283,025	295,200
Privatisation proceeds	-4,226	-5,347	-7,925	-8,184	-5,460	-6,300
Total general government expenditure	200,823	218,137	236,266	260,242	277,565	288,900

(1) On the standard national accounts public expenditure classification of capital expenditure.

(2) In addition to aid 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.

(3) As well as contributions to the European Communities, "miscellaneous expenditure" includes the activities required for the general maintenance of government, such as tax collection, and the registration of the 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 and paragraph 4.4.

Table 1.6 General government expenditure by economic category, 1989-90 to 1994-95

	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	£ million	
					1993-94 outturn	1994-95 estimated outturn
Pay	58,809	64,371	68,784	71,634	68,361	128,431
Other current expenditure on goods and services	35,211	39,701	46,832	50,148	55,750	
Subsidies	5,297	5,962	6,312	6,868	7,437	8,330
Current grants to the private sector	57,745	64,276	75,545	85,699	96,600	100,375
Current transfers abroad ⁽¹⁾	4,697	3,959	1,927	4,958	5,080	5,056
Net capital expenditure on assets	10,688	11,054	11,947	12,142	10,763	11,245
Capital grants	7,447	7,780	7,567	8,365	8,060	8,061
Lending and other financial transactions	-1,446	-279	360	1,488	1,600	987
General government debt interest	18,711	18,350	16,864	17,901	19,730	22,600
Other accounting adjustments ⁽²⁾	7,892	8,310	8,053	9,223	9,646	11,500
Allowance for Shortfall ⁽³⁾						-1,500
Total general government expenditure excluding privatisation proceeds	205,049	223,485	244,191	268,426	283,025	295,200
Privatisation proceeds	-4,226	-5,347	-7,925	-8,184	-5,460	-6,300
Total general government expenditure	200,823	218,137	236,266	260,242	277,565	288,900

(1) The outturns for current transfers abroad for 1990-91 and 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 and paragraph 4.4.

Table 1.7 Public sector capital by spending sector and function, 1989-90 to 1997-98

£ million

	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans
Central government's own									
Defence	555	512	614	649	691	759	100	500	500
Overseas services including overseas aid	71	81	119	116	118	111	100	100	100
Agriculture, fisheries, food and forestry	143	552	470	425	341	143	200	200	200
Trade, industry, energy and employment	668	646	512	448	464	544	600	500	500
<i>of which:</i>									
<i>Regional and general industrial support</i>	418	357	301	224	236	271	300	300	300
National roads	1,527	2,036	2,059	2,194	2,294	2,305	2,000	1,900	1,900
Other transport	57	31	32	36	38	49			
Housing	1,010	1,641	2,132	2,587	2,102	1,768	1,400	1,400	1,400
Other environmental services	159	167	181	232	279	251	300	300	400
Prisons	377	477	434	355	305	303	300	200	200
Other Law, order and protective services	216	255	270	296	287	274	300	200	200
Education	453	521	610	628	875	907	900	1,000	1,000
National heritage	137	155	179	193	162	201	200	200	200
Hospital and community health services	1,391	1,591	1,518	1,391	728	358	300	300	300
Other Health and personal social services	128	148	168	197	148	134	200	200	200
Social security	311	300	339	356	395	320	200	200	100
Miscellaneous ⁽¹⁾	462	602	687	747	772	609	500	500	500
Other accounting adjustments	79	-152	19	19	-49	211	600	1,100	1,200
Total central government's own	7,744	9,565	10,344	10,868	9,949	9,246	8,300	9,000	9,000
Local authorities									
Agriculture, fisheries, food and forestry	36	50	44	17	-4	-8			
Trade, industry, energy employment	12	9	12	10	27	29			
Local roads	1,071	1,001	1,169	1,371	1,548	1,557			
Other transport	206	158	134	173	174	176			
Housing	2,207	1,280	1,891	1,714	1,760	1,881			
Other environmental services	1,054	1,096	1,284	1,451	947	1,638			
Law, order and protective services	317	275	319	380	374	379			
Education	870	839	879	910	686	877			
National heritage	427	347	299	215	217	272			
Personal social services	191	182	166	169	162	205			
Other accounting adjustments	553	696	759	501	625	904			
Total local authorities	6,944	5,931	6,956	6,911	6,516	7,912	6,900	6,700	6,500
Public corporations⁽²⁾									
<i>of which:</i>									
<i>NHS Trusts</i>			208	586	1,155	1,841	2,000	2,000	2,000
Total public corporations	5,565	5,208	4,298	5,334	5,258	6,077	6,200	5,400	5,000
Allocation from the reserve							300	600	900
Total public sector	20,253	20,704	21,598	23,114	21,724	23,235	21,700	21,700	21,400
Real terms	24,916	23,582	23,145	23,821	21,724	22,780	20,600	20,100	19,300

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

(2) Figures for 1989-90 to 1993-94 are taken from the national accounts.

(3) Real terms figures are cash outturns adjusted to 1993-94 price levels by excluding the effect of general inflation.

Table 1.8 General government sales and purchases of land and existing buildings by spending sector, 1978–79, 1980–81 to 1994–95

	£ billion															
	1978–79	1980–81	1981–82	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
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	estimated outturn
Receipts from sales																
Central government	-0.1	-0.2	-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
Total local authorities	-0.5	-1.0	-1.8	-2.5	-2.1	-2.0	-2.1	-2.6	-3.7	-5.5	-5.4	-3.6	-2.6	-2.4	-3.5	-2.5
<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	-1.5	-1.4
DOE—Other environmental services	-0.4	-0.9	-1.5	-0.2	-0.2	-0.3	-0.4	-0.6	-1.0	-1.4	-1.3	-0.6	-0.5	-0.4	-1.0	-0.4
Total general government	-0.6	-1.2	-1.9	-2.6	-2.2	-2.2	-2.3	-2.9	-4.0	-6.2	-5.9	-3.9	-2.9	-2.6	-3.9	-2.8
Purchases																
Central government	0.1	0.1	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
Local authorities	0.3	0.4	0.3	0.4	0.3	0.3	0.4	0.6	0.7	0.8	1.1	0.6	0.7	0.6	0.7	0.6
<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	0.2	0.1
DOE—Other environmental services	0.2	0.2	0.2	0.1	0.1		0.1	0.2	0.2	0.2	0.3	0.1	0.2	0.1	0.1	0.1
Total general government	0.4	0.5	0.4	0.5	0.5	0.4	0.6	0.7	1.0	1.0	1.4	0.8	1.1	1.1	1.3	1.0
Receipts less purchases																
Central government			-0.1				-0.1	-0.2	-0.1	-0.5	-0.2	-0.1	0.0	0.3	0.2	0.0
Local authorities	-0.1	-0.7	-1.5	-2.1	-1.7	-1.7	-1.6	-2.0	-3.0	-4.7	-4.3	-3.0	-1.9	-1.8	-2.8	-1.9
<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	-1.3	-1.3
DOE—Other environmental services	-0.2	-0.7	-1.3	-0.1	-0.1	-0.3	-0.3	-0.4	-0.9	-1.1	-1.0	-0.4	-0.3	-0.3	-0.9	-0.3
Total general government	-0.1	-0.7	-1.6	-2.1	-1.8	-1.8	-1.8	-2.2	-3.1	-5.2	-4.5	-3.1	-1.9	-1.5	-2.6	-1.8

2. The Control Total

Introduction

2.1 The Government seeks to achieve its objective for general government expenditure by planning and controlling a narrower measure of expenditure, the Control Total. This covers expenditure by central government departments, excluding cyclical social security (defined as unemployment benefit and income support paid to people of working age. From April 1996 it will cover jobseekers' allowance and income support paid to those of working age), all expenditure by local authorities (including self-financed expenditure as well as expenditure supported by central government) and the financing requirements of the nationalised industries and other public corporations. The Control Total excludes central government gross debt interest and privatisation proceeds. There are also a number of other differences between the two aggregates, known as accounting adjustments, and these are described in **Appendix B**.

2.2 Cash plans for expenditure within the Control Total over the period 1995–96 to 1997–98 and projections for items of expenditure outside the Control Total are summarised in **Table 2.1**. The table also shows changes from the plans and projections set out in the Financial Statement and Budget Report 1994–95.

2.3 The Control Total has been set at £255.5 billion for 1995–96, £262.8 billion in 1996–97 and £271.5 billion in 1997–98. In real terms, these figures imply a fall of $\frac{3}{4}$ per cent in 1995–96 and rises of $\frac{1}{4}$ per cent in 1996–97 and 1 per cent in 1997–98, giving an average real growth over the three year period of about $\frac{1}{4}$ per cent a year.

2.4 The forecast outturn in 1994–95 has been updated to take account of the latest information. It is slightly lower than the forecast published in the Budget report. In line with normal practice the plans set out here for future years reflect the detailed departmental allocations following the changes agreed in the 1994 public expenditure Survey.

2.5 **Table 2.2** gives a departmental breakdown of the Control Total over the nine year period 1989–90 to 1997–98 and **Table 2.3** presents this information in real terms. The figures cover all spending 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 industries. The separate contributions of different spending sectors to the departmental totals are shown in the detailed cash plans table in each departmental report.

2.6 Revenue Support Grant paid to local authorities and non-domestic rate payments are included within the expenditure programmes of the DOE—local government, the Scottish Office and the Welsh Office. Specific grants to local authorities are included within the relevant departments' programmes. Thus, police grant in England and Wales is, for example, shown within the Home Office programme. European Community grants in support of local authority current expenditure are also included in relevant departmental programmes within the Control Total. Most capital grants to local authorities score within the Control Total and are included, along with credit approvals issued to local authorities, in the relevant departmental programmes.

2.7 **Table 2.4** gives figures for the Control Total for the years 1984–85 to 1997–98. In addition to the 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.

Departmental spending within the Control Total

Relationship between plans and Supply expenditure

Relationship with Supply

2.8 **Table 2.5** 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 90 per cent of central government's support for local authorities is voted. Most of the rest is accounted for by credit approvals.

2.9 **Table 2.6** shows the relationship between the Control Total for 1995-96 and the various control aggregates which operate during the year. It summarises the departmental figures given in the various departmental reports. Departments' allocations are subject to detailed amendment before the operational control totals and Supply Estimates are presented to Parliament.

2.10 Detailed proposals for the level of voted expenditure, and the relationship with the figures shown in this table, will be put forward as part of the Supply Estimates for 1995-96. More detailed information on the relationship between the Estimates and the figures here will be contained in the Summary and Guide to the Main Estimates.

Table 2.1 The Control Total and general government expenditure, 1993-94 to 1997-98

	£ million							
	Outturn	Estimated outturn	New plans/ projections ⁽¹⁾			Changes from previous plans/projections ⁽²⁾		
	1993-94	1994-95	1995-96	1996-97	1997-98	1994-95	1995-96	1996-97
Central government expenditure ⁽³⁾	168,492	176,279	179,780	183,500	187,300	2,000	-1,600	-2,600
Local authority expenditure ⁽⁴⁾	69,662	73,300	73,400	74,700	75,700	1,300	-500	-1,100
Financing requirements of nationalised industries	3,713	968	-663	-980	-288	-140	-860	-340
Reserve			3,000	5,700	8,700	-3,500	-4,000	-4,800
Allowance for shortfall ⁽⁵⁾		-1,000				-1,000		
Control Total	241,867	249,500	255,500	262,800	271,500	-1,300	-7,000	-8,900
Cyclical social security	14,339	14,200	14,000	14,000	14,400	-600	-1,500	-2,200
Central government debt interest	19,281	22,100	24,500	26,000	26,200	-400	100	400
Accounting adjustments	7,538	9,400	10,700	12,500	12,700	100	200	900
General government expenditure excluding privatisation proceeds	283,025	295,200	304,800	315,400	324,800	-2,100	-8,300	-9,800
Privatisation proceeds	-5,460	-6,300	-3,000	-3,000	-2,000	-800	-2,000	-2,000
GGE (excluding privatisation as a percentage of GDP)	44¼	43½	42½	41¼	40¾	-¼	-¾	-¾

(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 Financial Statement and Budget Report 1994-95.

(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.

2. The Control Total

Table 2.2 Control Total by department⁽¹⁾

£ million

	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans
Ministry of Defence ⁽²⁾	20,777	21,709	22,913	22,910	22,757	22,173	21,723	21,924	22,317
Foreign and Commonwealth Office	898	968	1,132	1,278	1,276	1,386	1,158	1,160	1,183
Overseas Development Administration	1,688	1,738	1,993	2,143	2,231	2,366	2,363	2,419	2,478
Ministry of Agriculture, Fisheries and Food	1,487	2,137	2,159	2,198	2,880	2,646	3,026	3,003	2,959
Trade and Industry	1,615	3,506	3,144	2,668	2,667	1,989	1,379	795	748
ECGD	358	372	215	117	-60	-11	-16	11	6
Department of Employment	3,579	3,643	3,467	3,482	3,509	3,708	3,468	3,503	3,469
Department of Transport	3,570	4,692	5,390	6,605	6,010	5,956	4,387	4,445	5,075
DOE—Housing ⁽³⁾	2,938	6,743	7,493	8,232	7,735	7,439	6,895	6,907	6,925
DOE—Other environmental services	1,191	1,538	1,617	2,011	2,145	2,158	1,983	1,918	1,907
DOE—PH, PSA, etc	-56	-31	-86	-198	-93	-131	-206	-221	-241
DOE—Local government ⁽⁴⁾⁽⁵⁾⁽⁶⁾	19,756	20,522	28,356	31,175	29,376	29,930	30,307	30,904	30,865
Home Office (including Charity Commission)	4,077	4,839	5,517	5,821	5,962	6,261	6,415	6,416	6,565
Lord Chancellor's and Law Officers' Departments	1,376	1,638	2,000	2,331	2,422	2,600	2,796	2,875	2,878
Department for Education ⁽⁵⁾⁽⁶⁾	4,866	5,656	6,336	7,124	9,807	10,483	10,949	11,204	11,212
Department of National Heritage	706	775	868	989	961	957	1,001	961	924
Department of Health and Office of Population Censuses and Surveys ⁽⁶⁾	20,000	22,521	25,653	28,264	29,816	31,765	32,957	33,271	34,114
Department of Social Security ⁽³⁾⁽⁶⁾	45,999	48,926	55,069	61,774	67,889	70,840	72,798	75,950	79,200
Scotland ⁽⁴⁾⁽⁶⁾	8,948	9,717	11,697	12,713	13,559	14,235	14,412	14,577	14,688
Wales ⁽⁴⁾⁽⁶⁾	3,801	4,442	5,309	5,992	6,305	6,585	6,778	6,871	6,927
Northern Ireland	5,395	5,525	6,018	6,580	7,086	7,492	7,711	7,868	8,014
Chancellor of the Exchequer's Departments	3,152	3,344	3,392	3,429	3,351	3,338	3,223	3,185	3,144
Cabinet Office—Office of Public Service and Science	892	977	1,044	1,108	1,241	1,313	1,339	1,357	1,386
Cabinet Office—other services, Privy Council Office and Parliament	274	313	363	1,123	1,233	1,184	1,123	1,134	1,158
Local authority self-financed expenditure	15,533	15,285	11,221	9,714	9,931	11,800	11,700	12,000	12,200
European Communities	2,316	2,027	707	1,898	1,873	2,043	2,821	2,765	2,639
Reserve							3,000	5,700	8,700
Allowance for shortfall ⁽⁷⁾						-1,000			
Control Total	175,134	193,521	212,987	231,481	241,867	249,500	255,500	262,800	271,500

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

(2) The outturns for the Ministry of Defence for 1990-91 and 1991-92 are net of other governments' contributions to the cost of the Gulf conflict.

(3) Central government support to local authorities for rent rebates is included against DOE-Housing from 1990-91 and against the Department of Social Security in earlier years.

(4) 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.)

(5) Figures for 1990-91 and beyond are affected by a change in the proportion of higher education funding met through student fees.

(6) 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, and the transfer for responsibility for community care from central government to local authorities.

(7) See paragraph 5 of Appendix A.

Table 2.3 Control Total by department⁽¹⁾ in real terms⁽²⁾

	£ million								
	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Ministry of Defence ⁽³⁾	25,561	24,726	24,554	23,611	22,757	21,738	20,626	20,309	20,219
Foreign and Commonwealth Office	1,104	1,103	1,213	1,317	1,276	1,359	1,100	1,074	1,071
Overseas Development Administration	2,076	1,979	2,136	2,208	2,231	2,319	2,244	2,241	2,245
Ministry of Agriculture, Fisheries and Food	1,829	2,434	2,314	2,265	2,880	2,594	2,873	2,781	2,681
Trade and Industry	1,986	3,993	3,369	2,749	2,667	1,950	1,309	736	678
ECCGD	440	423	230	120	-60	-10	-15	10	6
Department of Employment	4,403	4,150	3,715	3,588	3,509	3,636	3,293	3,245	3,143
Department of Transport	4,392	5,344	5,776	6,807	6,010	5,839	4,166	4,118	4,598
DOE—Housing ⁽⁴⁾	3,615	7,680	8,030	8,484	7,735	7,293	6,547	6,399	6,274
DOE—Other environmental services	1,465	1,752	1,733	2,073	2,145	2,116	1,883	1,777	1,728
DOE—PH, PSA, etc	-69	-36	-92	-205	-93	-129	-196	-204	-218
DOE—Local government ⁽⁵⁾⁽⁶⁾⁽⁷⁾	24,305	23,375	30,387	32,129	29,376	29,343	28,778	28,629	27,963
Home Office (including Charity Commission)	5,016	5,512	5,912	5,999	5,962	6,138	6,091	5,944	5,948
Lord Chancellor's and Law Officers' Departments	1,693	1,866	2,143	2,403	2,422	2,549	2,655	2,664	2,607
Department for Education ⁽⁶⁾⁽⁷⁾	5,987	6,442	6,790	7,342	9,807	10,278	10,396	10,379	10,158
Department of National Heritage	869	883	930	1,019	961	939	951	890	837
Department of Health and Office of Population Censuses and Surveys ⁽⁷⁾	24,605	25,651	27,491	29,129	29,816	31,143	31,294	30,821	30,907
Department of Social Security ⁽⁴⁾⁽⁷⁾	56,590	55,725	59,014	63,664	67,889	69,451	69,124	70,350	71,750
Scotland ⁽⁵⁾⁽⁷⁾	11,008	11,067	12,535	13,102	13,559	13,956	13,684	13,504	13,307
Wales ⁽⁵⁾⁽⁷⁾	4,676	5,059	5,690	6,175	6,305	6,456	6,436	6,365	6,276
Northern Ireland	6,638	6,293	6,449	6,781	7,086	7,345	7,322	7,288	7,261
Chancellor of the Exchequer's Departments	3,878	3,809	3,635	3,534	3,351	3,273	3,060	2,951	2,849
Cabinet Office—Office of Public Service and Science	1,098	1,112	1,119	1,142	1,241	1,287	1,271	1,257	1,256
Cabinet Office—other services, Privy Council Office and Parliament	337	357	389	1,157	1,233	1,161	1,067	1,051	1,049
Local authority self-financed expenditure	19,109	17,410	12,024	10,012	9,931	11,600	11,100	11,100	11,000
European Communities	2,849	2,309	757	1,956	1,873	2,003	2,679	2,561	2,391
Reserve							2,800	5,300	7,900
Allowance for shortfall ⁽⁸⁾						-1,000			
Control Total	215,457	220,417	228,245	238,564	241,867	244,600	242,600	243,500	246,000

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

(2) Cash figures adjusted to 1993-94 price levels by excluding the effect of general inflation.

(3) See footnote (2) to table 2.2.

(4) See footnote (3) to table 2.2.

(5) See footnote (4) to table 2.2.

(6) See footnote (5) to table 2.2.

(7) See footnote (6) to table 2.2.

(8) See paragraph 5 of Appendix A.

Table 2.4 Control total by spending sector, 1984–85 to 1997–98

	£ billion													
	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
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans	plans
Central government expenditure⁽¹⁾⁽²⁾														
Ministry of Defence ⁽³⁾	17.4	18.3	18.4	18.9	19.2	20.8	21.7	22.9	22.9	22.8	22.2	21.7	21.9	22.3
Department of Health and OPCS	13.5	14.2	15.3	16.7	18.4	19.9	22.4	25.5	28.1	29.0	30.8	32.1	33.0	33.9
Department of Social Security	29.2	31.5	33.5	36.0	37.8	40.7	44.8	51.3	56.7	61.6	63.5	65.1	67.2	69.5
Scotland	3.3	3.5	3.6	3.8	4.1	4.5	5.0	6.0	6.5	7.3	7.9	8.1	8.2	8.3
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
Northern Ireland	3.7	3.9	4.1	4.4	5.1	5.3	5.5	6.0	6.5	7.0	7.4	7.6	7.8	8.0
Other departments	19.2	20.0	21.6	21.9	22.8	27.1	30.6	30.5	34.4	37.3	40.9	41.5	41.6	41.5
Total	87.6	92.8	98.0	103.4	109.2	120.3	132.3	144.7	158.1	168.5	176.3	179.8	183.5	187.3
Central government support for local authorities⁽²⁾														
Revenue/Rate Support Grant ⁽⁴⁾	11.3	11.2	11.8	12.6	12.8	13.0	13.1	13.6	21.8	22.3	24.0	23.7	} 37.8	37.7
Non-domestic rate payments ⁽⁵⁾	7.6	8.2	9.1	9.8	10.5	11.3	12.1	14.2	14.1	13.2	12.3	13.1		
Current grants	6.9	7.4	8.2	8.9	8.9	9.7	12.3	19.8	17.3	18.3	19.7	19.4	19.3	20.4
Capital grants	0.9	0.6	0.7	0.7	0.7	0.9	1.1	1.3	1.5	1.8	1.5	1.8	1.8	1.8
Credit approvals ⁽⁶⁾	4.1	3.8	3.6	3.9	3.7	3.4	3.9	4.4	4.6	4.0	4.0	3.6	3.7	3.7
Total	30.8	31.2	33.4	35.8	36.6	38.3	42.5	53.3	59.3	59.7	61.5	61.7	62.7	63.5
Local authority self-financed expenditure	3.8	3.9	4.3	9.2	10.7	15.5	15.3	11.2	9.7	9.9	11.8	11.7	12.0	12.2
Financing requirements of nationalised industries⁽⁷⁾	3.9	1.7	0.3	0.2	-0.5	0.9	3.5	3.8	4.4	3.7	1.0	-0.7	-1.0	-0.3
Reserve Allowance for shortfall ⁽⁸⁾											-1.0	3.0	5.7	8.7
Control Total	126.0	129.6	136.0	148.6	156.1	175.1	193.5	213.0	231.5	241.9	249.5	255.5	262.8	271.5

(1) See footnote (3) to table 2.1.

(2) Comparisons between years up to and including 1992–93 are distorted by the effects of transfers between spending sectors. The main changes reflect the transfer of responsibility for the funding of further education and sixth form colleges from local authorities to central government and the transfer of responsibility for community care from central government to local authorities.

(3) The outturns for the Ministry of Defence are net of other governments' contributions to the cost of the Gulf conflict.

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

(5) For the years before 1990–91 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. For the years before 1990–91 capital allocations less capital grants have been used as a proxy for credit approvals in England and Wales.

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

(8) See paragraph 5 of Appendix A.

Table 2.5 Control Total: voted and other expenditure by spending sector

	£ million								
	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans
Voted in Estimates									
Central government expenditure ⁽¹⁾⁽²⁾	83,207	93,184	103,746	111,203	117,043	123,161	124,650	127,150	129,350
Central government support for local authorities	33,773	37,453	47,728	53,617	55,879	57,575	58,120	59,000	59,900
Financing requirements for nationalised industries	5,347	3,705	2,404	3,278	3,426	1,863	1,473	1,262	1,021
Total voted in Estimates⁽¹⁾	122,327	134,342	153,878	168,097	176,349	182,599	184,243	187,450	190,250
Other									
Central government expenditure ⁽¹⁾	37,122	39,102	40,964	46,920	51,449	53,118	55,130	56,350	57,950
Central government support for local authorities ⁽²⁾⁽³⁾	4,569	5,045	5,559	5,662	3,851	3,885	3,554	3,684	3,661
Local authority self-financed expenditure	15,533	15,285	11,221	9,714	9,931	11,800	11,700	12,000	12,200
Financing requirements for nationalised industries	-4,416	-253	1,366	1,087	287	-895	-2,136	-2,242	-1,309
Total other⁽¹⁾	52,807	59,179	59,109	63,384	65,518	67,900	68,300	69,700	72,500
Reserve							3,000	5,700	8,700
Allowance for shortfall ⁽³⁾						-1,000			
Control Total	175,134	193,521	212,987	231,481	241,867	249,500	255,500	262,800	271,500

(1) From 1 April 1990 industrial injury benefits have been voted in Estimates; prior to that they were paid from the National Insurance Fund.

(2) Excluding cyclical social security.

(3) See paragraph 5 of Appendix A.

Table 2.6 Control Total: voted and other expenditure by department⁽¹⁾ and spending sector, 1995-96

	£ million								
	Central government expenditure		Central government support for local authorities		Financing requirements of nationalised industries		Control total		Total
	Voted in Estimates	Other (non-voted)	Voted in Estimates	Other (non-voted)	Voted in Estimates	Other (non-voted)	Voted in Estimates	Other (non-voted)	
Ministry of Defence	21,723						21,723		21,723
Foreign and Commonwealth Office	1,156	2					1,156	2	1,158
Overseas Development Agency	1,884	479					1,884	479	2,363
Ministry of Agriculture, Fisheries and Food	2,966	185	45	-170			3,011	15	3,026
Trade and Industry	1,353	-19	19		380	-354	1,752	-373	1,379
ECGD	-16						-16		-16
Department of Employment	3,079	186	202	1			3,281	187	3,468
Department of Transport	4,055		418	628	1,027	-1,742	5,501	-1,114	4,387
DOE - Housing and construction	2,358	-13	3,649	900			6,008	887	6,895
DOE - Other environmental services	1,093	-108	783	167	48		1,924	58	1,983
DOE - PH, PSA, etc	70	-276					70	-276	-206
DOE - Local government	158	75	30,012	62			30,170	137	30,307
Home Office (including Charity Commission)	2,547	1	3,725	142			6,272	143	6,415
Lord Chancellor's and Law Officers' Departments	2,394	68	319	15			2,712	84	2,796
Department for Education	8,361	-56	2,250	395			10,610	339	10,949
Department of National Heritage	1,001						1,001		1,001
Department of Health and Office of Population Censuses and Surveys	32,050	4	760	144			32,809	148	32,957
Department of Social Security	24,113	41,003	7,682				31,795	41,003	72,798
Scotland	8,131	-71	5,519	856	19	-41	13,668	743	14,412
Wales	3,693		2,735	350			6,428	350	6,778
Northern Ireland	889	6,760		63			889	6,823	7,711
Chancellor of the Exchequer's Departments	3,123	100					3,123	100	3,223
Cabinet Office - Office of Public Service and Science	1,339						1,339		1,339
Cabinet Office - other services, Privy Council Office and Parliament	1,123						1,123		1,123
European Communities	-3,991	6,813					-3,991	6,813	2,821
Reserve								3,000	3,000
Local authority self-financed expenditure								11,700	11,700
Control Total	124,650	55,130	58,120	3,554	1,473	-2,136	184,243	71,300	255,500

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

3. Central government expenditure and running costs

Introduction

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

3.2 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.

3.3 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 financing leases—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

3.4 **Table 3.1** gives a departmental breakdown of central government expenditure for the period 1989–90 to 1997–98. 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 3.2** and **3.3** give figures for central government expenditure, by department, for the years 1978–79, 1980–81 to 1997–98 in cash and real terms respectively.

Central government expenditure by function

3.5 **Table 3.4** 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

3.6 **Table 3.5** shows central government expenditure by economic category. Figures are presented separately for central government's own expenditure and for public corporations (excluding nationalised industries). 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 3.6** shows central government current, capital and other spending by department.

Running Costs

3.7 Since 1986–87, departments' current expenditure on staff, goods and other services used in their own administration has been defined as running costs. These 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, net running costs control may be agreed as set out in "The Financing and Accountability of Next Steps Agencies" (Cm 914). Where robust efficiency controls exist, the Treasury is prepared to enter bilateral agreements with departments or agencies subject to gross running costs control, allowing flexibility to cope with higher workloads.

3.8 As part of the annual Public Expenditure Survey, departments are required to plan for efficiency improvements to offset, or more than offset, pay and price increases.

3.9 **Table 3.7** compares the individual 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.

3.10 The aggregate figures for gross expenditure in the table differ from those announced in the Financial Statement and Budget Report. Delays in finalising the terms of a number of privatisations and contractisations, most notably that of the Social Security Information Technology Services Agency, have resulted in some departments needing to increase provision for gross expenditure, although this will be fully offset by additional receipts.

3.11 Because **Table 3.7** includes the gross running costs of areas controlled net, the figures in this table do not correspond directly to the figures which will be translated into control limits when the Main Estimates are presented to Parliament. The individual departmental reports do, however, identify the gross and net running costs provisions which will relate to the control limits to be published in the Main Estimates.

3.12 Changes in coverage since last year's Supplement are reflected in all years. In particular, the Ministry of Defence's running cost regime has been replaced by a much broader net Defence Operating Costs limit covering all expenditure and receipts in front-line and support area budgets. Controls analogous to those of the running costs regime will continue to apply to Defence Operating Costs.

3.13 From 1 April 1995, twenty seven bodies, mainly Executive Agencies will be subject to net running costs control. The NHS Estates Agency and the Government Actuary's Department will operate under net control from that date, whilst the Accounts Services Agency (Department of Trade and Industry) will be strategically contracted out through competitive tender and PSA Services will move to gross control.. The gross costs of the areas controlled net are included in **Table 3.7** and details are given in the individual departmental reports.

3.14 Departments' paybill outturns are published in the departmental reports together with the related staff numbers. From 1 April 1995, agencies employing sixty per cent of civil servants will have responsibility for negotiating pay and grading arrangements appropriate for their own staff.

Civil Service staffing

3.15 **Table 3.8** provides a summary of Civil Service staffing for 1978–79 and 1989–90 to 1994–95, with plans for the period 1995–96 to 1997–98, although formal departmental staffing limits have not been set since 1 April 1988. The figures comprise all permanent staff but exclude temporary and casual staff.

3.16 Between 1993–94 and 1994–95, Civil Service staffing was reduced by 4 per cent (21,000) to 527,000. This results mainly from reductions at the Ministry of Defence, following the Options for Change Review, in the Inland Revenue due to continued implementation of the department's change programme, the privatisation of the Building Management Businesses and rundown of residual activities of PSA Services, and falling unemployment requiring fewer staff at the Department of Employment. Staff numbers have risen at the Department of Social Security to implement the Child Support Agency's recovery plan and increased attention to accuracy at the Benefits Agency.

3.17 Since 1978–79, Civil Service staffing has fallen by 207,000, a reduction of 28 per cent.

3.18 Departments' plans for future years imply further reductions over the Survey period, to 477,000 by 1997–98. This is consistent with the expectation announced in the Civil Service White Paper (Cm 2627), that staffing would fall significantly below 500,000 over the next few years.

3.19 Historically, outturn has been lower than original plans by an average of 3 per cent. Figures for 1994–95 continue this pattern. The plans for future years are consistently inflated compared with the staff in post outturn because departments' plans generally do not recognise that, in practice, they tend to operate at less than full complement.

3.20 In addition, the Government has announced that all Agencies and Agency candidates will be subject to prior option reviews during which abolition, privatisation and contracting out will be amongst the options considered. The staffing plans announced here do not anticipate the results of these reviews or of the future Competing for Quality programme. Together, these initiatives are likely to reduce Civil Service numbers further still.

3.21 Figures on public sector staffing were published in Economic Trends (No. 495—January 1995).

Trading Funds

3.22 Twelve Executive Agencies—HMSO, the Royal Mint, the Central Office of Information, the Vehicle Inspectorate, the Buying Agency, Companies House, the Land Registry, the Patent Office, the Fire Service College, the Defence Research Agency, the Medicines Control Agency and Chessington Computer Centre, are trading funds which are not covered by running costs controls. These agencies are covered in the text on Public Corporations (see **paragraphs 3.23 to 3.24**).

Public corporations

3.23 The Control Total also includes the financing requirements of those public corporations and trading funds which are accountable to central government. 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 considered appropriate, while investment programmes may also need to be partly financed by borrowing. The Control Total therefore generally includes the requirements of these bodies external finance, rather than their expenditure.

3.24 Almost all public corporations have external finance treatment within the public expenditure Control Total. However, there are a few exceptions where, for a variety of reasons, other treatments apply. The Control Total includes subsidies to, and the capital expenditure of, the New Town Development Corporations and the Commission for New Towns. **Table 3.9** shows the contribution to the Control Total for individual public corporations and trading funds.

3. Central government expenditure and running costs

Table 3.1 Central government expenditure within the control total ⁽¹⁾ by department⁽²⁾

	£ million								
	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Ministry of Defence ⁽³⁾	20,777	21,709	22,913	22,910	22,757	22,173	21,723	21,924	22,317
Foreign and Commonwealth Office	898	968	1,132	1,278	1,276	1,386	1,158	1,160	1,183
Overseas Development Administration	1,688	1,738	1,993	2,143	2,231	2,366	2,363	2,419	2,478
Ministry of Agriculture, Fisheries and Food	1,505	2,219	2,252	2,329	3,030	2,761	3,150	3,129	3,086
Trade and Industry	1,597	1,602	1,437	1,376	1,276	1,386	1,333	1,274	1,264
ECGD	358	372	215	117	-60	-11	-16	11	6
Department of Employment	3,218	3,251	3,040	3,048	3,152	3,430	3,265	3,382	3,371
Department of Transport	1,929	2,327	2,420	2,583	2,673	4,466	4,055	3,961	3,915
DOE—Housing and construction	1,680	2,716	3,066	3,598	2,935	2,669	2,345	2,258	2,261
DOE—Other environmental services	604	921	885	1,083	1,021	1,099	985	919	943
DOE—PH, PSA, etc	-56	-31	-86	-198	-93	-131	-206	-221	-241
DOE—Local government	14	53	187	239	235	247	233	223	222
Home Office (including Charity Commission)	1,742	2,111	2,348	2,471	2,401	2,526	2,548	2,464	2,518
Lord Chancellor's and Law Officers' Departments	1,173	1,377	1,714	2,036	2,121	2,262	2,462	2,533	2,538
Department for Education ⁽⁵⁾	3,469	3,601	3,548	3,749	6,474	7,613	8,304	8,649	8,718
Department of National Heritage	667	736	829	959	951	957	1,001	961	924
Department of Health and Office of Population Censuses and Surveys ⁽⁵⁾	19,910	22,405	25,490	28,054	29,030	30,790	32,054	33,019	33,862
Department of Social Security ⁽⁴⁾⁽⁵⁾	40,732	44,809	51,276	56,694	61,601	63,507	65,116	67,200	69,450
Scotland ⁽⁵⁾	4,486	5,017	6,011	6,533	7,325	7,856	8,059	8,184	8,287
Wales ⁽⁵⁾	1,961	2,246	2,567	3,042	3,439	3,617	3,693	3,801	3,917
Northern Ireland ⁽⁴⁾	5,346	5,478	5,965	6,522	7,020	7,432	7,648	7,805	7,951
Chancellor of the Exchequer's Departments	3,152	3,344	3,392	3,429	3,351	3,338	3,223	3,185	3,144
Cabinet Office, Office of Public Service and Science	892	977	1,044	1,108	1,241	1,313	1,339	1,357	1,386
Cabinet Office—other services, Privy Council Office and Parliament	274	313	363	1,123	1,233	1,184	1,123	1,134	1,158
European Communities	2,316	2,027	707	1,898	1,873	2,043	2,821	2,765	2,639
Total central government expenditure⁽⁴⁾⁽⁵⁾	120,328	132,286	144,709	158,122	168,492	176,279	179,780	183,500	187,300
Of which:									
Central government's own expenditure ⁽⁴⁾⁽⁵⁾	119,482	131,106	143,505	156,506	166,776	174,157	177,772	181,600	185,500
Public corporations (excluding nationalised industries)	846	1,181	1,204	1,616	1,717	2,122	2,008	1,870	1,798

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) The outturns for the Ministry of Defence in 1990-91 and 1991-92 are net of other governments' contributions to the cost of the Gulf conflict.

(4) Excludes cyclical social security.

(5) See footnote (6) to table 2.2.

Table 3.2 Central government expenditure within the Control Total by department,⁽¹⁾ 1978–79, 1980–81 to 1997–98

£ billion

	1978–79	1980–81	1981–82	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
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Ministry of Defence ⁽²⁾	7.6	11.5	12.8	14.6	15.7	17.4	18.3	18.4	18.9	19.2	20.8	21.7	22.9	22.9	22.8	22.2	21.7	21.9	22.3
Foreign Office	0.3	0.4	0.4	0.5	0.6	0.6	0.6	0.7	0.7	0.8	0.9	1.0	1.1	1.3	1.3	1.4	1.2	1.2	1.2
Overseas Development Administration	0.8	1.0	1.0	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	2.4	2.4	2.5
Ministry of Agriculture, Fisheries and Food	0.6	1.1	1.1	1.5	1.8	1.8	2.2	1.5	1.8	1.5	1.5	2.2	2.3	2.3	3.0	2.8	3.2	3.1	3.1
Trade and Industry	1.1	1.5	2.0	1.9	1.7	1.7	1.9	2.8	1.5	2.2	1.6	1.6	1.4	1.4	1.3	1.4	1.3	1.3	1.3
ECGD	0.4	-0.2	0.1	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 Employment	0.9	1.8	2.1	2.2	2.7	2.9	3.0	3.4	3.5	3.4	3.2	3.3	3.0	3.0	3.2	3.4	3.3	3.4	3.4
Department of Transport	0.5	0.8	0.9	1.1	1.1	1.3	1.2	1.3	1.4	1.4	1.9	2.3	2.4	2.6	2.7	4.5	4.1	4.0	3.9
DOE – Housing	1.6	2.3	1.8	1.6	1.2	1.3	1.3	1.4	1.4	1.4	1.7	2.7	3.1	3.6	2.9	2.7	2.3	2.3	2.3
DOE – Other environmental services	0.8	1.0	1.0	1.0	0.5	0.6	0.5	0.5	0.4	0.3	0.6	0.9	0.9	1.1	1.0	1.1	1.0	0.9	0.9
DOE – PH, PSA, etc										-0.1	-0.1		-0.1	-0.2	-0.1	-0.1	-0.2	-0.2	-0.2
DOE – Local government												0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Home Office (including Charity Commission)	0.4	0.7	0.8	0.8	1.0	1.1	1.1	1.2	1.4	1.5	1.7	2.1	2.3	2.5	2.4	2.5	2.5	2.5	2.5
Lord Chancellor's and Law Officers' Departments	0.2	0.3	0.4	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	2.5	2.5	2.5
Department for Education ⁽³⁾	0.8	1.2	1.3	1.5	1.6	1.7	1.8	1.8	2.0	2.2	3.5	3.6	3.5	3.7	6.5	7.6	8.3	8.6	8.7
Department of National Heritage	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4	0.6	0.6	0.7	0.7	0.8	1.0	1.0	1.0	1.0	1.0	0.9
Department of Health and Office of Population Censuses and Surveys ⁽³⁾	6.3	9.7	10.9	11.9	12.6	13.5	14.2	15.3	16.7	18.4	19.9	22.4	25.5	28.1	29.0	30.8	32.1	33.0	33.9
Department of Social Security ⁽³⁾⁽⁴⁾	16.3	23.2	28.1	31.6	33.2	35.9	38.9	41.9	43.8	44.7	47.1	52.3	61.8	69.5	75.4	77.1	78.6	80.6	83.3
Scotland ⁽³⁾	1.9	2.7	3.0	3.2	3.1	3.3	3.5	3.6	3.8	4.1	4.5	5.0	6.0	6.5	7.3	7.9	8.1	8.2	8.3
Wales ⁽³⁾	0.7	1.1	1.2	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
Northern Ireland ⁽⁴⁾	2.1	2.9	3.2	3.5	3.7	4.0	4.3	4.5	4.8	5.4	5.7	5.9	6.4	7.0	7.5	8.0	8.2	8.4	8.6
Chancellor of the Exchequer's departments	1.2	1.7	1.9	2.1	1.8	1.9	2.0	2.3	2.5	2.7	3.2	3.3	3.4	3.4	3.4	3.3	3.2	3.2	3.1
Cabinet Office, OPSS	0.3	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.8	0.9	1.0	1.0	1.1	1.2	1.3	1.3	1.4	1.4
Cabinet Office, other		0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.4	1.1	1.2	1.2	1.1	1.1	1.2
European Communities	0.8	0.2	0.1	0.6	0.8	1.0	0.8	1.1	1.7	1.0	2.3	2.0	0.7	1.9	1.9	2.0	2.8	2.8	2.6
Total central government expenditure⁽⁴⁾	45.9	65.6	75.0	83.5	87.3	94.5	100.6	106.7	111.5	116.4	127.0	140.1	155.6	171.4	182.8	190.4	193.8	197.5	201.7

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

(2) The outturns for the Ministry of Defence for 1990–91 and 1991–92 are net of other government's contributions to the cost of the Gulf conflict.

(3) See footnote (6) to table 2.2.

(4) Includes cyclical social security, cyclical social security for 1989–90 to 1997–98 is:

£6.7 £7.8 £10.9 £13.3 £14.3 £14.2 £14.0 £14.0 £14.4 billion

Table 3.3 Central government expenditure within the Control Total by department⁽¹⁾ in real terms⁽²⁾, 1978–79, 1980–81 to 1997–98

	£ billion																		
	1978–79 outturn	1980–81 outturn	1981–82 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 estimated	1996–97 plans	1997–98 plans
Ministry of Defence ⁽³⁾	21.8	23.8	24.2	25.8	26.6	28.0	27.8	27.2	26.6	25.3	25.6	24.7	24.6	23.6	22.8	21.7	20.6	20.3	20.2
Foreign Office	0.9	0.8	0.8	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.2	1.3	1.3	1.4	1.1	1.1	1.1
Overseas Development Administration	2.2	2.0	2.0	1.8	1.9	2.0	1.9	1.9	1.8	2.0	2.1	2.0	2.1	2.2	2.2	2.3	2.2	2.2	2.2
Ministry of Agriculture, Fisheries and Food	1.8	2.2	2.0	2.7	3.0	2.9	3.4	2.3	2.5	2.0	1.9	2.5	2.4	2.4	3.0	2.7	3.0	2.9	2.8
Trade and Industry	3.2	3.1	3.7	3.4	2.8	2.7	3.0	4.1	2.1	2.9	2.0	1.8	1.5	1.4	1.3	1.4	1.3	1.2	1.1
ECGD	1.0	-0.3	0.2	0.6	0.4	0.9	0.5	0.4	0.2	0.2	0.4	0.4	0.2	0.1	-0.1				
Department of Employment	2.7	3.7	3.9	3.9	4.5	4.6	4.6	5.1	4.9	4.5	4.0	3.7	3.3	3.1	3.2	3.4	3.1	3.1	3.1
Department of Transport	1.5	1.7	1.8	2.0	1.9	2.0	1.9	1.9	2.0	1.9	2.4	2.7	2.6	2.7	2.7	4.4	3.9	3.7	3.5
DOE – Housing	4.7	4.8	3.4	2.8	2.1	2.1	2.0	2.0	1.9	1.8	2.1	3.1	3.3	3.7	2.9	2.6	2.2	2.1	2.0
DOE – Other environmental services	2.4	2.0	1.9	1.7	0.8	1.0	0.8	0.7	0.5	0.4	0.7	1.0	0.9	1.1	1.0	1.1	0.9	0.9	0.9
DOE – Local government												0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
DOE – PH, PSA, etc	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-0.2	-0.2	-0.2
Home Office (including Charity Commission)	1.2	1.4	1.4	1.5	1.7	1.7	1.7	1.8	1.9	2.0	2.1	2.4	2.5	2.5	2.4	2.5	2.4	2.3	2.3
Lord Chancellor's and Law Officers' Departments	0.6	0.7	0.7	0.7	0.8	0.9	0.9	1.0	1.2	1.3	1.4	1.6	1.8	2.1	2.1	2.2	2.3	2.3	2.3
Department for Education ⁽⁴⁾	2.4	2.6	2.5	2.7	2.7	2.7	2.7	2.7	2.9	3.0	4.3	4.1	3.8	3.9	6.5	7.5	7.9	8.0	7.9
Department of National Heritage	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.8	0.8	0.8	0.8	0.9	1.0	1.0	0.9	1.0	0.9	0.8
Department of Health and Office of Population Censuses and Surveys ⁽⁴⁾	18.1	20.2	20.7	20.9	21.2	21.6	21.7	22.6	23.5	24.2	24.5	25.5	27.3	28.9	29.0	30.2	30.4	30.6	30.7
Department of Social Security ⁽⁴⁾⁽⁵⁾	46.6	48.1	53.2	55.8	56.1	57.7	59.3	62.0	61.4	58.8	57.9	59.5	66.2	71.6	75.4	75.6	74.6	74.7	75.4
Scotland ⁽⁴⁾	5.4	5.7	5.7	5.6	5.2	5.3	5.3	5.4	5.3	5.4	5.5	5.7	6.4	6.7	7.3	7.7	7.7	7.6	7.5
Wales ⁽⁴⁾	2.1	2.2	2.2	2.2	2.2	2.1	2.1	2.2	2.3	2.4	2.4	2.6	2.8	3.1	3.4	3.5	3.5	3.5	3.5
Northern Ireland ⁽⁵⁾	6.1	5.9	6.0	6.1	6.3	6.5	6.5	6.6	6.7	7.1	7.0	6.7	6.9	7.2	7.5	7.8	7.8	7.8	7.8
Chancellor of the Exchequer's departments	3.4	3.6	3.6	3.6	3.0	3.0	3.1	3.4	3.5	3.5	3.9	3.8	3.6	3.5	3.4	3.3	3.1	3.0	2.8
Cabinet Office, OPSS	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.2	1.3	1.3	1.3	1.3
Cabinet Office, other	0.1	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.3	0.3	0.3	0.4	0.4	1.2	1.2	1.2	1.1	1.1	1.0
European Communities	2.2	0.3	0.2	1.0	1.4	1.6	1.2	1.6	2.3	1.3	2.8	2.3	0.8	2.0	1.9	2.0	2.7	2.6	2.4
Total central government expenditure⁽⁵⁾	131.6	136.1	141.9	147.5	147.3	151.8	153.3	157.8	156.6	153.2	156.3	159.6	166.8	176.7	182.8	186.7	184.0	182.9	182.8

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

(2) Cash figures adjusted to price levels of 1993–94 by excluding the effect of general inflation.

(3) The outturns for the Ministry of Defence in 1990–91 to 1991–92 are net of other government's contributions to the cost of the Gulf conflict.

(4) See footnote (6) to table 2.2.

(5) Includes cyclical social security, cyclical social security for 1989–90 to 1997–98 is:

£8.3 £8.9 £11.7 £13.7 £14.3 £13.9 £13.3 £13.0 £13.1 billion

Table 3.4 Central government expenditure⁽¹⁾ within the Control Total by function

	£ million								
	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans
Defence									
Defence budget	20,777	22,207	24,438	22,910	22,757	22,173	21,723	21,924	22,317
Other governments' contributions to the cost of the Gulf conflict		-498	-1,525						
Total defence	20,777	21,709	22,913	22,910	22,757	22,173	21,723	21,924	22,317
Overseas services, including overseas aid									
Overseas aid ⁽²⁾	1,569	1,638	1,870	2,028	2,126	2,226	2,246	2,296	2,348
Other overseas services	1,013	1,067	1,256	1,393	1,381	1,526	1,275	1,282	1,312
Total overseas services, including overseas aid	2,583	2,705	3,125	3,421	3,507	3,752	3,521	3,579	3,661
Agriculture, fisheries, food and forestry									
Intervention Board and EC expenditure	1,023	1,632	1,647	1,706	2,619	2,435	2,898	2,923	2,900
Programmes to protect the public	120	219	254	294	322	288	281	278	278
Protection and enhancement of the rural and marine environment	117	109	173	179	142	175	183	179	176
Improving the economic performance of the agriculture, fishing and food industries	167	206	218	246	211	252	232	234	226
ERDF			1	1	1	2			
Programmes to protect farm animals	4	2	5	5	8	7	4	4	4
Programmes to make best use of internal resources	13	14	10	9	16	12	14	14	4
Operational costs of Executive Agencies							7	7	7
Research and Development	122	130	176	193	200	212	216	214	217
Forestry	65	79	92	104	97	90	75	73	73
Civil Defence	11	9	-3	-15	-21	-21			
Administration costs	198	216	248	268	301	323	319	319	321
Executive Agencies	94	102	53	25	21	12	20	5	4
Other	106	110	115	114	95	107	107	106	105
Total agriculture, fisheries, food and forestry	2,040	2,828	2,989	3,129	4,011	3,894	4,356	4,356	4,316
Trade, industry, energy and employment									
Regional and general industrial support	780	700	661	588	663	689	724	746	803
Scientific and technological assistance	474	521	525	567	518	503	494	480	490
Support for aerospace, shipbuilding, coal, steel and vehicle manufacture	703	385	215	177	76	100	32	-40	-78
Trade and technological support	520	575	422	321	128	190	182	212	214
Energy	-45	-73	-92	-55					
Employment	562	625	855	1,205	1,127	1,294	1,384	1,406	1,387
Training	2,287	2,162	1,968	1,750	1,911	2,095	1,943	2,089	2,123
Departmental administration and other services	874	1,039	1,102	1,082	1,093	1,125	1,013	958	912
Total trade, industry, energy and employment	6,154	5,934	5,656	5,635	5,517	5,997	5,772	5,851	5,851
Transport									
National road systems									
<i>Current</i>	252	288	324	381	399	395	406	396	393
<i>Capital</i>	1,522	2,030	2,057	2,189	2,294	2,309	1,977	1,937	1,900
Local transport	10	10	12	10	9	12	15	12	12
Marine, coastguard, shipping and civil aviation services	69	77	82	88	119	93	93	90	89
Driver and vehicle licensing	131	147	156	179	163	177	171	175	175
National rail services					4	1,755	1,666	1,664	1,664
Other transport services	403	320	343	351	328	367	325	298	296
Total transport	2,388	2,872	2,974	3,197	3,317	5,108	4,654	4,572	4,528

3. Central government expenditure and running costs

Table 3.4 Central government expenditure⁽¹⁾ within the Control Total by function (continued)

	£ million								
	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Housing									
Subsidies to local authority housing	1,015	1,845	1,709	1,535	1,342	1,304	1,285	1,222	1,221
Other general subsidies	55	71	108	140	154	200	198	204	205
New Towns	-392	-278	-328	-153	-188	-124	-125	-185	-190
Housing Action Trusts									
Administration	70	87	133	151	164	207	215	214	211
Other capital	1,113	1,359	1,860	2,562	2,007	1,669	1,326	1,318	1,329
Total housing	1,861	3,085	3,481	4,234	3,478	3,256	2,899	2,772	2,776
Other environmental services									
Environmental protection	96	103	103	112	118	130	144	142	101
Countryside and water	177	212	202	230	220	252	262	242	241
Urban	327	347	292	303	393	455	392	389	424
Other public corporations	504	658	774	728	624	588	531	506	505
Other	372	426	491	564	570	596	564	574	614
Total other environmental services	1,475	1,746	1,863	1,937	1,925	2,020	1,891	1,853	1,884
Law, order and protective services									
Administration of justice	1,203	1,436	1,823	2,155	2,294	2,408	2,624	2,693	2,704
The penal system	1,461	1,734	1,900	1,942	1,876	1,978	2,013	1,940	1,994
Police	521	611	667	740	782	790	785	801	803
Immigration and citizenship	133	154	176	210	246	238	254	254	258
Fire	46	49	52	52	53	51	55	58	58
Civil defence	63	64	51	41	23	27	27	24	22
Community services	27	35	37	37	46	49	44	46	46
Central and miscellaneous services	381	416	492	586	575	607	528	505	493
Total law, order and protective services	3,835	4,498	5,199	5,763	5,894	6,149	6,330	6,321	6,378
Education									
Schools									
<i>Current</i>	592	659	756	832	908	1,027	1,017	1,079	1,117
<i>Capital</i>	123	173	169	193	246	259	261	266	267
Further education									
<i>Current</i>	88	105	111	135	2,974	3,158	3,358	3,451	3,442
<i>Capital</i>	8	8	6	9	199	212	209	215	214
Higher education									
<i>Current</i>	3,054	3,033	2,751	2,879	3,126	3,901	4,140	4,088	4,063
<i>Capital</i>	300	317	408	403	404	410	434	475	464
Student awards and fees	195	262	400	479	522	460	434	430	435
Student Loans and Access Funds		63	152	212	324	569	792	981	1,077
Miscellaneous educational services, research and administration	294	339	386	433	476	535	706	783	779
Total education⁽³⁾	4,654	4,959	5,139	5,574	9,179	10,532	11,351	11,768	11,858

Table 3.4 Central government expenditure⁽¹⁾ within the Control Total by function (continued)

£ million

	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans
National heritage⁽⁷⁾									
Museums and galleries	196	224	244	257	260	272	273	270	
Other arts and heritage	308	339	394	439	434	447	475	469	
Libraries	127	145	165	172	159	179	192	143	
Films	16	17	20	22	24	26	26	31	
Tourism	47	43	44	46	46	44	45	46	
Sport and recreation	46	49	53	56	61	61	61	61	
Broadcasting	1	1	2	57	61	68	71	77	
Administration	6	7	7	16	22	19	21	21	
Total national heritage	747	826	929	1,066	1,067	1,117	1,164	1,118	1,079
Health and personal social services⁽³⁾									
Health									
National Health Service hospitals, community health, family health (cash limited) and related services	18,857	21,163	24,098	26,466	27,661	29,366	29,246	30,006	30,712
Family health (non-cash limited)	5,017	5,572	6,202	6,683	6,711	6,704	8,235	8,607	9,029
National Health Service Trusts			-24	222	313	618	706	647	536
Central health and other services	856	972	1,149	1,281	1,150	1,200	1,227	1,329	1,348
Total health	24,729	27,706	31,424	34,652	35,835	37,886	39,414	40,588	41,625
Personal social services	155	177	215	236	304	393	462	457	457
Total health and personal social services	24,884	27,883	31,639	34,888	36,138	38,280	39,876	41,045	42,082
Social security⁽⁴⁾⁽³⁾									
Pension benefits (contributory)	21,265	23,309	26,220	27,413	28,906	29,527	30,568	32,100	33,750
Widows' benefits	884	921	1,045	1,026	1,075	1,081	1,057	1,100	1,150
Unemployment, incapacity and other benefits	5,203	5,824	6,722	7,550	8,479	8,804	8,432	7,750	7,550
Industrial injury benefits	549	602	674	689	708	736	742	750	750
Family benefits (contributory)	329	362	392	448	471	495	519	550	550
Pension benefits (non-contributory)	47	48	49	53	54	54	56	50	50
War pensions	641	815	961	1,152	1,281	1,202	1,247	1,300	1,300
Disability benefits	2,560	3,040	3,834	4,873	6,126	6,893	7,458	8,150	8,800
Income Support	2,102	2,376	2,819	3,860	4,086	4,028	4,003	4,000	4,050
Social Fund	130	155	210	212	228	236	226	250	250
Family benefits (non-contributory)	5,371	5,528	6,302	7,148	7,826	8,200	8,641	9,150	9,500
Housing benefits	223	218	238	259	287	302	317	350	350
Administration and miscellaneous services	2,750	3,065	3,461	3,895	4,167	4,212	4,220	4,200	4,000
Total social security	42,054	46,264	52,926	58,577	63,694	65,769	67,486	69,650	72,050
Miscellaneous expenditure⁽⁵⁾									
Other public services	4,352	4,726	5,106	5,965	6,175	6,182	6,030	6,007	6,017
Common services	209	222	64	-74	-40	7	-93	-104	-126
Contributions to European Communities ⁽⁶⁾	2,316	2,027	707	1,898	1,873	2,043	2,821	2,765	2,639
Total miscellaneous expenditure⁽⁵⁾	6,876	6,976	5,877	7,790	8,008	8,232	8,758	8,668	8,530
Total central government expenditure⁽³⁾⁽⁴⁾	120,328	132,286	144,709	158,122	168,492	176,279	179,780	183,500	187,300

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

(2) In addition to aid 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) 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 the funding of further education colleges and sixth form colleges from local authorities to the new Further Education Funding Councils and the Scottish Office and the transfer of responsibility for funding Scottish and Welsh Universities from the Department of Education to the Scottish and Welsh Higher Education Funding Councils, and the transfer of responsibility for community care from central government to local authorities.

(4) Excludes cyclical social security.

(5) "Miscellaneous 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.

(7) Functional split not available for 1997-98.

3. Central government expenditure and running costs

Table 3.5 Central government expenditure⁽¹⁾ within the Control Total by economic category

	£ million									
	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	
	outturn	outturn	outturn	outturn	outturn	estimated	plans	plans	plans	
						outturn				
Central government's own expenditure										
Pay	30,099	33,098	34,875	35,379	31,848	}	80,066	81,946	83,154	84,650
Other current expenditure on goods and services	28,044	30,829	36,782	39,745	45,692					
Subsidies	2,814	3,745	3,617	3,517	4,070		5,989	6,242	6,220	6,162
Current grants to the private sector ⁽³⁾	45,401	49,668	55,811	61,573	69,561		72,804	74,780	77,050	79,550
Current transfers abroad ⁽²⁾	4,697	3,959	1,927	4,958	5,080		5,056	6,106	6,187	6,183
Net capital expenditure on assets	5,413	6,830	6,970	7,046	6,352		5,662	4,569	4,690	4,498
Capital grants	2,282	2,895	3,369	3,830	3,678		3,437	3,178	3,239	3,291
Lending and other financial transactions	732	81	154	457	494		1,144	951	1,093	1,146
Total central government's own expenditure	119,482	131,106	143,505	156,506	166,776		174,157	177,772	181,600	185,500
Public corporations (excluding nationalised industries)⁽⁴⁾⁽⁵⁾										
(a) External finance										
Subsidies	274	294	386	422	465		465	445	467	483
Capital grants	854	1,045	1,215	1,282	1,011		1,137	962	913	947
Lending and other financial transactions	49	52	-126	20	426		641	730	678	558
(b) Expenditure										
Subsidies	118	108	86	54	52		44	57	46	
Net capital expenditure on assets	-445	-315	-352	-159	-234		-162	-183	-230	-190
Lending and other financial transactions	-3	-3	-4	-3	-4		-3	-3	-4	
Total public corporations (excluding nationalised industries)	846	1,181	1,204	1,616	1,717		2,122	2,008	1,870	1,798
Total central government expenditure	120,328	132,286	144,709	158,122	168,492		176,279	179,780	183,500	187,300

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

(2) The outturns for current transfer abroad for 1990-91 and 1991-92 are net of other governments' contributions to the cost of the Gulf conflict.

(3) Excludes cyclical social security.

(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 central government's own expenditure.

Table 3.6 Central government's own capital and current expenditure⁽¹⁾ by department⁽²⁾

	£ million								
	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Current									
Defence ⁽³⁾	20,222	21,197	22,299	22,262	21,931	21,307	21,570	21,377	21,835
Foreign and Commonwealth Office	830	896	1,018	1,166	1,162	1,279	1,043	1,052	1,074
Overseas Development Administration	1,419	1,527	1,737	1,834	1,953	1,715	2,157	2,212	2,271
Ministry of Agriculture, Fisheries and Food	1,480	1,801	1,929	2,037	2,816	2,761	2,995	2,978	2,937
Trade and Industry	1,184	1,214	1,267	1,266	1,172	1,230	1,208	1,192	1,196
ECGD	356	370	211	116	-61	-11	-16	11	6
Department of Employment	3,167	3,161	2,947	2,955	3,076	3,348	3,148	3,282	3,296
Department of Transport	622	625	683	764	738	2,531	2,411	2,371	2,369
DOE—Housing and construction	703	1,506	1,365	1,253	1,098	1,115	1,109	1,043	1,032
DOE—Other environmental services	490	527	576	583	593	586	510	479	485
DOE—PH, PSA, etc	-136	-169	-240	-283	-195	-211	-235	-251	-271
DOE—Local government	10	53	187	234	234	246	232	222	222
Home Office (including Charity Commission)	1,359	1,616	1,891	2,082	2,049	2,200	2,178	2,207	2,259
Lord Chancellor's and Law Officers' Departments	1,029	1,194	1,528	1,842	1,983	2,090	2,315	2,420	2,447
Department for Education ⁽⁴⁾	3,108	3,158	2,944	3,099	5,556	6,448	6,926	7,053	7,037
Department of National Heritage	557	614	682	742	766	723	745	749	719
Department of Health and Office of Population Censuses and Surveys ⁽⁴⁾	18,682	20,969	24,234	26,683	28,142	29,878	31,282	32,278	33,219
Department of Social Security ⁽⁴⁾⁽⁵⁾	40,400	44,483	50,897	56,309	61,171	63,147	64,846	66,950	69,250
Scotland ⁽⁴⁾	3,554	3,932	4,721	5,203	6,038	6,555	6,660	6,772	6,873
Wales ⁽⁴⁾	1,448	1,653	1,928	2,342	2,739	2,936	3,098	3,197	3,269
Northern Ireland ⁽⁵⁾	4,270	4,714	5,203	5,739	6,214	6,624	6,831	7,027	7,170
Chancellor of the Exchequer's Departments	3,008	3,137	3,072	3,145	3,067	3,136	3,026	2,980	2,952
Cabinet Office, Office of Public Service and Science	709	790	872	962	1,093	1,171	1,183	1,201	1,230
Cabinet Office—other services, Privy Council Office and Parliament	270	306	355	940	1,042	1,067	1,032	1,028	1,029
European Communities	2,316	2,027	707	1,898	1,873	2,043	2,821	2,765	2,639
Total current expenditure⁽⁶⁾	111,054	121,300	133,012	145,172	156,252	163,915	169,074	172,600	176,550

3. Central government expenditure and running costs

Table 3.6 Central government's own capital and current expenditure⁽¹⁾ by department⁽²⁾ (continued)

	£ million								
	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Capital⁽⁶⁾									
Defence ⁽³⁾	555	512	614	649	691	759	110	533	480
Foreign and Commonwealth Office	69	74	115	113	115	108	117	108	108
Overseas Development Administration	2	7	5	3	2	2	3	3	3
Ministry of Agriculture, Fisheries and Food	27	419	324	292	215		156	152	150
Trade and Industry	317	254	143	138	172	208	177	184	207
ECGD	2	2	4		1		1	1	1
Department of Employment	50	90	93	94	75	82	117	100	75
Department of Transport	1,300	1,706	1,737	1,827	1,911	1,924	1,638	1,583	1,539
DOE—Housing and construction	889	1,476	1,946	2,379	1,886	1,581	1,249	1,222	1,237
DOE—Other environmental services	100	103	85	115	144	101	146	191	220
DOE—PH, PSA, etc	80	138	155	85	102	79	29	31	31
DOE—Local government	3	1	1	5		1	1		
Home Office (including Charity Commission)	383	494	457	386	349	325	369	255	258
Lord Chancellor's and Law Officers' Departments	144	183	187	194	174	193	147	114	91
Department for Education ⁽⁴⁾	364	411	492	485	659	694	735	792	789
Department of National Heritage	110	123	147	161	127	168	188	139	137
Department of Health and Office of Population Censuses and Surveys ⁽⁴⁾	1,227	1,436	1,280	1,149	580	322	123	126	127
Department of Social Security ⁽⁴⁾⁽⁵⁾	299	293	333	348	390	317	227	194	133
Scotland ⁽⁴⁾	548	626	697	727	687	630	716	692	683
Wales ⁽⁴⁾	402	481	530	579	568	525	462	486	486
Northern Ireland ⁽⁵⁾	453	480	503	503	524	550	555	524	525
Chancellor of the Exchequer's Departments	147	208	320	284	284	202	197	205	192
Cabinet Office, Office of Public Service and Science	190	193	151	150	151	146	157	158	158
Cabinet Office—other services, Privy Council Office and Parliament	5	8	8	183	191	117	91	106	129
European Communities									
Total capital expenditure⁽⁶⁾	7,665	9,717	10,325	10,849	9,998	9,035	7,710	7,897	7,756

Table 3.6 Central government's own capital and current expenditure⁽¹⁾ by department⁽²⁾ (continued)

	£ million								
	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Other transactions⁽⁶⁾									
Defence ⁽³⁾									
Foreign and Commonwealth Office	-1	-1	-1	-1	-1	-1	-1		
Overseas Development Administration	201	162	210	258	241	621	204	204	204
Ministry of Agriculture, Fisheries and Food	-3	-1	-1	-1					
Trade and Industry	96	90	1	-34	-51	-34	-32	-82	-112
ECGD									
Department of Employment									
Department of Transport	7	-4		-8	23	12	6	6	6
DOE—Housing and construction	19	-322	-289	-46	-59	-27	-13	-7	-7
DOE—Other environmental services	1			6		31	17	12	12
DOE—PH, PSA, etc									
DOE—Local government									
Home Office (including Charity Commission)		1			1	1	1	1	1
Lord Chancellor's and Law Officers' Departments									
Department for Education ⁽⁴⁾	-3	32	112	164	259	471	643	804	892
Department of National Heritage		-1							
Department of Health and Office of Population Censuses and Surveys ⁽⁴⁾									
Department of Social Security ⁽⁴⁾⁽⁵⁾	33	33	47	37	40	43	43	46	45
Scotland ⁽⁴⁾	10	8	18	24	38	76	104	133	141
Wales ⁽⁴⁾	1	-19	-24	-8	-13	-23	-17	-8	-11
Northern Ireland ⁽⁵⁾	403	112	95	92	47	39	34	15	8
Chancellor of the Exchequer's Departments	-3	-1							
Cabinet Office, Office of Public Service and Science									
Cabinet Office—other services, Privy Council Office and Parliament									
European Communities									
Total other transactions expenditure⁽⁶⁾	763	89	168	484	525	1,207	988	1,125	1,178
Total central government expenditure	119,482	131,106	143,505	156,506	166,776	174,157	177,772	181,600	185,500

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) The outturns for the Ministry of Defence in 1990-91 and 1991-92 are net of other governments' contributions to the cost of the Gulf conflict.

(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 community care to local authorities, and the transfer of responsibility for the funding of further education colleges and sixth form colleges from local authorities to the new Further Education Funding Councils and the Scottish Office and the transfer of responsibility for funding Scottish and Welsh Universities from the Department for Education to the Scottish and Welsh Higher Education Funding Councils.

(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 but excludes other accounting adjustments, and other transactions includes lending and other financial transactions.

3. Central government expenditure and running costs

Table 3.7 Gross administrative expenditure by department⁽¹⁾

	£ million								
	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans
FCO-Diplomatic Wing ⁽²⁾	446	457	511	494	476	514	522	530	544
FCO-Overseas Development Administration	52	54	64	66	73	75	75	75	75
Ministry of Agriculture, Fisheries and Food	280	314	347	377	396	414	447	445	445
Intervention Board	22	24	29	30	31	33	32	32	32
Trade and Industry ⁽³⁾									
<i>Department of Trade and Industry</i>	371	407	433	441	442	449	402	350	349
<i>Office of Fair Trading</i>	11	14	16	17	18	18	18	19	19
<i>Office of Telecommunications</i>	4	6	7	7	8	9	9	9	9
<i>Office of Electricity Regulation</i>	1	8	10	10	10	11	11	11	11
<i>Office of Gas Supply</i>	1	2	2	2	3	4	5	5	4
Total Trade and Industry	389	437	468	479	480	491	446	394	392
Department of Employment									
<i>Department of Employment⁽⁴⁾</i>	957	1,020	1,231	1,319	1,397	1,424	1,370	1,346	1,325
<i>Advisory, Conciliation and Arbitration Service</i>	17	18	20	21	22	22	23	22	23
<i>Health and Safety Commission</i>	109	121	143	163	167	176	176	179	179
Total Employment Group	1,083	1,158	1,393	1,503	1,587	1,623	1,569	1,547	1,526
Department of Transport									
<i>Department of Transport</i>	341	381	384	437	408	439	429	377	377
<i>Office of the Rail Regulator</i>					1	6	8	7	7
<i>Office of Passenger Rail Franchising</i>					1	4	5	4	4
Total Department of Transport	341	381	384	437	410	448	442	387	387
Department of Environment:									
<i>Housing and other environmental services</i>	184	194	228	238	246	256	251	251	251
<i>Property Holdings</i>	44	38	61	54	59	54	59	57	58
<i>Office of Water Services</i>	1	5	6	6	8	9	8	8	8
<i>Ordnance Survey</i>	60	63	67	70	74	76	72	73	78
<i>PSA Services</i>	592	668	682	530	273	131	53	28	24
Total Environment	881	969	1,043	899	661	526	443	417	418
Home Office (including Charity Commission)									
<i>Home Office</i>	1,085	1,254	1,441	1,593	1,623	1,729	1,746	1,780	1,826
<i>Charity Commission</i>	10	14	18	21	21	23	22	22	22
Total Home Office (including Charity Commission)	1,095	1,269	1,459	1,614	1,644	1,752	1,768	1,801	1,847

Table 3.7 Gross administrative expenditure by department⁽¹⁾ (continued)

	£ million								
	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Lord Chancellor's and Law Officers' Departments									
<i>Lord Chancellor's Department</i>	257	294	360	406	403	427	438	452	452
<i>Crown Prosecution Service</i>	134	158	180	201	215	224	226	230	229
<i>Northern Ireland Court Service</i>	13	14	15	16	17	18	18	18	19
<i>Serious Fraud Office</i>	6	7	9	11	11	11	10	10	10
<i>Crown Office, Scotland</i>	23	26	29	32	33	34	35	36	37
<i>Public Record Office</i>	16	18	20	23	24	25	27	29	29
<i>Treasury Solicitor's Department and Legal Secretariat to the Law Officers</i>	16	18	23	24	25	27	27	27	27
<i>Land Registry</i>	150	154	180	188					
Total Lord Chancellor's and Law Officers' Departments	614	688	816	900	728	767	782	803	803
Department for Education	77	85	93	102	86	90	86	86	86
OFSTED					31	29	28	28	28
Total Education	77	85	93	102	117	119	114	115	115
Department of National Heritage	18	19	29	30	34	36	38	38	35
Office of the National Lottery						2	2	2	2
Total National Heritage	18	19	29	30	34	38	41	41	37
Department of Health and Office of Population Censuses Surveys									
<i>Department of Health</i>	175	216	240	277	254	262	249	305	294
<i>Office of Population Censuses and Surveys</i>	48	67	121	71	66	70	68	71	72
Total Department of Health and Office of Population Censuses and Surveys	222	283	362	347	320	332	317	376	366
Department of Social Security	1,864	2,142	2,330	2,669	2,835	3,347	3,372	3,195	3,067
Scotland									
<i>Scottish Office</i>	242	260	297	308	325	338	333	335	333
<i>Scottish Courts Administration</i>	26	33	37	39	40	43	43	43	43
<i>Scottish Record Office</i>	3	3	4	4	4	5	5	5	5
<i>General Register Office for Scotland</i>	6	9	14	8	8	7	7	7	7
<i>Registers of Scotland</i>	15	21	26	29	28	28	30	33	35
Total Scotland	292	326	377	389	404	422	418	422	423
Welsh Office	47	53	59	71	76	77	75	74	74
Office of Her Majesty's Chief Inspector of Schools in Wales	2	2	3	5	3	3	3	3	3
Total Wales	49	56	62	75	80	80	79	78	77
Northern Ireland ⁽⁵⁾	573	645	704	752	766	812	796	800	802
Chancellor of the Exchequer's Departments									
<i>HM Treasury</i>	65	73	92	95	106	81	76	76	76
<i>HM Customs and Excise</i>	553	629	692	738	735	757	741	731	733
<i>Inland Revenue</i>	1,326	1,459	1,687	1,766	1,823	1,849	1,841	1,818	1,809
<i>Department for National Savings</i>	170	179	189	198	195	195	189	189	188
<i>Central Statistical Office</i>	23	31	37	43	44	48	47	46	46
<i>Government Actuary's Department</i>	3	3	5	5	5	6	6	6	7
<i>Registry of Friendly Societies</i>	5	6	7	8	8	8	8	8	8
<i>Office of HM Paymaster General</i>	17	19	21	24	25	26	24	24	25
<i>National Investment and Loans Office</i>	1	1	1	1	1	1	1	1	1
Total Chancellor of the Exchequer's Departments	2,163	2,402	2,730	2,878	2,944	2,971	2,935	2,900	2,894

3. Central government expenditure and running costs

Table 3.7 Gross administrative expenditure by department⁽¹⁾ (continued)

	£ million								
	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans
Cabinet Office—Office of Public Service and Science									
<i>Cabinet Office—Office of Public Service and Science</i>	67	73	86	82	98	105	87	87	87
<i>Central Office of Information</i>	21	22							
Total Cabinet Office—Office of Public Service and Science	88	94	86	82	98	105	87	87	87
Cabinet Office—Other services, Privy Council Office and Parliament									
<i>Cabinet Office</i>	27	28	35	37	40	43	41	41	41
<i>Security and Intelligence Services⁽²⁾</i>				395	428	459	404	397	396
<i>Privy Council Office</i>	1	2	2	2	2	2	2	2	2
Total Cabinet Office—including Privy Council Office	28	30	37	434	469	504	448	441	440
Total gross expenditure on civil departments' running costs	10,579	11,833	13,324	14,556	14,555	15,376	15,132	14,886	14,778
Ministry of Defence operating costs ⁽²⁾⁽⁶⁾	17,233	18,060	19,759	19,366	18,946	18,853	18,796	18,369	18,243
Gross total	27,812	29,893	33,043	33,922	33,501	34,229	33,927	33,255	33,021
<i>of which:</i>									
<i>Civil Service paybill⁽⁷⁾</i>	8,984	9,964	11,006	11,894	11,421	11,402			
Intra-departmental and inter-departmental running costs receipts	-872	-955	-970	-833	-528	-696	-649	-468	-471
Net total	26,940	28,938	32,113	33,089	32,973	33,533	33,279	32,788	32,550
Other related receipts ⁽⁸⁾	-2,748	-2,654	-3,154	-3,473	-3,680	-3,680	-4,071	-3,580	-3,451
Total net of all related receipts	24,193	26,284	28,959	29,616	29,293	29,852	29,208	29,208	29,099

(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 FCO—Diplomatic Wing 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) The Employment Service administers the payment of benefits to unemployed people as an agent for the Department of Social Security (DSS). The administration expenditure is borne on the DSS administration vote but associated running costs and staff numbers are included in the Department of Employment figures.

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

(6) Figures cover cost of equipment spares and works services, in addition to service and civilian pay, allowances and other administrative expenditure.

(7) This covers the pay costs of civil servants (including casual staff) covered by running costs and includes superannuation charges and national insurance contributions.

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

Table 3.8 Staff of Central Government, 1978-79 and 1989-90 to 1997-98

	thousands (full-time equivalents) ⁽¹⁾									
	1978-79 actual	1989-90 actual	1990-91 actual	1991-92 actual	1992-93 actual	1993-94 actual	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans
Ministry of Defence ⁽²⁾	226.1	140.8	140.6	140.1	132.1	113.4	110.8	101.6	94.3	91.0
FCO—Diplomatic Wing ⁽²⁾	9.8	8.0	8.1	8.3	6.6	6.4	6.2	6.0	6.0	5.9
FCO—Overseas Development Administration	2.3	1.5	1.6	1.7	1.7	1.6	1.5	1.5	1.4	1.4
Ministry of Agriculture, Fisheries and Food	14.0	9.9	10.0	10.0	9.9	10.2	9.9	11.4	11.3	11.3
Intervention Board	0.5	0.8	0.9	1.0	1.0	0.9	0.9	0.9	0.9	0.9
Trade and Industry (including OFT, OFTEL, OFGAS and OFFER)	18.7	13.1	13.1	11.9	10.7	10.4	9.5	8.9	8.0	7.8
Export Credits Guarantee Department	2.0	1.5	1.3	1.0	0.7	0.6	0.5	0.5	0.5	0.5
Employment Department Group	53.6	53.4	49.7	53.0	57.9	56.0	52.5	51.8	49.1	46.9
Department of Transport (including OPRAF and ORR)	14.2	13.1	13.7	11.3	11.1	10.7	10.1	9.1	9.0	9.0
Department of the Environment (including OFWAT and Ordnance Survey)	16.2	8.3	8.1	8.4	8.2	8.0	7.6	7.3	7.0	6.7
Property Holdings ⁽³⁾	36.8	1.6	1.5	1.7	1.7	1.6	1.6	1.6	1.6	1.6
PSA Services ⁽³⁾		17.8	17.3	14.1	10.5	4.2	1.0	0.5	0.1	0.0
Home Office (including Charity Commission)	34.0	43.3	45.9	48.4	51.4	51.2	50.3	49.9	49.7	49.2
Lord Chancellor's and Law Officers' Departments	17.9	29.2	29.4	29.6	30.1	21.0	20.7	20.8	20.5	19.8
Department for Education (including OFSTED) ⁽⁴⁾	3.7	2.5	2.5	2.6	2.6	2.5	2.4	2.5	2.5	2.4
Department of National Heritage (including OFLOT)		0.8	1.1	1.1	0.9	1.0	1.1	1.1	1.1	1.1
Department of Health and Office of Population Censuses and Surveys ⁽⁵⁾	100.2	6.4	6.6	6.8	6.8	6.4	6.0	5.7	6.6	6.6
Department of Social Security ⁽⁵⁾		81.6	80.3	78.1	82.0	87.1	88.5	91.3	86.9	80.8
Scotland	12.8	12.4	12.7	13.1	13.3	13.4	12.7	12.4	12.4	12.2
Wales	2.5	2.2	2.3	2.4	2.4	2.4	2.3	2.2	2.1	2.0
Northern Ireland	32.8	28.8	28.7	28.7	29.0	28.6	27.2	26.7	25.9	24.9
HM Customs and Excise	28.8	26.6	26.9	26.8	25.7	25.2	24.8	24.5	23.4	22.8
Inland Revenue ⁽⁶⁾	84.9	67.4	66.5	68.4	69.4	65.9	61.3	58.1	55.6	53.4
Chancellor's other departments	14.2	11.5	11.2	10.8	10.5	10.1	9.2	8.8	8.5	8.1
Cabinet Office, OPSS, COI and Privy Council Office	5.7	3.1	3.2	2.4	2.3	2.0	1.9	1.9	1.9	1.9
Security and Intelligence Services ⁽²⁾					10.8	10.6	10.5	10.1	9.8	9.4
Trading funds, DSA and Crown Estate Office	34.9	7.4	6.9	10.2	10.9	29.6	27.7	30.0	28.6	28.3
Total⁽¹⁾	766.6	593.1	590.2	591.7	600.2	581.0	558.7	547.3	524.6	526.1
of which:										
Home Civil Service	734.0	563.9	561.0	562.5	566.3	547.5	526.6	516.0	494.2	476.9

(1) Unless otherwise indicated all figures are financial year averages for permanent staff in central government departments (part-time staff count as half). This includes the staff of the Home Civil Service, the Northern Ireland Civil Service, the Northern Ireland Court 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 FCO-Diplomatic Wing.

(3) Property Services Agency was restructured to Property Holdings and PSA Services from 1 April 1990. The allocation of staff between these two bodies is not available for 1978-79.

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

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

(6) Revised basis since Cm 2519.

3. Central government expenditure and running costs

Table 3.9 Financing requirements⁽¹⁾ of individual public corporations and trading funds (excluding nationalised industries)

	£ million								
	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans
Public corporations and trading funds whose external finance is included in the Control Total⁽²⁾									
The Buying Agency ⁽²⁾⁽³⁾									
Central Office of Information ⁽²⁾			27						
Chessington Computer Service					1	-1	-2	-2	-2
Commonwealth Development Corporation	65	42	42	47	34	28			
Companies House ⁽²⁾			1	-4	-3				
The Crown Agents									
Defence Research Agency					135	107	42	14	2
Development Board for Rural Wales	12	12	13	14	15	17	10	12	13
Docklands Light Railway	41	54	93	84	28	39	28	19	20
English Industrial Estates Corporation		17	-16	6	13				
Fire Service College ⁽²⁾				2	2				
Her Majesty's Stationery Office ⁽²⁾	-7	-6	-5	-4	-3	-3			
Highlands and Islands Enterprise ⁽⁴⁾	34	33	43	49	48	45	46	48	48
Housing Action Trusts			10	26	78	91	90	90	90
Laganside	3	6	7	5	5	6	8	8	8
Land Authority For Wales	1	1	1	1	1				
Land Registry					-36	-21			
Letchworth Garden City	-2			-3	-2	1			
Medicines Control Agency					5	2	1	1	1
National Health Service Trusts			-24	222	313	618	706	647	536
Northern Ireland Electricity Service	-45	-73	-92	-55					
Northern Ireland Housing Executive	238	219	226	216	208	198	209	219	229
Northern Ireland Public Trust Port Authorities									
Northern Ireland Transport Holding Company	24	21	22	22	24	21	21	20	20
The Patent Office ⁽²⁾			1	-7	-12	-9	-10	-10	-10
Royal Mint ⁽²⁾									
Scottish Enterprise ⁽⁵⁾	81	93	156	173	195	240	240	241	244
Scottish Homes ⁽⁶⁾	199	257	319	312	316	323	293	296	291
United Kingdom Atomic Energy Authority		44	24	17	-3	-9	-10	-11	-16
Urban Regeneration Agency					22	117	109	117	117
Urban Development Corporations	465	586	541	467	390	308	262	246	240
Vehicle Inspectorate ⁽²⁾									
Welsh Development Agency	69	84	87	78	72	60	25	30	87
The Welsh Fourth Channel Authority				56	58	66	68	73	69
Total	1,177	1,391	1,474	1,724	1,902	2,243	2,137	2,058	1,987
Public corporations whose capital spending and subsidies are in the Control Total⁽⁸⁾									
New Town Development Corporations and the Commission for New Towns	-331	-210	-270	-107	-185	-121	-129	-188	-190
Total	-331	-210	-270	-107	-185	-121	-129	-188	-190
Total public corporations (excluding nationalised industries)	846	1,181	1,204	1,616	1,717	2,122	2,008	1,870	1,798

(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) The Buying Agency was set up on 1 April 1991 to carry on some of the activities of the Crown Suppliers which was wound up on 31 March 1991.

(4) Formerly the Highlands and Islands Development Board.

(5) Formerly the Scottish Development Agency.

(6) Scottish Homes was formed on 1 April 1989 by the merging of the Scottish Special Housing Association and the Housing Corporation (Scotland) which was at the time classified as a public corporation but has now been reclassified as a central government trading body.

4. Local authority expenditure

Introduction

4.1 This section describes central government support for local authorities 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 (Cm 2816)). Where relevant, district council spending in Northern Ireland is included in certain of the tables in this section.

4.2 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.

4.3 The Local Government Commission for England is reviewing the structure of local government in England. Reorganisation will be implemented progressively from April 1995. Parliament has approved legislation to introduce single-tier local government throughout Scotland and Wales from April 1996.

4.4 Local authorities account for around one quarter of general government expenditure. Total current and capital spending (including debt interest) by local authorities in 1994–95 is estimated to be £73.3 billion. This Treasury estimate of outturn is £500 million less than the amount for which authorities budgeted. The projections for the later years are set out in **Table 4.1**. **Table 4.2** sets out total local authority expenditure by department for 1989–90 to 1994–95. **Table 4.3** shows total local authority expenditure for the outturn years, broken down by country and economic category.

4.5 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.

4.6 European Community grants in support of capital expenditure in England and Wales 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.

4.7 **Table 4.4** gives a departmental breakdown of central government support for current and capital expenditure by local authorities.

Current expenditure

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

Main local services.

4.9 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.

4.10 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 1995–96, TSS in England has been announced at £43,461 million, and in Wales at £2.8 billion. In Scotland, the equivalent figure, known as Government Supported Expenditure (GSE), is £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 4.5** sets out TSS and GSE for 1995–96.

4.11 Government support for expenditure on the main services above is provided through the envelope of 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.

4.12 **Table 4.6** shows AEF in Great Britain by country and grant.

4.13 Central government support has accounted for around 80–85 per cent of local authority revenue spending in recent years and is expected to remain within this range in 1995–96.

Other spending

4.14 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 4.7** shows, by country, for the years 1989–90 to 1997–98, current specific grants outside AEF.

Capital expenditure

4.15 Local authorities have several ways of paying for capital expenditure:

—central government support (see paragraph 4.5)

—own resources: capital receipts, and revenue.

Local authorities in England and Wales must set aside part of their capital receipts to repay debt but are free to spend the remainder on capital programmes at anytime. In Scotland, local authorities can spend all of their capital receipts in-year but cannot carry them forward to the following year.

4.16 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 £8.8 billion in 1995–96, somewhat lower than the levels in 1993–94 and 1994–95, which were boosted to a greater extent by the temporary relaxation of the capital receipts rules announced in the 1992 Autumn Statement. The inflow of capital receipts for 1995–96 is projected to be of the order of £3.1 billion.

4.17 Gross capital expenditure to 1994–95 is shown in **Table 4.8** by service. Local authority gross capital spending in the United Kingdom in 1993–94 totalled £9.4 billion with offsetting receipts of £4.0 billion. In 1994–95 gross capital spending is expected to increase to £9.5 billion with offsetting receipts of £2.6 billion, giving net capital spending of around £6.9 billion. These estimates take account of the returns from local authorities on capital expenditure. **Table 4.9** shows local authority receipts by service.

Support for local authority capital programmes

4.18 Central government support for local authority capital expenditure comprises capital 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 4.10** shows this government support by country and by service.

4.19 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.

4. Local authority expenditure

Table 4.1 Financing of local authority expenditure in the United Kingdom

	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans	£ million
Current										
Aggregate External Finance⁽¹⁾⁽²⁾										
England										
Revenue support grant	9,586	9,489	9,675	16,679	17,052	18,497	18,314	} 30,670	} 30,633	
Non-domestic rate payments	9,721	10,428	12,408	12,306	11,559	10,685	11,354			
Specific and special grants	2,829	3,360	8,505	4,496	4,642	5,161	5,018			
Total England	22,137	23,278	30,587	33,481	33,252	34,343	34,686	34,809	34,859	
Scotland⁽³⁾										
Revenue support grant	2,346	2,496	2,692	3,499	3,624	3,773	3,716	} 4,940	} 4,904	
Non-domestic rate payments	1,203	1,195	1,262	1,247	1,186	1,109	1,193			
Specific and special grants	267	299	775	380	404	430	400			
Total Scotland	3,816	3,990	4,729	5,126	5,214	5,312	5,310	5,335	5,299	
Wales⁽³⁾										
Revenue support grant	1,049	1,141	1,236	1,616	1,657	1,740	1,707	} 2,217	} 2,202	
Non-domestic rate payments	414	443	525	536	470	464	520			
Specific and special grants	140	165	455	224	211	218	227			
Total Wales	1,602	1,749	2,216	2,376	2,338	2,422	2,454	2,444	2,434	
Great Britain										
Revenue support grant	12,982	13,127	13,603	21,795	22,332	24,010	23,737	} 37,827	} 37,739	
Non-domestic rate payments	11,338	12,066	14,195	14,089	13,215	12,258	13,067			
Specific and special grants	3,236	3,824	9,735	5,100	5,257	5,809	5,646			
Total Aggregate External Finance	27,555	29,017	37,533	40,983	40,805	42,077	42,450	42,589	42,592	
Other current grants⁽⁴⁾	6,497	8,440	10,032	12,202	13,077	13,862	13,747	14,600	15,550	
Total current grants	34,052	37,457	47,564	53,185	53,882	55,939	56,197	57,150	58,100	
Capital										
Capital grants	877	1,107	1,333	1,544	1,800	1,500	1,829	1,805	1,773	
Credit approvals	3,413	3,933	4,389	4,550	4,048	4,021	3,647	3,729	3,655	
Total Capital support	4,289	5,041	5,722	6,094	5,849	5,521	5,477	5,533	5,427	
Total central government support to local authorities	38,342	42,498	53,287	59,279	59,730	61,460	61,673	62,700	63,550	
Local Authority self-financed expenditure	15,533	15,285	11,221	9,714	9,931	11,800	11,700	12,000	12,200	
Total local authority expenditure	53,874	57,783	64,507	68,994	69,662	73,300	73,400	74,700	75,700	

(1) Aggregate External Finance (AEF) is described in paragraph 4.11 above.

(2) Comparisons between years are distorted by the effects of transfers between departments and spending sectors. The main changes reflect the transfer of responsibility for community care to local authorities and the transfer of responsibility for the funding of further education colleges and sixth form colleges from local authorities to the new Further Education Funding Council and the Scottish Office.

(3) Scottish and Welsh figures for 1996-97 and 1997-98 are illustrative; final figures will depend on the Secretaries of State's decisions on the allocation of resources.

(4) See paragraph 4.14 above.

	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn
Current						
Ministry of Agriculture, fisheries and food	100	63	58	64	66	59
Department of Trade and Industry	106	119	133	151	160	166
Department of Employment	131	178	177	187	204	179
Department of Transport	1,926	2,208	2,277	2,288	2,313	2,497
DOE—Housing ⁽¹⁾	671	306	316	330	374	372
DOE—Environment	3,028	3,829	4,275	4,460	4,885	4,943
Home Office	5,338	5,952	6,591	7,125	7,534	7,838
Lord Chancellor's Dept	224	249	285	289	314	334
Department of Education	15,887	17,302	19,665	21,350	20,060	19,956
Department of National Heritage	1,008	1,149	1,201	1,231	1,201	1,225
Department of Health	3,717	4,221	4,627	4,979	5,730	6,598
Department of Social Security ⁽¹⁾	4,487	5,399	6,709	8,141	9,574	10,646
Scotland	4,050	4,453	4,763	5,111	5,182	5,362
Wales	1,607	1,800	2,000	2,134	2,099	2,182
Northern Ireland	115	122	140	149	160	165
Allowance for shortfall						-500
Total current	42,396	47,348	53,218	57,989	59,856	62,100
Capital						
Ministry of Agriculture, fisheries and food	23	39	24	6	-3	-22
Department of Trade and Industry	2	1	1	1	1	2
Department of Employment	5	2	6	6	8	3
Department of Transport	1,037	924	1,019	1,251	1,329	1,375
DOE—Housing	1,589	542	972	938	825	1,156
DOE—Environment ⁽²⁾	792	758	886	971	430	1,049
Home Office	242	201	254	290	286	296
Lord Chancellor's Dept	51	51	46	62	59	56
Department of Education	708	682	701	706	532	708
Department of National Heritage	419	336	287	197	209	261
Department of Health	157	147	133	132	127	165
Scotland	813	856	908	994	1,086	1,120
Wales	401	451	515	589	498	683
Northern Ireland	31	32	33	40	46	50
Total capital⁽³⁾	6,270	5,022	5,785	6,181	5,433	6,899
Debt interest	5,209	5,413	5,505	4,823	4,373	4,332
Total	53,874	57,783	64,507	68,994	69,662	73,300

(1) Support for rent rebates is included against DOE-Housing from 1990-91 and the Department of Social Security in earlier years.

(2) Includes expenditure on Estate Action schemes which is now within the Single Regeneration Budget but was until last year's Statistical Supplement included in DOE-Housing.

4. Local authority expenditure

Table 4.3 Local authority expenditure in the United Kingdom by country and economic category						
	£ million					
	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn
England						
Pay	24,503	26,649	28,734	30,728	31,057	} 40,335
Other current expenditure on goods and services	5,429	6,890	8,069	8,262	7,753	
Subsidies	797	351	366	422	510	665
Current grants to persons	4,803	5,849	7,715	9,555	11,322	11,902
Net capital expenditure on assets	4,215	3,088	3,710	3,707	3,016	4,018
Capital grants	892	807	1,023	1,073	1,232	1,144
Lending and other financial transactions	-102	-222	-420	-245	-465	-125
Total England	40,536	43,412	49,197	53,502	54,426	57,938
Scotland						
Pay	2,623	2,898	3,267	3,516	3,433	} 5,253
Other current expenditure on goods and services	1,317	1,466	1,392	1,488	1,653	
Subsidies	85	77	83	83	76	85
Current grants to persons	537	583	655	742	804	881
Net capital expenditure on assets	679	730	808	890	982	1,002
Capital grants	142	132	107	111	104	117
Lending and other financial transactions	-7	-5	-6	-4	2	
Total Scotland	5,377	5,880	6,307	6,827	7,054	7,339
Wales						
Pay	1,473	1,611	1,768	1,859	1,864	} 2,611
Other current expenditure on goods and services	416	508	588	655	650	
Subsidies	4					
Current grants to persons	293	343	439	529	574	625
Net capital expenditure on assets	351	374	428	460	368	514
Capital grants	82	93	116	158	169	188
Lending and other financial transactions	-13	-7	-13	-8	-22	-8
Total Wales	2,606	2,923	3,326	3,653	3,602	3,930
Great Britain						
Pay	28,599	31,158	33,770	36,104	36,354	} 48,199
Other current expenditure on goods and services	7,162	8,864	10,049	10,404	10,056	
Subsidies	886	429	449	505	586	750
Current grants to persons	5,633	6,775	8,810	10,826	12,700	13,408
Net capital expenditure on assets	5,245	4,193	4,946	5,057	4,366	5,534
Capital grants	1,116	1,031	1,245	1,342	1,505	1,449
Lending and other financial transactions	-122	-234	-439	-257	-485	-133
Total Great Britain	48,519	52,216	58,830	63,982	65,083	69,207

Table 4.3 Local authority expenditure in the United Kingdom by country and economic category (continued)

	£ million					
	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn
Northern Ireland						
Pay	110	115	139	151	159	} 165
Other current expenditure on goods and services	5	7	1	-1	2	
Subsidies						
Current grants to persons						
Net capital expenditure on assets	30	32	32	38	44	48
Capital grants	1	1	1	1	1	1
Lending and other financial transactions						
Total Northern Ireland	146	154	172	189	206	215
United Kingdom						
Pay	28,710	31,273	33,909	36,254	36,512	} 48,364
Other current expenditure on goods and services	7,167	8,871	10,050	10,403	10,057	
Subsidies	886	429	449	505	586	
Current grants to persons	5,633	6,775	8,810	10,826	12,700	13,408
Net capital expenditure on assets	5,274	4,224	4,978	5,096	4,411	5,583
Capital grants	1,117	1,032	1,246	1,343	1,507	1,450
Lending and other financial transactions	-122	-234	-439	-257	-485	-133
Local authority debt interest	5,209	5,413	5,505	4,823	4,373	4,332
Allowance for shortfall						-500
Total United Kingdom	53,874	57,783	64,507	68,994	69,662	73,300
<i>of which:</i>						
<i>Expenditure excluding debt interest</i>	<i>48,665</i>	<i>52,370</i>	<i>59,002</i>	<i>64,171</i>	<i>65,289</i>	<i>69,000</i>

4. Local government expenditure

Table 4.4 Central government support for local authorities in the United Kingdom by department

	£ million								
	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans
Current									
Ministry of Agriculture, fisheries and food	-55	-113	-129	-158	-184	-159	-166	-168	-168
Department of Trade and Industry		1	4	5	5	21	19	44	53
Department of Employment	358	388	423	425	351	274	198	116	93
Department of Transport	2	2	2	2	2	152	122	122	122
DOE—Housing ⁽¹⁾	24	2,351	2,635	3,017	3,366	3,610	3,388	3,400	3,421
DOE—Environment	136	140	127	154	185	155	147	146	134
DOE—Local government	19,521	20,342	27,993	30,714	29,094	29,638	30,019	30,670	30,633
Home Office	2,249	2,549	2,933	3,086	3,271	3,451	3,571	3,660	3,746
Lord Chancellor's Department	164	210	232	235	246	266	259	267	271
Department for Education	1,030	1,606	2,282	2,802	2,935	2,482	2,238	2,109	2,059
Department of Health ⁽³⁾	21	29	56	82	652	826	752	106	106
Department of Social Security ⁽¹⁾	5,267	4,117	3,792	5,080	6,288	7,333	7,682	8,750	9,750
Scotland	3,801	4,004	4,880	5,247	5,245	5,395	5,418	5,402	5,365
Wales	1,491	1,788	2,287	2,442	2,368	2,440	2,496	2,473	2,463
Northern Ireland	42	44	49	52	58	55	54	54	54
Total current	34,052	37,457	47,564	53,185	53,882	55,939	56,197	57,150	58,100
Capital									
Ministry of Agriculture, fisheries and food	29	31	36	27	33	43	41	41	41
Department of Trade and Industry									
Department of Employment	3	5	4	9	6	5	5	5	5
Department of Transport	627	747	917	1,022	1,091	979	925	889	861
DOE—Housing	1,234	1,675	1,793	1,617	1,435	1,160	1,161	1,249	1,242
DOE—Environment ⁽²⁾	431	430	554	727	890	856	804	806	783
DOE—Local government ⁽⁴⁾	222	127	176	222	47	45	56	11	10
Home Office	86	179	235	264	289	284	296	292	302
Lord Chancellor's Department	40	51	53	60	55	72	75	75	68
Department for Education	367	449	506	574	397	388	407	445	435
Department of National Heritage	39	39	39	30	10				
Department of Health	69	86	108	128	134	149	152	146	146
Scotland	801	811	841	901	956	1,006	957	969	979
Wales	334	407	455	508	498	528	589	597	547
Northern Ireland	7	3	5	6	8	5	9	9	9
Total capital	4,289	5,041	5,722	6,094	5,849	5,521	5,477	5,533	5,427
Total	38,342	42,498	53,287	59,279	59,730	61,460	61,673	62,700	63,550

(1) Support for rent rebates is included against DOE—Housing from 1990-91 and the Department of Social Security in earlier years.

(2) Includes support for Estate Action schemes, which is now within the Single Regeneration Budget but was until last year's Statistical Supplement included in DOE—Housing.

(3) Special transitional grant for community care is planned to be phased out in 1996-97 and its size in that year is yet to be determined.

(4) Including credit approvals for various purposes up to 1993-94 which were previously included in DOE—Environment.

Table 4.5 Total Standard Spending for 1995-96 by main service block

£ million

Total Standard Spending	
England	
Education	17,204
Personal social services	6,966
Police	5,963
Fire and civil defence	1,168
Highway maintenance	1,759
Other services	8,520
Capital financing	1,881
Total England	43,461
Total Wales⁽¹⁾	2,767
Total Government Supported Expenditure	
Scotland	
Education, Libraries and Museums	2,636
Health and personal social services	938
Law, order, and protective services	726
Roads and transport	386
Environmental services	571
Miscellaneous	12
Other services	49
Loans and Leasing Charges	799
Total	6,117

(1) No service split for Wales is available.

4. Local authority expenditure

Table 4.6 Aggregate External Finance in Great Britain by country and grant

	£ million									
	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans	
England										
Revenue support grant ⁽¹⁾	9,586	9,489	9,675	16,679	17,052	18,497	18,314	} 30,670	} 30,633	
Non-domestic rate payments ⁽²⁾	9,721	10,428	12,408	12,306	11,559	10,685	11,354			
Community charge grant			4,346	329	84	44	43			
Magistrates courts	156	200	219	222	233	252	245	253	257	
Community services	115	135	113	130	123	103	41	41	41	
Probation and after care	174	208	246	254	274	291	303	314	314	
Police	1,903	2,149	2,480	2,605	2,771	2,919	3,039	3,116	3,198	
Grants for education support and training	199	206	221	209	165	154	136	117	119	
Administration of housing benefit	110	103	119	124	127	130	131	131	131	
Community Care special grant ⁽⁴⁾					565	736	648			
Health and Social Services	21	29	56	82	87	91	104	106	106	
Sheltered Employment	30	33	38	38	18	23	24	25	25	
National Parks	9	10	12	15	16	16	16	16	15	
Other grants	112	289	656	488	179	403	289	21	21	
Total	22,137	23,278	30,587	33,481	33,252	34,343	34,686	34,809	34,859	
Scotland										
Revenue support grant ⁽³⁾	2,346	2,496	2,692	3,499	3,624	3,773	3,716	} 4,940	} 4,904	
Non-domestic rate payments	1,203	1,195	1,262	1,247	1,186	1,109	1,193			
Community charge grant			437	16	9	8	4			
Urban Programme	27	32	41	43	48	51	51	51	51	
Police	192	214	234	252	270	287	293	293	293	
Administration of housing benefit	12	11	13	13	13	15	14	14	14	
Other grants	36	43	50	57	64	70	38	36	36	
Total	3,816	3,990	4,729	5,126	5,214	5,312	5,310	5,335	5,299	
Wales										
Revenue support grant ⁽¹⁾	1,049	1,141	1,236	1,616	1,657	1,740	1,707	} 2,217	} 2,202	
Non-domestic rate payments ⁽²⁾	414	443	525	536	470	464	520			
Community charge grant			268	27	7	5	3			
Police	90	108	123	132	136	142	156	157	161	
Other grants	50	57	64	65	68	71	68	70	71	
Total	1,602	1,749	2,216	2,376	2,338	2,422	2,454	2,444	2,434	
Total Great Britain	27,555	29,017	37,533	40,983	40,805	42,077	42,450	42,589	42,592	

(1) Rate support grant in 1989-90.

(2) For 1989-90 the estimated yield of non-domestic rates has been used as a proxy for non-domestic rate payments.

(3) Area protection grant in Scotland is amalgamated with revenue support grant for distribution purposes. The amounts involved in the years 1990-91 to 1992-93 are £30 million, £15 million, £8 million respectively.

(4) It is planned to phase out this grant in 1996-97 and its size in that year has yet been determined.

Table 4.7 Current specific grants outside Aggregate External Finance in the United Kingdom by country and grant
£ million

	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans
England									
Skills and competence for work	93	111	134	154	188	45	43	50	53
Work-related further education ⁽¹⁾	102	103	105	101					
Careers service		1	1	7	20	116	71	12	
Technical and vocational education initiative	118	122	141	118	119	83	53	23	7
Mandatory student awards	760	1,216	1,865	2,386	2,584	2,176	1,969	1,866	1,817
Rent rebates	2,147	2,313	2,610	3,088	3,406	3,633	3,420	3,400	3,350
Rent allowances	1,023	1,341	1,925	2,630	3,443	4,218	4,516	5,250	6,000
Rate/community charge rebates	1,299	1,830	956	1,298	1,525	1,651	1,679	1,850	2,000
Community charge transitional relief		253	17	-2	-1				
Community charge reduction scheme			1,024	1,001	-18	-6			
Council tax preparation costs				57	29				
Council tax transitional reduction grant					358	130	40		
Other grants	-19	-27	-81	-102	-119	108	192	274	322
Total	5,523	7,262	8,698	10,737	11,535	12,153	11,984	12,750	13,550
Scotland									
Rent rebates	337	378	412	438	503	501	516	550	600
Rent allowances	92	116	121	147	189	250	244	300	350
Rate/community charge rebates	187	194	109	137	162	202	190	200	200
Community charge transitional relief		24	2						
Community charge reduction scheme			144	107	3	1			
Council Tax transitional reduction grant					17	6			
Other grants	16	17	20	32	25	95	127	86	85
Total	631	729	807	860	900	1,054	1,078	1,150	1,200
Wales									
Mandatory student awards	48	78	119	152	165	139	126	119	116
Rent rebates	149	157	161	193	197	200	226	250	250
Rent allowances	56	72	107	117	160	210	199	250	250
Rate/community charge rebates	53	79	21	38	53	47	63	100	100
Community charge transitional relief		20							
Community charge reduction scheme			65	40					
Other grants	-5	-1	4	12	10	5	17	-4	-4
Total	301	405	478	552	585	601	631	650	700
Northern Ireland Current Specific Grants	42	44	49	52	58	55	54	54	54
Total United Kingdom	6,497	8,440	10,032	12,202	13,077	13,862	13,747	14,600	15,550

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

Table 4.8 Local authority gross capital expenditure in the United Kingdom by country and service

	£ million					
	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn
England						
Housing	4,594	2,661	2,092	1,978	2,143	2,347
Transport	1,134	964	1,087	1,282	1,445	1,387
Education	890	813	798	798	703	759
Personal social services	218	168	160	162	174	194
Fire services	69	48	51	58	66	67
Agriculture, Fisheries and Food ⁽¹⁾	57	54	51	32	26	26
Sport and recreation	332	278	235	149	163	208
Protective services ⁽²⁾	242	226	262	307	313	316
Urban and regeneration programmes	457	440	541	693	752	672
<i>Single Regeneration Budget</i>						
—Environment ⁽³⁾	391	393	496	639	682	615
<i>Single Regeneration Budget</i>						
—Other departments	46	40	40	45	59	48
Other—Environment	20	7	4	9	12	8
Other services ⁽⁴⁾						
Environment	1,670	938	839	736	770	826
Other departments	107	65	58	56	62	69
Housing Association Grant	314	278	429	391	510	400
England-Total	10,083	6,932	6,603	6,642	7,126	7,270
Scotland						
Scottish Office:						
Non housing	616	674	759	867	983	881
Housing	635	612	575	561	562	565
Other departments ⁽⁵⁾	1	1	1	3	3	
Scotland-Total	1,252	1,288	1,335	1,432	1,549	1,447
Wales						
Welsh Office	639	576	601	664	647	761
Other departments ⁽⁶⁾	21	11	18	23	22	14
Wales-Total	660	587	619	687	669	775
Local authority gross capital expenditure in Great Britain	11,996	8,807	8,557	8,761	9,345	9,492
Local authority gross capital expenditure in Northern Ireland	32	33	35	44	52	56
Local authority gross capital expenditure in the United Kingdom	12,027	8,840	8,592	8,805	9,396	9,548

(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 last years 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 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 Employment and Department of Transport and which are outside the responsibilities of the Secretary of State for Wales.

Table 4.9 Local authority capital receipts in the United Kingdom by country and service

	£ million					
	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn
England						
Housing	3,318	2,396	1,549	1,432	1,828	1,591
Transport	109	52	81	44	134	29
Education	194	141	107	105	188	64
Personal social services	67	27	34	38	56	36
Fire services	1	2	3	2	5	
Agriculture, Fisheries and Food ⁽¹⁾	5	3	9	4	6	10
Sport and recreation	21	11	6	10	18	11
Protective services ⁽²⁾	35	29	25	32	45	42
Other services ⁽³⁾						
Environment	1,289	580	453	413	1,033	400
Other departments	37	19	24	28	29	50
England-Total	5,078	3,259	2,291	2,107	3,343	2,233
Scotland						
Scottish Office:						
Non Housing	116	143	163	148	182	79
Housing	322	288	263	287	278	248
Scotland-Total	438	431	426	435	460	327
Wales						
Welsh Office	238	126	86	75	149	78
Other departments ⁽⁴⁾	3	2	2	2	6	3
Wales-Total	241	127	88	77	155	82
Local authority capital receipts in Great Britain	5,757	3,817	2,805	2,619	3,957	2,642
Local authority capital receipts in Northern Ireland	1	1	2	5	6	7
Local authority capital receipts in the United Kingdom	5,758	3,818	2,808	2,624	3,963	2,648

(1) Excludes receipts from smallholdings.

(2) Includes police, probation and aftercare.

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

(4) Includes receipts associated with Home Office services in Wales.

4. Local authority expenditure

Table 4.10 Central government capital support for local authorities in the United Kingdom by country and service

	£ million								
	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans
England⁽¹⁾									
Credit approvals⁽²⁾									
Housing	908	1,384	1,441	1,194	1,020	873	869	972	959
Transport	412	482	570	630	645	632	628	604	587
Education	353	436	492	560	383	376	395	435	425
Personal social services	67	84	106	126	132	140	144	137	137
Fire services	17	43	45	51	54	58	51	46	46
Agriculture, Fisheries and Food ⁽³⁾	11	13	14	12	13	14	15	14	14
Sport and recreation	39	39	39	30	10				
Protective services	81	52	73	88	96	96	98	102	104
Urban and regeneration programmes	234	226	328	436	493	539	134	134	134
<i>Single Regeneration Budget—Environment⁽⁴⁾</i>	229	224	327	434	402	387	1	1	1
<i>Other—Environment</i>	5	2	1	2	91	152	133	133	133
Other services ⁽⁵⁾	222	135	197	226	57	30	33	33	33
DOE—local government ⁽⁶⁾				40	32	45	56	11	10
Total credit approvals	2,344	2,894	3,305	3,392	2,935	2,803	2,423	2,488	2,448
Capital grants									
Housing	326	292	352	423	415	287	292	277	283
Transport	213	265	346	392	446	347	297	285	274
Education	14	13	14	14	14	13	12	10	10
Personal social services	2	2	2	1	2	9	8	8	8
Agriculture, Fisheries and Food ⁽³⁾	19	17	22	15	20	29	27	27	27
Protective services	23	126	156	168	175	187	202	200	200
Urban and regeneration programmes	195	194	202	244	352	282	634	636	616
<i>Single Regeneration Budget—Environment⁽⁴⁾</i>	180	189	199	237	340	273	633	636	616
<i>Other—Environment</i>	15	5	3	7	12	9	1		
Other services ⁽⁵⁾									
Environment	2	2	2	3	2	4	3	3	1
Other departments	2	4	3	8	5	4	4	4	4
Total capital grants	797	916	1,101	1,268	1,431	1,161	1,478	1,450	1,423
England—Total	3,141	3,810	4,406	4,661	4,366	3,964	3,901	3,938	3,871
Scotland									
Scottish Office: Non-housing									
Net capital allocations ⁽⁷⁾	453	456	474	555	520	581	567	571	578
Capital grants	35	31	55	71	151	108	98	111	114
Scottish Office: Housing									
Net capital allocations ⁽⁷⁾	310	323	310	272	283	314	288	284	285
Capital grants	3	2	2	2	1	3	3	3	3
Other departments⁽⁸⁾									
Capital allocations	1	1	1			1	1	1	1
Total net capital allocations ⁽⁹⁾	764	779	785	827	804	896	856	856	863
Total capital grants	38	32	57	74	152	111	101	114	117
Scotland—Total	803	811	842	901	956	1,007	957	969	980

Table 4.10 Central government capital support for local authorities in the United Kingdom by country and service (continued)

	£ million								
	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans
Wales									
Credit approvals⁽²⁾									
Welsh Office	301	255	292	322	298	315	360	378	335
Other departments ⁽¹⁰⁾	4	5	7	8	10	7	8	8	8
Total credit approvals	304	260	299	331	309	322	368	385	343
Capital grants									
Welsh Office	33	152	163	186	200	213	230	219	212
Other departments ⁽¹⁰⁾	2	4	7	10	10	10	12	13	13
Total capital grants	34	156	170	196	210	223	242	232	224
Wales—Total	339	416	470	527	519	545	610	617	567
Northern Ireland capital grants	7	3	5	6	8	5	9	9	9
Total United Kingdom	4,289	5,041	5,722	6,094	5,849	5,521	5,477	5,533	5,427
<i>of which:</i>									
<i>Credit approvals⁽²⁾⁽¹¹⁾</i>	3,413	3,933	4,389	4,550	4,048	4,021	3,647	3,729	3,655
<i>Capital grants</i>	877	1,107	1,333	1,544	1,800	1,500	1,829	1,805	1,773

- (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) Credit approvals were introduced in England and Wales with the present capital control system in 1990-91; there was no precise equivalent previously. The figures for 1989-90 are proxies based on outturn figures for loans and it is not possible to make fully consistent comparisons with subsequent years.
- (3) Support for expenditure on flood and coast protection including internal drainage boards, harbour improvements and fishing industry.
- (4) Includes support for Estate Action schemes which was until last year's Statistical Supplement included under Housing.
- (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—Environmental 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 allocations for other departments support in Scotland.
- (10) Includes Home Office, Lord Chancellors' and Law Officers' Departments, Department of Transport and Department of Employment.
- (11) Including net capital allocations in Scotland.

5. Nationalised industries and Privatisation

Introduction

5.1 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. This section sets out the Government's objectives for nationalised industries, summarises the financial plans and provides an historical overview. 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.

Objectives

5.2 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

5.3 The performance of the individual nationalised industries is reviewed in detail in the individual departmental reports published at broadly the same time as this Supplement. The mining businesses of British Coal were privatised at the end of 1994. The Government is committed to privatising British Rail and took powers to restructure and privatise British Rail in the Railways Act 1993. The Government aims to franchise 51% of passenger services by April 1996. The Government has announced that the Rolling Stock companies will be privatised in 1995 and Railtrack will be sold by flotation in the lifetime of this Parliament. A programme of sales of smaller BR businesses is already under way. The privatisation of the ten remaining operating companies of London Buses Ltd was completed last year. The Government announced in November that following consultation, it continues to favour privatisation of the National Air Traffic Services part of the Civil Aviation Authority. The Government is considering the way forward with regard to the Post Office in the light of the decision not to present legislation in the current Parliamentary session. The Government remains of the view that its preferred option of Royal Mail privatisation is the only responsible way to give the Post Office the far-ranging commercial freedom it seeks. In May 1994, the Government announced a review of the future prospects for nuclear power. As part of this, the Government will consider, without commitment, representations on whether privatisation would in principle be achievable, and what a practical timescale might be. Following the statistical reclassification in the 1994 National Accounts Blue Book, British Nuclear Fuels (BNFL) is included in this report as a nationalised industry.

5.4 The Citizen's Charter published in July 1991 (Cm 1599), 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 procedures for redress. These are being taken forward by the Government and the industries themselves.

The control framework

5.5 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. The industries' total net borrowing comprises net government lending (loans borne on Votes and loans from the National Loans Fund (NLF)), public dividend capital, net market and overseas borrowing, including short term borrowing, and the capitalised value of some forms of leasing transactions. It is the industries' external finance which is included in the Control Total. 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

5.6 The strategic objectives for the main nationalised industries are:

- British Coal:** The key objective of achieving the successful privatisation of British Coal's coal mines has been achieved.
- British Nuclear Fuels Ltd:** The Government will review its strategic objectives for BNFL when it considers the company's 1995 corporate plan.
- British Rail:** The Secretary of State for Transport has set BR objectives for a one year period to April 1995 covering safety, quality, finance and privatisation. These objectives were published in British Rail's Annual Report and Accounts for 1993-94. New objectives will be set for 1995-96.

- Railtrack:** Railtrack assumed responsibility for the rail infrastructure formerly controlled by British Rail in April 1994. It has been set objectives by the Secretary of State covering safety, quality of service, progress with restructuring the railway and finance.
- 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 objectives are 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 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.
- London Transport:** The Government has set financial objectives for each area of London Transport's business. Taken as a whole the objectives stress the requirement for cost reduction, and the maximisation of revenue, across the whole range of London Transport's activities. In this context the objective set for the reduction of London Underground operating costs per train mile is particularly important. Other objectives set include those for reduction of subsidy per bus mile and of London Transport's Central Service costs. In most cases, the objectives set are for the medium term, that is those set in the autumn of 1993 are for achievement in 1995–96. But in one or two cases, for instance on bus subsidy, shorter term, interim, objectives have been set.

New objectives have also been set for quality of service on London Underground and London Transport bus services and the Secretary of State for Transport has endorsed the safety objectives set by the LT Board.

- Nuclear Electric:** The Government has set the following company objectives for Nuclear Electric plc:
 - (i) increase profit and reduce total and unit costs;
 - (ii) achieve a continued increase in electricity generation, provided that it is economically justified;
 - (iii) achieve a progressive reduction in the company's dependence on the levy;
 - (iv) complete Sizewell B to time and cost; and
 - (v) achieve a reduction in the costs of reprocessing, decommissioning and waste disposal and greater certainty about these costs.

All of these objectives should be achieved whilst maintaining the company's excellent safety record. The objectives will be re-examined in the light of the conclusions of the Government's nuclear review and the imminent achievement by Nuclear Electric of full commercial load at Sizewell B.

- Post Office:** Its objective is to seek to secure maximum efficiency through sustained and detailed cost control. 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.
- Scottish Nuclear:** The Government has set the following company objectives for Scottish Nuclear plc:
 - (i) continue the safe operation of its power stations at Hunterston and Torness, to deal safely with the associated spent fuel and nuclear waste, and to consolidate and develop the stations' operating performance;
 - (ii) decommission successfully Hunterston "A" power station;
 - (iii) achieve an improved financial performance;
 - (iv) improve the image and public perception of nuclear power generation;
 - (v) investigate improved generating methods, particularly reactor and related technologies for the future;
 - (vi) consider prudent and relevant diversification which make sense of the company's skills.

Financial targets 5.7 **Table 5.1** sets out the current financial targets for the existing nationalised industries alongside their latest achievements.

Financial plans

5.8 This passage summarises the financial plans for all the nationalised industries; it shows their capital spending and the external financing requirements for each industry and provides further tables, including analyses of the contribution of grants to financing and a departmental split.

5.9 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 financial leases.

Need for external finance 5.10 Individual nationalised industries' requirements for external finance depend on the size of their investment programmes and on their ability to generate their own funds.

External finance 5.11 **Table 5.2** shows that the overall requirement for external finance by department and industry.

5.12 The overall requirement for external finance in 1994–95 is expected to be £2.9 billion. Thereafter, total provision is £1.2 billion in 1995–96 before falling to £0.9 billion in 1996–97 and then increasing to £1.5 billion in 1997–98. **Table 5.3** shows the external finance requirement by industry back to 1978–79.

Capital requirements 5.13 **Table 5.4** sets out the industries' capital spending on a national accounts basis showing each industry's expenditure since 1989–90 and their plans for 1995–96 to 1997–98.

Planned investment declines in 1995–96 to 1997–98 mainly reflecting the transfer of Railtrack and other rail businesses to the private sector.

Treatment within the Control Total

Grants and subsidies 5.14 In general, the industries' requirements for external finance are met by borrowing from a variety of sources. Grant is paid either to support specific non-commercial objectives eg. grant to London Transport to support public passenger services, to assist an industry in restructuring or where an industry's circumstances make access to the NLF inappropriate (eg. grants to some loss-making industries).

Table 5.5 sets out further details, by industry, of grants included in external finance, along with details of borrowing.

Privatisation

5.15 The state sector of industry, predominantly the nationalised industries, accounted for 11 per cent of GDP in 1979. Forty-eight 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 1993 the numbers employed in nationalised industries has fallen by more than two thirds to 0.4 million and more than 950,000 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 and Cable and Wireless. The mining businesses of British Coal were privatised at the end of 1994. The privatisation of British Rail is in hand. Railtrack will be sold by flotation in the lifetime of this Parliament.

5.16 **Table 5.6** gives a breakdown of privatisation proceeds from 1979–80 to 1994–95. Total proceeds are projected to be £3 billion in 1995–96, £3 billion in 1996–97 and £2 billion in 1997–98. Detailed estimates for future receipts from privatisation proceeds are not shown because they are dependent on commercially sensitive assumptions about further sales.

Table 5.1 Nationalised industries: financial targets

Industry	Current target	Latest achievement ⁽¹⁾
British Nuclear fuels	In 1994–95: rate of return 11.1%	1993–94 rate of return 5.6%
British Rail	In 1994–95: reduce underlying working expenses by 3% in real terms on 1993–94 in the passenger businesses and infrastructure maintenance activities.	Operating expenses reduced by 7.2% in 1993–94 in real terms (target 5%).
Railtrack	Objectives for 1995–96 being set.	
British Waterways Board	New target regime being set.	No targets set for 1993–94.
Caledonian MacBrayne	1994–95: Fares income to cover at least 60% of operating costs.	1993 target of 59% exceeded.
Civil Aviation Authority	1992–93 to 1994–95: 8% average. ⁽²⁾⁽³⁾	1992–93 to 1993–94: 12.3% average. ⁽²⁾⁽³⁾
London Transport	Medium term objective: train costs per mile to be £16.20 at 1993–94 prices. Objectives set for other areas of LT business progress reported in LT Annual Report 1993–94.	1993–94: performance: £18.37 per mile.
Nuclear Electric	1994–95: rate of return target ranges from 11.2% to 13.0% ⁽⁴⁾ .	1993–94: rate of return 11.6% ⁽⁴⁾ .
Post Office	Royal Mail Letters (RML): 16% ⁽⁵⁾ Post Office Counters Ltd (POCL): 9.3% ⁽⁵⁾ Parcelforce (PF): Breakeven after restructuring costs.	1993–94 rates of return RML: 20.0% POCL: 9.6% PF: -8.8% ⁽⁶⁾ .
Scottish Nuclear	1994–95: rate of return 4.9% ⁽⁷⁾	1993–94: rate of return 4.8%.

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

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

(3) Excludes activities where CAA's charges are determined by international agreement. The Highlands and Islands Airports are also excluded.

(4) Current cost accounting return on net current assets.

(5) Return on Capital Employed average over 1992–93 to 1994–95.

(6) Parcelforce 1993–94 target: breakeven.

(7) Current cost accounting return on net current assets, after adding back depreciation.

Table 5.2 External financing requirements⁽¹⁾ of nationalised industries by department and industry

	£ million								
	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans
Ministry of Agriculture, Fisheries and Food									
Water Industry	8								
Departmental total	8								
Trade and Industry									
British Coal ⁽²⁾	1,292	890	605	778	1,508	736	380	337	308
British Nuclear Fuels				-392	-653	-422	-411	-573	-244
British Shipbuilders	4	28	-9	-10	-9	11	-2	-1	-1
Electricity industry ⁽⁴⁾	-1,262	-209							
Nuclear Electric ⁽⁴⁾		1,194	1,180	991	726	483	272	-108	-454
Post Office			-74	-80	-186	-226	-213	-178	-178
Girobank	-17								
Departmental total	17	1,903	1,702	1,287	1,386	582	26	-523	-569
Department of Transport									
National Railways ⁽³⁾	648	890	1,135	1,673	1,033	1,270	70	485	1,410
Union Railways			21	26	36	40	30		
European Passenger Services	63	187	308	365	392	187	105		
Civil Aviation Authority	44	64	34	51	91	52	28	3	-7
London Transport	259	474	554	883	693	765	889	822	611
Departmental total	1,013	1,615	2,052	2,998	2,244	2,314	1,122	1,310	2,014
Department of the Environment									
British Waterways Board	47	48	50	48	49	49	48	48	47
Water Industry	-27								
Departmental total	19	48	50	48	49	49	48	48	47
Scotland									
Highlands and Islands Airports Ltd ⁽⁵⁾	3	2	4	5	6	8	8	8	8
Scottish Hydro-electric	33	3	-23						
Scottish Power	-307	-109	-48						
Scottish Nuclear	125	-2	25	14	-28	-41	-42	3	38
Caledonian MacBrayne	6	5	9	13	12	11	11	11	10
Scottish Transport Group		-13	-2		44				
Departmental total	-140	-114	-34	32	34	-22	-22	22	57
Wales									
Water Industry	15								
Departmental total	15								
Total external finance	932	3,452	3,770	4,365	3,713	2,923	1,174	857	1,549

(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) Provision for national railways includes the external financing requirements of British Rail and Railtrack, grants from the Office of Passenger Rail Franchising and Metropolitan Railway Grant, also some effects of rail privatisation.

(4) Separate figures for past years are not available for those parts of the electricity industries which remain in the public sector. So in order to allow meaningful comparisons to be made over time for the rest of the nationalised industries, electricity industries for England and Wales are grouped together in this table. The Regional Electricity Companies, the National Grid Company, PowerGen and National Power were privatised during 1990-91. From 1990-91 Nuclear Electric is shown separately.

(5) The Scottish Office takes formal responsibility for HIAL from 1 April 1995.

Table 5.3 External financing requirements⁽¹⁾ of nationalised industries, 1978–79, 1980–81 to 1997–98

	£ billion																		
	1978–79 outturn	1980–81 outturn	1981–82 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 estimated outturn	1995–96 plans	1996–97 plans	1997–98 plans
British Airways	0.1	0.3	0.2		-0.2	-0.3	-0.2	-0.1											
British Nuclear Fuels														-0.4	-0.7	-0.4	-0.4	-0.6	-0.2
British Coal ⁽²⁾	0.6	0.8	1.2	1.0	1.2	1.7	0.4	0.9	0.9	0.8	1.3	0.9	0.6	0.8	1.5	0.7	0.4	0.3	0.3
British Gas Corporation	-0.4	-0.4		-0.2		-0.2	-0.2	-0.7											
National Railways ⁽³⁾	0.6	0.8	1.0	0.8	0.8	1.0	0.9	0.8	0.5	0.4	0.6	0.9	1.1	1.7	1.0	1.3	0.1	0.5	1.4
European Passenger Services											0.1	0.2	0.3	0.4	0.4	0.2	0.1		
British Shipbuilders	0.1	0.2	0.1	0.1	0.3	0.2		0.2	0.1	0.1									
British Steel Corporation	0.8	1.1	0.8	0.6	0.3	0.5	0.4		-0.3	-0.4									
British Telecom	-0.1	-0.1	0.2	-0.3	-0.2	-0.3													
Electricity																			
(England and Wales)	-0.1	0.1	-0.2	-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	0.3	-0.1	-0.5
Electricity (Scotland)		0.1	0.1	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	0.8	0.6
Post Office				-0.1	-0.1		-0.1	-0.1	-0.1	-0.1				-0.1	-0.1	-0.2	-0.2	-0.2	-0.2
Water (England and Wales)	0.3	0.3	0.3	0.3	0.4	0.3	0.2	0.1											
Other	0.5		0.1		0.1	0.1	0.1		-0.1		0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1
Total nationalised industries	2.3	3.2	3.6	2.1	2.3	3.9	1.7	0.3	0.2	-0.5	0.9	3.5	3.8	4.4	3.7	2.9	1.2	0.9	1.5

(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) See footnote 3 to table 5.2; from 1978–79 to 1993–94 British Rail figures shown excluding European Passenger Services.

Table 5.4 Capital spending⁽¹⁾ by department and industry

	£ million								
	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans
Department of Trade and Industry									
British Nuclear Fuels				475	343	534	542	472	451
British Shipbuilding	9	34	-3	-3	-6	12			
Electricity industry	1,997	1,407							
Nuclear Electric		612	706	488	402	239	135	103	108
British Coal	435	287	301	10	175	6			
Post Office	277	308	220	293	249	276	250	239	239
Girobank									
Departmental total	2,717	2,648	1,224	1,263	1,163	1,067	927	814	798
Department of Transport									
National Railways	574	933	1,264	1,494	1,003	783	660	60	60
Union Railways/EPS			22	30	36	40	90		
Civil Aviation Authority	54	74	88	116	144	120	79	94	84
London Transport	358	490	417	786	689	783	1,012	1,004	687
Departmental total	986	1,497	1,791	2,426	1,872	1,726	1,841	1,158	831
Department of the Environment									
British Waterways	3	5	2	3		5	7	4	4
Regional Water Authorities	707								
Departmental total	709	5	2	3		5	7	4	4
Scotland									
Highlands and Islands Airports Ltd									
Scottish Electricity ⁽²⁾	127	197							
Caledonian Macbrayne	6	5	9	13	12	11	11	11	10
Scottish Transport Group		-13	-2		44				
Scottish Nuclear Limited	30	3	72	149	72	-44	-41	8	43
Departmental total	162	192	79	162	128	-33	-30	19	54
Total Capital Spending	4,575	4,342	3,095	3,854	3,164	2,765	2,744	1,995	1,687

(1) On a national accounts basis, see paragraph 1.9.

(2) Includes South of Scotland Electricity Board and North of Scotland Hydro-Electric Board which became Scottish Power and Scottish Hydro-Electric respectively in 1990 and were privatised during 1991-1992.

5. Nationalised industries and Privatisation

Table 5.5 Grants and borrowing by department and nationalised industry

	£ million								
	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans
Grants to nationalised industries									
Ministry of Agriculture Fisheries and Food									
Water Industry	8								
Trade and Industry									
British Coal	3,586	1,822	709	860	1,196	799	380	337	308
British Shipbuilders	14	3							
Nuclear Electric		1,195	1,266	1,280	1,229	1,255	1,174	1,116	1,026
Department of Transport									
National Railways ⁽²⁾	416	449	595	829	545	1,988	1,870	1,870	1,870
Union Railways									
European Passenger Services	63	187	308	365	392	187	105		
London Transport	246	481	572	883	693	773	889	822	611
Department of the Environment									
British Waterways Board	48	49	51	51	49	49	48	48	47
Water Industry	9								
Scotland									
Highlands and Islands Airports Ltd	3	2	4	5	6	8	8	8	8
Caledonian MacBrayne	6	6	6	6	17	14	10	14	13
Wales									
Water Industry									
Total Grants	4,398	4,194	3,511	4,279	4,127	5,073	4,484	4,215	3,884
Borrowing by nationalised industries									
Trade and Industry									
British Coal	-2,294	-932	-104	-82	312	-63			
British Shipbuilders	-10	25	-9	-10	-9	11	-2	-1	-1
Electricity Industry	-1,262	-209							
Post Office			-74	-80	-186	-226	-213	-178	-178
Girobank	-17								
Nuclear Electric		-1	-86	-289	-503	-772	-902	-1,224	-1,480
British Nuclear Fuels ⁽¹⁾				-392	-653	-422	-411	-573	-244
Department of Transport									
National Railways ⁽²⁾	232	441	540	844	488	-718	-1,800	-1,385	-460
Union Railways			21	26	36	40	30		
European Passenger Services									
Civil Aviation Authority	44	64	34	51	91	52	28	3	-7
London Transport	13	-7	-18			-9			
Department of the Environment services									
British Waterways Board	-2	-1	-1	-4	-1				
Water Industry	-36								
Scotland									
Highlands and Islands Airports Ltd									
Scottish Hydro-electric	33	3	-23						
Scottish Power	-307	-109	-48						
Scottish Nuclear	125	-2	25	14	-28	-41	-42	3	38
Caledonian MacBrayne		-1	3	7	-5	-2	1	-3	-3
Scottish Transport Group		-13	-2		44				
Wales									
Water Industry	14								
Total Borrowing	-3,467	-742	259	86	-414	-2,150	-3,310	-3,358	-2,334
Total	932	3,452	3,770	4,365	3,713	2,923	1,174	857	1,549

(1) Includes receipts of some £25-30 million p.a. from the fossil fuel levy.

(2) Includes grants to British Rail and, in the future other operators of passenger rail services. Figures for future years indicative only.

Table 5.6 Privatisation proceeds⁽¹⁾, 1979–80 to 1994–95

	£ million														
	1979–80 to 1980–81 outturn	1981–82 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 estimated outturn ⁽²⁾
Amersham International		64													
Associated British Ports Holdings plc			46		51			534	689						
BAA plc															47
Belfast International Airport															
British Aerospace plc	43					347									
British Airways plc							435	419							
British Coal															826
British Gas plc															
—sale of shares							1,820	1,758	1,555	4	150	4			
—redemption of debt							750		250	800	350		350		
British Petroleum plc	276	8		543				863 ⁽³⁾	3,000 ⁽³⁾	1,363					
British Steel plc									1,138	1,287					
British Sugar Corporation		44													
British Telecommunications															
—sale of shares					1,358	1,246 ⁽⁴⁾	1,081					1,666	3,544	3,773	1,523
—loan stock					44	61	53	23	85	92	100	106	113	124	130
—redemption of preference shares							250	250	250						
Britoil plc			334 ⁽⁵⁾	293		426									
BTG												25			
Cable and Wireless plc		181		263		577									
DTELS															5
DVOIT															12
Electricity industries															
—sale of shares															
(England and Wales)											3,134	2,329	1,465	13	
—sale of shares (Scotland)												1,112	907	703	
—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	12
Forward														4	
General Practice Finance Corporation									67						
Harland and Wolff										8					
Insurance Services Group												13			
Land Settlement				2	12	5	2				1				
Motorway Service Area leases			4	1			2	1		2	5	5	4		
National Enterprise Board Holdings	120	2			168	30		34							
National Freight Consortium		5 ⁽⁶⁾													
National Seed Development Organisation								65 ⁽⁷⁾							
National Transcommunications Ltd												70			

Table 5.6 Privatisation proceeds⁽¹⁾, 1979–80 to 1994–95 (continued)

	£ million														
	1979–80 to 1980–81 outturn	1981–82 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 estimated outturn ⁽²⁾
Northern Ireland Electricity															
—sale of shares													350	148	186
—redemption of debt														70	
Privatised companies' debt													1,337		1,617
Professional and Executive Recruitment											5				
Rolls-Royce plc								1,029	3						
Rover Group plc											150 ⁽⁸⁾				
Royal Ordnance								186							
Short Brothers											30				
Water companies															
—sale of shares											423	1,487	1,485		
—redemption of debt											73				
Wytch Farm							18					130			
Miscellaneous ⁽⁹⁾	148	189	57	16	5	-1	-3	-1	15	-22	-21	-12	-6	-63	1,569
Total	587⁽¹⁰⁾	493⁽¹⁰⁾	455	1,139	2,050	2,706	4,458	5,140	7,069	4,225	5,347	7,925	8,184	5,460	6,300

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

	£ million			£ million			£ 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
	Victaulic (BSC)	8		Unipart (Rover)	up to 52		Scottish Transport Group subsidiaries	27
				Leyland Bus (Rover)	4			
1983–84	British Rail Hotels	45		British Coal subsidiaries	1	1991–92	Scottish Transport Group subsidiaries	15
1984–85	Jaguar (BL)	297	1987–88	British Transport Advertising	40	1992–93	Scottish Transport Group subsidiaries	5
	Sealink (BR)	40		Istel (Rover)	48			
	Wytch Farm (BGC)	82		DAB (Rover)	7	1993–94	Westlink (London Buses)	2
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) Does not take into account the cost of deferring payments of consideration.

(9) 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.

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

6. Differences from previous plans

Introduction

6.1 This section compares the new plans for the Control Total in 1995–96 and 1996–97, and estimated outturn in 1994–95, with the plans set out in last year's supplement (Tables 6.1 to 6.4). It also shows how outturn for the Control Total in 1993–94 differs from the plans in the Statistical Supplement to the 1992 Autumn Statement (Table 6.5).

6.2 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

6.3 **Table 6.1** shows the differences, by spending sector and type of change, between the figures in this year's Supplement and the corresponding figures from the previous Supplement. Tables 6.2 to 6.4 show comparisons with previous plans by department for 1994–95 to 1996–97 respectively.

6.4 The main transfers of financing responsibility affecting 1994–95 to 1996–97 are:

- a transfer of the responsibility for the grant to the Railways from Nationalised Industries to Central government amounting to £1.7 billion in each year from 1994–95 to 1996–97.
- a transfer of responsibility for work related education from Department of Employment to the Department for Education amounting to £77 million in both 1995–96 and 1996–97.
- a transfer of responsibility from central government (Department of Environment—Housing) to local authorities (Department of Social Security) for Large Scale Voluntary Transfers amounting to £17 million in 1994–95, £20 million in 1995–96 and £17 million in 1996–97.
- a transfer of responsibility for the European Social Fund from the Department of Employment to the Scottish Office. The amounts involved are £22 million in 1994–95, £27 million in 1995–96 and £31 million in 1996–97.
- a transfer of £70 million a year from 1994–95 from the Department of Transport to the Scottish Office for the responsibility for the Metropolitan Railway Grant in Scotland.
- a transfer of £160 million a year from 1995–96 from central government to local authorities within the Department of Transport for the Metropolitan Railway Grant in England.
- a transfer of £14 million a year from 1995–96 from the Home Office to Department of Environment—Local Government in respect of metropolitan police specific grants.

6. Differences from previous plans

- a transfer for 1995–96 and 1996–97 of £62 million a year from the Department of Environment to the Home Office in respect of revised treatment of the Metropolitan Police grant.

a transfer from the Department for Education to the Department of Employment for responsibility for youth credits, the amounts involved are £7 million in 1995–96 and £20 million in 1996–97.

6.5 The main classification changes are:

- from 1992–93 revised national accounting treatment of British Nuclear Fuels Limited means that it will be treated as a nationalised industry. This classification change also affects the PSBR. The amounts involved are £422 million in 1994–95, £411 million in 1995–96 and £573 million in 1996–97.
- the creation of the single intelligence Vote within Cabinet Office—Other services, Privy Council Office and Parliament. This resulted in transfers ranging from £593 million in 1994–95 to £563 million in 1996–97 from the Ministry of Defence, and transfers ranging from £94 million to £76 million from the Foreign Office.
- a transfer for the responsibility from the Ministry of Defence to the Department of Social Security for special payments to certain categories of war widows. The amounts involved are £116 million in 1994–95 and 1995–96 and £118 million in 1996–97.
- a change in the treatment of the recovery of redundancy payments in the Department of Employment which now score as negative expenditure rather than revenue. This reduces the Control Total by £21 million in 1994–95, £24 million in 1995–96 and £26 million in 1996–97.
- a change of treatment of the charges for transferring and assigning cherished marks which are now classified as revenue rather than as negative expenditure. This results in an addition to the Department of Transport's control total spending of under £14 million in each year.
- a transfer for the responsibility for the Prime Minister's Office, the Government Whips' Offices (in both Houses of Parliament), the Office of the Parliamentary Counsel and the Chequers Trust and the Ceremonial Branch from Cabinet Office—OPSS to Cabinet Office—other, etc. The amounts involved are £16 million a year in 1994–95 to 1996–97.

6.6 A re-organisation of the Department of Environment's four groupings resulted in changes between Housing, other environmental services, Property Holdings/PSA and local government. The amounts transferred to Housing were just over £100 million in each of 1994–95 to 1996–97. The amounts moved to other environmental services were £174 million in 1994–95, £219 million in 1995–96 and £225 million in 1996–97. The amounts moved from Property Holdings/PSA were £281 million in 1994–95, £326 million in 1995–96 and £335 million in 1996–97. The amounts transferred to local government were small.

1993–94 outturn

6.7 **Table 6.5** presents differences for 1993–94 for the Control Total from the plans set out in the Supplement to the 1992 Autumn Statement and, therefore, also reflects transfers and classification changes made between that Supplement and last year's Supplement. After taking account of classification changes, the total outturn for the Control Total in 1993–94 is £241.9 billion, a decrease of £2.5 billion over the plans in the Supplement to the 1992 Autumn Statement.

Table 6.1 Changes to the Control Total since last year's Statistical Supplement by spending sector						
	£ million					
	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans
Control total as in last years statistical supplement	212,513	232,345	244,507	251,300	263,000	272,300
Changes in central government expenditure						
Transfers				1,700	1,700	1,700
Classification changes	10	-21	3	-200	-100	
Other changes	68	-22	-1,363	2,000	-1,600	-2,600
Total changes in central government expenditure	77	-43	-1,360	3,500	-100	-900
Changes in central government support for local authorities						
Transfers				100	100	100
Classification changes			-5	100	200	200
Other changes	-44	49	30	500	-1,200	-1,900
Total changes in central government support for local authorities	-44	49	25	600	-900	-1,700
Changes in LASFE	441	-477	-606	900	600	800
Total changes in Local Authority Expenditure	396	-429	-581	1,500	-300	-900
Changes in financing requirements of nationalised industries						
Transfers				-1,800	-1,800	-1,800
Classification changes		-392	-653	-300	-500	-700
Other changes			-345	-100	-900	-300
Total changes in financing requirements of nationalised industries		-392	-998	-2,200	-3,100	-2,800
Changes in the reserve				-3,500	-4,000	-4,800
Changes to allowance for shortfall			300	-1,000		
Control Total	212,987	231,481	241,867	249,500	255,500	262,800

Table 6.2 Control Total by department in 1994–95, differences from previous plans

	£ million					
	Plans in Statistical Supplement to the FSBR, 1994–95	Transfers of Function between departments	Classification Changes	Revised Plans	Other Changes	Estimated Outturn
Ministry of Defence	23,489	-8	-709	22,773	-600	22,173
Foreign and Commonwealth Office	1,222	1	-94	1,130	256	1,386
Overseas Development Administration	2,308	1		2,309	57	2,366
Ministry of Agriculture, Fisheries and Food	2,803	-1		2,802	-157	2,646
Trade and Industry	2,273	-2	-422	1,849	140	1,989
ECGD	-86			-86	76	-11
Department of Employment	3,770		-43	3,727	-19	3,708
Department of Transport	5,854	-68	28	5,814	142	5,956
DOE—Housing	7,429	-15	105	7,518	-79	7,439
DOE—Other environmental services	1,967	-5	171	2,133	25	2,158
DOE—PH, PSA etc.	113		-281	-168	37	-131
DOE—Local government	29,923		5	29,928	2	29,930
Home Office (including Charity Commission)	6,257		2	6,258	3	6,261
Lord Chancellor's and Law Officers' Departments	2,734	1	5	2,740	-139	2,600
Department for Education	10,487	-1		10,486	-2	10,483
Department of National Heritage	976	1	-5	973	-15	957
Department of Health and Office of Population Censuses and Surveys	31,725	1	-1	31,725	40	31,765
Department of Social Security	68,771	16	115	68,902	1,938	70,840
Scotland	14,114	70	22	14,207	28	14,235
Wales	6,644	2		6,646	-61	6,585
Northern Ireland	7,389	2		7,391	100	7,492
Chancellor of the Exchequer's Departments	3,434		-1	3,433	-95	3,338
Cabinet Office—Office of Public Service and Science	1,318	3	-16	1,304	9	1,313
Cabinet Office—other services, Privy Council Office and Parliament	499	3	693	1,195	-11	1,184
European Communities	1,354			1,354	689	2,043
Reserve	3,500			3,500	-3,500	
Allowance for shortfall					-1,000	-1,000
LASFE	11,000			11,000	900	11,800
Total	251,300	—	-425	250,800	-1,300	249,500

	Plans in Statistical Supplement to the FSBR, 1994–95	Transfers of Function between departments	Classification Changes	Revised Plans	Other Changes	Estimated Outturn
Ministry of Defence	22,702	1	-686	22,018	-295	21,723
Foreign and Commonwealth Office	1,240	2	-78	1,164	-6	1,158
Overseas Development Administration	2,363			2,363		2,363
Ministry of Agriculture, Fisheries and Food	2,984	1		2,985	41	3,026
Trade and Industry	1,806	-6	-411	1,389	-10	1,379
ECGD	-82			-82	66	-16
Department of Employment	3,656	-67	-51	3,538	-70	3,468
Department of Transport	5,572	-74	14	5,512	-1,125	4,387
DOE—Housing	7,583	-18	103	7,668	-773	6,895
DOE—Other						
environmental services	1,638	-3	219	1,854	129	1,983
DOE—PH, PSA etc.	64		-326	-262	56	-206
DOE—Local government	30,888	-55	5	30,837	-530	30,307
Home Office (including Charity Commission)	6,432	44	2	6,478	-63	6,415
Lord Chancellor's and Law Officers' Departments	2,878	3	4	2,886	-90	2,796
Department for Education	11,059	73	-1	11,131	-182	10,949
Department of National Heritage	998	1	-5	994	7	1,001
Department of Health and Office of Population Censuses and Surveys	32,949	2	-3	32,948	9	32,957
Department of Social Security	72,897	3	114	73,014	-216	72,798
Scotland	14,523	73	27	14,623	-211	14,412
Wales	6,890	13	2	6,906	-128	6,778
Northern Ireland	7,737	2		7,739	-28	7,711
Chancellor of the Exchequer's Departments	3,373		-4	3,369	-146	3,223
Cabinet Office—Office of Public Service and Science	1,354	3	-16	1,341	-2	1,339
Cabinet Office—other services, Privy Council Office and Parliament	501	2	654	1,157	-34	1,123
European Communities	2,894			2,894	-73	2,821
LASFE	11,100			11,100	600	11,700
Reserve	7,000			7,000	-4,000	3,000
Total	263,000	—	-438	262,600	-7,000	255,500

Table 6.4 Control Total by department in 1996–97, differences from previous plans

	£ million					
	Plans in Statistical Supplement to the FSBR, 1994–95	Transfers of Function between depart- ments	Classi- fication Changes	Revised Plans	Other Changes	Estimated Outturn
Ministry of Defence	22,798	1	-681	22,119	-195	21,924
Foreign and Commonwealth Office	1,243	2	-76	1,170	-10	1,160
Overseas Development Administration	2,363			2,363	56	2,419
Ministry of Agriculture, Fisheries and Food	2,985	1		2,986	16	3,003
Trade and Industry	1,386	-7	-573	805	-11	795
ECGD	-67			-67	78	11
Department of Employment	3,654	-52	-57	3,546	-43	3,503
Department of Transport	5,370	-70	14	5,314	-869	4,445
DOE—Housing	7,558	-15	105	7,647	-740	6,907
DOE—Other						
environmental services	1,623	-1	225	1,847	71	1,918
DOE -PH, PSA etc.	36		-335	-299	78	-221
DOE—Local government	32,469	-62	5	32,412	-1,508	30,904
Home Office (including Charity Commission)	6,431	48	2	6,481	-64	6,416
Lord Chancellor's and Law Officers' Departments	2,985	3	4	2,993	-117	2,875
Department for Education	11,393	60	-1	11,452	-248	11,204
Department of National Heritage	971	1	-6	966	-5	961
Department of Health and Office of Population Censuses and Surveys	33,268	3	-3	33,268	3	33,271
Department of Social Security	76,150		100	76,250	-300	75,950
Scotland	14,822	74	31	14,926	-349	14,578
Wales	7,031	11	2	7,044	-173	6,871
Northern Ireland	7,940	2		7,942	-74	7,868
Chancellor of the Exchequer's Departments	3,404	-3	-3	3,398	-213	3,185
Cabinet Office—Office of Public Service and Science	1,359	3	-16	1,346	11	1,357
Cabinet Office—other services, Privy Council Office and Parliament	552	3	645	1,199	-65	1,134
European Communities	2,927			2,927	-162	2,765
LASFE	11,200			11,200	800	12,000
Reserve	10,500			10,500	-4,800	5,700
Total	272,300	—	-600	271,700	-8,900	262,800

Table 6.5 Differences between plans and estimated outturn for the Control Total by department, 1993–94

£ million

	Plans in Statistical Supplement to 1992 Autumn Statement	Transfer of responsi- bility between depart- ments	Classi- fication Changes	Revised Plans	Other Changes	Estimated Outturn
Ministry of Defence	23,523	-6	-773	22,745	13	22,757
Foreign and Commonwealth Office	1,220	3	-127	1,096	180	1,276
Overseas Development Ministry of Agriculture, Fisheries and Food	2,267	1		2,268	-37	2,231
Trade and Industry	2,695	1	541	3,137	-470	2,667
ECGD	-35			-35	-25	-60
Department of Employment	3,747		-165	3,583	-74	3,509
Department of Transport	6,426	4	26	6,455	-446	6,010
DOE—Housing	7,884	-37	-373	7,474	262	7,735
DOE—Other environmental services	1,445	-10	802	2,236	-92	2,145
DOE -PH, PSA etc.	118	-3	-168	-53	-40	-93
DOE—Local government	29,361	3	20	29,384	-8	29,376
Home Office (including Charity Commission)	6,119	-4	-77	6,038	-76	5,962
Lord Chancellor's and Law Officers' Departments	2,589	3	5	2,596	-174	2,422
Department for Education	9,523	-10	-4	9,509	298	9,807
Department of National Heritage	991		-4	987	-26	961
Department of Health and Office of Population Censuses and Surveys	29,883	8	-2	29,889	-73	29,816
Department of Social Security	65,015	38	122	65,175	2,714	67,889
Scotland	13,540	5	-5	13,540	19	13,559
Wales	6,316	11	1	6,328	-23	6,305
Northern Ireland	6,919	-3	17	6,934	151	7,086
Chancellor of the Exchequer's Departments	3,396	4	-2	3,398	-46	3,351
Cabinet Office—Office of Public Service and Science	1,255	-8	-17	1,229	12	1,241
Cabinet Office—other services, Privy Council Office and Parliament	472		785	1,257	-24	1,233
European Communities	1,407			1,407	466	1,873
LASFE	11,100			11,100	-1,200	9,900
Reserve	4,000			4,000	-4,000	
Control Total	243,800	—	600	244,400	-2,500	241,900

7. Analysis of General government expenditure by country and region

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 The analysis divides expenditure into "identifiable expenditure", ie expenditure which can be identified from official records as having been incurred on behalf of a particular population, and "non-identifiable expenditure", ie expenditure which is deemed to be incurred on behalf of the United Kingdom as a whole (eg defence expenditure and overseas aid), or which cannot be separated between individual countries from existing records. The coverage of the exercise has not changed since last year.

7.5 The data presented in this appendix were collected in the summer of 1994 and are therefore, not entirely consistent with other figures in this Supplement. 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 1989–90 to 1993–94. Fuller details of each of the five years covered in the 1994 analysis are given in **Tables 7.2** to **7.6**. The final table gives a further breakdown of 1993–94 identifiable expenditure and also shows the non-identifiable elements by function (**Table 7.7**).

Table 7.1 Identifiable general government expenditure⁽¹⁾ by country, 1989-90 to 1993-94

	£ million				
	1989-90	1990-91	1991-92	1992-93	1993-94
England	112,795	124,569	143,030	157,865	167,848
Scotland	14,973	16,300	17,881	20,323	21,426
Wales	7,671	8,537	9,553	10,944	11,372
Northern Ireland	5,930	6,121	6,704	7,295	7,802
Total	141,368	155,527	177,169	196,427	208,448
	£ per head				
England	2,373	2,612	2,990	3,263	3,458
Scotland	2,939	3,202	3,505	3,976	4,185
Wales	2,685	2,971	3,315	3,776	3,913
Northern Ireland	3,757	3,867	4,218	4,508	4,781
Total	2,477	2,717	3,086	3,386	3,582

(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, 1989-90

	£ 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	824	226	110	181	1,341	62	17	8	14
Trade, industry, energy and employment	3,321	754	466	740	5,281	63	14	9	14
Transport	4,737	680	348	154	5,919	80	12	6	3
Housing	3,926	589	249	268	5,033	78	12	5	5
Other environmental services	5,315	711	436	271	6,732	79	11	7	4
Law, order and protective services	7,755	831	368	698	9,652	80	9	4	7
Education	20,335	2,838	1,204	940	25,317	80	11	5	4
National Heritage ⁽¹⁾	922	102	50		1,075	86	10	5	
Health and personal social services	23,710	3,234	1,538	950	29,433	81	11	5	3
Social security	41,959	4,861	2,839	1,688	51,346	82	10	6	3
Miscellaneous expenditure ⁽²⁾	-10	147	63	41	241	-4	61	26	17
Total expenditure on services	112,795	14,973	7,671	5,930	141,368	80	11	5	4

Table 7.2B Identifiable general government expenditure, per head, 1989-90

	£ per head					Index (United Kingdom identifiable expenditure = 100)			
	England	Scotland	Wales	Northern Ireland	United Kingdom	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry	17	44	39	115	24	74	189	164	488
Trade, industry, energy and employment	70	148	163	469	93	76	160	177	507
Transport	100	133	122	97	104	96	129	118	94
Housing	83	116	87	170	88	94	131	99	192
Other environmental services	112	140	153	171	118	95	118	129	145
Law, order and protective services	163	163	129	442	169	96	97	76	262
Education	428	557	421	595	444	96	126	95	134
National Heritage ⁽¹⁾	19	20	18		19	103	107	93	
Health and personal social services	499	635	539	602	516	97	123	104	117
Social security	883	954	994	1,070	900	98	106	110	119
Miscellaneous expenditure ⁽²⁾		29	22	26	4	-5	684	518	615
Total expenditure on services	2,373	2,939	2,685	3,757	2,477	96	119	108	152

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

(2) Expenditure includes net receipts of Land Registry in England and Wales and costs of the central administration of the offices of the Secretaries of State of the territorial departments.

7. Analysis of General government expenditure by country and region

Table 7.3A Identifiable general government expenditure, 1990-91

	£ 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	977	251	139	189	1,555	63	16	9	12
Trade, industry, energy and employment	3,292	779	468	480	5,020	66	16	9	10
Transport	5,585	725	418	151	6,879	81	11	6	2
Housing	3,548	649	323	245	4,765	75	14	7	5
Other environmental services	5,850	796	497	301	7,444	79	11	7	4
Law, order and protective services	8,720	931	399	767	10,817	81	9	4	7
Education	21,764	3,099	1,310	1,051	27,224	80	11	5	4
National Heritage ⁽¹⁾	1,039	125	55		1,219	85	10	5	
Health and personal social services	26,677	3,562	1,739	1,051	33,029	81	11	5	3
Social security	47,117	5,228	3,147	1,843	57,335	82	9	6	3
Miscellaneous expenditure ⁽²⁾		156	42	43	241		65	17	18
Total expenditure on services	124,569	16,300	8,537	6,121	155,527	80	11	6	4

Table 7.3B Identifiable general government expenditure, per head, 1990-91

	£ per head					Index (United Kingdom identifiable expenditure = 100)			
	England	Scotland	Wales	Northern Ireland	United Kingdom	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry	21	49	48	119	27	75	181	178	439
Trade, industry, energy and employment	69	153	163	304	88	79	174	186	346
Transport	117	142	146	96	120	97	118	121	80
Housing	74	128	112	155	83	89	153	135	186
Other environmental services	123	156	173	190	130	94	120	133	146
Law, order and protective services	183	183	139	484	189	97	97	74	256
Education	456	609	456	664	476	96	128	96	140
National Heritage ⁽¹⁾	22	25	19		21	102	115	89	
Health and personal social services	559	700	605	664	577	97	121	105	115
Social security	988	1,027	1,095	1,164	1,002	99	103	109	116
Miscellaneous expenditure ⁽²⁾		31	15	27	4		727	347	649
Total expenditure on services	2,612	3,202	2,971	3,867	2,717	96	118	109	142

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

(2) Expenditure includes net receipts of Land Registry in England and Wales and costs of the central administration of the offices of the Secretaries of State of the territorial departments.

7. Analysis of General government expenditure by country and region

Table 7.4A 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	1,054	307	185	205	1,751	60	18	11	12
Trade, industry, energy and employment	3,230	709	421	489	4,849	67	15	9	10
Transport	5,955	765	436	172	7,328	81	10	6	2
Housing	4,330	696	347	255	5,627	77	12	6	5
Other environmental services	6,628	893	573	233	8,326	80	11	7	3
Law, order and protective services	9,859	1,027	459	855	12,200	81	8	4	7
Education	24,033	3,328	1,494	1,183	30,038	80	11	5	4
National Heritage ⁽¹⁾	1,059	135	58		1,253	85	11	5	
Health and personal social services	30,166	3,996	2,000	1,164	37,326	81	11	5	3
Social security	56,716	5,850	3,526	2,098	68,189	83	9	5	3
Miscellaneous expenditure ⁽²⁾		176	54	51	281		63	19	18
Total expenditure on services	143,030	17,881	9,553	6,704	177,169	81	10	5	4

Table 7.4B Identifiable general government expenditure, per head, 1991-92

	£ per head					Index (United Kingdom identifiable expenditure = 100)			
	England	Scotland	Wales	Northern Ireland	United Kingdom	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry	22	60	64	129	31	72	197	211	424
Trade, industry, energy and employment	68	139	146	308	85	80	165	173	364
Transport	125	150	151	108	128	98	118	119	85
Housing	91	137	120	160	98	92	139	123	164
Other environmental services	139	175	199	147	145	96	121	137	101
Law, order and protective services	206	201	159	538	213	97	95	75	253
Education	502	652	519	744	523	96	125	99	142
National Heritage ⁽¹⁾	22	27	20		22	102	121	93	
Health and personal social services	631	783	694	732	650	97	120	107	113
Social security	1,186	1,146	1,224	1,320	1,188	100	97	103	111
Miscellaneous expenditure ⁽²⁾		35	19	32	5		704	381	661
Total expenditure on services	2,990	3,505	3,315	4,218	3,086	97	114	107	137

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

(2) Expenditure includes net receipts of Land Registry in England and Wales and costs of the central administration of the offices of the Secretaries of State of the territorial departments.

7. Analysis of General government expenditure by country and region

Table 7.5A 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	1,328	328	192	212	2,061	65	16	9	10
Trade, industry, energy and employment	3,540	720	443	468	5,170	69	14	9	9
Transport	6,687	833	485	175	8,180	82	10	6	2
Housing	4,835	646	428	261	6,169	78	11	7	4
Other environmental services	6,973	985	635	257	8,850	79	11	7	3
Law, order and protective services	10,692	1,125	499	970	13,287	81	9	4	7
Education	25,744	3,655	1,644	1,267	32,310	80	11	5	4
National Heritage ⁽¹⁾	1,108	155	58		1,320	84	12	4	
Health and personal social services	33,061	4,389	2,234	1,253	40,937	81	11	6	3
Social security	63,896	7,301	4,272	2,381	77,850	82	9	6	3
Miscellaneous expenditure ⁽²⁾		188	55	52	295		64	19	18
Total expenditure on services	157,865	20,323	10,944	7,295	196,427	80	10	6	4

Table 7.5B Identifiable general government expenditure, per head, 1992-93

	£ per head					Index (United Kingdom identifiable expenditure = 100)			
	England	Scotland	Wales	Northern Ireland	United Kingdom	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry	28	64	66	131	36	77	180	187	369
Trade, industry, energy and employment	73	141	153	289	89	82	158	171	324
Transport	138	163	167	108	141	98	116	119	77
Housing	100	126	148	161	106	94	119	139	151
Other environmental services	144	193	219	159	153	95	126	143	104
Law, order and protective services	221	220	172	599	229	97	96	75	262
Education	532	715	567	783	557	96	128	102	141
National Heritage ⁽¹⁾	23	30	20		23	101	133	88	
Health and personal social services	683	859	771	774	706	97	122	109	110
Social security	1,321	1,428	1,474	1,471	1,342	98	106	110	110
Miscellaneous expenditure ⁽²⁾		37	19	32	5		722	375	631
Total expenditure on services	3,263	3,976	3,776	4,508	3,386	96	117	112	133

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

(2) Expenditure includes net receipts of Land Registry in England and Wales and costs of the central administration of the offices of the Secretaries of State of the territorial departments.

7. Analysis of General government expenditure by country and region

Table 7.6A 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	1,975	429	228	248	2,880	69	15	8	9
Trade, industry, energy and employment	3,903	747	414	488	5,552	70	13	8	9
Transport	6,658	863	495	185	8,201	81	11	6	2
Housing	4,094	649	390	237	5,371	76	12	7	4
Other environmental services	6,833	1,175	634	280	8,922	77	13	7	3
Law, order and protective services	11,175	1,187	528	1,010	13,901	80	9	4	7
Education	27,208	3,758	1,688	1,320	33,974	80	11	5	4
National Heritage ⁽¹⁾	1,137	157	58		1,352	84	12	4	
Health and personal social services	34,807	4,594	2,350	1,337	43,088	81	11	6	3
Social security	70,057	7,639	4,499	2,634	84,829	83	9	5	3
Miscellaneous expenditure ⁽²⁾		230	86	63	379		61	23	17
Total expenditure on services	167,848	21,426	11,372	7,802	208,448	81	10	6	4

Table 7.6B Identifiable general government expenditure, per head, 1993-94

	£ per head					Index (United Kingdom identifiable expenditure = 100)			
	England	Scotland	Wales	Northern Ireland	United Kingdom	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry	41	84	79	152	50	82	169	159	307
Trade, industry, energy and employment	80	146	143	299	95	84	153	149	313
Transport	137	168	170	114	141	97	120	121	81
Housing	84	127	134	145	92	91	137	146	158
Other environmental services	141	229	218	172	153	92	150	142	112
Law, order and protective services	230	232	182	619	239	96	97	76	259
Education	561	734	581	809	584	96	126	100	139
National Heritage ⁽¹⁾	23	31	20		23	101	132	87	
Health and personal social services	717	897	809	819	741	97	121	109	111
Social security	1,444	1,492	1,548	1,614	1,458	99	102	106	111
Miscellaneous expenditure ⁽²⁾		45	30	39	7		689	456	591
Total expenditure on services	3,458	4,185	3,913	4,781	3,582	97	117	109	134

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

(2) Expenditure includes net receipts of Land Registry in England and Wales and costs of the central administration of the offices of the Secretaries of State of the territorial departments.

Table 7.7 General government expenditure: Total expenditure on services⁽¹⁾ analysed by country and function, 1993–94

£ million

	Identifiable expenditure										Total	Non Identified	United Kingdom
	England	Scotland			Wales			Northern Ireland					
		Total	Scottish Departments	Other	Total	Welsh Office	Other	Total	Northern Ireland and Departments	Other ⁽²⁾			
Defence												22,879	22,879
Overseas services												3,529	3,529
Agriculture, fisheries, food and forestry	1,975	429	412	18	228	211	18	248	248		2,880	1,236	4,116
Trade, industry, energy and employment	3,903	747	569	178	414	300	114	488	488		5,552	3,742	9,294
Roads and transport	6,658	863	863		495	495		185	185		8,201	1,919	10,120
Housing	4,094	649	642	7	390	387	3	237	237		5,371	29	5,399
Other environmental services	6,833	1,175	1,175		634	634		280	280		8,922	180	9,102
Law, order and protective services	11,175	1,187	1,142	45	528	75	453	1,010	968	43	13,901	954	14,855
Education	27,208	3,758	3,758		1,688	1,523	165	1,320	1,320		33,974	425	34,399
National Heritage ⁽³⁾	1,137	157	157		58	58					1,352	240	1,592
Health and personal social services	34,807	4,594	4,594		2,350	2,350		1,337	1,337		43,088	77	43,166
Social security	70,057	7,639		7,639	4,499	-925	5,424	2,634	2,613	21	84,829	1,890	86,719
Miscellaneous expenditure ⁽⁴⁾		230	230		86	86		63	63		379	7,681	8,060
Total	167,848	21,426	13,540	7,886	11,372	5,194	6,177	7,802	7,738	64	208,448	44,782	253,230

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

(4) 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 region was undertaken during the summer of 1994. 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 1992-93. In addition to the regional expenditure figures the tables also give the corresponding figures from the 1994 territorial analysis. They show that just over 85 per cent of expenditure identifiable to England in 1992-93 can be disaggregated by region. The extent of this regional disaggregation varies widely between functions. For example, in 1992-93 about 90 per cent of expenditure on health and personal social services, about 96 per cent on transport and over 87 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 **Table 7.9** presents the figures on a per capita basis. Spending in 1992-93 allocated by region varies from £2429 per head in East Anglia to £2970 in the North West. These figures should be treated with caution. Identifiable expenditure which cannot be allocated by region averages about £500 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. 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.

Table 7.8 Identifiable general government expenditure, by region and function, 1992-93

	Allocation of expenditure by region									Totals from 1994 territorial analysis ⁽¹⁾					
	Northern Region	Yorkshire and Humberside		East Midlands	East Anglia	South East	South West	West Midlands	North West	Total of all Regions	Unallo- cated ⁽²⁾	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry	1	6	1	-2	20	2	2	2	31	1,297	1,328	328	192	212	
Trade, industry, energy and employment	70	46	25	9	116	44	48	72	429	3,111	3,540	720	443	468	
Roads and transport	326	618	386	277	2,967	468	629	730	6,401	286	6,687	833	485	175	
Housing	128	263	154	27	1,410	150	256	506	2,895	1,940	4,835	646	428	261	
Other environmental services	514	552	403	164	2,259	472	649	851	5,863	1,110	6,973	985	635	257	
Law, order and protective services	459	711	492	231	3,206	593	715	966	7,374	3,319	10,692	1,125	499	970	
Education	1,568	2,586	1,976	999	8,922	2,194	2,666	3,437	24,346	1,398	25,744	3,655	1,644	1,267	
National Heritage	59	88	68	29	330	67	106	106	852	256	1,108	155	58		
Health and personal social services	1,933	3,084	2,277	1,150	11,405	2,764	3,031	4,094	29,738	3,322	33,061	4,389	2,234	1,253	
Social security	4,107	5,823	4,325	2,188	19,661	5,363	6,027	8,245	55,736	8,160	63,896	7,301	4,272	2,381	
Miscellaneous expenditure												188	55	52	
Total	9,164	13,776	10,106	5,074	50,295	12,116	14,127	19,009	133,665	24,199	157,865	20,323	10,944	7,295	

(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 1994 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 capita, by region and function, 1992-93

	Allocation of expenditure by region									Totals from 1994 territorial analysis ⁽¹⁾					£ million
	Northern Region	Yorkshire and Humberside		East Midlands	East Anglia	South East	South West	West Midlands	North West	Total of all Regions	Unallo- cated ⁽²⁾	England	Scotland	Wales	Northern Ireland
Agriculture, fisheries, food and forestry		1		-1	1	1			1	27	28	64	66	131	
Trade, industry, energy and employment	23	9	6	4	6	9	9	11	9	64	73	141	153	289	
Roads and transport	105	124	95	133	168	99	119	114	132	6	138	163	167	108	
Housing	41	53	38	13	80	32	49	79	60	40	100	126	148	161	
Other environmental services	166	110	99	79	128	99	123	133	121	23	144	193	219	159	
Law, order and protective services	148	142	121	111	181	125	136	151	152	69	221	220	172	599	
Education	506	517	486	478	504	462	505	537	503	29	532	715	567	783	
National Heritage	19	18	17	14	19	14	20	17	18	5	23	30	20		
Health and personal social services	624	617	561	551	644	582	574	640	615	69	683	859	771	774	
Social security	1,325	1,164	1,065	1,048	1,111	1,130	1,142	1,288	1,152	169	1,321	1,428	1,474	1,471	
Miscellaneous expenditure												37	19	32	
Total	2,957	2,754	2,488	2,429	2,841	2,553	2,677	2,970	2,763	500	3,263	3,976	3,776	4,508	

(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 1994 territorial analysis. This includes a data discrepancy resulting from differences in timing of the estimates and small differences of treatment or coverage.

Appendix A Conventions and economic assumptions

1 This appendix gives details of the various conventions used for the figures presented in this supplement.

Rounding conventions

2 The figures in this Supplement are generally shown to the nearest £1 million, with the following exceptions:

- (i) figures for the last two plan years (1996–97 and 1997–98) 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. LASFE is rounded to the nearest £100 million from 1994–95 onwards, and, the Control Total from 1994–95 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 £0.1 billion; and
- (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 1989–90 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 Supplement 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 Supplement are given in 1993–94 prices. The deflator series used is adjusted to remove the distortion caused 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.

Historical data

6 Most of the analyses in this Supplement 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 Supplement 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 supplement.

- (a) For the purpose of projecting social security benefit expenditure it is assumed that the uprating in April 1996 will be based on a 3 per cent increase in the Retail Price Index from September 1994 to September 1995 and the uprating in April 1997 will be based on a 2½ per cent increase in the year to September 1996.
- (b) The level of unemployment (excluding students and those temporarily stopped work in Great Britain) is assumed to average 2.4 million in 1995–96. Following the usual convention it is assumed to remain at the same level in 1996–97 and 1997–98. For Northern Ireland the number of wholly unemployed adults is assumed to average 95,000 in 1995–96. Again similar assumptions have been made for 1996–97 and 1997–98. These assumptions are not intended to be forecasts.
- (c) General inflation as measured by the GDP deflator is assumed to be 2 per cent in 1994–95, 3¼ per cent in 1995–96, 2½ per cent in 1996–97 and 2¼ per cent in 1997–98. Details of GDP deflators used for years prior to 1994–95 are shown in **Table 1.1**.
- (d) GDP at market prices (money GDP) is assumed to be £678 billion in 1994–95, £719 billion in 1995–96, £757 billion in 1996–97 and £795 billion in 1997–98. These are marginally different from the figures in the FSBR, reflecting some allowance for the effects on inflation of the measures announced by the Chancellor of the Exchequer on 8 December. Money GDP figures for years prior to 1994–95 and the adjusted series, in index form, are also shown in **Table 1.1**.

Appendix B Differences between the Control Total, and general government expenditure

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.

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

	£ million								
	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 outturn	1993-94 outturn	1994-95 estimated outturn	1995-96 plans	1996-97 plans	1997-98 plans
Control Total	175,134	193,521	212,987	231,481	241,867	249,500	255,500	262,800	271,500
Add									
Cyclical social security	6,711	7,833	10,923	13,300	14,339	14,200	14,000	14,000	14,400
Add									
Central government debt interest	17,823	17,522	16,234	17,416	19,281	22,100	24,500	26,000	26,200
Add									
Other national accounts adjustments	5,381	4,608	4,047	6,229	7,538	9,400	10,700	12,500	12,700
Of which:									
Capital consumption	3,539	3,838	3,743	3,570	3,223				
VAT refunded	2,350	2,813	3,175	3,307	3,409				
Pension increase payments	898	1,031	1,247	1,327	1,389				
Civil superannuation-charging	306	279	278	299	840				
Defence superannuation-charging	256	307	344	578	745				
Adjustments for public corporations	1,527	800	642	1,214	1,637				
Trust debt remuneration			134	397	757				
Local authority debt interest to central government	-4,321	-4,585	-4,875	-4,338	-3,924				
Other	826	125	-641	-124	-538				
General government expenditure excluding privatisation proceeds	205,049	223,485	244,191	268,426	283,025	295,200	304,800	315,400	324,800

4 The main stages in moving from the Control Total to general government expenditure excluding privatisation proceeds are as follows:-

- (i) Add cyclical social security.
- (ii) Add central government gross debt interest.
- (iii) Add the value of non-trading capital consumption (ie. depreciation).
- (iv) Add VAT refunded to local authorities and central government departments. The Control Total is measured net of VAT refunds. National accounts expenditure includes VAT even where it is refunded.
- (v) Add the pension increase elements of the pensions paid to members of the teachers and National Health Service superannuation schemes.
- (vi) Add the difference between pensions in payment and accruing superannuation liability charges for the civil service and armed forces superannuation schemes.
- (vii) Add the element of NHS Trust's charges to health authorities which Trusts use to remunerate their debt to government.
- (viii) 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.
- (ix) Add the spending of the proceeds of the National Lottery.
- (x) Add the surpluses of local authority trading services, which are treated as negative expenditure in the Control Total but as revenue in the national accounts.
- (xi) Add the distribution of fossil fuel levy receipts to the renewables generators which count as government expenditure but are outside the Control Total.
- (xii) Deduct the capital expenditure of New Town Corporations and Commission.
- (xiii) Add the grants and loans made to New Towns by central government.
- (xiv) Deduct the capital expenditure of Passenger Transport Executives.
- (xv) Add grants and loans made to Passenger Transport Executives.
- (xvi) Deduct local authority debt interest payments to central government which are included in the Control Total.

Appendix B Differences between the Control Total, and general government expenditure

- (xvii) Add local authorities' net cash expenditure on company securities.
- (xviii) Add the capital value of assets and deduct rents on financial leases taken out by central government.
- (xix) Deduct the capital value of certain property leases involving local authorities and add rents on such leases.
- (xx) 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.
- (xxi) Add expenditure by the Securities and Investments Board.
- (xxii) Add the development costs of the Joint European Torus project.
- (xxiii) 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.
- (xxiv) Allow for the effect of differences in timing of transactions with British Coal, whose accounting year ends on the last Saturday in March and starts the day following, rather than 31 March and 1 April.
- (xxv) Add adjustments to put certain central government expenditure on an accruals basis.
- (xxvi) Add the capital expenditure of the Crown Estate Office.
- (xxvi) Deduct the capital expenditure of the Export Credits Guarantee Department.
- (xxvii) Add capital expenditure in respect of work carried out by the Scottish Development Agency and Welsh Development Agency on behalf of local authorities.
- (xxviii) Deduct increases in the value of stocks held by Forestry Enterprise.
- (xxix) Add, for outturn years, the residual difference between general government expenditure as measured by national accounts and Treasury sources.

5 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.

Appendix C Departmental groupings

1 A number of the tables in this Supplement 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 1995 departmental reports and the 1995–96 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	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 Office of Telecommunications
Export Credits Guarantee Department	Export Credits Guarantee Department
Employment	Department of Employment Advisory, Conciliation and Arbitration Service Health and Safety Commission
Transport	Department of Transport Office of Passenger Rail Franchising Office of the Rail Regulator
DOE—Housing	Department of Environment—Housing
DOE—Environment	Department of Environment—Other Environmental Services
DOE—PH, PSA etc.	Department of Environment Office of Water Services Ordnance Survey Property Holdings PSA Services
DOE—Local government	Department of Environment—mainly block and transitional grants to English local authorities
Home Office	Home Office Charity Commission

<u>Title</u>	<u>Departments included</u>
Legal 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 Land Registry
Education	Department for Education Office for Standards in Education
National Heritage	Department of National Heritage Office of the National Lottery
Health	Department of Health Office of Population Censuses and Surveys
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 Central Statistical Office Crown Estate Office Department for 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—OPSS	Office of Public Service and Science Central Office of Information HM Stationery Office
Cabinet Office—other etc.	Cabinet Office House of Commons House of Lords National Audit Office Parliamentary Commissioner and Health Service Commissioners Privy Council Office
European Communities	Net payments to European Community institutions



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