

Public Expenditure

Statistical Analyses 2014

Public Expenditure Statistical Analyses 2014

July 2014

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Public Expenditure

Statistical Analyses 2014

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

July 2014

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How to use PESA

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

What is PESA?

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

Table i.1 Spending frameworks used in PESA

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

Table i.2 shows against which framework each chapter/table is presented. A short summary of each section is then provided below – the chapter text contains further details.

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

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

Budgets

There are two main presentations within this section:

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

Public sector

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

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

Sectoral analysis

The sectoral analysis splits by sector (central government, local government and public corporations) the data shown in both of the above sections. Specifically:

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

Country and regional analysis

The country and regional analysis takes total public sector spending (on the same basis as in the public sector section, but using data from an earlier point in the year) and asks departments to identify the country and/or region who benefit from their spending.

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

Period covered by PESA tables

All data series in PESA are annual and for financial years. Tables in PESA 2014 normally cover the years 2009-10 to 2015-16, although some show only the latest year (2013-14) and some are presented over a longer historical period.

Public expenditure National Statistics updates

Key series are updated three times a year. These are:

- Total Managed Expenditure, by budgetary category (PESA 2014, **Table 1.1**);
- resource and capital elements of Departmental Expenditure Limits and Annually Managed Expenditure by departmental group (PESA 2014, **Tables 1.3 and 1.8**);
- public sector expenditure on services by function (PESA 2014, **Table 4.2**); and
- public sector expenditure on services by economic category (PESA 2014, **Table 5.3**).

Further updates will take place in October, February and April. Most series in PESA are only published annually.

Future development of PESA

We would be interested in readers' views on how PESA might be developed to further increase its value to users. Please write to:

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Frequently asked questions

How much did the government spend on x?

The answer varies depending on which levels of government you are interested in, and what sort of spending.

The list of tables below takes transport as an example. The chapter text gives a more precise definition of the contents of each table:

- **Table 4.2** shows the total UK public sector spending on transport for a long run of years. This includes spending by devolved administrations, local government and public corporations, as well as by the Transport departmental group (details of the departments included in this group are given in **Annex B**). **Tables 4.3 and 4.4** show spending in real terms and as a percentage of GDP;
- **Table 5.2** shows the total UK public sector spending on more detailed categories of transport, such as national and local roads;
- **Table 5.4** shows the UK public sector current and capital spending on transport, and **Tables 6.6, 7.4 and 8.4** provide a breakdown according to whether it is central government, local government or public corporations responsible for the spending;
- **Table 1.10** shows the total DEL spending of the Transport departmental group. **Tables 1.3 and 1.8** show the resource and capital spending respectively of the Transport group; and
- **Table 9.8e** presents spending on transport by country and region. **Chapter 10** tables present country spending on the more detailed categories such as national and local roads.

The second list of tables takes pay as an example:

- **Table 5.3** shows the total UK public sector spending on pay;
- **Table 6.5** shows pay for central government and **Table 7.8** shows local government pay by country. All public corporation current spending (except debt interest) is included as part of the gross operating surplus calculation, which scores on the revenue side of the National Accounts and is not therefore included as spending within the expenditure on services framework; and
- **Table 2.1** shows central government pay (as in **Table 6.5**) split between departments' DEL and AME budgets.

How can I compare spending on x to previous years?

Chapter 4 contains long run series (from 1990-91) for public sector expenditure on services by function. Historic long run series of the budgeting aggregates are not available, due to the restructuring of government departments and the movement of spending programmes between departments. These changes do not impact on the expenditure on services framework.

Users are strongly advised against simply splicing data together from different editions of PESA, as data is unlikely to be directly consistent due to changes in coverage and classification. Departments and the devolved administrations maintain five years of live outturn data. Data for earlier years exist only on archived databases and are not therefore adjusted for machinery of government and classification changes. The PESA team maintain a summarised version of this historical data on a consistent basis for the production of the long-run series.

What are departmental groups?

Departmental groups are listed in **Annex B**. The departments are broadly grouped in line with ministerial responsibility.

How are the functions defined?

The functions are based on the United Nations' Classification Of the Functions Of Government (UN COFOG). Tables that show spending by function are consistent with UN COFOG level 1, but additionally show some HM Treasury-defined functions as 'of which' lines (see below). Tables that show spending by sub-function are broadly consistent with UN COFOG level 2. Definitions of the UN COFOG classifications are available on the United Nations Statistics Division website.¹ The mapping between the HM Treasury functions and UN COFOG level 2 is as follows:

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

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

A number of the tables in this publication give figures in real terms. Real terms figures are the actual (known as nominal) spend adjusted to exclude the effect of general inflation, as measured

¹ unstats.un.org

by the GDP deflator at market prices. The real terms figures in this publication are given in 2013-14 prices. The GDP deflators and GDP actuals used in this publication are those given in **Annex F**. The most up-to-date deflators and GDP numbers are available on the gov.uk website.²

Why are chapters 9 and 10 not consistent with the other expenditure on services tables?

The information in **Chapters 9 and 10** was gathered in a separate data collection exercise during the summer of 2013. Therefore, the figures in these chapters are not entirely consistent with the figures in other PESA chapters. **Chapter 9** contains more detail on the analysis process.

New European System of Accounts 2010 (ESA10)

The Office for National Statistics (ONS) are responsible for producing the National Accounts which measure the economic activity of the whole economy. The UK are legally required to produce these based on a framework specified in the European System of Accounts 1995 (ESA95). Total Managed Expenditure (TME) is an aggregate drawn from National Accounts that measures the sum of public sector current and capital spending.

From September 2014 the UK along with all other Member States will move to producing their National Accounts using the new European System of Accounts 2010 (ESA10) framework. This will mean that the Total Managed Expenditure (TME) aggregate used in the Public Spending Statistics and PESA publications will also be on a ESA 2010 basis. TME figures on the ESA 2010 basis will be included in these publications from the October 2014 quarterly update onwards.

About ESA 2010:

http://epp.eurostat.ec.europa.eu/portal/page/portal/esa_2010/introduction

Impact on Public Sector Finances:

<http://www.ons.gov.uk/ons/guide-method/method-quality/specific/economy/public-sector-finances/transition-to-esa10--update-to-impact-on-public-sector-finances.pdf>.

² www.gov.uk



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1

Departmental budgets

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

What's new

1.2 **Table 1.12** is a new table that presents total expenditure, ie the sum of Total DEL and departmental AME, by departmental group. This table was first published In the Public Spending Statistics (PSS) April 2014 statistical bulletin.

The budgeting and reporting framework

1.3 **Table 1.1** summarises public expenditure both in terms of the Treasury's budgeting and control framework,¹ and in terms of the National Accounts aggregate Total Managed Expenditure (TME) and its components. **Table 1.2** presents the same information in real terms.

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

1.5 A clear distinction is made for budgeting between current and capital spending, with departments having separate resource and capital budgets largely based on International Financial Reporting Standards (IFRS). For part of their resource and capital budgets, departments are given firm three year spending limits called Departmental Expenditure Limits (DELs) within which they prioritise resources and plan ahead.

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

Reconciliation of budgeting and National Accounts aggregates

1.7 DEL and AME together make up TME, an aggregate that is drawn from the National Accounts, and is defined in National Accounts terms as public sector current expenditure plus public sector gross investment (measured net of sales but gross of depreciation). Note that total public sector depreciation is modelled by the ONS for the National Accounts, while the depreciation referred to in the footnote to **Table 1.1** is depreciation in resource DEL, measured on an IFRS basis.

¹ <https://www.gov.uk/government/publications/consolidated-budgeting-guidance>

1.8 Table 1.1 shows the reconciliation from the resource and capital budgets to the National Accounts measures of public sector current expenditure and public sector gross investment, respectively. With the deduction of depreciation, the latter reconciles to public sector net investment. **Table 1.2** presents the same information in real terms.

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

1.10 Table 1.3 shows the resource budget for each departmental group, with **Table 1.4** presenting the same information in real terms. Resource DEL is a control total, which means that departments must manage spending to keep within this total.

1.11 Table 1.5 shows resource DEL excluding depreciation as first presented in the Spending Review 2010. The depreciation ring fence is a control total that departments must manage. **Table 1.6** presents the same information in real terms.

1.12 Table 1.8 shows the capital budget for each departmental group, with **Table 1.9** presenting the same information in real terms. Capital DEL is a control total.

Administration budgets

1.13 Table 1.7 sets out details of administration expenditure in resource DEL for those central government departments that are subject to administration budgets. Administration budgets are set for most civil service departments and are generally designed to contain most back-office functions. These budgets therefore help to drive economy and efficiency in the running of government. Around 65 per cent of administration costs are accounted for by civil service pay, a further 30 per cent is accounted for by procurement of goods and services (e.g. accommodation, equipment, travel). An analysis of administration budgets by economic category is shown in **Table 2.1**.

1.14 As part of the Spending Review 2010 some elements of HM Revenue and Customs and Work and Pensions directly involved in service delivery were reclassified as programme rather than administration spending from 2011-12, to better reflect central government administration costs. The departmental administration budget within resource DEL is a control total.

Total DEL

1.15 Table 1.10 shows Total DEL by departmental group. Total DEL is made up of resource DEL excluding depreciation plus capital DEL. **Table 1.10** is consistent with **Table 1.5** plus **Table 1.8**. Note that Total DEL is not a control total. **Table 1.11** presents the same information as **Table 1.10** in real terms.

1.16 Table 1.12 presents total expenditure, i.e. the sum of Total DEL and departmental AME, by departmental group. **Table 1.13** presents the same information as **Table 1.12** in real terms.

Public expenditure by spending sector

1.17 Table 1.15 shows a breakdown of TME, and within it DEL and AME, between the National Accounts public spending sectors (central government, local government and public corporations).

1.18 This breakdown by sector is used in many of the analyses in this publication. In this table current and capital expenditure are added together (net of depreciation).

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

Central government own expenditure

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

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

- departments' own spending;
- spending of agencies and Arms Length Bodies (ALBs) classified to central government; and
- spending of the devolved administrations in Scotland, Wales and Northern Ireland.

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

Local government expenditure

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

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

Public corporations' expenditure

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

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

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

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

Table 1.1 Total Managed Expenditure, 2009-10 to 2015-16

	£ million						
	National Statistics						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
CURRENT EXPENDITURE							
Resource DEL							
Resource DEL excluding depreciation	324,172	330,329	326,519	321,870	316,861	318,200	314,200
Depreciation in resource DEL	13,843	20,509	19,269	21,507	22,054	20,600	22,300
Total resource DEL	338,015	350,838	345,788	343,376	338,915	338,800	336,500
Resource departmental AME							
Social security benefits	158,887	164,512	170,677	178,269	179,759	184,380	189,392
Tax credits ⁽¹⁾	27,667	28,938	29,976	29,761	29,394	29,764	30,684
Net public service pensions ⁽²⁾	1,528	-78,073	6,012	4,958	6,347	8,370	7,373
National lottery	1,001	995	1,335	727	1,160	1,401	994
BBC domestic services	3,464	3,559	3,033	3,291	3,165	3,917	3,769
Student loans	-256	-301	-642	-763	-1,096	-1,549	-3,262
Non-cash items ⁽³⁾	47,141	55,305	52,436	53,341	49,442	84,622	53,702
Financial sector interventions	-27,592	-14,247	-16,143	-18,384	7,944	-1,202	-151
Other departmental expenditure	3,740	1,783	-859	3,899	13,185	16,817	16,310
Total resource departmental AME	215,581	162,472	245,824	255,098	289,299	326,520	298,811
Resource other AME							
Net expenditure transfers to the EU	6,419	8,414	7,702	9,131	9,716	8,881	8,899
Locally financed expenditure	25,797	22,969	22,104	23,892	23,870	24,872	26,234
Central government gross debt interest	30,479	45,165	48,375	47,549	47,384	52,073	59,119
Accounting adjustments ⁽⁴⁾	-11,280	45,410	-25,759	-22,806	-43,027	-71,306	-38,030
Total resource other AME	51,415	121,958	52,422	57,766	37,942	14,521	56,223
Total resource AME	266,996	284,430	298,246	312,864	327,242	341,040	355,033
Public sector current expenditure	605,010	635,268	644,034	656,240	666,157	679,900	691,500
CAPITAL EXPENDITURE							
Capital DEL							
Total capital DEL	57,007	49,816	42,338	38,961	42,021	45,000	46,000
Capital departmental AME							
National lottery	752	597	380	513	468	499	606
BBC domestic services	123	122	172	121	262	113	95
Student loans	4,601	4,958	5,857	6,858	9,292	11,331	12,665
Financial sector interventions	38,281	-3,015	-4,571	-3,601	-4,938	-2,985	-
Other departmental expenditure	691	1,103	688	-302	-11,201	8,268	1,977
Total capital departmental AME	44,447	3,764	2,525	3,589	-6,117	17,225	15,342
Capital other AME							
Locally financed expenditure	5,416	5,318	15,849	6,374	10,761	6,241	6,465
Public corporations' own-financed capital expenditure	8,191	9,302	6,958	7,081	8,197	7,519	7,594
Accounting adjustments ⁽⁴⁾	-46,669	-8,764	-17,000	-38,089	-6,763	-23,856	-23,515
Total capital other AME	-33,062	5,856	5,807	-24,635	12,195	-10,096	-9,455
Total capital AME	11,385	9,621	8,333	-21,045	6,078	7,129	5,887
Public sector gross investment ^{(5) (6)}	68,392	59,437	50,671	17,916	48,099	52,100	51,900
<i>less public sector depreciation</i>	19,999	20,784	21,625	22,528	23,359	24,250	25,085
Public sector net investment ^{(5) (6)}	48,393	38,653	29,046	-4,612	24,740	27,900	26,800
TOTAL MANAGED EXPENDITURE ^{(5) (6)}	673,402	694,705	694,705	674,156	714,256	732,000	743,400
<i>of which:</i>							
Total DEL ⁽⁷⁾	381,179	380,145	368,857	360,831	358,882	363,200	360,200
Departmental AME	260,028	166,236	248,349	258,687	283,182	343,745	314,153
Other AME	32,196	148,324	77,499	54,638	72,192	25,008	69,038

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

⁽²⁾ The main pension schemes are reported under IAS19 accounting requirements, the reconciliation to National Accounts is explained in Annex D. In the 2010 Budget Statement it was announced that the Government would use the CPI rather than the RPI for the indexation of public service pensions. This change has been recognised as a negative past service cost in 2010-11 in accordance with IAS19.

⁽³⁾ Plans in 2014-15 include a £28.8bn DECC resource AME liability. This relates to the fair value of liabilities incurred for Contracts for Difference expected to be signed under the Electricity Market Reform programme. Please see Electricity Market Reform Programme (Contracts for Difference) in the Glossary of terms for full explanation.

⁽⁴⁾ Transactions from 2009-10 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

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

⁽⁶⁾ In 2012-13 this includes a £28 billion adjustment in respect of Royal Mail pension assets.

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

Table 1.2 Total Managed Expenditure in real terms,⁽¹⁾ 2009-10 to 2015-16

	National Statistics						£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
CURRENT EXPENDITURE							
Resource DEL							
Resource DEL excluding depreciation	349,764	347,334	335,735	327,420	316,861	311,400	302,600
Depreciation in resource DEL	14,936	21,565	19,813	21,878	22,054	20,200	21,500
Total resource DEL	364,700	368,899	355,548	349,297	338,915	331,500	324,100
Resource departmental AME							
Social security benefits	171,431	172,981	175,494	181,343	179,759	180,411	182,397
Tax credits ⁽²⁾	29,851	30,428	30,822	30,274	29,394	29,123	29,551
Net public service pensions ⁽³⁾	1,649	-82,092	6,182	5,043	6,347	8,190	7,101
National lottery	1,080	1,046	1,373	740	1,160	1,371	957
BBC domestic services	3,737	3,742	3,119	3,348	3,165	3,833	3,630
Student loans	-276	-316	-660	-776	-1,096	-1,516	-3,142
Non-cash items ⁽⁴⁾	50,863	58,152	53,916	54,261	49,442	82,800	51,718
Financial sector interventions	-29,770	-14,980	-16,599	-18,701	7,944	-1,176	-145
Other departmental expenditure	4,035	1,875	-883	3,966	13,185	16,455	15,708
Total resource departmental AME	232,600	170,836	252,762	259,496	289,299	319,491	287,774
Resource other AME							
Net expenditure transfers to the EU	6,926	8,847	7,919	9,288	9,716	8,690	8,570
Locally financed expenditure	27,834	24,151	22,728	24,304	23,870	24,337	25,265
Central government gross debt interest	32,885	47,490	49,740	48,369	47,384	50,952	56,935
Accounting adjustments ⁽⁵⁾	-12,171	47,748	-26,486	-23,199	-43,027	-69,771	-36,625
Total resource other AME	55,474	128,236	53,902	58,762	37,942	14,208	54,146
Total resource AME	288,074	299,073	306,664	318,258	327,242	333,699	341,920
Public sector current expenditure	652,773	667,972	662,212	667,555	666,157	665,300	666,000
CAPITAL EXPENDITURE							
Capital DEL							
Total capital DEL	61,508	52,381	43,533	39,633	42,021	44,000	44,300
Capital departmental AME							
National lottery	811	628	391	522	468	488	584
BBC domestic services	133	128	177	123	262	111	91
Student loans	4,964	5,213	6,022	6,976	9,292	11,087	12,197
Financial sector interventions	41,303	-3,170	-4,700	-3,663	-4,938	-2,921	-
Other departmental expenditure	746	1,160	707	-307	-11,201	8,090	1,904
Total capital departmental AME	-35,672	6,157	5,971	-25,060	12,195	-9,879	-9,106
Capital other AME							
Locally financed expenditure	5,844	5,592	16,296	6,484	10,761	6,107	6,226
Public corporations' own-financed capital expenditure	8,838	9,781	7,154	7,203	8,197	7,357	7,314
Accounting adjustments ⁽⁵⁾	-50,353	-9,215	-17,480	-38,746	-6,763	-23,342	-22,646
Total capital other AME	12,284	10,116	8,568	-21,408	6,078	6,976	5,670
Total capital AME	12,284	10,116	8,568	-21,408	6,078	6,976	5,670
Public sector gross investment^{(6) (7)}	73,791	62,497	52,101	18,225	48,099	51,000	50,000
<i>less public sector depreciation</i>	<i>21,578</i>	<i>21,854</i>	<i>22,235</i>	<i>22,916</i>	<i>23,359</i>	<i>23,728</i>	<i>24,158</i>
Public sector net investment^{(6) (7)}	52,213	40,643	29,866	-4,692	24,740	27,300	25,800
TOTAL MANAGED EXPENDITURE^{(6) (7)}	726,565	730,469	714,313	685,780	714,256	716,200	715,900
<i>of which:</i>							
Total DEL ⁽⁸⁾	411,272	399,715	379,268	367,053	358,882	355,400	346,900
Departmental AME	280,556	174,794	255,359	263,147	283,182	336,345	302,550
Other AME	34,738	155,960	79,686	55,580	72,192	24,470	66,488

⁽¹⁾ Real terms figures are the cash figures adjusted to 2013-14 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 27 June 2014. The forecasts are consistent with the Financial Statement and Budget Report 2014.

⁽²⁾ Tax credits include working tax credits, stakeholder pension credits and Child Tax Credits. Child allowances paid as part of Income Support and Jobseekers' Allowance are shown within social security benefits. Tax credits include elements that are treated as negative tax in National Accounts, see Box 1.A.

⁽³⁾ The main pension schemes are reported under IAS19 accounting requirements, the reconciliation to National Accounts is explained in Annex D. In the 2010 Budget Statement it was announced that the Government would use the CPI rather than the RPI for the indexation of public service pensions. This change has been recognised as a negative past service cost in 2010-11 in accordance with IAS19.

⁽⁴⁾ Plans in 2014-15 include a £28.8bn DECC resource AME liability. This relates to the fair value of liabilities incurred for Contracts for Difference expected to be signed under the Electricity Market Reform programme. Please see Electricity Market Reform Programme (Contracts for Difference) in the Glossary of terms for full explanation.

⁽⁵⁾ Transactions from 2009-10 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

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

⁽⁷⁾ In 2012-13 this includes a £28 billion adjustment in respect of Royal Mail pension assets.

⁽⁸⁾ Total DEL is given by resource DEL excluding depreciation plus capital DEL.

Table 1.3 Resource budgets, 2009-10 to 2015-16

	National Statistics					£ million	
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
Resource DEL by departmental group							
Education	49,277	50,387	50,162	50,816	52,487	54,500	54,556
NHS (Health)	94,422	97,469	100,266	102,571	106,476	109,650	111,662
Personal Social Services (Health) ⁽¹⁾	1,364	1,471	-	-	-	-	-
Transport	6,548	5,806	5,578	5,283	4,791	4,349	3,231
CLG Communities	4,334	3,860	1,990	1,496	2,080	2,574	1,376
CLG Local Government ⁽²⁾	26,805	24,403	25,389	23,189	16,481	13,340	11,420
Business, Innovation and Skills	18,327	21,271	19,993	19,196	20,602	17,273	18,072
Home Office	9,471	12,774	12,122	11,442	10,993	11,148	10,543
Justice	9,097	9,078	9,031	8,728	7,972	7,376	6,889
Law Officers' Departments	709	669	621	599	571	552	521
Defence	34,917	39,035	37,980	35,874	36,181	36,436	35,537
Foreign and Commonwealth Office	2,127	2,200	2,175	2,152	2,156	1,742	1,215
International Development	5,250	5,930	6,184	6,129	8,088	7,870	8,426
Energy and Climate Change	1,231	1,157	1,160	1,132	1,175	1,540	1,277
Environment, Food and Rural Affairs	2,460	2,374	2,197	2,053	1,990	1,992	1,762
Culture, Media and Sport	1,573	1,580	1,610	3,531	1,294	1,344	1,275
Work and Pensions	13,617	13,926	12,428	12,315	7,448	7,727	6,321
Scotland	25,123	25,776	25,437	25,751	26,136	26,629	26,818
Wales	13,536	13,789	13,660	13,654	14,450	14,221	14,310
Northern Ireland	9,644	9,975	9,864	10,041	10,166	10,160	10,241
Chancellor's Departments	4,244	3,966	3,852	3,468	3,396	3,792	3,587
Cabinet Office	2,259	2,354	2,399	2,487	2,517	2,880	2,522
Small and Independent Bodies	1,678	1,587	1,690	1,470	1,466	1,635	1,485
Spending commitments not yet in budgets	-	-	-	-	-	-	900
Reserve	-	-	-	-	-	2,400	2,500
Special Reserve	-	-	-	-	-	600	1,000
OBR allowance for shortfall	-	-	-	-	-	-800	-1,000
Adjustment for Budget Exchange ⁽³⁾	-	-	-	-	-	-2,200	0
Total resource DEL	338,015	350,838	345,788	343,376	338,915	338,800	336,500
Resource departmental AME by departmental group							
Education ⁽⁴⁾	10,427	-10,434	11,785	10,722	10,452	10,123	10,902
NHS (Health) ⁽⁴⁾	16,223	-10,976	19,582	18,878	18,278	24,024	21,310
Transport	1,143	501	876	590	876	1,560	1,148
CLG Communities	255	-112	-350	409	347	784	806
CLG Local Government ⁽²⁾	284	1,107	732	144	11,123	11,558	11,575
Business, Innovation and Skills	1,336	-824	-1,157	-92	-103	-819	-2,814
Home Office	679	920	1,061	1,260	1,574	1,495	1,325
Justice	606	246	-45	934	-237	306	236
Law Officers' Departments	17	-13	5	5	7	7	7
Defence ⁽⁴⁾	7,895	-878	8,039	7,360	6,312	10,175	9,548
Foreign and Commonwealth Office	86	35	61	88	66	75	100
International Development	331	303	104	191	115	387	164
Energy and Climate Change ⁽⁵⁾	756	5,241	3,742	5,388	4,960	29,169	534
Environment, Food and Rural Affairs	-73	-437	-53	85	-133	-54	72
Culture, Media and Sport	4,060	4,369	3,793	4,481	4,024	4,935	4,299
Work and Pensions	141,668	146,259	154,363	160,686	163,232	167,592	171,790
Scotland	2,323	3,055	3,073	2,760	2,692	3,687	3,859
Wales	293	53	72	141	-5	122	-12
Northern Ireland	7,222	3,178	7,511	7,764	7,542	8,380	8,770
Chancellor's Departments ⁽⁶⁾	12,789	28,604	24,040	23,980	48,609	42,321	44,975
Cabinet Office ⁽⁴⁾	7,481	-7,466	8,739	9,431	9,615	10,636	10,276
Small and Independent Bodies	-221	-259	-147	-109	-48	55	-61
Total resource departmental AME	215,581	162,472	245,824	255,098	289,299	326,520	298,811
Total resource budget	553,595	513,310	591,612	598,474	628,215	665,300	635,300

⁽¹⁾ Personal Social Services (Health) are grants previously paid by the Department of Health that are now included in CLG Local Government's budget.

⁽²⁾ Figures from 2013-14 reflect adjustment to departmental DEL and AME budgets for changes to local government funding relating to the localisation of business rates and council tax benefit.

⁽³⁾ Departmental budgets in 2014-15 and 2015-16 include amounts carried forward from 2013-14 through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽⁴⁾ The main pension schemes are reported under IAS19 accounting requirements, the reconciliation to National Accounts is explained in Annex D. In the 2010 Budget Statement it was announced that the Government would use the CPI rather than the RPI for the indexation of public service pensions. This change has been recognised as a negative past service cost in 2010-11 in accordance with IAS19.

⁽⁵⁾ Plans in 2014-15 include a £28.8bn DECC resource AME liability. This relates to the fair value of liabilities incurred for Contracts for Difference expected to be signed under the Electricity Market Reform programme. Please see Electricity Market Reform Programme (Contracts for Difference) in the Glossary of terms for full explanation.

⁽⁶⁾ Transactions from 2009-10 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

Table 1.4 Resource budgets in real terms,⁽¹⁾ 2009-10 to 2015-16

	National Statistics						£ million	
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans	
Resource DEL by departmental group								
Education	53,167	52,981	51,578	51,692	52,487	53,327	52,541	
NHS (Health)	101,876	102,487	103,096	104,340	106,476	107,290	107,538	
Personal Social Services (Health) ⁽²⁾	1,472	1,547	-	-	-	-	-	
Transport	7,065	6,105	5,735	5,374	4,791	4,255	3,112	
CLG Communities	4,676	4,059	2,046	1,522	2,080	2,519	1,325	
CLG Local Government ⁽³⁾	28,921	25,659	26,106	23,589	16,481	13,053	10,998	
Business, Innovation and Skills	19,774	22,366	20,557	19,527	20,602	16,901	17,405	
Home Office	10,219	13,432	12,464	11,639	10,993	10,908	10,154	
Justice	9,815	9,545	9,286	8,878	7,972	7,217	6,635	
Law Officers' Departments	765	703	639	609	571	540	502	
Defence	37,674	41,045	39,052	36,493	36,181	35,652	34,224	
Foreign and Commonwealth Office	2,295	2,313	2,236	2,189	2,156	1,705	1,170	
International Development	5,664	6,235	6,359	6,235	8,088	7,701	8,115	
Energy and Climate Change	1,328	1,217	1,193	1,152	1,175	1,507	1,230	
Environment, Food and Rural Affairs	2,654	2,496	2,259	2,088	1,990	1,949	1,697	
Culture, Media and Sport	1,697	1,661	1,655	3,592	1,294	1,315	1,228	
Work and Pensions	14,692	14,643	12,779	12,527	7,448	7,561	6,088	
Scotland	27,106	27,103	26,155	26,195	26,136	26,056	25,827	
Wales	14,605	14,499	14,046	13,889	14,450	13,915	13,781	
Northern Ireland	10,405	10,489	10,142	10,214	10,166	9,941	9,863	
Chancellor's Departments	4,579	4,170	3,961	3,528	3,396	3,710	3,455	
Cabinet Office	2,437	2,475	2,467	2,530	2,517	2,818	2,429	
Small and Independent Bodies	1,810	1,669	1,738	1,495	1,466	1,600	1,430	
Spending commitments not yet in budgets	-	-	-	-	-	-	900	
Reserve	-	-	-	-	-	2,300	2,400	
Special Reserve	-	-	-	-	-	600	1,000	
OBR allowance for shortfall	-	-	-	-	-	-800	-1,000	
Adjustment for Budget Exchange ⁽⁴⁾	-	-	-	-	-	-2,200	0	
Total resource DEL	364,700	368,899	355,548	349,297	338,915	331,500	324,100	
Resource departmental AME by departmental group								
Education ⁽⁵⁾	11,250	-10,971	12,118	10,907	10,452	9,905	10,499	
NHS (Health) ⁽⁵⁾	17,504	-11,541	20,135	19,203	18,278	23,507	20,523	
Transport	1,233	527	901	600	876	1,526	1,106	
CLG Communities	275	-118	-360	416	347	767	776	
CLG Local Government	306	1,164	753	146	11,123	11,309	11,147	
Business, Innovation and Skills	1,441	-866	-1,190	-94	-103	-801	-2,710	
Home Office	733	967	1,091	1,282	1,574	1,463	1,276	
Justice	654	259	-46	950	-237	299	227	
Law Officers' Departments	18	-14	5	5	7	7	7	
Defence ⁽⁵⁾	8,518	-923	8,266	7,487	6,312	9,956	9,195	
Foreign and Commonwealth Office	93	37	63	90	66	73	96	
International Development	357	319	107	194	115	379	158	
Energy and Climate Change ⁽⁶⁾	816	5,511	3,848	5,481	4,960	28,541	514	
Environment, Food and Rural Affairs	-79	-459	-54	86	-133	-53	69	
Culture, Media and Sport	4,381	4,594	3,900	4,558	4,024	4,829	4,140	
Work and Pensions	152,852	153,788	158,720	163,457	163,232	163,984	165,445	
Scotland	2,506	3,212	3,160	2,808	2,692	3,608	3,716	
Wales	316	56	74	143	-5	119	-12	
Northern Ireland	7,792	3,342	7,723	7,898	7,542	8,200	8,446	
Chancellor's Departments ⁽⁷⁾	13,799	30,077	24,719	24,393	48,609	41,410	43,314	
Cabinet Office ⁽⁵⁾	8,072	-7,850	8,986	9,594	9,615	10,407	9,896	
Small and Independent Bodies	-238	-272	-151	-111	-48	54	-59	
Total resource departmental AME	232,600	170,836	252,762	259,496	289,299	319,491	287,774	
Total resource budget	597,299	539,735	608,310	608,793	628,215	651,000	611,800	

⁽¹⁾ Real terms figures are the cash figures adjusted to 2013-14 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 27 June 2014. The forecasts are consistent with the Financial Statement and Budget Report 2014.

⁽²⁾ Personal Social Services (Health) are grants previously paid by the Department of Health that are now included in CLG Local Government's budget.

⁽³⁾ Figures from 2013-14 reflect adjustment to departmental DEL and AME budgets for changes to local government funding relating to the localisation of business rates and council tax benefit.

⁽⁴⁾ Departmental budgets in 2014-15 and 2015-16 include amounts carried forward from 2013-14 through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽⁵⁾ The main pension schemes are reported under IAS19 accounting requirements, the reconciliation to National Accounts is explained in Annex D. In the 2010 Budget Statement it was announced that the Government would use the CPI rather than the RPI for the indexation of public service pensions. This change has been recognised as a negative past service cost in 2010-11 in accordance with IAS19.

⁽⁶⁾ Plans in 2014-15 include a £28.8bn DECC resource AME liability. This relates to the fair value of liabilities incurred for Contracts for Difference expected to be signed under the Electricity Market Reform programme. Please see Electricity Market Reform Programme (Contracts for Difference) in the Glossary of terms for full explanation.

⁽⁷⁾ Transactions from 2009-10 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

Table 1.5 Resource DEL excluding depreciation, 2009-10 to 2015-16

	£ million						
	National Statistics						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
Resource DEL excluding depreciation by departmental group							
Education	49,251	50,353	50,130	49,984	51,480	53,448	53,482
NHS (Health)	93,237	96,260	99,073	101,440	105,427	108,382	110,371
Personal Social Services (Health) ⁽¹⁾	1,362	1,471	-	-	-	-	-
Transport	5,652	5,176	4,679	4,315	3,784	3,413	2,278
CLG Communities	4,299	3,799	1,914	1,455	2,051	2,538	1,352
CLG Local Government ⁽²⁾	26,804	24,402	25,388	23,188	16,481	13,340	11,419
Business, Innovation and Skills	17,296	17,011	16,208	15,444	14,862	13,808	13,331
Home Office	9,268	12,288	11,904	11,199	10,723	10,839	10,288
Justice	8,663	8,723	8,588	8,201	7,521	6,783	6,288
Law Officers' Departments	697	658	611	591	565	544	513
Defence	27,587	28,090	28,142	26,415	26,968	26,831	25,916
Foreign and Commonwealth Office	2,022	2,097	2,052	1,989	1,998	1,618	1,088
International Development	5,234	5,909	6,167	6,105	8,074	7,849	8,408
Energy and Climate Change	1,219	1,149	1,147	1,120	1,165	1,532	1,269
Environment, Food and Rural Affairs	2,259	2,173	1,986	1,864	1,793	1,801	1,575
Culture, Media and Sport	1,457	1,471	1,496	2,087	1,146	1,167	1,096
Work and Pensions	13,395	13,763	12,226	12,066	7,264	7,590	6,181
Scotland	24,487	25,211	24,814	24,968	25,464	25,808	25,786
Wales	13,072	13,382	13,232	13,248	13,697	13,715	13,684
Northern Ireland	9,302	9,605	9,443	9,464	9,728	9,680	9,691
Chancellor's Departments	4,035	3,745	3,628	3,235	3,156	3,535	3,325
Cabinet Office	1,962	2,025	2,045	2,087	2,101	2,371	2,022
Small and Independent Bodies	1,610	1,568	1,644	1,406	1,415	1,553	1,411
Spending commitments not yet in budgets	-	-	-	-	-	-	900
Reserve	-	-	-	-	-	2,400	2,500
Special Reserve	-	-	-	-	-	600	1,000
OBR allowance for shortfall	-	-	-	-	-	-800	-1,000
Adjustment for Budget Exchange ⁽³⁾	-	-	-	-	-	-2,200	0
Total resource DEL excluding depreciation	324,172	330,329	326,519	321,870	316,861	318,200	314,200

⁽¹⁾ Personal Social Services (Health) are grants previously paid by the Department of Health that are now included in CLG Local Government's budget.

⁽²⁾ Figures from 2013-14 reflect adjustment to budgets for changes to local government funding relating to the localisation of business rates and council tax benefit.

⁽³⁾ Departmental budgets in 2014-15 and 2015-16 include amounts carried forward from 2013-14 through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 1.6 Resource DEL excluding depreciation in real terms,⁽¹⁾ 2009-10 to 2015-16

	National Statistics						£ million	
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans	
Resource DEL excluding depreciation by departmental group								
Education	53,139	52,945	51,545	50,846	51,480	52,297	51,507	
NHS (Health)	100,598	101,216	101,869	103,189	105,427	106,049	106,294	
Personal Social Services (Health) ⁽²⁾	1,470	1,547	-	-	-	-	-	
Transport	6,098	5,442	4,811	4,389	3,784	3,340	2,194	
CLG Communities	4,638	3,995	1,968	1,480	2,051	2,483	1,302	
CLG Local Government ⁽³⁾	28,920	25,658	26,105	23,588	16,481	13,053	10,997	
Business, Innovation and Skills	18,661	17,887	16,665	15,710	14,862	13,511	12,839	
Home Office	10,000	12,921	12,240	11,392	10,723	10,606	9,908	
Justice	9,347	9,172	8,830	8,342	7,521	6,637	6,056	
Law Officers' Departments	752	692	628	601	565	532	494	
Defence	29,765	29,536	28,936	26,870	26,968	26,253	24,959	
Foreign and Commonwealth Office	2,182	2,205	2,110	2,023	1,998	1,583	1,048	
International Development	5,647	6,213	6,341	6,210	8,074	7,680	8,097	
Energy and Climate Change	1,315	1,208	1,179	1,139	1,165	1,499	1,222	
Environment, Food and Rural Affairs	2,437	2,285	2,042	1,896	1,793	1,762	1,517	
Culture, Media and Sport	1,572	1,547	1,538	2,123	1,146	1,142	1,056	
Work and Pensions	14,452	14,472	12,571	12,274	7,264	7,427	5,953	
Scotland	26,420	26,509	25,514	25,399	25,464	25,252	24,834	
Wales	14,104	14,071	13,605	13,476	13,697	13,420	13,179	
Northern Ireland	10,036	10,099	9,710	9,627	9,728	9,472	9,333	
Chancellor's Departments	4,354	3,938	3,730	3,291	3,156	3,459	3,202	
Cabinet Office	2,117	2,129	2,103	2,123	2,101	2,320	1,947	
Small and Independent Bodies	1,737	1,649	1,690	1,430	1,415	1,520	1,359	
Spending commitments not yet in budgets	-	-	-	-	-	-	900	
Reserve	-	-	-	-	-	2,300	2,400	
Special Reserve	-	-	-	-	-	600	1,000	
OBR allowance for shortfall	-	-	-	-	-	-800	-1,000	
Adjustment for Budget Exchange ⁽⁴⁾	-	-	-	-	-	-2,200	0	
Total resource DEL excluding depreciation	349,764	347,334	335,735	327,420	316,861	311,400	302,600	

⁽¹⁾ Real terms figures are the cash figures adjusted to 2013-14 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 27 June 2014. The forecasts are consistent with the Financial Statement and Budget Report 2014.

⁽²⁾ Personal Social Services (Health) are grants previously paid by the Department of Health that are now included in CLG Local Government's budget.

⁽³⁾ Figures from 2013-14 reflect adjustment to budgets for changes to local government funding relating to the localisation of business rates and council tax benefit.

⁽⁴⁾ Departmental budgets in 2014-15 and 2015-16 include amounts carried forward from 2013-14 through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 1.7 Administration budgets, 2009-10 to 2015-16

	£ million							
	National Statistics						2014-15 plans	2015-16 plans
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans		
Education	373	397	373	389	362	341	309	
NHS (Health)	5,034	5,425	3,541	3,670	3,051	4,130	3,119	
Transport	298	276	217	243	240	288	283	
CLG Communities	484	426	339	286	368	360	314	
Business, Innovation and Skills	812	429	802	678	684	645	631	
Home Office	717	629	503	477	505	464	408	
Justice	441	433	656	594	534	570	529	
Law Officers' Departments	66	48	42	44	42	49	48	
Defence	2,859	2,212	2,692	2,179	2,129	1,866	1,766	
Foreign and Commonwealth Office	318	352	168	124	170	198	184	
International Development	158	148	123	128	116	115	113	
Energy and Climate Change	202	198	158	162	175	183	185	
Environment, Food and Rural Affairs	740	741	593	552	529	572	516	
Culture, Media and Sport	102	100	288	209	166	154	159	
Work and Pensions ⁽¹⁾	6,063	5,610	1,333	1,180	1,091	1,209	993	
Chancellor's Departments ⁽¹⁾	3,688	3,405	1,093	1,083	991	956	934	
Cabinet Office	273	276	260	259	205	239	215	
of which: Security and Intelligence Agencies	80	74	73	66	59	60	61	
Small and Independent Bodies	416	385	336	332	301	364	299	
Adjustment for Budget Exchange ⁽²⁾	-	-	-	-	-	-41	-1	
Total administration budgets	23,044	21,490	13,516	12,588	11,659	12,661	11,004	
<i>of which: administration staff costs</i>	<i>14,800</i>	<i>13,645</i>	<i>9,052</i>	<i>8,590</i>	<i>7,945</i>	<i>7,098</i>	<i>6,507</i>	
Administration budgets as a percentage of Total Managed Expenditure ⁽³⁾	3.4	3.1	1.9	1.9	1.6	1.7	1.5	

⁽¹⁾ As part of SR2010, the elements of HM Revenue and Customs and Work and Pensions directly involved in service delivery have been reclassified as programme rather than administration spending from 2011-12, to better reflect central government administration costs.

⁽²⁾ Departmental budgets in 2014-15 and 2015-16 include amounts carried forward from 2013-14 through Budget Exchange, which will be voted at Main Estimates. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽³⁾ TME excludes the temporary effects of banks being classified to the public sector. See Box 2.A for details.

Table 1.8 Capital budgets 2009-10 to 2015-16

	National Statistics							£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans	
Capital DEL by departmental group								
Education	7,442	7,127	5,043	4,260	3,918	5,030	4,569	
NHS (Health)	5,182	4,159	3,771	3,783	4,294	4,654	4,735	
Transport	8,253	7,299	7,686	7,828	8,460	9,246	10,453	
CLG Communities	8,992	6,459	3,821	2,472	3,808	5,159	3,469	
CLG Local Government	260	-67	-8	1	-	0	-	
Business, Innovation and Skills	3,027	2,103	1,153	1,240	2,385	3,000	3,845	
Home Office	999	739	493	442	398	466	390	
Justice	848	530	344	281	273	301	350	
Law Officers' Departments	12	8	3	2	3	7	5	
Defence	9,148	9,265	9,014	7,843	7,584	7,507	6,996	
Foreign and Commonwealth Office	201	155	115	37	120	98	98	
International Development	1,353	1,559	1,646	1,653	1,946	2,043	2,613	
Energy and Climate Change	1,806	2,014	1,454	2,038	2,218	2,424	2,513	
Environment, Food and Rural Affairs	693	568	385	414	482	558	493	
Culture, Media and Sport	519	580	1,257	342	75	538	362	
Work and Pensions	320	368	327	419	233	286	236	
Scotland	3,927	3,284	2,732	2,939	2,883	2,901	3,041	
Wales	1,932	1,751	1,386	1,362	1,326	1,455	1,505	
Northern Ireland	1,277	1,192	1,000	969	931	1,051	1,092	
Chancellor's Departments	285	211	257	212	212	187	147	
Cabinet Office	454	432	403	363	401	374	360	
Small and Independent Bodies	79	78	56	61	72	90	103	
Adjustment for Devolved Administration borrowing	-	-	-	-	-	-	300	
Spending commitments not yet in budgets	-	-	-	-	-	0	400	
Reserve	-	-	-	-	-	1,100	500	
Special Reserve	-	-	-	-	-	200	100	
OBR allowance for shortfall	-	-	-	-	-	-1,800	-2,000	
Adjustment for Budget Exchange ⁽¹⁾	-	-	-	-	-	-2,000	-700	
Total capital DEL	57,007	49,816	42,338	38,961	42,021	45,000	46,000	
Capital departmental AME by departmental group								
NHS (Health)	6	8	-	-	-70	10	-	
Transport ⁽²⁾	-	-	-33	-61	13	6,510	0	
CLG Communities	171	843	153	4	-	430	658	
CLG Local Government	-	-	-	-4	-	-	-	
Business, Innovation and Skills	4,306	4,158	5,469	6,129	4,675	10,747	12,488	
Defence	5	-	-10	-35	-129	-	-	
International Development	-	-	-	-6	-	-	-	
Energy and Climate Change	-337	-78	-58	-20	-497	-120	-76	
Environment, Food and Rural Affairs	1	1	0	-1	-1	1	1	
Culture, Media and Sport	875	719	552	448	714	612	701	
Work and Pensions	123	132	-12	-17	-134	-	-	
Scotland	160	151	167	188	336	468	461	
Wales	202	209	244	252	306	313	279	
Northern Ireland	430	396	588	344	425	604	606	
Chancellor's Departments ⁽³⁾	38,668	-2,675	-4,483	-3,591	-11,722	-2,648	100	
Small and Independent Bodies	-162	-100	-52	-40	-34	298	126	
Total capital departmental AME	44,447	3,764	2,525	3,589	-6,117	17,225	15,342	
Total capital budget	101,454	53,581	44,864	42,551	35,904	62,200	61,300	

⁽¹⁾ Departmental budgets in 2014-15 and 2015-16 include amounts carried forward from 2013-14 through Budget Exchange, which will be voted at Main Estimates. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽²⁾ In 2014-15 the Government has put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. The Government's current expectation is that it may lend up to £6.5 billion to Network Rail during the 2014-15 financial year and therefore this figure has been included in Capital departmental AME as lending to the private sector.

⁽³⁾ Transactions from 2009-10 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

Table 1.9 Capital budgets in real terms,⁽¹⁾ 2009-10 to 2015-16

	£ million						
	National Statistics						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
Capital DEL by departmental group							
Education	8,030	7,494	5,185	4,333	3,918	4,922	4,400
NHS (Health)	5,591	4,373	3,877	3,848	4,294	4,554	4,560
Transport	8,905	7,675	7,903	7,963	8,460	9,047	10,067
CLG Communities	9,702	6,792	3,929	2,515	3,808	5,048	3,341
CLG Local Government	281	-70	-8	1	-	0	-
Business, Innovation and Skills	3,266	2,211	1,186	1,261	2,385	2,935	3,703
Home Office	1,078	777	507	450	398	456	376
Justice	915	557	354	286	273	295	337
Law Officers' Departments	13	8	3	2	3	7	5
Defence	9,870	9,742	9,268	7,978	7,584	7,345	6,738
Foreign and Commonwealth Office	217	163	118	38	120	96	94
International Development	1,460	1,639	1,692	1,682	1,946	1,999	2,516
Energy and Climate Change	1,949	2,118	1,495	2,073	2,218	2,372	2,420
Environment, Food and Rural Affairs	748	597	396	421	482	546	475
Culture, Media and Sport	560	610	1,292	348	75	526	349
Work and Pensions	345	387	336	426	233	280	227
Scotland	4,237	3,453	2,809	2,990	2,883	2,839	2,929
Wales	2,085	1,841	1,425	1,385	1,326	1,424	1,449
Northern Ireland	1,378	1,253	1,028	986	931	1,028	1,052
Chancellor's Departments	307	222	264	216	212	183	142
Cabinet Office	490	454	414	369	401	366	347
Small and Independent Bodies	85	82	58	62	72	88	99
Adjustment for Devolved Administration borrowing	-	-	-	-	-	-	300
Spending commitments not yet in budgets	-	-	-	-	-	0	400
Reserve	-	-	-	-	-	1,100	500
Special Reserve	-	-	-	-	-	200	100
OBR allowance for shortfall	-	-	-	-	-	-1,800	-1,900
Adjustment for Budget Exchange ⁽²⁾	-	-	-	-	-	-2,000	-700
Total capital DEL	61,508	52,381	43,533	39,633	42,021	44,000	44,300
Capital departmental AME by departmental group							
NHS (Health)	6	8	-	-	-70	10	-
Transport ⁽³⁾	-	-	-34	-62	13	6,370	0
CLG Communities	184	886	157	4	-	421	634
CLG Local Government	-	-	-	-4	-	-	-
Business, Innovation and Skills	4,646	4,372	5,623	6,235	4,675	10,516	12,027
Defence	5	-	-10	-36	-129	-	-
International Development	-	-	-	-6	-	-	-
Energy and Climate Change	-364	-82	-60	-20	-497	-117	-73
Environment, Food and Rural Affairs	1	1	0	-1	-1	1	1
Culture, Media and Sport	944	756	568	456	714	599	675
Work and Pensions	133	139	-12	-17	-134	-	-
Scotland	173	159	172	191	336	458	444
Wales	218	220	251	256	306	306	269
Northern Ireland	464	416	605	350	425	591	584
Chancellor's Departments ⁽⁴⁾	41,721	-2,813	-4,610	-3,653	-11,722	-2,591	96
Small and Independent Bodies	-175	-105	-53	-41	-34	292	121
Total capital departmental AME	47,956	3,958	2,596	3,651	-6,117	16,854	14,775
Total capital budget	109,463	56,339	46,130	43,285	35,904	60,900	59,000

⁽¹⁾ Real terms figures are the cash figures adjusted to 2013-14 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 27 June 2014. The forecasts are consistent with the Financial Statement and Budget Report 2014.

⁽²⁾ Departmental budgets in 2014-15 and 2015-16 include amounts carried forward from 2013-14 through Budget Exchange, which will be voted at Main Estimates. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽³⁾ In 2014-15 the Government has put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. The Government's current expectation is that it may lend up to £6.5 billion to Network Rail during the 2014-15 financial year and therefore this figure has been included in Capital departmental AME as lending to the private sector.

⁽⁴⁾ Transactions from 2009-10 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

Table 1.10 Total Departmental Expenditure Limits,⁽¹⁾ 2009-10 to 2015-16

	National Statistics						£ million	
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans	
Total DEL by departmental group ⁽¹⁾								
Education	56,693	57,480	55,173	54,244	55,398	58,478	58,051	
NHS (Health)	98,419	100,418	102,844	105,222	109,721	113,035	115,106	
Personal Social Services (Health) ⁽²⁾	1,362	1,471	-	-	-	-	-	
Transport	13,905	12,474	12,366	12,143	12,244	12,659	12,731	
CLG Communities	13,291	10,258	5,735	3,928	5,859	7,696	4,820	
CLG Local Government ⁽³⁾	27,064	24,335	25,380	23,189	16,481	13,340	11,419	
Business, Innovation and Skills	20,323	19,114	17,361	16,684	17,247	16,808	17,176	
Home Office	10,267	13,028	12,397	11,641	11,121	11,306	10,678	
Justice	9,511	9,253	8,933	8,482	7,794	7,084	6,638	
Law Officers' Departments	709	666	613	592	568	551	519	
Defence	36,734	37,355	37,157	34,259	34,552	34,338	32,912	
Foreign and Commonwealth Office	2,223	2,253	2,167	2,026	2,118	1,716	1,186	
International Development	6,587	7,467	7,813	7,758	10,020	9,892	11,021	
Energy and Climate Change	3,025	3,164	2,602	3,159	3,382	3,956	3,782	
Environment, Food and Rural Affairs	2,952	2,741	2,372	2,278	2,275	2,359	2,068	
Culture, Media and Sport	1,976	2,051	2,753	2,429	1,221	1,706	1,458	
Work and Pensions	13,715	14,131	12,553	12,485	7,497	7,876	6,417	
Scotland	28,413	28,495	27,546	27,907	28,347	28,709	28,827	
Wales	15,004	15,133	14,618	14,609	15,022	15,170	15,189	
Northern Ireland	10,579	10,798	10,443	10,433	10,658	10,731	10,783	
Chancellor's Departments	4,320	3,956	3,884	3,447	3,368	3,722	3,472	
Cabinet Office	2,416	2,457	2,448	2,450	2,502	2,745	2,381	
Small and Independent Bodies	1,689	1,647	1,701	1,467	1,488	1,642	1,513	
Adjustment for Devolved Administration borrowing	-	-	-	-	-	-	300	
Spending commitments not yet in budgets	-	-	-	-	-	0	1,300	
Reserve	-	-	-	-	-	3,400	3,000	
Special Reserve	-	-	-	-	-	900	1,100	
OBR allowance for shortfall	-	-	-	-	-	-2,500	-3,000	
Adjustment for Budget Exchange ⁽⁴⁾	-	-	-	-	-	-4,100	-700	
Total DEL	381,179	380,145	368,857	360,831	358,882	363,200	360,200	

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

⁽²⁾ Personal Social Services (Health) are grants previously paid by the Department of Health that are now included in CLG Local Government's budget.

⁽³⁾ Figures from 2013-14 reflect adjustment to budgets for changes to local government funding relating to the localisation of business rates and council tax benefit.

⁽⁴⁾ Departmental budgets in 2014-15 and 2015-16 include amounts carried forward from 2013-14 through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 1.11 Total Departmental Expenditure Limits⁽¹⁾ in real terms,⁽²⁾ 2009-10 to 2015-16

	National Statistics						£ million	
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans	
Total DEL by departmental group ⁽¹⁾								
Education	61,169	60,439	56,730	55,179	55,398	57,219	55,907	
NHS (Health)	106,189	105,588	105,747	107,036	109,721	110,602	110,855	
Personal Social Services (Health) ⁽³⁾	1,470	1,547	-	-	-	-	-	
Transport	15,003	13,116	12,715	12,352	12,244	12,386	12,261	
CLG Communities	14,340	10,786	5,897	3,996	5,859	7,530	4,642	
CLG Local Government ⁽⁴⁾	29,201	25,588	26,096	23,589	16,481	13,053	10,997	
Business, Innovation and Skills	21,927	20,098	17,851	16,972	17,247	16,446	16,542	
Home Office	11,078	13,699	12,747	11,842	11,121	11,063	10,284	
Justice	10,262	9,729	9,185	8,628	7,794	6,932	6,393	
Law Officers' Departments	765	700	630	602	568	539	500	
Defence	39,634	39,278	38,206	34,850	34,552	33,599	31,696	
Foreign and Commonwealth Office	2,398	2,369	2,228	2,061	2,118	1,679	1,142	
International Development	7,107	7,851	8,034	7,892	10,020	9,679	10,614	
Energy and Climate Change	3,264	3,327	2,675	3,213	3,382	3,871	3,642	
Environment, Food and Rural Affairs	3,185	2,882	2,439	2,317	2,275	2,308	1,992	
Culture, Media and Sport	2,132	2,157	2,831	2,471	1,221	1,669	1,404	
Work and Pensions	14,798	14,858	12,907	12,700	7,497	7,706	6,180	
Scotland	30,656	29,962	28,323	28,388	28,347	28,091	27,762	
Wales	16,189	15,912	15,031	14,861	15,022	14,843	14,628	
Northern Ireland	11,414	11,354	10,738	10,613	10,658	10,500	10,385	
Chancellor's Departments	4,661	4,160	3,994	3,506	3,368	3,642	3,344	
Cabinet Office	2,607	2,583	2,517	2,492	2,502	2,686	2,293	
Small and Independent Bodies	1,822	1,732	1,749	1,492	1,488	1,607	1,457	
Adjustment for Devolved Administration borrowing	-	-	-	-	-	-	300	
Spending commitments not yet in budgets	-	-	-	-	-	0	1,300	
Reserve	-	-	-	-	-	3,300	2,900	
Special Reserve	-	-	-	-	-	900	1,100	
OBR allowance for shortfall	-	-	-	-	-	-2,400	-2,900	
Adjustment for Budget Exchange ⁽⁵⁾	-	-	-	-	-	-4,000	-700	
Total DEL	411,272	399,715	379,268	367,053	358,882	355,400	346,900	

⁽¹⁾ Total DEL is given by Resource DEL excluding depreciation (Table 1.6) plus Capital DEL (Table 1.9).

⁽²⁾ Real terms figures are the cash figures adjusted to 2013-14 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 27 June 2014. The forecasts are consistent with the Financial Statement and Budget Report 2014.

⁽³⁾ Personal Social Services (Health) are grants previously paid by the Department of Health that are now included in CLG Local Government's budget.

⁽⁴⁾ Figures from 2013-14 reflect adjustment to budgets for changes to local government funding relating to the localisation of business rates and council tax benefit.

⁽⁵⁾ Departmental budgets in 2014-15 and 2015-16 include amounts carried forward from 2013-14 through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 1.12 Total Managed Expenditure by departmental group and other expenditure, 2009-10 to 2015-16

	National Statistics							£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans	
Total Managed Expenditure by departmental group								
Education ⁽¹⁾	67,120	47,046	66,958	64,966	65,849	68,602	68,954	
NHS (Health) ⁽¹⁾	114,649	89,450	122,426	124,101	127,929	137,069	136,416	
Personal Social Services (Health) ⁽²⁾	1,362	1,471	-	-	-	-	-	
Transport ⁽³⁾	15,049	12,975	13,208	12,672	13,133	20,728	13,879	
CLG Communities	13,717	10,990	5,538	4,341	6,205	8,911	6,284	
CLG Local Government	27,348	25,442	26,113	23,329	27,605	24,899	22,994	
Business, Innovation and Skills	25,966	22,448	21,672	22,721	21,819	26,736	26,850	
Home Office	10,947	13,948	13,458	12,901	12,695	12,801	12,003	
Justice	10,117	9,499	8,887	9,416	7,556	7,390	6,874	
Law Officers' Departments	725	654	618	598	574	558	526	
Defence ⁽¹⁾	44,634	36,477	45,185	41,584	40,735	44,512	42,460	
Foreign and Commonwealth Office	2,308	2,287	2,228	2,114	2,183	1,791	1,286	
International Development	6,918	7,770	7,917	7,943	10,134	10,279	11,185	
Energy and Climate Change ⁽⁴⁾	3,444	8,327	6,286	8,526	7,846	33,005	4,239	
Environment, Food and Rural Affairs	2,880	2,305	2,318	2,361	2,142	2,306	2,142	
Culture, Media and Sport	6,911	7,139	7,098	7,358	5,960	7,252	6,458	
Work and Pensions	155,506	160,522	166,904	173,155	170,595	175,469	178,207	
Scotland	30,896	31,701	30,786	30,855	31,375	32,864	33,147	
Wales	15,499	15,395	14,934	15,003	15,324	15,604	15,456	
Northern Ireland	18,230	14,372	18,543	18,541	18,625	19,715	20,159	
Chancellor's Departments ⁽⁵⁾	55,777	29,885	23,441	23,836	40,256	43,395	48,548	
Cabinet Office ⁽¹⁾	9,897	-5,009	11,187	11,881	12,117	13,381	12,658	
Small and Independent Bodies	1,305	1,288	1,501	1,317	1,406	1,996	1,578	
Total departmental expenditure ⁽⁶⁾	641,206	546,381	617,206	619,518	642,064	709,300	672,300	
Central government gross debt interest	30,479	45,165	48,375	47,549	47,384	52,073	59,119	
Locally financed expenditure	31,213	28,287	37,953	30,265	30,224	31,113	32,699	
Public sector depreciation	19,999	20,784	21,625	22,528	23,359	24,250	25,085	
Net expenditure transfers to the EU	6,419	8,414	7,702	9,131	9,716	8,881	8,899	
Public corporations' own-financed capital expenditure	8,191	9,302	6,958	7,081	8,197	7,519	7,594	
Accounting adjustments	-64,105	36,372	-45,114	-61,916	-46,688	-98,828	-64,359	
Adjustment for Devolved Administration borrowing	-	-	-	-	-	-	300	
Spending commitments not yet in budgets	-	-	-	-	-	0	1,300	
Reserve	-	-	-	-	-	3,400	3,000	
Special Reserve	-	-	-	-	-	900	1,100	
OBR allowance for shortfall	-	-	-	-	-	-2,500	-3,000	
Adjustment for Budget Exchange ⁽⁷⁾	-	-	-	-	-	-4,100	-700	
Total other expenditure ⁽⁸⁾	32,196	148,324	77,499	54,638	72,192	22,700	71,100	
TOTAL MANAGED EXPENDITURE ⁽⁹⁾	673,402	694,705	694,705	674,156	714,256	732,000	743,400	

⁽¹⁾ The main pension schemes are reported under IAS19 accounting requirements, the reconciliation to National Accounts is explained in Annex D. In the 2010 Budget Statement it was announced that the Government would use the CPI rather than the RPI for the indexation of public service pensions. This change has been recognised as a negative past service cost in 2010-11 in accordance with IAS19.

⁽²⁾ Personal Social Services (Health) are grants previously paid by the Department of Health that are now included in CLG Local Government's budget.

⁽³⁾ In 2014-15 the Government has put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. The Government's current expectation is that it may lend up to £6.5 billion to Network Rail during the 2014-15 financial year and therefore this figure has been included in Capital departmental AME as lending to the private sector.

⁽⁴⁾ Plans in 2014-15 include a £28.8bn DECC resource AME liability. This relates to the fair value of liabilities incurred for Contracts for Difference expected to be signed under the Electricity Market Reform programme. Please see Electricity Market Reform Programme (Contracts for Difference) in the Glossary of terms for full explanation.

⁽⁵⁾ Transactions from 2009-10 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

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

⁽⁷⁾ Departmental budgets in 2014-15 and 2015-16 include amounts carried forward from 2013-14 through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

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

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

Table 1.13 Total Managed Expenditure by departmental group and other expenditure in real terms,⁽¹⁾ 2009-10 to 2015-16

	National Statistics					£ million	
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
Total Managed Expenditure by departmental group							
Education ⁽²⁾	72,419	49,468	68,848	66,086	65,849	67,125	66,407
NHS (Health) ⁽²⁾	123,700	94,055	125,881	126,241	127,929	134,118	131,377
Personal Social Services (Health) ⁽³⁾	1,470	1,547	-	-	-	-	-
Transport ⁽⁴⁾	16,237	13,643	13,581	12,890	13,133	20,282	13,366
CLG Communities	14,800	11,556	5,694	4,416	6,205	8,719	6,052
CLG Local Government	29,507	26,752	26,850	23,731	27,605	24,363	22,145
Business, Innovation and Skills	28,016	23,604	22,284	23,113	21,819	26,160	25,858
Home Office	11,811	14,666	13,838	13,123	12,695	12,525	11,560
Justice	10,916	9,988	9,138	9,578	7,556	7,231	6,620
Law Officers' Departments	782	688	635	608	574	546	507
Defence ⁽²⁾	48,158	38,355	46,460	42,301	40,735	43,554	40,892
Foreign and Commonwealth Office	2,490	2,405	2,291	2,150	2,183	1,752	1,239
International Development	7,464	8,170	8,140	8,080	10,134	10,058	10,772
Energy and Climate Change ⁽⁵⁾	3,716	8,756	6,463	8,673	7,846	32,295	4,082
Environment, Food and Rural Affairs	3,107	2,424	2,383	2,402	2,142	2,256	2,063
Culture, Media and Sport	7,457	7,507	7,298	7,485	5,960	7,096	6,219
Work and Pensions	167,783	168,786	171,615	176,141	170,595	171,692	171,625
Scotland	33,335	33,333	31,655	31,387	31,375	32,157	31,923
Wales	16,723	16,188	15,356	15,262	15,324	15,268	14,885
Northern Ireland	19,669	15,112	19,066	18,861	18,625	19,291	19,414
Chancellor's Departments ⁽⁶⁾	60,180	31,423	24,103	24,247	40,256	42,461	46,755
Cabinet Office ⁽²⁾	10,678	-5,267	11,503	12,086	12,117	13,093	12,190
Small and Independent Bodies	1,408	1,354	1,543	1,340	1,406	1,953	1,520
Total departmental expenditure ⁽⁷⁾	691,827	574,509	634,626	630,200	642,064	694,000	647,500
Central government gross debt interest	32,885	47,490	49,740	48,369	47,384	50,952	56,935
Locally financed expenditure	33,677	29,743	39,024	30,787	30,224	30,443	31,491
Public sector depreciation	21,578	21,854	22,235	22,916	23,359	23,728	24,158
Net expenditure transfers to the EU	6,926	8,847	7,919	9,288	9,716	8,690	8,570
Public corporations' own-financed capital expenditure	8,838	9,781	7,154	7,203	8,197	7,357	7,314
Accounting adjustments	-69,166	38,244	-46,387	-62,984	-46,688	-96,701	-61,982
Adjustment for Devolved Administration borrowing	-	-	-	-	-	-	300
Spending commitments not yet in budgets	-	-	-	-	-	0	1,300
Reserve	-	-	-	-	-	3,300	2,900
Special Reserve	-	-	-	-	-	900	1,100
OBR allowance for shortfall	-	-	-	-	-	-2,400	-2,900
Adjustment for Budget Exchange ⁽⁸⁾	-	-	-	-	-	-4,000	-700
Total other expenditure ⁽⁹⁾	34,738	155,960	79,686	55,580	72,192	22,200	68,500
TOTAL MANAGED EXPENDITURE ⁽¹⁰⁾	726,565	730,469	714,313	685,780	714,256	716,200	715,900

⁽¹⁾ Real terms figures are the cash figures adjusted to 2013-14 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 27 June 2014. The forecasts are consistent with the Financial Statement and Budget Report 2014.

⁽²⁾ The main pension schemes are reported under IAS19 accounting requirements, the reconciliation to National Accounts is explained in Annex D. In the 2010 Budget Statement it was announced that the Government would use the CPI rather than the RPI for the indexation of public service pensions. This change has been recognised as a negative past service cost in 2010-11 in accordance with IAS19.

⁽³⁾ Personal Social Services (Health) are grants previously paid by the Department of Health that are now included in CLG Local Government's budget.

⁽⁴⁾ In 2014-15 the Government has put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. The Government's current expectation is that it may lend up to £6.5 billion to Network Rail during the 2014-15 financial year and therefore this figure has been included in Capital departmental AME as lending to the private sector.

⁽⁵⁾ Plans in 2014-15 include a £28.8bn DECC resource AME liability. This relates to the fair value of liabilities incurred for Contracts for Difference expected to be signed under the Electricity Market Reform programme. Please see Electricity Market Reform Programme (Contracts for Difference) in the Glossary of terms for full explanation.

⁽⁶⁾ Transactions from 2009-10 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

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

⁽⁸⁾ Departmental budgets in 2014-15 and 2015-16 include amounts carried forward from 2013-14 through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

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

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

Table 1.14 Accounting adjustments,⁽¹⁾ 2009-10 to 2015-16

	£ billion						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
Remove data in budgets which form part of public sector current expenditure but where a different source is used for National Accounts							
Resource DEL							
Capital consumption (excluding NHS)	-13.1	-8.5	-15.0	-14.9	-16.1	-15.7	-17.3
NHS capital consumption	-1.8	-1.8	-1.7	-1.8	-2.0	-1.8	-2.1
Interest	-0.1	-0.1	-0.2	-0.2	-0.2	-0.1	-0.4
Public corporation subsidies	-1.0	-1.2	-1.1	-1.7	-1.1	-0.9	-1.0
Other	0.0	-0.1	0.0	0.0	0.1	0.0	0.1
Total resource DEL	-16.0	-11.7	-18.0	-18.5	-19.4	-18.5	-20.8
Resource departmental AME							
Capital consumption	-2.5	-1.8	-1.6	-1.5	-1.5	-1.7	-1.5
Interest	2.2	1.0	2.2	2.7	1.6	2.7	3.4
Subsidy element of renewable obligation certificates	0.0	0.0	0.0	0.0	0.0	-3.1	-4.0
Subsidy element of other environmental levies	0.0	0.0	0.0	0.0	-0.1	-1.0	-1.3
NNDR outturn adjustment	-0.3	-1.1	-0.7	-0.1	-0.3	-0.3	-0.3
Public corporation subsidies	-0.7	-0.4	-7.3	0.0	0.0	0.0	0.0
Other	0.1	0.1	2.4	0.0	0.2	0.1	0.1
Total resource departmental AME	-1.2	-2.2	-5.1	1.0	0.0	-3.3	-3.7
Adjustment for different data used by OBR in PSCE forecast	0.0	0.0	0.0	0.0	0.0	6.5	5.0
<i>of which DEL</i>	0.0	0.0	0.0	0.0	0.0	-1.4	-2.8
<i>of which AME</i>	0.0	0.0	0.0	0.0	0.0	7.8	7.8
Total resource budget data replaced by different source data	-17.3	-13.9	-23.0	-17.6	-19.4	-15.3	-19.5
Remove data in budgets which do not form part of public sector current expenditure							
Resource DEL							
Impairments	0.4	-7.8	-0.4	-2.7	-0.3	-1.4	0.0
Receipts treated as negative DEL but revenue in National Accounts	0.6	0.7	0.6	0.8	1.1	0.7	0.5
Fees, levies and charges	0.2	0.2	0.2	0.4	1.4	0.5	0.5
Grant equivalent element of student lending	-0.9	-4.2	-3.8	-3.9	-5.6	-3.5	-4.9
Stock write-offs	-1.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in pension scheme liabilities	-0.2	-0.1	0.0	0.0	0.0	0.0	0.0
Miscellaneous current transfers	1.0	1.6	1.8	2.3	2.2	1.9	2.0
Northern Ireland Executive transfers between DEL and AME ⁽²⁾	0.5	0.6	0.6	0.6	0.6	0.7	0.7
Profit or loss - sale of company securities	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Profit or loss - sale of other assets (capital in National Accounts)	0.1	0.0	-0.1	0.0	1.0	0.0	0.0
EU funded expenditure	-0.4	-0.3	-0.5	-0.3	1.5	-0.9	-0.5
Other	0.3	0.0	-0.5	0.1	-1.4	2.1	0.3
Total resource DEL	0.7	-9.4	-2.1	-2.8	0.5	0.0	-1.3
Resource departmental AME							
Impairments	-3.5	3.0	12.4	14.8	-14.2	-4.4	-2.9
Bad debts	-0.5	-0.6	-0.5	-0.5	-0.5	-0.4	-0.4
Grant equivalent element of student lending	-0.5	0.0	1.6	0.1	-0.7	0.2	0.3
Provisions ⁽³⁾	23.5	-7.2	-5.4	-10.3	-8.4	-35.0	-5.7
Change in pension scheme liabilities	-22.1	56.8	-27.1	-26.9	-29.3	-32.3	-31.5
Unwinding of discount rate on pension scheme liabilities	-39.2	-37.6	-44.0	-40.3	-37.4	-43.8	-43.5
Release of provisions covering payments of pension benefits	24.3	25.9	27.7	30.6	32.2	33.5	35.1
Fees, levies and charges	0.2	0.2	0.5	1.2	1.0	-3.7	-4.3
Profit or loss - sale of other assets (capital in National Accounts)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fee income treated as capital in National Accounts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Imputed tax element of renewable obligation certificates	0.0	0.0	0.0	0.0	0.0	3.1	4.0
Imputed tax element of other environmental levies	0.0	0.0	0.0	0.0	0.0	0.8	0.9
Tax credits	-5.6	-5.6	-4.6	-2.8	-2.6	-3.0	-3.1
Other	-0.5	1.1	-0.6	-0.8	5.0	-0.9	-0.2
Total resource departmental AME	-24.0	36.1	-39.9	-34.9	-54.9	-85.8	-51.2
Total resource budget data not in public sector current expenditure	-23.3	26.7	-42.0	-37.7	-54.3	-85.8	-52.5

Table 1.14 Accounting adjustments,⁽¹⁾ 2009-10 to 2015-16 (continued)

	£ billion						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
Central government adjustments in National Accounts							
Expenditure on goods and services	14.7	18.5	22.2	15.9	15.4	17.4	18.0
<i>of which: VAT refunds</i>	3.8	4.8	5.0	5.1	5.2	5.2	5.2
<i>of which: Single Use Military Equipment</i>	5.3	5.4	5.5	4.7	4.7	5.2	5.2
<i>of which: payment from EU for tax collection costs</i>	-0.7	-0.8	-0.7	-0.7	-0.8	-0.7	-0.7
<i>of which: capital consumption</i>	7.3	7.7	8.0	8.3	8.4	8.8	9.3
<i>of which: other</i>	-1.2	1.4	4.5	-1.5	-2.0	-1.0	-1.0
Net social benefits	1.6	0.4	0.5	0.3	0.6	-1.4	-2.2
<i>of which: switch between benefits and other current grants</i>	6.9	0.4	0.6	0.3	0.3	0.3	0.0
<i>of which: public service pensions contributions uprate</i>	0.0	0.0	0.0	0.0	0.0	-2.1	-2.6
<i>of which: other</i>	-5.3	0.0	-0.1	0.0	0.3	0.4	0.4
Net current grants abroad	0.1	0.1	0.8	0.6	-1.2	0.5	0.5
<i>of which: attributed aid</i>	-0.9	-0.8	-0.9	0.0	-0.1	0.0	0.0
<i>of which: DFID funding for capital projects scored in resource DEL</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which: EU receipts</i>	5.0	4.8	4.9	0.0	0.0	0.0	0.0
<i>of which: other</i>	-3.9	-3.8	-3.2	0.6	-1.2	0.5	0.5
Other current grants	-2.5	-2.5	-7.0	0.8	0.3	-0.6	-0.3
<i>of which: switch between other current grants and benefits</i>	-6.9	-0.4	-0.6	-0.3	-0.3	-0.3	0.0
<i>of which: other</i>	4.4	-2.1	-6.4	1.1	0.6	-0.3	-0.3
Subsidies	5.1	4.4	11.5	4.8	5.2	3.7	8.1
<i>of which: Renewable Obligation Certificates</i>	0.5	1.3	0.5	1.7	2.6	3.1	4.0
<i>of which: other environmental levies</i>	0.0	0.0	0.0	0.0	0.7	1.0	1.3
<i>of which: company tax credits outside departmental AME</i>	1.1	1.3	1.3	1.4	1.0	0.9	0.8
<i>of which: other</i>	3.5	1.9	9.7	1.7	0.9	-1.3	2.0
Total central government resource adjustments	19.0	21.0	28.0	22.3	20.2	19.6	24.2
Local government adjustments in National Accounts							
Remove data which do not form part of public sector current expenditure	-4.6	-5.2	-5.6	-3.8	-3.9	-3.6	-3.6
<i>of which: Northern Ireland regional rates</i>	-0.5	-0.5	-0.6	-0.6	-0.6	-0.7	-0.7
<i>of which: retirement benefits</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which: debt interest payments to central government</i>	-2.9	-3.0	-4.4	-2.8	-3.1	-2.9	-3.0
<i>of which: other</i>	-1.2	-1.7	-0.6	-0.3	-0.2	0.0	0.0
Adjustments to reconcile use of different data sources	-0.1	0.0	1.2	-1.3	2.8	-0.5	-0.5
<i>of which: central government support</i>	-0.5	-0.4	-0.4	-2.2	1.6	0.0	0.0
<i>of which: debt interest</i>	-0.4	-0.7	0.1	-0.7	-0.5	-0.5	-0.5
<i>of which: police and fire top up grants</i>	0.9	1.1	1.4	1.6	1.6	0.0	0.0
<i>of which: other</i>	-0.1	0.0	0.0	-0.1	0.1	0.0	0.0
Expenditure on goods and services	14.0	15.3	15.9	15.7	11.9	16.2	16.4
<i>of which: VAT refunds</i>	5.6	6.4	6.8	6.5	6.4	6.6	6.5
<i>of which: capital consumption</i>	7.6	8.0	8.5	9.0	9.5	9.6	9.9
<i>of which: rates</i>	-1.2	-1.2	-1.4	-1.4	-1.4	-1.4	-1.5
<i>of which: other</i>	2.0	2.1	2.0	1.6	-2.6	1.4	1.4
Subsidies	1.4	1.5	0.9	0.2	0.1	0.3	0.3
<i>of which: equity injection into Housing Revenue Account</i>	1.4	1.5	1.1	0.2	0.3	0.3	0.3
<i>of which: other</i>	0.0	0.0	-0.2	0.0	-0.2	0.0	0.0
Net social benefits	-0.5	-0.5	-0.9	-1.0	-0.8	-0.9	-0.9
<i>of which: housing benefits and rent rebates</i>	0.4	0.4	0.1	0.0	0.5	0.2	0.2
<i>of which: other</i>	-0.9	-0.9	-1.0	-1.0	-1.2	-1.1	-1.1
Other current grants and current grants abroad	-0.1	-0.1	-0.1	0.0	0.0	-0.1	-0.1
Total local government resource adjustments	10.1	11.1	11.4	9.8	10.1	11.4	11.6
Other resource adjustments							
Public corporations	0.3	0.5	0.3	0.2	0.3	0.3	0.4
Other	-0.1	0.0	-0.4	0.1	0.0	-1.5	-2.1
Total other resource adjustments	0.2	0.5	-0.1	0.3	0.3	-1.2	-1.8
Total resource adjustments	-11.3	45.4	-25.8	-22.8	-43.0	-71.3	-38.0
<i>of which:</i>							
Timing adjustments ⁽⁴⁾							
Central government	-0.6	-2.0	5.4	1.4	-0.4	0.0	0.0
Local government	0.9	0.6	0.4	0.3	-4.4	0.0	0.0

Table 1.14 Accounting adjustments,⁽¹⁾ 2009-10 to 2015-16 (continued)

	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	£ billion 2015-16 plans
Remove data in budgets which form part of public sector gross investment but where a different source is used for National Accounts							
Capital DEL							
Change in inventories	0.0	0.1	0.0	0.0	-0.1	-0.1	0.0
Acquisitions less disposals of valuables	0.0	0.0	-0.1	-0.1	-0.1	0.0	0.0
Total capital DEL	-0.1	0.0	-0.2	-0.1	-0.2	-0.1	0.0
Adjustment for different data used by OBR in PSGI forecast	0.0	0.0	0.0	0.0	0.0	-0.3	0.8
<i>of which DEL</i>	0.0	0.0	0.0	0.0	0.0	0.3	1.5
<i>of which AME</i>	0.0	0.0	0.0	0.0	0.0	-0.5	-0.7
Total capital budget data replaced by different source data	-0.1	0.0	-0.2	-0.1	-0.2	-0.4	0.8
Remove data in budgets which do not form part of public sector gross investment							
Capital DEL							
Single Use Military Equipment	-5.3	-5.4	-5.3	-4.8	-4.5	-3.7	-2.9
Net lending to private sector	-1.3	-1.0	-2.1	-1.5	-3.0	-4.0	-4.4
Capital support for public corporations	-0.1	0.2	0.1	0.0	0.1	0.1	-0.1
Local government supported capital expenditure	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1
Northern Ireland Executive transfers between DEL and AME	0.0	0.2	0.4	0.2	0.2	0.2	0.2
Green Investment Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.1	0.1	0.0	-0.2	-0.4	1.6	-2.7
Total Capital DEL	-6.6	-5.9	-7.0	-6.4	-7.5	-5.8	-10.0
Capital departmental AME							
Net lending to private sector	-52.9	-2.1	-1.2	-3.3	4.5	-15.8	-13.3
Capital support for public corporations	0.1	0.4	-0.1	0.2	0.8	0.0	-0.4
Purchase of company securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sale of company securities	6.9	0.0	0.0	0.0	0.0	0.0	0.0
Northern Ireland Executive transfers between DEL and AME	-0.3	-0.2	-0.4	-0.1	-0.2	-0.3	-0.3
Other	3.0	-0.2	0.1	0.2	0.6	0.1	0.0
Total capital departmental AME	-43.3	-2.1	-1.7	-3.0	5.7	-16.0	-13.9
Total capital budget data not in public sector gross investment	-49.8	-8.0	-8.7	-9.3	-1.9	-21.8	-23.9
Central government adjustments in National Accounts							
Gross fixed capital formation	0.5	-0.1	0.0	-2.6	-0.5	-0.2	-0.2
<i>of which: profit or loss - sale of other assets (from resource budgets)</i>	-0.1	0.0	0.1	0.0	-1.0	0.0	0.0
<i>of which: other</i>	0.5	-0.1	0.0	-2.6	0.5	-0.2	-0.2
Capital grants to and from the private sector	4.9	1.0	0.8	-27.9	0.5	-0.1	0.4
<i>of which: VAT refunds</i>	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<i>of which: Royal Mail assets transfer</i>	0.0	0.0	0.0	-28.6	0.0	0.0	0.0
<i>of which: fee income (from resource budgets)</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which: DfID funding for capital projects scored in resource DEL</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which: other</i>	4.8	1.0	0.7	0.6	0.4	-0.2	0.3
Total central government capital adjustments	5.3	1.0	0.8	-30.6	0.0	-0.3	0.2
Local government adjustments in National Accounts							
Adjustments to reconcile use of different data sources	-4.8	-3.5	-3.8	-1.6	-1.3	-3.5	-3.1
<i>of which: overhanging debt</i>	-0.2	-0.8	-0.2	0.0	0.0	-0.4	0.0
<i>of which: central government support</i>	-2.2	-0.5	-1.3	1.0	0.3	0.0	0.0
<i>of which: financial transactions</i>	-1.6	-1.4	-1.8	-2.1	-1.1	-2.2	-2.2
<i>of which: capital grants from private sector</i>	-0.9	-0.8	-0.7	-0.4	-0.5	-0.8	-0.8
Gross fixed capital formation	2.0	2.1	2.0	1.8	-2.8	2.0	2.0
<i>of which: VAT refunds</i>	1.7	2.0	2.2	2.1	2.0	2.0	2.0
<i>of which: roads de-trunking</i>	0.0	0.1	0.0	0.0	0.0	0.0	0.0
<i>of which: other</i>	0.3	0.0	-0.2	-0.2	-4.8	0.0	0.0
Capital grants	0.4	0.2	0.5	1.8	0.2	0.1	0.0
<i>of which: grants to public corporations</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which: other</i>	0.4	0.2	0.5	1.8	0.2	0.1	0.0
Total local government capital adjustments	-2.4	-1.3	-1.3	2.0	-3.9	-1.3	-1.1
Other capital adjustments							
Public corporations	0.2	-0.5	0.1	-0.2	-0.9	-0.1	0.6
Housing Revenue Account reform receipts	0.0	0.0	-8.1	0.0	0.0	0.0	0.0
Other	0.0	0.1	0.3	0.0	0.0	0.0	0.0
Total other capital adjustments	0.3	-0.5	-7.6	-0.1	-0.8	-0.1	0.5
Total capital adjustments	-46.7	-8.8	-17.0	-38.1	-6.8	-23.9	-23.5
<i>of which:</i>							
Timing adjustments ⁽⁴⁾							
Central government	5.6	1.2	0.5	-2.1	2.1	0.0	0.0
Local government	0.3	-0.3	-0.1	0.0	0.0	0.0	0.0

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

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

⁽³⁾ Plans in 2014-15 include a £28.8bn DECC resource AME liability. This relates to the fair value of liabilities incurred for Contracts for Difference expected to be signed under the Electricity Market Reform programme. Please see Electricity Market Reform Programme (Contracts for Difference) in the Glossary of terms for full explanation.

⁽⁴⁾ Reflects timing difference between the latest OSCAR and other source data and the data underlying the Public Sector Finances statistical bulletin. These mainly result from revisions policy and issues with late corrections to OSCAR data in the early years.

Table 1.15 Total Managed Expenditure by spending sector, 2009-10 to 2015-16

	National Statistics					£ million	
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
Central government own expenditure							
DEL ⁽¹⁾	265,815	264,646	262,260	260,005	268,453	279,673	277,943
Departmental AME ^{(1) (2)}	238,692	142,377	223,345	233,708	247,274	305,657	274,659
Locally financed support in Northern Ireland	547	538	588	621	632	667	667
Net expenditure transfers to the EU	6,419	8,414	7,702	9,131	9,716	8,881	8,899
Central government debt interest	30,479	45,165	48,375	47,549	47,550	52,073	59,119
Accounting and other adjustments ⁽²⁾	-52,247	47,225	-25,782	-51,760	-74,620	-91,174	-5,1357
Total central government own expenditure	489,705	508,365	516,488	499,254	499,005	555,800	569,900
Local government expenditure							
Central government support in DEL	114,689	115,502	106,524	100,702	90,419	85,997	80,053
Central government support in departmental AME ⁽¹⁾	21,436	24,326	24,898	25,436	36,833	38,150	39,223
Locally financed support in Scotland	2,165	2,068	2,182	2,263	2,435	2,650	2,845
Local authority self-financed expenditure	28,501	25,681	35,183	27,382	31,563	27,797	29,188
Accounting and other adjustments ⁽²⁾	7,456	9,093	1,702	11,699	6,027	14,313	14,750
Total local government expenditure	174,247	176,670	170,489	167,482	167,277	168,900	166,100
Public corporations' expenditure							
DEL ⁽¹⁾	674	-3	72	124	10	-150	154
Departmental AME ⁽²⁾	-100	-467	106	-457	-925	-62	271
Public corporations' own-financed capital expenditure	8,191	9,302	6,958	7,081	8,197	7,519	7,594
Accounting and other adjustments	685	838	592	672	117	-3	-649
Total public corporations' expenditure	9,450	9,670	7,728	7,420	7,399	7,300	7,400
Total Managed Expenditure	673,402	694,705	694,705	674,156	673,681	732,000	743,400

⁽¹⁾ Full resource budgeting basis, i.e. resource plus capital less depreciation. See Table 2.1.

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

2

Economic analyses of budgets

2.1 This chapter provides an economic category analysis of the budgeting aggregates presented in **Chapter 1**. All outturn data in this chapter (to 2013-14) fall within the scope of National Statistics.

What's new

2.2 There have been no significant changes to the presentation of data within this chapter since PESA 2013.

Analyses of budgets by economic category of spending

2.3 **Table 2.1** shows analyses of budgets by economic category of spending, consistent with the budgeting aggregates reported in **Chapter 1**. The breakdowns of resource DEL and resource departmental AME are consistent with **Table 1.3**; administration budgets in resource DEL with **Table 1.7**; and capital budgets with **Table 1.8**.

2.4 Brief descriptions of the largest economic categories are given below, including the main differences from the corresponding economic categories presented against the expenditure on services framework in **Tables 5.3 and 6.5**.

2.5 Staff costs includes wages and salaries, employers' social contributions, payments of accruing superannuation liability charges for UK staff and locally engaged staff overseas, and amounts that finance employee contributions to pension schemes. It also includes income from the recovery of secondee costs and payments for contract and agency staff that were formerly treated as procurement expenditure.

2.6 Gross current procurement shows expenditure on goods and services, including accommodation and building management, ICT outsourcing, maintenance and support, travel costs and payments for consultancy and audit services. It also includes the purchase of services from GPs. Spending on Single Use Military Equipment (SUME), shown as current procurement in the National Accounts presentations in **Chapters 5 and 6**, is treated as capital procurement in budgets.

2.7 Current grants include all transfer payments other than subsidies (see 2.8 below) that are not used to fund capital formation. In **Table 2.1** these grants are analysed by recipient: local government; persons and non-profit bodies; and overseas recipients. **Current grants to local government** are intra-public sector payments that consolidate out of Total Managed Expenditure (TME), which is the government's preferred measure of total public spending. Further information on local government finance is given in **Chapter 7**. **Current grants to persons and non-profit bodies** largely comprise social security benefits included in resource departmental AME, as well as funding (usually in DEL) to further and higher education institutions and other non-profit private sector bodies. In **Table 2.1** they include tax credits previously scored as negative tax which are excluded from **Chapters 5 and 6**. **Current grants abroad** are mainly foreign aid, such as programmes to reduce poverty.

2.8 Subsidies are current transfer payments to trading businesses (both private sector companies and public corporations) to provide support for current costs, including payments to farmers under the EU's Common Agricultural Policy as well as subsidies to rail and bus operators. They are given with the objective of influencing their levels of production, their prices, or other factors. Unlike other intra-public sector transactions, subsidies to public corporations are included within TME as the receipt of this funding, and subsequent spending, is included within the calculation of the PC's gross operating surplus (which scores on the revenue side of the National Accounts).

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

2.10 Depreciation, also termed capital consumption, represents the amount of capital used up in respect of fixed assets measured on the basis of International Financial Reporting Standards (IFRS). The depreciation lines in **Table 2.1** also include releases from the donated assets and government grant reserves, as well as impairments and downward revaluations of fixed assets. As mentioned above, depreciation now also includes the grant equivalent element of student lending. This is the subsidy implied in student loans being issued at the inflation rate rather than the market interest rate.

2.11 Take-up of provisions are costs in resource budgets recognising that liabilities have been incurred that will more likely than not lead to a future payment, but where the amount and timing of these future payments are uncertain. Upon settling the liability the payment scores to the resource or capital budget according to the economic category of the transaction, whilst an equal and opposite (negative) **release of provisions** scores as a benefit to the resource budget. These lines do not include pension scheme provisions (see below).

Box 2.A Treatment of financial sector interventions in budgets

In the pre-Budget report of December 2009 the use in fiscal policy of new aggregates excluding the temporary effects of financial interventions was introduced. In these aggregates, banks that are classified to the public sector in the National Accounts (Northern Rock, Bradford & Bingley, Dunfermline, Lloyds Banking Group and Royal Bank of Scotland) are treated as if they are outside the public sector, reflecting the Government's intention to return these banks or their assets to the private sector.

The financial sector interventions are treated as follows in **Table 2.1**:

Resource budget

- Income from sales of goods and services: £0.4 billion in 2009-10, £1.8 billion in 2010-11, £1.0 billion in 2011-12 and £0.5 billion in 2012-13. This is mainly underwriting commission and guarantee fee income;
- Depreciation: -£12.0 billion in 2010-11 for the change in fair value of the Asset Protection Scheme (APS) and Bank of England Asset Purchase Facility Fund (BEAPFF). In 2011-12 the impairment cost of RBS and LBG shares was £14.1 billion, offset by a -£28.4bn gain for the BEAPFF. There was a further gain of -£17.1 billion in 2012-13 and an impairment of £12.9 billion in 2013-14.
- Take up of provisions: -£25.4 billion in 2009-10, for potential APS losses which were subsequently not realised; and
- Other: income of £1.9 billion in 2009-10, £0.4 billion in 2010-11, £0.8 billion in both 2011-12 and 2012-13 and £5.0 billion in 2013-14. This is comprised mainly of interest paid to government and in 2013-14 from the sale of shares in Lloyds Banking Group.

Capital budget

- Net lending to the private sector: £38.3 billion in 2009-10, -£3.0 billion in 2010-11, -£4.6 billion in 2011-12, -£3.6 billion in 2012-13 and -£4.9 billion in 2013-14. This is mainly lending to banks and the Financial Services Compensation Scheme and subsequent repayments together with income from the sale of Northern Rock in 2011-12 and income from the sale of shares in Lloyds Banking Group in 2013-14.

These transactions score within the HM Treasury AME budget and so are presented as part of the Chancellor's Departments group in **Chapter 1**.

2.12 Net public service pensions shows the costs of pensions on a National Accounts basis; that is, payments to pensioners less receipts of contributions by employers and employees. It also includes cash payments and receipts associated with bulk and individual transfers into and out of the scheme. **Change in pension scheme liabilities** shows increases to the liability as measured on an IFRS basis. This includes changes to current service costs, the non-cash impact of bulk or individual transfers in or out, and purchases of added years. **Release of provisions covering payments of pension benefits** records a reduction equal and opposite to the pension benefits paid, where these are charged to the provision. The **unwinding of the discount rate** on pension scheme liabilities shows the increase in the liability as future payments move one year closer to being paid (so the effects of discounting reduce). More information on pensions is included in **Annex D**, and a reconciliation from IFRS pensions in departmental AME to the National Accounts measure is given in **Table D1**.

2.13 Capital grants are transfer payments that are usually made on the condition that the recipient uses the funds for capital projects. Capital grants in **Table 2.1** are analysed by the nature of the recipient: persons and non-profit bodies; private sector companies; and overseas recipients. Capital grants to local government and public corporations are included as part of the respective capital support rows (see paragraphs 2.13 and 2.14).

2.14 Capital support for local government shows central government support for local government capital expenditure, comprising capital grants and Supported Capital Expenditure (Revenue). More information is given in **Chapter 7**.

2.15 Capital support for public corporations comprises capital grants, net lending (see paragraph 2.18) and public corporations' market and overseas borrowing where this scores in the parent department's budget.

2.16 Gross capital procurement comprises the acquisition of fixed assets (such as land, buildings and machinery) as well as any net increases in stock (where included in budgets). It is measured gross of depreciation. It includes the pay of civil servants engaged in in-house capital formation that is recorded as capital expenditure, rather than as pay. It also includes expenditure on Single Use Military Equipment (SUME) that is classified as current procurement in the National Accounts. The expenditure on services presentations in **Chapters 5 and 6** follow the National Accounts treatment of SUME.

2.17 Income from sales of capital assets records the sale value (book value plus profit/loss) of any assets, such as land, buildings and machinery, disposed of.

2.18 Net lending to private sector means lending by government net of any repayments of previous lending. It includes transactions in shares of private companies – so for example privatisation receipts count as negative net lending.

2.19 Other includes items that are too small or too uncommon to warrant an individual line. These include certain receipts that are usually treated as part of revenue in the National Accounts, write-offs of stock, loans written-off, and certain financial transactions. Write-offs of stock and loans are also recorded here. In **Chapters 5 and 6** they are recorded as capital grants in line with National Accounts.

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

2.21 Table 2.3 shows central government own capital procurement, gross of depreciation and before deduction of sales, broken down by departmental group.

Table 2.1 Budgets by economic category of spending, 2009-10 to 2015-16

	National Statistics						£ million	
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans	
Resource DEL								
Staff costs ⁽¹⁾	88,479	94,805	96,666	99,587	103,057	102,425	103,163	
Gross current procurement ⁽¹⁾	111,723	104,200	105,546	107,902	111,394	116,717	115,255	
Income from sales of goods and services	-21,311	-15,378	-15,469	-16,860	-17,523	-18,300	-16,669	
Current grants to local government ⁽¹⁾	99,436	102,608	95,616	91,034	80,270	75,408	69,552	
Current grants to persons and non-profit bodies	33,404	31,296	29,223	25,968	24,646	25,396	23,642	
Current grants abroad	361	1,028	727	1,457	3,128	3,348	3,059	
Subsidies to private sector companies	5,887	5,646	6,006	5,899	5,680	5,285	5,405	
Subsidies to public corporations	1,058	1,247	1,138	1,707	1,086	898	972	
Net public service pensions ⁽²⁾	-66	20	9	47	82	53	54	
Rentals	4,038	4,723	6,542	7,156	7,117	6,089	5,709	
Depreciation ⁽³⁾	13,843	20,509	19,269	21,507	22,054	20,584	22,271	
Take up of provisions	3	-	32	-21	9	-	-	
Release of provisions	-6	-8	-10	-12	-2	-1	-	
Change in pension scheme liabilities	153	74	29	22	-1	7	22	
Unwinding of the discount rate on pension scheme liabilities	21	-20	56	25	-	-	-	
Release of provisions covering payments of pensions benefits	-2	-	-	-	-	-	-	
Other	994	86	408	-2,041	-2,083	-643	-782	
<i>Plus unallocated funds</i>	-	-	-	-	-	1,600	4,800	
Total resource DEL	338,015	350,838	345,788	343,376	338,915	338,800	336,500	
Of which: administration budgets in resource DEL								
Staff costs	14,800	13,645	9,052	8,590	7,945	7,098	6,507	
Gross current procurement	7,195	6,713	4,294	4,111	4,016	6,156	4,569	
Income from sales of goods and services	-1,412	-1,304	-1,096	-1,035	-1,206	-1,589	-1,114	
Rentals	1,603	1,450	565	617	453	37	212	
Depreciation	961	1,066	769	744	642	979	975	
Other	-103	-80	-68	-440	-192	20	-143	
Total administration budgets in resource DEL	23,044	21,490	13,516	12,588	11,659	12,702	11,005	
Resource departmental AME								
Staff costs	1,373	1,161	1,310	1,130	1,559	1,422	1,163	
Gross current procurement	2,598	2,904	2,321	3,332	2,702	3,546	3,668	
Income from sales of goods and services ⁽⁵⁾	-574	-2,069	-1,231	-1,240	-591	-906	-466	
Current grants to local government	21,033	23,334	24,608	25,303	36,768	37,589	38,307	
Current grants to persons and non-profit bodies	168,912	174,053	180,153	186,470	188,288	193,292	197,338	
Subsidies to private sector companies	273	332	445	465	604	1,168	1,963	
Subsidies to public corporations	-177	-658	-776	-83	-70	-54	-53	
Net public service pensions ⁽²⁾	3,677	4,607	6,668	8,580	9,213	9,571	11,020	
Rentals	-	-	-	83	2	-	-	
Depreciation ⁽⁵⁾	6,529	-1,238	-12,387	-13,359	16,377	5,858	4,149	
Take up of provisions ⁽⁵⁾	-17,248	13,233	12,754	17,911	13,155	41,314	11,142	
Release of provisions	-6,278	-6,066	-7,386	-7,637	-4,773	-6,355	-5,464	
Change in pension scheme liabilities ⁽⁶⁾	22,124	-56,752	27,069	26,928	29,308	32,274	31,452	
Unwinding of the discount rate on pension scheme liabilities	39,154	37,615	44,012	40,327	37,420	43,827	43,492	
Release of provisions covering payments of pensions benefits ⁽⁴⁾	-24,272	-25,928	-27,725	-30,550	-32,174	-33,475	-35,099	
Other ⁽⁵⁾	-1,542	-2,055	-4,011	-2,562	-8,489	-2,552	-3,800	
Total resource departmental AME	215,581	162,472	245,824	255,098	289,299	326,520	298,811	

Table 2.1 Budgets by economic category of spending, 2009-10 to 2015-16 (continued)

	£ million						
	National Statistics						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
Resource budgets							
Staff costs ⁽¹⁾	89,852	95,966	97,976	100,717	104,616	103,847	104,325
Gross current procurement ⁽¹⁾	114,320	107,104	107,867	111,234	114,096	120,263	118,923
Income from sales of goods and services ⁽⁵⁾	-21,885	-17,447	-16,700	-18,100	-18,114	-19,206	-17,135
Current grants to local government ⁽¹⁾	120,469	125,942	120,224	116,338	117,038	112,996	107,859
Current grants to persons and non-profit bodies	202,316	205,350	209,377	212,438	212,934	218,688	220,980
Current grants abroad	361	1,028	727	1,457	3,128	3,348	3,059
Subsidies to private sector companies	6,160	5,977	6,452	6,364	6,285	6,453	7,367
Subsidies to public corporations	880	588	362	1,625	1,016	845	919
Net public service pensions ⁽²⁾	3,611	4,627	6,678	8,627	9,296	9,623	11,074
Rentals	4,038	4,723	6,542	7,239	7,119	6,089	5,709
Depreciation ^{(3) (5)}	20,372	19,271	6,882	8,147	38,431	26,442	26,420
Take up of provisions ⁽⁵⁾	-17,245	13,233	12,786	17,890	13,165	41,314	11,142
Release of provisions	-6,284	-6,074	-7,396	-7,650	-4,775	-6,357	-5,464
Change in pension scheme liabilities ⁽⁶⁾	22,277	-56,677	27,098	26,950	29,307	32,281	31,473
Unwinding of the discount rate on pension scheme liabilities	39,175	37,594	44,068	40,352	37,420	43,827	43,492
Release of provisions covering payments of pensions benefits ⁽⁴⁾	-24,274	-25,928	-27,726	-30,550	-32,174	-33,476	-35,099
Other ⁽⁵⁾	-548	-1,968	-3,603	-4,603	-10,571	-3,195	-4,582
<i>Plus unallocated funds</i>	-	-	-	-	-	1,600	4,800
Total resource budgets	553,595	513,310	591,612	598,474	628,215	665,300	635,300
Capital DEL							
Capital support for local government	15,254	12,893	10,909	9,668	10,149	10,590	10,501
Capital grants to persons and non-profit bodies	6,606	4,836	3,044	1,653	2,240	3,587	3,041
Capital grants to private sector companies	8,839	7,683	6,643	5,892	6,393	7,029	6,415
Capital grants abroad	725	1,772	1,425	1,369	1,586	1,982	823
Capital support for public corporations	832	187	268	304	206	-14	357
Gross capital procurement	25,183	23,786	20,644	21,813	20,282	21,201	20,702
Income from sales of assets	-701	-960	-1,241	-2,118	-818	-1,140	-504
Net lending and investment to the private sector and abroad ⁽⁵⁾	482	-126	504	561	1,941	3,996	4,422
Other	-213	-254	143	-180	44	-111	133
<i>Plus unallocated funds in capital DEL</i>	-	-	-	-	-	-2,100	600
Total capital DEL	57,007	49,816	42,338	38,961	42,021	45,000	46,500
Capital departmental AME							
Capital support for local government	402	993	290	133	65	561	916
Capital grants to persons and non-profit bodies	664	549	338	369	416	369	348
Capital grants to private sector companies	-	-	-1	-	-1,016	-	-
Capital grants abroad	-	-	-	-	-20	-	-
Capital support for public corporations	97	-361	187	-198	-797	-22	426
Gross capital procurement	124	139	193	183	145	286	192
Income from sales of assets	-	-	-	-211	-124	-	-
Net lending and investment to the private sector and abroad	42,681	2,013	1,198	3,233	-4,779	15,830	13,224
Other	478	430	320	80	-7	201	237
Total capital departmental AME	44,447	3,764	2,525	3,589	-6,117	17,225	15,342

Table 2.1 Budgets by economic category of spending, 2009-10 to 2015-16 (continued)

	£ million						
	National Statistics						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
Capital budgets							
Capital support for local government	15,656	13,886	11,199	9,800	10,214	11,150	11,417
Capital grants to persons and non-profit bodies	7,270	5,385	3,382	2,022	2,655	3,956	3,388
Capital grants to private sector companies	8,839	7,683	6,642	5,891	5,377	7,029	6,415
Capital grants abroad	725	1,772	1,425	1,369	1,566	1,982	823
Capital support for public corporations	929	-173	455	106	-591	-36	782
Gross capital procurement	25,307	23,925	20,837	21,997	20,426	21,487	20,893
Income from sales of assets	-701	-960	-1,241	-2,329	-943	-1,140	-504
Net lending and investment to the private sector and abroad ⁽⁵⁾	43,163	1,887	1,702	3,794	-2,839	19,826	17,646
Other	265	176	463	-100	37	90	370
<i>Plus unallocated funds in capital DEL</i>	-	-	-	-	-	-2,100	600
Total capital budgets	101,454	53,581	44,864	42,551	35,904	62,200	61,800

⁽¹⁾ As academies are now treated as part of central government, their expenditure falls within staff costs and procurement and is no longer recorded within the line for grants to local government.

⁽²⁾ Figures here are based on payments and receipts that score in TME and incorporate the net effect of bulk and individual transfers. The Resource Accounts based measure of net public service pensions is used in Table 1.1.

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

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

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

⁽⁶⁾ In the June 2010 Budget Statement it was announced that the Government would use the CPI rather than the RPI for the indexation of public service pensions. This change has been recognised as a negative past service cost in 2010-11 in accordance with IAS19.

Table 2.2 Gross current procurement in budgets,⁽¹⁾ 2009-10 to 2015-16

	National Statistics						£ million	
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans	
Gross current procurement in budgets								
Education ⁽²⁾	1,177	1,321	2,316	2,868	3,198	4,128	4,461	
NHS (Health)	58,419	51,124	53,447	56,168	58,191	61,090	59,155	
Personal Social Services (Health)	52	24	-	-	-	-	-	
Transport	1,920	1,727	1,823	1,942	2,039	2,153	2,428	
CLG Communities	484	484	402	339	305	521	473	
CLG Local Government	260	89	89	89	-	-	-	
Business, Innovation and Skills	1,592	1,384	1,344	1,143	1,500	1,627	2,436	
Home Office	2,196	2,392	2,017	2,201	2,124	2,183	2,088	
Justice	5,754	5,720	6,039	5,874	5,371	4,770	4,479	
Law Officers' Departments	368	342	299	281	267	313	317	
Defence	13,482	13,517	13,018	11,901	12,462	13,297	12,610	
Foreign and Commonwealth Office	948	960	907	960	729	548	538	
International Development	559	588	728	784	1,123	248	1,299	
Energy and Climate Change	2,172	1,961	1,931	1,598	1,789	1,910	1,876	
Environment, Food and Rural Affairs	1,207	1,084	1,106	1,290	1,205	1,290	1,128	
Culture, Media and Sport	3,075	3,376	2,905	3,694	3,036	3,613	3,259	
Work and Pensions	2,756	2,945	2,111	2,088	2,251	2,238	3,041	
Scotland	6,810	6,777	6,224	6,886	6,878	7,227	7,332	
Wales	3,520	3,849	3,831	3,410	3,681	4,214	4,111	
Northern Ireland	3,722	3,948	3,726	4,137	4,296	4,367	4,375	
Chancellor's Departments	1,639	1,324	1,321	1,519	1,410	1,780	1,446	
Cabinet Office	1,148	1,190	1,237	1,206	1,343	1,666	1,337	
Small and Independent Bodies	1,062	978	1,044	856	873	1,077	734	
Total gross current procurement in budgets	114,320	107,104	107,867	111,234	114,073	120,263	118,923	

⁽¹⁾ Budgeting definition of current procurement, so excludes defence spending on Single Use Military Equipment (SUME). Chapter 5 presents spending according to National Accounts definitions, where SUME is classified as current procurement.

⁽²⁾ As academies are now treated as part of central government, their expenditure falls within staff costs and procurement and is no longer recorded within the line for grants to local government.

Table 2.3 Gross capital procurement in budgets,⁽¹⁾ 2009-10 to 2015-16

	National Statistics						£ million	
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans	
Gross capital procurement in budgets								
Education	73	27	15	2,227	443	517	502	
NHS (Health)	4,861	4,178	3,416	3,831	3,979	4,356	4,642	
Personal Social Services (Health)	-	-	-	-	-	-	-	
Transport	2,002	1,654	1,361	1,110	1,431	2,211	2,719	
CLG Communities	266	217	84	55	125	326	203	
CLG Local Government	2	1	-	1	-	-	-	
Business, Innovation and Skills	483	470	321	297	300	280	438	
Home Office	586	337	278	227	211	275	192	
Justice	875	591	420	327	362	330	380	
Law Officers' Departments	12	8	3	2	3	7	5	
Defence	9,019	9,369	8,699	7,872	7,510	8,026	6,914	
Foreign and Commonwealth Office	162	125	99	106	137	79	123	
International Development	15	11	17	66	13	14	-	
Energy and Climate Change	1,197	1,326	1,444	1,786	1,711	1,898	2,044	
Environment, Food and Rural Affairs	212	196	133	150	181	184	141	
Culture, Media and Sport	1,579	1,715	1,380	510	788	166	129	
Work and Pensions	254	233	229	308	126	47	99	
Scotland	1,144	1,107	905	1,178	1,020	723	458	
Wales	658	624	472	389	461	369	352	
Northern Ireland	1,176	1,070	844	900	908	1,046	987	
Chancellor's Departments	243	186	241	211	224	180	148	
Cabinet Office	409	412	419	381	422	364	360	
Small and Independent Bodies	79	68	57	63	73	89	57	
Total gross capital procurement in budgets	25,307	23,925	20,837	21,997	20,426	21,487	20,893	

⁽¹⁾ Budgeting definition of capital procurement, so includes defence spending on Single Use Military Equipment (SUME). Chapter 5 presents spending according to National Accounts definitions, where SUME is classified as current procurement.

3

Changes in departmental budgets

3.1 This chapter compares the latest budgeting aggregates in **Chapter 1** with those previously published, and sets out the main reasons for the changes. Specifically:

- for 2012-13, estimated outturn published in PESA 2013 (Cm 8863) is compared with the final outturn in **Chapter 1**;
- for 2013-14, the plans published in PESA 2013 are reconciled to final plans and compared to the estimated outturn in **Chapter 1**; and
- for 2014-15 to 2015-16 latest plans are compared with the published figures in PESA 2013 (Cm 8863).

3.2 The tables in this chapter are consequently split into three sections –

- **Tables 3.1, 3.2, 3.3 and 3.4** show changes for 2012-13;
- **Tables 3.5, 3.6, 3.7 and 3.8** show changes for 2013-14. and
- **Tables 3.9-3.11** show changes to plans years.

3.3 Within the first two sections the four tables show, respectively, resource DEL by departmental group, resource DEL excluding depreciation by departmental group, capital DEL by departmental group, and Total Managed Expenditure (TME) by budgeting category.

Types of changes

3.4 The comparisons distinguish between the following types of change:

- Machinery of Government changes, which are implemented in the starting position of all tables so that other changes are not obscured by departmental restructuring;
- changes that result from spending being reclassified or where financing responsibility transfers between departments, i.e. changes in the way public expenditure is measured; and
- changes that reflect policy decisions or are due to the availability of updated outturn or forecasts. This also takes account of any departmental under spends carried forward from 2013-14 to 2014-15 and 2015-16 under the Budget Exchange system.

Machinery of Government and classification changes

3.5 The following Machinery of Government (MoG) and classification change is the most significant to have taken place since PESA 2013. It affects all years published in PESA.

- The functions of criminal and financial investigation, formerly exercised by the Serious Crime Agency (SOCA) in the Home Office, was transferred to the newly established National Crime Agency (NCA).

Policy changes

3.6 This section sets out the key spending policy decisions taken since PESA 2013. This mainly includes:

- measures announced in the Autumn Statement 2013 and at Budget 2014;
- claims on the Reserve; and
- carry forward of estimated resource and capital DEL under spends (with the agreement of the Treasury) from 2013-14 under the Budget Exchange (BX) system.

Policy changes in 2013-14 Tables 3.5 to 3.7

3.7 The impact of policy decisions on resource DEL and capital DEL budgets in 2013-14 are set out in **Tables 3.5** and **3.7**, respectively. The main policy decisions are set out below.

The main claims on the resource DEL Reserve in 2013-14 were:

- BIS received £5.7bn of funding to cover changes in estimates of the cost of the student loan book;
- MOD received £1.0bn of funding in respect of Defence equipment and support, and Revaluation of Defence estates;
- CLG LG received £0.4bn of funding for Small Business Rates Relief and in support of Council Tax freezes;
- MOJ received £0.3bn of funding in support of Sentencing Reforms and Transformation costs;
- FCO received £0.1bn for Consular Premiums, International Subscriptions and Mau Mau;
- Northern Ireland Executive received £0.1bn in support of Security and Hearing Loss

The main claim on the capital DEL Reserve in 2013-14 was:

- BIS received £ 0.3 bn for Royal Mail transaction and pension costs and £ 0.1 bn for Spectrum.

The other main policy decisions affecting 2013-14 DELs were:

- Defence switched £1.2bn from single use military equipment (SUME) capital to resource DEL to realign budgets;
- DECC switched £0.1bn from resource to capital DEL to realign budgets in respect of the Nuclear Decommissioning Authority;
- Scottish Government switched £0.2bn from resource to capital DEL to allow for investment in infrastructure;
- DWP reduced its Dual Key Funding by £0.4bn resource and £0.2bn capital DEL to realign budgets against latest forecasts.

3.8 Under the Budget Exchange system departments carried forward from 2013-14 into 2014-15 £0.8 bn resource DEL and £0.7 bn capital DEL; departments also carried forward into 2015-16 £0.7bn capital DEL.

Policy changes in 2014-15 and 2015-16 Tables 3.9 to 3.11

3.9 The impact of policy decisions on resource DEL and capital DEL budgets in 2014-15 and 2015-16 are set out in Tables 3.9 to 3.11. The main policy decisions are set out below.

3.10 A number of claims on the reserve have already fed into 2014-15 control totals at Main Estimates 2014-15:

- £1.1bn resource DEL for MOD from the special reserve in respect of the net additional cost of military operations; and
- £0.3bn resource DEL received by FCO in respect of peacekeeping operations.

3.11 The other main policy decisions affecting 2014-15 and 2015-16 DEL budgets were:

- Defence switched £1.5bn from capital to resource DEL for Single Use Military Equipment (SUME) in 2014-15;
- Reduction in departmental budgets as announced in the Autumn Statement 2013, of resource DEL by £1.1bn in 2014-15 and £1.0bn 2015-16. The schools and health and Official Development Assistance (ODA) budgets remain unchanged.
- DWP switched £0.1bn from AME into DEL for the Welfare Cap as announced at Budget 2014. A further £0.2bn switched from DEL into AME in support of the Financial Assistance Scheme in 2014-15;
- Education and BIS received £0.1bn Apprenticeship Grant for Employers for 2014-15;
- £0.1bn DEL provided to DEFRA for flood defences spanning 2014-15 and 2015-16 as announced at Budget 2014; and
- Extension of free school meals (DfE) – £ 0.6 bn in 2014-15 and £ 0.75 bn in 2015-16.

Table 3.1 Resource DEL 2012-13; changes since PESA 2013

				£ million	
	Final provision adjusted for MOG	Outturn in PESA 2013 adjusted for MOG	Transfers and classification changes since PESA 2013	Other changes since PESA 2013	Outturn
Resource DEL					
Education	51,124	50,746	-	70	50,816
Health	104,098	102,514	-	57	102,571
Transport	5,663	5,283	-	-	5,283
CLG Communities	1,665	1,496	-	-	1,496
CLG Local Government	23,208	23,189	-	-	23,189
Business, Innovation and Skills	19,550	19,196	-	-	19,196
Home Office	11,715	11,442	-	-	11,442
Justice	8,765	8,728	-	-	8,728
Law Officers' Departments	631	598	2	0	599
Defence	37,157	35,874	-	-	35,874
Foreign and Commonwealth Office	2,163	2,152	-	0	2,152
International Development	6,201	6,129	-	-	6,129
Energy and Climate Change	1,195	1,132	-	-	1,132
Environment, Food and Rural Affairs	2,067	2,053	-	-	2,053
Culture, Media and Sport	5,106	3,286	-	245	3,531
Work and Pensions	12,472	12,309	-	6	12,315
Scotland	26,011	25,750	-	1	25,751
Wales	13,841	13,444	-	210	13,654
Northern Ireland	10,141	10,031	5	5	10,041
Chancellor's Departments	3,646	3,496	-20	-7	3,468
Cabinet Office	2,556	2,477	-2	12	2,487
Small and Independent Bodies	1,578	1,479	-	-9	1,470
Total resource DEL	350,552	342,802	-15	589	343,376

Table 3.2 Resource DEL excluding depreciation 2012-13; changes since PESA 2013

				£ million	
	Final provision adjusted for MOG	Outturn in PESA 2013 adjusted for MOG	Transfers and classification changes since PESA 2013	Other changes since PESA 2013	Outturn
Resource DEL excluding depreciation					
Education	50,592	50,100	-	-115	49,984
Health	102,916	101,417	-	22	101,440
Transport	4,631	4,315	-	-	4,315
CLG Communities	1,626	1,455	-	-	1,455
CLG Local Government	23,207	23,188	-	-	23,188
Business, Innovation and Skills	15,532	15,444	-	-	15,444
Home Office	11,459	11,199	-	-	11,199
Justice	8,226	8,201	-	-	8,201
Law Officers' Departments	617	589	2	0	591
Defence	27,459	26,415	-	-	26,415
Foreign and Commonwealth Office	2,012	1,987	-	2	1,989
International Development	6,172	6,105	-	-	6,105
Energy and Climate Change	1,187	1,120	-	-	1,120
Environment, Food and Rural Affairs	1,876	1,864	-	-	1,864
Culture, Media and Sport	2,167	2,059	-	28	2,087
Work and Pensions	12,299	12,066	-	-	12,066
Scotland	25,118	24,968	-	0	24,968
Wales	13,326	13,026	-	221	13,248
Northern Ireland	9,500	9,461	5	-2	9,464
Chancellor's Departments	3,410	3,262	-20	-7	3,235
Cabinet Office	2,138	2,081	-2	8	2,087
Small and Independent Bodies	1,506	1,415	-	-9	1,406
Total resource DEL excluding depreciation	326,977	321,737	-15	147	321,870

Table 3.3 Capital DEL 2012-13; changes since PESA 2013

				£ million	
	Final provision adjusted for MOG	Outturn in PESA 2013 adjusted for MOG	Transfers and classification changes since PESA 2013	Other changes since PESA 2013	Outturn
Capital DEL					
Education	4,503	4,450	-	-190	4,260
Health	4,495	3,838	-	-55	3,783
Transport	8,009	7,826	-	2	7,828
CLG Communities	2,694	2,472	-	-	2,472
CLG Local Government	0	1	-	-	1
Business, Innovation and Skills	1,538	1,240	-	-	1,240
Home Office	461	442	-	-	442
Justice	289	281	-	-	281
Law Officers' Departments	6	2	-	-	2
Defence	7,960	7,843	-	-	7,843
Foreign and Commonwealth Office	108	100	-	-63	37
International Development	1,660	1,653	-	-	1,653
Energy and Climate Change	2,097	2,038	-	-	2,038
Environment, Food and Rural Affairs	418	414	-	-	414
Culture, Media and Sport	434	412	-	-70	342
Work and Pensions	470	419	-	-	419
Scotland	2,969	2,940	-	-1	2,939
Wales	1,363	1,363	-	-1	1,362
Northern Ireland	996	969	-	0	969
Chancellor's Departments	231	218	-	-6	212
Cabinet Office	395	363	-	0	363
Small and Independent Bodies	80	63	-	-2	61
Total capital DEL	41,177	39,348	-	-387	38,961

Table 3.4 Total Managed Expenditure 2012-13; changes since PESA 2013

	£ million			
	Outturn in PESA 2013	Transfers and classification changes since PESA 2013	Other changes since PESA 2013	Outturn
CURRENT EXPENDITURE				
<i>Resource DEL</i>				
Total resource DEL	342,802	-15	589	343,376
<i>Resource departmental AME</i>				
Social security benefits	178,332	-4	-59	178,269
Tax credits	30,170	-	-410	29,761
Net public service pensions	4,797	-	162	4,958
National lottery	1,283	-	-556	727
BBC domestic services	3,370	-	-79	3,291
Student loans	-756	-	-7	-763
Non-cash items	54,070	-	-730	53,341
Financial sector interventions	-18,122	-	-262	-18,384
Other departmental expenditure	2,596	19	1,284	3,899
Total resource departmental AME	255,740	15	-656	255,098
<i>Resource other AME</i>				
Net expenditure transfers to the EU	9,131	-	-	9,131
Locally financed expenditure	25,774	-	-1,882	23,892
Central government gross debt interest	46,967	-	582	47,549
Accounting adjustments	-22,861	-	55	-22,806
Total resource other AME	59,011	-	-1,246	57,766
Total resource AME	314,751	15	-1,902	312,864
Public sector current expenditure	657,553	-	-1,313	656,240
CAPITAL EXPENDITURE				
<i>Capital DEL</i>				
Total capital DEL	39,348	-	-387	38,961
<i>Capital departmental AME</i>				
National lottery	513	-	-	513
BBC domestic services	109	-	12	121
Student loans	6,860	-	-3	6,858
Financial sector interventions	-3,606	-	6	-3,601
Other departmental expenditure	-76	-	-226	-302
Total capital departmental AME	3,799	-	-210	3,589
<i>Capital other AME</i>				
Locally financed expenditure	8,087	-	-1,714	6,374
Public corporations' own-financed capital expenditure	6,653	-	428	7,081
Accounting adjustments	-40,068	-	1,979	-38,089
Total capital other AME	-25,328	-	693	-24,635
Total capital AME	-21,528	-	483	-21,045
Public sector gross investment	17,820	-	96	17,916
<i>less public sector depreciation</i>	22,528	-	-	22,528
Public sector net investment	-4,708	-	96	-4,612
Total Managed Expenditure	675,373	-	-1,217	674,156

Table 3.5 Resource DEL 2013-14; changes since PESA 2013

	£ million				
	Plans in PESA 2013 adjusted for MOG	Transfers and classification changes since PESA 2013	Other changes since PESA 2013	Final provision adjusted for MOG	Outturn
Resource DEL					
Education	53,109	45	-441	52,713	52,487
Health	106,745	58	0	106,803	106,476
Transport	4,972	2	-26	4,947	4,791
CLG Communities	2,742	-76	-451	2,215	2,080
CLG Local Government	16,099	82	316	16,496	16,481
Business Innovation and Skills	17,709	-9	5,827	23,526	20,602
Home Office	11,211	25	-178	11,058	10,993
Justice	7,948	-88	320	8,180	7,972
Law Officers' Departments	606	4	7	616	571
Defence	36,076	-17	1,740	37,798	36,181
Foreign and Commonwealth Office	2,064	40	83	2,188	2,156
International Development	8,577	-67	-40	8,470	8,088
Energy and Climate Change	1,386	15	-216	1,186	1,175
Environment, Food and Rural Affairs	2,121	-2	-119	2,000	1,990
Culture, Media and Sport	1,535	10	-136	1,409	1,294
Work and Pensions	7,846	-29	-327	7,490	7,448
Scotland	26,443	0	-10	26,434	26,136
Wales	14,188	0	412	14,600	14,450
Northern Ireland	10,075	6	144	10,226	10,166
Chancellor's Departments	3,856	12	-408	3,460	3,396
Cabinet Office	2,625	-35	21	2,611	2,517
Small and Independent Bodies	1,555	13	28	1,596	1,466
Reserve	2,200	-	-2,200	-	-
Special Reserve	400	-	-400	-	-
Green Investment Bank	1,000	-	-	-	-
OBR allowance for shortfall	-1,200	-	-	-	-
Adjustment for Budget Exchange	-1,700	-	-	-	-
Total resource DEL	340,392	-10	3,848	346,024	338,915

Table 3.6 Resource DEL excluding depreciation 2013-14; changes since PESA 2013

	£ million				
	Plans in PESA 2013 adjusted for MOG	Transfers and classification changes since PESA 2013	Other changes since PESA 2013	Final provision adjusted for MOG	Outturn
Resource DEL excluding depreciation					
Education	52,267	45	-443	51,869	51,480
Health	105,521	58	0	105,579	105,427
Transport	3,986	2	-98	3,890	3,784
CLG Communities	2,705	-76	-452	2,177	2,051
CLG Local Government	16,098	82	317	16,496	16,481
Business Innovation and Skills	14,855	-9	96	14,941	14,862
Home Office	10,977	25	-216	10,786	10,723
Justice	7,384	-88	320	7,617	7,521
Law Officers' Departments	595	4	7	606	565
Defence	26,470	-17	740	27,193	26,968
Foreign and Commonwealth Office	1,920	40	63	2,023	1,998
International Development	8,556	-67	-40	8,449	8,074
Energy and Climate Change	1,377	15	-216	1,177	1,165
Environment, Food and Rural Affairs	1,931	-2	-119	1,810	1,793
Culture, Media and Sport	1,239	10	-59	1,190	1,146
Work and Pensions	7,701	-29	-367	7,304	7,264
Scotland	25,672	0	-64	25,608	25,464
Wales	13,706	0	74	13,780	13,697
Northern Ireland	9,617	6	122	9,745	9,728
Chancellor's Departments	3,610	12	-408	3,214	3,156
Cabinet Office	2,163	-34	57	2,185	2,101
Small and Independent Bodies	1,485	13	26	1,525	1,415
Reserve	2,200	-	-2,200	-	-
Special Reserve	400	-	-400	-	-
Green Investment Bank	1,000	-	-	-	-
OBR allowance for shortfall	-1,200	-	-	-	-
Adjustment for Budget Exchange	-1,700	-	-	-	-
Total resource DEL excluding depreciation	320,739	-10	-3,358	319,165	316,861

Table 3.7 Capital DEL 2013-14; changes since PESA 2013

	£ million				
	Plans in PESA 2013 adjusted for MOG	Transfers and classification changes since PESA 2013	Other changes since PESA 2013	Final provision adjusted for MOG	Outturn
Capital DEL					
Education	3,983	-	0	3,983	3,918
Health	4,437	7	0	4,444	4,294
Transport	8,673	0	-128	8,545	8,460
CLG Communities	4,165	67	-365	3,867	3,808
CLG Local Government	-	1	-	1	-
Business Innovation and Skills	2,791	-73	-212	2,506	2,385
Home Office	405	1	8	415	398
Justice	277	0	0	276	273
Law Officers' Departments	6	-	0	6	3
Defence	9,754	22	-1,935	7,841	7,584
Foreign and Commonwealth Office	101	2	23	126	120
International Development	1,925	9	35	1,969	1,946
Energy and Climate Change	2,185	-29	117	2,273	2,218
Environment, Food and Rural Affairs	416	-	77	493	482
Culture, Media and Sport	154	-43	38	149	75
Work and Pensions	419	0	-173	246	233
Scotland	2,632	22	260	2,914	2,883
Wales	1,304	30	1	1,335	1,326
Northern Ireland	931	6	30	968	931
Chancellor's Departments	200	1	25	226	212
Cabinet Office	400	-21	27	407	401
Small and Independent Bodies	75	0	20	95	72
Reserve	400	-	-400	-	-
Special Reserve	100	-	-	-	-
OBR allowance for shortfall	-2,300	-	-	-	-
Adjustment for Budget Exchange	-1,100	-	-	-	-
Total capital DEL	42,266	1	-2,576	43,085	42,021

Table 3.8 Total Managed Expenditure 2013-14; changes since PESA 2013

	Plans in PESA 2013	Transfers and classification changes since PESA 2013	Other changes since PESA 2013	£ million Outturn
CURRENT EXPENDITURE				
<i>Resource DEL</i>				
Total resource DEL	340,392	-10	-1,511	338,915
<i>Resource departmental AME</i>				
Social security benefits	180,466	-4	-703	179,759
Tax credits	30,091	-	-698	29,394
Net public service pensions	7,269	-	-922	6,347
National lottery	932	-	228	1,160
BBC domestic services	3,611	-	-446	3,165
Student loans	-1,081	-	-15	-1,096
Non-cash items	45,752	0	3,690	49,442
Financial sector interventions	-1,609	-	9,553	7,944
Other departmental expenditure	4,258	13	8,914	13,185
Total resource departmental AME	269,689	9	19,601	289,299
<i>Resource other AME</i>				
Net expenditure transfers to the EU	8,293	-	1,423	9,716
Locally financed government expenditure	36,832	-	-12,962	23,870
Central government gross debt interest	49,530	-	-2,146	47,384
Accounting adjustments	-31,760	-	-11,267	-43,027
Total resource other AME	62,894	0	-24,952	37,942
Total resource AME	332,583	9	-5,351	327,242
Public sector current expenditure	672,975	-1	-6,862	666,157
CAPITAL EXPENDITURE				
<i>Capital DEL</i>				
Total capital DEL	42,266	1	-780	42,021
<i>Capital departmental AME</i>				
National lottery	497	-	-29	468
BBC domestic services	138	-	124	262
Student loans	8,506	-	785	9,292
Financial sector interventions	-1,871	-	-3,067	-4,938
Other departmental expenditure	2,278	-	-13,479	-11,201
Total capital departmental AME	9,549	-	-15,666	-6,117
<i>Capital other AME</i>				
Locally financed expenditure	6,405	-	-50	6,355
Public corporations' own-financed capital expenditure	4,995	-	3,202	8,197
Accounting adjustments	-16,013	-	13,656	-2,357
Total capital other AME	-4,613	-	16,808	12,195
Total capital AME	4,936	-	1,142	6,078
Public sector gross investment	47,202	1	362	48,099
<i>less public sector depreciation</i>	22,990	-	369	23,359
Public sector net investment	24,213	1	-7	24,740
Total Managed Expenditure	720,178	0	-6,500	714,256

Table 3.9 Resource DEL 2014-15 and 2015-16; changes since PESA 2013

	£ million							
	2014-15				2015-16			
	Plans in classification PESA 2013 adjusted for MOG	Transfers and changes since PESA 2013	Other changes since PESA 2013	New Plans	Plans in classification PESA 2013 adjusted for MOG	Transfers and changes since PESA 2013	Other changes since PESA 2013	New Plans
Resource DEL								
Education	54,066	96	338	54,500	54,116	-144	584	54,556
Health	109,610	40	0	109,650	111,663	-1	0	111,662
Transport	4,557	-	-208	4,349	4,151	-	-920	3,231
CLG Communities	2,300	-129	385	2,574	1,387	-	-28	1,376
CLG Local Government	13,151	-286	476	13,340	11,593	-500	327	11,420
Business Innovation and Skills	17,223	10	40	17,273	17,717	97	258	18,072
Home Office	10,609	493	45	11,148	10,155	500	-113	10,543
Justice	7,546	-95	-76	7,376	6,960	0	-71	6,889
Law Officers' Departments	539	2	12	552	525	-	-4	521
Defence	33,839	0	2,597	36,436	33,517	-8	2,028	35,537
Foreign and Commonwealth Office	1,282	143	317	1,742	1,228	-1	-13	1,215
International Development	8,294	-385	-39	7,870	8,517	-91	-	8,426
Energy and Climate Change	1,088	-1	452	1,540	962	-1	316	1,277
Environment, Food and Rural Affairs	1,884	8	100	1,992	1,745	-	17	1,762
Culture, Media and Sport	1,310	1	33	1,344	1,277	-	-2	1,275
Work and Pensions	7,549	-97	275	7,727	6,127	-2	195	6,321
Scotland	26,511	7	110	26,629	26,685	-8	141	26,818
Wales	14,196	5	19	14,221	14,262	0	48	14,310
Northern Ireland	10,107	13	40	10,160	10,167	13	62	10,241
Chancellor's Departments	3,695	8	90	3,792	3,516	-12	84	3,587
Cabinet Office	2,812	55	13	2,880	2,516	10	-4	2,522
Small and Independent Bodies	1,524	93	18	1,635	1,384	139	-38	1,485
Spending commitments not yet in budgets	-	-	-	-	1,100	-	-200	900
Reserve	2,800	-	-400	2,400	2,800	-	-300	2,500
Special Reserve	1,800	-	-1,100	600	1,000	-	-	1,000
OBR allowance for shortfall	-1,000	-	300	-800	-	-	-1,000	-1,000
Adjustment for Budget Exchange ⁽¹⁾	-1,200	-	-1,000	-2,200	-	-	0	0
Total resource DEL	336,100	-18	2,777	338,800	335,100	-8	1,310	336,500

⁽¹⁾ Departmental budgets in 2014-15 and 2015-16 include amounts carried forward from 2013-14 through Budget Exchange, which will be voted at Main Estimates. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 3.10 Resource DEL excluding depreciation 2014-15 and 2015-16; changes since PESA 2013

	£ million								
	2014-15				2015-16				
	Plans in Transfers and PESA 2013 classification adjusted changes since for MOG		PESA 2013	Other changes since PESA 2013	New Plans	Plans in Transfers and PESA 2013 classification adjusted changes since for MOG		PESA 2013	Other changes since PESA 2013
Resource DEL excluding depreciation									
Education	53,014	96	338	53,448	53,041	-142	584	53,482	
Health	108,341	40	0	108,382	110,372	-1	0	110,371	
Transport	3,621	-	-208	3,413	3,198	-	-920	2,278	
CLG Communities	2,264	-129	386	2,538	1,362	-	-27	1,352	
CLG Local Government	13,151	-286	476	13,340	11,592	-500	327	11,419	
Business Innovation and Skills	13,758	10	40	13,808	12,976	97	258	13,331	
Home Office	10,359	493	-13	10,839	9,901	500	-113	10,288	
Justice	6,954	-95	-76	6,783	6,360	0	-71	6,288	
Law Officers' Departments	531	2	12	544	517	-	-4	513	
Defence	24,386	0	2,444	26,831	23,896	-8	2,028	25,916	
Foreign and Commonwealth Office	1,158	143	317	1,618	1,102	-1	-13	1,088	
International Development	8,273	-385	-39	7,849	8,499	-91	-	8,408	
Energy and Climate Change	1,080	-1	452	1,532	954	-1	316	1,269	
Environment, Food and Rural Affairs	1,693	8	100	1,801	1,558	-	17	1,575	
Culture, Media and Sport	1,134	1	33	1,167	1,098	-	-2	1,096	
Work and Pensions	7,412	-97	275	7,590	5,988	-2	195	6,181	
Scotland	25,691	7	110	25,808	25,655	-8	140	25,786	
Wales	13,690	5	19	13,715	13,635	0	48	13,684	
Northern Ireland	9,633	7	40	9,680	9,622	7	62	9,691	
Chancellor's Departments	3,437	8	90	3,535	3,253	-12	84	3,325	
Cabinet Office	2,303	55	13	2,371	2,016	10	-4	2,022	
Small and Independent Bodies	1,454	93	18	1,553	1,312	138	-39	1,411	
Spending commitments not yet in budgets	-	-	-	-	1,100	-	-200	900	
Reserve	2,800	-	-400	2,400	2,800	-	-300	2,500	
Special Reserve	1,800	-	-1,100	600	1,000	-	-	1,000	
OBR allowance for shortfall	-1,000	-	300	-800	-	-	-1,000	-1,000	
Adjustment for Budget Exchange ⁽¹⁾	-1,200	-	-1,000	-2,200	-	-	-2	0	
Total resource DEL excluding depreciation	315,700	-24	2,568	318,200	312,900	-13	1,308	314,200	

⁽¹⁾ Departmental budgets in 2014-15 and 2015-16 include amounts carried forward from 2013-14 through Budget Exchange, which will be voted at Main Estimates. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 3.11 Capital DEL 2014-15 and 2015-16; changes since PESA 2013

	£ million							
	2014-15				2015-16			
	Transfers and Plans in classification PESA 2013 adjusted for MOG		Other changes since PESA 2013	New Plans	Transfers and Plans in classification PESA 2013 adjusted for MOG		Other changes since PESA 2013	New Plans
Capital DEL								
Education	4,569	-9	470	5,030	4,569	-	-	4,569
Health	4,648	6	-332	4,654	4,735	-	-680	4,735
Transport	8,873	-3	367	9,246	9,524	7	916	10,453
CLG Communities	4,766	-10	402	5,159	3,123	-6	351	3,469
CLG Local Government	-	0	-	0	-	-	-	-
Business Innovation and Skills	2,099	121	780	3,000	3,763	1	81	3,845
Home Office	465	1	0	466	390	-	-	390
Justice	301	-	-	301	350	-	0	350
Law Officers' Departments	7	-	-	7	5	-	-	5
Defence	9,007	-23	-1,477	7,507	8,697	-1	-1,700	6,996
Foreign and Commonwealth Office	98	-	-	98	98	-	0	98
International Development	2,044	-1	-	2,043	2,614	-1	-	2,613
Energy and Climate Change	2,237	8	202	2,424	2,347	-	166	2,513
Environment, Food and Rural Affairs	498	-	60	558	468	-	25	493
Culture, Media and Sport	271	-2	269	538	117	-	245	362
Work and Pensions	242	-	44	286	191	-	45	236
Scotland	2,860	-	41	2,901	2,964	-	77	3,041
Wales	1,431	-	24	1,455	1,461	-	44	1,505
Northern Ireland	1,026	7	18	1,051	1,060	2	31	1,092
Chancellor's Departments	149	9	29	187	148	-	0	147
Cabinet Office	356	18	0	374	360	-	-	360
Small and Independent Bodies	76	-	14	90	85	-	18	103
Adjustment for Devolved Administration borrowing	-	-	-	-	300	-	-	300
Spending commitments not yet in budgets	-	-	0	0	400	-	0	400
Reserve	1,100	-	0	1,100	500	-	-	489
Special Reserve	300	-	0	200	-	-	100	100
OBR allowance for shortfall	-2,000	-	300	-1,800	-	-	-2,000	-2,000
Adjustment for Budget Exchange ⁽¹⁾	-400	-	-1,500	-2,000	-	-	-700	-700
Total capital DEL	44,900	122	-400	45,000	48,300	2	-2,994	46,000

⁽¹⁾ Departmental budgets in 2014-15 and 2015-16 include amounts carried forward from 2013-14 through Budget Exchange, which will be voted at Main Estimates. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

4

Trends in public sector expenditure

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

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

What's new

4.3 This year we have made further changes to the design of **Tables 4.2 to 4.4** whilst continuing to present a clear demarcation between cash and accruals basis data, as was the case last year.

Public spending aggregates

4.4 **Table 4.1** shows trends in public spending since 1972-73 in terms of three spending aggregates: public sector current expenditure; public sector net investment; and Total Managed Expenditure (TME). All aggregates are presented in nominal and in real terms and as a per cent of Gross Domestic Product (GDP). Data for a fourth aggregate, public sector depreciation, are shown in nominal terms only.

4.5 Outturn data up to 2013-14 for these aggregates are taken from the public sector accounts compiled by the Office for National Statistics (ONS). The public sector accounts are a part of the National Accounts that are updated monthly.

4.6 Plans period data from 2014-15 onwards are taken from the Office for Budget Responsibility, and are consistent with their Economic and fiscal outlook forecasts published on Budget day.

Public sector expenditure on services by function

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

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

4.9 **Table 4.2** shows public sector expenditure on services by United Nations Classification Of the Functions Of Government (COFOG) level 1 from 1990-91. **Tables 4.3 and 4.4** present this in real terms and as a per cent of GDP respectively. These tables cover outturn years up to 2013-14. They also show, in italics, additional Treasury-defined functional divisions that were used prior to the introduction of UN COFOG, but which don't correspond to COFOG level 1.

Methods and data quality for long run TES series

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

4.11 Data in **Tables 4.2, 4.3 and 4.4** for years before 2009-10 are not taken directly from the 'live' public expenditure database that is maintained by government departments (see **Annex A**). Data that precede the most recent five outturn years cease to be 'live' and are archived in a summarised form.

4.12 Historical outturn data are not usually subject to adjustment. However, sometimes reclassifications affect the long run functional series. These include ONS decisions for the National Accounts and decisions taken by the Treasury in conjunction with departments to improve the allocation of spending to functions.

4.13 Only substantial classification changes are reflected in the historical years, based on the change in spending relative to the size of the function or functions concerned. Reclassifications that are reflected in the historical series are based on archived data. The decision as to the procedure used to implement reclassifications for historical years is taken by Treasury officials after discussions with the relevant government departments, and can sometimes entail a simple percentage split based on the best information available.

4.14 It should be noted that the attribution of spending to functions for historical years is less accurate than for live years. In some cases, the presentation of functional numbers as accurate to within £100 million overstates the accuracy of the figures due to rounding. Minor differences in figures or rates of change should be disregarded.

Table 4.1 Public expenditure aggregates, 1972-73 to 2015-16
Outturn data in this table up to 2013-14 fall within the scope of National Statistics

	Public sector current expenditure			Depreciation		Public sector net investment			Total Managed Expenditure ⁽²⁾		
	Nominal £ billion	Real terms ⁽¹⁾ £ billion	Per cent of GDP	Nominal £ billion		Nominal £ billion	Real terms ⁽¹⁾ £ billion	Per cent of GDP	Nominal £ billion	Real terms ⁽¹⁾ £ billion	Per cent of GDP
1972-73	22.4	213.9	33.2	2.6		3.3	31.3	4.9	28.3	269.8	41.9
1973-74	26.4	235.4	35.0	3.1		3.9	35.2	5.2	33.4	298.1	44.4
1974-75	34.8	260.0	38.7	3.9		5.1	37.8	5.6	43.7	326.9	48.7
1975-76	44.6	265.8	39.8	4.9		6.2	37.1	5.6	55.7	332.2	49.7
1976-77	52.0	272.9	39.7	5.8		5.8	30.4	4.4	63.6	333.6	48.6
1977-78	58.3	269.1	38.3	6.6		4.5	20.8	3.0	69.5	320.5	45.6
1978-79	66.7	277.4	38.3	7.5		4.4	18.2	2.5	78.6	326.8	45.1
1979-80	79.9	284.7	38.1	8.9		4.8	16.9	2.3	93.6	333.4	44.6
1980-81	97.2	293.0	40.7	10.7		4.5	13.6	1.9	112.5	338.9	47.0
1981-82	111.3	306.1	42.3	11.7		2.6	7.3	1.0	125.6	345.5	47.7
1982-83	121.7	313.6	42.3	12.1		4.5	11.5	1.6	138.3	356.3	48.1
1983-84	131.4	324.1	41.9	12.6		5.7	14.1	1.8	149.7	369.4	47.8
1984-85	142.0	333.7	42.2	12.7		5.3	12.4	1.6	160.0	375.8	47.5
1985-86	150.0	334.4	40.6	12.3		4.3	9.6	1.2	166.6	371.4	45.0
1986-87	157.3	341.2	39.7	12.7		2.7	5.9	0.7	172.8	374.7	43.6
1987-88	168.0	345.7	38.0	12.7		2.6	5.3	0.6	183.3	377.1	41.5
1988-89	175.4	339.1	35.6	13.6		1.7	3.2	0.3	190.7	368.6	38.7
1989-90	189.3	342.4	35.1	14.3		6.6	12.0	1.2	210.2	380.3	38.9
1990-91	205.6	347.3	35.4	14.1		7.8	13.1	1.3	227.5	384.3	39.2
1991-92	230.8	367.3	37.6	12.6		10.8	17.1	1.8	254.2	404.6	41.4
1992-93	249.9	390.1	39.3	12.7		11.6	18.1	1.8	274.2	428.0	43.1
1993-94	263.9	404.1	39.0	13.0		9.4	14.4	1.4	286.3	438.4	42.3
1994-95	276.3	417.9	38.6	13.1		9.8	14.8	1.4	299.2	452.6	41.8
1995-96	288.1	425.2	37.9	13.1		10.1	14.9	1.3	311.4	459.5	41.0
1996-97	298.0	427.9	36.8	12.4		5.4	7.8	0.7	315.8	453.5	39.0
1997-98	305.3	430.6	35.7	12.3		5.9	8.3	0.7	323.4	456.1	37.8
1998-99	313.2	433.5	34.7	12.4		6.7	9.3	0.7	332.4	460.0	36.8
1999-00	325.3	441.5	34.1	12.8		6.8	9.2	0.7	344.9	468.1	36.2
2000-01	346.7	467.2	34.6	13.1		-16.1	-21.6	-1.6	343.8	463.3	34.3
2001-02	364.6	478.4	35.0	13.6		13.9	18.3	1.3	392.2	514.5	37.7
2002-03	393.2	504.2	35.8	14.5		16.2	20.7	1.5	423.9	543.5	38.6
2003-04	425.4	535.1	36.5	15.0		17.9	22.5	1.5	458.3	576.5	39.4
2004-05	457.3	559.7	37.2	15.7		22.8	28.0	1.9	495.8	606.9	40.3
2005-06	484.6	582.6	37.4	16.5		25.7	30.9	2.0	526.8	633.3	40.7
2006-07	508.4	594.0	37.1	17.4		28.0	32.8	2.0	553.8	647.1	40.4
2007-08	537.5	612.7	37.1	18.2		31.4	35.8	2.2	587.1	669.2	40.6
2008-09	567.9	629.6	39.4	19.1		48.5	53.8	3.4	635.6	704.6	44.1
2009-10	605.0	652.8	42.2	20.0		48.4	52.2	3.4	673.4	726.6	47.0
2010-11	635.3	668.0	42.3	20.8		38.7	40.6	2.6	694.7	730.5	46.2
2011-12	644.0	662.2	41.6	21.6		29.0	29.9	1.9	694.7	714.3	44.9
2012-13	656.2	667.6	41.9	22.5		-4.6	-4.7	-0.3	674.2	685.8	43.1
2013-14	666.2	666.2	40.8	23.4		24.7	24.7	1.5	714.3	714.3	43.8
2014-15	679.9	665.2	39.5	24.3		27.9	27.3	1.6	732.0	716.2	42.5
2015-16	691.5	665.9	38.7	25.1		26.8	25.8	1.5	743.4	715.9	41.6

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2013-14 price levels using GDP deflators from the Office for National Statistics (released 27 June 2014).

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

Table 4.2 Public sector expenditure on services by function, 1990-91 to 2013-14

	National Statistics																							
	cash, £ billion						accruals, £ billion																	
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1. General public services	28.1	26.9	27.9	29.8	32.7	36.3	37.4	38.9	39.7	37.1	38.6	36.1	35.4	38.7	42.5	45.4	47.6	50.4	52.9	51.8	66.7	68.5	67.4	70.2
of which: public and common services	5.1	5.7	5.8	5.8	5.9	6.1	6.2	6.2	7.2	8.0	7.9	9.2	9.8	10.9	12.1	12.8	12.7	12.5	14.0	13.8	12.8	11.6	11.3	11.9
of which: international services	2.5	2.9	3.1	3.2	3.3	3.4	3.1	3.1	3.2	3.7	4.2	4.3	4.5	5.1	5.5	6.2	6.3	6.7	6.4	7.1	8.0	8.0	8.0	10.1
of which: public sector debt interest	20.5	18.3	19.0	20.8	23.5	26.8	28.1	29.6	29.3	25.4	26.5	22.6	21.1	22.7	24.9	26.4	28.6	31.2	32.5	31.0	45.9	49.0	48.1	48.0
2. Defence	22.0	23.2	23.8	23.5	23.3	22.5	22.1	21.7	24.5	25.1	25.7	25.4	27.0	28.8	29.8	31.0	32.2	33.7	36.8	37.7	39.3	38.7	36.4	36.4
3. Public order and safety	11.7	13.2	14.4	15.0	15.6	16.0	16.4	17.1	18.0	18.4	20.4	23.1	24.4	26.4	28.5	29.3	30.4	31.7	33.7	34.1	33.0	32.0	31.3	30.2
4. Economic affairs	21.5	21.4	23.3	23.8	23.9	23.4	23.3	21.5	19.6	21.5	23.8	27.8	30.8	33.1	33.7	35.4	37.7	37.4	49.7	48.7	39.9	37.5	35.6	39.0
of which: enterprise and economic development ⁽¹⁾	6.9	5.4	5.4	5.5	4.7	4.5	4.3	4.3	3.1	4.4	4.9	5.1	5.9	6.0	6.5	6.4	6.3	7.1	16.2	12.2	4.8	4.9	4.9	5.3
of which: science and technology	1.2	1.3	1.4	1.5	1.1	1.2	1.4	1.4	1.4	1.4	1.4	1.7	2.1	2.3	2.5	3.0	2.9	3.3	3.2	3.6	3.4	3.6	3.6	4.4
of which: employment policies	2.4	2.7	2.9	3.1	3.2	3.1	2.8	2.5	2.9	3.5	3.8	3.3	3.0	3.2	3.2	3.3	3.3	2.1	3.5	4.1	4.7	3.3	3.1	3.7
of which: agriculture, fisheries and forestry	2.7	2.8	2.9	3.8	3.4	3.9	5.4	4.7	4.4	4.3	4.7	6.3	4.9	5.3	5.4	5.6	5.1	4.3	5.8	5.8	5.5	5.8	5.3	5.5
of which: transport	8.3	9.2	10.8	10.0	11.5	10.9	9.5	8.7	7.8	7.9	9.0	11.3	14.8	16.3	16.0	17.0	19.9	20.6	21.0	23.0	21.5	20.0	18.8	20.2
5. Environment protection	3.2	3.4	3.6	3.4	3.8	4.1	3.7	4.0	4.3	4.9	5.1	5.4	6.0	6.2	7.0	8.5	9.4	9.6	9.2	10.4	10.9	10.5	10.6	11.4
6. Housing and community amenities	6.0	6.8	7.1	6.2	6.2	6.0	5.7	4.9	5.5	4.7	5.5	6.2	5.4	6.7	8.0	10.7	11.5	13.0	15.3	16.3	13.1	10.0	9.5	11.3
7. Health	27.1	30.9	34.2	36.6	39.4	41.4	42.8	44.5	46.9	49.4	54.2	59.8	66.2	74.9	82.9	89.8	94.7	101.1	108.7	116.9	119.8	121.2	124.3	129.5
8. Recreation, culture and religion	4.8	5.0	5.1	5.1	5.2	5.5	5.7	6.4	7.2	7.7	7.8	8.6	9.3	9.7	10.0	10.8	11.4	11.9	12.4	13.2	13.0	12.5	12.7	11.6
9. Education	28.1	31.3	33.2	34.7	36.2	37.0	37.8	38.6	40.0	42.2	45.9	51.2	54.7	61.0	65.1	69.8	73.0	78.7	83.0	88.5	91.5	86.9	87.0	90.2
10. Social protection	68.2	80.2	91.1	98.3	102.0	107.6	112.8	114.5	115.2	123.0	128.5	137.4	145.3	155.6	164.1	171.0	177.0	188.6	203.4	223.0	230.4	240.0	250.5	251.3
EU transactions	-2.3	-4.1	-3.4	-4.7	-4.3	-4.1	-5.2	-3.7	-2.6	-2.7	-2.6	-4.8	-1.9	-2.1	-0.9	-0.6	-1.8	-1.5	-2.9	0.9	3.6	2.0	4.3	5.2
Public sector expenditure on services	218.4	238.2	260.5	271.6	284.1	295.8	302.5	308.4	318.4	331.2	353.0	376.1	402.8	439.2	470.8	501.0	523.0	554.6	602.2	641.6	661.2	659.9	669.5	686.1
Accounting adjustments ⁽²⁾	9.1	16.0	13.7	14.7	15.1	15.6	13.3	15.1	14.0	13.7	-9.2	16.1	21.1	19.1	25.0	25.8	30.8	32.5	33.4	31.8	33.5	34.8	4.7	28.2
Total Managed Expenditure⁽³⁾	227.5	254.2	274.2	286.3	299.2	311.4	315.8	323.4	332.4	344.9	343.8	392.2	423.9	458.3	495.8	526.8	553.8	587.1	635.6	673.4	694.7	694.7	674.2	714.3

⁽¹⁾ Transactions in 2008-09 onwards have been affected by financial sector interventions. Details are provided in Box 5.A in Chapter 5.

⁽²⁾ In 2012-13 this includes a £28 billion adjustment in respect of Royal Mail pension assets.

⁽³⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A in Chapter 5 for details.

Table 4.3 Public sector expenditure on services by function in real terms,⁽¹⁾ 1990-91 to 2013-14

	National Statistics																							
	cash, £ billion						accruals, £ billion																	
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	
1. General public services	47.4	42.8	43.6	45.6	49.5	53.5	53.7	54.8	54.9	50.3	52.0	47.3	45.4	48.6	52.0	54.5	55.6	57.4	58.6	55.9	70.1	70.4	68.5	70.2
of which: public and common services	8.6	9.1	9.1	8.9	8.9	9.0	8.9	8.7	10.0	10.9	10.6	12.1	12.6	13.7	14.8	15.4	14.8	14.2	15.5	14.8	13.4	11.9	11.5	11.9
of which: international services	4.2	4.6	4.8	4.9	5.0	5.0	4.5	4.4	4.4	5.0	5.7	5.6	5.8	6.4	6.7	7.5	7.4	7.6	7.1	7.7	8.4	8.2	8.1	10.1
of which: public sector debt interest	34.6	29.1	29.7	31.8	35.5	39.5	40.4	41.7	40.5	34.5	35.7	29.6	27.1	28.5	30.5	31.7	33.4	35.5	36.0	33.4	48.3	50.4	48.9	48.0
2. Defence	37.2	36.9	37.2	36.0	35.2	33.2	31.7	30.6	33.9	34.1	34.6	33.3	34.6	36.2	36.5	37.3	37.6	38.4	40.8	40.7	41.3	39.8	37.0	36.4
3. Public order and safety	19.8	21.0	22.5	23.0	23.6	23.6	23.5	24.1	24.9	25.0	27.5	30.3	31.3	33.2	34.9	35.2	35.5	36.1	37.4	36.8	34.7	32.9	31.8	30.2
4. Economic affairs	36.3	34.1	36.4	36.4	36.2	34.5	33.5	30.3	27.1	29.2	32.1	36.5	39.5	41.6	41.2	42.6	44.1	42.6	55.1	52.5	41.9	38.6	36.2	39.0
of which: enterprise and economic development ⁽²⁾	11.7	8.6	8.4	8.4	7.1	6.6	6.2	6.1	4.3	6.0	6.6	6.7	7.6	7.5	8.0	7.7	7.4	8.1	18.0	13.2	5.1	5.0	5.0	5.3
of which: science and technology	2.0	2.1	2.2	2.3	1.7	1.8	2.0	2.0	1.9	1.9	1.9	2.2	2.7	2.9	3.1	3.6	3.4	3.8	3.5	3.8	3.6	3.7	3.7	4.4
of which: employment policies	4.1	4.3	4.5	4.7	4.8	4.6	4.0	3.5	4.0	4.8	5.1	4.3	3.8	4.0	3.9	4.0	3.9	2.4	3.9	4.4	4.9	3.3	3.1	3.7
of which: agriculture, fisheries and forestry	4.6	4.5	4.5	5.8	5.1	5.8	7.8	6.6	6.1	5.8	6.3	8.3	6.3	6.7	6.6	6.7	6.0	4.9	6.4	6.3	5.8	6.0	5.4	5.5
of which: transport	14.0	14.6	16.9	15.3	17.4	16.1	13.6	12.3	10.8	10.7	12.1	14.8	19.0	20.5	19.6	20.4	23.3	23.5	23.3	24.8	22.6	20.6	19.1	20.2
5. Environment protection	5.4	5.4	5.6	5.2	5.7	6.1	5.3	5.6	6.0	6.7	6.9	7.1	7.7	7.8	8.6	10.2	11.0	10.9	10.2	11.2	11.5	10.8	10.8	11.4
6. Housing and community amenities	10.1	10.8	11.1	9.5	9.4	8.9	8.2	6.9	7.6	6.4	7.4	8.1	6.9	8.4	9.8	12.9	13.4	14.8	17.0	17.6	13.8	10.3	9.6	11.3
7. Health	45.8	49.2	53.4	56.1	59.6	61.1	61.5	62.8	64.9	67.0	73.0	78.5	84.9	94.2	101.5	107.9	110.7	115.2	120.5	126.1	126.0	124.7	126.4	129.5
8. Recreation, culture and religion	8.1	8.0	8.0	7.8	7.9	8.1	8.2	9.0	10.0	10.5	10.5	11.3	11.9	12.2	12.2	13.0	13.3	13.6	13.7	14.2	13.6	12.9	13.0	11.6
9. Education	47.5	49.8	51.8	53.1	54.8	54.6	54.3	54.4	55.4	57.3	61.9	67.2	70.1	76.7	79.7	83.9	85.3	89.7	92.0	95.5	96.2	89.3	88.5	90.2
10. Social protection	115.2	127.6	142.2	150.5	154.3	158.8	162.0	161.5	159.4	166.9	173.2	180.3	186.3	195.7	200.9	205.6	206.8	215.0	225.5	240.6	242.3	246.8	254.8	251.3
EU transactions	-3.9	-6.5	-5.3	-7.2	-6.5	-6.1	-7.5	-5.2	-3.6	-3.7	-3.5	-6.3	-2.4	-2.6	-1.1	-0.7	-2.1	-1.7	-3.2	1.0	3.8	2.1	4.4	5.2
Public sector expenditure on services	368.9	379.1	406.7	415.9	429.8	436.5	434.4	434.9	440.7	449.5	475.7	493.4	516.5	552.4	576.3	602.3	611.1	632.1	667.5	692.2	695.2	678.5	681.0	686.1
Accounting adjustments ⁽³⁾	15.4	25.5	21.3	22.4	22.8	23.0	19.1	21.2	19.3	18.6	-12.4	21.1	27.0	24.0	30.6	31.1	36.0	37.1	37.1	34.3	35.2	35.8	4.8	28.2
Total Managed Expenditure⁽⁴⁾	384.3	404.6	428.0	438.4	452.6	459.5	453.5	456.1	460.0	468.1	463.3	514.5	543.5	576.5	606.9	633.3	647.1	669.2	704.6	726.6	730.5	714.3	685.8	714.3

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2013-14 price levels using GDP deflators from the Office for National Statistics (released 27 June 2014).

⁽²⁾ Transactions from 2008-09 onwards have been affected by financial sector interventions. Details are provided in Box 5.A in Chapter 5.

⁽³⁾ In 2012-13 this includes a £28 billion adjustment in respect of Royal Mail pension assets.

⁽⁴⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A in Chapter 5 for details.

Table 4.4 Public sector expenditure on services by function as a per cent of GDP,⁽¹⁾ 1990-91 to 2013-14

	National Statistics																							
	cash basis, per cent						accruals basis, per cent																	
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1. General public services	4.8	4.4	4.4	4.4	4.6	4.8	4.6	4.5	4.4	3.9	3.9	3.5	3.2	3.3	3.5	3.5	3.5	3.7	3.6	4.4	4.4	4.4	4.3	4.3
of which: public and common services	0.9	0.9	0.9	0.9	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0	0.9	1.0	1.0	0.8	0.8	0.7	0.7	0.7
of which: international services	0.4	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.6
of which: public sector debt interest	3.5	3.0	3.0	3.1	3.3	3.5	3.5	3.5	3.5	2.7	2.6	2.2	1.9	1.9	2.0	2.1	2.2	2.3	2.2	3.1	3.2	3.1	2.9	2.9
2. Defence	3.8	3.8	3.7	3.5	3.3	3.0	2.7	2.5	2.7	2.6	2.6	2.4	2.5	2.5	2.4	2.4	2.3	2.6	2.6	2.6	2.5	2.3	2.2	2.2
3. Public order and safety	2.0	2.1	2.3	2.2	2.2	2.1	2.0	2.0	2.0	1.9	2.0	2.2	2.2	2.3	2.3	2.3	2.2	2.3	2.4	2.2	2.1	2.0	1.8	1.8
4. Economic affairs	3.7	3.5	3.7	3.5	3.3	3.1	2.9	2.5	2.2	2.3	2.4	2.7	2.8	2.8	2.7	2.7	2.8	3.4	3.4	2.7	2.4	2.3	2.4	2.4
of which: enterprise and economic development ⁽²⁾	1.2	0.9	0.8	0.8	0.7	0.6	0.5	0.5	0.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1.1	0.9	0.3	0.3	0.3	0.3	0.3
of which: science and technology	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3
of which: employment policies	0.4	0.4	0.5	0.5	0.4	0.4	0.3	0.3	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.2	0.1	0.2	0.3	0.3	0.2	0.2	0.2
of which: agriculture, fisheries and forestry	0.5	0.5	0.5	0.6	0.5	0.5	0.7	0.5	0.5	0.5	0.5	0.6	0.4	0.5	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.3	0.3
of which: transport	1.4	1.5	1.7	1.5	1.6	1.4	1.2	1.0	0.9	0.8	0.9	1.1	1.3	1.4	1.3	1.3	1.5	1.4	1.5	1.6	1.4	1.3	1.2	1.2
5. Environment protection	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.7	0.7	0.6	0.7	0.7	0.7	0.7	0.7	0.7
6. Housing and community amenities	1.0	1.1	1.1	0.9	0.9	0.8	0.7	0.6	0.6	0.5	0.5	0.6	0.5	0.6	0.7	0.8	0.8	0.9	1.1	1.1	0.9	0.6	0.6	0.7
7. Health	4.7	5.0	5.4	5.4	5.5	5.5	5.3	5.2	5.2	5.2	5.4	5.7	6.0	6.4	6.7	6.9	7.0	7.5	8.2	8.0	7.8	7.9	7.9	7.9
8. Recreation, culture and religion	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.8	0.8	0.7	0.7
9. Education	4.8	5.1	5.2	5.1	5.1	4.9	4.7	4.5	4.4	4.4	4.6	4.9	5.0	5.2	5.3	5.4	5.8	6.2	6.1	5.6	5.6	5.6	5.5	5.5
10. Social protection	11.7	13.1	14.3	14.5	14.2	14.2	13.9	13.4	12.8	12.9	12.8	13.2	13.2	13.4	13.3	13.2	12.9	13.0	14.1	15.6	15.3	15.5	16.0	15.4
EU transactions	-0.4	-0.7	-0.5	-0.7	-0.6	-0.5	-0.6	-0.4	-0.3	-0.3	-0.3	-0.5	-0.2	-0.2	-0.1	0.0	-0.1	-0.2	0.1	0.2	0.1	0.3	0.3	0.3
Public sector expenditure on services	37.6	38.8	41.0	40.2	39.7	39.0	37.4	36.0	35.3	34.7	35.3	36.2	36.7	37.7	38.3	38.7	38.2	38.3	41.8	44.8	44.0	42.7	42.8	42.0
Accounting adjustments ⁽³⁾	1.6	2.6	2.1	2.2	2.1	2.0	1.6	1.8	1.5	1.4	-0.9	1.5	1.9	1.6	2.0	2.0	2.2	2.2	2.3	2.2	2.2	2.2	0.3	1.7
Total Managed Expenditure⁽⁴⁾	39.2	41.4	43.1	42.3	41.8	41.0	39.0	37.8	36.8	36.2	34.3	37.7	38.6	39.4	40.3	40.7	40.4	40.6	44.1	47.0	46.2	44.9	43.1	43.8

⁽¹⁾ GDP until 2013-14 is consistent with the latest figures from the Office for National Statistics (published 27 June 2014).

⁽²⁾ Transactions from 2008-09 onwards have been affected by financial sector interventions. Details are provided in Box 5.A in Chapter 5.

⁽³⁾ In 2012-13 this includes a £28 billion adjustment in respect of Royal Mail pension assets.

⁽⁴⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A in Chapter 5 for details.

5

Public sector expenditure by function, sub-function and economic category

5.1 The analyses in this chapter present public sector expenditure for the years 2009-10 onwards, adjusted so that figures for all years are based on current definitions. All data are National Statistics and are based on the expenditure on services framework (explained in **Annex E**).

What's new

5.2 There have been no significant changes to the presentation of data within this chapter since PESA 2013.

Classification changes

5.3 A number of departments have carried out a restructuring of the way they organise their data. This is in addition to ongoing work to improve the classification of items of spending against level 2 of the UN Classification of the Functions Of Government (COFOG) framework.

5.4 Significant revisions to the functional and sub-functional breakdown of expenditure data since PESA 2013 include:

- The Department for Work and Pensions in a continuation of their review of functional spending allocations have moved items from **10.9 Social protection n.e.c.** to **4.1 General economic, commercial and labour affairs**. This affects tables in **Chapters 4, 5 and 6**.
- Revisions by Northern Ireland Executive during 2012-13. This has resulted in the movement of spending from **7. Health** to personal social services across **10.1 Sickness and disability, 10.2 Old age** and **10.4 Family and children**. This affects tables in **Chapters 4, 5 and 6**.

Relationship between functional series and departments

5.5 **Table 5.1** shows public sector expenditure on services by function split across the different government departmental groups for 2013-14. Departmental spending can be spread across a variety of functions, particularly in the case of the devolved administrations. This presentation allocates local government expenditure to the departmental group most closely associated with a particular function. For example, spending on schools by local government in Scotland is allocated to Scotland, while equivalent spending in England is allocated to the Department for Education.

Public sector expenditure on services by sub-function

5.6 **Table 5.2** provides the most detailed functional analysis of public sector expenditure on services. The tables are presented in a format generally consistent with the level 2 breakdown of the United Nations' Classification Of the Functions Of Government (UN COFOG). The table also shows, in italics, additional Treasury-defined sub-functional divisions that were used prior to the introduction of UN COFOG, but which do not map directly to COFOG level 2. Further information on UN COFOG is available from the Treasury website¹.

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

Treatment of financial sector interventions in expenditure on services

In December 2009 the ONS created an alternative measure of Public Sector Net Borrowing (PSNBex). This treated the classification of banks to the public sector (Northern Rock, Bradford & Bingley, Dunfermline, Lloyds Banking Group and Royal Bank of Scotland) as temporary, reflecting the Government's intention to return these banks to the private sector. As a result, these institutions are treated as if they are outside the public sector.

The financial sector interventions are treated as follows in **Table 5.3**:

Current expenditure on services

- income from sales of goods and services: £0.4 billion in 2009-10, £1.8 billion in 2010-11, £1.0 billion in 2011-12 and £0.5 billion in 2012-13.

Capital expenditure on services

- net capital grants: £4.5 billion in 2009-10, comprising £7.7 billion of share purchases and £3.2 billion of capital income. This is support for depositors and purchases of equity in banks that the ONS have classified as capital grants in the National Accounts.

The other transactions shown in **Box 2.A** do not have an impact on the expenditure on services framework because they either take the form of financial transactions which do not constitute spending (as one asset is exchanged for another), or they are offset by imputed recoveries in the National Accounts (such as the liabilities borne by the Financial Services Compensation Scheme).

Public sector expenditure on services by economic category

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

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

- **pay** includes wages and salaries, employers' social contributions, payments of

¹ http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/pespub_economic_functional_analysis.htm

accruing superannuation liability charges for UK staff and locally engaged staff overseas, and amounts that finance employee contributions to pension schemes. It also includes income from the recovery of secondee costs. Unlike **Chapter 2**, it does not include payments for contract and agency staff which are treated as procurement instead;

- **gross current procurement** includes expenditure on goods and services, including payments for contract and agency staff, and payments for consultancy and audit services. Expenditure on hire and rentals under PFI and non-PFI operating leases, shown as **Rentals** in **Chapter 2**, are included here. It also includes spending on Single Use Military Equipment (SUME) following the treatment in the National Accounts. SUME is part of capital procurement in the budgeting presentation. **Income from the sales of goods and services** is now shown separately;
- **current grants to persons and non-profit bodies** are payments to these recipients that do not fund capital formation. They are mainly social security payments but also comprise grants to further and higher education institutions and other non-profit private sector bodies. Unlike **Table 2.1**, they do not include tax credits previously scored as negative tax;
- **current grants abroad** are mainly foreign aid, such as programmes to reduce poverty. They also include the EU transactions set out in **Table 5.2**;
- **subsidies** are payments by government to trading businesses (both private sector and public corporations) to provide support for current costs, including payments to farmers under the EU's Common Agricultural Policy as well as subsidies to rail and bus operators. They are given with the objective of influencing their levels of production, their prices, or other factors;
- **net public service pensions** are the costs of pensions on a National Accounts basis; that is, payments to pensioners less receipts of contributions by employers and employees. More information on pensions is included in **Annex D**;
- **grant equivalent element of student lending** is the subsidy implied in student loans being issued at the inflation rate rather than the market interest rate;
- **public sector debt interest** reflects the debt interest payments to the private sector, so it excludes intra-public sector payments. These payments do not form part of departmental budgets so are not included within **Table 2.1**;
- **capital grants** are transfer payments to the private sector that are usually made on the condition that the recipient uses the funds for capital projects;
- **gross capital procurement** comprises the acquisition of fixed assets (such as land, buildings and machinery) as well as any increases in stock. It is measured gross of depreciation. In **Table 5.3** SUME forms part of gross current procurement (see above) but in **Table 2.1** it is included in capital procurement; and
- **income from sales of capital assets** is the sale value of any assets, such as

land, buildings and machinery, disposed of.

Public sector expenditure on services split by current and capital spending

5.10 Table 5.4 gives a functional (COFOG level 1) breakdown of the current and capital expenditure of the public sector for the years from 2009-10. A functional split by sector is available in **Chapter 6** (central government), **Chapter 7** (local government) and **Chapter 8** (public corporations). The split between capital and current follows the National Accounts definition.

Public sector gross procurement by function

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

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

Table 5.1 Public sector expenditure on services by departmental group⁽¹⁾ and function, 2013-14

Departmental Grouping	Function	National Statistics													Public sector expenditure on services for each department						
		1. General public services	of which: public and common services	of which: international services	of which: public sector debt interest	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection		6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	EU transactions
Education		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58,504	10,105	-	68,609
NHS (Health)		-	-	-	-	-	102	102	-	-	-	-	-	-	-	107,349	-	-	13,975	-	121,426
Transport		-	-	-	-	324	16,040	-	89	-	15,952	1	745	-	-	-	-	-	1,236	-	18,347
Communities and Local Government		4,085	4,084	1	-	2,598	772	772	-	-	-	7,663	0	-	-	-	0	-	1,959	-	17,084
Business, Innovation and Skills		176	176	0	-	-	5,773	1,763	3,960	50	404	1	404	-	752	101	17,407	570	-	-	25,184
Home Office		-	-	-	-	15,090	109	-	-	-	109	-	265	-	-	-39	-	-	-	-	15,425
Justice		133	133	-	-	-	7,814	-	-	-	-	-	-	-	-	-	-	-	31	-	7,978
Law Officers' Departments		-	-	-	-	634	-	-	-	-	-	-	-	-	-	-	-	-	-	-	634
Defence		-	-	-	-	-	-	-	-	34,322	-	-	-	-	-	-	17	-	3,158	-	37,496
Foreign and Commonwealth Office		2,153	-	2,153	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,153
International Development		7,890	-	7,890	-	-	-	-	-	-	-	-	-	-	-	-	-	-	84	-	7,974
Energy and Climate Change		34	-	34	-	3	612	545	66	-	-	2,738	-	-	-	-	-	-	-700	-	2,687
Environment, Food and Rural Affairs		-	-	-	-	-	3,472	-	-	-	-	6,497	7	-	902	-	902	-	-	-	10,878
Culture, Media and Sport		43	43	-	-	-	164	137	21	27	63	32	32	29	8,688	42	481	-	-	-	9,542
Work and Pensions		320	320	-	-	-	3,428	2	3,404	-	-	-	-	-	-	-	-	165,718	-	-	169,465
Scotland		912	912	-	-	4	2,310	4,238	550	3	985	2,740	1,141	1,141	11,354	1,092	7,541	3,793	-	-	33,369
Wales		576	576	-	-	1	1,591	279	24	3	440	871	581	6,094	367	3,804	1,884	-	-	-	15,338
Northern Ireland		359	359	-	-	1,356	1,525	265	39	175	238	519	824	3,874	435	2,741	6,956	-	-	-	18,308
Chancellor's Departments		52,064	3,865	-	48,199	-	878	645	233	-	5	-	-	-	-	-	38,344	5,174	-	-	96,465
Cabinet Office		408	408	-	-	30	-	-	-	-	-	-	-	-	-	-	-	-	3,679	-	6,212
Small and Independent Bodies		1,014	1,014	-	-	5	326	205	-	-	29	-	-	-	-	-	178	-	-	-	1,523
Public sector expenditure on services for each function		70,166	11,888	10,079	48,199	36,428	30,164	39,030	5,267	4,434	3,659	5,451	20,219	11,372	11,258	129,451	11,562	90,218	251,272	5,174	686,096

⁽¹⁾Includes local government spending, which is allocated to the most relevant departmental group.

Table 5.2 Public sector expenditure on services by sub-function, 2009-10 to 2013-14

	National Statistics					£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	12,118	11,778	10,615	10,282	10,699	
1.2 Foreign economic aid	4,858	5,675	5,731	5,836	7,891	
1.3 General services	1,159	1,064	979	970	1,009	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	20	16	10	9	10	
1.6 General public services n.e.c.	2,730	2,226	2,193	2,169	2,359	
1.7 Public debt transactions ⁽¹⁾	30,956	45,891	48,983	48,087	48,033	
<i>of which: central government debt interest</i>	30,479	45,165	48,375	47,549	47,384	
<i>of which: local government debt interest</i>	179	217	293	305	362	
<i>of which: public corporation debt interest</i>	298	509	315	233	287	
Total general public services	51,841	66,650	68,512	67,353	70,000	
2. Defence						
2.1 Military defence	32,274	32,913	33,129	31,489	32,194	
2.2 Civil defence	77	135	105	110	117	
2.3 Foreign military aid	3,781	3,572	3,172	2,235	1,344	
2.4 R&D defence	1,379	2,472	2,066	2,324	2,586	
2.5 Defence n.e.c.	201	196	190	196	186	
Total defence	37,712	39,287	38,662	36,355	36,428	
3. Public order and safety						
3.1 Police services	19,295	18,572	18,183	17,609	16,760	
<i>of which: immigration and citizenship</i>	2,197	1,769	1,663	1,529	977	
<i>of which: other police services</i>	17,098	16,803	16,520	16,080	15,783	
3.2 Fire-protection services	3,105	3,021	2,901	2,887	2,990	
3.3 Law courts	6,661	6,189	6,536	5,983	5,536	
3.4 Prisons	4,731	4,969	4,133	4,326	4,064	
3.5 R&D public order and safety	25	10	12	35	34	
3.6 Public order and safety n.e.c.	300	255	270	461	780	
Total public order and safety	34,118	33,015	32,035	31,300	30,164	
4. Economic affairs						
4.1 General economic, commercial and labour affairs ⁽²⁾	12,650	6,579	5,982	5,985	6,931	
4.2 Agriculture, forestry, fishing and hunting	5,823	5,479	5,793	5,284	5,451	
<i>of which: market support under CAP</i>	4,072	3,744	3,932	2,894	2,999	
<i>of which: other agriculture, food and fisheries policy</i>	1,653	1,601	1,727	2,293	2,338	
<i>of which: forestry</i>	98	134	133	98	114	
4.3 Fuel and energy	1,047	818	527	463	464	
4.4 Mining, manufacturing and construction	597	239	142	-12	124	
4.5 Transport	22,971	21,490	20,043	18,765	20,219	
<i>of which: national roads</i>	4,131	3,584	3,097	2,867	3,156	
<i>of which: local roads</i>	5,993	5,861	5,165	4,898	5,194	
<i>of which: local public transport</i>	3,898	3,631	3,583	3,093	3,454	
<i>of which: railway</i>	7,728	7,399	7,132	6,574	6,815	
<i>of which: other transport</i>	1,222	1,016	1,065	1,334	1,601	
4.6 Communication	688	514	419	764	630	
4.7 Other industries	520	506	376	312	273	
4.8 R&D economic affairs	3,553	3,406	3,563	3,599	4,434	
4.9 Economic affairs n.e.c.	831	856	659	446	504	
Total economic affairs	48,679	39,888	37,503	35,607	39,030	
5. Environment protection						
5.1 Waste management	6,852	7,162	7,268	7,685	8,296	
5.2 Waste water management	30	12	20	-	-	
5.3 Pollution abatement	271	383	110	156	147	
5.4 Protection of biodiversity and landscape	521	522	483	399	438	
5.5 R&D environment protection	404	430	413	350	387	
5.6 Environment protection n.e.c.	2,318	2,421	2,167	2,014	2,103	
Total environment protection	10,397	10,929	10,462	10,604	11,372	

Table 5.2 Public sector expenditure on services by sub-function, 2009-10 to 2013-14 (continued)

	National Statistics					£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	
6. Housing and community amenities						
6.1 Housing development	10,950	8,462	5,646	5,551	6,793	
<i>of which: local authority housing</i>	5,751	4,368	2,957	4,238	5,537	
<i>of which: other social housing</i>	5,199	4,093	2,690	1,314	1,256	
6.2 Community development	3,587	3,101	2,671	2,679	3,065	
6.3 Water supply	1,044	735	788	283	274	
6.4 Street lighting	631	645	679	711	827	
6.5 R&D housing and community amenities	4	4	3	2	3	
6.6 Housing and community amenities n.e.c.	127	172	258	235	296	
Total housing and community amenities	16,344	13,119	10,047	9,461	11,258	
7. Health⁽³⁾						
Medical services	112,416	115,293	116,547	118,946	123,746	
Medical research	1,589	1,798	1,343	1,380	921	
Central and other health services	2,911	2,735	3,345	3,948	4,784	
Total health	116,917	119,826	121,236	124,273	129,451	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	4,671	4,388	4,419	4,701	3,646	
8.2 Cultural services	4,320	4,186	4,082	4,115	3,987	
8.3 Broadcasting and publishing services	3,812	4,018	3,695	3,577	3,680	
8.4 Religious and other community services	158	139	118	115	100	
8.5 R&D recreation, culture and religion	133	141	106	126	103	
8.6 Recreation, culture and religion n.e.c.	84	88	92	96	47	
Total recreation, culture and religion	13,179	12,962	12,511	12,731	11,562	
9. Education						
9.1 Pre-primary and primary education	30,034	30,656	30,567	30,826	32,296	
<i>of which: under fives</i>	4,840	4,851	4,645	5,054	5,226	
<i>of which: primary education</i>	25,195	25,805	25,922	25,772	27,070	
9.2 Secondary education	36,005	36,792	36,044	36,237	36,045	
9.3 Post-secondary non-tertiary education	365	293	220	104	167	
9.4 Tertiary education	13,179	15,783	13,095	13,520	15,356	
9.5 Education not definable by level	823	1,044	695	671	677	
9.6 Subsidiary services to education	4,181	4,075	3,878	3,595	3,739	
9.7 R&D education	15	1	9	10	11	
9.8 Education n.e.c.	3,882	2,855	2,390	2,028	1,927	
Total education	88,484	91,499	86,897	86,990	90,218	
10. Social protection						
<i>of which: personal social services</i>	27,923	27,866	28,191	28,555	28,505	
10.1 Sickness and disability	39,199	40,889	43,737	46,262	46,960	
<i>of which: personal social services</i>	8,573	8,517	9,821	9,847	9,423	
<i>of which: incapacity, disability and injury benefits</i>	30,626	32,372	33,916	36,416	37,537	
10.2 Old age	94,816	98,287	103,756	111,052	114,818	
<i>of which: personal social services</i>	11,288	10,981	10,057	10,114	10,376	
<i>of which: pensions</i>	83,527	87,306	93,699	100,939	104,442	
10.3 Survivors	1,057	1,097	1,070	1,076	1,131	
10.4 Family and children	29,553	29,058	28,115	26,580	24,362	
<i>of which: personal social services</i>	7,610	7,776	7,807	8,095	8,228	
<i>of which: family benefits, income support and tax credits</i>	21,943	21,282	20,308	18,484	16,134	
10.5 Unemployment	5,533	5,231	5,633	5,939	4,945	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: other unemployment benefits</i>	5,533	5,231	5,633	5,939	4,945	
10.6 Housing	22,812	24,399	25,366	26,360	26,386	
10.7 Social exclusion n.e.c. ⁽⁴⁾	24,406	26,079	27,828	29,607	29,277	
<i>of which: personal social services</i>	453	591	505	499	477	
<i>of which: family benefits, income support and tax credits</i>	23,953	25,488	27,323	29,108	28,800	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c. ⁽⁵⁾	5,626	5,357	4,492	3,597	3,393	
Total social protection	223,001	230,398	239,996	250,474	251,272	

Table 5.2 Public sector expenditure on services by sub-function, 2009-10 to 2013-14 (continued)

	National Statistics					£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	
EU transactions⁽⁶⁾						
GNI-based contribution (net of abatement and collection costs)	5,760	7,669	6,967	8,411	8,982	
<i>derived as:</i>						
<i>"EU gross contribution pre-abatement and after deduction of collection costs"</i>	13,733	15,593	15,700	16,871	18,208	
<i>"Traditional Own Resources (without deduction of collection costs) and VAT contributions"</i>	-3,754	-5,246	-5,216	-5,288	-5,096	
<i>UK abatement</i>	-4,218	-2,678	-3,516	-3,172	-4,130	
EU receipts	-4,788	-3,998	-4,771	-4,022	-3,729	
Attributed aid and Common Foreign and Security Policy	-69	-43	-163	-82	-79	
Total EU transactions	904	3,628	2,034	4,307	5,174	
Public sector expenditure on services	641,574	661,200	659,894	669,454	686,096	
Accounting adjustments ⁽⁷⁾	31,828	33,505	34,811	4,702	28,160	
Total Managed Expenditure⁽⁸⁾	673,402	694,705	694,705	674,156	714,256	

⁽¹⁾ Debt interest figures show gross payments to the private sector and overseas.

⁽²⁾ Transactions from 2009-10 onwards have been affected by financial sector interventions. Details are provided in Box 5.A.

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

⁽⁴⁾ Social exclusion n.e.c. includes Child and Working Tax Credits

⁽⁵⁾ Work and Pensions in a continuation of their review of spending allocations have moved items from 10.9 Social protection n.e.c. to 4.1 General economic, commercial and labour affairs.

⁽⁶⁾ An explanation of why the EU transactions are defined in TES in this way is given in Annex E. Complete transactions with the institutions of the EU are shown in Table C.1.

⁽⁷⁾ In 2012-13 this includes a £28 billion adjustment in respect of Royal Mail pension assets.

⁽⁸⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

Table 5.3 Public sector expenditure on services by economic category, 2009-10 to 2013-14

	National Statistics					£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	
Public sector current expenditure on services						
Pay	165,153	169,345	166,162	164,409	164,368	
Gross current procurement	193,746	188,661	189,307	193,822	200,026	
Income from sales of goods and services	-51,863	-47,463	-44,963	-46,157	-45,453	
Current grants to persons and non-profit bodies	218,049	222,635	229,101	234,862	235,433	
Current grants abroad	5,985	9,427	7,639	9,952	12,599	
Subsidies to private sector companies	8,287	7,940	8,246	7,802	7,694	
Subsidies to public corporations	1,016	705	476	1,746	1,115	
Net public service pensions	3,611	4,627	6,678	8,627	9,296	
Grant equivalent element of student lending	1,445	4,242	2,215	3,809	6,310	
Public sector debt interest	30,956	45,891	48,983	48,087	48,033	
Other	65	59	82	238	194	
Total public sector current expenditure on services	576,450	606,069	613,926	627,197	639,615	
Accounting adjustments	28,560	29,199	30,108	29,043	16,730	
Total public sector current expenditure	605,010	635,268	644,034	656,240	656,345	
Public sector capital expenditure on services						
Capital grants ⁽¹⁾	22,961	15,567	12,062	10,988	10,364	
Gross capital procurement	45,114	42,824	38,017	35,067	40,013	
Income from sales of capital assets	-2,952	-3,258	-4,111	-3,799	-4,058	
Other	-	-	-	-	-	
Total public sector capital expenditure on services	65,123	55,133	45,968	42,256	46,319	
Accounting adjustments	3,269	4,304	4,703	-24,340	-28,983	
Total public sector capital expenditure	68,392	59,437	50,671	17,916	17,336	
Total public sector expenditure on services	641,573	661,202	659,894	669,453	685,934	
Accounting adjustments	31,829	33,503	34,811	4,703	-12,253	
Total Managed Expenditure ⁽²⁾	673,402	694,705	694,705	674,156	673,681	

⁽¹⁾ Transactions have been affected by financial sector interventions. See Box 5.A for details.

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

Table 5.4 Public sector current and capital expenditure on services by function,⁽¹⁾ 2009-10 to 2013-14

	National Statistics					£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	
Public sector current expenditure on services						
1. General public services	49,426	64,273	66,808	65,539	67,737	
<i>of which: public and common services</i>	11,933	11,125	10,465	10,045	10,063	
<i>of which: international services</i>	6,537	7,257	7,360	7,407	9,474	
<i>of which: public sector debt interest</i>	30,956	45,891	48,983	48,087	48,199	
2. Defence	33,652	34,982	35,056	32,899	33,167	
3. Public order and safety	31,432	31,014	30,509	29,936	28,674	
4. Economic affairs	27,214	24,260	23,280	22,877	24,053	
<i>of which: enterprise and economic development⁽²⁾</i>	5,126	2,792	3,256	3,933	4,228	
<i>of which: science and technology</i>	2,819	2,885	2,957	3,107	3,327	
<i>of which: employment policies</i>	3,953	4,603	3,170	2,986	3,583	
<i>of which: agriculture, fisheries and forestry</i>	5,549	5,150	5,522	4,990	5,017	
<i>of which: transport</i>	9,767	8,830	8,375	7,861	7,899	
5. Environment protection	8,188	8,145	8,212	7,716	7,998	
6. Housing and community amenities	4,018	3,219	2,732	3,175	3,144	
7. Health	110,737	114,437	116,987	119,491	125,551	
8. Recreation, culture and religion	10,383	10,380	9,797	10,852	9,332	
9. Education	78,550	82,351	79,108	80,358	83,468	
10. Social protection	221,948	229,380	239,401	250,046	251,481	
EU transactions	904	3,628	2,034	4,307	5,174	
Total public sector current expenditure on services	576,451	606,069	613,926	627,197	639,779	
Accounting adjustments	28,559	29,199	30,108	29,043	26,378	
Public sector current expenditure	605,010	635,268	644,034	656,240	666,157	
Public sector capital expenditure on services						
1. General public services	2,416	2,377	1,703	1,813	2,430	
<i>of which: public and common services</i>	1,819	1,635	1,111	1,267	1,825	
<i>of which: international services</i>	596	743	593	546	604	
2. Defence	4,060	4,305	3,606	3,456	3,261	
3. Public order and safety	2,686	2,002	1,525	1,364	1,490	
4. Economic affairs	21,465	15,628	14,222	12,730	14,977	
<i>of which: enterprise and economic development⁽²⁾</i>	7,110	2,024	1,595	938	1,039	
<i>of which: science and technology</i>	734	521	607	492	1,107	
<i>of which: employment policies</i>	144	94	83	100	76	
<i>of which: agriculture, fisheries and forestry</i>	273	329	270	294	434	
<i>of which: transport</i>	13,204	12,660	11,667	10,905	12,321	
5. Environment protection	2,209	2,784	2,250	2,888	3,374	
6. Housing and community amenities	12,326	9,900	7,314	6,286	8,114	
7. Health	6,180	5,389	4,249	4,782	3,900	
8. Recreation, culture and religion	2,796	2,582	2,714	1,879	2,230	
9. Education	9,934	9,148	7,789	6,633	6,750	
10. Social protection	1,053	1,018	595	427	-208	
Total public sector capital expenditure on services	65,123	55,132	45,968	42,257	46,318	
Accounting adjustments ⁽³⁾	3,269	4,305	4,703	-24,341	1,781	
Public sector capital expenditure⁽⁴⁾	68,392	59,437	50,671	17,916	48,099	
Total public sector expenditure on services	641,574	661,200	659,894	669,454	686,096	
Accounting adjustments ⁽³⁾	31,828	33,505	34,811	4,702	28,160	
Total Managed Expenditure⁽⁴⁾	673,402	694,705	694,705	674,156	714,256	

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

⁽²⁾ Transactions from 2009-10 onwards have been affected by financial sector interventions. See Box 5.A for details.

⁽³⁾ In 2012-13 this includes a £28 billion adjustment in respect of Royal Mail pension assets.

⁽⁴⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

Table 5.5 Public sector gross current procurement⁽¹⁾ expenditure on services by function, 2009-10 to 2013-14

	£ million				
	National Statistics				
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn
Public sector gross current procurement expenditure on services					
1. General public services	14,230	13,228	12,779	12,848	12,745
<i>of which: public and common services</i>	12,671	11,629	11,111	11,068	10,862
<i>of which: international services</i>	1,560	1,599	1,668	1,780	1,883
2. Defence	21,975	22,980	22,762	21,330	22,051
3. Public order and safety	13,169	12,842	13,097	13,046	12,388
4. Economic affairs	13,972	13,290	11,757	11,763	12,070
<i>of which: enterprise and economic development</i>	3,237	2,911	2,483	2,831	2,413
<i>of which: science and technology</i>	492	366	389	325	488
<i>of which: employment policies</i>	2,147	2,578	1,697	1,533	2,039
<i>of which: agriculture, fisheries and forestry</i>	1,129	1,024	870	862	830
<i>of which: transport</i>	6,967	6,412	6,317	6,212	6,299
5. Environment protection	8,083	7,835	7,907	7,651	7,953
6. Housing and community amenities	3,476	3,087	2,823	2,685	2,638
7. Health	69,461	65,458	67,362	71,073	78,098
8. Recreation, culture and religion	7,286	7,424	6,906	7,678	6,699
9. Education	12,709	12,979	13,814	15,366	15,513
10. Social protection	29,385	29,538	30,099	30,382	29,870
Total public sector gross current procurement expenditure on services	193,746	188,661	189,307	193,822	200,026

⁽¹⁾ National Accounts definition of current procurement, so includes Defence spending on Single Use Military Equipment (SUME). Chapter 2 presents spending according to departmental budgeting definitions, where SUME is classified as capital procurement.

Table 5.6 Public sector capital procurement⁽¹⁾ expenditure on services by function, 2009-10 to 2013-14

	National Statistics					£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	
Public sector gross capital procurement expenditure on services						
1. General public services	2,344	1,962	1,598	1,940	2,588	
<i>of which: public and common services</i>	2,080	1,812	1,468	1,742	2,437	
<i>of which: international services</i>	264	150	131	199	151	
2. Defence	4,178	4,403	3,911	3,595	3,430	
3. Public order and safety	2,747	2,197	1,702	1,525	1,702	
4. Economic affairs	11,037	10,153	8,863	7,615	9,102	
<i>of which: enterprise and economic development</i>	1,451	1,134	814	665	474	
<i>of which: science and technology</i>	177	85	150	185	152	
<i>of which: employment policies</i>	104	93	83	101	75	
<i>of which: agriculture, fisheries and forestry</i>	235	230	198	189	297	
<i>of which: transport</i>	9,070	8,612	7,618	6,475	8,105	
5. Environment protection	1,831	2,015	2,073	2,479	2,688	
6. Housing and community amenities	6,381	5,746	4,648	3,918	5,936	
7. Health	6,086	5,538	4,548	4,838	4,958	
8. Recreation, culture and religion	2,546	2,439	2,416	1,632	2,415	
9. Education	6,665	6,892	6,332	5,935	6,135	
10. Social protection	440	446	405	464	573	
Total public sector gross capital procurement expenditure on services	44,255	41,792	36,497	33,940	39,527	
Plus public sector receipts from sales of assets						
<i>Central government</i>						
Fixed assets	-750	-911	-1,380	-1,119	-1,808	
Intangible assets	-3	-8	197	-20	-4	
Total central government receipts	-753	-919	-1,183	-1,139	-1,813	
<i>Local government</i>						
Fixed assets	-1,138	-1,116	-1,244	-1,431	-1,671	
Intangible assets	-	-	-	-	-	
Total local government receipts	-1,138	-1,116	-1,244	-1,431	-1,671	
Total general government receipts	-1,891	-2,035	-2,427	-2,570	-3,484	
<i>Public corporations</i>						
Fixed assets	-1,061	-1,223	-1,684	-1,229	-574	
Intangible assets	-	-	-	-	-	
Total public corporations receipts	-1,061	-1,223	-1,684	-1,229	-574	
Total public sector income from sales of capital assets	-2,951	-3,258	-4,111	-3,799	-4,057	

⁽¹⁾ National Accounts definition of capital procurement so excludes Defence spending on Single Use Military Equipment (SUME). Chapter 2 presents spending according to departmental budgeting definitions, where SUME is classified as capital procurement.

6

Central government own expenditure

6.1 This section provides summary analyses of central government own expenditure, which comprises the expenditure of government departments and other central government bodies on their own activities. Central government, as defined by the Office for National Statistics (ONS) for the National Accounts, includes the devolved administrations, executive agencies and Arms Length Bodies (ALBs), health trusts and academies.

6.2 In addition to staff pay and procurement, central government own expenditure includes grants and subsidies paid to individuals and enterprises in the private sector and subsidies to public corporations. It excludes central government support for local government and support for the capital expenditure of public corporations. These data are shown in **Chapters 7** and **8** respectively.

6.3 Central government own expenditure accounts for about 70 per cent of Departmental Expenditure Limits (DEL) and about 90 per cent of departmental Annually Managed Expenditure (AME).

6.4 **Tables 6.1** to **6.3** are presented against the budgeting framework, **Tables 6.4** to **6.6** are presented against the expenditure on services framework.

What's new

6.5 There have been no significant changes to the presentation of data within this chapter since PESA 2013.

Central government own expenditure by department

6.6 **Table 6.1** gives a departmental breakdown of central government own expenditure. Expenditure in DEL is shown separately from expenditure in departmental AME. DEL expenditure in this table is shown on a full resource budgeting basis, which is given by resource DEL plus capital DEL less depreciation (including impairments) in DEL. In a number of areas, for example education, transport, and law and order, a relatively large proportion of expenditure is by local government, with only a relatively small proportion spent directly by central government - some of which will be recorded by Scotland, Wales or Northern Ireland. Other AME includes locally financed expenditure in Northern Ireland that by convention is classified as central government spending.

Central government own resource and capital expenditure by department

6.7 **Tables 6.2** and **6.3** show the resource and capital elements of **Table 6.1**, respectively. Expenditure for each departmental group is therefore shown on a budgeting basis, while the final line in each table shows total central government own expenditure on a National Accounts basis. The lower section of each table shows the adjustments required to move from the budgeting framework to the National Accounts framework.

6.8 The higher capital spending in 2009-10 relates to the support given to financial institutions. See **Box 5.A** in **Chapter 5** for further details.

Central government own expenditure on services by sub-function

6.9 Table 6.4 shows central government own expenditure by sub-function, within the expenditure on services framework. Expenditure on services is an overall measure of public spending that is close to TME, and so broadly represents total current and capital expenditure as in the National Accounts. Full details are available in **Annex E**.

Central government own expenditure on services by economic category

6.10 Table 6.5 shows central government own expenditure by economic category, set within the framework of expenditure on services. An explanation of the different economic categories is available in **Chapter 5**.

Central government own current and capital expenditure on services by function

6.11 Table 6.6 shows central government own current and capital expenditure on services by function. This shows the capital and current split on a National Accounts basis so spending on Single Use Military Equipment (SUME) is classified as current and non-cash items such as depreciation and provisions are excluded.

Table 6.1 Central government own expenditure in budgets by departmental group,⁽¹⁾ 2009-10 to 2015-16

£ million

	National Statistics						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
Within DEL							
Education	12,397	10,583	13,573	18,046	18,896	21,887	22,652
Health	98,298	100,255	102,562	104,994	106,794	109,920	112,229
Transport	8,222	6,795	6,127	5,618	6,045	6,955	7,292
CLG Communities	7,183	5,600	3,251	1,162	2,558	4,515	3,254
CLG Local Government	300	123	133	105	-	-	-1
Business, Innovation and Skills	17,312	18,557	17,098	16,712	16,781	16,822	17,216
Home Office	3,535	2,809	2,686	2,422	2,296	2,165	1,988
Justice	9,511	9,252	8,932	8,482	7,794	7,084	6,638
Law Officers' Departments	709	666	613	592	568	551	519
Defence	36,813	37,460	37,197	34,298	34,608	34,515	32,957
Foreign and Commonwealth Office	2,186	2,223	2,144	2,020	2,113	1,711	1,181
International Development	6,587	7,467	7,813	7,758	10,020	9,892	11,021
Energy and Climate Change	2,978	3,166	2,564	3,097	3,299	3,961	3,780
Environment, Food and Rural Affairs	2,748	2,608	2,183	2,126	2,111	2,106	1,831
Culture, Media and Sport	2,025	2,164	2,751	1,127	1,291	1,706	1,458
Work and Pensions	8,391	8,651	7,167	7,045	6,749	7,195	5,996
Scotland	18,572	18,565	18,073	18,523	20,168	20,736	20,893
Wales	9,337	9,121	9,202	8,262	8,489	9,219	9,063
Northern Ireland	10,301	10,527	10,156	10,251	10,525	10,659	10,625
Chancellor's Departments	4,320	3,956	3,884	3,447	3,368	3,722	3,472
Cabinet Office	2,402	2,451	2,450	2,452	2,491	2,709	2,363
Small and Independent Bodies	1,689	1,647	1,701	1,467	1,488	1,642	1,513
Total CG own expenditure within DEL	265,815	264,646	262,260	260,005	268,453	279,673	277,943
Within departmental AME							
Education	10,427	-10,434	11,785	10,722	10,452	10,123	10,902
Health	16,230	-10,968	19,582	18,878	18,208	24,034	21,310
Transport	1,143	501	842	529	889	8,070	1,148
CLG Communities	-30	-496	-666	-20	-48	335	313
CLG Local Government	-	-4	-12	2	-	-	-
Business, Innovation and Skills	5,407	3,616	4,101	6,327	5,382	9,929	9,224
Home Office	-84	192	-6	21	264	97	-
Justice	606	246	-45	934	-237	306	236
Law Officers' Departments	17	-13	5	6	7	7	7
Defence	7,900	-878	8,029	7,325	6,184	10,175	9,548
Foreign and Commonwealth Office	86	35	61	88	66	75	100
International Development	331	303	104	185	115	387	164
Energy and Climate Change ⁽²⁾	419	5,163	3,685	5,368	4,464	29,049	457
Environment, Food and Rural Affairs	-72	-437	-53	83	-133	-53	73
Culture, Media and Sport	4,623	4,865	4,150	4,867	4,614	5,353	4,647
Work and Pensions	122,169	125,357	131,942	137,181	139,235	143,471	146,971
Scotland	2,483	3,206	3,240	2,948	3,028	4,156	4,320
Wales	495	262	302	377	283	434	267
Northern Ireland	7,651	3,574	8,099	8,109	7,967	8,984	9,376
Chancellor's Departments ⁽³⁾	51,553	25,996	19,596	20,448	36,961	39,707	45,225
Cabinet Office	7,481	-7,466	8,739	9,431	9,615	10,636	10,276
Small and Independent Bodies	-144	-242	-135	-99	-39	381	94
Total CG own expenditure within dept AME	238,692	142,377	223,345	233,708	247,274	305,657	274,659
Locally financed expenditure in Northern Ireland	547	538	588	621	632	667	667
Net expenditure transfers to the EU	6,419	8,414	7,702	9,131	9,716	8,881	8,899
Central government debt interest	30,479	45,165	48,375	47,549	47,384	52,073	59,119
Accounting and other adjustments	-52,247	47,225	-25,782	-51,760	-34,613	-91,174	-51,357
Total CG own expenditure ⁽⁴⁾	489,705	508,365	516,488	499,254	538,846	555,777	569,930

⁽¹⁾ Shown on a full resource budgeting basis, i.e. resource DEL less depreciation plus Capital DEL.⁽²⁾ Plans in 2014-15 include a £28.8bn DECC resource AME liability. This relates to the fair value of liabilities incurred for Contracts for Difference expected to be signed under the Electricity Market Reform programme. Please see Electricity Market Reform Programme (Contracts for Difference) in the Glossary of terms for full explanation.⁽³⁾ Transactions have been affected by financial sector interventions. See Box 2.A for details.⁽⁴⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

Table 6.2 Central government own resource expenditure in budgets by departmental group, 2009-10 to 2015-16

	National Statistics						£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
Within resource DEL							
Education	11,626	9,766	13,220	15,818	18,254	20,696	21,950
Health	93,373	96,278	98,936	101,346	102,714	105,544	107,494
Transport	2,325	1,369	1,193	806	943	938	870
CLG Communities	1,391	1,369	922	378	567	984	772
CLG Local Government	298	122	133	104	-	-	-1
Business, Innovation and Skills	14,848	16,773	16,137	15,479	14,525	13,822	13,371
Home Office	2,853	2,385	2,366	2,154	2,053	1,866	1,701
Justice	8,663	8,723	8,588	8,201	7,521	6,783	6,288
Law Officers' Departments	697	658	611	591	565	544	513
Defence	27,610	28,123	28,177	26,449	27,019	26,831	25,961
Foreign and Commonwealth Office	2,022	2,097	2,052	1,989	1,998	1,618	1,088
International Development	5,234	5,909	6,167	6,105	8,074	7,849	8,408
Energy and Climate Change	1,219	1,147	1,147	1,106	1,157	1,531	1,267
Environment, Food and Rural Affairs	2,249	2,162	1,864	1,774	1,701	1,668	1,461
Culture, Media and Sport	1,419	1,414	1,523	2,077	1,205	1,167	1,096
Work and Pensions	8,078	8,285	6,841	6,626	6,516	6,908	5,760
Scotland	15,955	16,282	16,195	16,349	17,907	18,759	18,848
Wales	8,180	8,158	8,316	7,528	7,730	8,384	8,177
Northern Ireland	9,248	9,553	9,390	9,406	9,671	9,557	9,660
Chancellor's Departments	4,035	3,745	3,628	3,235	3,156	3,535	3,325
Cabinet Office	1,960	2,026	2,047	2,089	2,095	2,336	2,004
Small and Independent Bodies	1,610	1,568	1,644	1,406	1,415	1,553	1,411
Total within resource DEL	224,894	227,911	231,099	231,016	236,787	242,874	241,425
Within resource departmental AME							
Education	10,427	-10,434	11,785	10,722	10,452	10,123	10,902
Health	16,223	-10,976	19,582	18,878	18,278	24,024	21,310
Transport	1,143	501	876	590	876	1,560	1,148
CLG Communities	-30	-496	-666	10	-48	335	313
CLG Local Government	-	-4	-12	6	-	-	-
Business, Innovation and Skills	1,360	-804	-1,129	41	-56	-819	-2,814
Home Office	-84	192	-6	21	264	97	-
Justice	606	246	-45	934	-237	306	236
Law Officers' Departments	17	-13	5	5	7	7	7
Defence	7,895	-878	8,039	7,360	6,312	10,175	9,548
Foreign and Commonwealth Office	86	35	61	88	66	75	100
International Development	331	303	104	191	115	387	164
Energy and Climate Change ⁽¹⁾	756	5,241	3,742	5,388	4,960	29,169	534
Environment, Food and Rural Affairs	-73	-437	-53	85	-133	-54	72
Culture, Media and Sport	3,980	4,295	3,735	4,518	3,965	4,872	4,204
Work and Pensions	122,046	125,225	131,954	137,197	139,370	143,471	146,971
Scotland	2,323	3,055	3,073	2,760	2,692	3,687	3,859
Wales	293	53	57	125	-23	122	-12
Northern Ireland	7,222	3,178	7,511	7,764	7,542	8,380	8,770
Chancellor's Departments ⁽²⁾	9,686	28,670	24,080	24,039	48,682	42,355	45,125
Cabinet Office	7,481	-7,466	8,739	9,431	9,615	10,636	10,276
Small and Independent Bodies	-144	-242	-135	-99	-39	61	-56
Total within resource departmental AME	191,545	139,245	221,297	230,054	252,660	288,971	260,659
Within resource other AME							
Locally financed expenditure in Northern Ireland	547	538	588	621	632	667	667
Net expenditure transfers to the EU	6,419	8,414	7,702	9,131	9,716	8,881	8,899
Central government debt interest	30,479	45,165	48,375	47,549	47,384	52,073	59,119
Accounting and other adjustments	-5,134	54,713	-18,187	-11,987	-31,975	-65,100	-29,509
Total CG own current expenditure	448,750	475,986	490,874	506,384	515,204	528,366	541,260

⁽¹⁾ Plans in 2014-15 include a £28.8bn DECC resource AME liability. This relates to the fair value of liabilities incurred for Contracts for Difference expected to be signed under the Electricity Market Reform programme. Please see Electricity Market Reform Programme (Contracts for Difference) in the Glossary of terms for full explanation.

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

Table 6.3 Central government own capital expenditure by departmental group, 2009-10 to 2015-16

	National Statistics						£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
Within capital DEL							
Education	771	818	353	2,227	642	1,192	702
Health	4,925	3,977	3,626	3,648	4,081	4,376	4,735
Transport	5,897	5,426	4,934	4,812	5,103	6,017	6,422
CLG Communities	5,792	4,232	2,329	784	1,991	3,531	2,482
CLG Local Government	2	1	-	1	-	-	-
Business, Innovation and Skills	2,464	1,784	961	1,232	2,256	3,000	3,845
Home Office	682	425	319	268	243	299	287
Justice	848	529	344	281	273	301	350
Law Officers' Departments	12	8	3	2	3	7	5
Defence	9,203	9,337	9,020	7,849	7,589	7,684	6,996
Foreign and Commonwealth Office	164	126	92	31	115	93	93
International Development	1,353	1,559	1,646	1,653	1,946	2,043	2,613
Energy and Climate Change	1,759	2,018	1,416	1,991	2,141	2,430	2,513
Environment, Food and Rural Affairs	499	445	318	352	410	438	370
Culture, Media and Sport	606	751	1,228	-950	86	538	362
Work and Pensions	313	366	326	419	233	286	236
Scotland	2,617	2,283	1,879	2,174	2,261	1,977	2,045
Wales	1,157	963	886	734	759	835	886
Northern Ireland	1,053	974	766	845	855	1,102	966
Chancellor's Departments	285	211	257	212	212	187	147
Cabinet Office	442	425	403	363	396	374	360
Small and Independent Bodies	79	78	56	61	72	90	103
Total within capital DEL	40,921	36,736	31,162	28,990	31,666	36,799	36,518
Within capital departmental AME							
Health	7	8	-	-	-70	10	-
Transport	-	-	-33	-61	13	6,510	-
CLG Communities	-	-	-	-29	-	-	-
CLG Local Government	-	-	-	-4	-	-	-
Business, Innovation and Skills	4,046	4,419	5,230	6,286	5,438	10,747	12,038
Law Officers' Departments	-	-	-	-	-	-	-
Defence	5	-	-10	-35	-129	-	-
International Development	-	-	-	-6	-	-	-
Energy and Climate Change	-337	-78	-58	-20	-497	-120	-76
Environment, Food and Rural Affairs	1	1	-	-1	-1	1	1
Culture, Media and Sport	643	569	415	349	649	481	443
Work and Pensions	123	132	-12	-17	-134	-	-
Scotland	160	151	167	188	336	468	461
Wales	202	209	244	252	306	313	279
Northern Ireland	430	396	588	344	425	604	606
Chancellor's Departments ⁽¹⁾	41,868	-2,675	-4,483	-3,591	-11,722	-2,648	100
Small and Independent Bodies	-	-	-	-	-	320	150
Total within capital departmental AME	47,147	3,132	2,048	3,654	-5,385	16,686	14,000
Within capital other AME							
Accounting and other adjustments	-47,113	-7,489	-7,596	-39,774	-2,639	-26,074	-21,848
Total CG own capital expenditure ⁽²⁾	40,955	32,379	25,614	-7,130	23,642	27,411	28,670

⁽¹⁾ Transactions have been affected by financial sector interventions. See Box 2.A for details.

⁽²⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

Table 6.4 Central government own expenditure on services by sub-function, 2009-10 to 2015-16

	National Statistics							£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans	
1. General public services								
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	9,656	8,906	8,484	8,039	8,229	7,888	7,617	
1.2 Foreign economic aid	4,779	5,669	5,724	5,832	7,891	9,002	8,238	
1.3 General services	468	588	588	478	554	531	524	
1.4 Basic research	-	-	-	-	-	-	-	
1.5 R&D general public services	20	16	10	9	10	15	17	
1.6 General public services n.e.c.	367	441	294	145	158	430	248	
1.7 Public sector debt interest	30,479	45,165	48,375	47,549	47,384	52,073	59,119	
<i>of which: central government debt interest ⁽¹⁾</i>	<i>30,479</i>	<i>45,165</i>	<i>48,375</i>	<i>47,549</i>	<i>47,384</i>	<i>52,073</i>	<i>59,119</i>	
Total general public services	45,768	60,785	63,475	62,052	64,226	69,940	75,762	
2. Defence								
2.1 Military defence	32,274	32,913	33,129	31,489	32,194	32,751	31,490	
2.2 Civil defence	13	72	52	57	57	80	41	
2.3 Foreign military aid	3,781	3,572	3,172	2,235	1,344	644	-	
2.4 R&D defence	1,294	2,386	1,980	2,239	2,528	2,817	3,159	
2.5 Defence n.e.c.	201	196	190	196	186	175	148	
Total defence	37,563	39,139	38,523	36,216	36,309	36,466	34,839	
3. Public order and safety								
3.1 Police services	4,992	4,353	4,265	4,074	4,435	4,718	4,673	
<i>of which: immigration and citizenship</i>	<i>2,197</i>	<i>1,769</i>	<i>1,663</i>	<i>1,529</i>	<i>977</i>	<i>1,076</i>	<i>1,546</i>	
<i>of which: other police services</i>	<i>2,796</i>	<i>2,584</i>	<i>2,602</i>	<i>2,545</i>	<i>3,458</i>	<i>3,642</i>	<i>3,127</i>	
3.2 Fire-protection services	302	188	134	98	409	485	457	
3.3 Law courts	6,579	6,110	6,449	5,906	5,454	4,681	4,368	
3.4 Prisons	4,731	4,969	4,133	4,326	4,064	4,062	3,958	
3.5 R&D public order and safety	25	10	12	35	34	42	30	
3.6 Public order and safety n.e.c.	300	255	270	461	780	681	469	
Total public order and safety	16,930	15,885	15,264	14,899	15,176	14,669	13,955	
4. Economic affairs								
4.1 General economic, commercial and labour affairs ⁽²⁾	10,997	4,998	4,893	5,107	6,203	5,860	5,233	
4.2 Agriculture, forestry, fishing and hunting	5,638	5,277	5,617	5,124	5,199	5,138	4,861	
<i>of which: market support under CAP</i>	<i>4,072</i>	<i>3,744</i>	<i>3,932</i>	<i>2,894</i>	<i>2,999</i>	<i>3,044</i>	<i>2,867</i>	
<i>of which: other agriculture, food and fisheries policy</i>	<i>1,474</i>	<i>1,406</i>	<i>1,557</i>	<i>2,133</i>	<i>2,086</i>	<i>1,975</i>	<i>1,875</i>	
<i>of which: forestry</i>	<i>92</i>	<i>127</i>	<i>128</i>	<i>98</i>	<i>114</i>	<i>119</i>	<i>119</i>	
4.3 Fuel and energy	1,047	818	527	463	464	521	851	
4.4 Mining, manufacturing and construction	401	-17	-5	-5	2	-3	-3	
4.5 Transport	11,671	10,652	9,843	9,865	10,168	11,244	11,424	
<i>of which: national roads</i>	<i>4,119</i>	<i>3,568</i>	<i>3,089</i>	<i>2,856</i>	<i>3,155</i>	<i>3,709</i>	<i>3,211</i>	
<i>of which: local roads</i>	<i>612</i>	<i>625</i>	<i>440</i>	<i>467</i>	<i>369</i>	<i>414</i>	<i>437</i>	
<i>of which: local public transport</i>	<i>797</i>	<i>768</i>	<i>781</i>	<i>675</i>	<i>592</i>	<i>590</i>	<i>369</i>	
<i>of which: railway</i>	<i>5,400</i>	<i>5,057</i>	<i>4,909</i>	<i>5,026</i>	<i>4,869</i>	<i>5,174</i>	<i>5,159</i>	
<i>of which: other transport</i>	<i>742</i>	<i>634</i>	<i>624</i>	<i>840</i>	<i>1,183</i>	<i>1,357</i>	<i>2,249</i>	
4.6 Communication	341	313	221	521	630	407	369	
4.7 Other industries	351	350	254	189	157	143	131	
4.8 R&D economic affairs	3,553	3,406	3,563	3,599	4,434	5,086	7,569	
4.9 Economic affairs n.e.c.	831	856	659	446	504	824	675	
Total economic affairs	34,830	26,653	25,573	25,309	27,761	29,220	31,112	
5. Environment protection								
5.1 Waste management	1,696	1,868	1,927	2,248	2,284	2,369	2,159	
5.2 Waste water management	30	12	20	-	-	-	-	
5.3 Pollution abatement	271	383	110	156	147	705	668	
5.4 Protection of biodiversity and landscape	519	519	481	397	436	386	374	
5.5 R&D environment protection	404	430	413	350	387	329	349	
5.6 Environment protection n.e.c.	1,379	1,575	1,398	1,261	1,396	1,608	1,752	
Total environment protection	4,299	4,787	4,350	4,412	4,651	5,397	5,301	

Table 6.4 Central government own expenditure on services by sub-function, 2009-10 to 2015-16 (continued)

	National Statistics						£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
6. Housing and community amenities							
6.1 Housing development	5,291	3,583	1,908	1,302	1,229	1,229	952
<i>of which: local authority housing</i>	353	-283	-580	114	84	1	-9
<i>of which: other social housing</i>	4,939	3,865	2,488	1,188	1,146	1,228	961
6.2 Community development	796	594	449	286	412	508	289
6.3 Water supply	396	292	297	283	274	275	260
6.4 Street lighting	22	21	25	23	24	19	18
6.5 R&D housing and community amenities	4	4	3	2	3	4	4
6.6 Housing and community amenities n.e.c	37	219	163	159	165	179	251
Total housing and community amenities	6,547	4,713	2,846	2,056	2,108	2,213	1,775
7. Health ⁽³⁾							
Medical services	112,329	115,074	116,402	118,832	121,047	125,044	125,761
Medical research	1,589	1,798	1,343	1,380	921	973	751
Central and other health services	2,833	2,657	3,280	3,890	4,731	3,930	5,285
Total health	116,752	119,529	121,026	124,102	126,699	129,947	131,797
8. Recreation, culture and religion							
8.1 Recreational and sporting services	1,245	1,188	1,310	1,765	556	594	520
8.2 Cultural services	1,965	1,904	1,886	2,019	2,007	1,936	1,648
8.3 Broadcasting and publishing services	3,816	4,012	3,680	3,568	3,680	4,711	4,310
8.4 Religious and other community services	55	63	46	61	60	71	68
8.5 R&D recreation, culture and religion	133	141	106	126	103	132	102
8.6 Recreation, culture and religion n.e.c	84	88	92	96	44	64	66
Total recreation, culture and religion	7,299	7,398	7,120	7,636	6,449	7,507	6,713
9. Education							
9.1 Pre-primary and primary education	873	798	766	795	788	783	781
<i>of which: under fives</i>	183	147	163	123	97	109	116
<i>of which: primary education</i>	690	652	602	672	691	673	665
9.2 Secondary education	13,880	14,595	17,480	21,105	22,856	25,184	25,636
9.3 Post-secondary non-tertiary education	4	-	-	-	-	-	-
9.4 Tertiary education	13,179	15,783	13,095	13,520	15,356	11,622	12,847
9.5 Education not definable by level	591	784	465	446	453	719	827
9.6 Subsidiary services to education	984	848	731	503	525	780	778
9.7 R&D education	15	1	9	10	11	16	15
9.8 Education n.e.c	3,825	2,807	2,337	1,977	1,877	2,552	2,473
Total education	33,351	35,616	34,882	38,356	41,866	41,656	43,357
10. Social protection							
<i>of which: personal social services</i>	2,129	1,710	1,846	1,688	1,070	1,078	1,118
10.1 Sickness and disability	31,323	32,929	34,943	37,296	37,804	40,759	40,886
<i>of which: personal social services</i>	697	557	1,026	880	268	258	257
<i>of which: incapacity, disability and injury benefits</i>	30,626	32,372	33,916	36,416	37,537	40,502	40,629
10.2 Old age	84,012	87,873	93,608	100,801	104,256	107,823	112,656
<i>of which: personal social services</i>	1,001	869	429	431	446	439	439
<i>of which: pensions</i>	83,011	87,003	93,179	100,371	103,810	107,384	112,217
10.3 Survivors	1,057	1,097	1,070	1,076	1,131	1,150	1,159
10.4 Family and children	22,305	21,487	20,621	18,817	16,441	15,869	16,557
<i>of which: personal social services</i>	362	205	314	333	307	347	372
<i>of which: family benefits, income support and tax credits</i>	21,943	21,282	20,308	18,484	16,134	15,521	16,185
10.5 Unemployment	5,533	5,231	5,633	5,939	4,945	4,177	3,836
<i>of which: personal social services</i>	-	-	-	-	-	-	-
<i>of which: other unemployment benefits</i>	5,533	5,231	5,633	5,939	4,945	4,177	3,836
10.6 Housing	618	787	729	725	620	626	579
10.7 Social exclusion n.e.c ⁽⁴⁾	24,022	25,567	27,400	29,153	28,850	29,177	30,203
<i>of which: personal social services</i>	69	79	77	45	49	34	50
<i>of which: family benefits, income support and tax credits</i>	23,953	25,488	27,323	29,108	28,800	29,142	30,153
10.8 R&D Social protection	-	-	-	-	-	-	-
10.9 Social protection n.e.c. ⁽⁵⁾	4,335	4,150	3,600	3,142	2,853	2,747	2,684
Total social protection	173,204	179,120	187,604	196,947	196,900	202,328	208,560

Table 6.4 Central government own expenditure on services by sub-function, 2009-10 to 2015-16 (continued)

	National Statistics						£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
EU transactions ⁽⁶⁾							
GNI-based contribution (net of abatement and collection costs) <i>derived as</i>	5,760	7,669	6,967	8,411	8,982	8,138	8,150
<i>EU gross contribution pre-abatement and after deduction of collection costs</i>	13,733	15,593	15,700	16,871	18,208	17,932	17,938
<i>Traditional Own Resources (without deduction of collection costs) and VAT contributions</i>	-3,754	-5,246	-5,216	-5,288	-5,096	-5,586	-5,820
<i>UK abatement</i>	-4,218	-2,678	-3,516	-3,172	-4,130	-4,208	-3,968
EU receipts	-4,788	-3,998	-4,771	-4,022	-3,729	-4,612	-4,607
Attributed aid and CFSP	-69	-43	-163	-82	-79	-	-
Total EU transactions	904	3,628	2,034	4,307	5,174	3,527	3,542
Total central government own expenditure on services	477,446	497,252	502,696	516,294	527,317	542,870	556,713
Accounting adjustments ⁽⁷⁾	12,259	11,113	13,792	-17,040	11,529	12,907	13,217
Total central government own expenditure ⁽⁸⁾	489,705	508,365	516,488	499,254	538,846	555,777	569,930

⁽¹⁾ Central government debt interest figures show gross payments to the private sector and overseas.

⁽²⁾ Transactions from 2009-10 onwards have been affected by financial sector interventions. Details are provided in Box 5.A.

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

⁽⁴⁾ Social exclusion n.e.c. includes Child and Working Tax Credits

⁽⁵⁾ Work and Pensions in a continuation of their review of spending allocations have moved items from 10.9 Social protection n.e.c. to 4.1 General economic, commercial and labour affairs.

⁽⁶⁾ An explanation of why the EU transactions are defined in TES in this way is given in Annex E. Complete transactions with the institutions of the EU are shown in Table C.1.

⁽⁷⁾ In 2012-13 this includes a £28 billion adjustment in respect of Royal Mail pension assets.

⁽⁸⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

Table 6.5 Central government own expenditure on services by economic category, 2009-10 to 2015-16

	National Statistics							£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans	
Central government current expenditure on services								
Pay	88,646	92,219	94,590	97,065	99,197	103,847	104,325	
Gross current procurement	125,496	121,559	123,713	127,662	131,430	130,262	127,505	
Income from sales of goods and services	-22,214	-17,780	-17,007	-18,405	-18,444	-19,481	-17,362	
Current grants to persons and non-profit bodies ⁽¹⁾	196,516	199,578	204,530	208,661	209,189	214,782	218,199	
Current grants abroad	5,985	9,427	7,639	9,952	12,599	11,195	10,468	
Subsidies to private sector companies	6,160	5,977	6,452	6,364	6,285	6,453	7,367	
Subsidies to public corporations	880	588	362	1,625	1,016	845	919	
Net public service pensions	3,611	4,627	6,678	8,627	9,296	9,623	11,074	
Grant equivalent element of student lending	1,445	4,242	2,215	3,809	6,310	3,299	4,685	
Central government debt interest	30,479	45,165	48,375	47,549	47,384	52,073	59,119	
Other	65	59	82	238	194	75	449	
Total central government own current expenditure on services	437,069	465,661	477,629	493,147	504,456	512,973	526,748	
Accounting adjustments	11,681	10,325	13,245	13,237	10,748	15,393	14,512	
Total central government own current expenditure	448,750	475,986	490,874	506,384	515,204	528,366	541,260	
Central government capital expenditure on services								
Capital grants to persons and non-profit bodies	7,270	5,385	3,384	1,974	2,567	3,767	4,228	
Capital grants to private sector companies ⁽²⁾	13,123	7,481	6,553	6,024	5,353	7,047	6,799	
Capital grants abroad	508	968	673	643	844	2,402	1,162	
Gross capital procurement	20,228	18,678	15,642	15,643	15,912	17,829	18,264	
Income from sales of capital assets	-753	-919	-1,183	-1,139	-1,813	-1,146	-533	
Other	-	-	-	-	-	-2	45	
Total central government own capital expenditure on services	40,376	31,593	25,069	23,145	22,863	29,897	29,965	
Accounting adjustments	579	786	545	-30,275	779	-2,486	-1,295	
Total central government own capital expenditure	40,955	32,379	25,614	-7,130	23,642	27,411	28,670	
Total central government own expenditure on services	477,445	497,254	502,698	516,292	527,319	542,870	556,713	
Accounting adjustments	12,260	11,111	13,790	-17,038	11,527	12,907	13,217	
Total central government own expenditure ⁽³⁾	489,705	508,365	516,488	499,254	538,846	555,777	569,930	

⁽¹⁾ Expenditure on services does not include tax credits previously treated as negative tax. They are included in the budget presentation in chapter 2.

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

⁽³⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

Table 6.6 Central government own current and capital expenditure on services by function, 2009-10 to 2015-16

	£ million						
	National Statistics						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
Central government own current expenditure on services							
1. General public services	44,708	59,638	62,515	61,276	63,234	67,421	74,678
<i>of which: public and common services</i>	7,692	7,216	6,779	6,320	6,375	6,756	6,845
<i>of which: international services</i>	6,537	7,257	7,360	7,407	9,474	8,592	8,714
<i>of which: public sector debt interest</i>	30,479	45,165	48,375	47,549	47,384	52,073	59,119
2. Defence	33,588	34,919	35,003	32,846	33,107	32,097	30,422
3. Public order and safety	15,176	14,716	14,406	14,176	14,467	13,920	13,170
4. Economic affairs	20,096	17,685	17,551	17,848	19,220	19,721	20,267
<i>of which: enterprise and economic development ⁽¹⁾</i>	3,450	1,153	2,144	3,027	3,458	3,592	3,256
<i>of which: science and technology</i>	2,819	2,885	2,957	3,107	3,327	3,920	5,499
<i>of which: employment policies</i>	3,953	4,603	3,170	2,986	3,583	3,382	3,089
<i>of which: agriculture, fisheries and forestry</i>	5,470	5,076	5,449	4,912	4,920	4,866	4,651
<i>of which: transport</i>	4,405	3,969	3,831	3,816	3,933	3,961	3,773
5. Environment protection	2,561	2,506	2,563	2,059	2,110	2,514	2,292
6. Housing and community amenities	769	437	169	678	643	685	715
7. Health	110,655	114,205	116,819	119,353	122,806	124,931	126,621
8. Recreation, culture and religion	6,044	6,192	5,814	6,954	5,684	6,455	5,865
9. Education	30,038	33,334	33,523	36,936	40,446	39,451	40,684
10. Social protection	172,530	178,400	187,231	196,716	197,566	202,250	208,493
EU transactions	904	3,628	2,034	4,307	5,174	3,527	3,542
Total central government own current expenditure on services	437,069	465,661	477,628	493,148	504,455	512,973	526,748
Accounting adjustments	11,681	10,325	13,246	13,236	10,749	15,393	14,512
Total central government own current expenditure	448,750	475,986	490,874	506,384	515,204	528,366	541,260
Central government own capital expenditure on services							
1. General public services	1,061	1,147	960	776	992	2,519	1,084
<i>of which: public and common services</i>	551	418	382	257	388	340	324
<i>of which: international services</i>	510	729	578	519	604	2,178	760
2. Defence	3,975	4,220	3,520	3,370	3,202	4,370	4,418
3. Public order and safety	1,754	1,168	858	723	709	750	785
4. Economic affairs	14,733	8,968	8,022	7,462	8,541	9,499	10,844
<i>of which: enterprise and economic development ⁽¹⁾</i>	6,431	1,471	1,152	608	843	746	845
<i>of which: science and technology</i>	734	521	607	492	1,107	1,166	2,071
<i>of which: employment policies</i>	134	92	83	100	76	32	67
<i>of which: agriculture, fisheries and forestry</i>	168	201	169	213	280	272	210
<i>of which: transport</i>	7,266	6,683	6,012	6,049	6,236	7,283	7,652
5. Environment protection	1,738	2,281	1,787	2,354	2,540	2,883	3,010
6. Housing and community amenities	5,778	4,276	2,677	1,378	1,466	1,528	1,060
7. Health	6,097	5,324	4,207	4,750	3,893	5,016	5,175
8. Recreation, culture and religion	1,254	1,206	1,305	682	765	1,051	848
9. Education	3,313	2,282	1,359	1,420	1,420	2,205	2,673
10. Social protection	674	719	373	231	-666	78	67
Total central government own capital expenditure on services	40,376	31,592	25,068	23,146	22,862	29,898	29,965
Accounting adjustments ⁽²⁾	579	787	546	-30,276	780	-2,487	-1,295
Total central government own capital expenditure ⁽³⁾	40,955	32,379	25,614	-7,130	23,642	27,411	28,670

⁽¹⁾ Transactions from 2009-10 onwards have been affected by financial sector interventions. See Box 5.A for details.

⁽²⁾ In 2012-13 this includes a £28 billion adjustment in respect of Royal Mail pension assets.

⁽³⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

7

Local government financing and expenditure

7.1 This chapter describes central government support for local government within budgets (**Tables 7.1 to 7.3**) and local government expenditure on services (**Tables 7.4 to 7.8**). It deals primarily with Great Britain - most equivalent spending in Northern Ireland is central government spending carried out by Northern Ireland departments. Where relevant, district council spending in Northern Ireland is included in this chapter.

7.2 Data for outturn years (to 2013-14) are covered by National Statistics protocols.

7.3 Central government support data for all years up to 2013-14 are final outturn figures and data from 2014-15 onwards are latest plans.

7.4 Local government spending data for all years up to 2012-13 are final outturn. Data for 2013-14 are based on budget plans.

What's new

7.5 There have been no significant changes to the presentation of data within this chapter since PESA 2013.

The financing of local government expenditure

7.6 Central government support for local government expenditure is provided in two main forms: capital and current grants and the redistribution of non-domestic rate payments. Grant support may be non-specific, e.g. Revenue Support Grant, or related to specific services, e.g. schools grant. From April 2013 in England a non-domestic rates retention scheme was introduced allowing local authorities to keep a proportion of the rates they collect along with growth in the revenue that is generated in their area. Local government expenditure can also be financed by Supported Capital Expenditure (Revenue), equivalent to supported borrowing in Scotland. However, this was discontinued in England as of 31 March 2011.

7.7 Local authorities also raise finance locally, largely through council tax, receipts from sales of assets, contributions from developers, sales, fees and charges and borrowing. By convention, Scottish Non-Domestic Rates Income (NDRI) is shown in PESA as locally financed central government support in other AME, as it is raised in Scotland rather than funded by Whitehall.

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

7.9 **Table 7.1** shows current and capital support provided to local government within each country in the UK, according to whether support is in DEL or AME. As noted above, further adjustments are made to these budgeting aggregates to reconcile with total local government expenditure in the National Accounts.

Support for local government current spending

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

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

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

Support for local government capital programmes

7.12 Central government support for local government capital expenditure comprises capital grants and Supported Capital Expenditure (Revenue) up to March 31 2011 in England, equivalent to supported borrowing in Scotland. The latter enables local authorities to borrow or use other forms of credit to finance capital expenditure, with central government providing a revenue stream to support repayment of principal and interest. This is distinct from prudential borrowing where local authorities finance any additional borrowing from their own available resources. **Table 7.3** shows the components of central government capital support within the United Kingdom by country and department.

Data sources and data quality

7.13 The central government support for local government shown in **Tables 7.1** to **7.3** is taken from finance data loaded onto the Treasury spending database by departments, consistent with their resource accounts.

Local government expenditure

7.14 Total local government expenditure is defined as the contribution of local government to Total Managed Expenditure (TME). TME is a consolidated measure in the sense that most transactions between parts of the public sector are excluded. For example, total local government expenditure defined here excludes capital grants paid to public corporations and interest paid to central government. Local government expenditure accounts for around one quarter of TME.

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

Local government expenditure on services

7.16 The measure of local government spending that is analysed by function and economic category in PESA is local government expenditure on services. It is largely equivalent to the National Accounts measure of local government expenditure, which is also shown in the tables. **Annex E** gives more information on expenditure on services.

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

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

7.18 **Table 7.8** shows local government expenditure by country and economic category. The economic categories are broadly consistent with those used by the ONS for the National Accounts. These are described in **Chapter 5**.

Data sources and data quality

7.19 The local government expenditure shown in **Tables 7.4 to 7.8** is based on revenue (current) and capital data collections completed by local authorities and sent to the Department for Communities and Local Government (CLG) and devolved administrations. These departments carry out quality assurance on the data received, produce aggregate results for publication, and supply this information to the Treasury.

7.20 Information is sought from all local authorities, who derive the material from the accounting records used to produce audited accounts. However, detailed expenditure breakdowns may be of lower quality because of inconsistencies of classification by respondents and resource constraints on quality assurance.

7.21 Spending information received from local government is described in terms of local authority services (education, roads etc). The Treasury assign spending to the COFOG functional categories used in PESA. In general the readacross from service categories to COFOG categories is relatively clear, but in some cases it is less straightforward and assumptions are applied.

7.22 Although the quality of the local government expenditure data in PESA is good enough to provide a broad picture of local government spending, the quality is likely to be lower than the quality of the central government data in PESA. Figures are shown to the nearest £1m so that users performing calculations on the numbers do not introduce errors due to working on rounded numbers.

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

7.24 More information on local government finance and spending is available from the following sources:

England – CLG publication Local Government Financial Statistics

- [<https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/local-authority-revenue-expenditure-and-financing>]
- [<https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/local-authority-capital-expenditure-receipts-and-financing>]

Scotland – Scottish Government publication

- [<http://www.Scotland.gov.uk/topics/statistics>]

Wales – Welsh Government publication

- [<http://www.wales.gov.uk/statistics>]

Table 7.1 Financing of local government in the United Kingdom by country, 2009-10 to 2015-16

£ million

	National Statistics						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
Current finance in DEL							
England ⁽¹⁾	89,503	92,139	85,811	80,737	66,531	62,762	56,725
Scotland ⁽²⁾	9,037	9,446	9,139	9,130	7,691	7,144	7,033
Wales	5,418	5,763	5,437	5,983	5,990	5,358	5,743
Northern Ireland	54	53	54	59	58	144	52
Total current finance in DEL	104,012	107,401	100,441	95,908	80,270	75,408	69,552
Capital support in DEL							
England	13,510	11,222	9,621	8,421	9,013	9,066	9,061
Scotland ⁽²⁾	1,058	866	769	607	565	773	817
Wales	684	790	515	637	569	747	619
Northern Ireland	3	16	3	3	2	3	3
Total capital support in DEL	15,254	12,893	10,909	9,668	10,149	10,590	10,501
Total central government support in DEL ⁽³⁾	119,266	120,294	111,350	105,576	90,419	85,998	80,053
Current finance in departmental AME							
England ⁽¹⁾	18,704	20,828	21,964	22,563	34,042	34,823	35,468
Scotland	1,514	1,621	1,686	1,748	1,724	1,764	1,807
Wales	815	884	959	992	1,003	1,001	1,032
Northern Ireland	-	-	-	-	-	-	-
Total current finance in departmental AME	21,033	23,334	24,608	25,303	36,768	37,589	38,307
Capital support in departmental AME							
England	402	993	290	133	65	561	916
Scotland	-	-	-	-	-	-	-
Wales	-	-	-	-	-	-	-
Northern Ireland	-	-	-	-	-	-	-
Total capital support in departmental AME	402	993	290	133	65	561	916
Total central government support in departmental AME ⁽⁴⁾	21,436	24,326	24,898	25,436	36,833	38,150	39,223
Locally financed expenditure							
Local authority self-financed expenditure ⁽⁵⁾	28,501	25,681	35,183	27,382	31,563	27,797	29,188
Locally financed support in Scotland ⁽⁶⁾	2,165	2,068	2,182	2,263	2,435	2,650	2,845
Total locally financed expenditure	30,666	27,749	37,365	29,645	33,998	30,447	32,033
Total financing of local government expenditure	171,368	172,369	173,613	160,657	161,250	154,595	151,309
Accounting and other adjustments	2,879	4,301	-3,124	6,825	6,307	14,312	14,750
Total local government expenditure	174,247	176,670	170,489	167,482	167,557	168,907	166,059

⁽¹⁾ Figures from 2013-14 reflect adjustment to departmental DEL and AME budgets for changes to local government funding relating to the localisation of business rates and council tax benefit.

⁽²⁾ Funding arrangements for police services have changed following police reform in April 2013, including the creation of a single police force (the Police Service of Scotland). From April 2013, funding for the single force comes mainly from the Scottish Government via the Scottish Police Authority.

⁽³⁾ Receipts from the EU offset in budgets against the subsequent payment to local government

⁽⁴⁾ Includes lottery grants.

⁽⁵⁾ Figure for 2011-12 reflects the reforms to the Housing Revenue Account in March 2012.

⁽⁶⁾ By convention, non-domestic rates income (NDRI) in Scotland (equivalent to non-domestic rate payments in England and Wales) is shown in PESA as locally raised central government support, i.e. it is finance raised in Scotland rather than funding from Whitehall.

Table 7.2 Central government current grants for local government in the United Kingdom by departmental group, 2009-10 to 2015-16

	National Statistics						£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
England							
Education (1)							
Schools Grant	34,274	36,820	33,905	30,824	29,167	27,755	26,604
School standards grant	1,556	1,571	-	-	-	-	-
Sure Start	1,433	-	-	-	-	-	-
Early Intervention grant	-	-	206	448	-	-	-
Pupil Premium	-	-	556	989	1,365	1,900	1,995
Maintained sixth forms grant	-	2,184	1,585	1,136	856	991	873
Private finance initiative grant	-	-	600	670	733	747	752
Other	362	12	58	99	1,105	1,359	1,308
Total Education	37,625	40,587	36,910	34,166	33,226	32,752	31,532
Health							
Health	30	185	116	88	-	-	-
Social Care	1,197	1,269	-	-	42	-	-
Public Health (2)	-	-	-	-	2,662	2,825	2,877
Other	-	-	20	5	9	13	-
Total Health	1,227	1,454	136	93	2,713	2,838	2,877
Transport							
GLA transport	2,555	2,774	2,804	2,835	1,988	1,744	629
Strategic rail authority	204	206	214	164	182	183	7
Other	576	834	476	516	677	551	772
Total Transport	3,335	3,814	3,494	3,515	2,847	2,478	1,408
CLG Communities							
Supporting people	1,666	-	-	-	-	-	-
New deal for communities	72	32	-2	-1	-	-	-
Local Services Support Grant	676	2,166	191	110	-	-	-
New Homes Bonus	-	-	234	397	668	917	250
Other	780	619	891	973	1,212	1,087	824
Total CLG Communities	3,194	2,817	1,314	1,479	1,880	2,004	1,074
CLG Local Government							
Non-domestic rate payments/Revenue Support Grant (3)	29,615	28,557	28,773	27,396	26,314	24,232	22,030
PFI special grant	773	908	27	29	26	28	28
Other	396	109	1,406	61	1,264	639	936
Total CLG Local Government	30,784	29,574	30,206	27,486	27,604	24,899	22,994
Business, Innovation and Skills							
LSC grants	2,201	-	-	-	-	-	-
RDA development fund	263	257	96	-	-	-	-
Other	-	-	2	-	376	-	-
Total Business, Innovation and Skills	2,464	257	98	0	376	0	0
Home Office							
Police	6,640	10,114	10,179	9,995	9,870	10,239	9,573
Area Based Grants	81	71	67	29	-	-	-
Other	177	169	107	260	110	105	103
Total Home Office	6,898	10,354	10,353	10,284	9,980	10,344	9,676
Environment, Food and Rural Affairs							
Environment, Food and Rural Affairs	38	50	147	98	92	133	115
Total Environment, Food and Rural Affairs	38	50	147	98	92	133	115

Table 7.2 Central government current grants for local government in the United Kingdom by departmental group, 2009-10 to 2015-16 (continued)

	£ million						
	National Statistics						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
Work and Pensions (3)							
Rent rebates	4,475	4,401	4,578	4,854	4,939	4,976	5,065
Rent allowances	12,799	14,109	15,181	15,856	16,053	16,379	16,914
Council tax benefits	4,576	4,793	4,825	4,874	-	-	-
Area Based Grants	51	44	-	-	-	-	-
Other	620	579	502	549	847	682	421
Total Work and Pensions	22,521	23,926	25,086	26,133	21,839	22,037	22,400
Other government departments	121	135	31	46	15	100	117
Total England	108,207	112,968	107,775	103,300	100,572	97,585	92,193
Scotland (4)							
Work and Pensions							
Rent allowance	905	978	1,034	1,079	1,071	1,106	1,144
Rent rebates	609	643	652	669	653	658	663
Other	59	54	52	46	41	-	-
Total Work and Pensions	1,573	1,675	1,738	1,794	1,765	1,764	1,807
Scottish Government							
Revenue Support Grant (3)	8,115	8,771	8,485	8,487	7,529	7,045	6,934
Non-domestic rate income (5)	2,165	2,068	2,182	2,263	2,435	2,650	2,845
Police	570	496	480	479	-	-	-
Other	293	126	122	117	119	98	98
Total Scottish Government	11,143	11,461	11,269	11,346	10,083	9,793	9,877
Other government departments	-	-	-	-	-	-	-
Total Scotland	12,716	13,136	13,007	13,140	11,848	11,557	11,684
Wales							
Home Office							
Police	280	278	250	-	-	13	237
Other	-	-	1	-	-	15	-
Total Home Office	280	278	251	0	0	28	237
Work and Pensions							
Rent allowance	574	649	726	751	759	773	800
Rent rebates	241	235	218	225	226	228	232
Other	29	28	26	25	22	-	-
Total Work and Pensions	844	912	970	1,001	1,007	1,001	1,032
Welsh Assembly Government							
Non-domestic rate payments/Revenue Support Grant (3)	4,370	4,500	4,407	4,733	4,672	4,487	4,487
Other	739	957	767	1,242	1,314	843	1,019
Total Welsh Assembly Government	5,109	5,457	5,174	5,975	5,986	5,330	5,506
Other government departments	-	-	1	-	-	-	-
Total Wales	6,233	6,647	6,396	6,976	6,993	6,359	6,775
Northern Ireland							
Northern Ireland Executive	54	53	54	59	58	144	52
Total Northern Ireland	54	53	54	59	58	144	52
Total current finance	127,210	132,804	127,232	123,475	119,471	115,645	110,704

⁽¹⁾ As academies are now treated as part of central government, their expenditure falls within pay and procurement and is no longer recorded within grants for local government.

⁽²⁾ Introduced from 2013-14 to give local authorities the funding needed to discharge their public health responsibilities.

⁽³⁾ Responsibility for Council Tax Benefits has been transferred from 2013-14 from DWP to CLG Local Government, Scottish Government and the Welsh Assembly Government. It now appears within Revenue Support Grant.

⁽⁴⁾ Funding arrangements for police services have changed following police reform in April 2013, including the creation of a single police force (the Police Service of Scotland). From April 2013, funding for the single force comes mainly from the Scottish Government via the Scottish Police Authority.

⁽⁵⁾ By convention, non-domestic rates income (NDRI) in Scotland (equivalent to non-domestic rate payments in England and Wales) is shown in PESA as locally raised central government support, i.e. It is finance raised in Scotland rather than funding from Whitehall.

Table 7.3 Central government capital support for local government in the United Kingdom by country and departmental group, 2009-10 to 2015-16

	£ million						
	National Statistics						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
England							
Supported Capital Expenditure (Revenue) ⁽¹⁾							
Education	943	539	-	-	-	-	-
Transport	902	975	-	-	-	-	-
CLG Communities	1,265	946	-	-	-	-	-
Home Office	73	73	-	-	-	-	-
Total Supported Capital Expenditure (Revenue)	3,182	2,532	0	0	0	0	0
Capital grants							
Education	5,728	5,771	4,690	2,033	3,276	3,839	3,370
Health	257	182	155	128	248	267	-
Transport	1,268	1,139	2,789	3,044	3,373	3,218	4,047
CLG Communities	2,105	2,121	1,630	1,733	1,817	2,037	1,599
CLG Local Government	258	-68	-8	-	-	-	-
Business, Innovation and Skills	503	243	187	1	1	-	-
Home Office	236	206	169	174	155	40	103
Justice	-	1	-	-	-	-	-
Energy and Climate Change	47	-4	38	48	76	-5	-
Environment, Food and Rural Affairs	169	105	49	48	73	101	104
Culture, Media and Sport	145	-21	213	1,345	55	131	258
Work and Pensions	-	-	-	-	-	-	-
Cabinet Office	12	7	-	-	5	-	-
Total capital grants	10,730	9,683	9,912	8,553	9,078	9,627	9,480
Total England	13,912	12,215	9,912	8,553	9,078	9,627	9,480
Scotland							
Supported borrowing							
Scottish Government	328	330	20	16	-	-	-
Total supported borrowing	328	330	20	16	0	0	0
Capital grants							
Scottish Government	730	536	749	591	565	773	817
Total capital grants	730	536	749	591	565	773	817
Total Scotland	1,058	866	769	607	565	773	817
Wales							
Supported Capital Expenditure (Revenue)							
Welsh Assembly Government	162	163	120	107	89	96	90
Total Supported Capital Expenditure (Revenue)	162	163	120	107	89	96	90
Capital grants							
Home Office	8	7	5	0	0	128	0
Welsh Assembly Government	513	619	390	529	481	524	529
Total capital grants	521	626	395	529	481	652	529
Total Wales	684	790	515	637	569	747	619
Northern Ireland capital grants							
Northern Ireland Executive	3	16	3	3	2	3	3
Total Northern Ireland	3	16	3	3	2	3	3
Total United Kingdom	15,656	13,886	11,199	9,800	10,214	11,150	10,919

⁽¹⁾ A full definition of Supported Capital expenditure (SCR) is given in Annex G. This is equivalent to supported borrowing in Scotland.

Table 7.4 Local government current and capital expenditure on services in the United Kingdom by function, 2009-10 to 2013-14

	£ million				
	National Statistics				
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans
Current					
1. General public services	4,420	4,126	3,978	4,031	4,050
<i>of which: public and common services</i>	4,241	3,909	3,685	3,726	3,688
<i>of which: public sector debt interest ⁽¹⁾</i>	179	217	293	305	362
2. Defence	64	62	53	53	60
3. Public order and safety ⁽²⁾	16,256	16,298	16,104	15,761	14,207
4. Economic affairs	7,117	6,575	5,730	5,029	4,834
<i>of which: enterprise and economic development</i>	1,676	1,640	1,112	906	770
<i>of which: agriculture, fisheries and forestry</i>	79	74	74	78	98
<i>of which: transport</i>	5,362	4,861	4,544	4,045	3,966
5. Environment protection	5,627	5,639	5,649	5,657	5,888
6. Housing and community amenities	3,249	2,782	2,564	2,497	2,501
7. Health	82	232	168	139	2,745
8. Recreation, culture and religion	4,339	4,189	3,983	3,898	3,648
9. Education	48,512	49,016	45,585	43,422	43,023
10. Social protection	49,418	50,980	52,170	53,330	53,915
Total local government current expenditure on services	139,084	139,899	135,983	133,816	134,871
Accounting adjustments	16,878	18,874	16,862	15,807	15,795
Total local government current expenditure	155,962	158,773	152,845	149,623	150,666
Capital					
1. General public services	1,163	1,028	907	965	1,413
<i>of which: public and common services</i>	1,163	1,028	907	965	1,413
3. Public order and safety ⁽²⁾	928	828	665	639	782
4. Economic affairs	4,770	4,820	4,399	3,876	4,932
<i>of which: enterprise and economic development</i>	320	340	240	82	197
<i>of which: employment policies</i>	-	-	-	-	-
<i>of which: agriculture, fisheries and forestry</i>	118	121	97	82	154
<i>of which: transport</i>	4,332	4,359	4,062	3,712	4,581
5. Environment protection	471	503	463	534	833
6. Housing and community amenities	1,814	1,459	1,321	2,166	2,378
7. Health	58	38	31	27	7
8. Recreation, culture and religion	1,530	1,353	1,393	1,188	1,465
9. Education	6,621	6,866	6,430	5,212	5,330
10. Social protection	376	298	222	195	458
Total local government capital expenditure on services	17,731	17,193	15,830	14,802	17,598
Accounting adjustments	554	704	1,814	3,057	-707
Total local government capital expenditure	18,285	17,897	17,644	17,859	16,891
Total local government expenditure	174,247	176,670	170,489	167,482	167,557

⁽¹⁾ This excludes all intra-public sector payments of debt interest.

⁽²⁾ Funding arrangements for police services have changed following police reform in April 2013, including the creation of a single police force (the Police Service of Scotland). From April 2013, funding for the single force comes mainly from the Scottish Government via the Scottish Police Authority.

Table 7.5 Local government current expenditure on services in the United Kingdom by country and function, 2009-10 to 2013-14

	National Statistics					£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	
England						
1. General public services	3,451	3,195	2,856	2,948	3,056	
<i>of which: public and common services</i>	3,451	3,195	2,856	2,948	3,056	
2. Defence	56	54	45	45	52	
3. Public order and safety	14,280	14,187	13,849	13,527	13,416	
4. Economic affairs	6,038	5,443	4,571	3,831	3,804	
<i>of which: enterprise and economic development</i>	1,333	1,275	748	556	404	
<i>of which: agriculture, fisheries and forestry</i>	67	61	61	65	81	
<i>of which: transport</i>	4,638	4,107	3,762	3,210	3,319	
5. Environment protection	4,495	4,486	4,488	4,475	4,722	
6. Housing and community amenities	2,748	2,461	2,189	2,108	2,057	
7. Health ⁽¹⁾	30	180	116	89	2,699	
8. Recreation, culture and religion	3,254	3,096	2,856	2,772	2,624	
9. Education	41,323	41,756	38,409	36,191	35,775	
10. Social protection	42,268	43,695	44,938	45,561	46,057	
Total England	117,942	118,552	114,318	111,547	114,261	
Scotland						
1. General public services	613	552	663	597	399	
<i>of which: public and common services</i>	613	552	663	597	399	
2. Defence	5	5	4	4	4	
3. Public order and safety ⁽²⁾	1,175	1,318	1,474	1,458	-	
4. Economic affairs	721	762	815	873	725	
<i>of which: enterprise and economic development</i>	216	231	237	238	266	
<i>of which: agriculture, fisheries and forestry</i>	7	7	7	7	10	
<i>of which: transport</i>	498	524	571	628	449	
5. Environment protection	620	629	639	641	641	
6. Housing and community amenities	179	161	101	134	143	
8. Recreation, culture and religion	604	591	640	633	590	
9. Education	4,636	4,674	4,578	4,600	4,608	
10. Social protection	4,693	4,766	4,584	5,020	5,058	
Total Scotland	13,246	13,458	13,500	13,960	12,168	
Wales						
1. General public services	178	162	167	180	233	
<i>of which: public and common services</i>	178	162	167	180	233	
2. Defence	3	4	3	4	5	
3. Public order and safety	800	792	780	776	791	
4. Economic affairs	338	350	322	301	286	
<i>of which: enterprise and economic development</i>	106	114	106	88	80	
<i>of which: agriculture, fisheries and forestry</i>	6	6	5	6	7	
<i>of which: transport</i>	226	230	211	207	199	
5. Environment protection	341	351	347	363	353	
6. Housing and community amenities	221	174	167	164	165	
8. Recreation, culture and religion	294	285	282	278	264	
9. Education	2,553	2,586	2,598	2,631	2,640	
10. Social protection	2,458	2,519	2,649	2,750	2,800	
Total Wales	7,187	7,223	7,315	7,447	7,535	
Total Great Britain	138,375	139,233	135,133	132,954	133,964	
Northern Ireland						
4. Economic affairs	21	20	20	23	20	
<i>of which: enterprise and economic development</i>	21	20	20	23	20	
5. Environment protection	170	173	175	178	172	
6. Housing and community amenities	100	-13	106	91	136	
7. Health	52	52	52	50	46	
8. Recreation, culture and religion	187	218	204	215	171	
Total Northern Ireland	529	449	558	557	545	
Debt interest ⁽³⁾	179	217	293	305	362	
Total local government current expenditure on services	139,083	139,899	135,984	133,816	134,871	
Accounting adjustments	16,879	18,874	16,861	15,807	15,795	
Total local government current expenditure	155,962	158,773	152,845	149,623	150,666	

⁽¹⁾ Public Health Grant Introduced from 2013-14 to give local authorities the funding needed to discharge their public health responsibilities.

⁽²⁾ Funding arrangements for police services have changed following police reform in April 2013, including the creation of a single police force (the Police Service of Scotland). From April 2013, funding for the single force comes mainly from the Scottish Government via the Scottish Police Authority.

⁽³⁾ Debt interest is not allocated to individual countries, so is only included in the total UK figures. It excludes all intra-public sector debt interest payments.

Table 7.6 Local government gross⁽¹⁾ capital expenditure on services in the United Kingdom by country and function, 2009-10 to 2013-14

	National Statistics					£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	
England						
1. General public services	1,319	1,091	1,111	1,191	1,836	
<i>of which: public and common services</i>	1,319	1,091	1,111	1,191	1,836	
3. Public order and safety	893	797	675	673	834	
4. Economic affairs	4,115	4,174	3,855	3,266	4,330	
<i>of which: enterprise and economic development</i>	292	301	359	183	269	
<i>of which: employment policies</i>	-	-	-	-	-	
<i>of which: agriculture, fisheries and forestry</i>	69	70	73	50	100	
<i>of which: transport</i>	3,754	3,803	3,423	3,033	3,961	
5. Environment protection	377	427	395	432	725	
6. Housing and community amenities	1,725	1,532	1,224	2,048	2,282	
7. Health	57	38	29	25	-	
8. Recreation, culture and religion	1,265	1,139	1,097	874	1,293	
9. Education	6,164	6,370	5,693	4,703	4,801	
10. Social protection	335	274	223	182	437	
Total England	16,249	15,842	14,304	13,394	16,538	
Scotland						
1. General public services	166	169	141	124	191	
<i>of which: public and common services</i>	166	169	141	124	191	
3. Public order and safety ⁽²⁾	63	56	74	67	-	
4. Economic affairs	681	536	616	646	614	
<i>of which: enterprise and economic development</i>	133	92	97	93	81	
<i>of which: agriculture, fisheries and forestry</i>	64	51	52	57	67	
<i>of which: transport</i>	484	393	467	496	466	
5. Environment protection	66	57	53	72	81	
6. Housing and community amenities	68	56	36	43	21	
8. Recreation, culture and religion	223	201	252	264	127	
9. Education	416	410	585	513	493	
10. Social protection	59	50	46	73	99	
Total Scotland	1,742	1,534	1,805	1,801	1,627	
Wales						
1. General public services	51	55	47	68	32	
<i>of which: public and common services</i>	51	55	47	68	32	
3. Public order and safety	45	53	38	34	85	
4. Economic affairs	228	255	236	247	248	
<i>of which: enterprise and economic development</i>	21	29	18	15	11	
<i>of which: agriculture, fisheries and forestry</i>	8	20	18	10	10	
<i>of which: transport</i>	199	206	200	222	227	
5. Environment protection	31	31	28	36	17	
6. Housing and community amenities	153	164	185	192	196	
8. Recreation, culture and religion	55	50	63	72	59	
9. Education	214	232	259	267	262	
10. Social protection	22	22	19	23	17	
Total Wales	799	863	875	940	917	
Total Great Britain	18,790	18,239	16,984	16,135	19,082	
Northern Ireland						
4. Economic affairs	-	1	1	2	19	
<i>of which: enterprise and economic development</i>	-	1	1	2	19	
5. Environment protection	8	10	9	13	15	
6. Housing and community amenities	30	15	25	22	33	
7. Health	1	1	2	4	7	
8. Recreation, culture and religion	40	44	53	59	113	
Total Northern Ireland	79	71	89	99	187	
Total United Kingdom	18,869	18,310	17,073	16,234	19,269	
Memorandum						
United Kingdom gross capital expenditure, from above	18,869	18,310	17,073	16,234	19,269	
United Kingdom capital receipts (see table 7.7)	-1,138	-1,116	-1,244	-1,431	-1,671	
Total local government net capital expenditure on services	17,731	17,194	15,829	14,803	17,598	
Accounting adjustments	554	703	1,815	3,056	-707	
Total local government net capital expenditure	18,285	17,897	17,644	17,859	16,891	

⁽¹⁾ 'Gross' - before sales of capital assets and depreciation.

⁽²⁾ Funding arrangements for police services have changed following police reform in April 2013, including the creation of a single police force (the Police Service of Scotland). From April 2013, funding for the single force comes mainly from the Scottish Government via the Scottish Police Authority.

Table 7.7 Local government capital receipts within expenditure on services in the United Kingdom by country and function, 2009-10 to 2013-14

	National Statistics					£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	
England						
1. General public services	227	251	365	380	592	
<i>of which: public and common services</i>	227	251	365	380	592	
3. Public order and safety	67	72	116	126	134	
4. Economic affairs	228	120	285	261	234	
<i>of which: enterprise and economic development</i>	101	60	216	189	142	
<i>of which: employment policies</i>	-	-	-	-	-	
<i>of which: agriculture, fisheries and forestry</i>	23	20	47	36	23	
<i>of which: transport</i>	104	40	22	36	69	
5. Environment protection	6	17	19	16	3	
6. Housing and community amenities	129	282	130	124	139	
8. Recreation, culture and religion	22	51	54	60	97	
9. Education	166	112	81	265	207	
10. Social protection	37	44	62	76	90	
Total England	883	949	1,111	1,307	1,496	
Scotland						
1. General public services	142	19	16	24	31	
<i>of which: public and common services</i>	142	19	16	24	31	
3. Public order and safety	4	4	5	7	-	
4. Economic affairs	10	20	15	16	20	
<i>of which: enterprise and economic development</i>	9	18	9	13	16	
<i>of which: agriculture, fisheries and forestry</i>	-	-	-	-	-	
<i>of which: transport</i>	1	2	6	3	4	
5. Environment protection	1	1	1	-	1	
6. Housing and community amenities	1	-	6	2	3	
8. Recreation, culture and religion	2	12	1	1	1	
9. Education	4	19	20	6	7	
10. Social protection	-	2	3	3	4	
Total Scotland	164	76	66	59	68	
Wales						
1. General public services	4	17	12	14	23	
<i>of which: public and common services</i>	4	17	12	14	23	
3. Public order and safety	1	3	1	2	3	
4. Economic affairs	17	4	9	6	11	
<i>of which: enterprise and economic development</i>	16	4	9	6	11	
<i>of which: agriculture, fisheries and forestry</i>	-	-	-	-	-	
<i>of which: transport</i>	1	-	-	-	-	
5. Environment protection	-	-	-	-	-	
6. Housing and community amenities	20	8	10	4	7	
8. Recreation, culture and religion	1	1	1	1	-	
9. Education	3	15	7	1	12	
10. Social protection	2	2	1	3	-	
Total Wales	48	50	42	32	57	
Total Great Britain	1,095	1,075	1,219	1,398	1,621	
Northern Ireland						
4. Economic affairs	-	1	2	2	15	
<i>of which: enterprise and economic development</i>	-	1	2	2	15	
5. Environment protection	4	4	2	2	2	
6. Housing and community amenities	11	18	5	7	6	
7. Health	-	2	-	1	-	
8. Recreation, culture and religion	27	17	16	20	29	
Total Northern Ireland	43	41	25	33	51	
Total United Kingdom capital receipts	1,138	1,116	1,244	1,431	1,671	

Table 7.8 Local government expenditure on services in the United Kingdom by country and economic category, 2009-10 to 2013-14

	National Statistics					£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 plans	
England						
Pay	64,836	65,214	60,118	55,861	55,080	
Gross current procurement	57,483	56,491	54,970	55,070	57,918	
Income from sales of goods and services	-25,680	-25,635	-24,466	-24,258	-23,660	
Subsidies to private sector companies	2,127	1,963	1,794	1,438	1,409	
Subsidies to public corporations	33	15	14	15	15	
Current grants to persons and non-profit bodies	19,144	20,504	21,888	23,421	23,500	
Gross capital procurement	14,531	14,440	13,137	11,263	15,127	
Income from sales of capital assets	-883	-949	-1,111	-1,307	-1,496	
Capital grants	1,718	1,403	1,167	2,130	1,411	
Total England	133,309	133,445	127,511	123,633	129,304	
Scotland						
Pay	7,472	7,543	7,134	7,180	5,662	
Gross current procurement	6,639	6,597	6,544	6,851	6,388	
Income from sales of goods and services	-2,525	-2,445	-2,005	-1,965	-1,724	
Subsidies to public corporations	103	102	100	107	85	
Current grants to persons and non-profit bodies	1,556	1,661	1,728	1,789	1,758	
Gross capital procurement	1,693	1,493	1,775	1,777	1,616	
Income from sales of capital assets	-164	-76	-66	-59	-68	
Capital grants	48	41	30	24	10	
Total Scotland	14,824	14,915	15,239	15,702	13,727	
Wales						
Pay	3,905	4,084	4,029	4,012	4,116	
Gross current procurement	3,738	3,602	3,671	3,795	3,888	
Income from sales of goods and services	-1,290	-1,355	-1,340	-1,352	-1,457	
Current grants to persons and non-profit bodies	834	893	956	991	987	
Gross capital procurement	708	764	784	849	827	
Income from sales of capital assets	-48	-50	-42	-32	-57	
Capital grants	91	98	91	91	90	
Total Wales	7,938	8,036	8,148	8,355	8,394	
Great Britain						
Pay	76,213	76,840	71,280	67,053	64,859	
Gross current procurement	67,861	66,690	65,184	65,716	68,194	
Income from sales of goods and services	-29,495	-29,435	-27,811	-27,575	-26,840	
Subsidies to private sector companies	2,127	1,963	1,794	1,438	1,409	
Subsidies to public corporations	136	117	114	121	99	
Current grants to persons and non-profit bodies	21,533	23,057	24,571	26,201	26,244	
Gross capital procurement	16,932	16,697	15,696	13,889	17,570	
Income from sales of capital assets	-1,095	-1,076	-1,218	-1,398	-1,620	
Capital grants	1,857	1,542	1,288	2,245	1,511	
Total Great Britain	156,070	156,396	150,898	147,690	151,425	
Northern Ireland						
Pay	294	286	292	291	312	
Gross current procurement	389	411	410	444	402	
Income from sales of goods and services	-154	-248	-144	-177	-169	
Gross capital procurement	79	71	89	99	187	
Income from sales of capital assets	-43	-41	-25	-33	-51	
Total Northern Ireland	565	480	622	624	681	
United Kingdom						
Pay	76,507	77,126	71,572	67,344	65,171	
Gross current procurement	68,250	67,102	65,594	66,160	68,596	
Income from sales of goods and services	-29,649	-29,683	-27,956	-27,752	-27,009	
Subsidies to private sector companies	2,127	1,963	1,794	1,438	1,409	
Subsidies to public corporations	136	117	114	121	99	
Current grants to persons and non-profit bodies	21,533	23,057	24,571	26,201	26,244	
Local government debt interest (1)	179	217	293	305	362	
Gross capital procurement	17,012	16,768	15,785	13,988	17,758	
Income from sales of capital assets	-1,138	-1,116	-1,244	-1,431	-1,671	
Capital grants	1,857	1,542	1,288	2,245	1,511	
Total local government expenditure on services	156,814	157,093	151,811	148,619	152,470	
Accounting adjustments	17,433	19,577	18,678	18,863	15,087	
Total local government expenditure	174,247	176,670	170,489	167,482	167,557	

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

8

Public corporations

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

8.2 Outturn data in this chapter up to 2013-14 are National Statistics.

What's new

8.3 There have been no significant changes to the presentation of data within this chapter since PESA 2013.

Definition of public corporations

8.4 Public corporation is a term from National Accounts, which are based on the European System of Accounts (ESA95). The Office for National Statistics (ONS) therefore determines which bodies are public corporations. A body will be classified as a public corporation where:

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

Self financing public corporations (SFPCs)

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

8.6 SFPCs normally score in departmental AME rather than in DEL – though any subsidies and grants exceptionally paid to them would score in DEL. They also have greater and more individually tailored financial flexibilities. Some SFPCs are also trading funds.

Trading funds

8.7 Where activities of a government department generate income from the supply of goods and services, those parts of the department may be designated trading funds by Parliament on the application of the Government. Trading funds may keep unspent funds from one year to the next without having to surrender surpluses to the Exchequer at the end of each year.

8.8 Most trading funds are classified by ONS as public corporations in the National Accounts. DVLA is the only trading fund that is treated as a central government body in the National Accounts, and therefore in PESA.

8.9 Trading funds are not directly subject to central government administration costs controls. The budgeting treatment of trading funds that are public corporations is normally the same as that of other public corporations.

The budgeting control framework

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

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

8.11 The **Crown Estate** is an SFPC. Uniquely the routine subsidy that is paid to it to cover administration costs is in AME rather than DEL, and the dividends that the Treasury receives from it are recorded outside budgets.

8.12 When PCs are government departments in their own right, as is the case for some trading funds, they will normally be assigned a parent department for budgeting purposes, and the budgetary scoring described above will apply.

8.13 Public corporations controlled by local government include the businesses reporting to Transport for London and local authority airports such as Manchester. DEL and departmental AME include central government support to local government (in **Chapter 7**), some of which may be used by them to support public corporations. However, this is not identified in PESA as relating to public corporations. Therefore the whole of their capital expenditure is included in the public corporations' ownfinanced capital expenditure line in other AME. They are also included in the bottom line of **Tables 8.1, 8.3, 8.4 and 8.5**, which show the total contribution of all public corporations' own expenditure to Total Managed Expenditure (TME).

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

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

8.15 Grants and subsidies in budgets also include those paid to public corporations under schemes that are generally available to the private sector. Any loans between departments and their PCs that are written off by mutual consent will also be shown here.

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

The National Accounts

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

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

8.18 TME is a consolidated measure of public expenditure and so most transfers between different sectors are excluded. This applies to capital grants and net lending paid by central government to public corporations, and interest and dividend flows between general government and public corporations. However, payments of subsidies to, and purchases of goods and services from, public corporations form part of TME as the use of this funding feeds into the calculation of public corporations' gross trading surplus, which scores as an income (or revenue) item in the public sector accounts.

8.19 Grants and subsidies given by public corporations to the private sector and overseas, including debt write-offs by mutual consent, are imputed to general government expenditure in National Accounts, as grant-giving is not held to be a normal function of a commercial body.

8.20 Note that the impact of public corporations on departmental budgets differs from their impact on TME. Accounting adjustments are used to move from DEL plus departmental AME plus ownfinanced capital expenditure (other AME) to TME (see **Annex D** for a full explanation of the accounting adjustments).

8.21 **Table 8.3** shows the capital expenditure of each major public corporation sponsored by a central government department, and of the biggest public corporations accountable to local government. It also identifies those that are self-financing public corporations or trading funds. The table does not identify separately small public corporations controlled by central government departments nor most public corporations under local authority control – their capital expenditure is included in the accounting adjustments. The figures include the purchase of assets, less sales, plus any capital grants paid by a public corporation net of any received from the private sector or abroad.

8.22 **Tables 8.4 and 8.5** show the capital expenditure from **Table 8.3** broken down by function and economic category respectively. They also include the debt interest payments to the private sector, which is the only public corporation current spending that forms part of TME.

Sources of data and data quality

8.23 Information in **Tables 8.1 and 8.2** forms part of departments' budgets and so should be of good quality. **Annex A** has more information.

8.24 Information on public corporations' capital expenditure is largely sourced from public corporations by departments who in turn supply the data to the Treasury. Our aim is to publish capital spending data for all public corporations accountable to Ministers. However, information is provided by departments primarily for PESA and does not form part of a control total. The only appearance in a departmental publication will normally be within the regional expenditure tables in departmental reports. Information in **Tables 8.3 to 8.5** may therefore not be as up to date or accurate as the information in the other tables in this chapter.

Further Information

8.25 More information is available in the departmental reports of government departments and in the annual reports and accounts of individual public corporations. A fuller list of public corporations is available on the ONS website¹ in Sector classification for the National Accounts.

¹ http://www.statistics.gov.uk/downloads/theme_economy/MA23.xls

Table 8.1 Public corporations' contribution to budgets and Total Managed Expenditure⁽¹⁾, 2009-10 to 2015-16

	National Statistics						£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
Resource DEL							
CG dividends from PCs (-)	-64	-89	-94	-78	-93	-38	-102
CG interest from PCs (-)	-94	-101	-102	-103	-103	-99	-101
Subsidies to PCs	1,058	1,247	1,138	1,707	1,086	898	972
Loans written off – mutual consent	-	-	-	-	-	-	-
Total resource DEL	900	1,056	942	1,527	891	762	769
Resource departmental AME							
CG dividends from PCs (-)	-119	-88	-66	-160	-73	-34	-150
CG interest from PCs (-)	-79	-18	-15	-100	-55	-6	-5
Subsidies to PCs	-177	-658	-776	-83	-70	-54	-53
Loans written off – mutual consent	-	-	-	-	-	-	-
Total resource departmental AME	-375	-765	-857	-342	-199	-94	-208
Total public corporations' contribution to resource budget	525	291	85	1,185	692	668	562
Capital DEL							
CG investment grants to PCs	733	391	330	289	299	84	211
Net lending to PCs	185	-199	-44	31	-89	-121	150
Market and overseas borrowing	-86	-5	-18	-16	-5	23	-4
Total capital DEL	832	187	268	304	206	-14	357
Capital departmental AME							
Net lending to PCs	97	-361	187	-198	-797	-22	426
Total capital departmental AME	97	-361	187	-198	-797	-22	426
Total public corporations' contribution to capital budget	929	-173	455	106	-591	-36	782
Other AME							
PC own-financed capital expenditure ⁽²⁾	8,191	9,302	6,958	7,081	8,197	7,519	7,594
Accounting adjustments	-195	250	230	-952	-445	-847	-1,568
Public corporations' expenditure in TME ⁽³⁾	9,450	9,670	7,728	7,420	7,853	7,304	7,370
<i>of which:</i>							
PC current expenditure in TME	298	509	315	233	287	324	359
PC gross investment in TME	9,152	9,161	7,413	7,187	7,566	6,980	7,011

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

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

⁽³⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

Table 8.2 Public corporations' contribution to budgets by departmental group,⁽¹⁾ 2009-10 to 2015-16

	National Statistics						£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
Resource DEL							
Health	-1	-2	10	70	92	62	62
Transport	72	50	-1	12	6	26	21
Communities and Local Government	38	20	24	-3	-2	-2	-2
Business, Innovation and Skills	141	230	153	314	310	315	220
Defence	-23	-33	-35	-34	-51	-	-46
Foreign and Commonwealth Office	193	187	179	166	157	149	149
Environment, Food and Rural Affairs	49	37	36	32	19	35	35
Culture, Media and Sport	-	83	75	523	3	3	-
Work and Pensions	117	174	206	141	120	86	97
Scotland	4	12	21	48	31	15	18
Wales	3	-	-	-	-1	1	-
Northern Ireland	306	299	275	260	210	74	216
Chancellor's Departments	-	-	-	-	-	-	-
Cabinet Office	-	-2	-2	-3	-3	-2	-
Small and Independent Bodies	-	-	-	-	-	-	-
Total resource DEL	900	1,056	942	1,527	891	762	769
Resource departmental AME							
Communities and Local Government	-86	-582	-704	-13	-	-	-
Business, Innovation and Skills	-24	-23	-29	-133	-46	-	-
Energy and Climate Change	-	-	-	-	-	-	-
Culture, Media and Sport	-	-	-	-58	-	-	-
Wales	-93	-79	-74	-72	-73	-56	-55
Chancellor's Departments	-97	-67	-40	-59	-73	-34	-150
Small and Independent Bodies	-74	-14	-10	-7	-7	-4	-2
Total resource departmental AME	-375	-765	-857	-342	-199	-94	-208
Total public corporations' contribution to resource budget	525	291	85	1,185	692	668	562
Capital DEL							
Health	-	-	-10	7	-34	11	-
Transport	186	-242	-37	-28	-16	11	-16
Communities and Local Government	2	3	14	-11	-	21	46
Business, Innovation and Skills	59	76	5	6	128	-	-
Home Office	-	29	-	-	-	-	-
Defence	-55	-72	-5	-6	-6	-177	-
Foreign and Commonwealth Office	36	30	23	6	5	5	5
Environment, Food and Rural Affairs	25	18	18	14	-	19	19
Culture, Media and Sport	-	-	-47	47	-	-	-
Work and Pensions	7	2	1	-	-	-	-
Scotland	252	135	84	158	57	150	179
Wales	99	5	-11	-9	-3	-	-
Northern Ireland	221	203	231	121	74	-54	124
Total capital DEL	832	187	268	304	206	-14	357
Capital departmental AME							
Health	-1	-	-	-	-	-	-
Business, Innovation and Skills	260	-261	239	-157	-764	-	450
Small and Independent Bodies	-162	-100	-52	-40	-34	-22	-24
Total capital departmental AME	97	-361	187	-198	-797	-22	426
Total public corporations' contribution to capital budget	929	-173	455	106	-591	-36	782
Total public corporations' contribution to budgets	1,454	118	540	1,291	100	633	1,344

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

Table 8.3 Public corporations' capital expenditure on services, 2009-10 to 2015-16

	National Statistics					£ million	
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
Health							
Medicines and Healthcare Products Regulatory Agency ⁽¹⁾	8	18	3	5	#	#	#
NHS Estates ⁽¹⁾	17	8	7	-	#	#	#
NHS Blood and Transplant	-	-	-	-	#	#	#
Total Health	25	27	11	5	#	#	#
Transport							
Civil Aviation Authority	4	-	1	2	#	#	#
Driving Standards Agency ⁽¹⁾	-	12	6	3	#	#	#
Vehicle and Operator Services Agency ⁽¹⁾	10	1	3	5	#	#	#
Total Transport	14	13	9	9	#	#	#
Communities and Local Government							
Fire Service College ⁽¹⁾	-	1	2	2	-	-	-
QEII Conference Centre ⁽¹⁾	1	-	-	-	1	1	-
Total Department for Communities and Local Government	1	1	2	2	1	1	0
Business, Innovation and Skills							
UK Intellectual Property Office	4	2	2	1	1	1	1
British Nuclear Fuels Limited ⁽⁵⁾	-	-	-	-	-	-	-
Companies House ⁽¹⁾	8	9	3	5	-2	-2	-2
Royal Mail Holdings ⁽⁵⁾	347	201	198	243	*	*	*
Ordnance Survey ⁽¹⁾	117	26	9	15	20	20	-
Meteorological Office ⁽¹⁾	26	26	27	27	-	-	-
Total Business, Innovation and Skills	503	265	238	291	*	*	*
Home Office							
Forensic Science Service ⁽¹⁾	4	4	1	#	#	#	#
Total Home Office	4	4	1	#	#	#	#
Justice							
Land Registry ⁽¹⁾	15	-29	13	9	3	-4	6
Total Justice	15	-29	13	9	3	-4	6
Defence							
Army Base Repair Organisation ⁽¹⁾	7	7	7	7	7	7	7
Defence Aviation Repair Agency ⁽¹⁾	-	-	-	-	-	-	-
Defence Science and Technology Laboratory ⁽¹⁾	41	41	41	41	41	41	41
Hydrographic Office ⁽¹⁾	8	8	8	8	8	8	8
Navy, Army and Air Force Institute	3	3	3	3	3	3	3
QinetiQ ⁽⁵⁾	-	-	-	-	-	-	-
Total Defence	59	59	59	59	59	59	59
Foreign and Commonwealth Office							
British Council	7	8	7	23	-	10	-
Total Foreign and Commonwealth Office	7	8	7	23	-	10	-
International Development							
CDC Group ⁽⁵⁾	79	6	7	3	*	*	*
Actis ⁽⁵⁾	1	-	-	-	*	*	*
Total International Development	80	6	7	3	*	*	*
Environment Food and Rural Affairs							
Covent Garden Market Authority	-18	1	-	-	-	1	1
Total Environment Food and Rural Affairs	-18	1	-	-	-	1	1
Culture Media and Sport							
Channel Four Television Corporation ⁽⁵⁾	-4	6	15	9	#	#	#
Historic Royal Palaces Trust	-	-	-	-	#	#	#
Tote ⁽⁵⁾	16	17	-	-	#	#	#
Total Culture Media and Sport	12	22	15	9	#	#	#

Table 8.3 Public corporations' capital expenditure on services, 2009-10 to 2015-16 (continued)

	National Statistics						£ million	
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans	
Work and Pensions								
Reemploy	10	2	1	1	-	1	*	
Pension Protection Fund	2	-	-	-	-	-	*	
National Employment Savings Trust	-	1	17	10	-	5	*	
Total Work and Pensions	12	3	18	11	0	6	*	
Scotland								
Caledonian MacBrayne	6	6	6	1	#	#	#	
Forest Enterprise	5	7	5	-	#	#	#	
Scottish Water	648	443	491	-	#	#	#	
Total Scotland	659	455	502	1	#	#	#	
Northern Ireland								
Northern Ireland Driver and Vehicle Testing Agency ⁽¹⁾	1	3	-	3	1	2	2	
Northern Ireland Housing Executive	260	228	202	126	110	124	124	
Northern Ireland Public Trust Port Authority	-	-	34	42	10	59	25	
Northern Ireland Transport Holding Company	70	71	110	60	30	40	94	
Northern Ireland Water	-	-	-	-	-	-	-	
Total Northern Ireland	332	301	345	232	151	224	244	
Chancellor's Departments								
Crown Estate ⁽⁵⁾	-28	191	-216	11	*	*	*	
Royal Mint ⁽⁵⁾⁽⁷⁾	-	-	-	-	-	-	-	
Total Chancellor's Departments	-28	191	-216	11	*	*	*	
Local Government								
London Underground Limited	1,515	1,525	1,435	1,028	*	*	*	
England Housing Revenue Account	3,276	2,894	1,930	1,915	3,398	1,659	1,712	
Scotland Housing Revenue Account	430	480	553	565	603	295	304	
Wales Housing Revenue Account	121	120	140	136	159	78	80	
Total Local Government	5,341	5,019	4,059	3,644	*	*	*	
Total public corporations' capital expenditure on services	7,016	6,346	5,070	4,309	5,858	4,398	4,253	
Accounting Adjustments	2,136	2,815	2,343	2,878	1,708	2,582	2,758	
Total public corporations' capital expenditure ⁽¹⁾	9,152	9,161	7,413	7,187	7,566	6,980	7,011	

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

⁽¹⁾ Denotes public corporation with trading fund status.

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

⁽⁷⁾ This excludes the temporary effect of banks being classified to the public sector. See Box 5.A for details.

Table 8.4 Public corporations' current and capital expenditure on services by function, 2009-10 to 2015-16

	National Statistics						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
£ million							
Public corporations' current expenditure on services							
1. General public services	298	509	315	233	287	324	359
<i>of which: public sector debt interest</i>	298	509	315	233	287	324	359
Total public corporations' current expenditure on services	298	509	315	233	287	324	359
Accounting adjustments	-	-	-	-	-	-	-
Total public corporations' current expenditure	298	509	315	233	287	324	359
Public corporations' capital expenditure on services							
1. General public services	192	203	-163	72	24	32	6
<i>of which: public and common services</i>	105	189	-178	45	24	22	6
<i>of which: international services</i>	86	14	14	27	-	10	-
2. Defence	85	85	86	86	59	59	-
3. Public order and safety	4	5	3	2	-	-	-
4. Economic affairs	1,962	1,839	1,802	1,393	1,504	2,151	2,027
<i>of which: enterprise and economic development</i>	359	212	203	249	-1	212	212
<i>of which: employment policies</i>	10	2	1	1	-	1	-
<i>of which: agriculture, fisheries and forestry</i>	-13	7	5	-	-	-	-
<i>of which: transport</i>	1,606	1,618	1,593	1,144	1,504	1,938	1,814
5. Environment protection	-	-	-	-	-	-	-
6. Housing and community amenities	4,735	4,165	3,316	2,742	4,271	2,155	2,220
7. Health	25	27	11	-	-	-	-
8. Recreation, culture and religion	12	22	15	-	-	-	-
10. Social protection	2	0	0	0	-	0	-
Total public corporations' capital expenditure on services	7,016	6,346	5,070	4,309	5,858	4,398	4,253
Accounting adjustments	2,136	2,815	2,343	2,878	1,708	2,582	2,758
Total public corporations' capital expenditure	9,152	9,161	7,413	7,187	7,566	6,980	7,011

Table 8.5 Public corporations' current and capital expenditure by economic category, 2009-10 to 2015-16

	National Statistics							£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans	
Public corporations' current expenditure on services								
Public corporations' debt interest	298	509	315	233	287	324	359	
Total public corporations' current expenditure on services	298	509	315	233	287	324	359	
Accounting adjustments	-	-	-	-	-	-	-	
Total public corporations' current expenditure	298	509	315	233	287	324	359	
Public corporations' capital expenditure on services								
Gross capital procurement	7,874	7,378	6,590	5,436	6,343	4,416	4,254	
Income from sales of assets	-1,061	-1,223	-1,684	-1,229	-574	-123	-107	
Capital grants	203	191	164	102	89	105	105	
Total public corporations' capital expenditure on services	7,016	6,346	5,070	4,309	5,858	4,398	4,253	
Accounting adjustments	2,136	2,815	2,343	2,878	1,708	2,582	2,758	
Total public corporations' capital expenditure	9,152	9,161	7,413	7,187	7,566	6,980	7,011	
Total public corporations' expenditure on services	7,314	6,855	5,385	4,542	6,145	4,722	4,612	
Accounting adjustments	2,136	2,815	2,343	2,878	1,708	2,582	2,758	
Total public corporations' expenditure ⁽¹⁾	9,450	9,670	7,728	7,420	7,853	7,304	7,370	

⁽¹⁾ This excludes the temporary effect of banks being classified to the public sector. See Box 5.A for details.

9

Public expenditure by country, region and function

9.1 This chapter presents analyses of public expenditure by country, region and function. Data in this Chapter for all years are National Statistics. Readers need to bear in mind two points about this chapter.

9.2 The first is that most public spending is planned to benefit categories of individuals and enterprises irrespective of location, or where locations are prioritised using national criteria. The regional analyses presented in this chapter show where the individuals and enterprises that benefited from public spending were located. It does not mean that all such spending was planned to benefit a particular region because only a minority of public spending is planned on a regional basis.

9.3 The second point is that the information in **Chapters 9** and **10** was gathered in a separate data collection exercise during the summer of 2013. Therefore, the figures in these chapters are not entirely consistent with the figures in other PESA chapters. The data presented here is similar to that published on GOV.UK in the CRA National Statistics release from November 2013.¹ The main differences since that publication being:

- The most recently available mid year population estimates (see Annex F) have been used to produce **Chapter 9** and **10** “per head” data. Therefore users will notice differences in the “per head” tables between PESA and the November 2013 CRA release.
- GDP deflators (**Annex F**) as used throughout PESA 2014 have been applied to the **Chapter 9** ‘real terms’ tables. Again, users will notice differences between PESA and the CRA release
- TME and Debt interest figures used throughout PESA 2014 have also been included within the relevant **Chapter 9** tables. Once again there will be differences in comparison with the CRA release.

How public expenditure is planned and controlled

9.4 Public expenditure is planned and controlled on a departmental basis, except where devolved responsibility lies with the Scottish Government, Welsh Government or Northern Ireland Assembly, or with local government. This means that in several areas expenditure is planned on a UK wide or GB-wide basis rather than by reference to a single country. For example the Department for Work and Pensions (DWP) is responsible for the operation of the social security benefit system throughout Great Britain.

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

The tables

9.6 Most of the tables in this chapter provide an analysis of spending for the period 2008-09 to 2012-13. Information on methods and data quality is provided in the sections below.

¹ <https://www.gov.uk/government/publications/country-and-regional-analysis-2013>

9.7 **Table 9.1** shows identifiable public sector expenditure on services by country and region. **Table 9.2** shows this spending on a per head basis. **Table 9.3** is in real terms and **Table 9.4** shows this real terms spending on a per head basis.

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

9.9 **Table 9.15** shows identifiable public sector spending by function, country and region on a per head basis. **Table 9.16** shows these per head figures as percentages of the UK totals.

9.10 **Tables 9.17** to **9.20** provide a sectoral breakdown of **Tables 9.1** and **9.2**. **Table 9.17** shows the country and regional allocations of local government expenditure, and **Table 9.18** shows this on a per head basis. **Tables 9.19** and **9.20** show the equivalent presentations for combined central government and public corporation spending.

9.11 For Scotland, Wales and Northern Ireland, **Table 9.21** shows the relative contributions of the devolved administrations, Whitehall departments and local government under each functional heading. This table covers 2012-13 only.

9.12 A supplementary database and tables are available on GOV.UK alongside the November 2013 CRA release. This will include the information in **Table 9.21** for earlier years, whilst the interactive tables allow users to choose how they view the data.

Methods

The process of apportioning expenditure by country and region

9.13 In order to provide information on the allocation of expenditure by country and region, the Treasury asks the UK government departments and devolved administrations to undertake an annual statistical exercise.

- The exercise is based on devolved administration spending and the subset of departmental spending that can be identified as benefiting the population of individual regions. It asks departments and devolved administrations to apportion that spending between countries and regions following guidance issued by the Treasury.
- The Treasury then collates departments' returns and combines these with the known spending of local government to produce the analyses of public expenditure by country and region that are published in this release and in Departmental Reports.

9.14 The figures in this chapter include a wider coverage of expenditure for Scotland, Wales and Northern Ireland than that for which the devolved administrations and the Secretaries of State for Scotland, Wales and Northern Ireland are directly responsible.

Identifiable expenditure on services

9.15 The country and regional analyses are set within the overall framework of expenditure on services (TES), which broadly represents total current and capital spending of the public sector. See Annex E for further information on this framework. For the country and regional analyses, expenditure on services is divided into identifiable and non identifiable expenditure:

- Around 86 per cent of total expenditure on services is identifiable expenditure, which has been incurred for the benefit of individuals, enterprises or communities within particular regions. Examples are health, education, and social protection spending; and

- non identifiable expenditure, around the remaining 14 per cent of total expenditure on services is deemed to be incurred on behalf of the United Kingdom as a whole. Examples include the majority of expenditure on defence, overseas representation, and tax collection.

9.16 Where precise accounting data on the recipients' location are not available, allocation is based on other available information, following rules set down in the Treasury's guidance for departments. For example, administration costs incurred centrally in support of regional spending are attributed to regions in the same proportions as the spending that they support. In other cases, departments approximate regional benefits where the immediate beneficiaries' head office locations mask the final recipients' location.

9.17 Expenditure financed by EU receipts can be classified as identifiable or non-identifiable depending on the characteristics of the expenditure itself. Receipts from the EU are treated as non identifiable within TES. Consequently, regional expenditure includes the expenditure financed by EU receipts. Payments to the EU are attributed to 'outside UK' as these are transfer payments that the EU then spends.

How identifiable expenditure is attributed to countries and regions

9.18 Identifiable expenditure is attributed to a specific country or region using the 'for basis' wherever possible, which records the regions that benefited from the spending, or whom the spending was for, rather than simply the location where the spending took place (the 'in' basis). Where it is not possible to allocate spending to regions on a 'for basis', the 'in' basis is used instead. For most spending the 'for' and the 'in' bases would in practice offer the same result.

9.19 A number of issues can be identified limiting the ability to offer a complete picture of 'who benefits':

- practical difficulties: for example, schools are not used solely by the residents of the region in which the facility is located. Definitional and border problems become increasingly significant the smaller the geographical unit considered;
- conceptual problems: for example, agricultural support is treated as benefiting the farmers who receive subsidies rather than the final consumers of food; and
- data collection issues: departments are encouraged but not required to allocate spending on the basis of 'who benefits'. If spending is not significant (less than £20m annually on capital or current) and/or relevant data for allocating this to regions are not available, departments may use some statistical proxy instead. This might include using straight population shares, or using the same regional allocation proportions as other related spending. It is not considered practical or cost effective to collect local government spending data on the basis of 'who benefits'. Instead, local government spending is assumed to benefit the area where the expenditure is incurred.

Data on public expenditure by country and region

9.20 The tables present the spending attributed to the English regions alongside the spending attributed to Scotland, Wales and Northern Ireland. Although the figures are comparable, care is still needed when making comparisons because of the different scope of public sector activities in different countries. For example, water supply is a public sector function in Scotland and Northern Ireland, but is in the private sector in England and Wales.

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

9.22 Subsequent inconsistencies between the CRA and earlier chapters in PESA reflect updates that have been made by departments and local authorities since the summer of 2013.

9.23 Information on local government spending in the CRA is based on data supplied by the departments for Communities and Local Government (CLG), Education (DfE), and Work and Pensions (DWP), as well as the devolved administrations. English local government spending is attributed to regions by the Treasury using information supplied by CLG.

Data quality

9.24 The CRA is intended to give a broad picture of relative spending for the benefit of different regions and countries. Small differences in regional spending should not be treated as significant.

9.25 In order not to overstate the accuracy of the numbers provided, CRA data is rounded to the nearest £1 million. The CRA will be subject to imprecision because:

- the concept of who benefits is open to interpretation;
- simplifying assumptions are made in order to reduce the reporting burden for government bodies;
- the robustness of allocation methods varies according to the availability of data. Public service pension spending can be allocated on the basis of the postcodes of recipients, giving a very accurate regional allocation. Other apportionments require a higher degree of estimation; and
- the Treasury asks the largest departments to allocate their spending by country and region, whereas spending for the remaining departments (de minimis) are pro-rated using the total expenditure of the larger departments.

9.26 Some of the steps that departments and the Treasury undertake to ensure that data is of sufficient quality to be used in the CRA include:

- the issuance of clear guidance by the Treasury to departments in order to obtain consistency where possible;
- meetings between departments and the Treasury to discuss methods of allocation;
- considerable resources devoted by departments to the work, including the involvement of statisticians in preparing their returns to the Treasury. The return is signed off by a statistician, finance director, or a senior accountant in the department as being produced in accordance with the CRA guidance, and where applicable accompanied by a statement on data quality (see below); and
- for many departments, an extract from the CRA appears in their Departmental Report, providing them with a direct interest in the quality of the data that they supply.

9.27 In their accompanying statements on data quality some departments have identified areas of their CRA return where methods have been used that are either provisional or do not fully meet the methodology set out in the CRA guidance. Specific comments made by departments on data quality are:

- Department for Transport – a robust methodology is not available to allocate all expenditure to regions on a ‘who benefits’ basis. This is particularly a problem for spending on motorways and trunk roads (by the Highways Agency) and on the rail network, which in total comprises the majority of DfT expenditure. As in previous years, this expenditure is therefore allocated on an ‘in’ basis;

- Department for Culture, Media and Sport – while some NDPBs allocated the spending to the region where it took place, others used visitor survey data or other proxies to estimate regional allocations. Inconsistencies occurred in the treatment of survey data for visitors from 'outside UK'. This mostly affects the recreation, culture and religion function;
- Department for Education – for several of their programmes, DfE have changed their methodology for allocating pupil funding. Previously, they were using mid-year estimates for the general population as their allocation method, but for this publication they are using the pupil population in state schools.

Table 9.2 Total identifiable expenditure on services by country and region, per head 2008-09 to 2012-13

	£ per head						Index (UK identifiable expenditure = 100)					
	National Statistics			National Statistics			National Statistics			National Statistics		
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		
North East	8,930	9,547	9,583	9,189	9,419	110	110	110	106	107		
North West	8,551	9,122	9,171	9,003	9,252	105	105	105	104	105		
Yorkshire and the Humber	7,889	8,470	8,490	8,467	8,610	97	97	97	98	98		
East Midlands	7,385	7,964	7,970	7,937	8,118	91	91	91	92	92		
West Midlands	7,972	8,446	8,437	8,356	8,498	98	97	97	97	97		
East	7,116	7,808	7,830	7,689	7,865	87	90	90	89	89		
London	9,097	9,876	9,809	9,439	9,435	112	113	112	109	107		
South East	7,070	7,514	7,554	7,440	7,638	87	86	86	86	87		
South West	7,413	7,956	7,956	8,013	8,219	91	91	91	93	94		
England	7,911	8,498	8,508	8,368	8,529	97	97	97	97	97		
Scotland	9,332	9,841	9,868	9,941	10,152	115	113	113	115	116		
Wales	8,955	9,504	9,612	9,710	9,709	110	109	110	113	110		
Northern Ireland	9,996	10,506	10,572	10,665	10,876	123	121	121	124	124		
UK identifiable expenditure	8,142	8,718	8,735	8,631	8,788	100	100	100	100	100		

Table 9.3 Total identifiable expenditure on services by country and region in real terms,⁽¹⁾ 2008-09 to 2012-13

	National Statistics					£ million
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
North East	25,435	26,528	26,066	24,531	24,934	
North West	65,960	68,762	67,691	65,319	66,671	
Yorkshire and the Humber	45,463	47,735	46,907	46,040	46,566	
East Midlands	36,356	38,423	37,771	37,031	37,719	
West Midlands	48,568	50,374	49,376	48,187	48,780	
East	45,027	48,450	47,814	46,346	47,259	
London	78,777	84,631	83,142	79,627	79,743	
South East	66,043	68,836	68,136	66,191	67,788	
South West	42,772	44,868	44,013	43,674	44,641	
England	454,401	478,608	470,917	456,946	464,102	
Scotland	53,822	55,554	54,600	54,173	54,875	
Wales	30,037	31,163	30,827	30,588	30,362	
Northern Ireland	19,714	20,328	20,063	19,896	20,176	
UK identifiable expenditure	557,975	585,653	576,407	561,602	569,514	
Outside UK	12,528	16,679	19,660	18,148	19,796	
Total identifiable expenditure	570,503	602,332	596,067	579,750	589,310	
Non-identifiable expenditure ⁽²⁾	97,052	88,888	98,130	98,180	96,160	
Total Expenditure on Services	667,555	691,220	694,197	677,930	685,470	
Accounting adjustments ⁽³⁾	37,060	35,344	36,272	36,383	309	
Total Managed Expenditure ⁽⁴⁾	704,615	726,565	730,469	714,313	685,780	

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2013-14 price levels using GDP deflators from the Office for National Statistics (released 27 June 2014).

⁽²⁾ Includes the effect of financial sector interventions. See Box 5.A in chapter 5 for details.

⁽³⁾ In 2012-13 this takes account of a £28 billion adjustment in respect of Royal Mail pension assets.

⁽⁴⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

Table 9.4 Total identifiable expenditure on services by country and region per head in real terms,⁽¹⁾ 2008-09 to 2012-13

	National Statistics					£ per head
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
North East	9,900	10,300	10,076	9,448	9,582	
North West	9,479	9,843	9,643	9,257	9,411	
Yorkshire and the Humber	8,745	9,139	8,927	8,706	8,758	
East Midlands	8,186	8,592	8,380	8,161	8,258	
West Midlands	8,837	9,113	8,871	8,591	8,645	
East	7,888	8,424	8,233	7,906	8,000	
London	10,084	10,655	10,314	9,705	9,598	
South East	7,838	8,107	7,943	7,650	7,770	
South West	8,217	8,584	8,365	8,239	8,360	
England	8,770	9,169	8,946	8,604	8,676	
Scotland	10,345	10,618	10,376	10,221	10,327	
Wales	9,927	10,255	10,107	9,984	9,877	
Northern Ireland	11,081	11,335	11,116	10,966	11,064	
UK identifiable expenditure	9,025	9,407	9,184	8,874	8,940	

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2013-14 price levels using GDP deflators from the Office for National Statistics (released 27 June 2014).

Table 9.5 Identifiable expenditure on general public services by country and region, 2008-09 to 2012-13

	General public services												of which: current												of which: capital											
	National Statistics						National Statistics						National Statistics						National Statistics																	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn													
North East	372	325	285	234	240		324	267	223	188	182		47	58	62	45	58		131	150	87	96	129													
North West	845	825	796	620	605		738	681	702	545	516		107	144	94	75	89		131	147	148	121	155													
Yorkshire and the Humber	507	570	496	499	529		435	469	373	361	341		71	100	124	138	189		139	147	148	121	155													
East Midlands	506	593	683	541	523		386	456	600	472	434		121	136	83	68	89		131	150	87	96	129													
West Midlands	769	760	648	524	529		528	522	460	438	419		241	238	188	86	110		131	150	87	96	129													
East	760	692	583	568	574		625	544	515	491	475		135	148	68	77	99		131	150	87	96	129													
London	1,185	1,145	876	741	734		932	916	787	628	596		253	229	89	113	139		131	150	87	96	129													
South East	895	911	930	822	825		756	764	781	701	669		139	147	148	121	155		131	150	87	96	129													
South West	658	660	546	526	543		527	510	459	429	414		131	150	87	96	129		131	150	87	96	129													
England	6,496	6,480	5,843	5,075	5,102		5,251	5,130	4,900	4,255	4,045		1,245	1,350	943	820	1,057		1,245	1,350	943	820	1,057													
Scotland	1,162	1,175	1,217	1,258	1,001		904	1,112	1,044	1,116	840		259	63	173	142	162		131	147	148	121	155													
Wales	758	799	715	653	631		663	687	650	593	605		96	112	65	59	26		131	147	148	121	155													
Northern Ireland	428	426	439	379	368		382	361	390	343	344		46	65	49	36	24		131	147	148	121	155													
UK identifiable expenditure	8,844	8,880	8,214	7,364	7,103		7,200	7,290	6,984	6,307	5,834		1,644	1,590	1,231	1,057	1,269		1,644	1,590	1,231	1,057	1,269													
Outside the UK	4,845	5,500	6,424	6,458	6,478		4,601	5,071	5,806	5,960	5,978		244	429	617	498	500		131	147	148	121	155													
Total identifiable expenditure	13,689	14,380	14,638	13,822	13,581		11,800	12,361	12,790	12,267	11,812		1,889	2,019	1,848	1,555	1,769		1,889	2,019	1,848	1,555	1,769													
Non-identifiable expenditure	39,212	37,474	52,160	54,863	54,195		38,545	37,078	51,626	54,707	53,854		668	396	535	156	340		131	147	148	121	155													
Total Expenditure on Services	52,901	51,854	66,798	68,685	67,775		50,345	49,438	64,416	66,974	65,666		2,556	2,416	2,383	1,711	2,109		2,556	2,416	2,383	1,711	2,109													

£ million

Table 9.5a Identifiable expenditure on general public services (of which: public and common services) by country and region, 2008-09 to 2012-13

	Total public and common services												of which: current												of which: capital											
	National Statistics						National Statistics						National Statistics						National Statistics																	
	2008-09 outrun	2009-10 outrun	2010-11 outrun	2011-12 outrun	2012-13 outrun		2008-09 outrun	2009-10 outrun	2010-11 outrun	2011-12 outrun	2012-13 outrun		2008-09 outrun	2009-10 outrun	2010-11 outrun	2011-12 outrun	2012-13 outrun																			
North East	363	318	276	225	233		316	260	214	180	175		47	58	62	45	58																			
North West	822	806	772	597	587		715	662	679	524	499		106	144	93	74	88																			
Yorkshire and the Humber	489	555	478	483	516		418	455	355	345	328		71	100	123	138	188																			
East Midlands	492	580	667	526	511		371	444	585	458	423		120	136	82	68	88																			
West Midlands	751	744	629	506	515		510	506	442	421	406		241	238	187	85	109																			
East	741	676	563	549	559		607	528	496	473	461		134	148	67	77	98																			
London	1,159	1,122	848	715	713		907	894	760	603	576		252	228	88	112	137																			
South East	867	887	900	795	802		729	740	752	674	649		138	147	147	121	154																			
South West	640	645	527	509	529		510	496	441	413	401		131	149	86	96	128																			
England	6,323	6,333	5,660	4,906	4,965		5,083	4,985	4,724	4,092	3,917		1,241	1,347	936	815	1,047																			
Scotland	1,145	1,160	1,199	1,241	988		887	1,097	1,026	1,100	827		258	63	173	141	161																			
Wales	748	791	705	643	623		653	679	640	584	597		95	112	65	59	26																			
Northern Ireland	422	421	433	373	363		377	356	384	338	340		45	65	49	36	23																			
UK identifiable expenditure	8,639	8,704	7,996	7,164	6,939		6,999	7,117	6,774	6,113	5,682		1,640	1,586	1,223	1,051	1,257																			
Outside the UK	-	1	1	0	1		-	1	1	1	1		-	-	-	-1	-																			
Total identifiable expenditure	8,639	8,705	7,998	7,164	6,940		6,999	7,119	6,775	6,114	5,683		1,640	1,586	1,223	1,050	1,257																			
Non-identifiable expenditure	5,366	5,060	4,926	4,581	4,736		4,890	4,827	4,514	4,517	4,490		476	233	412	64	246																			
Total Expenditure on Services	14,004	13,765	12,924	11,745	11,676		11,889	11,945	11,289	10,631	10,173		2,116	1,819	1,635	1,114	1,503																			

£ million

Table 9.5b Identifiable expenditure on general public services (of which: international services) by country and region, 2008-09 to 2012-13

	International services												of which: current												of which: capital											
	National Statistics						National Statistics						National Statistics						National Statistics																	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn													
North East	9	7	9	8	7		8	7	9	8	6		0	0	0	0	0		0	0	0	0	0													
North West	23	20	24	22	18		23	19	24	22	17		1	0	1	1	1		1	0	1	1	1													
Yorkshire and the Humber	17	15	18	17	14		17	14	18	16	13		0	0	1	1	1		0	0	1	1	1													
East Midlands	15	13	16	14	12		14	12	15	14	11		0	0	1	0	0		0	0	1	0	1													
West Midlands	18	16	19	18	15		18	15	19	17	13		0	0	1	1	1		0	0	1	1	1													
East	19	16	20	19	15		19	16	19	18	14		0	0	1	1	1		0	0	1	1	1													
London	26	22	28	26	21		25	22	27	25	20		1	0	1	1	1		1	0	1	1	2													
South East	28	24	30	27	22		27	24	29	27	21		1	0	1	1	1		1	0	1	1	2													
South West	17	15	18	17	14		17	14	18	16	13		0	0	1	1	1		0	0	1	1	1													
England	172	147	183	168	138		168	145	176	163	128		4	3	7	5	10		4	3	7	5	10													
Scotland	17	15	18	17	14		17	14	17	16	13		0	0	1	1	1		0	0	1	1	1													
Wales	10	9	11	10	8		10	8	10	9	7		0	0	0	0	0		0	0	0	0	1													
Northern Ireland	6	5	6	6	5		6	5	6	6	4		0	0	0	0	0		0	0	0	0	0													
UK identifiable expenditure	205	176	218	200	164		201	172	210	194	152		5	3	8	6	12		5	3	8	6	12													
Outside the UK	4,845	5,499	6,422	6,458	6,476		4,601	5,070	5,805	5,959	5,976		244	429	617	499	500		244	429	617	499	500													
Total identifiable expenditure	5,050	5,675	6,640	6,659	6,640		4,802	5,242	6,015	6,153	6,129		249	433	625	505	512		249	433	625	505	512													
Non-identifiable expenditure	1,360	1,458	1,343	1,299	1,371		1,168	1,295	1,220	1,207	1,277		192	163	123	92	94		192	163	123	92	94													
Total Expenditure on Services	6,410	7,133	7,984	7,958	8,012		5,969	6,537	7,235	7,360	7,405		441	596	748	597	606		441	596	748	597	606													

Table 9.5c Identifiable expenditure on general public services (of which: public sector debt interest) by country and region, 2008-09 to 2012-13

	Public sector debt interest												of which: current						of which: capital						£ million			
	National Statistics						National Statistics						2008-09			2009-10			2010-11			2011-12				2012-13		
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn					
North East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
North West	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Yorkshire and the Humber	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
East Midlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
West Midlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
London	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
South East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
South West	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
England	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Scotland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Wales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Northern Ireland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
UK identifiable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Outside the UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Total identifiable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Non-identifiable expenditure	32,487	30,956	45,891	48,983	48,087		32,487	30,956	45,891	48,983	48,087		32,487	30,956	45,891	48,983	48,087		-	-	-	-	-	-				
Total Expenditure on Services	32,487	30,956	45,891	48,983	48,087		32,487	30,956	45,891	48,983	48,087		-	-	-	-	-		-	-	-	-	-	-				

Table 9.6 Identifiable expenditure on defence by country and region, 2008-09 to 2012-13

	Defence						of which: current						of which: capital						£ million				
	2008-09		2009-10		2010-11		2011-12		2012-13		2008-09		2009-10		2010-11		2011-12			2012-13			
	outturn		outturn		outturn		outturn		outturn		outturn		outturn		outturn		outturn			outturn			
North East	3	3	3	2	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	0	0	
North West	8	8	8	6	8	8	8	7	8	7	8	8	7	8	7	8	8	7	8	7	0	0	
Yorkshire and the Humber	6	5	5	4	5	5	4	5	6	4	5	5	4	5	4	5	5	4	5	4	0	0	
East Midlands	7	6	6	4	5	6	4	5	7	6	6	5	6	7	6	6	5	6	7	6	0	0	
West Midlands	7	7	7	5	6	7	5	6	7	6	7	6	6	7	6	7	6	6	7	6	0	0	
East	10	10	9	8	10	10	8	10	10	10	9	8	10	10	10	9	8	10	10	10	0	0	
London	11	11	11	10	10	11	10	9	11	11	11	9	10	10	11	11	9	10	10	10	0	1	
South East	12	12	11	7	12	11	7	11	12	12	11	11	11	12	12	11	11	12	12	12	0	-4	
South West	8	7	7	5	7	8	5	6	8	7	6	6	6	8	7	6	6	7	7	7	0	-1	
England	73	69	67	53	66	72	67	64	58	64	67	64	58	64	67	64	58	64	64	64	2	-5	
Scotland	5	5	5	5	4	5	5	4	5	4	5	5	4	5	4	5	4	5	4	5	-	0	
Wales	3	3	4	3	5	3	3	4	3	5	3	4	3	5	3	4	3	5	4	5	-	0	
Northern Ireland	-	-	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0
UK identifiable expenditure	81	77	75	61	75	80	76	73	66	73	80	76	73	66	73	80	76	73	66	73	2	-5	
Outside the UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total identifiable expenditure	81	77	75	61	75	80	76	73	66	73	80	76	73	66	73	80	76	73	66	73	2	-5	
Non-identifiable expenditure	36,736	37,634	39,212	38,601	36,288	33,237	33,576	34,909	34,990	32,834	33,237	33,576	34,909	34,990	32,834	33,237	33,576	34,909	34,990	32,834	3,499	3,611	
Total Expenditure on Services	36,818	37,712	39,287	38,662	36,363	33,317	33,652	34,982	35,056	32,908	33,317	33,652	34,982	35,056	32,908	33,317	33,652	34,982	35,056	32,908	3,501	3,606	

Table 9.7 Identifiable expenditure on public order and safety by country and region, 2008-09 to 2012-13

	£ million																			
	Public order and safety						of which: current						of which: capital							
	2008-09		2009-10		2010-11		2011-12		2012-13		2008-09		2009-10		2010-11		2011-12		2012-13	
	outturn	2008-09	outturn	2009-10	outturn	2010-11	outturn	2011-12	outturn	2012-13	outturn	2008-09	outturn	2009-10	outturn	2010-11	outturn	2011-12	outturn	2012-13
North East	1,428	1,383	1,328	1,292	1,281	1,267	1,256	1,235	1,225	1,225	100	117	72	57	56					
North West	3,815	3,794	3,692	3,516	3,533	3,497	3,458	3,371	3,390	3,390	311	297	234	145	143					
Yorkshire and the Humber	2,469	2,579	2,516	2,391	2,390	2,381	2,370	2,269	2,267	2,267	206	197	146	122	123					
East Midlands	1,906	1,884	1,787	1,722	1,707	1,754	1,690	1,631	1,629	1,629	152	149	97	91	78					
West Midlands	2,593	2,666	2,518	2,431	2,450	2,366	2,425	2,338	2,361	2,361	226	240	127	93	90					
East	2,186	2,185	2,124	2,078	2,039	2,018	2,020	2,003	1,960	1,960	168	157	103	76	79					
London	6,630	6,555	6,354	6,208	6,131	6,072	6,129	5,952	5,886	5,886	558	426	342	255	244					
South East	3,401	3,478	3,365	3,165	3,172	3,155	3,241	3,076	3,085	3,085	246	236	153	89	88					
South West	2,029	2,092	2,022	1,987	1,993	1,886	1,938	1,917	1,915	1,915	143	155	105	75	78					
England	26,457	26,616	25,705	24,789	24,696	24,348	24,643	23,786	23,717	23,717	2,109	1,974	1,379	1,004	979					
Scotland	2,444	2,508	2,654	2,721	2,417	2,228	2,277	2,430	2,289	2,289	215	231	223	180	127					
Wales	1,464	1,491	1,436	1,416	1,429	1,337	1,378	1,353	1,341	1,341	127	113	87	63	88					
Northern Ireland	1,200	1,303	1,448	1,441	1,396	1,116	1,230	1,358	1,326	1,326	83	72	73	83	70					
UK identifiable expenditure	31,564	31,918	31,243	30,367	29,937	29,030	29,528	29,479	28,673	28,673	2,534	2,391	1,763	1,329	1,264					
Outside the UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Total identifiable expenditure	31,564	31,918	31,243	30,367	29,937	29,030	29,528	29,479	28,673	28,673	2,534	2,391	1,763	1,329	1,264					
Non-identifiable expenditure	2,089	2,199	1,773	1,668	1,526	1,876	1,904	1,534	1,365	1,365	213	295	238	196	162					
Total Expenditure on Services	33,653	34,118	33,015	32,035	31,464	30,906	31,432	30,509	30,038	30,038	2,746	2,686	2,002	1,525	1,426					

Table 9.8 Identifiable expenditure on economic affairs by country and region, 2008-09 to 2012-13

	£ million																						
	Economic affairs						of which: current						of which: capital										
	2008-09		2009-10		2010-11		2011-12		2012-13		2008-09		2009-10		2010-11		2011-12		2012-13				
	outturn	2008-09	outturn	2009-10	outturn	2010-11	outturn	2011-12	outturn	2012-13	outturn	2008-09	outturn	2009-10	outturn	2010-11	outturn	2011-12	outturn	2012-13			
North East	1,498	1,487	1,297	1,174	1,025	1,017	878	804	475	462	450	418	370	1,439	1,539	1,511	1,442	1,356	933	1,076	938	924	803
North West	3,893	4,162	3,439	3,226	2,623	2,307	1,997	1,870	2,454	2,623	2,307	1,997	1,870	1,961	1,980	1,872	1,739	1,638	1,551	1,659	1,599	1,416	1,269
Yorkshire and the Humber	2,895	3,056	2,810	2,441	1,961	1,872	1,739	1,638	1,551	1,659	1,599	1,416	1,269	1,875	1,788	1,722	1,519	1,394	1,697	2,078	1,921	1,705	1,665
East Midlands	2,292	2,523	2,314	1,833	1,551	1,599	1,416	1,269	1,875	1,788	1,722	1,519	1,394	1,697	2,078	1,921	1,705	1,665	3,145	4,013	3,575	3,410	3,030
West Midlands	2,939	2,924	2,621	2,365	2,029	1,875	1,705	1,665	1,697	2,078	1,921	1,705	1,665	3,145	4,013	3,575	3,410	3,030	2,643	2,386	2,170	2,063	2,181
East	2,888	3,455	3,436	2,639	1,751	1,825	1,667	1,541	1,751	1,825	1,620	1,667	1,541	1,751	1,825	1,620	1,667	1,541	927	826	785	703	666
London	6,447	8,180	7,365	5,997	3,145	4,013	3,575	3,410	3,145	4,013	3,575	3,410	3,030	2,643	2,386	2,170	2,063	2,181	2,033	1,700	1,545	1,269	1,179
South East	4,676	4,086	3,715	3,361	2,643	2,386	2,170	2,063	2,033	1,700	1,545	1,269	1,179	927	826	785	703	666	12,105	13,146	12,147	10,962	9,695
South West	2,678	2,651	2,406	2,207	1,751	1,825	1,667	1,541	1,751	1,825	1,620	1,667	1,541	1,751	1,825	1,620	1,667	1,541	1,653	1,865	1,598	1,657	1,777
England	30,206	32,524	29,951	25,086	18,101	19,378	17,804	16,394	18,101	19,378	17,804	16,394	15,391	18,101	19,378	17,804	16,394	15,391	12,105	13,146	12,147	10,962	9,695
Scotland	4,972	5,277	5,066	5,269	3,320	3,413	3,467	3,547	3,320	3,413	3,467	3,547	3,492	3,320	3,413	3,467	3,547	3,492	732	794	890	654	795
Wales	2,185	2,455	2,590	2,154	1,453	1,661	1,700	1,762	1,453	1,661	1,700	1,762	1,359	1,453	1,661	1,700	1,762	1,359	413	466	509	399	339
Northern Ireland	1,530	1,695	1,763	1,565	1,117	1,229	1,254	1,206	1,117	1,229	1,254	1,206	1,226	1,117	1,229	1,254	1,206	1,226	14,903	16,270	15,143	13,672	12,606
UK identifiable expenditure	38,894	41,951	39,369	34,073	23,991	25,681	24,226	22,909	23,991	25,681	24,226	22,909	21,468	23,991	25,681	24,226	22,909	21,468	14,903	16,270	15,143	13,672	12,606
Outside the UK	440	502	538	246	328	381	393	185	328	381	393	185	154	328	381	393	185	154	112	121	145	134	91
Total identifiable expenditure	39,334	42,453	39,907	34,319	24,319	26,061	24,618	23,095	24,319	26,061	24,618	23,095	21,622	24,319	26,061	24,618	23,095	21,622	15,014	16,392	15,289	13,806	12,697
Non-identifiable expenditure ⁽¹⁾	9,652	5,191	-981	1,829	-302	175	-1,269	-252	-302	175	-1,269	-252	1,293	9,954	5,016	288	356	536	24,968	21,408	15,577	14,162	13,233
Total Expenditure on Services	48,986	47,644	38,926	36,148	24,017	26,236	23,349	22,842	24,017	26,236	23,349	22,842	22,915	24,968	21,408	15,577	14,162	13,233					

⁽¹⁾ Includes the effect of financial sector interventions. See Box 5.A in chapter 5 for details.

Table 9.8a Identifiable expenditure on economic affairs (of which: enterprise and economic development) by country and region, 2008-09 to 2012-13

	Enterprise and economic development												of which: current												of which: capital											
	National Statistics						National Statistics						National Statistics						National Statistics																	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn													
North East	432	319	300	225	159		316	236	242	164	139		115	82	59	61	21		115	82	59	61	21													
North West	837	810	709	548	421		553	589	521	418	368		284	222	188	131	53		284	222	188	131	53													
Yorkshire and the Humber	611	643	473	398	266		428	428	351	284	230		184	215	122	114	36		184	215	122	114	36													
East Midlands	447	521	368	333	193		333	409	292	271	175		115	111	76	62	19		115	111	76	62	19													
West Midlands	552	601	465	385	263		355	411	348	284	221		198	190	117	101	42		198	190	117	101	42													
East	448	459	295	268	200		337	335	221	190	172		110	125	74	77	28		110	125	74	77	28													
London	1,063	1,164	907	898	470		644	713	564	600	405		420	452	344	298	65		420	452	344	298	65													
South East	618	581	514	405	322		430	407	308	281	272		189	174	206	124	50		189	174	206	124	50													
South West	401	437	314	308	234		270	331	248	239	208		131	106	66	70	26		131	106	66	70	26													
England	5,410	5,536	4,345	3,768	2,529		3,666	3,860	3,094	2,731	2,188		1,745	1,676	1,252	1,037	341		1,745	1,676	1,252	1,037	341													
Scotland	960	982	870	913	982		662	691	613	677	730		298	291	257	236	252		298	291	257	236	252													
Wales	504	630	732	414	369		371	478	496	350	298		132	152	236	64	71		132	152	236	64	71													
Northern Ireland	240	362	314	279	282		216	249	239	223	250		24	113	75	56	32		24	113	75	56	32													
UK identifiable expenditure	7,114	7,509	6,261	5,375	4,162		4,915	5,278	4,442	3,982	3,467		2,199	2,232	1,819	1,393	695		2,199	2,232	1,819	1,393	695													
Outside the UK	2	2	2	1	1		2	2	2	1	1		0	0	0	0	0		0	0	0	0	0													
Total identifiable expenditure	7,116	7,511	6,263	5,376	4,163		4,917	5,279	4,444	3,984	3,468		2,199	2,232	1,819	1,393	695		2,199	2,232	1,819	1,393	695													
Non-identifiable expenditure ⁽¹⁾	9,097	4,713	-1,461	-536	1,139		-709	-166	-1,666	-738	795		9,806	4,878	205	202	344		9,806	4,878	205	202	344													
Total Expenditure on Services	16,213	12,224	4,801	4,840	5,302		4,208	5,114	2,778	3,245	4,263		12,005	7,110	2,024	1,595	1,039		12,005	7,110	2,024	1,595	1,039													

⁽¹⁾ Includes the effect of financial sector interventions. See Box 5.A in chapter 5 for details.

Table 9.8b Identifiable expenditure on economic affairs (of which: science and technology) by country and region, 2008-09 to 2012-13

	Science and technology						of which: current						of which: capital					
	National Statistics						National Statistics						National Statistics					
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
North East	95	122	111	114	117		79	100	97	100	105		15	22	14	14	12	
North West	245	290	270	266	298		203	233	233	230	268		42	58	37	36	31	
Yorkshire and the Humber	198	230	211	216	235		165	185	183	189	211		34	45	29	27	24	
East Midlands	157	192	181	182	188		134	158	159	159	170		23	34	22	23	19	
West Midlands	159	190	180	185	206		136	158	160	162	186		23	32	20	23	20	
East	335	380	359	387	386		272	291	288	319	345		63	89	71	67	41	
London	454	517	484	496	537		364	402	405	430	477		90	116	79	66	60	
South East	410	457	447	453	510		332	352	377	376	446		79	104	70	77	64	
South West	151	192	196	194	223		130	161	176	171	202		21	32	20	24	22	
England	2,204	2,571	2,439	2,493	2,701		1,815	2,040	2,078	2,135	2,409		390	531	361	358	292	
Scotland	242	262	235	275	282		215	229	215	239	262		27	32	20	36	20	
Wales	64	67	71	81	91		60	59	66	70	83		4	9	5	12	8	
Northern Ireland	60	69	69	65	70		58	64	66	60	68		2	5	3	5	3	
UK identifiable expenditure	2,571	2,970	2,815	2,914	3,144		2,148	2,392	2,425	2,503	2,821		423	577	390	410	322	
Outside the UK	224	255	258	190	174		194	221	205	141	154		29	34	53	50	19	
Total identifiable expenditure	2,795	3,224	3,072	3,104	3,318		2,342	2,613	2,630	2,644	2,976		453	611	442	460	342	
Non-identifiable expenditure	411	328	334	460	281		276	206	255	313	131		134	123	79	147	150	
Total Expenditure on Services	3,205	3,553	3,406	3,563	3,599		2,618	2,819	2,885	2,957	3,107		587	734	521	607	492	

£ million

Table 9.8c Identifiable expenditure on economic affairs (of which: employment policies) by country and region, 2008-09 to 2012-13

	Employment policies												of which: current												of which: capital												£ million
	National Statistics						National Statistics						National Statistics						National Statistics																		
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn														
North East	158	169	220	148	146		156	167	217	147	145		2	2	2	2	1		2	2	2	1	0														
North West	349	373	462	338	315		346	367	457	335	314		4	6	5	3	1		4	6	5	3	1														
Yorkshire and the Humber	259	283	354	267	257		255	278	350	265	256		3	4	4	3	1		3	4	4	3	1														
East Midlands	198	221	268	186	173		195	217	265	184	172		2	3	3	2	1		2	3	3	2	1														
West Midlands	309	339	415	282	258		305	334	411	279	257		4	5	5	3	1		4	5	5	3	1														
East	210	237	287	201	184		207	233	284	199	184		3	4	3	2	1		3	4	3	2	1														
London	390	432	560	390	355		385	425	554	387	354		5	6	6	4	1		5	6	6	4	1														
South East	265	304	352	253	230		261	299	348	250	229		4	5	4	3	1		4	5	4	3	1														
South West	167	186	220	161	147		165	182	217	160	146		2	3	3	2	1		2	3	3	2	1														
England	2,305	2,542	3,139	2,227	2,065		2,276	2,503	3,102	2,205	2,058		29	39	36	22	7		29	39	36	22	7														
Scotland	210	226	295	244	222		207	222	291	242	222		3	4	4	2	1		3	4	4	2	1														
Wales	201	178	157	140	130		129	135	155	139	130		72	42	2	1	0		72	42	2	1	0														
Northern Ireland	109	125	156	156	151		109	124	155	156	150		0	1	0	0	0		0	1	0	0	0														
UK identifiable expenditure	2,825	3,072	3,746	2,768	2,568		2,720	2,985	3,703	2,742	2,560		105	87	43	26	8		105	87	43	26	8														
Outside the UK	1	1	1	1	0		1	1	1	1	0		0	0	0	0	-		0	0	0	0	-														
Total identifiable expenditure	2,826	3,072	3,748	2,768	2,568		2,721	2,986	3,705	2,742	2,560		105	87	43	26	8		105	87	43	26	8														
Non-identifiable expenditure	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-														
Total Expenditure on Services	2,826	3,072	3,748	2,768	2,568		2,721	2,986	3,705	2,742	2,560		105	87	43	26	8		105	87	43	26	8														

Table 9.8d Identifiable expenditure on economic affairs (of which: agriculture, fisheries and forestry) by country and region, 2008-09 to 2012-13

	Agriculture, fisheries and forestry												of which: current						of which: capital						£ million			
	National Statistics						National Statistics						2008-09			2009-10			2010-11			2011-12				2012-13		
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2012-13 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2012-13 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn						
North East	198	204	176	227	198	194	199	171	220	188	188	4	5	4	7	10												
North West	358	351	279	347	316	333	326	266	336	301	301	26	25	13	11	15												
Yorkshire and the Humber	388	425	382	411	378	384	419	374	405	369	369	4	6	8	6	9												
East Midlands	438	466	492	438	424	435	459	487	445	425	425	3	7	5	-8	0												
West Midlands	364	366	345	357	343	361	356	329	347	327	327	3	9	16	10	17												
East	546	699	674	566	572	547	688	664	551	554	554	-1	12	9	15	17												
London	99	80	55	50	105	108	80	52	48	90	90	-9	0	3	2	15												
South East	754	438	365	458	517	742	428	348	453	506	506	12	10	17	4	10												
South West	692	686	556	697	632	666	654	532	698	621	621	27	31	24	-1	12												
England	3,838	3,714	3,323	3,551	3,485	3,770	3,610	3,224	3,504	3,380	3,380	68	104	99	47	104												
Scotland	829	880	933	973	917	729	769	782	825	773	773	100	111	152	148	144												
Wales	463	523	522	727	442	435	487	468	686	382	382	28	37	54	41	60												
Northern Ireland	580	558	525	503	496	461	536	501	470	461	461	118	21	24	32	35												
UK identifiable expenditure	5,709	5,675	5,304	5,753	5,340	5,396	5,402	4,974	5,485	4,996	4,996	314	273	329	268	343												
Outside the UK	55	149	178	37	2	55	149	178	37	2	2	-	-	-	-	-												
Total identifiable expenditure	5,764	5,824	5,481	5,790	5,342	5,450	5,551	5,152	5,522	4,998	4,998	314	273	329	268	343												
Non-identifiable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
Total Expenditure on Services	5,764	5,824	5,481	5,790	5,342	5,450	5,551	5,152	5,522	4,998	4,998	314	273	329	268	343												

Table 9.8e Identifiable expenditure on economic affairs (of which: transport) by country and region, 2008-09 to 2012-13

	Transport												of which: current												of which: capital												£ million
	National Statistics						National Statistics						National Statistics						National Statistics																		
	2008-09 outrun	2009-10 outrun	2010-11 outrun	2011-12 outrun	2012-13 outrun	2012-13 outrun	2008-09 outrun	2009-10 outrun	2010-11 outrun	2011-12 outrun	2012-13 outrun	2012-13 outrun	2008-09 outrun	2009-10 outrun	2010-11 outrun	2011-12 outrun	2012-13 outrun	2012-13 outrun	2008-09 outrun	2009-10 outrun	2010-11 outrun	2011-12 outrun	2012-13 outrun														
North East	616	672	661	582	554	554	276	322	289	247	227	227	339	350	371	335	327	327	339	350	371	335	327														
North West	2,103	2,337	2,099	1,939	1,876	1,876	1,019	1,108	830	678	619	619	1,084	1,229	1,268	1,261	1,257	1,257	1,084	1,229	1,268	1,261	1,257														
Yorkshire and the Humber	1,438	1,476	1,389	1,369	1,306	1,306	729	669	615	596	573	573	709	807	774	774	733	733	709	807	774	774	733														
East Midlands	1,051	1,124	1,005	947	854	854	454	416	396	357	327	327	597	708	609	589	527	527	597	708	609	589	527														
West Midlands	1,555	1,427	1,216	1,156	1,139	1,139	719	528	476	446	403	403	836	899	740	710	736	736	836	899	740	710	736														
East	1,349	1,680	1,821	1,638	1,297	1,297	333	532	464	445	410	410	1,016	1,148	1,357	1,193	886	886	1,016	1,148	1,357	1,193	886														
London	4,441	5,986	5,358	4,911	4,529	4,529	1,645	2,393	2,000	1,946	1,704	1,704	2,796	3,593	3,358	2,965	2,826	2,826	2,796	3,593	3,358	2,965	2,826														
South East	2,629	2,306	2,037	1,764	1,782	1,782	879	900	789	702	727	727	1,750	1,406	1,248	1,061	1,054	1,054	1,750	1,406	1,248	1,061	1,054														
South West	1,267	1,151	1,120	1,010	971	971	521	497	447	401	365	365	746	654	673	609	606	606	746	654	673	609	606														
England	16,448	18,160	16,705	15,317	14,307	14,307	6,575	7,365	6,307	5,819	5,355	5,355	9,873	10,795	10,398	9,498	8,951	8,951	9,873	10,795	10,398	9,498	8,951														
Scotland	2,732	2,928	2,732	2,798	2,866	2,866	1,506	1,501	1,566	1,563	1,505	1,505	1,225	1,427	1,165	1,235	1,360	1,360	1,225	1,427	1,165	1,235	1,360														
Wales	953	1,057	1,108	1,054	1,122	1,122	458	502	515	518	467	467	494	554	593	536	655	655	494	554	593	536	655														
Northern Ireland	541	581	699	603	566	566	273	256	293	297	297	297	269	325	406	306	270	270	269	325	406	306	270														
UK identifiable expenditure	20,674	22,725	21,243	19,772	18,861	18,861	8,812	9,624	8,681	8,197	7,624	7,624	11,862	13,101	12,563	11,575	11,237	11,237	11,862	13,101	12,563	11,575	11,237														
Outside the UK	159	95	100	90	68	68	76	8	7	6	-4	-4	82	87	92	84	72	72	82	87	92	84	72														
Total identifiable expenditure	20,833	22,821	21,343	19,862	18,928	18,928	8,889	9,632	8,688	8,203	7,620	7,620	11,944	13,188	12,655	11,659	11,308	11,308	11,944	13,188	12,655	11,659	11,308														
Non-identifiable expenditure	144	150	147	181	409	409	130	135	142	173	367	367	14	15	5	8	42	42	14	15	5	8	42														
Total Expenditure on Services	20,977	22,971	21,490	20,043	19,338	19,338	9,019	9,767	8,830	8,375	7,987	7,987	11,958	13,204	12,660	11,667	11,351	11,351	11,958	13,204	12,660	11,667	11,351														

Table 9.9 Identifiable expenditure on environment protection by country and region, 2008-09 to 2012-13

	Environment protection												of which: current												of which: capital											
	National Statistics						National Statistics						National Statistics						National Statistics																	
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn													
North East	305	319	347	340	339		276	290	299	302	294		29	30	48	38	45		29	30	48	38	45													
North West	1,405	1,867	2,008	1,983	2,276		577	1,153	1,135	1,190	1,129		828	715	873	793	1,147		828	715	873	793	1,147													
Yorkshire and the Humber	601	669	646	648	615		534	565	556	570	534		67	104	90	78	81		67	104	90	78	81													
East Midlands	531	580	576	525	533		460	491	477	443	424		70	89	99	82	109		70	89	99	82	109													
West Midlands	610	647	624	621	587		551	562	537	554	522		58	85	88	67	65		58	85	88	67	65													
East	777	816	811	719	826		639	665	651	614	630		139	151	159	105	196		139	151	159	105	196													
London	1,011	1,069	1,088	1,139	1,168		948	984	990	1,033	1,022		63	84	98	106	146		63	84	98	106	146													
South East	1,171	1,274	1,338	1,226	1,299		919	1,013	1,012	997	963		252	261	326	229	336		252	261	326	229	336													
South West	811	928	1,007	939	1,016		596	715	723	702	674		216	213	285	237	342		216	213	285	237	342													
England	7,221	8,169	8,445	8,140	8,659		5,499	6,438	6,380	6,404	6,191		1,723	1,731	2,065	1,735	2,468		1,723	1,731	2,065	1,735	2,468													
Scotland	1,088	1,265	1,319	1,296	1,350		826	1,006	1,010	1,023	975		262	259	309	273	375		262	259	309	273	375													
Wales	546	594	618	604	633		454	481	497	507	518		93	113	121	97	114		93	113	121	97	114													
Northern Ireland	246	249	251	266	270		229	243	238	254	241		17	6	13	12	28		17	6	13	12	28													
UK identifiable expenditure	9,102	10,277	10,634	10,306	10,912		7,008	8,168	8,125	8,189	7,926		2,094	2,109	2,509	2,117	2,986		2,094	2,109	2,509	2,117	2,986													
Outside the UK	5	7	6	5	6		5	7	6	5	6		-	0	-	-	-		-	0	-	-	-													
Total identifiable expenditure	9,107	10,283	10,640	10,311	10,918		7,013	8,175	8,131	8,194	7,932		2,094	2,109	2,509	2,117	2,986		2,094	2,109	2,509	2,117	2,986													
Non-identifiable expenditure	123	113	289	151	228		47	13	14	18	38		75	100	275	133	189		75	100	275	133	189													
Total Expenditure on Services	9,230	10,397	10,929	10,462	11,146		7,060	8,188	8,145	8,212	7,971		2,169	2,209	2,784	2,250	3,175		2,169	2,209	2,784	2,250	3,175													

Table 9.10 Identifiable expenditure on housing and community amenities by country and region, 2008-09 to 2012-13

	Housing and community amenities												of which: capital												£ million
	National Statistics						of which: current						National Statistics						of which: capital						
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn								
North East	681	843	669	529	591		168	203	156	127	144		514	640	514	403	447								
North West	1,871	1,531	1,204	730	994		434	437	332	227	306		1,437	1,094	872	503	688								
Yorkshire and the Humber	1,101	1,152	902	595	712		269	310	225	167	220		832	842	677	427	491								
East Midlands	636	745	658	497	586		220	253	187	128	180		417	493	471	368	405								
West Midlands	973	1,104	851	569	701		233	262	172	136	206		740	842	679	433	495								
East	768	979	678	471	583		264	316	198	154	211		504	663	480	317	371								
London	3,520	3,880	3,164	2,027	1,774		496	557	460	346	428		3,024	3,322	2,704	1,680	1,346								
South East	1,207	1,497	1,163	737	850		402	462	315	265	359		805	1,035	848	472	491								
South West	735	898	660	517	567		249	282	200	156	217		486	617	460	361	350								
England	11,491	12,628	9,949	6,671	7,357		2,733	3,081	2,244	1,706	2,271		8,758	9,548	7,705	4,965	5,086								
Scotland	1,802	1,970	1,621	1,624	1,629		281	261	296	231	188		1,521	1,709	1,324	1,393	1,441								
Wales	624	622	564	598	687		150	145	124	119	124		474	477	440	480	563								
Northern Ireland	1,333	1,124	835	968	870		590	531	404	491	479		743	592	431	476	390								
UK identifiable expenditure	15,250	16,344	12,969	9,861	10,543		3,754	4,018	3,069	2,547	3,062		11,496	12,326	9,900	7,314	7,481								
Outside the UK	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-							
Total identifiable expenditure	15,250	16,344	12,969	9,861	10,543		3,754	4,018	3,069	2,547	3,062		11,496	12,326	9,900	7,314	7,481								
Non-identifiable expenditure	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-							
Total Expenditure on Services	15,250	16,344	12,969	9,861	10,543		3,754	4,018	3,069	2,547	3,062		11,496	12,326	9,900	7,314	7,481								

Table 9.11 Identifiable expenditure on health by country and region, 2008-09 to 2012-13

	Health												of which: current												of which: capital												£ million
	National Statistics						National Statistics						National Statistics						National Statistics																		
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn														
North East	5,325	5,748	5,903	5,457	5,595		5,069	5,446	5,644	5,266	5,400		256	302	259	191	195		638	735	590	466	521														
North West	13,320	14,141	14,207	14,608	15,066		12,681	13,406	13,618	14,141	14,545		638	735	590	466	521		440	508	407	325	362														
Yorkshire and the Humber	9,107	9,728	9,753	10,216	10,483		8,667	9,220	9,346	9,891	10,121		440	508	407	325	362		345	402	319	266	288														
East Midlands	7,128	7,653	7,716	8,216	8,451		6,783	7,251	7,396	7,951	8,162		345	402	319	266	288		470	533	433	343	379														
West Midlands	9,812	10,206	10,466	10,706	10,932		9,342	9,673	10,033	10,364	10,552		470	533	433	343	379		426	511	417	321	356														
East	8,843	9,782	10,050	10,007	10,260		8,417	9,271	9,633	9,686	9,903		426	511	417	321	356		676	820	694	529	579														
London	14,000	15,775	16,597	16,230	16,772		13,324	14,955	15,903	15,701	16,193		676	820	694	529	579		644	754	603	468	521														
South East	12,992	14,016	14,486	14,704	15,107		12,348	13,262	13,884	14,236	14,586		644	754	603	468	521		391	459	367	302	335														
South West	8,161	8,768	8,768	9,354	9,628		7,769	8,309	8,401	9,052	9,293		391	459	367	302	335		4287	5,024	4,089	3,210	3,537														
England	88,688	95,817	97,947	99,498	102,292		84,401	90,793	93,857	96,288	98,755		4,287	5,024	4,089	3,210	3,537		507	534	579	489	552														
Scotland	10,179	10,593	10,838	10,989	11,237		9,672	10,059	10,260	10,500	10,686		507	534	579	489	552		313	397	387	296	212														
Wales	5,566	5,921	6,110	6,066	6,007		5,253	5,524	5,723	5,770	5,795		313	397	387	296	212		193	188	202	195	320														
Northern Ireland	3,299	3,441	3,594	3,638	3,846		3,106	3,253	3,392	3,444	3,526		193	188	202	195	320		5,299	6,143	5,257	4,190	4,621														
UK identifiable expenditure	107,731	115,773	118,489	120,192	123,383		102,432	109,629	113,232	116,002	118,762		5,299	6,143	5,257	4,190	4,621		0	0	0	-	0														
Outside the UK	756	924	977	673	660		756	924	977	673	660		0	0	0	-	0		5,299	6,144	5,257	4,190	4,621														
Total identifiable expenditure	108,487	116,696	119,466	120,865	124,043		103,188	110,553	114,208	116,675	119,422		5,299	6,144	5,257	4,190	4,621		67	37	132	74	20														
Non-identifiable expenditure	262	220	360	383	232		195	184	229	310	212		67	37	132	74	20		5,367	6,180	5,389	4,264	4,641														
Total Expenditure on Services	108,749	116,917	119,826	121,248	124,275		103,383	110,737	114,437	116,985	119,634		5,367	6,180	5,389	4,264	4,641																				

Table 9.12 Identifiable expenditure on recreation, culture and religion by country and region, 2008-09 to 2012-13

	Recreation, culture and religion												of which: current						of which: capital						£ million			
	National Statistics						National Statistics						2008-09			2009-10			2010-11			2011-12				2012-13		
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn					
North East	371	425	380	302	341		299	327	302	239	269		72	98	78	63	72		72	98	78	63	72					
North West	825	819	768	708	727		646	634	598	524	528		179	185	170	184	200		179	185	170	184	200					
Yorkshire and the Humber	626	639	596	562	583		477	475	469	427	440		148	163	126	135	142		148	163	126	135	142					
East Midlands	463	523	448	376	390		367	387	352	302	305		96	136	95	74	85		96	136	95	74	85					
West Midlands	603	585	582	622	634		473	464	430	418	411		131	121	153	203	223		131	121	153	203	223					
East	562	630	540	465	481		432	436	406	353	359		130	193	134	111	122		130	193	134	111	122					
London	1,118	1,359	1,322	1,516	1,750		882	989	1,025	1,151	1,429		235	370	297	365	321		235	370	297	365	321					
South East	875	890	842	773	811		658	658	623	547	566		216	231	219	226	244		216	231	219	226	244					
South West	551	577	563	520	525		428	443	414	367	346		123	134	149	154	179		123	134	149	154	179					
England	5,994	6,446	6,041	5,844	6,243		4,663	4,814	4,620	4,329	4,653		1,331	1,631	1,421	1,515	1,589		1,331	1,631	1,421	1,515	1,589					
Scotland	1,078	1,151	1,091	1,215	1,228		813	881	842	912	901		265	270	249	303	327		265	270	249	303	327					
Wales	641	595	625	616	591		505	519	553	532	502		136	76	71	83	89		136	76	71	83	89					
Northern Ireland	445	411	464	420	444		350	328	368	354	328		95	82	96	66	116		95	82	96	66	116					
UK identifiable expenditure	8,158	8,602	8,221	8,094	8,506		6,331	6,542	6,383	6,126	6,384		1,827	2,060	1,838	1,968	2,121		1,827	2,060	1,838	1,968	2,121					
Outside the UK	254	233	221	246	235		213	201	187	170	192		41	32	34	76	44		41	32	34	76	44					
Total identifiable expenditure	8,412	8,835	8,441	8,340	8,741		6,544	6,743	6,570	6,297	6,576		1,868	2,092	1,871	2,044	2,165		1,868	2,092	1,871	2,044	2,165					
Non-identifiable expenditure	4,033	4,344	4,521	4,496	4,039		3,441	3,640	3,810	3,862	3,841		592	704	710	635	198		592	704	710	635	198					
Total Expenditure on Services	12,445	13,179	12,962	12,837	12,780		9,985	10,383	10,380	10,158	10,417		2,460	2,796	2,582	2,679	2,363		2,460	2,796	2,582	2,679	2,363					

Table 9.13 Identifiable expenditure on education by country and region, 2008-09 to 2012-13

	Education												of which: current												of which: capital												£ million
	National Statistics				National Statistics				National Statistics				National Statistics				National Statistics				National Statistics																
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn																	
North East	3,680	3,790	3,889	3,557	3,597	3,190	3,263	3,474	3,244	3,308	490	527	415	313	289																						
North West	9,308	10,046	10,589	9,716	9,600	8,463	8,884	9,460	8,895	8,849	845	1,162	1,129	820	751																						
Yorkshire and the Humber	6,975	7,364	7,800	7,520	7,426	6,224	6,514	6,890	6,640	6,658	751	849	910	880	768																						
East Midlands	5,725	6,129	6,253	5,800	6,039	5,124	5,427	5,640	5,349	5,648	601	702	614	451	391																						
West Midlands	7,301	7,695	8,119	7,784	7,788	6,647	6,944	7,355	7,048	7,150	654	751	764	736	637																						
East	6,984	7,655	7,880	7,416	7,719	6,263	6,757	7,012	6,733	7,056	722	897	868	684	662																						
London	12,018	12,970	13,729	13,225	13,246	10,754	11,409	12,186	11,823	11,918	1,265	1,561	1,543	1,402	1,329																						
South East	10,331	11,136	11,457	10,663	10,744	9,209	9,784	10,341	9,859	10,019	1,123	1,351	1,116	804	725																						
South West	6,438	6,914	7,047	6,504	6,597	5,737	6,034	6,331	6,058	6,162	701	880	716	446	436																						
England	68,761	73,698	76,764	72,185	72,756	61,610	65,019	68,689	65,648	66,768	7,152	8,679	8,075	6,537	5,988																						
Scotland	7,530	7,729	7,679	7,495	7,655	6,883	7,068	7,082	6,807	7,016	647	661	597	687	638																						
Wales	4,161	4,341	4,227	4,420	4,196	3,889	4,019	3,975	4,014	3,887	272	322	252	406	309																						
Northern Ireland	2,544	2,714	2,825	2,794	2,841	2,319	2,443	2,602	2,635	2,720	225	271	223	159	121																						
UK identifiable expenditure	82,996	88,482	91,495	86,894	87,448	74,701	78,548	82,348	79,105	80,391	8,296	9,934	9,148	7,789	7,057																						
Outside the UK	3	3	4	4	4	3	3	4	4	4	0	0	0	-	-																						
Total identifiable expenditure	82,999	88,484	91,499	86,898	87,452	74,704	78,551	82,351	79,109	80,395	8,296	9,934	9,148	7,789	7,057																						
Non-identifiable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																						
Total Expenditure on Services	82,999	88,484	91,499	86,898	87,452	74,704	78,551	82,351	79,109	80,395	8,296	9,934	9,148	7,789	7,057																						

Table 9.14 Identifiable expenditure on social protection by country and region, 2008-09 to 2012-13

	Social protection												of which: current												of which: capital												£ million
	National Statistics						National Statistics						National Statistics						National Statistics																		
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn														
North East	9,283	10,264	10,519	10,848	11,351		9,248	10,199	10,457	10,807	11,303		35	65	62	41	48		35	65	62	41	48														
North West	24,212	26,537	27,285	28,200	29,506		24,130	26,397	27,152	28,124	29,432		82	139	134	75	74		82	139	134	75	74														
Yorkshire and the Humber	16,726	18,483	19,086	19,678	20,594		16,666	18,393	18,992	19,621	20,537		60	90	95	57	57		60	90	95	57	57														
East Midlands	13,603	14,974	15,481	16,248	17,013		13,561	14,887	15,406	16,212	16,984		42	87	75	36	29		42	87	75	36	29														
West Midlands	18,206	20,095	20,523	21,237	22,116		18,144	20,001	20,434	21,185	22,071		62	94	88	52	45		62	94	88	52	45														
East	16,840	18,703	19,362	20,283	21,329		16,789	18,615	19,276	20,227	21,273		51	87	85	56	56		51	87	85	56	56														
London	25,124	27,496	28,566	29,601	30,808		25,009	27,332	28,421	29,521	30,730		115	164	144	80	77		115	164	144	80	77														
South East	24,016	26,500	27,494	28,946	30,459		23,939	26,370	27,359	28,861	30,383		77	129	135	85	77		77	129	135	85	77														
South West	16,515	18,091	18,834	19,752	20,801		16,465	18,012	18,747	19,700	20,748		49	78	87	52	53		49	78	87	52	53														
England	164,524	181,141	187,150	194,792	203,977		163,953	180,206	186,245	194,257	203,462		571	935	905	535	516		571	935	905	535	516														
Scotland	18,292	19,816	20,438	20,880	22,154		18,201	19,703	20,341	20,810	22,055		92	113	97	70	100		92	113	97	70	100														
Wales	11,148	12,061	12,429	12,955	13,515		11,108	12,030	12,378	12,920	13,476		39	31	51	35	39		39	31	51	35	39														
Northern Ireland	6,759	7,479	7,461	7,839	8,234		6,741	7,451	7,447	7,827	8,230		18	27	13	12	4		18	27	13	12	4														
UK identifiable expenditure	200,724	220,497	227,477	236,466	247,881		200,003	219,391	226,411	235,814	247,223		721	1,106	1,066	652	658		721	1,106	1,066	652	658														
Outside the UK	3,372	3,527	3,869	4,011	4,324		3,370	3,524	3,866	4,009	4,324		2	3	2	1	0		2	3	2	1	0														
Total identifiable expenditure	204,096	224,024	231,346	240,476	252,205		203,373	222,915	230,277	239,823	251,547		723	1,109	1,069	653	658		723	1,109	1,069	653	658														
Non-identifiable expenditure	-	0	0	0	-		-	0	0	0	-		-	-	-	-	-		-	-	-	-	-														
Total Expenditure on Services	204,096	224,024	231,346	240,476	252,205		203,373	222,915	230,277	239,823	251,547		723	1,109	1,069	653	658		723	1,109	1,069	653	658														

Table 9.15 UK identifiable expenditure on services by function, country and region, per head, 2008-09 to 2012-13

		Data in this table from 2008-09 to 2012-13 are National Statistics										£ per head							
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	Total Expenditure on Services
2008-09																			
North East	145	141	3	1	556	583	168	37	61	77	240	119	265	2,072	145	1,432	3,613	8,930	
North West	121	118	3	1	548	560	120	35	50	52	302	202	269	1,914	119	1,338	3,480	8,551	
Yorkshire and the Humber	97	94	3	1	475	557	118	38	50	75	277	116	212	1,752	120	1,342	3,217	7,889	
East Midlands	114	111	3	2	429	516	101	35	45	99	237	120	143	1,605	104	1,289	3,063	7,385	
West Midlands	140	137	3	1	472	535	100	29	56	66	283	111	177	1,785	110	1,328	3,312	7,972	
East	133	130	3	2	383	506	78	59	37	96	236	136	134	1,549	98	1,224	2,950	7,116	
London	152	148	3	1	849	825	136	58	50	13	569	129	451	1,792	143	1,538	3,216	9,097	
South East	106	103	3	1	404	555	73	49	31	89	312	139	143	1,542	104	1,226	2,850	7,070	
South West	126	123	3	2	390	515	77	29	32	133	243	156	141	1,568	106	1,237	3,173	7,413	
England	125	122	3	1	511	583	104	43	44	74	317	139	222	1,712	116	1,327	3,175	7,911	
Scotland	223	220	3	1	470	956	185	47	40	159	525	209	346	1,956	207	1,447	3,516	9,332	
Wales	251	247	3	1	484	722	166	21	66	153	315	181	206	1,840	212	1,375	3,684	8,955	
Northern Ireland	241	237	3	-	674	860	135	34	61	326	304	138	749	1,854	250	1,430	3,799	9,996	
UK identifiable expenditure	143	140	3	1	511	629	115	42	46	92	334	147	247	1,743	132	1,342	3,247	8,142	
2009-10																			
North East	126	123	3	1	537	577	124	47	66	79	261	124	327	2,232	165	1,472	3,985	9,547	
North West	118	115	3	1	543	596	116	42	53	50	335	267	219	2,024	117	1,438	3,798	9,122	
Yorkshire and the Humber	109	106	3	1	494	585	123	44	54	81	283	128	220	1,862	122	1,410	3,538	8,470	
East Midlands	133	130	3	1	421	564	116	43	49	104	251	130	167	1,711	117	1,371	3,349	7,964	
West Midlands	137	135	3	1	482	529	109	34	61	66	258	117	200	1,846	106	1,392	3,635	8,446	
East	120	118	3	2	380	601	80	66	41	122	292	142	170	1,701	109	1,331	3,252	7,808	
London	144	141	3	1	825	1,030	147	65	54	10	754	135	488	1,986	171	1,633	3,462	9,876	
South East	107	104	3	1	410	481	68	54	36	52	272	150	176	1,651	105	1,311	3,121	7,514	
South West	126	123	3	1	400	507	84	37	36	131	220	178	172	1,678	110	1,323	3,461	7,956	
England	124	121	3	1	510	623	106	49	49	71	348	157	242	1,836	123	1,412	3,470	8,498	
Scotland	225	222	3	1	479	1,009	188	50	43	168	560	242	376	2,025	220	1,477	3,788	9,841	
Wales	263	260	3	1	491	808	207	22	59	172	348	195	205	1,948	196	1,429	3,969	9,504	
Northern Ireland	237	235	3	-	726	945	202	38	70	311	324	139	627	1,919	229	1,513	4,170	10,506	
UK identifiable expenditure	143	140	3	1	513	674	121	48	49	91	365	165	263	1,859	138	1,421	3,542	8,718	

Table 9.15 UK identifiable expenditure on services by function, country and region, per head, 2008-09 to 2012-13 (continued)

		Data in this table from 2008-09 to 2012-13 are National Statistics										£ per head							
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	Total Expenditure on Services
2012-13																			
North East	92	90	3	3	1	492	451	61	45	56	76	213	130	227	2,150	131	1,382	4,362	9,419
North West	85	83	3	3	1	499	455	59	42	44	45	265	321	140	2,127	103	1,355	4,165	9,252
Yorkshire and the Humber	100	97	3	3	1	450	459	50	44	48	71	246	116	134	1,972	110	1,397	3,873	8,610
East Midlands	114	112	3	3	1	374	401	42	41	38	93	187	117	128	1,850	85	1,322	3,725	8,118
West Midlands	94	91	3	3	1	434	391	47	37	46	61	202	104	124	1,937	112	1,380	3,920	8,498
East	97	95	3	3	2	345	447	34	65	31	97	219	140	99	1,737	81	1,307	3,611	7,865
London	88	86	3	3	1	738	722	57	65	43	13	545	141	214	2,019	211	1,594	3,708	9,435
South East	95	92	3	3	1	364	385	37	59	26	59	204	149	97	1,731	93	1,231	3,491	7,638
South West	102	99	3	3	1	373	413	44	42	27	118	182	190	106	1,803	98	1,236	3,896	8,219
England	95	93	3	3	1	462	469	47	50	39	65	267	162	138	1,912	117	1,360	3,813	8,529
Scotland	188	186	3	3	1	455	992	185	53	42	173	539	254	307	2,115	231	1,441	4,169	10,152
Wales	205	203	3	3	2	465	701	120	29	42	144	365	206	224	1,954	192	1,365	4,396	9,709
Northern Ireland	202	199	3	3	-	765	858	154	38	83	272	311	148	477	2,109	243	1,558	4,515	10,876
UK identifiable expenditure	111	109	3	3	1	470	535	65	49	40	84	296	171	165	1,937	134	1,373	3,891	8,788

Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2008-09 to 2012-13

		Index (UK identifiable expenditure = 100)										Total Expenditure on Services							
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry		of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection
2008-09																			
North East		101	101	100	83	109	93	146	88	135	83	72	81	107	119	110	107	111	110
North West		85	85	100	90	107	89	105	85	110	56	90	137	109	110	90	100	107	105
Yorkshire and the Humber		68	67	100	89	93	89	102	92	109	81	83	79	86	101	91	100	99	97
East Midlands		80	79	100	124	84	82	88	85	97	107	71	81	58	92	79	96	94	91
West Midlands		98	98	100	101	92	85	87	70	123	72	85	75	72	102	83	99	102	98
East		93	93	100	139	75	80	68	141	81	104	71	92	55	89	75	91	91	87
London		106	106	100	107	166	131	118	140	109	14	170	88	183	103	108	115	99	112
South East		74	74	100	109	79	88	64	117	69	97	93	94	58	88	79	91	88	87
South West		88	88	100	115	76	82	67	70	70	144	73	106	57	90	80	92	98	91
England		88	87	100	107	100	93	91	102	97	80	95	95	90	98	88	99	98	97
Scotland		156	157	99	72	92	152	160	112	88	172	157	142	140	112	157	108	108	115
Wales		175	177	100	83	95	115	145	51	145	166	94	123	84	106	160	102	113	110
Northern Ireland		168	170	100	-	132	137	117	81	134	353	91	94	304	106	190	107	117	123
UK identifiable expenditure		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
2009-10																			
North East		89	88	100	96	105	86	103	99	133	87	72	75	125	120	119	104	113	110
North West		83	82	100	96	106	88	96	87	108	55	92	162	83	109	85	101	107	105
Yorkshire and the Humber		76	76	100	78	96	87	102	92	110	89	77	78	84	100	88	99	100	97
East Midlands		93	93	100	103	82	84	97	90	100	114	69	79	64	92	85	96	95	91
West Midlands		96	96	100	99	94	78	90	72	124	73	71	71	76	99	77	98	103	97
East		84	84	100	138	74	89	66	138	83	133	80	86	65	91	79	94	92	90
London		101	101	100	113	161	153	122	137	110	11	206	82	186	107	124	115	98	113
South East		75	75	100	118	80	71	57	113	73	57	74	91	67	89	76	92	88	86
South West		88	88	100	101	78	75	69	77	72	144	60	108	65	90	80	93	98	91
England		87	87	100	106	99	92	88	103	99	78	95	95	92	99	89	99	98	97
Scotland		157	159	99	76	94	150	156	105	88	185	153	146	143	109	159	104	107	113
Wales		184	186	100	90	96	120	172	47	119	189	95	118	78	105	142	101	112	109
Northern Ireland		166	168	100	-	142	140	167	81	141	341	89	84	239	103	166	106	118	121
UK identifiable expenditure		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2008-09 to 2012-13 (continued)

		Index (UK identifiable expenditure = 100)										Total Expenditure on Services						
		1. General public services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection		6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	
2010-11																		
North East	84	100	109	103	90	116	95	142	80	75	79	125	121	112	103	112	110	
North West	87	100	94	106	87	101	86	110	47	88	169	83	107	84	103	107	105	
Yorkshire and the Humber	72	100	80	96	85	90	90	113	86	78	73	83	98	87	102	100	97	
East Midlands	116	100	106	80	82	82	90	100	129	66	75	71	91	76	95	95	91	
West Midlands	89	100	98	91	75	84	72	125	73	65	66	74	100	80	100	102	97	
East	77	100	132	73	94	51	138	83	137	93	82	57	92	71	93	92	90	
London	83	100	113	158	146	113	134	116	8	196	80	190	109	125	117	98	112	
South East	83	100	110	79	69	60	116	69	50	70	92	66	89	75	92	88	86	
South West	79	100	106	77	73	60	83	70	125	63	113	61	88	82	92	99	91	
England	85	100	106	98	91	83	103	100	75	94	95	91	99	88	100	98	97	
Scotland	177	179	99	75	101	153	166	100	94	210	148	149	109	158	100	107	113	
Wales	179	181	100	104	95	135	241	52	86	203	120	90	106	156	95	112	110	
Northern Ireland	186	188	100	1	161	156	174	86	145	114	82	224	105	196	107	114	121	
UK identifiable expenditure	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
2011-12																		
North East	77	100	95	104	86	102	96	131	96	72	80	131	111	91	100	112	106	
North West	75	100	94	104	84	92	82	110	54	88	173	66	109	78	100	107	104	
Yorkshire and the Humber	81	100	86	94	87	89	89	116	86	83	75	72	102	83	104	100	98	
East Midlands	102	100	102	79	80	86	87	94	106	67	71	70	95	65	93	96	92	
West Midlands	80	100	98	90	73	81	72	115	70	66	68	65	101	87	101	101	97	
East	83	100	146	74	90	54	143	78	106	89	75	52	90	62	92	93	89	
London	78	100	123	158	142	129	131	109	7	192	85	159	104	144	117	97	109	
South East	82	100	84	76	67	55	114	67	58	65	87	55	89	70	90	90	86	
South West	85	100	100	78	77	68	80	70	145	61	109	63	93	77	89	100	93	
England	82	100	104	97	89	84	102	96	74	92	94	81	99	86	99	98	97	
Scotland	204	207	100	89	107	203	113	105	202	169	150	197	109	179	103	105	115	
Wales	183	185	100	115	96	136	159	105	261	110	121	125	104	157	105	113	113	
Northern Ireland	180	182	100	4	165	153	181	78	305	106	90	342	106	181	112	116	124	
UK identifiable expenditure	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	

Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2008-09 to 2012-13 (continued)

		Index (UK identifiable expenditure = 100)										Total Expenditure on Services							
		1. General public services	of which: public and common services	of which: international services	2. Defence	3. Public order and safety	4. Economic affairs	of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry		of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection
2012-13																			
North East		83	82	100	105	105	84	94	91	139	91	72	76	137	111	98	101	112	107
North West		77	76	100	92	106	85	91	85	110	53	89	188	85	110	77	99	107	105
Yorkshire and the Humber		89	89	100	73	96	86	77	89	120	85	83	67	81	102	82	102	100	98
East Midlands		103	103	100	97	80	75	65	84	94	111	63	68	78	96	64	96	96	92
West Midlands		84	84	100	95	92	73	71	74	113	73	68	61	75	100	84	101	101	97
East		87	87	100	139	73	84	52	132	77	115	74	82	60	90	61	95	93	89
London		79	79	100	107	157	135	87	131	106	15	184	82	129	104	158	116	95	107
South East		85	84	100	117	77	72	56	119	65	71	69	87	59	89	70	90	90	87
South West		91	91	100	107	79	77	67	85	68	141	61	111	64	93	74	90	100	94
England		86	85	100	105	98	88	72	102	96	78	90	95	83	99	87	99	98	97
Scotland		169	171	100	71	97	185	283	107	104	206	182	148	185	109	173	105	107	116
Wales		184	186	100	127	99	131	184	60	105	171	123	120	135	101	144	99	113	110
Northern Ireland		181	183	100	-	163	160	236	78	205	325	105	86	288	109	182	113	116	124
UK identifiable expenditure		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Table 9.17 Total local government identifiable expenditure on services by country and region, 2008-09 to 2012-13

	As a per cent of total spending in that region (from Table 9.1)											
	National Statistics						National Statistics					
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		
	£ million											
North East	6,750	7,096	7,111	6,692	6,662	29	29	29	28	27		
North West	17,810	18,536	18,684	17,578	17,495	30	29	29	28	27		
Yorkshire and the Humber	11,897	12,512	12,747	12,358	12,216	29	28	29	28	27		
East Midlands	9,385	9,961	9,913	9,397	9,273	29	28	28	26	25		
West Midlands	12,890	13,450	13,490	12,996	12,878	29	29	29	28	27		
East	12,248	13,143	12,911	12,192	12,173	30	29	28	27	26		
London	26,953	28,677	28,358	27,834	27,573	38	37	36	36	35		
South East	17,399	18,273	18,508	17,599	17,603	29	29	29	27	26		
South West	11,157	11,660	11,724	10,857	10,930	29	28	28	26	25		
Total England	126,490	133,309	133,446	127,504	126,803	31	30	30	29	28		
Scotland	14,382	14,824	14,914	15,239	15,063	30	29	29	29	28		
Wales	7,856	7,938	8,036	8,148	8,417	29	27	27	27	28		
Northern Ireland ⁽¹⁾	620	565	480	622	665	3	3	3	3	3		
UK local government identifiable expenditure	149,348	156,635	156,876	151,513	150,949	30	29	29	28	27		
Non-identifiable expenditure	451	179	195	282	255	1	0	0	0	0		
Total local government expenditure on services	149,799	156,814	157,071	151,795	151,204	25	24	24	23	22		
Accounting adjustments ⁽²⁾	18,746	17,433	19,599	18,694	16,278	56	53	57	53	5,350		
Total local government expenditure	168,545	174,247	176,670	170,489	167,482	27	26	25	25	25		

⁽¹⁾ The relative weighting of Northern Ireland is lower in these tables because spending that is undertaken by local government in Great Britain is mostly undertaken by Northern Ireland departments.

⁽²⁾ The percentage figure in 2012-13 takes account of a £28 billion adjustment in Table 9.1 in respect of Royal Mail pension assets.

Table 9.18 Total local government identifiable expenditure on services by country and region, per head 2008-09 to 2012-13

	£ per head				Index (UK identifiable expenditure = 100)					
	National Statistics		National Statistics		National Statistics		National Statistics			
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn
North East	2,627	2,755	2,749	2,578	2,560	109	109	110	108	108
North West	2,559	2,653	2,662	2,491	2,470	106	105	106	104	104
Yorkshire and the Humber	2,289	2,396	2,426	2,337	2,298	95	95	97	98	97
East Midlands	2,113	2,228	2,199	2,071	2,030	87	88	88	87	86
West Midlands	2,345	2,433	2,424	2,317	2,282	97	97	97	97	96
East	2,146	2,285	2,223	2,080	2,061	89	91	89	87	87
London	3,450	3,610	3,518	3,393	3,319	143	143	141	142	140
South East	2,065	2,152	2,158	2,034	2,018	85	85	86	85	85
South West	2,144	2,231	2,228	2,048	2,047	89	89	89	86	86
Total England	2,441	2,554	2,535	2,401	2,370	101	101	101	100	100
Scotland	2,783	2,854	2,856	2,875	2,835	115	113	114	120	120
Wales	2,596	2,612	2,635	2,660	2,738	107	104	105	111	116
Northern Ireland ⁽¹⁾	348	315	266	343	365	14	13	11	14	15
UK local government identifiable expenditure	2,417	2,517	2,501	2,394	2,369	100	100	100	100	100

⁽¹⁾ The relative weighting of Northern Ireland is lower in these tables because spending that is undertaken by local government in Great Britain is mostly undertaken by Northern Ireland departments.

Table 9.19 Total central government and public corporations' identifiable expenditure on services by country and region, 2008-09 to 2012-13

	£ million		As a per cent of total spending in that region from Table 9.1									
			National Statistics					National Statistics				
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		
North East	16,195	17,490	17,679	17,166	17,850	71	71	71	72	73		
North West	41,692	45,195	45,693	45,948	48,046	70	71	71	72	73		
Yorkshire and the Humber	29,114	31,730	31,864	32,418	33,560	71	72	71	72	73		
East Midlands	23,411	25,650	26,009	26,618	27,807	71	72	72	74	75		
West Midlands	30,923	33,239	33,469	33,868	35,075	71	71	71	72	73		
East	28,370	31,762	32,562	32,881	34,285	70	71	72	73	74		
London	44,111	49,762	50,714	49,607	50,819	62	63	64	64	65		
South East	42,177	45,526	46,292	46,776	49,036	71	71	71	73	74		
South West	27,427	29,925	30,134	31,617	32,954	71	72	72	74	75		
Total England	283,421	310,280	314,415	316,898	329,432	69	70	70	71	72		
Scotland	34,170	36,666	37,012	37,447	38,881	70	71	71	71	72		
Wales	19,240	20,945	21,282	21,600	21,431	71	73	73	73	72		
Northern Ireland ⁽¹⁾	17,164	18,275	18,601	18,728	19,169	97	97	97	97	97		
UK central government and public corporations identifiable expenditure	353,996	386,165	391,310	394,673	408,913	70	71	71	72	73		
Outside UK	11,301	15,459	18,698	17,650	19,460	100	100	100	100	100		
Total central government and public corporations identifiable expenditure	365,297	401,624	410,008	412,323	428,373	71	72	72	73	74		
Non-identifiable expenditure ⁽²⁾	87,099	82,205	93,130	95,203	94,275	99	100	100	100	100		
Total central government and public corporations' expenditure on services	452,396	483,829	503,138	507,525	522,648	75	76	76	77	78		
Accounting adjustments ⁽³⁾	14,685	15,326	14,897	16,691	-15,974	44	47	43	47	-5,250		
Total central government and public corporations' expenditure⁽⁴⁾	467,081	499,155	518,035	524,216	506,674	73	74	75	75	75		

⁽¹⁾ The relative weighting of Northern Ireland is higher in these tables because spending that is undertaken by local government in Great Britain is mostly undertaken by Northern Ireland departments.

⁽²⁾ Includes the effect of financial sector interventions. See Box 5.A in chapter 5 for details.

⁽³⁾ 2012-13 figures take account of a £28 billion adjustment in Table 9.1 in respect of Royal Mail pension assets.

⁽⁴⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A in chapter 5 for details.

Table 9.20 Total central government and public corporations' identifiable expenditure on services by country and region per head, 2008-09 to 2012-13

	National Statistics					£ per head
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
North East	6,303	6,791	6,834	6,611	6,859	
North West	5,992	6,469	6,509	6,512	6,782	
Yorkshire and the Humber	5,600	6,075	6,064	6,130	6,312	
East Midlands	5,271	5,736	5,771	5,866	6,088	
West Midlands	5,626	6,013	6,013	6,038	6,216	
East	4,970	5,523	5,607	5,609	5,804	
London	5,646	6,265	6,291	6,046	6,117	
South East	5,005	5,362	5,397	5,406	5,620	
South West	5,269	5,725	5,728	5,965	6,172	
Total England	5,470	5,944	5,973	5,967	6,158	
Scotland	6,568	7,008	7,034	7,066	7,317	
Wales	6,359	6,892	6,978	7,050	6,972	
Northern Ireland ⁽¹⁾	9,648	10,191	10,306	10,322	10,511	
UK central government and public corporations' identifiable expenditure	5,726	6,202	6,235	6,236	6,419	

	National Statistics					Index (UK identifiable expenditure = 100)
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
North East	110	109	110	106	107	
North West	105	104	104	104	106	
Yorkshire and the Humber	98	98	97	98	98	
East Midlands	92	92	93	94	95	
West Midlands	98	97	96	97	97	
East	87	89	90	90	90	
London	99	101	101	97	95	
South East	87	86	87	87	88	
South West	92	92	92	96	96	
Total England	96	96	96	96	96	
Scotland	115	113	113	113	114	
Wales	111	111	112	113	109	
Northern Ireland ⁽¹⁾	168	164	165	166	164	
UK central government and public corporations' identifiable expenditure	100	100	100	100	100	

⁽¹⁾ The relative weighting of Northern Ireland is higher in these tables because spending that is undertaken by local government in Great Britain is mostly undertaken by Northern Ireland departments.

Table 9.21 Identifiable expenditure on services for Scotland, Wales and Northern Ireland in 2012-13

Departmental grouping		National Statistics										Total Expenditure on Services					
		1. General public services <i>of which: public and common services</i>	2. Defence <i>of which: international services</i>	3. Public order and safety	4. Economic affairs <i>of which: enterprise and economic development</i>	5. Environment protection <i>of which: science and technology</i>	6. Housing and community amenities <i>of which: employment policies</i>	7. Health	8. Recreation, culture and religion <i>of which: agriculture, fisheries and forestry</i>	9. Education <i>of which: transport</i>	10. Social protection						
Scotland		379	379	-	1,067	3,072	441	4	834	1,792	267	874	11,169	258	2,546	482	20,115
Scottish Government ⁽¹⁾		7	7	-	-	-	-	-	-	-	-	-	-	-	-	-	7
Scotland Office		583	583	4	1,207	1,380	370	-	74	935	688	755	-	881	5,079	5,083	15,660
Local government public corporations		-	-	-	-	4	-	-	-	4	-	-	-	-	-	-	4
UK government departments		31	18	14	143	813	171	277	8	135	395	-	68	90	30	16,589	18,159
Total identifiable expenditure in Scotland		1,001	988	14	2,417	5,269	982	282	917	2,866	1,350	1,629	11,237	1,228	7,655	22,154	53,944
Wales		345	345	-	0	1,063	196	14	3	404	158	136	5,994	82	1,306	68	9,152
Welsh Assembly Government ⁽¹⁾		6	6	-	-	-	-	-	-	-	-	-	-	-	-	-	6
Wales Office		247	247	-	5	839	87	-	31	478	373	549	-	334	2,868	2,757	8,568
Local government public corporations		-	-	-	-	2	-	-	-	2	-	-	-	-	-	-	2
UK government departments		34	26	8	589	491	86	77	127	6	195	102	3	175	23	10,690	12,120
Total identifiable expenditure in Wales		631	623	8	1,429	2,154	369	91	130	442	633	687	6,007	591	4,196	13,515	29,848
Northern Ireland		330	330	-	1,367	1,476	234	37	150	494	55	714	3,786	161	2,836	6,712	17,437
Northern Ireland Executive		27	27	-	-	-	-	-	-	-	-	-	-	-	-	-	27
Northern Ireland Office		-	-	-	-	21	21	-	-	-	195	154	52	242	-	-	665
Local government public corporations		11	6	5	29	68	26	33	1	2	20	2	8	41	5	1,523	1,705
UK government departments		368	363	5	1,396	1,565	282	70	151	496	270	870	3,846	444	2,841	8,234	19,834

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

10 Public expenditure by country and sub-function

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

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

- most public spending is planned to benefit categories of individuals and enterprises irrespective of location, or where locations are prioritised using national criteria. The regional analyses presented in this chapter show where the individuals and enterprises that benefited from public spending were located. It does not mean that all such spending was planned to benefit a particular region because only a minority of public spending is planned on a regional basis; and
- the information in **Chapters 9** and **10** was gathered in a separate data collection exercise during the summer of 2012. Therefore, the figures in these chapters are not entirely consistent with the figures in earlier PESA chapters. The **Chapter 10** tables are similar to those published in the CRA National Statistics release from November 2013.¹ The difference being that the most recently available mid year population estimates (see **Annex F**) were used to produce **10.5** to **10.8** and **10.10** “per head” tables.

10.3 **Tables 10.5** to **10.8** in this chapter present the total identifiable expenditure on services for each country per head. While this makes figures more easily comparable, it draws attention to any inconsistencies in the sub-functional classification of spending across countries.

10.4 New for this year’s PESA are two additional tables (**10.9** and **10.10**) showing expenditure on services for each English region by sub-function, for the latest outturn period only.

10.5 The interactive tables and database available on GOV.UK alongside the November 2013 CRA release will include information in **Table 10.9** for earlier years.

10.6 Here is a summary of the tables presented in this chapter

- **Table 10.1** shows total identifiable expenditure on services for England by sub-function;
- **Table 10.2** shows total identifiable expenditure on services for Scotland by sub-function;
- **Table 10.3** shows total identifiable expenditure on services for Wales by sub-function;
- **Table 10.4** shows total identifiable expenditure on services for Northern Ireland by sub-function;
- **Table 10.5** shows total identifiable expenditure on services for England by sub-function per head;
- **Table 10.6** shows total identifiable expenditure on services for Scotland by sub-function per head;

¹ <https://www.gov.uk/government/publications/country-and-regional-analysis-2013>

- **Table 10.7** shows total identifiable expenditure on services for Wales by sub-function per head;
- **Table 10.8** shows total identifiable expenditure on services for Northern Ireland by sub-function per head;
- **Table 10.9** shows total identifiable expenditure on services for each English region by sub-function for outturn period 2012-13 and;
- **Table 10.10** shows total identifiable expenditure on services for each English region by sub-function per head for outturn period 2012-13.

Table 10.1 Total identifiable expenditure on services in England by sub-function, 2008-09 to 2012-13

	National Statistics					£ million
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	3,449	3,336	3,275	2,746	2,684	
1.2 Foreign economic aid	0	0	0	0	0	
1.3 General services	824	926	834	773	569	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	9	11	7	5	5	
1.6 General public services n.e.c.	2,213	2,207	1,726	1,550	1,845	
Total general public services	6,496	6,480	5,843	5,075	5,102	
2. Defence						
2.1 Military defence	-	-	-	-	-	
2.2 Civil defence	73	69	66	51	66	
2.3 Foreign military aid	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	
2.5 Defence n.e.c.	-	-	1	2	-	
Total defence	73	69	67	53	66	
3. Public order and safety						
3.1 Police services	13,931	14,233	13,725	13,379	13,260	
<i>of which: immigration and citizenship</i>	-	-	-	-	-	
<i>of which: other police services</i>	13,931	14,233	13,725	13,379	13,260	
3.2 Fire-protection services	2,468	2,494	2,433	2,272	2,418	
3.3 Law courts	5,834	5,588	5,173	5,499	4,995	
3.4 Prisons	3,972	4,038	4,165	3,417	3,590	
3.5 R&D public order and safety	18	22	9	10	31	
3.6 Public order and safety n.e.c.	232	240	200	212	402	
Total public order and safety	26,457	26,616	25,705	24,789	24,696	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	5,555	5,644	5,648	4,651	3,650	
4.2 Agriculture, forestry, fishing and hunting	3,838	3,714	3,323	3,551	3,485	
<i>of which: market support under CAP</i>	2,879	2,746	2,460	2,773	1,882	
<i>of which: other agriculture, food and fisheries policy</i>	959	968	863	778	1,601	
<i>of which: forestry</i>	-	-	-	-	1	
4.3 Fuel and energy	1,186	921	717	437	366	
4.4 Mining, manufacturing and construction	231	529	222	137	34	
4.5 Transport	16,448	18,160	16,705	15,317	14,307	
<i>of which: national roads</i>	2,800	3,286	2,725	2,425	2,009	
<i>of which: local roads</i>	4,320	4,583	4,334	3,747	3,615	
<i>of which: local public transport</i>	3,095	3,455	3,146	3,156	2,975	
<i>of which: railway</i>	5,733	6,270	6,044	5,612	5,357	
<i>of which: other transport</i>	500	566	456	376	351	
4.6 Communication	75	72	95	3	-	
4.7 Other industries	287	356	333	212	135	
4.8 R&D economic affairs	2,204	2,571	2,439	2,493	2,701	
4.9 Economic affairs n.e.c.	381	557	469	555	409	
Total economic affairs	30,206	32,524	29,951	27,355	25,086	
5. Environment protection						
5.1 Waste management	4,763	5,504	5,747	5,833	6,524	
5.2 Waste water management	23	30	12	20	-	
5.3 Pollution abatement	195	247	336	83	121	
5.4 Protection of biodiversity and landscape	340	333	337	326	234	
5.5 R&D environment protection	309	337	359	343	292	
5.6 Environment protection n.e.c.	1,591	1,718	1,655	1,534	1,488	
Total environment protection	7,221	8,169	8,445	8,140	8,659	

Table 10.1 Total identifiable expenditure on services in England by sub-function, 2008-09 to 2012-13 (continued)

	National Statistics					£ million
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
6. Housing and community amenities						
6.1 Housing development	7,680	8,957	6,707	3,897	4,656	
<i>of which: local authority housing</i>	4,589	4,781	3,472	2,034	4,000	
<i>of which: other social housing</i>	3,091	4,176	3,235	1,863	657	
6.2 Community development	3,213	3,067	2,615	2,160	2,046	
6.3 Water supply	6	6	5	8	9	
6.4 Street lighting	577	563	578	604	635	
6.5 R&D housing and community amenities	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	14	35	44	2	10	
Total housing and community amenities	11,491	12,628	9,949	6,671	7,357	
7. Health⁽¹⁾						
Medical services	85,213	92,289	94,534	95,930	98,209	
Health research	1,118	1,210	1,270	776	482	
Central and other health services	2,356	2,318	2,142	2,792	3,601	
Total health	88,688	95,817	97,947	99,498	102,292	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	2,624	2,908	2,613	2,490	2,886	
8.2 Cultural services	3,046	3,214	3,108	3,061	3,049	
8.3 Broadcasting and publishing services	57	57	71	105	96	
8.4 Religious and other community services	92	95	78	52	63	
8.5 R&D recreation, culture and religion	126	116	119	85	105	
8.6 Recreation, culture and religion n.e.c.	49	56	52	50	43	
Total recreation, culture and religion	5,994	6,446	6,041	5,844	6,243	
9. Education						
9.1 Pre-primary and primary education	23,861	25,009	25,655	25,536	25,651	
<i>of which: under fives</i>	4,180	4,395	4,412	4,151	4,179	
<i>of which: primary education</i>	19,681	20,614	21,243	21,385	21,472	
9.2 Secondary education	28,393	30,633	31,416	30,562	31,201	
9.3 Post-secondary non-tertiary education	254	365	293	220	206	
9.4 Tertiary education	9,234	10,497	13,130	10,675	10,962	
9.5 Education not definable by level	313	349	488	215	231	
9.6 Subsidiary services to education	3,741	3,411	3,366	3,065	3,105	
9.7 R&D education	13	15	1	9	10	
9.8 Education n.e.c.	2,952	3,418	2,414	1,902	1,391	
Total education	68,761	73,698	76,764	72,185	72,756	
10. Social protection						
<i>of which: personal social services</i>	20,808	22,131	22,182	23,086	23,258	
10.1 Sickness and disability	27,964	30,208	31,726	34,471	36,429	
<i>of which: personal social services</i>	6,385	6,871	6,862	8,331	8,246	
<i>of which: incapacity, disability and injury benefits</i>	21,580	23,337	24,864	26,140	28,183	
10.2 Old age	70,640	75,315	78,008	82,367	88,367	
<i>of which: personal social services</i>	8,120	8,426	8,238	7,841	7,977	
<i>of which: pensions</i>	62,519	66,888	69,770	74,526	80,390	
10.3 Survivors	825	794	803	757	751	
10.4 Family and children	23,816	24,842	24,423	23,524	22,064	
<i>of which: personal social services</i>	5,805	6,430	6,547	6,468	6,600	
<i>of which: family benefits, income support and tax credits</i>	18,012	18,412	17,876	17,056	15,465	
10.5 Unemployment	2,959	4,651	4,301	4,644	4,887	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: other unemployment benefits</i>	2,959	4,651	4,301	4,644	4,887	
10.6 Housing	16,694	19,444	20,881	21,713	22,603	
10.7 Social exclusion n.e.c.	17,324	20,341	21,797	23,302	25,122	
<i>of which: personal social services</i>	499	404	535	447	436	
<i>of which: family benefits, income support and tax credits</i>	16,826	19,937	21,262	22,854	24,686	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	4,302	5,546	5,211	4,016	3,754	
Total social protection	164,524	181,141	187,150	194,792	203,977	
Total Expenditure on Services in England	409,911	443,588	447,861	444,402	456,235	

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

Table 10.2 Total identifiable expenditure on services in Scotland by sub-function, 2008-09 to 2012-13

	National Statistics				
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn
£ million					
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	938	793	895	818	764
1.2 Foreign economic aid	0	-	-	0	-
1.3 General services	16	19	14	15	37
1.4 Basic research	-	-	-	-	-
1.5 R&D general public services	9	9	9	4	4
1.6 General public services n.e.c.	199	354	299	421	196
Total general public services	1,162	1,175	1,217	1,258	1,001
2. Defence					
2.1 Military defence	-	-	-	-	-
2.2 Civil defence	5	5	5	4	4
2.3 Foreign military aid	-	-	-	-	-
2.4 R&D defence	-	-	-	-	-
2.5 Defence n.e.c.	-	-	0	0	-
Total defence	5	5	5	5	4
3. Public order and safety					
3.1 Police services	1,240	1,298	1,375	1,492	1,283
<i>of which: immigration and citizenship</i>	-	-	-	-	-
<i>of which: other police services</i>	1,240	1,298	1,375	1,492	1,283
3.2 Fire-protection services	308	343	343	389	282
3.3 Law courts	507	518	490	475	460
3.4 Prisons	347	305	405	323	345
3.5 R&D public order and safety	1	1	0	1	2
3.6 Public order and safety n.e.c.	41	43	41	41	45
Total public order and safety	2,444	2,508	2,654	2,721	2,417
4. Economic affairs					
4.1 General economic, commercial and labour affairs	895	960	967	1,001	1,036
4.2 Agriculture, forestry, fishing and hunting	829	880	933	973	917
<i>of which: market support under CAP</i>	508	518	505	529	467
<i>of which: other agriculture, food and fisheries policy</i>	241	303	344	341	367
<i>of which: forestry</i>	79	59	85	103	84
4.3 Fuel and energy	119	62	59	56	61
4.4 Mining, manufacturing and construction	0	28	-1	0	0
4.5 Transport	2,732	2,928	2,732	2,798	2,866
<i>of which: national roads</i>	486	594	552	452	610
<i>of which: local roads</i>	654	684	690	747	663
<i>of which: local public transport</i>	266	275	258	266	275
<i>of which: railway</i>	921	943	876	901	913
<i>of which: other transport</i>	405	432	355	432	404
4.6 Communication	30	27	20	11	9
4.7 Other industries	79	79	66	71	74
4.8 R&D economic affairs	242	262	235	275	282
4.9 Economic affairs n.e.c.	47	52	54	19	24
Total economic affairs	4,972	5,277	5,066	5,204	5,269
5. Environment protection					
5.1 Waste management	649	809	854	871	951
5.2 Waste water management	-	-	-	-	-
5.3 Pollution abatement	16	13	29	20	26
5.4 Protection of biodiversity and landscape	184	174	171	145	142
5.5 R&D environment protection	31	34	36	34	29
5.6 Environment protection n.e.c.	207	235	229	225	202
Total environment protection	1,088	1,265	1,319	1,296	1,350

Table 10.2 Total identifiable expenditure on services in Scotland by sub-function, 2008-09 to 2012-13 (continued)

	National Statistics					£ million
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
6. Housing and community amenities						
6.1 Housing development	953	1,095	1,000	993	1,017	
<i>of which: local authority housing</i>	501	569	600	602	679	
<i>of which: other social housing</i>	452	527	401	390	338	
6.2 Community development	123	210	138	116	103	
6.3 Water supply	701	651	446	494	490	
6.4 Street lighting	10	8	8	9	12	
6.5 R&D housing and community amenities	5	4	4	3	2	
6.6 Housing and community amenities n.e.c.	10	1	25	9	5	
Total housing and community amenities	1,802	1,970	1,621	1,624	1,629	
7. Health⁽¹⁾						
Medical services	10,045	10,244	10,495	10,646	10,897	
Health research	58	109	112	136	129	
Central and other health services	76	241	231	207	211	
Total health	10,179	10,593	10,838	10,989	11,237	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	556	599	582	702	719	
8.2 Cultural services	478	508	468	460	456	
8.3 Broadcasting and publishing services	14	12	10	15	21	
8.4 Religious and other community services	19	23	21	28	18	
8.5 R&D recreation, culture and religion	10	10	9	9	14	
8.6 Recreation, culture and religion n.e.c.	1	1	1	1	1	
Total recreation, culture and religion	1,078	1,151	1,091	1,215	1,228	
9. Education						
9.1 Pre-primary and primary education	2,834	2,809	2,839	2,829	2,797	
<i>of which: under fives</i>	309	307	307	302	302	
<i>of which: primary education</i>	2,525	2,502	2,531	2,527	2,495	
9.2 Secondary education	2,729	2,772	2,767	2,791	2,674	
9.3 Post-secondary non-tertiary education	-	-	-	-	-	
9.4 Tertiary education	1,386	1,570	1,457	1,299	1,600	
9.5 Education not definable by level	182	161	210	169	168	
9.6 Subsidiary services to education	200	212	225	220	207	
9.7 R&D education	0	-	0	0	0	
9.8 Education n.e.c.	198	204	181	187	209	
Total education	7,530	7,729	7,679	7,495	7,655	
10. Social protection						
<i>of which: personal social services</i>	2,645	2,797	2,818	2,616	3,014	
10.1 Sickness and disability	3,527	3,760	3,910	4,015	4,397	
<i>of which: personal social services</i>	709	747	771	708	835	
<i>of which: incapacity, disability and injury benefits</i>	2,818	3,012	3,139	3,308	3,562	
10.2 Old age	7,849	8,365	8,714	9,189	9,865	
<i>of which: personal social services</i>	1,246	1,295	1,295	1,201	1,349	
<i>of which: pensions</i>	6,603	7,070	7,419	7,988	8,517	
10.3 Survivors	155	151	148	157	165	
10.4 Family and children	2,554	2,633	2,553	2,416	2,374	
<i>of which: personal social services</i>	689	752	753	708	830	
<i>of which: family benefits, income support and tax credits</i>	1,865	1,881	1,801	1,708	1,544	
10.5 Unemployment	287	442	486	506	517	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: other unemployment benefits</i>	287	442	486	506	517	
10.6 Housing	1,682	1,844	1,932	1,925	2,068	
10.7 Social exclusion n.e.c.	1,644	1,944	2,019	2,089	2,258	
<i>of which: personal social services</i>	3	2	-1	-1	0	
<i>of which: family benefits, income support and tax credits</i>	1,641	1,942	2,020	2,090	2,258	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	596	677	675	582	509	
Total social protection	18,292	19,816	20,438	20,880	22,154	
Total Expenditure on Services in Scotland	48,552	51,489	51,927	52,686	53,944	

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

Table 10.3 Total identifiable expenditure on services in Wales by sub-function, 2008-09 to 2012-13

	National Statistics					£ million
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	615	651	584	547	558	
1.2 Foreign economic aid	0	-	-	0	-	
1.3 General services	20	24	26	27	20	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	0	1	0	0	0	
1.6 General public services n.e.c.	124	124	105	78	52	
Total general public services	758	799	715	653	631	
2. Defence						
2.1 Military defence	-	-	-	-	-	
2.2 Civil defence	3	3	4	3	5	
2.3 Foreign military aid	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	
2.5 Defence n.e.c.	-	-	0	0	-	
Total defence	3	3	4	3	5	
3. Public order and safety						
3.1 Police services	745	764	745	732	730	
<i>of which: immigration and citizenship</i>	-	-	-	-	-	
<i>of which: other police services</i>	745	764	745	732	730	
3.2 Fire-protection services	180	179	160	160	174	
3.3 Law courts	307	295	268	297	274	
3.4 Prisons	218	239	250	214	227	
3.5 R&D public order and safety	1	1	0	1	2	
3.6 Public order and safety n.e.c.	13	13	11	12	22	
Total public order and safety	1,464	1,491	1,436	1,416	1,429	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	418	436	429	376	369	
4.2 Agriculture, forestry, fishing and hunting	463	523	522	727	442	
<i>of which: market support under CAP</i>	271	299	280	274	260	
<i>of which: other agriculture, food and fisheries policy</i>	168	190	199	428	179	
<i>of which: forestry</i>	24	34	43	25	2	
4.3 Fuel and energy	100	55	34	28	33	
4.4 Mining, manufacturing and construction	9	26	16	4	0	
4.5 Transport	953	1,057	1,108	1,054	1,122	
<i>of which: national roads</i>	179	234	271	200	216	
<i>of which: local roads</i>	358	334	346	334	405	
<i>of which: local public transport</i>	103	91	104	86	83	
<i>of which: railway</i>	268	349	344	397	390	
<i>of which: other transport</i>	45	49	42	36	28	
4.6 Communication	39	41	36	23	37	
4.7 Other industries	30	31	43	37	30	
4.8 R&D economic affairs	64	67	71	81	91	
4.9 Economic affairs n.e.c.	109	220	331	88	30	
Total economic affairs	2,185	2,455	2,590	2,416	2,154	
5. Environment protection						
5.1 Waste management	320	365	382	381	397	
5.2 Waste water management	-	-	-	-	-	
5.3 Pollution abatement	2	1	5	-	1	
5.4 Protection of biodiversity and landscape	9	7	7	7	5	
5.5 R&D environment protection	18	20	21	20	17	
5.6 Environment protection n.e.c.	198	200	203	197	213	
Total environment protection	546	594	618	604	633	

Table 10.3 Total identifiable expenditure on services in Wales by sub-function, 2008-09 to 2012-13 (continued)

	National Statistics					£ million
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
6. Housing and community amenities						
6.1 Housing development	367	401	297	320	394	
<i>of which: local authority housing</i>	367	401	297	320	394	
<i>of which: other social housing</i>	-	-	-	-	-	
6.2 Community development	220	183	229	236	247	
6.3 Water supply	-	-	-	-	-	
6.4 Street lighting	37	37	38	42	46	
6.5 R&D housing and community amenities	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	-	-	-	-	-	
Total housing and community amenities	624	622	564	598	687	
7. Health⁽¹⁾						
Medical services	5,507	5,835	5,954	5,918	5,859	
Health research	35	44	54	46	41	
Central and other health services	24	43	102	102	107	
Total health	5,566	5,921	6,110	6,066	6,007	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	312	262	246	255	217	
8.2 Cultural services	210	217	208	210	216	
8.3 Broadcasting and publishing services	91	89	134	109	126	
8.4 Religious and other community services	5	5	4	4	5	
8.5 R&D recreation, culture and religion	3	4	4	4	5	
8.6 Recreation, culture and religion n.e.c.	20	19	29	34	22	
Total recreation, culture and religion	641	595	625	616	591	
9. Education						
9.1 Pre-primary and primary education	1,406	1,474	1,453	1,490	1,508	
<i>of which: under fives</i>	91	81	70	79	90	
<i>of which: primary education</i>	1,315	1,392	1,383	1,411	1,419	
9.2 Secondary education	1,481	1,541	1,504	1,661	1,506	
9.3 Post-secondary non-tertiary education	-	-	-	-	-	
9.4 Tertiary education	684	715	725	649	705	
9.5 Education not definable by level	228	228	236	205	177	
9.6 Subsidiary services to education	304	355	280	395	237	
9.7 R&D education	-	-	-	-	-	
9.8 Education n.e.c.	57	28	28	20	63	
Total education	4,161	4,341	4,227	4,420	4,196	
10. Social protection						
<i>of which: personal social services</i>	1,506	1,539	1,594	1,636	1,624	
10.1 Sickness and disability	2,586	2,760	2,811	2,888	3,023	
<i>of which: personal social services</i>	486	518	529	528	548	
<i>of which: incapacity, disability and injury benefits</i>	2,099	2,242	2,282	2,360	2,475	
10.2 Old age	4,508	4,805	5,065	5,361	5,721	
<i>of which: personal social services</i>	560	566	579	586	588	
<i>of which: pensions</i>	3,947	4,239	4,486	4,775	5,133	
10.3 Survivors	59	57	57	60	60	
10.4 Family and children	1,503	1,539	1,517	1,499	1,386	
<i>of which: personal social services</i>	391	408	428	463	460	
<i>of which: family benefits, income support and tax credits</i>	1,112	1,131	1,089	1,036	926	
10.5 Unemployment	178	275	254	277	302	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: other unemployment benefits</i>	178	275	254	277	302	
10.6 Housing	851	973	990	1,090	1,163	
10.7 Social exclusion n.e.c.	1,155	1,321	1,409	1,488	1,575	
<i>of which: personal social services</i>	69	47	57	59	28	
<i>of which: family benefits, income support and tax credits</i>	1,086	1,274	1,352	1,429	1,547	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	309	331	325	291	284	
Total social protection	11,148	12,061	12,429	12,955	13,515	
Total Expenditure on Services in Wales	27,096	28,883	29,318	29,748	29,848	

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

Table 10.4 Total identifiable expenditure on services in Northern Ireland by sub-function, 2008-09 to 2012-13

	£ million				
	National Statistics				
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	212	212	170	148	144
1.2 Foreign economic aid	0	-	-	0	-
1.3 General services	192	188	189	164	157
1.4 Basic research	-	-	-	-	-
1.5 R&D general public services	0	0	0	0	0
1.6 General public services n.e.c.	24	26	80	67	68
Total general public services	428	426	439	379	368
2. Defence					
2.1 Military defence	-	-	-	-	-
2.2 Civil defence	-	-	-	-	-
2.3 Foreign military aid	-	-	-	-	-
2.4 R&D defence	-	-	-	-	-
2.5 Defence n.e.c.	-	-	0	0	-
Total defence	-	-	0	0	-
3. Public order and safety					
3.1 Police services	708	803	958	917	899
<i>of which: immigration and citizenship</i>	-	-	-	-	-
<i>of which: other police services</i>	708	803	958	917	899
3.2 Fire-protection services	80	89	84	80	76
3.3 Law courts	248	258	254	259	250
3.4 Prisons	160	149	150	180	162
3.5 R&D public order and safety	0	0	0	0	1
3.6 Public order and safety n.e.c.	3	4	4	5	7
Total public order and safety	1,200	1,303	1,448	1,441	1,396
4. Economic affairs					
4.1 General economic, commercial and labour affairs	294	363	386	370	362
4.2 Agriculture, forestry, fishing and hunting	580	558	525	503	496
<i>of which: market support under CAP</i>	275	359	322	320	281
<i>of which: other agriculture, food and fisheries policy</i>	301	194	197	177	209
<i>of which: forestry</i>	4	5	5	6	6
4.3 Fuel and energy	9	6	4	3	4
4.4 Mining, manufacturing and construction	2	15	2	2	1
4.5 Transport	541	581	699	603	566
<i>of which: national roads</i>	22	17	36	20	21
<i>of which: local roads</i>	336	391	490	337	335
<i>of which: local public transport</i>	62	75	123	75	79
<i>of which: railway</i>	74	73	35	131	82
<i>of which: other transport</i>	49	24	15	40	48
4.6 Communication	8	49	13	4	1
4.7 Other industries	37	55	64	57	64
4.8 R&D economic affairs	60	69	69	65	70
4.9 Economic affairs n.e.c.	0	0	0	0	0
Total economic affairs	1,530	1,695	1,763	1,606	1,565
5. Environment protection					
5.1 Waste management	172	173	178	184	196
5.2 Waste water management	-	-	-	-	-
5.3 Pollution abatement	-	0	2	-	-
5.4 Protection of biodiversity and landscape	-	-	-	-	0
5.5 R&D environment protection	11	12	12	12	10
5.6 Environment protection n.e.c.	64	64	58	71	64
Total environment protection	246	249	251	266	270

Table 10.4 Total identifiable expenditure on services in Northern Ireland by sub-function, 2008-09 to 2012-13 (continued)

	£ million				
	National Statistics				
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn
6. Housing and community amenities					
6.1 Housing development	545	496	458	436	330
<i>of which: local authority housing</i>	-	-	-	-	-
<i>of which: other social housing</i>	545	496	458	436	330
6.2 Community development	139	127	119	126	123
6.3 Water supply	536	388	284	286	270
6.4 Street lighting	23	22	21	25	23
6.5 R&D housing and community amenities	-	-	-	-	-
6.6 Housing and community amenities n.e.c.	90	90	-47	95	123
Total housing and community amenities	1,333	1,124	835	968	870
7. Health⁽¹⁾					
Medical services	3,103	3,243	3,436	3,401	3,586
Health research	1	1	1	0	2
Central and other health services	195	197	157	237	258
Total health	3,299	3,441	3,594	3,638	3,846
8. Recreation, culture and religion					
8.1 Recreational and sporting services	222	208	224	209	232
8.2 Cultural services	183	161	194	169	168
8.3 Broadcasting and publishing services	1	4	7	7	8
8.4 Religious and other community services	37	36	37	34	35
8.5 R&D recreation, culture and religion	2	1	1	0	1
8.6 Recreation, culture and religion n.e.c.	0	0	0	0	0
Total recreation, culture and religion	445	411	464	420	444
9. Education					
9.1 Pre-primary and primary education	705	743	709	711	717
<i>of which: under fives</i>	50	57	61	112	63
<i>of which: primary education</i>	655	685	647	599	654
9.2 Secondary education	1,038	1,058	1,104	1,029	981
9.3 Post-secondary non-tertiary education	-	-	-	-	-
9.4 Tertiary education	320	397	470	472	598
9.5 Education not definable by level	68	85	109	106	100
9.6 Subsidiary services to education	192	203	204	197	198
9.7 R&D education	-	-	-	-	-
9.8 Education n.e.c.	221	229	230	278	248
Total education	2,544	2,714	2,825	2,794	2,841
10. Social protection					
<i>of which: personal social services</i>	1,429	1,457	1,273	853	858
10.1 Sickness and disability	2,260	2,363	2,341	2,247	2,337
<i>of which: personal social services</i>	439	437	355	255	256
<i>of which: incapacity, disability and injury benefits</i>	1,820	1,926	1,986	1,992	2,081
10.2 Old age	2,749	3,065	2,887	3,107	3,269
<i>of which: personal social services</i>	971	1,001	869	429	433
<i>of which: pensions</i>	1,778	2,064	2,017	2,678	2,837
10.3 Survivors	36	35	68	70	72
10.4 Family and children	485	523	551	660	662
<i>of which: personal social services</i>	18	19	48	168	169
<i>of which: family benefits, income support and tax credits</i>	466	503	503	492	493
10.5 Unemployment	96	163	188	205	231
<i>of which: personal social services</i>	-	-	-	-	-
<i>of which: other unemployment benefits</i>	96	163	188	205	231
10.6 Housing	483	551	596	631	662
10.7 Social exclusion n.e.c.	638	757	809	889	961
<i>of which: personal social services</i>	-	-	-	-	-
<i>of which: family benefits, income support and tax credits</i>	638	757	809	889	961
10.8 R&D social protection	-	-	-	-	-
10.9 Social protection n.e.c.	14	23	20	31	42
Total social protection	6,759	7,479	7,461	7,839	8,234
Total Expenditure on Services in Northern Ireland	17,784	18,840	19,081	19,350	19,834

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

Table 10.5 Total identifiable expenditure on services in England by sub-function, per head, 2008-09 to 2012-13

	National Statistics					£ per head
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	67	64	62	52	50	
1.2 Foreign economic aid	0	0	0	0	0	
1.3 General services	16	18	16	15	11	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	0	0	0	0	0	
1.6 General public services n.e.c.	43	42	33	29	34	
Total general public services	125	124	111	96	95	
2. Defence						
2.1 Military defence	-	-	-	-	-	
2.2 Civil defence	1	1	1	1	1	
2.3 Foreign military aid	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	
2.5 Defence n.e.c.	-	-	0	0	-	
Total defence	1	1	1	1	1	
3. Public order and safety						
3.1 Police services	269	273	261	252	248	
<i>of which: immigration and citizenship</i>	-	-	-	-	-	
<i>of which: other police services</i>	269	273	261	252	248	
3.2 Fire-protection services	48	48	46	43	45	
3.3 Law courts	113	107	98	104	93	
3.4 Prisons	77	77	79	64	67	
3.5 R&D public order and safety	0	0	0	0	1	
3.6 Public order and safety n.e.c.	4	5	4	4	8	
Total public order and safety	511	510	488	467	462	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	107	108	107	88	68	
4.2 Agriculture, forestry, fishing and hunting	74	71	63	67	65	
<i>of which: market support under CAP</i>	56	53	47	52	35	
<i>of which: other agriculture, food and fisheries policy</i>	19	19	16	15	30	
<i>of which: forestry</i>	-	-	-	-	0	
4.3 Fuel and energy	23	18	14	8	7	
4.4 Mining, manufacturing and construction	4	10	4	3	1	
4.5 Transport	317	348	317	288	267	
<i>of which: national roads</i>	54	63	52	46	38	
<i>of which: local roads</i>	83	88	82	71	68	
<i>of which: local public transport</i>	60	66	60	59	56	
<i>of which: railway</i>	111	120	115	106	100	
<i>of which: other transport</i>	10	11	9	7	7	
4.6 Communication	1	1	2	0	-	
4.7 Other industries	6	7	6	4	3	
4.8 R&D economic affairs	43	49	46	47	50	
4.9 Economic affairs n.e.c.	7	11	9	10	8	
Total economic affairs	583	623	569	515	469	
5. Environment protection						
5.1 Waste management	92	105	109	110	122	
5.2 Waste water management	0	1	0	0	-	
5.3 Pollution abatement	4	5	6	2	2	
5.4 Protection of biodiversity and landscape	7	6	6	6	4	
5.5 R&D environment protection	6	6	7	6	5	
5.6 Environment protection n.e.c.	31	33	31	29	28	
Total environment protection	139	157	160	153	162	

Table 10.5 Total identifiable expenditure on services in England by sub-function, per head, 2008-09 to 2012-13 (continued)

	National Statistics					£ per head
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
6. Housing and community amenities						
6.1 Housing development	148	172	127	73	87	
<i>of which: local authority housing</i>	89	92	66	38	75	
<i>of which: other social housing</i>	60	80	61	35	12	
6.2 Community development	62	59	50	41	38	
6.3 Water supply	0	0	0	0	0	
6.4 Street lighting	11	11	11	11	12	
6.5 R&D housing and community amenities	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	0	1	1	0	0	
Total housing and community amenities	222	242	189	126	138	
7. Health⁽¹⁾						
Medical services	1,645	1,768	1,796	1,806	1,836	
Health research	22	23	24	15	9	
Central and other health services	45	44	41	53	67	
Total health	1,712	1,836	1,861	1,874	1,912	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	51	56	50	47	54	
8.2 Cultural services	59	62	59	58	57	
8.3 Broadcasting and publishing services	1	1	1	2	2	
8.4 Religious and other community services	2	2	1	1	1	
8.5 R&D recreation, culture and religion	2	2	2	2	2	
8.6 Recreation, culture and religion n.e.c.	1	1	1	1	1	
Total recreation, culture and religion	116	123	115	110	117	
9. Education						
9.1 Pre-primary and primary education	460	479	487	481	480	
<i>of which: under fives</i>	81	84	84	78	78	
<i>of which: primary education</i>	380	395	404	403	401	
9.2 Secondary education	548	587	597	575	583	
9.3 Post-secondary non-tertiary education	5	7	6	4	4	
9.4 Tertiary education	178	201	249	201	205	
9.5 Education not definable by level	6	7	9	4	4	
9.6 Subsidiary services to education	72	65	64	58	58	
9.7 R&D education	0	0	0	0	0	
9.8 Education n.e.c.	57	65	46	36	26	
Total education	1,327	1,412	1,458	1,359	1,360	
10. Social protection						
<i>of which: personal social services</i>	402	424	421	435	435	
10.1 Sickness and disability	540	579	603	649	681	
<i>of which: personal social services</i>	123	132	130	157	154	
<i>of which: incapacity, disability and injury benefits</i>	416	447	472	492	527	
10.2 Old age	1,363	1,443	1,482	1,551	1,652	
<i>of which: personal social services</i>	157	161	156	148	149	
<i>of which: pensions</i>	1,207	1,281	1,325	1,403	1,503	
10.3 Survivors	16	15	15	14	14	
10.4 Family and children	460	476	464	443	412	
<i>of which: personal social services</i>	112	123	124	122	123	
<i>of which: family benefits, income support and tax credits</i>	348	353	340	321	289	
10.5 Unemployment	57	89	82	87	91	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: other unemployment benefits</i>	57	89	82	87	91	
10.6 Housing	322	373	397	409	423	
10.7 Social exclusion n.e.c.	334	390	414	439	470	
<i>of which: personal social services</i>	10	8	10	8	8	
<i>of which: family benefits, income support and tax credits</i>	325	382	404	430	461	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	83	106	99	76	70	
Total social protection	3,175	3,470	3,555	3,668	3,813	
Total Expenditure on Services in England	7,911	8,498	8,508	8,368	8,529	

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

Table 10.6 Total identifiable expenditure on services in Scotland by sub-function, per head, 2008-09 to 2012-13

	National Statistics					£ per head
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	180	152	170	154	144	
1.2 Foreign economic aid	0	-	-	-	-	
1.3 General services	3	4	3	3	7	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	2	2	2	1	1	
1.6 General public services n.e.c.	38	68	57	79	37	
Total general public services	223	225	231	237	188	
2. Defence						
2.1 Military defence	-	-	-	-	-	
2.2 Civil defence	1	1	1	1	1	
2.3 Foreign military aid	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	
2.5 Defence n.e.c.	-	-	0	0	-	
Total defence	1	1	1	1	1	
3. Public order and safety						
3.1 Police services	238	248	261	282	241	
<i>of which: immigration and citizenship</i>	-	-	-	-	-	
<i>of which: other police services</i>	238	248	261	282	241	
3.2 Fire-protection services	59	66	65	73	53	
3.3 Law courts	97	99	93	90	87	
3.4 Prisons	67	58	77	61	65	
3.5 R&D public order and safety	0	0	0	0	0	
3.6 Public order and safety n.e.c.	8	8	8	8	8	
Total public order and safety	470	479	504	513	455	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	172	184	184	189	195	
4.2 Agriculture, forestry, fishing and hunting	159	168	177	184	173	
<i>of which: market support under CAP</i>	98	99	96	100	88	
<i>of which: other agriculture, food and fisheries policy</i>	46	58	65	64	69	
<i>of which: forestry</i>	15	11	16	19	16	
4.3 Fuel and energy	23	12	11	11	12	
4.4 Mining, manufacturing and construction	0	5	0	0	0	
4.5 Transport	525	560	519	528	539	
<i>of which: national roads</i>	93	113	105	85	115	
<i>of which: local roads</i>	126	131	131	141	125	
<i>of which: local public transport</i>	51	53	49	50	52	
<i>of which: railway</i>	177	180	167	170	172	
<i>of which: other transport</i>	78	83	67	82	76	
4.6 Communication	6	5	4	2	2	
4.7 Other industries	15	15	13	13	14	
4.8 R&D economic affairs	47	50	45	52	53	
4.9 Economic affairs n.e.c.	9	10	10	4	4	
Total economic affairs	956	1,009	963	982	992	
5. Environment protection						
5.1 Waste management	125	155	162	164	179	
5.2 Waste water management	-	-	-	-	-	
5.3 Pollution abatement	3	2	6	4	5	
5.4 Protection of biodiversity and landscape	35	33	32	27	27	
5.5 R&D environment protection	6	6	7	6	5	
5.6 Environment protection n.e.c.	40	45	43	42	38	
Total environment protection	209	242	251	245	254	

Table 10.6 Total identifiable expenditure on services in Scotland by sub-function, per head, 2008-09 to 2012-13 (continued)

	National Statistics					£ per head
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
6. Housing and community amenities						
6.1 Housing development	183	209	190	187	191	
<i>of which: local authority housing</i>	96	109	114	114	128	
<i>of which: other social housing</i>	87	101	76	74	64	
6.2 Community development	24	40	26	22	19	
6.3 Water supply	135	124	85	93	92	
6.4 Street lighting	2	2	1	2	2	
6.5 R&D housing and community amenities	1	1	1	1	0	
6.6 Housing and community amenities n.e.c.	2	0	5	2	1	
Total housing and community amenities	346	376	308	306	307	
7. Health⁽¹⁾						
Medical services	1,931	1,958	1,994	2,009	2,051	
Health research	11	21	21	26	24	
Central and other health services	15	46	44	39	40	
Total health	1,956	2,025	2,060	2,073	2,115	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	107	115	111	132	135	
8.2 Cultural services	92	97	89	87	86	
8.3 Broadcasting and publishing services	3	2	2	3	4	
8.4 Religious and other community services	4	4	4	5	3	
8.5 R&D recreation, culture and religion	2	2	2	2	3	
8.6 Recreation, culture and religion n.e.c.	0	0	0	0	0	
Total recreation, culture and religion	207	220	207	229	231	
9. Education						
9.1 Pre-primary and primary education	545	537	539	534	526	
<i>of which: under fives</i>	59	59	58	57	57	
<i>of which: primary education</i>	485	478	481	477	469	
9.2 Secondary education	525	530	526	527	503	
9.3 Post-secondary non-tertiary education	-	-	-	-	-	
9.4 Tertiary education	266	300	277	245	301	
9.5 Education not definable by level	35	31	40	32	32	
9.6 Subsidiary services to education	39	41	43	42	39	
9.7 R&D education	0	-	0	0	0	
9.8 Education n.e.c.	38	39	34	35	39	
Total education	1,447	1,477	1,459	1,414	1,441	
10. Social protection						
<i>of which: personal social services</i>	508	535	535	494	567	
10.1 Sickness and disability	678	719	743	758	827	
<i>of which: personal social services</i>	136	143	146	134	157	
<i>of which: incapacity, disability and injury benefits</i>	542	576	597	624	670	
10.2 Old age	1,509	1,599	1,656	1,734	1,857	
<i>of which: personal social services</i>	239	248	246	227	254	
<i>of which: pensions</i>	1,269	1,351	1,410	1,507	1,603	
10.3 Survivors	30	29	28	30	31	
10.4 Family and children	491	503	485	456	447	
<i>of which: personal social services</i>	132	144	143	134	156	
<i>of which: family benefits, income support and tax credits</i>	359	360	342	322	291	
10.5 Unemployment	55	84	92	96	97	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: other unemployment benefits</i>	55	84	92	96	97	
10.6 Housing	323	352	367	363	389	
10.7 Social exclusion n.e.c.	316	372	384	394	425	
<i>of which: personal social services</i>	0	0	0	0	0	
<i>of which: family benefits, income support and tax credits</i>	315	371	384	394	425	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	114	129	128	110	96	
Total social protection	3,516	3,788	3,884	3,940	4,169	
Total Expenditure on Services in Scotland	9,332	9,841	9,868	9,941	10,152	

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

Table 10.7 Total identifiable expenditure on services in Wales by sub-function, per head, 2008-09 to 2012-13

	National Statistics					£ per head
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	203	214	191	179	182	
1.2 Foreign economic aid	0	-	-	-	-	
1.3 General services	7	8	9	9	7	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	0	0	0	0	0	
1.6 General public services n.e.c.	41	41	34	25	17	
Total general public services	251	263	235	213	205	
2. Defence						
2.1 Military defence	-	-	-	-	-	
2.2 Civil defence	1	1	1	1	2	
2.3 Foreign military aid	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	
2.5 Defence n.e.c.	-	-	0	0	-	
Total defence	1	1	1	1	2	
3. Public order and safety						
3.1 Police services	246	251	244	239	237	
<i>of which: immigration and citizenship</i>	-	-	-	-	-	
<i>of which: other police services</i>	246	251	244	239	237	
3.2 Fire-protection services	59	59	53	52	57	
3.3 Law courts	101	97	88	97	89	
3.4 Prisons	72	79	82	70	74	
3.5 R&D public order and safety	0	0	0	0	1	
3.6 Public order and safety n.e.c.	4	4	4	4	7	
Total public order and safety	484	491	471	462	465	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	138	143	141	123	120	
4.2 Agriculture, forestry, fishing and hunting	153	172	171	237	144	
<i>of which: market support under CAP</i>	90	99	92	89	85	
<i>of which: other agriculture, food and fisheries policy</i>	55	63	65	140	58	
<i>of which: forestry</i>	8	11	14	8	1	
4.3 Fuel and energy	33	18	11	9	11	
4.4 Mining, manufacturing and construction	3	8	5	1	0	
4.5 Transport	315	348	363	344	365	
<i>of which: national roads</i>	59	77	89	65	70	
<i>of which: local roads</i>	118	110	114	109	132	
<i>of which: local public transport</i>	34	30	34	28	27	
<i>of which: railway</i>	89	115	113	130	127	
<i>of which: other transport</i>	15	16	14	12	9	
4.6 Communication	13	13	12	7	12	
4.7 Other industries	10	10	14	12	10	
4.8 R&D economic affairs	21	22	23	26	29	
4.9 Economic affairs n.e.c.	36	72	108	29	10	
Total economic affairs	722	808	849	789	701	
5. Environment protection						
5.1 Waste management	106	120	125	124	129	
5.2 Waste water management	-	-	-	-	-	
5.3 Pollution abatement	1	0	2	-	0	
5.4 Protection of biodiversity and landscape	3	2	2	2	2	
5.5 R&D environment protection	6	6	7	6	5	
5.6 Environment protection n.e.c.	65	66	67	64	69	
Total environment protection	181	195	203	197	206	

Table 10.7 Total identifiable expenditure on services in Wales by sub-function, per head, 2008-09 to 2012-13 (continued)

	National Statistics					£ per head
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
6. Housing and community amenities						
6.1 Housing development	121	132	97	105	128	
<i>of which: local authority housing</i>	121	132	97	105	128	
<i>of which: other social housing</i>	-	-	-	-	-	
6.2 Community development	73	60	75	77	80	
6.3 Water supply	-	-	-	-	-	
6.4 Street lighting	12	12	13	14	15	
6.5 R&D housing and community amenities	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	-	-	-	-	-	
Total housing and community amenities	206	205	185	195	224	
7. Health⁽¹⁾						
Medical services	1,820	1,920	1,952	1,931	1,906	
Health research	12	14	18	15	13	
Central and other health services	8	14	34	33	35	
Total health	1,840	1,948	2,003	1,980	1,954	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	103	86	81	83	71	
8.2 Cultural services	69	71	68	68	70	
8.3 Broadcasting and publishing services	30	29	44	36	41	
8.4 Religious and other community services	2	2	1	1	2	
8.5 R&D recreation, culture and religion	1	1	1	1	2	
8.6 Recreation, culture and religion n.e.c.	7	6	10	11	7	
Total recreation, culture and religion	212	196	205	201	192	
9. Education						
9.1 Pre-primary and primary education	465	485	476	486	491	
<i>of which: under fives</i>	30	27	23	26	29	
<i>of which: primary education</i>	435	458	453	461	461	
9.2 Secondary education	490	507	493	542	490	
9.3 Post-secondary non-tertiary education	-	-	-	-	-	
9.4 Tertiary education	226	235	238	212	229	
9.5 Education not definable by level	75	75	77	67	58	
9.6 Subsidiary services to education	101	117	92	129	77	
9.7 R&D education	-	-	-	-	-	
9.8 Education n.e.c.	19	9	9	7	20	
Total education	1,375	1,429	1,386	1,443	1,365	
10. Social protection						
<i>of which: personal social services</i>	498	507	523	534	528	
10.1 Sickness and disability	855	908	922	943	983	
<i>of which: personal social services</i>	161	170	173	172	178	
<i>of which: incapacity, disability and injury benefits</i>	694	738	748	770	805	
10.2 Old age	1,490	1,581	1,661	1,750	1,861	
<i>of which: personal social services</i>	185	186	190	191	191	
<i>of which: pensions</i>	1,305	1,395	1,471	1,559	1,670	
10.3 Survivors	19	19	19	20	19	
10.4 Family and children	497	507	497	489	451	
<i>of which: personal social services</i>	129	134	140	151	150	
<i>of which: family benefits, income support and tax credits</i>	368	372	357	338	301	
10.5 Unemployment	59	91	83	90	98	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: other unemployment benefits</i>	59	91	83	90	98	
10.6 Housing	281	320	325	356	378	
10.7 Social exclusion n.e.c.	382	435	462	486	512	
<i>of which: personal social services</i>	23	15	19	19	9	
<i>of which: family benefits, income support and tax credits</i>	359	419	443	466	503	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	102	109	106	95	93	
Total social protection	3,684	3,969	4,075	4,228	4,396	
Total Expenditure on Services in Wales	8,955	9,504	9,612	9,710	9,709	

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

Table 10.8 Total identifiable expenditure on services in Northern Ireland by sub-function, per head, 2008-09 to 2012-13

	£ per head				
	National Statistics				
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	119	118	94	81	79
1.2 Foreign economic aid	0	-	-	-	-
1.3 General services	108	105	105	90	86
1.4 Basic research	-	-	-	-	-
1.5 R&D general public services	0	0	0	0	0
1.6 General public services n.e.c.	13	15	44	37	37
Total general public services	241	237	243	209	202
2. Defence					
2.1 Military defence	-	-	-	-	-
2.2 Civil defence	-	-	-	-	-
2.3 Foreign military aid	-	-	-	-	-
2.4 R&D defence	-	-	-	-	-
2.5 Defence n.e.c.	-	-	0	0	-
Total defence	-	-	0	0	-
3. Public order and safety					
3.1 Police services	398	448	531	505	493
<i>of which: immigration and citizenship</i>	-	-	-	-	-
<i>of which: other police services</i>	398	448	531	505	493
3.2 Fire-protection services	45	49	46	44	42
3.3 Law courts	139	144	141	143	137
3.4 Prisons	90	83	83	99	89
3.5 R&D public order and safety	0	0	0	0	0
3.6 Public order and safety n.e.c.	2	2	2	3	4
Total public order and safety	674	726	802	794	765
4. Economic affairs					
4.1 General economic, commercial and labour affairs	165	202	214	204	198
4.2 Agriculture, forestry, fishing and hunting	326	311	291	277	272
<i>of which: market support under CAP</i>	154	200	179	176	154
<i>of which: other agriculture, food and fisheries policy</i>	169	108	109	98	115
<i>of which: forestry</i>	2	3	3	3	3
4.3 Fuel and energy	5	3	2	2	2
4.4 Mining, manufacturing and construction	1	8	1	1	1
4.5 Transport	304	324	387	332	311
<i>of which: national roads</i>	12	10	20	11	12
<i>of which: local roads</i>	189	218	272	186	184
<i>of which: local public transport</i>	35	42	68	41	43
<i>of which: railway</i>	42	41	19	72	45
<i>of which: other transport</i>	27	13	9	22	27
4.6 Communication	4	27	7	2	1
4.7 Other industries	21	31	35	31	35
4.8 R&D economic affairs	34	38	38	36	38
4.9 Economic affairs n.e.c.	0	0	0	0	0
Total economic affairs	860	945	977	885	858
5. Environment protection					
5.1 Waste management	96	97	99	101	107
5.2 Waste water management	-	-	-	-	-
5.3 Pollution abatement	-	0	1	-	-
5.4 Protection of biodiversity and landscape	-	-	-	-	0
5.5 R&D environment protection	6	6	7	6	5
5.6 Environment protection n.e.c.	36	36	32	39	35
Total environment protection	138	139	139	147	148

Table 10.8 Total identifiable expenditure on services in Northern Ireland by sub-function, per head, 2008-09 to 2012-13 (continued)

	National Statistics					£ per head
	2008-09 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	
6. Housing and community amenities						
6.1 Housing development	306	277	254	240	181	
<i>of which: local authority housing</i>	-	-	-	-	-	
<i>of which: other social housing</i>	306	277	254	240	181	
6.2 Community development	78	71	66	69	68	
6.3 Water supply	301	216	157	158	148	
6.4 Street lighting	13	12	12	14	13	
6.5 R&D housing and community amenities	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	51	50	-26	52	68	
Total housing and community amenities	749	627	463	533	477	
7. Health⁽¹⁾						
Medical services	1,744	1,808	1,904	1,875	1,966	
Health research	1	1	1	0	1	
Central and other health services	109	110	87	131	142	
Total health	1,854	1,919	1,991	2,005	2,109	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	125	116	124	115	127	
8.2 Cultural services	103	90	108	93	92	
8.3 Broadcasting and publishing services	1	2	4	4	5	
8.4 Religious and other community services	21	20	20	18	19	
8.5 R&D recreation, culture and religion	1	1	1	0	1	
8.6 Recreation, culture and religion n.e.c.	0	0	0	0	0	
Total recreation, culture and religion	250	229	257	231	243	
9. Education						
9.1 Pre-primary and primary education	396	414	393	392	393	
<i>of which: under fives</i>	28	32	34	62	35	
<i>of which: primary education</i>	368	382	359	330	359	
9.2 Secondary education	583	590	612	567	538	
9.3 Post-secondary non-tertiary education	-	-	-	-	-	
9.4 Tertiary education	180	221	261	260	328	
9.5 Education not definable by level	38	47	60	58	55	
9.6 Subsidiary services to education	108	113	113	109	108	
9.7 R&D education	-	-	-	-	-	
9.8 Education n.e.c.	124	128	127	153	136	
Total education	1,430	1,513	1,565	1,540	1,558	
10. Social protection						
<i>of which: personal social services</i>	803	812	705	470	470	
10.1 Sickness and disability	1,270	1,318	1,297	1,238	1,282	
<i>of which: personal social services</i>	247	244	197	141	141	
<i>of which: incapacity, disability and injury benefits</i>	1,023	1,074	1,100	1,098	1,141	
10.2 Old age	1,545	1,709	1,599	1,713	1,793	
<i>of which: personal social services</i>	546	558	482	237	237	
<i>of which: pensions</i>	999	1,151	1,118	1,476	1,555	
10.3 Survivors	20	19	38	38	39	
10.4 Family and children	272	291	305	364	363	
<i>of which: personal social services</i>	10	11	27	93	93	
<i>of which: family benefits, income support and tax credits</i>	262	281	279	271	270	
10.5 Unemployment	54	91	104	113	126	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: other unemployment benefits</i>	54	91	104	113	126	
10.6 Housing	271	307	330	348	363	
10.7 Social exclusion n.e.c.	358	422	448	490	527	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: family benefits, income support and tax credits</i>	358	422	448	490	527	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	8	13	11	17	23	
Total social protection	3,799	4,170	4,134	4,321	4,515	
Total Expenditure on Services in Northern Ireland	9,996	10,506	10,572	10,665	10,876	

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

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2012-13

	National Statistics										Total England
	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West		
1. General public services											
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	150	355	236	228	267	303	458	434	252		2,684
1.2 Foreign economic aid	0	0	0	0	0	0	0	0	0		0
1.3 General services	19	81	47	116	46	44	90	84	41		569
1.4 Basic research	-	-	-	-	-	-	-	-	-		-
1.5 R&D general public services	0	1	0	0	1	1	1	1	1		5
1.6 General public services n.e.c.	71	170	245	178	216	226	186	306	249		1,845
Total general public services	240	605	529	523	529	574	734	825	543		5,102
2. Defence											
2.1 Military defence	-	-	-	-	-	-	-	-	-		-
2.2 Civil defence	3	8	5	5	6	10	10	12	7		66
2.3 Foreign military aid	-	-	-	-	-	-	-	-	-		-
2.4 R&D defence	-	-	-	-	-	-	-	-	-		-
2.5 Defence n.e.c.	-	-	-	-	-	-	-	-	-		-
Total defence	3	8	5	5	6	10	10	12	7		66
3. Public order and safety											
3.1 Police services	640	1,750	1,206	869	1,230	1,135	3,656	1,719	1,055		13,260
of which: immigration and citizenship	-	-	-	-	-	-	-	-	-		-
of which: other police services	640	1,750	1,206	869	1,230	1,135	3,656	1,719	1,055		13,260
3.2 Fire-protection services	143	327	232	179	232	244	455	361	244		2,418
3.3 Law courts	290	787	474	351	549	358	1,167	607	412		4,995
3.4 Prisons	187	612	436	272	394	257	772	419	241		3,590
3.5 R&D public order and safety	1	4	3	2	3	3	6	5	3		31
3.6 Public order and safety n.e.c.	20	53	39	32	42	41	75	61	38		402
Total public order and safety	1,281	3,533	2,390	1,707	2,450	2,039	6,131	3,172	1,993		24,696
4. Economic affairs											
4.1 General economic, commercial and labour affairs	233	532	422	308	432	321	697	418	288		3,650
4.2 Agriculture, forestry, fishing and hunting	198	316	378	424	343	572	105	517	632		3,485
of which: market support under CAP	99	164	220	253	192	297	33	252	372		1,882
of which: other agriculture, food and fisheries policy	98	152	158	170	151	275	72	265	260		1,601
of which: forestry	-	-	-	1	0	-	-	-	-		1
4.3 Fuel and energy	43	74	54	31	34	19	25	48	37		366
4.4 Mining, manufacturing and construction	5	7	3	-7	8	-2	19	3	-3		34

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2012-13 (continued)

	National Statistics										Total England
	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West		
4. Economic affairs continued											
4.5 Transport	554	1,876	1,306	854	1,139	1,297	4,529	1,782	971	14,307	
of which: national roads	99	131	268	174	213	359	37	512	217	2,009	
of which: local roads	200	514	292	299	368	433	644	462	402	3,615	
of which: local public transport	101	556	171	189	243	119	1,348	147	99	2,975	
of which: railway	136	627	539	170	280	342	2,443	603	218	5,357	
of which: other transport	18	47	36	22	34	44	57	59	35	351	
4.6 Communication	-	-	-	-	-	-	-	-	-	-	
4.7 Other industries	7	19	11	6	13	9	35	20	14	135	
4.8 R&D economic affairs	117	298	235	188	206	386	537	510	223	2,701	
4.9 Economic affairs n.e.c.	17	103	33	28	34	38	49	62	44	409	
Total economic affairs	1,174	3,226	2,441	1,833	2,209	2,639	5,997	3,361	2,207	25,086	
5. Environment protection											
5.1 Waste management	231	2,021	389	371	408	505	829	1,000	770	6,524	
5.2 Waste water management	-	-	-	-	-	-	-	-	-	-	
5.3 Pollution abatement	5	12	7	8	7	21	21	29	11	121	
5.4 Protection of biodiversity and landscape	14	26	36	30	23	26	6	28	45	234	
5.5 R&D environment protection	14	39	29	25	31	32	45	48	29	292	
5.6 Environment protection n.e.c.	75	178	154	99	118	241	266	196	161	1,488	
Total environment protection	339	2,276	615	533	587	826	1,168	1,299	1,016	8,659	
6. Housing and community amenities											
6.1 Housing development	361	553	472	392	446	347	1,313	467	306	4,656	
of which: local authority housing	331	437	430	356	417	306	1,073	391	257	4,000	
of which: other social housing	30	116	42	36	29	40	239	76	48	657	
6.2 Community development	175	337	173	152	178	176	364	284	209	2,046	
6.3 Water supply	0	1	1	1	1	1	1	2	1	9	
6.4 Street lighting	54	102	65	41	75	59	94	95	50	635	
6.5 R&D housing and community amenities	-	-	-	-	-	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	1	1	1	1	1	1	2	1	1	10	
Total housing and community amenities	591	994	712	586	701	583	1,774	850	567	7,357	
7. Health ⁽¹⁾											
Medical services	5,377	14,491	10,085	8,128	10,518	9,854	16,001	14,497	9,259	98,209	
Health research	17	45	29	27	29	45	181	80	29	482	
Central and other health services	201	529	369	295	385	361	590	530	340	3,601	
Total health	5,595	15,066	10,483	8,451	10,932	10,260	16,772	15,107	9,628	102,292	

£ million

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2012-13 (continued)

	National Statistics										Total England	
	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West			
8. Recreation, culture and religion												
8.1 Recreational and sporting services	194	367	260	203	269	204	811	325	253		2,886	
8.2 Cultural services	134	329	304	166	343	247	843	435	249		3,049	
8.3 Broadcasting and publishing services	3	9	5	5	5	8	39	14	7		96	
8.4 Religious and other community services	3	10	1	9	4	9	15	13	0		63	
8.5 R&D recreation, culture and religion	5	9	10	5	10	11	23	19	13		105	
8.6 Recreation, culture and religion n.e.c.	2	3	3	2	3	3	20	4	4		43	
Total recreation, culture and religion	341	727	583	390	634	481	1,750	811	525		6,243	
9. Education												
9.1 Pre-primary and primary education	1,255	3,413	2,619	2,011	2,803	2,624	4,947	3,822	2,157		25,651	
of which: under fives	205	573	422	332	464	418	780	635	352		4,179	
of which: primary education	1,050	2,839	2,197	1,679	2,339	2,207	4,167	3,187	1,806		21,472	
9.2 Secondary education	1,555	4,051	3,274	2,792	3,385	3,584	5,034	4,563	2,962		31,201	
9.3 Post-secondary non-tertiary education	12	45	17	7	34	28	37	14	12		206	
9.4 Tertiary education	541	1,468	1,065	877	1,015	988	2,393	1,636	977		10,962	
9.5 Education not definable by level	11	31	23	20	24	25	36	38	23		231	
9.6 Subsidiary services to education	159	398	293	214	385	323	566	436	331		3,105	
9.7 R&D education	0	1	1	1	1	1	2	2	1		10	
9.8 Education n.e.c.	64	193	134	117	140	145	232	233	134		1,391	
Total education	3,597	9,600	7,426	6,039	7,788	7,719	13,246	10,744	6,597		72,756	
10. Social protection												
of which: personal social services												
10.1 Sickness and disability	1,327	3,193	2,253	1,718	2,388	2,516	4,278	3,418	2,166		23,258	
of which: personal social services	2,319	6,190	3,769	3,118	4,018	3,638	4,909	4,919	3,549		36,429	
of which: incapacity, disability and injury benefits	427	1,182	717	599	806	1,001	1,419	1,280	816		8,246	
10.2 Old age	1,892	5,009	3,053	2,520	3,212	2,637	3,489	3,639	2,733		28,183	
of which: personal social services	4,724	12,003	8,805	7,855	9,475	10,268	9,600	15,078	10,560		88,367	
of which: pensions	521	1,060	826	618	833	801	1,358	1,171	790		7,977	
10.3 Survivors	4,203	10,944	7,979	7,237	8,642	9,467	8,242	13,907	9,769		80,390	
10.4 Family and children	46	116	85	74	85	82	56	123	85		751	
of which: personal social services	1,171	3,207	2,214	1,727	2,383	2,251	4,021	3,169	1,922		22,064	
of which: family benefits, income support and tax credits	369	908	687	482	721	676	1,311	906	539		6,600	
10.5 Unemployment	801	2,299	1,527	1,245	1,663	1,575	2,710	2,263	1,382		15,465	
of which: personal social services	352	739	617	403	620	438	852	535	330		4,887	
of which: other unemployment benefits	-	-	-	-	-	-	-	-	-		-	
10.6 Housing	352	739	617	403	620	438	852	535	330		4,887	
	1,124	2,848	1,881	1,337	2,093	1,919	6,507	3,049	1,844		22,603	

£ million

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2012-13 (continued)

	National Statistics										Total England	
	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West			
10. Social protection continued												
10.7 Social exclusion n.e.c.	1,365	3,811	2,809	2,173	3,011	2,379	4,214	3,158	2,202		25,122	
of which: personal social services	10	44	23	20	28	38	189	62	21		436	
of which: family benefits, income support and tax credits	1,355	3,767	2,786	2,153	2,982	2,341	4,025	3,096	2,181		24,686	
10.8 R&D social protection	-	-	-	-	-	-	-	-	-		-	
10.9 Social protection n.e.c.	250	591	413	326	432	355	649	429	309		3,754	
Total social protection	11,351	29,506	20,594	17,013	22,116	21,329	30,808	30,459	20,801		203,977	
Total Expenditure on Services in the English Regions	24,512	65,541	45,777	37,080	47,953	46,458	78,391	66,639	43,884		456,235	

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

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2012-13

	National Statistics										£ per head
	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Total England	
1. General public services											
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	58	50	44	50	47	51	55	50	47	50	
1.2 Foreign economic aid	0	0	0	0	0	0	0	0	0	0	
1.3 General services	7	11	9	25	8	8	11	10	8	11	
1.4 Basic research	-	-	-	-	-	-	-	-	-	-	
1.5 R&D general public services	0	0	0	0	0	0	0	0	0	0	
1.6 General public services n.e.c.	27	24	46	39	38	38	22	35	47	34	
Total general public services	92	85	100	114	94	97	88	95	102	95	
2. Defence											
2.1 Military defence	-	-	-	-	-	-	-	-	-	-	
2.2 Civil defence	1	1	1	1	1	2	1	1	1	1	
2.3 Foreign military aid	-	-	-	-	-	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	-	-	-	-	-	
2.5 Defence n.e.c.	-	-	-	-	-	-	-	-	-	-	
Total defence	1	1	1	1	1	2	1	1	1	1	
3. Public order and safety											
3.1 Police services	246	247	227	190	218	192	440	197	198	248	
of which: immigration and citizenship	-	-	-	-	-	-	-	-	-	-	
of which: other police services	246	247	227	190	218	192	440	197	198	248	
3.2 Fire-protection services	55	46	44	39	41	41	55	41	46	45	
3.3 Law courts	111	111	89	77	97	61	140	70	77	93	
3.4 Prisons	72	86	82	60	70	44	93	48	45	67	
3.5 R&D public order and safety	1	1	1	1	1	1	1	1	1	1	
3.6 Public order and safety n.e.c.	8	8	7	7	7	7	9	7	7	8	
Total public order and safety	492	499	450	374	434	345	738	364	373	462	
4. Economic affairs											
4.1 General economic, commercial and labour affairs	90	75	79	67	76	54	84	48	54	68	
4.2 Agriculture, forestry, fishing and hunting	76	45	71	93	61	97	13	59	118	65	
of which: market support under CAP	38	23	41	55	34	50	4	29	70	35	
of which: other agriculture, food and fisheries policy	38	21	30	37	27	47	9	30	49	30	
of which: forestry	-	-	-	0	0	-	-	-	-	0	
4.3 Fuel and energy	17	11	10	7	6	3	3	6	7	7	
4.4 Mining, manufacturing and construction	2	1	1	-1	1	0	2	0	-1	1	

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2012-13 (continued)

	National Statistics										£ per head
	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Total England	
4. Economic affairs continued											
4.5 Transport	213	265	246	187	202	219	545	204	182	267	
of which: national roads	38	19	50	38	38	61	4	59	41	38	
of which: local roads	77	73	55	66	65	73	78	53	75	68	
of which: local public transport	39	79	32	41	43	20	162	17	19	56	
of which: railway	52	89	101	37	50	58	294	69	41	100	
of which: other transport	7	7	7	5	6	7	7	7	7	7	
4.6 Communication	-	-	-	-	-	-	-	-	-	-	
4.7 Other industries	3	3	2	1	2	2	4	2	3	3	
4.8 R&D economic affairs	45	42	44	41	37	65	65	59	42	50	
4.9 Economic affairs n.e.c.	6	15	6	6	6	6	6	7	8	8	
Total economic affairs	451	455	459	401	391	447	722	385	413	469	
5. Environment protection											
5.1 Waste management	89	285	73	81	72	85	100	115	144	122	
5.2 Waste water management	-	-	-	-	-	-	-	-	-	-	
5.3 Pollution abatement	2	2	1	2	1	4	3	3	2	2	
5.4 Protection of biodiversity and landscape	5	4	7	7	4	4	1	3	8	4	
5.5 R&D environment protection	5	5	5	5	5	5	5	5	5	5	
5.6 Environment protection n.e.c.	29	25	29	22	21	41	32	22	30	28	
Total environment protection	130	321	116	117	104	140	141	149	190	162	
6. Housing and community amenities											
6.1 Housing development	139	78	89	86	79	59	158	54	57	87	
of which: local authority housing	127	62	81	78	74	52	129	45	48	75	
of which: other social housing	11	16	8	8	5	7	29	9	9	12	
6.2 Community development	67	48	32	33	31	30	44	33	39	38	
6.3 Water supply	0	0	0	0	0	0	0	0	0	0	
6.4 Street lighting	21	14	12	9	13	10	11	11	9	12	
6.5 R&D housing and community amenities	-	-	-	-	-	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	0	0	0	0	0	0	0	0	0	0	
Total housing and community amenities	227	140	134	128	124	99	214	97	106	138	
7. Health⁽¹⁾											
Medical services	2,066	2,046	1,897	1,779	1,864	1,668	1,926	1,662	1,734	1,836	
Health research	7	6	5	6	5	8	22	9	5	9	
Central and other health services	77	75	69	65	68	61	71	61	64	67	
Total health	2,150	2,127	1,972	1,850	1,937	1,737	2,019	1,731	1,803	1,912	

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2012-13 (continued)

	National Statistics										£ per head
	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Total England	
8. Recreation, culture and religion											
8.1 Recreational and sporting services	75	52	49	44	48	35	98	37	47	54	
8.2 Cultural services	51	46	57	36	61	42	101	50	47	57	
8.3 Broadcasting and publishing services	1	1	1	1	1	1	5	2	1	2	
8.4 Religious and other community services	1	1	0	2	1	1	2	1	0	1	
8.5 R&D recreation, culture and religion	2	1	2	1	2	2	3	2	2	2	
8.6 Recreation, culture and religion n.e.c.	1	0	1	0	1	0	2	0	1	1	
Total recreation, culture and religion	131	103	110	85	112	81	211	93	98	117	
9. Education											
9.1 Pre-primary and primary education	482	482	493	440	497	444	595	438	404	480	
of which: under fives	79	81	79	73	82	71	94	73	66	78	
of which: primary education	404	401	413	368	415	374	502	365	338	401	
9.2 Secondary education	597	572	616	611	600	607	606	523	555	583	
9.3 Post-secondary non-tertiary education	5	6	3	2	6	5	4	2	2	4	
9.4 Tertiary education	208	207	200	192	180	167	288	188	183	205	
9.5 Education not definable by level	4	4	4	4	4	4	4	4	4	4	
9.6 Subsidiary services to education	61	56	55	47	68	55	68	50	62	58	
9.7 R&D education	0	0	0	0	0	0	0	0	0	0	
9.8 Education n.e.c.	25	27	25	26	25	25	28	27	25	26	
Total education	1,382	1,355	1,397	1,322	1,380	1,307	1,594	1,231	1,236	1,360	
10. Social protection											
of which: personal social services	510	451	424	376	423	426	515	392	406	435	
10.1 Sickness and disability	891	874	709	683	712	616	591	564	665	681	
of which: personal social services	164	167	135	131	143	169	171	147	153	154	
of which: incapacity, disability and injury benefits	727	707	574	552	569	446	420	417	512	527	
10.2 Old age	1,815	1,694	1,656	1,720	1,679	1,738	1,155	1,728	1,978	1,652	
of which: personal social services	200	150	155	135	148	136	163	134	148	149	
of which: pensions	1,615	1,545	1,501	1,584	1,532	1,603	992	1,594	1,830	1,503	
10.3 Survivors	18	16	16	16	15	14	7	14	16	14	
10.4 Family and children	450	453	416	378	422	381	484	363	360	412	
of which: personal social services	142	128	129	106	128	114	158	104	101	123	
of which: family benefits, income support and tax credits	308	325	287	273	295	267	326	259	259	289	
10.5 Unemployment	135	104	116	88	110	74	103	61	62	91	
of which: personal social services	-	-	-	-	-	-	-	-	-	-	
of which: other unemployment benefits	135	104	116	88	110	74	103	61	62	91	
10.6 Housing	432	402	354	293	371	325	783	349	345	423	

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2012-13 (continued)

	National Statistics										£ per head
	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Total England	
10. Social protection continued											
10.7 Social exclusion n.e.c.	525	538	528	476	534	403	507	362	412	470	
of which: personal social services	4	6	4	4	5	6	23	7	4	8	
of which: family benefits, income support and tax credits	521	532	524	471	529	396	484	355	408	461	
10.8 R&D social protection	-	-	-	-	-	-	-	-	-	-	
10.9 Social protection n.e.c.	96	83	78	71	77	60	78	49	58	70	
Total social protection	4,362	4,165	3,873	3,725	3,920	3,611	3,708	3,491	3,896	3,813	
Total Expenditure on Services in the English Regions	9,419	9,252	8,610	8,118	8,498	7,865	9,435	7,638	8,219	8,529	

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

A

Sources, data quality and conventions

A.1 This annex outlines the main sources used in producing PESA and provides information on:

- data quality;
- our revisions policy;
- coverage of public bodies;
- the treatment of certain transactions;
- consistency with other publications; and
- the main conventions used throughout the publication.

The information in this annex applies to all in-year updates as well as to this publication.

Sources of data

Central government and public corporations data

A.2 Most expenditure data in PESA are taken directly from the Treasury's public expenditure database. It is an Online System for Central Accounting and Reporting (OSCAR). This system collects public spending data from central government departments and the devolved administrations. OSCAR is a reporting system rather than an accounting system and so contains aggregate spending information rather than any transactional detail.

A.3 Data entered onto OSCAR by departments and devolved administrations cover:

- their own expenditure;
- the expenditure of agencies, Non-Departmental Public Bodies (NDPBs) and other Arms Length Bodies (ALBs);
- support for local government and public corporations; and
- capital expenditure of the public corporations that they sponsor.¹

A.4 Departments and devolved administrations can maintain up to ten years of live data depending on the year of the latest Spending Review. In 2014 departments maintained the years 2009-10 to 2015-16. This involves:

- updating values in the light of better or new information, ensuring final outturns are consistent with information in published audited accounts (normally available in the summer after the end of the financial year); and
- implementing classification changes across all live years to ensure data are consistent.

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

A.5 Data are extracted from OSCAR approximately one week prior to publication, with the following exception:

- the historical information that extends back beyond the live outturn years is maintained off-database.

Local government data

A.6 The Department for Education (DfE) supplies data on local government education spending in England. The Department for Work and Pensions (DWP) supplies data on local government housing benefit payments in all countries except Northern Ireland. All other data on local government spending in England are supplied by the Department for Communities and Local Government (CLG). The devolved administrations provide local government spending data for Scotland, Wales and Northern Ireland.

National Accounts aggregates

A.7 The Office for National Statistics (ONS) supplies outturn numbers for the following National Accounts aggregates used in PESA:

- Total Managed Expenditure (TME);
- public sector current expenditure, gross investment and net investment;
- public sector, central and local government, and public corporations' depreciation;
- public sector, central and local government, and public corporations' debt interest;
- central government own expenditure (total, current and capital);
- local government expenditure (total, current, capital); and
- public corporations' expenditure (total, current and capital).

Two points worth noting are:

- the public sector or total expenditure on services (TES) aggregate used in PESA is a Treasury aggregate that broadly follows the National Accounts framework and so is broadly consistent with TME. **Annex E** provides a detailed definition of TES; and
- depreciation in budgets is a number sourced from departments consistent with their resource accounts. The depreciation numbers used in the National Accounts are derived by the ONS.

Classification Of the Functions Of Government (COFOG)

A.8 The Treasury assigns level 2 United Nations COFOG categories to departmental and local government data in consultation with departments and the devolved administrations. Where data streams cover more than one sub-functional category, departments are asked to change their reporting (if at all possible) so that spending on each sub-function is recorded separately. We do not ask departments to make changes where the amounts involved would be less than £10m.

A.9 With the exception of the Department of Health, all departments and the devolved administrations are reporting data against COFOG level 2. The Department of Health is currently unable to report on this basis as the NHS is neither financed nor organised along the lines of COFOG level 2. The health sub-functional analysis is therefore presented against Treasury defined sub-functions.

Data quality

A.10 Departments (including agencies and ALBs) and devolved administrations aim to produce good quality data for internal management and control, as well as for external reporting via audited accounts. They also seek to ensure that the data they feed into OSCAR are of high quality. Several outputs directly relevant to Whitehall departments' operations and reporting are derived from OSCAR, including Supply Estimates, tables published in Departmental Reports.

A.11 While Whitehall departments have clear incentives to ensure accurate data is reported on OSCAR, a number of factors can adversely affect data quality:

- complexity of the public expenditure system: data needs to be coded so that a wide range of outputs can be produced against a number of frameworks. Some data will be miscoded;
- although comprehensive guidance is made available, those recording data sometimes need to apply judgement to determine the right coding. Views on the right judgement to make may differ;
- while the budget-based numbers in PESA (for example in **Chapter 1**) are key control totals for departments and devolved administrations that are closely monitored, some of the economic category and sub-functional analyses do not appear in departmental outputs so may be less robust. The devolved administrations do not draw outputs direct from the Treasury's database; and
- the need to keep compliance costs down means that some data disaggregation is not justifiable.

A.12 The aim of PESA is to provide a broad picture of where public expenditure goes. As a general rule, the more detailed the presentation, the less accurate the attribution to lower level categories. Small differences in numbers should not be taken as significant. We present many figures to the nearest £1m to prevent users from introducing rounding errors.

Revisions policy

A.13 The data in all PESA tables are open for revision to ensure that the latest data are published. Long-run data are published on a consistent classification basis, as far back as possible. The main data updates that will be included through the year are as follows:

- April – updated outturn for central government departments;
- July – Public Spending Statistics (PSS) comprising provisional outturn for central government (Whitehall) departments and PESA including revised spending plans consistent with the Budget;
- October – final outturn for central government (Whitehall) departments and provisional outturn for local government – updated Country and Regional Analysis (CRA); and
- February – final outturn for local government and Devolved Administrations;

A.14 Further information on significant revisions since PESA 2013 is provided in **Chapter 3** text.

A.15 Where we discover errors after the production of PESA 2014 we will take the following action:

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

Coverage of public bodies

A.16 PESA generally aims to include the expenditure of all bodies classified to the public sector by the Office for National Statistics (ONS). However, when new public bodies are set up, or when bodies are reclassified to, or within, the public sector, there may be a delay before data are recorded in a way that allows their inclusion in PESA. The following explains where the PESA 2014 treatment differs from the ONS classification:

- The **Financial Services Compensation Scheme (FSCS)** and **Financial Services Authority (FSA)** are classified by the ONS to the public sector but are not currently incorporated within the budgeting framework. While the spending of these bodies is not included within PESA, the Treasury loans to the FSCS are shown as payments to the private sector to reflect their ultimate destination;
- Banks recently classified to the public sector by the ONS (**Northern Rock, Bradford & Bingley, Dunfermline, Royal Bank of Scotland and Lloyds Banking Group**) are treated in PESA as part of the private sector. More detail on the treatment of this support in the budgeting and expenditure on services frameworks is set out in **Chapters 2 and 5** respectively.

Treatment of certain transactions in PESA

The Private Finance Initiative

A.17 The private finance initiative (PFI) is a means of procuring capital-intensive services. Instead of the public sector being responsible, for example, for building and maintaining a school building, the public sector contracts with the private sector for the provision of serviced school premises. The government entity that is purchasing services pays a single unitary charge to the PFI provider for as long as the services are provided to the required standard.

A.18 PFI deals may be on or off the Government's balance sheet depending on where the balance of risks in the project lies. For the period that this publication covers, independent public sector auditors take the balance sheet decision based on GAAP principles, and this decision is also normally used by the ONS for the National Accounts. If the project is on the Government's balance sheet, the capital expenditure is treated as part of public sector capital expenditure. If the project is off the Government's balance sheet then the capital expenditure is considered to be undertaken by the private sector, with the unitary charge adding to public sector current expenditure.

A.19 For on-balance sheet projects, PESA includes:

- the capital expenditure imputed to the public sector;
- the service and debt interest elements of the unitary charge; and
- the depreciation on the imputed asset.

A.20 For off-balance sheet projects, where the asset economically as well as legally belongs to the private sector, PESA includes the whole general government payment of unitary charges as payments for services.

Financial sector interventions

A.21 In December 2009 the ONS created an alternative measure of Public Sector Net Borrowing (PSNBex). This treated the classification of banks to the public sector (Northern Rock, Bradford & Bingley, Dunfermline, Lloyds Banking Group and Royal Bank of Scotland) as temporary, reflecting the Government's intention to return these banks to the private sector. As a result, these institutions are treated as if they are outside the public sector.

A.22 In the budgeting tables, the support still scores within the HM Treasury Annually Managed Expenditure (AME) budget, which is presented as part of the Chancellor's Departments group in PSS. All support to financial sector institutions is central government own spending.

A.23 The expenditure on services tables reflects the impact of this support on public spending in the National Accounts, i.e. on Total Managed Expenditure within PSNBex. The only transactions that are treated as spending within this measure are:

- the element of the share purchase that the ONS have classified as a capital grant;
- the element of depositor compensation over and above their statutory entitlements; and
- fees received from underwriting commission and credit guarantee scheme income.

A.24 Other transactions do not generally have an impact on Total Managed Expenditure, nor therefore on the expenditure on services tables, because:

- they take the form of financial transactions, such as loans or share purchases, which do not constitute spending (as one asset is exchanged for another); or
- they are offset by recoveries imputed in the National Accounts, such as for liabilities borne by the FSCS.

Consistency with other publications

Previous editions of PESA

A.25 Data in previous editions of PESA may not be directly consistent with PESA 2014 due to changes in data coverage and classification changes. Details of the main budgetary classification changes are shown in **Annex C**. Readers are therefore strongly advised against simply splicing together data in different editions of PESA. The summary analysis in **Chapter 4** incorporates historical data adjusted to current definitions in order to show trends over a longer period.

Public Sector Finance Statistics

A.26 Total Managed Expenditure (TME) and its sectoral components are consistent with the joint ONS/Treasury Public Sector Finance Statistics monthly release published on 20 June 2014.

Conventions

Rounding

A.27 The figures in this publication are generally shown to the nearest £1 million.

A.28 In all chapters dashes in the tables show that there are no data, while zeros show that there are data that round to 0.

A.29 Figures in tables may not sum due to rounding.

Real terms figures

A.30 A number of the tables in this publication give figures in real terms or as a per cent of GDP. Real terms figures are the current price outturns or plans adjusted to a constant price level by excluding the effect of general inflation as measured by the GDP deflator at market prices. The real terms figures in this publication are given in 2013-14 prices. The GDP data used in this publication are those given in **Annex F**.

Use of accruals data in tables

A.31 All data are presented on an accruals basis except in the long run tables covering years before 1998-99 (which contain some cash data).

B

Departmental groups

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

B.2 This presentation is consistent with Budget 2014 and Spending Review 2010 and Spending Round 2013 documents.

Title	Departments included
Education	Department for Education Office of Qualifications and Examinations Regulation (Ofqual)
NHS (Health)	Department of Health
Transport	Department for Transport
CLG Communities	Communities part of Communities and Local Government
CLG Local Government	Local Government part of Communities and Local Government (mainly grants to English local authorities, the Greater London Authority, and Regional Development Agencies)
Business, Innovation and Skills	Department for Business, Innovation and Skills
Home Office	Home Office
Justice	Ministry of Justice
Law Officers' Departments	The Crown Prosecution Service Serious Fraud Office HM Procurator General and Treasury Solicitor
Defence	Ministry of Defence
Foreign and Commonwealth Office	Foreign and Commonwealth Office
International Development	Department for International Development
Energy and Climate Change	Department for Energy and Climate Change
Environment, Food and Rural Affairs	Department for Environment, Food and Rural Affairs
Culture, Media and Sport	Department for Culture, Media and Sport
Work and Pensions	Department for Work and Pensions
Scotland	Scottish Government
Wales	Welsh Assembly Government
Northern Ireland	Northern Ireland Executive
Chancellor's Departments	HM Treasury HM Revenue and Customs
Cabinet Office	Cabinet Office Security and Intelligence Agencies

Title	Departments included
Small and Independent Bodies	Charity Commission Competition and Markets Authority Crown Estate Office Electoral Commission Export Credits Guarantee Department Food Standards Agency Government Actuary's Department House of Commons House of Lords Independent Parliamentary Standards Authority Local Government Boundary Commission for England National Audit Office National Savings and Investment Northern Ireland Office Office for Standards in Education, Children's Services and Skills. Office of Fair Trading Office of Gas and Electricity Markets Office of rail Regulation Office of the Parliamentary Commissioner for Administration and Health Service Commissioners for England Scotland Office and Office of the Advocate General Statistics Board The National Archives United Kingdom Supreme Court UK Trade and Investment Wales Office Water Services Regulatory Authority



Public expenditure budgeting and control aggregates

C.1 This annex describes the budgeting and control regime under the current resource budgeting framework that was first introduced for the 2002 Spending Review (full resource budgeting) and that has been modified since then.

C.2 Departments have separate resource and capital budgets. These are split into Departmental Expenditure Limits (DEL) and departmental Annually Managed Expenditure (AME). Within DEL there are separate control totals for capital and resource DEL budgets; and within resource DEL there is a further control total for administration budgets and a ring-fence for depreciation. In addition to departmental AME, other AME covers spending that is not tied to a departmental budget. DEL plus AME, including accounting adjustments, sum to Total Managed Expenditure (TME), an aggregate that is drawn from National Accounts.

What's new

C.3 There have been no significant changes to the budgeting and control aggregates since PESA 2013.

Resource budgeting

C.4 In 2003-04 the Government completed its staged move to a full resource basis for financial reporting and control. Since this point, budgets have been set and monitored in resource terms, as described below.

C.5 There are separate departmental budgets for resource (i.e. current) and capital expenditure. These are also laid out in more detail below and are summarised in C.18.

Resource budget

C.6 The **resource budget** controls the current expenditure of a department and largely follows the contents of resource accounts. Resource accounts are prepared in accordance with the Government Financial Reporting Manual, which follows International Financial Reporting Standards (IFRS) with such adaptations as are necessary for the public sector.

C.7 Resource budgets measure expenditure when it accrues rather than when the cash is spent. They do not include, as an in-year cost, prepayments for goods and services not consumed in that year but they will include resources consumed but paid for in later years or where pre-financed in earlier periods. Stock consumption scores in the resource budget while spending on adding to stocks does not. They include non-cash costs such as movements in provisions and charges for bad debts. Resource budgets record the cost of lending to students on the basis of an assessment of the subsidy implied in the low interest rate charged and the bad debt provision that is required. The annual resource cost to departments of the assets they use to deliver services is also included in resource budgets. This cost is in the form of charges for capital consumed in that year (depreciation).

C.8 The resource (DEL) budget includes all administration costs of central government departments such as pay and employer pension contributions or superannuation charges paid to unfunded public service pensions schemes. It also includes most of departments' other purchases of services. It includes current grants and subsidies paid to the private sector.

C.9 The resource budgets for the Department for International Development (DfID) and the Foreign and Commonwealth Office (FCO) include an attributed share of the EU's expenditure on overseas aid and the Common Foreign and Security Policy.

C.10 Arms Length Bodies – resource and capital budgets include the expenditure of most arms length bodies (ALBs) classified to the central government sector.

C.11 Public Corporations are budgeted for on an external finance basis. Resource budgets include subsidies paid to, and dividends and interest received from, all public corporations sponsored by a department. Capital grants, lending to public corporations, and private sector borrowing by public corporations are in the capital budget.

C.12 Central government support for local government – the resource budget scores current grants to local government. Capital support scores in capital budgets. More information on local government is in **Chapter 7**.

Capital budget

C.13 Capital budgets include expenditure on fixed capital assets, capital grants and the acquisition of certain financial assets acquired or sold for policy reasons. Capital budgets include capital expenditure financed by finance leases and on balance sheet Private Finance Initiative transactions. Capital budgets are set net of the sale value of receipts from the sale of capital assets.

C.14 In resource accounts proceeds from sales of assets are split between the book value and any profit/loss on disposal. Receipts relating to the book value are recorded in capital budgets. The profit/loss on disposal is recorded in the resource budget.

C.15 Capital budgets generally include loans on a net basis, i.e. new loans issued less repayments of loan principal. Large (over £20m) prepayments and debtors score in capital budgets if they last more than 12 months.

C.16 Long-lasting defence fighting equipment with no civilian use (sometimes called Single Use Military Equipment) is treated as capital expenditure in budgets and departmental resource accounts, but National Accounts treat it as current.

C.17 Central government support for local government – current grants score in resource budgets. Capital grants (also called Supported Capital Expenditure (Capital) in England and Wales) score in capital budgets. Capital budgets also include amounts for local authority borrowing where central government has agreed to fund the resultant loan charges. These credit approvals are known as Supported Capital Expenditure (Revenue) in England and Wales, and supported borrowing in Scotland. More information on local government is in **Chapter 7**.

Resource and capital budgets – summary table

C.18 This table summarises the main standard contents of resource and capital budgets:

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

Departmental Expenditure Limits

C.19 Around half of public expenditure (TME) by value is in DEL. But because AME includes a small number of large programmes, by far the majority of public expenditure programmes are in DEL. The main programmes in AME are set out later in this section.

C.20 DELs are set for three or four years in a Spending Review. They represent firm plans for departmental spending that may only be increased in exceptional circumstances with the Treasury's agreement through a claim on the DEL Reserve. Departments may carry forward some unspent DEL from one year to the next with the agreement of Treasury under the system of Budget Exchange.

C.21 DEL is net of certain receipts, mainly from sales of goods and services, asset sales, dividends, interest, rent of land and income from the European Union. It is also net of certain taxes, levies and fines where exceptionally the Chief Secretary to the Treasury has given specific agreement for a department to retain them in their DEL.

C.22 DEL includes a Reserve to meet unexpected needs. When sums are allocated from the Reserve, individual departments' DELs are increased and the Reserve line reduced by the same amount.

C.23 Public corporations – most transactions in respect of public corporations score in DEL but those in respect of self-financing public corporations score in departmental AME (except where they receive grants and subsidies, which would score in DEL).

C.24 Total DEL is not a control total but a standard way of presenting the sum of current and capital spending in DEL. Total DEL is defined as resource DEL excluding depreciation plus capital DEL. Depreciation here includes impairments (including Student Loan provisions) and the release of the donated assets and government grant reserves.

Annually Managed Expenditure

C.25 The following text describes the components of AME, which for the purposes of PESA is divided into departmental AME and other AME. The items in bold correspond to the row names of **Table 1.1**.

Departmental Annually Managed Expenditure

C.26 Departmental AME programmes are set out in departmental reports. A programme is included in AME if it cannot reasonably be subject to firm three-year limits as for DEL. Typically this is where the programme expenditure is demand-led, volatile, and large in relation to the size of the department. But those are neither necessary nor sufficient conditions for inclusion in AME. Discretionary new spending programmes are always in DEL except where a special case can be made to demonstrate that treatment as AME is likely to deliver better control of expenditure.

C.27 The main programmes in departmental AME are:

- social security benefits;
- tax credits for individuals;
- net lending to students;
- BBC domestic services;
- net public service pensions; and
- expenditure financed by the proceeds of the national lottery.

C.28 Social security benefits – includes payments of social security and National Insurance benefits by the Department for Work and Pensions (DWP) and the DSS (Northern Ireland). It includes central government support for certain social security benefits paid by local government, such as Housing Benefit. It includes payments by DWP to the BBC in respect of free television licences for the over 75s.

C.29 Tax credits – Until PESA 2011 tax credits in HMRC's AME did not include negative tax (i.e. where the amount paid is less than or equal to the tax liability of the household). In this PESA all tax credits are included in departmental AME, increasing dept AME by approximately £5bn to £6bn per year. This aligns to the way tax credits appear in resource accounts.

C.30 Student loans – the transactions of loan principal score in capital departmental AME while resource departmental AME contains interest receivable and certain non-cash transactions. Resource DEL scores the changes in the impairment recognised by the issuing departments in their resource accounts.

C.31 BBC domestic services – the expenditure of the BBC on domestic broadcasting scores in departmental AME. Certain trading operations of the BBC are treated as self-financing public corporations in AME.

C.32 Net public service pensions – this line scores the majority of the operating costs, net of income, for the main public service unfunded pension schemes. Operating costs are measured under International Accounting Standard 19 (IAS 19) as amended for the public sector. The main schemes are those for NHS staff, the civil service, teachers and the armed forces. This line comprises an assessment of the increase in the liability relating to current employees less relevant receipts. It does not include an amount for the unwinding of the discount rate, which is shown as part of the non-cash items in AME.

C.33 All the major unfunded pension schemes follow IAS 19 to report any increase (or decrease) in liabilities accrued in the period. In broad terms, there is a charge (or benefit) shown in this row equal to the gross increase in the provision that impacts on the operating statement of the scheme (excluding the unwinding of the discount rate) less pension contributions receivable from employers and employees, and less other income.

C.34 Note that there may be several reasons for a difference in the level of contributions and the IAS 19 charge. In particular, calculations of contributions and of the IAS 19 charge use different discount rates and different actuarial methodologies. In addition, contribution rates are revised only every three or four years, after full actuarial valuations, so the contribution rate is set to reflect previous over- and under-assessment of contributions due to scheme-specific experience on issues such as pay and demography.

C.35 Cash payments of members' continuing pensions, lump sums, spouses' benefits and similar payments, and bulk and individual transfers out are all normally charged directly to the pension provision shown on the balance sheet. That means that they do not impact on the cost of the scheme as measured in this line, because the obligation to pay the pension had been recognised as adding to liabilities by an increase in the pension provision when the right to the pension accrued. However, if any cash payment is made that is not covered by a previously recognised liability then that payment would score in this AME line.

C.36 Relevant receipts include employers' contributions (including accruing superannuation liability charges such as those paid by departments to the Principal Civil Service Pension Scheme), employees' contributions for ordinary pensions (including widows'/widowers' pensions) and for added years, and receipts of bulk and individual transfers in.

C.37 This line does not reflect changes to the pension provision on the balance sheet resulting from changes in the actuarial assumptions made about the future (for example life expectancy, pay growth, inflation etc). Such changes result in the cost of providing already accrued pensions being higher (or lower) than previously thought. So if, for example, pensioners are living longer than previously thought then the overall liability of a scheme will rise. The effects of these changes are shown in a separate statement (Statement of Recognised Gains and Losses) in the pension schemes' resource accounts and do not score in budgets.

C.38 For simplicity, and because of the immateriality of the amounts, some small unfunded schemes may report the difference between the cash paid out during the year and any contributions received.

C.39 Note that this line does not cover:

- pension schemes with a real pensions fund, such as local government and most public corporations' pension schemes;
- the schemes for police officers and fire-fighters, which although unfunded are run by local government, and whose costs are therefore in local government expenditure; and
- pensions of some ALBs and other offices in the central government sector which operate their own pay-as-you-go pensions schemes and which are in DEL, generally on an IAS 19 basis.

C.40 Future payments of pensions are discounted in order to obtain the value of the liability in today's terms. Each year, future payments come a year closer and so the effects of discounting are reduced. That unwinding of the discount rate is a cost that is recognised in the accounts. In budgets, the amount for the unwinding of the discount rate on the liability is part of the **non-cash items** row (see C.47 below).

C.41 The amount for the unwinding of the discount rate can be seen as loosely equivalent to the amount of interest the government would have had to pay if the schemes had been funded, and is sometimes referred to as interest on scheme liabilities (note that the discount rate is set in accordance with IFRS principles as endorsed by the Financial Reporting Advisory Board and is not automatically a gilt rate). So this item reflects the fact that the schemes are unfunded. Showing this item in the non-cash items row separates out the costs that the government bears as employer from guaranteeing the schemes (which are the costs in the net public service pensions row) from the notional costs that result because the schemes are unfunded.

C.42 The cost of pension schemes as measured on an IFRS basis does not impact directly on TME or the other fiscal aggregates. **Annex D** explains how the IFRS measures for the main public service pension schemes in departmental AME can be reconciled to their impact on TME, and this is shown in detail in **Table D.1**.

C.43 The overall change over the year in the schemes' balance sheet pensions liability measured on an IFRS basis is normally given by:

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

C.44 With the exception of the last item, which is not an expenditure or budget item, figures for the components listed above are shown in **Table D.1**.

C.45 Expenditure on services includes the cost of public service pensions on a TME basis in the social protection function.

C.46 National Lottery – expenditure on good causes funded from the proceeds of the National Lottery is in this line. The Big Lottery Fund was officially established by Parliament on 1 December 2006 and at the same time assumed the residual responsibilities of the dissolved National Lottery Charities Board (Community Fund), the New Opportunities Fund and the Millennium Commission. The Big Lottery Fund rolls out grants to health, education, environment and charitable causes across the UK.

C.47 Non-cash items include:

- large, demand led non-cash items that could not reasonably be included in DEL budgets, such as provisions for nuclear decommissioning liabilities and the increase in the liability of public service pensions schemes due to the unwinding of the discount rate; and
- non-cash items in respect of departmental AME programmes.

C.48 Financial sector interventions – includes all transactions that relate to the support provided by the Treasury to financial institutions since 2008-09. The underlying components are set out in **Box 2.A** in **Chapter 2**.

C.49 Other departmental expenditure includes:

- transactions in respect of Self-Financing Public Corporations;
- Export Credits Guarantee Department (part);
- expenditure on tax credits for companies (research and development for Small and Medium Enterprises, contaminated land clearance) and charities calculated on an OECD basis, which reflects payments in excess of tax liability;
- HM Revenue and Customs (HMRC) payments in respect of Child Trust Funds;

- rates paid on behalf of embassies, net of beneficial portion receipts;
- Housing Subsidy in England and Wales, and Housing Support Grant in Scotland;
- Redundancy Payments Scheme;
- coal health liabilities;
- adjustments to prior years' National Non-Domestic Rates (NNDR) collection;
- support to local government in respect of police officers' and fire-fighters' pension schemes;
- debt repayment grants to local authorities;
- expenditure of certain levy-funded bodies; and
- acceptances of artworks in lieu of Inheritance Tax.

Other Annually Managed Expenditure

C.50 Locally Financed Expenditure (LFE) – this line comprises the following items:

- Local Authority Self-Financed Expenditure (LASFE) in the UK;
- expenditure financed from the product of the Scottish Non-Domestic Rates; and
- central government expenditure financed from the product of Northern Ireland Regional Rates (NIRR) and from borrowing from the National Loans Fund under the Re-investment & Reform Initiative (RRI).

C.51 LASFE is that part of total local authority expenditure not met by central government support. Its largest single financing component is the product of the Council Tax. Other components include the surpluses of trading activities, interest receipts, unsupported borrowing and the use of reserves.

C.52 NIRR are set by the central government in Northern Ireland and can be used to finance any public sector expenditure within Northern Ireland. By convention it is treated in PESA as locally financed central government expenditure. The product of NIRR is treated as a transfer from AME into DEL, so this means that DEL is set net of the product of the NIRR.

C.53 Expenditure financed by borrowing from the National Loans Fund under the RRI is shown under LFE because the loans will be serviced and repaid out of the product of the NIRR.

C.54 Net expenditure transfers to the European Union – transactions with the institutions of the European Union are shown in **Table C.1** and comprise the following concepts:

- net expenditure transfers to the European Union, which reflects the main TME impact of membership of the European Union;
- net payments to EU institutions; and
- the net contribution to the EU budget.

C.55 The TME effect of EU membership is therefore given by:

- GNI-based contributions;
- less the UK's abatement; and
- less an amount in respect of the cost of collecting TOR.

Table C.1 Transactions with the institutions of the EU 2009-10 to 2015-16

	£ million						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	2015-16 plans
GNI based contribution	10,637	11,092	11,218	12,303	13,845	13,089	12,867
UK abatement	-4,218	-2,678	-3,516	-3,172	-4,130	-4,208	-3,968
Net expenditure transfers to the EU	6,419	8,414	7,702	9,131	9,716	8,881	8,899
Receipts to cover collection costs in respect of collecting Traditional Own Resources (TOR) ⁽¹⁾	-658	-745	-735	-720	-733	-743	-750
to give contribution to TME	5,760	7,669	6,967	8,411	8,982	8,138	8,150
TOR ⁽¹⁾	2,633	2,979	2,940	2,891	2,933	2,971	3,236
VAT-based payments to the EU	1,121	2,266	2,276	2,398	2,163	2,615	2,585
Gross contribution to the EU budget	9,515	12,915	12,184	13,699	14,079	13,724	13,970
Public sector EU receipts ⁽²⁾	-4,788	-3,998	-4,771	-4,022	-3,729	-4,612	-4,607
Net contributions to the EU budget	4,727	8,917	7,413	9,678	10,350	9,113	9,363
less Attributed costs ⁽³⁾	69	43	163	82	79	-	-
Net payments to EU institutions	4,659	8,874	7,250	9,595	10,270	9,113	9,363

⁽¹⁾ TOR comprises customs duties (including those on agricultural products) and sugar levies.

⁽²⁾ Receipts are shown here on a cash basis. EU receipts in budgets are on an accruals basis.

⁽³⁾ The UK's contribution to the cost of the EU which is attributed to departmental budgets.

C.56 Public Corporations' Own-Financed Capital Expenditure – this line comprises the capital expenditure of public corporations net of any capital grants or loans given by its parent department and net of public corporations' market and overseas borrowing where that scores to departmental budgets.

C.57 This line also includes the whole amount of capital expenditure of public corporations accountable to local government, whether own-financed or supported by local government: an accounting adjustment removes local government support to public corporations to avoid this spending being double counted.

C.58 Central government debt interest – this line includes interest paid to the private sector and overseas, but not interest paid to other parts of the public sector. The capital uplift on index-linked gilts is scored as interest at the time it accrues. This line includes the amortisation of discounts/premia on gilts at issue.

C.59 Accounting adjustments are described in **Annex D**.

Total Managed Expenditure

C.60 TME is an aggregate drawn from National Accounts. It covers the current and capital expenditure of the public sector, net of some receipts. It therefore includes expenditure of central and local government and also the capital expenditure of public corporations. TME excludes grants and interest payments between parts of the public sector (as it is a consolidated measure) as well as all financial transactions (such as lending). So TME is the expenditure side of the equation that gives public sector net borrowing, a measure of the fiscal stance.

C.61 As in **Table 1.1**, TME can be shown to equal Total DEL + AME (including accounting adjustments).

C.62 In addition, TME may be expressed as the sum of:

- public sector current expenditure;
- public sector net investment; and
- public sector depreciation.

C.63 In this presentation, depreciation represents the amount of capital expenditure required to make good the depreciation of assets, and net investment represents the amount of capital expenditure that adds to the overall stock of assets.

D

Accounting adjustments in budgeting presentation of TME

The need for accounting adjustments

D.1 The National Accounts, produced by the Office for National Statistics (ONS), follow international guidelines and provide a widely accepted framework for analysing the economic activity of the country. Total Managed Expenditure (TME) is an aggregate drawn from National Accounts that measures the sum of public sector current and capital spending.

D.2 Government departments budget and account for their spending in resource terms. From 2009-10 onwards this was based on International Financial Reporting Standards (IFRS) and prior to that was based on UK's Generally Accepted Accounting Practice. Both accounting frameworks differ in a number of ways from National Accounts, which are based on the European System of Accounts 1995 (ESA 95). The main difference is that ESA95, in the main, recognises liabilities and assets only when they crystallise.

D.3 As a consequence of this, a number of adjustments are needed to reconcile budgets to the component parts of TME – these are known as accounting adjustments. **Table 1.1** shows resource DEL plus resource AME equalling public sector current expenditure, and capital DEL plus capital AME equalling public sector gross investment. Public sector current expenditure (PSCE) plus public sector gross investment (PSGI) then equals TME. In this presentation the AME totals include the accounting adjustments.

D.4 The accounting adjustments are shown separately for resource and capital in **Table 1.14**, the former shows the breakdown of those adjustments necessary to reconcile to PSCE and the latter those adjustments necessary to reconcile to PSGI. In each table the accounting adjustments are broken down into three categories;

- a. data that are removed from budgets because the National Accounts uses a different data source;
- b. data that are removed from budgets because they are not part of spending as defined by the National Accounts; and
- c. accounting adjustments that are made to budgets to move them to a basis and economic categorisation consistent with spending as defined by the National Accounts.

D.5 The accounting adjustments in the first two categories above are shown separately according to whether they are in DEL or AME. The main accounting adjustments within the third category are shown separately for the Central Government and Local Government sectors arranged by the economic categories within TME. The section below goes through the main adjustments giving a description of the nature of the adjustment and the reason that it needs to be made. For each economic category there are a large number of smaller adjustments that are not shown separately – the total for these is in the “other” category. These adjustments include the part of the timing adjustments published at the bottom of **Table 1.14** that is applicable to each economic category and a number of less significant accounting adjustments, including those that switch misreported data on OSCAR between economic categories.

List of the accounting adjustments in Table 1.14

Resource Accounting Adjustments

Remove data in budgets which form part of public sector current expenditure but where a different source is used for National Accounts

Capital consumption and NHS capital consumption

D.6 These items are removed from both DEL and AME because, as is common international practice, estimates of capital consumption in the National Accounts are produced using a Perpetual Inventory Model (PIM) rather than the data reported by departments as part of their budgets.

Interest

D.7 This item is removed from both DEL and AME as the ONS sources its Central Government interest transaction from a variety of sources with none being the data in budgets reported by departments. In **Table 1.1** Gross Debt Interest is shown separately from accounting adjustments under other AME. This is far larger than the interest items deducted from budgets as it includes the interest the Debt Management Office pays on its Gilts as well as interest paid by departments.

Subsidy element of renewable obligation certificates and other environmental levies

D.8 Where there is a compulsory and unrequited payment imposed by Government, even if the payment is not to a public sector body, National Accounts sometimes require the payment to be imputed in the public finances as offsetting taxation and subsidy spending. This is the case with renewable obligation certificates (ROCs), where companies not meeting their renewable obligations have to purchase ROCs from companies who have exceeded their obligations. The Department of Energy and Climate Change (DECC) have already included estimates in their AME forecast for the subsidy elements, however ONS and the Office for Budget Responsibility (OBR) are currently using a different source for their estimates of the value of this subsidy so the DECC estimates are removed from AME. This also applies for other environmental levies such as Feed-in Tariffs and the Renewable Heat Initiative so these are also removed.

Other

D.9 The items deducted from both DEL and AME under this category include dividends and rent. In both cases ONS use sources other than the data reported by departments as part of their budgets.

Adjustment for different data used by OBR in PSCE forecast

D.10 The forecast data for departments' DEL and AME budgets for 2014-15 and 2015-16 used in this publication are taken from the data submitted by departments on OSCAR. The OBR used OSCAR data consistent with PESA 2013 for their forecast in the March 2014 Economic and Fiscal Outlook (EFO). These adjustments are to reconcile the data used by the OBR with that in PESA. For AME, the OBR used the forecasts provided to them by departments, which should also have been reflected on OSCAR. For DEL the OBR used plans from PESA 2013 adjusted to reflect policy announcements made during the year. For 2013-14 to 2015-16, the OBR also included an estimate of the expected level of underspending by departments.

Remove data in budgets which do not form part of public sector current expenditure

Impairments

D.11 Impairments as defined in budgets, in both DEL and AME, can result from a number of factors which do not affect PSCE as defined in the National Accounts. Examples of these are impairments resulting from the revaluation of assets or from unexpected losses which are treated as balance sheet movements only in National Accounts. Impairments from wear and tear in the course of normal business are treated as part of PSCE capital consumption in the National Accounts and are accounted for as part of the PIM discussed in D.6 above. As a result all impairments as reported in budgets by departments are removed from both DEL and AME as they do not form part of public expenditure.

Fees, levies and charges, receipts treated as negative DEL but revenue in National Accounts, and miscellaneous current transfers

D.12 Some receipts included under these categories benefit resource budgets, in both DEL and AME, even where they are included on the revenue side of the National Accounts. The deduction of such receipts in budgets needs to be reversed in the calculation of TME.

D.13 The central government receipts that are removed in the adjustment are:

- certain taxes collected, including licences issued by the utility regulators;
- certain fines;
- current donations;
- current compensation;
- rent of land; and
- dividends and interest from the private sector and overseas.

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

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

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

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

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

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

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

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

- the three main contributions to the net public service pensions line in **Table 1.1** (as in D.17 above);
- the pensions element of the non-cash items line in **Table 1.1** (i.e. the unwinding of the discount on the liability);
- the sum of these elements, which is the contribution of pension schemes to departmental AME;
- the accounting adjustments required to reach the contribution to TME (see D.20 below); and
- the contribution of the main public service pensions schemes to TME.

D.19 The adjustments are as follows:

1. remove changes in liabilities scored in the net public service pensions line;
2. remove changes in liabilities arising from the unwinding of the discount rate that are scored in the non-cash items line in AME; and
3. add cash payments to pensioners, surviving spouses etc and transfers out to other schemes.

Table D.1 Pay as you go public service pension schemes in AME and in TME, 2009-10 to 2015-16

	£ million						
	National Statistics					2014-15 plans	2015-16 plans
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		
Departmental AME (GAAP basis)							
Change in liability	22,124	-56,752	27,069	26,928	29,308	32,274	31,452
Contributions received*	-20,673	-21,360	-21,142	-22,024	-22,988	-24,016	-24,191
Cash payments in OCS not covered by release of provision*	78	39	85	54	27	111	112
Net public service pensions (GAAP basis)	1,528	-78,073	6,012	4,958	6,347	8,370	7,373
Unwinding of discount rate (= contribution to non-cash items)	39,154	37,615	44,012	40,327	37,420	43,827	43,492
Total Departmental AME (GAAP basis)	40,682	-40,458	50,024	45,285	43,767	52,197	50,865
Accounting adjustments							
Remove change in liability	-22,124	56,752	-27,069	-26,928	-29,308	-32,274	-31,452
Remove increased liability due to unwinding of discount rate	-39,154	-37,615	-44,012	-40,327	-37,420	-43,827	-43,492
Add pensions in payment covered by release of provision**	24,272	25,928	27,725	30,550	32,174	33,475	35,099
Accounting adjustments (Pensions)	-37,005	45,065	-43,356	-36,705	-34,553	-42,626	-39,845
Contribution to TME (National Accounts basis)	3,677	4,607	6,668	8,580	9,213	9,571	11,020
<i>of which:</i>							
Pensions in payment*	24,350	25,967	27,810	30,604	32,201	33,586	35,212
Contributions received*	-20,673	-21,360	-21,142	-22,024	-22,988	-24,016	-24,191

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

** Offsets change in gross liability.

Grant equivalent element of student lending

D.20 In budgets this is the provision that represents the net present value of the interest support element of student loans that scores in DEL and AME as the loans are issued. In the National Accounts the impact on the current balance is determined by the difference between interest payments made on government debt and interest income receivable from students. These values therefore need to be removed from DEL and AME as an accounting adjustment.

Stock write-offs

D.21 In budgets the write-off of stocks covers items such as military expenditure and medical stocks that are treated as being consumed at the point of purchase in National Accounts. This adjustment therefore removes the value of these stocks from DEL.

Northern Ireland Executive transfers between DEL and AME

D.22 As explained in Annex C, expenditure financed by Northern Ireland Rates is treated as a transfer from AME into DEL and by convention treated as part of locally financed expenditure in **Table 1.1**. This is removed from DEL and added back in the section which removes data from Local Government expenditure.

Profit or loss – sale of company securities

D.23 Departmental resource DEL and AME budgets include the profit or loss on the sale of company securities. These are removed as an adjustment as they are scored as financial transactions in the National Accounts.

Profit or loss – sale of other assets

D.24 Departmental resource DEL and AME budgets include the profit or loss on sales of tangible and intangible fixed assets. In the National Accounts, these are treated as capital transactions rather than resource transactions and so this adjustment is necessary to remove them from PSCE.

Green Investment Bank

D.25 Resource transactions involving the Green Investment Bank have been included in PSGI in CDEL and then removed as an accounting adjustment in the OBR's forecast. In PESA they are removed as an item in budgets which does not form part of PSGI.

Tax credits

D.26 Following the Alignment Project, all personal tax credits are treated as part of AME. This adjustment removes tax credits that are treated as negative taxation in the National Accounts.

Fee income treated as capital in National Accounts

D.27 The Government announced the intention to instigate the Asset Protection Scheme for Lloyds Banking Group (LBG) and RBS in February 2009. In December 2009, RBS signed the contract to participate in the scheme and LBG announced it would not take part in the scheme. The Government received an exit fee from LBG and a fee from RBS for the implicit guarantee provided between February and December 2009. These fees were treated as capital receipts in the National Accounts but as negative resource AME (receipts) in HM Treasury's budget. This adjustment removes the receipts from PSCE.

Imputed tax element of renewable obligation certificates and other environmental levies

D.28 As explained above, National Accounts requires payments of ROCs and other environmental levies to be imputed in the public finances as offsetting taxation and subsidy spending. DECC have already included estimates in their AME forecast for the tax elements, however these are treated as part of receipts rather than spending in the National Accounts and so are removed in this adjustment.

Other

D.29 There are a number of other items that are removed from DEL and AME because they do not score as part of TME in the National Accounts. These include:

- notional audit fees, which are not scored in TME as no money flows;
- some other miscellaneous transactions that are scored in budgets but treated as financial transactions in the National Accounts; and
- some transfers between different parts of central government that are excluded from the National Accounts as they are within the same sector in the National Accounts.

Central Government Adjustments in the National Accounts

Expenditure on Goods and Services

VAT refunds

D.30 VAT is a tax that is paid by final consumers, i.e. government and households. Producers pay VAT on materials that they use in the course of production, but are able to claim those VAT payments back from HMRC. Producers then charge VAT on sales and pass these monies to HMRC. Where a public sector body is engaged in production and receives such a VAT refund, this refund would not add to TME, nor would it be included in their spending data, which is measured net of recoverable VAT. Therefore in these cases no adjustment is needed to reconcile to TME.

D.31 However, some public sector bodies additionally receive refunds of VAT that they have paid in respect of contracted out services for non-business purposes, including the free-to-enter public museums. These VAT payments by general government bodies form part of the prices paid as a final consumer, and therefore form part of final government consumption within TME (as well as part of current receipts). However, departmental budgets, and other spending data, are net of all recoverable VAT. This adjustment therefore adds back VAT refunded to central government departments in respect of contracted out services for non-business purposes and VAT refunds to free public museums in respect of non-business activities.

Single Use Military Equipment

D.32 Expenditure on Single Use Military Equipment (fighting equipment with no non-military use) that is capital under IFRS is recorded as capital expenditure in departmental budgets but treated as current expenditure in National Accounts and therefore in PSCE. This adjustment adds it to PSCE.

EU tax collection costs

D.33 The UK receives a payment from the EU for collecting Traditional Own Resources (customs duties, agricultural and sugar levies) on behalf of the EU. This receipt (which is actually netted off the payment made to the EU) is treated as a government receipt and reduces TME. This income is recorded here.

Capital consumption

D.34 As explained above, departmental estimates for capital consumption are removed from both DEL and AME because, as is common international practice, estimates of capital consumption in the National Accounts are produced using a Perpetual Inventory Model (PIM). This adjustment adds in the PIM estimates.

Net Social Benefits

Switch between net social benefits and other current grants

D.35 When COINS, the predecessor of OSCAR, was first set up, departments misclassified net social payments as other current grants due to issues with the mapping of codes to the previous reporting systems. These misclassifications continue on a smaller scale today and this adjustment corrects this misclassification.

Public service pensions contribution up-rate

D.36 This adjustment accounts for the additional receipts from the increase in contribution rates from 2012-13 announced in the 2010 Spending Review. The receipts were included in the OBR forecast in the 2012 March EFO at a global level since details about how it will impact across pension schemes had not yet been announced.

Net Current Grants Abroad

DfID funding for capital projects scored in resource DEL

D.37 A proportion of the Department for International Development's (DFID) bilateral aid budget is deemed to be a capital grant to the rest of the world in the National Accounts, although all bilateral aid grants are shown in resource DEL budgets. This adjustment removes the part that is deemed to be capital spending so that it is not included in PSCE. This is not reflected in the forecast years as the composition of the DFID aid budget has changed.

EU receipts and EU funded expenditure

D.38 EU grant expenditure routed through government departments is treated in the National Accounts as a transaction between the EU and the end-recipient of the grant. Both the receipt from the EU and the spending funded by the EU are included in departments' DEL budgets. This adjustment therefore removes the receipt of the EU finance by departments, which is scored as part of their DEL budget. There are adjustments within the "other" category in Other Current Grants and in Subsidies that remove the spending.

Subsidies

Renewable obligation certificates and other environmental levies

D.39 As mentioned above, ROCs and some other environmental levies are treated as imputed subsidies (and tax) in the National Accounts. This adjustment adds in ONS's and OBR's valuation of the imputed subsidy (DECC's COINS data having been removed in the first section of the table).

Company tax credits outside departmental AME

D.40 Currently ONS treat all company tax credits payments as part of TME. These include research and development tax credits, transitional relief to charities formerly entitled to receive tax credits on dividends, film tax credits and tax relief on clearing contaminated land. This adjustment adds the part of the payments of these tax credits that are not in HMRC's AME budget.

Local Government Adjustments in the National Accounts

D.41 As explained in Annex C, the contribution to AME from the Local Government sector is locally financed expenditure. This comprises the parts of local authority expenditure not met by central government support in the UK (known as LASFE), expenditure financed by Scottish NNDR and expenditure financed by Northern Ireland Regional Rates. LASFE is calculated as total Local Government expenditure, sourced from Local Government data (as outlined in Annex A), adjusted to a National Accounts basis, less CG support, based on data in Central Government departments' budgets. The accounting adjustments listed below are therefore the main adjustments to Local Government source data needed to transform it to a National Accounts basis and to reconcile Central and Local Government sources for PSCE.

Remove data which do not form part of public sector current expenditure

Retirement benefits

D.42 An adjustment is required here to remove items in the local government source data which do not reflect actual payments.

Debt interest payments to central government

D.43 Interest payments to central government are removed as they represent flows between two parts of the public sector and so do not score towards TME.

Adjustments to reconcile use of different data sources

Central government support

D.44 As mentioned above, the data for Central Government support used in the calculation of LASFE is based on data in Central Government departments' budgets and the total spending is from the Local Government sources. This adjustment is therefore necessary to reconcile Central Government and Local Government sources of information for current Central Government support. The data based on Central Government departments' budgets are the data deducted in the calculation of LASFE as these are felt to be more reliable and are available at a more detailed level for quality assurance.

Debt interest

D.45 This adjustment reconciles differences between the data source used for the calculation of debt interest payments to the private sector by Local Authorities in the National Accounts and that used in Local Government sources.

Expenditure on Goods and Services

VAT refunds

D.46 As mentioned in the section on Central Government adjustments to expenditure on goods and services above, public sector bodies, including Local Authorities, receive refunds of VAT that they have paid in respect of contracted out services for non-business purposes. Central government support in resource DEL (and AME) and current LASFE are measured net of these VAT refunds, but in TME the expenditure is recorded including the VAT paid and therefore an adjustment is made to add back these refunds.

Capital consumption

D.47 As also mentioned above, in the section on Central Government adjustments to expenditure on goods and services, estimates of capital consumption in the National Accounts are sourced from the ONS's PIM model. This adjustment adds in these estimates for the Local Government sector.

Rates

D.48 This deducts payments of National Non-domestic Rates (NNDR) paid by local government which are in locally financed expenditure but do not form part of TME.

Subsidies

Equity injection into Housing Revenue Account

D.49 The HRA is treated as a Public Corporation in National Accounts. This means that the regular deficit resulting from its operations is treated in National Accounts as an imputed subsidy (if a regular profit were made it would be treated as an imputed dividend). The deficit (or profit) is calculated as the gross operating surplus less gross capital expenditure. Gross, rather than net, capital expenditure is used as sales of housing stock are treated as financial transactions which reduce LG equity in the HRA. Since 2004-05 the HRA have had a regular deficit so a subsidy is imputed from Local Government to the PC sector. This adjustment adds in the subsidy to Local Government spending. (Unlike grants subsidies from one part of the public sector to another are included in TME).

Net Social Benefits

Housing benefits and rent rebates

D.50 ONS use data from DWP in respect of housing benefits and rent rebates. An adjustment is necessary to bring data from Local Government sources into line with that from DWP.

Public Corporations

D.51 The main adjustment in relation to Public Corporations data is their payment of debt interest to the private sector. This is the only part of Public Corporation own expenditure other than Public Corporations' Own Financed Capital Expenditure (see Annex C) that scores in TME. This adjustment adds in the data used in the National Accounts for their debt interest payments to the private sector.

Capital Accounting Adjustments

Remove data in budgets which form part of public sector gross investment but where a different source is used for National Accounts

Change in inventories and acquisitions less disposals of valuables

D.52 The data in the National Accounts for both of these are sourced from ONS surveys and administrative sources other than COINS.

Adjustment for different data used by OBR in PSGI forecast

D.53 As explained above for resource spending, the forecast data for departments' DEL and AME budgets for 2014-14 and 2015-16 used in this PESA publication differ from those used by the OBR in their March 2014 EFO. These adjustments are to reconcile the data used by the OBR with those on OSCAR used in PESA.

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

Single Use Military Equipment

D.54 Expenditure on Single Use Military Equipment is recorded as capital expenditure in departmental budgets but treated as current expenditure in National Accounts and therefore included in PSCE. This adjustment removes it from PSGI so that it is not double-counted in TME.

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

D.55 These types of transactions are treated as financial transactions which do not score as spending in the National Accounts, because they involve a swap of financial assets and so are excluded from PSGI and TME. However they are included in DEL and AME in order to have control over departments' impact on Public Sector Net Debt (PSND) so this adjustment is necessary to exclude them from TME.

Capital support for public corporations and local government supported capital expenditure

D.56 These transactions are excluded from TME as they are lending from central government to support capital expenditure by other parts of the public sector.

Northern Ireland Executive transfers between DEL and AME

D.57 This is the capital equivalent of the transfers described in D.22 above.

Green Investment Bank

D.58 As with resource spending, it is assumed that capital transactions involving the Green Investment Bank, which have been included in the OBR's forecast, will be treated as financial transactions that do not affect PSGI. This adjustment removes them.

Other

D.59 There are a number of other items that are removed from DEL and AME because they do not score as part of PSGI in the National Accounts. These include:

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

Central Government adjustments in National Accounts

Gross Fixed Capital Formation

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

D.60 As mentioned in the section on resource accounting adjustments, in National Accounts the profit or loss on sales on tangible and intangible fixed assets are treated as capital expenditure and therefore as part of PSGI. However they are treated as part of resource DEL and AME. This adjustment is necessary to add them to PSGI.

Capital grants to and from the private sector

VAT refunds

D.61 Refunds of VAT are also available on certain items to householders who are building their own home or converting a non-residential building into a home for them to live in. As mentioned above, spending in National Accounts is recorded inclusive of refunded VAT and therefore the value of these refunds is included in PSGI as a capital grant to the household sector (and also included in total VAT receipts) but not in Budgets. This adjustment adds the value of these refunds to PSGI.

Fee income treated as capital in National Accounts

D.62 As outlined in the section on resource accounting adjustments, certain fees received from RBS and LBG in respect of the Asset Protection Scheme were treated as capital receipts in the National Accounts and resource receipts in HM Treasury's AME. This adjustment ensures that these receipts are included in PSGI.

DfID funding for capital projects scored in resource DEL

D.63 As also stated above, in the section on resource accounting adjustments a proportion of the DFID's bilateral aid budget is deemed to be a capital grant to the rest of the world in the National Accounts, although all bilateral aid grants are shown in their resource DEL budgets. This adjustment adds the part deemed to be capital so that it scores in PSGI.

Local Government Adjustments in National Accounts

D.64 The overall rationale behind the accounting adjustments for Local Government is explained in the section on resource accounting adjustments. The accounting adjustments listed below are the main adjustments to Local Government source data needed to transform it to a National Accounts basis and to reconcile Central and Local Government sources for PSGI.

Adjustments to reconcile use of different data sources

Central government support

D.65 As mentioned above, the data for Central Government support used in the calculation of LASFE is based on data in Central Government departments' budgets and the total spending is from the Local Government sources. This adjustment is therefore necessary to reconcile Central Government and Local Government sources of information for Central Government support via capital grants. The data based on Central Government departments' budgets are the data deducted in the calculation of LASFE as these are felt to more reliable and are available at a detailed level for quality assurance.

Financial transactions

D.66 Financial transactions, which do not score as spending in the National Accounts because they involve a swap of financial assets, are excluded from PSGI and TME. This adjustment removes the parts of capital LASFE that need to be excluded as they are financial transactions.

Capital grants from private sector

D.67 In some cases receipts are treated as financing expenditure in AME when National Accounts treat them as reducing expenditure. The value of the receipts needs to be included in TME. An adjustment is therefore made to add to public sector net investment the local authority receipts of investment grants from private sector developers.

Gross Fixed Capital Formation

VAT refunds

D.68 As mentioned above, Local Authorities receive refunds of VAT that they have paid in respect of contracted out services for non-business purposes, including on capital expenditure. Central government capital grants to Local Authorities in resource DEL (and AME) and capital LASFE are measured net of these VAT refunds, but in TME the expenditure is recorded including the VAT paid. This adjustment therefore adds the value of the refunds to PSGI.

Roads de-trunking

D.69 De-trunking of roads involves transferring the ownership and control of roads from the Highways Agency (part of central government) to Local Authorities. In National Accounts this involves recording the payment for the receipts of an asset by Local Authorities. As this is not recorded in LASFE an adjustment is necessary to add this in to PSGI.

Capital Grants to Public Corporations

D.70 Local government capital expenditure includes grants paid to public corporations. The capital expenditure that this finances is included as part of Public Corporations' Own-Financed Capital Expenditure (PCOFCE), as this contains capital spending other than that financed by central government. An adjustment is therefore required to avoid double counting this spending in TME. This mainly concerns payments by Transport for London to London Underground.

Other capital adjustments

Public Corporations

D.71 The Public Corporation element of TME is effectively composed of PCOFCE plus central government support for public corporations. This adjustment adds back an element of the net lending subtracted above, to ensure that the level of PC spending is properly reflected.

Housing Revenue Account reform receipts

D.72 This represents a receipt by central government of net capital grants from local authorities that implement the reform of council house financing announced in the Spending Review. This net receipt is completely offset by a net payment included within capital LASFE, so this has no impact on the overall public finances.

E

Expenditure on services framework

E.1 Tables in **Chapters 4 to 8**, showing public expenditure by function and/or economic category are all based on the public sector expenditure on services framework.

E.2 Public sector or total expenditure on services (TES) broadly represents the current and capital expenditure of the public sector, and so is similar to the National Accounts measure of Total Managed Expenditure (TME). For the avoidance of doubt, expenditure on services is the spending required to deliver services, not just the purchasing of services.

E.3 The introduction of the Online System for Central Accounting and Reporting (OSCAR) was accompanied by changes to the chart of accounts, against which departments record their expenditure. Most of the changes to the expenditure on services framework have been minor. The most significant has been the removal of the attributed share of the EU's aid. Departmental budgets include this attributed expenditure, but it doesn't increase TME as it is actually part of EU spending financed by the UK's budgetary contributions. This change brings TES closer into line with the National Accounts.

E.4 Expenditure on services is a more stable measure of public spending than departments' budgets, as it is not affected by the creation or amalgamation of departments or by programmes of work moving between departments.

Expenditure on services and TME

E.5 TME is the current and capital expenditure of the public sector on a National Accounts basis. Public sector expenditure on services is similar, but with minor divergences. The divergences mainly reflect the difficulty of attributing certain types of spending to the correct functions in all cases, which, if attempted, would result in a lack of consistency between functions. The main difference from TME is that expenditure on services does not include general government capital consumption (depreciation) and does not reverse the deduction of certain VAT refunds in the budget-based expenditure data. It also includes a small number of items that are in budgets but not in TME, for example the grant-equivalent element of student loans. Public sector expenditure on services is worth about 95% of TME.

EU transactions in expenditure on services

E.6 EU transactions score in their entirety within public sector expenditure on services in the same way as in TME. However, expenditure on services scores EU funded payments, for instance on agriculture, as UK government spending within the appropriate function, whereas the National Accounts score these as direct payments from the EU to enterprises and households. The EU transactions line within expenditure on services includes EU receipts, thus bringing the total into line with TME. Similarly, expenditure on services scores attributed EU expenditure on aid and the Common Foreign and Security Policy under international services and deducts an appropriate amount under EU transactions. Numbers are given in **Table C.1**.

Expenditure on services and budgets

E.7 Expenditure on services can be built up from departmental budgets (resource DEL, capital DEL and departmental AME). Essentially, (most) transfers to other parts of the public sector are removed, as are transactions that do not score as spending in the National Accounts. Spending by local government and public corporations is then added.

Departmental budgets (resource Departmental Expenditure Limits + capital Departmental Expenditure Limits + departmental Annually Managed Expenditure)	
Less	<ul style="list-style-type: none"> grants to local government; capital grants to public corporations; depreciation; provisions; spending classified as financial transactions in the National Accounts; interest and dividends; items classified as revenue in the National Accounts which are netted off spending in budgets; EU receipts; other items that are not classified as spending in National Accounts (e.g. transfers between central government departments); and most intra-public sector transfers, the main exceptions being subsidies to public corporations and trading bodies.
Plus	<ul style="list-style-type: none"> local government current and capital expenditure; Northern Ireland locally financed expenditure; public corporations' capital expenditure; public sector debt interest; and EU transactions.

E.8 **Table E.1** shows the derivation of expenditure on services from departmental groups' budgets.

Classification changes

E.9 Classification changes since PESA 2013 are detailed in **Chapter 4**, where they affect expenditure on services or the functional split, and **Chapter 5**, where they affect expenditure on services, the sub-functional split or the economic breakdown.

Table E.1 Derivation of public sector expenditure on services from departmental groups' budgets, 2013-14

	Education	Health	Transport	Communities and Local Government	Business, Innovation and Skills	Home Office	Justice	Law Officers' Departments	Defence	Foreign and Commonwealth Office	International Development	Energy and Climate Change	Environment, Food and Rural Affairs	Culture, Media and Sport	Work and Pensions	Scotland	Wales	Northern Ireland	Chancellor's Departments	Cabinet Office	Small and Independent Bodies	£ million	
Departmental Budgets																							
Resource DEL	52,487	106,476	4,791	18,561	20,602	10,993	7,972	571	36,181	2,156	8,088	1,175	1,990	1,294	7,448	26,136	14,450	10,166	3,396	2,517	1,466	338,915	
Capital DEL	3,918	4,294	8,460	3,808	2,385	398	273	3	7,584	120	1,946	2,218	482	75	233	2,883	1,326	931	212	401	72	42,021	
Resource Departmental AME	10,452	18,278	876	11,470	-103	1,574	-237	7	6,312	66	115	4,960	-133	4,024	163,232	2,692	-5	7,542	48,609	9,615	-48	289,299	
Capital Departmental AME	-	-70	13	-	4,675	-	-	-	-129	-	-	-497	-1	714	-134	336	306	425	-11,722	-	-34	-6,117	
Remove																							
Grants to local government	-36,501	-2,960	-6,220	-31,301	-377	-10,135	-	-	-	-	-	-83	-164	-55	-24,611	-8,215	-6,555	-60	-	-13	-	-127,252	
Capital grants to public corporations	-	-14	-	-	-116	-	-	-	-	-5	-	-	-	-	-	-22	-	-142	-	-	-	-299	
Depreciation	-1,021	-2,085	-1,637	-46	-6,455	-281	-477	-6	-9,453	-159	-54	-111	-218	-374	-188	-682	-756	-729	-13,198	-441	-58	-38,431	
Provisions	-6,808	-18,320	-35	44	25	-243	294	-	-2,928	35	30	-5,074	148	8	-287	-2,435	-120	-1,578	271	-5,911	-59	-42,943	
Financial transactions	-16	-222	29	-1,021	-5,413	-	-	-	6	-	-85	75	-	-4	22	-483	-377	-216	11,731	-1	34	4,062	
Interest and dividends	-	46	-286	18	1,247	-38	-	-	-148	-	-	-	-	-	9	134	44	-32	554	-30	31	1,546	
Items classified as revenue in National Accounts	3	-1,794	1,811	41	1,735	529	20	60	13	-58	-675	322	69	44	-420	-1	24	-7	58	6	121	1,903	
EU receipts	-	-	67	340	187	-	-	-	-	-	-	-	3,866	-	139	758	883	417	-	-	1	6,658	
Other items not in TME	-1,104	-104	-156	-841	108	-233	-1	-1	-1	-2	-1,391	-298	-1,718	632	-721	-50	-476	-48	3,347	13	-3	-3,047	
Add																							
Local government current expenditure	42,341	17,521	5,039	8,113	405	12,227	131	-	-	-	-	-	5,558	2,065	24,743	10,161	5,603	545	-	56	-	134,508	
Local government capital expenditure	4,858	380	4,132	4,499	82	634	-	-	-	-	-	-	999	1,119	-	1,546	832	187	-	-	-	19,268	
Northern Ireland locally financed expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	632	-	-	-	632	
Public corporations' capital expenditure	-	-	1,463	3,399	19	-	3	-	59	-	-	-	-	-	-	603	159	151	-	-	-	5,856	
Public sector debt interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48,033	-	-	48,033	
EU transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,174	-	-	5,174	
Grant equivalent element of student loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	-	124	-	-	-	6,310	
Loans written off by mutual consent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
Public sector expenditure on services	68,609	121,426	18,347	17,084	25,184	15,425	7,978	634	37,496	2,153	7,974	2,687	10,878	9,542	169,465	33,369	15,338	18,308	96,465	6,212	1,523	686,096	

F

Population numbers and GDP deflators

F.1 This annex presents the population numbers and GDP deflators used in this release.

Population numbers by country and region

F.2 The population numbers used in Chapter 9 and 10 are in the table below. The mid year numbers are then directly applied to the relevant financial year (e.g. mid 2008 to financial data for 2008-09).

Table F.1 Population numbers by country and region

	Thousands				
	mid-2008	mid-2009	mid-2010	mid-2011	mid-2012
North East	2,569	2,575	2,587	2,596	2,602
North West	6,959	6,986	7,020	7,056	7,084
Yorkshire and the Humber	5,199	5,223	5,255	5,288	5,317
East Midlands	4,441	4,472	4,507	4,537	4,568
West Midlands	5,496	5,528	5,566	5,609	5,643
East	5,708	5,751	5,807	5,862	5,907
London	7,812	7,943	8,062	8,204	8,308
South East	8,426	8,491	8,578	8,653	8,725
South West	5,205	5,227	5,261	5,301	5,340
England	51,816	52,196	52,643	53,107	53,494
Scotland	5,203	5,232	5,262	5,300	5,314
Wales	3,026	3,039	3,050	3,064	3,074
Northern Ireland	1,779	1,793	1,805	1,814	1,824
United Kingdom	61,824	62,260	62,760	63,285	63,705

Source: Population Estimates for England and Wales produced by the Office for National Statistics <http://www.ons.gov.uk> and are based upon the 2011 Census.

Population Estimates for Scotland produced by the General Register Office for Scotland <http://www.gro-scotland.gov.uk> and are based upon the 2011 Census.

Population Estimates for Northern Ireland produced by the Northern Ireland Research and Statistics Agency <http://www.nisra.gov.uk> and are based upon the 2011 Census.

GDP deflators

F.3 A number of the tables in this publication give figures in real terms. Real terms figures are the current price outturns or plans adjusted to a constant price level by excluding the effect of general inflation as measured by the GDP deflator at market prices. The real terms figures in this publication are given in 2013-14 prices. The GDP deflators used in this publication are those given below. The most up to date deflators can be found on the GOV.UK website.¹

¹ <https://www.gov.uk>

Table F.2 GDP deflators and money GDP

Outturn data are based on the June 2014 National Accounts figures from ONS

Forecast data are consistent with the 2014 Budget

Financial year	GDP deflator at market prices		Money GDP
	2013-14 = 100	Per cent change on previous year	£ million
1972-73	10.469	8.23	67,452
1973-74	11.208	7.06	75,309
1974-75	13.382	19.40	89,903
1975-76	16.774	25.34	112,103
1976-77	19.070	13.69	130,999
1977-78	21.674	13.66	152,485
1978-79	24.045	10.94	174,333
1979-80	28.067	16.73	209,654
1980-81	33.191	18.25	239,195
1981-82	36.350	9.52	263,139
1982-83	38.818	6.79	287,681
1983-84	40.528	4.40	313,226
1984-85	42.562	5.02	336,756
1985-86	44.855	5.39	369,916
1986-87	46.100	2.78	396,262
1987-88	48.606	5.44	441,979
1988-89	51.735	6.44	492,181
1989-90	55.270	6.83	539,946
1990-91	59.194	7.10	580,926
1991-92	62.834	6.15	614,012
1992-93	64.058	1.95	635,991
1993-94	65.298	1.94	676,027
1994-95	66.104	1.24	716,435
1995-96	67.761	2.51	759,392
1996-97	69.640	2.77	809,434
1997-98	70.901	1.81	856,014
1998-99	72.255	1.91	903,201
1999-00	73.677	1.97	953,810
2000-01	74.200	0.71	1,000,990
2001-02	76.219	2.72	1,040,339
2002-03	77.990	2.32	1,098,061
2003-04	79.501	1.94	1,164,429
2004-05	81.698	2.76	1,229,516
2005-06	83.188	1.82	1,295,438
2006-07	85.578	2.87	1,369,907
2007-08	87.731	2.52	1,447,844
2008-09	90.209	2.82	1,442,253
2009-10	92.683	2.74	1,432,213
2010-11	95.104	2.61	1,502,176
2011-12	97.255	2.26	1,547,166
2012-13	98.305	1.08	1,565,683
2013-14	100.000	1.72	1,632,076
2014-15	-	2.20	1,721,000
2015-16	-	1.60	1,788,000

GDP Deflator: Financial years 1972-73 to 2013-14 taken from ONS series L8GG.

For years 2014-15 to 2015-16: derived from Office for Budget Responsibility (OBR) forecasts for GDP deflator increases as at the Budget Report 2014

Money GDP: For years 1972-73 to 2013-14: ONS data for money GDP (not seasonally adjusted, BKTL)

For years 2014-15 to 2015-16: OBR forecasts for money GDP as of the March 2014 Budget

G

Glossary of terms

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

Acronyms

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

Terms

Accounting adjustments shown in, for example, Table 1.1 are certain items of expenditure that account for the difference between the **National Accounts** aggregate **TME** and the sum of the **resource budgeting** items **DEL**, **departmental AME** and **other AME**. Accounting adjustments are required because there are certain components in TME that are not included in

the **resource** and **capital budgets** that form the basis of planning and control of departmental spending under resource budgeting, and there are some items in resource budgeting aggregates that are not part of TME. Annex D has full details.

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

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

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

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

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

Area Based Grant, introduced in 2008-09, is a general non ring-fenced grant from central government to local authorities. It replaces the Local Area Agreement grant, but unlike that grant it is unhypothecated (i.e. available to support any local outcome). It is a pooled revenue grant that is paid by Communities and Local Government (CLG) to local authorities, and so they will receive a single payment of Area Based Grant from CLG, acting as agent for other contributing departments. The Area Based Grant ended in 2010-11.

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

Assets can be either financial or non-financial:

- financial assets include monetary gold, bank deposits, IMF Special Drawing Rights, loans granted, bonds, shares, accounts receivable, and the value of the government's stake in public corporations; and
- non-financial assets consist of fixed capital (such as buildings and vehicles); stocks; land and valuables.

Billion – a thousand million.

Budget Exchange – a mechanism that allows departments to surrender an underspend in advance of the end of the financial year in return for a corresponding increase in the following year, subject to Treasury agreement.

Capital budget – a department's capital budget covers **capital expenditure**. The capital budget is divided into **DEL** and **departmental AME**. The capital budget is not a control total;

¹ http://webarchive.nationalarchives.gov.uk/20130405170223/http://www.hm-treasury.gov.uk/psr_clear_line_of_sight_intro.htm

capital DEL is a control total and capital AME is a planning total. The capital budget includes:

- **capital formation** and the acquisition of assets (including under finance leases) such as land, buildings, machinery and vehicles. In both capital budgets and **National Accounts**, acquisition of assets is recorded net of the sale value of any assets disposed of (where sale value is the aggregate of the net book value and any profit or loss on disposal);
- **Single Use Military Equipment** that is treated as capital in **resource** accounts (although it is treated as current expenditure in **National Accounts**);
- **net lending** undertaken for policy purposes; net means after the repayment of debt principal;
- **in-house development of assets** such as computer software and databases. This can be capitalised in government accounts provided certain conditions are met. It is sometimes called “own account capital formation”;
- large (over £20m) **debtors** or **prepayments** that are long term (over 12 months). These are included in capital budgets on the same basis as **net lending**, i.e. on an additions less reductions basis; and
- **capital grants**.

Capital consumption – see **depreciation**.

Capital expenditure can be understood in several ways:

- in **National Accounts**, capital expenditure is usually understood to mean **capital formation**, net acquisition of land, and expenditure on **capital grants**. Certain types of significant computer software development are treated as capital expenditure. The **pay** of civil servants engaged in inhouse capital formation is also recorded as capital expenditure, not as pay. **Public sector net investment** is given by capital expenditure as defined above (also known as public sector gross investment) less **depreciation**;
- under **resource accounting**, capital expenditure also includes loans that are given and the net acquisition of shares. In other words, it includes the net acquisition of financial assets that are acquired for policy reasons rather than for managing the government’s funds. Such policy lending also generally scores in **DEL**, in the **capital budget**, but is removed by the **accounting adjustments**, as it does not score in **TME**; and
- some presentations of central government capital expenditure include **Supported Capital Expenditure** (Revenue) allocations given to local authorities in England and Wales (the equivalent in Scotland is supported borrowing). Northern Ireland does not have an equivalent concept as their local government sector is much smaller.

Capital formation is expenditure, net of sales, on fixed assets (such as buildings, vehicles and machinery) and net stock building, and can be measured gross or net of **depreciation**. Fixed assets are assets that can be used repeatedly to produce goods and services and generally last more than one year. Sometimes a minimum cost threshold (say £1,000) is applied to further define capital assets. There are some borderline cases: for example in **National Accounts**, **Single Use Military Equipment** is defined as current but assets that can be used for both civil and military purposes count as capital. Under **resource accounting**, both single and dual use

military equipment are treated as capital.

Capital grants (also called investment grants) are payments made by government on the condition that the recipient uses the funds for **capital formation** (for example building a school or factory or buying a machine). Capital grants are also used in **National Accounts** to record debt writeoffs made by government for policy reasons, and some other transfers of accumulated wealth. In the case of debt write-offs, two transactions are recorded: a capital grant from government to the debtor; and the repayment of debt by the debtor. Capital grants are treated as resource expenditure in resource accounts and **Estimates** but are included in the **capital budget**.

Central government is a sector in **National Accounts**. It comprises Parliament; government departments and their executive agencies; the devolved assemblies of Scotland, Wales and Northern Ireland; government funds such as the **National Loans Fund**; the foreign exchange official reserves; most **NDPBs**; and various other non-market public bodies that are controlled by central government. Central government does not include **public corporations**, nor those non-profit institutions that receive significant government funding but are not controlled by government and so belong in the private sector (for example universities, further education colleges, and housing associations).

Central government own expenditure is expenditure that central government makes to the private sector plus subsidies to **public corporations**. It excludes central government support to **local government** and capital support to public corporations.

Classification changes are changes in the way public expenditure is recorded, rather than an actual change in the amount of cash spent or resources consumed. Classification changes can increase or decrease the recorded level of public expenditure. When there is a classification change the data are normally restated for all years in order to provide a consistent series.

Classification Of the Functions Of Government (COFOG) – a UN-defined system for functional analysis of government spending. The PESA analysis is consistent with UN COFOG at level 2, with the exception of the health function, which continues to be presented against the HM Treasury's own sub-functional classification. Further information on COFOG is available on the UN website².

Common Foreign and Security Policy (CFSP) is an EU programme. Its costs are attributed to the Foreign and Commonwealth Office's DEL.

Control total – resource budget DEL, depreciation in DEL, **administration budget** in DEL and **capital budget** DEL are control totals. This means that departments have to manage spending within set limits.

Cost of capital charge used to be a notional charge that was applied to each department's budget in order to make departments aware of the full cost of holding assets. As part of the **alignment project** this charge has been removed from budgets.

Country and Regional Analysis (CRA) – the CRA presents statistical estimates for the allocation of **identifiable expenditure** between the UK countries and nine English regions. See **Chapters 9 and 10** in PESA for more information.

Current expenditure – this is spending on items that are consumed in the process of providing public services or, in other words, is recurring spending. This includes, for example, wages and salaries, benefits, and purchasing goods and services.

Current grants are unrequited payments to individuals or bodies, which means that no specific goods or services are received in return. In **National Accounts** current grants to persons are

² <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=4>

called **social benefits** and those to trading businesses are called **subsidies**.

Debtors are **assets** on the balance sheet. They are recognised where a transaction has accrued, but cash is yet to be received. For example where a public sector body sells an asset but defers cash receipts – the fact that cash is yet to be received means that **PSND** has not benefited from the accrued transaction. Where a department or its **NDPB** has a large (over £20m), long term (over 12 months) debtor, this is included in their **capital budget** on the same basis as net lending.

Dedicated Schools Grants (DSG) is a hypothecated (ring-fenced) **current grant** from central government to local authorities, paid by the Department for Education and allocated to schools on a formula basis. This was introduced from 2006-07 replacing part of the **Revenue Support Grant** (RSG) paid by Communities and Local Government (CLG).

Departmental AME is spending that is outside **DEL** but included in departmental budgets. Main categories include social security benefits and tax credits for individuals.

Departmental Expenditure Limits (DELs) are firm plans for three years for a specific part of a department's expenditure. DEL covers all administration costs and programme expenditure except where:

- some programme spending cannot reasonably be subject to close control over a three-year period; or
- spending relates to non-cash costs other than depreciation and impairments.

Departmental spending not in DEL is included in **departmental AME**. Both **resource** and **capital budgets** are divided into DEL and departmental AME.

Departmental Unallocated Provision (DUP) is an amount that a department keeps within its budget to meet unplanned increases in spending, and which is not allocated to any particular programme at the start of a year.

Depreciation is also termed capital consumption. It is a measure of the reduction in value of an asset due to the effects of wear and tear. **TME** includes depreciation as an item of **current expenditure**. **Public sector net investment** is given by deducting depreciation from gross **capital expenditure**. The depreciation ring fence includes depreciation, **impairments** and student loans **provisions** recently classified as **impairments**.

Economic categories – these represent broad classifications of the economic impact of transactions. Examples of economic categories are **pay**, **social benefits** and **subsidies**. The main categories in expenditure on services, based on **National Accounts** definitions, are set out in Table 5.3 and described in Chapter 5. The equivalent budgeting presentation, based on resource accounting, is shown in Table 2.1 and described in Chapter 2.

Economic and Fiscal Outlook – is a bi-annual publication. It sets out the OBR forecasts for the economy and the public finances, and an assessment of whether the Government is likely to achieve its fiscal mandate and supplementary target

Electricity Market Reform Programme (Contracts for Difference):

Plans in 2014-15 include a £28.8bn DECC resource AME liability. This relates to the fair value of liabilities incurred for Contracts for Difference expected to be signed under the Electricity Market Reform programme. Contracts for Difference support investment in low carbon generation by providing a guaranteed price to generators (“the strike price”). This will usually be a top-up to the market price but at times of high market prices, generators will be required to pay back the difference between the market price and the strike price. Differences between the market

price and strike price are met by suppliers via electricity consumers. A government counterparty company manages payments between generators and suppliers. Although there will in practice be no net liability to government, accounting rules mean that the estimated net present value of future payments to generators has to be recognised as a liability by the government counterparty company, which requires resource AME budget cover. As the matching receipts from electricity suppliers are classified as future taxation they cannot be recognised as an offsetting asset in the accounts. The fair lifetime value of all contracts which may be entered into during 2014-15, including contracts under the Final Investment Decision Enabling programmes for both renewables and nuclear energy, and capacity market auctions, is £28.8bn.

Estimated outturn is a forecast of spending incurred on the basis of actual expenditure to date.

Estimates – see **Supply Expenditure**.

European System of Accounts 1995 (ESA95) – This is the system used by the **Office for National Statistics** for measuring and presenting UK **National Accounts**. The system is compulsory for EU member states reporting economic statistics to the EU Commission. ESA95 is consistent with the earlier System of National Accounts 1993 (SNA93), which was developed by a number of international organisations.

Expenditure on services (known as TES) is an aggregate used in PESA to analyse the capital and current spending of the public sector. The current and capital elements of expenditure on services are sometimes shown separately as current expenditure on services and capital expenditure on services. Note that TES and its components represent the overall cost of providing services, rather than just the cost of purchasing services from third parties, and includes expenditure on **assets**. See Annex E for a full definition.

Financial Reporting Standard 17 (FRS17) sets out the **GAAP** basis for recording pensions.

Financial Statement and Budget Report (FSBR) – the FSBR is published each year by the Treasury on Budget day. It has been known as the Red Book. Since 1999 it has been published alongside the Economic and Fiscal Strategy Report in a single Budget document.

Financial transactions are payments and receipts relating to changes in holdings of financial assets or liabilities. Financial assets entitle their owners to unconditional financial claims on the units that have the liability (except for gold where there is no liability on another unit). Government departments' financial assets include bank deposits; foreign currency held; bonds and shares owned; loans given; accounts receivable in respect of, for example, income accrued but not yet paid; and **public dividend capital** and the value of government's other stakes in **public corporations**. Physical assets such as buildings and land are not financial assets. Transactions in some financial assets are undertaken to manage cash flows, for example movements in bank deposits, but some are undertaken to further a policy such as lending to students. These types of financial transactions are sometimes called policy lending and are normally included in a department's **DEL capital budget**.

General Government is the consolidated combination of the **central government** and **local government** sectors in **National Accounts**.

Generally accepted accounting practice (GAAP) – there is no statutory definition of GAAP, but it is taken to be the accounting and disclosure requirements of the Companies Act, pronouncements by the Accounting Standards Board (e.g. financial reporting standards), and the body of accounting knowledge built up over time. **Public sector** bodies have recently moved from GAAP to **International Financial Reporting Standards (IFRS)**.

Grants – see **current grants** and **capital grants**.

Gross Domestic Product (GDP) (at market prices) is the value of goods and services produced in the UK. “Gross” means there is no deduction for **depreciation**. Economic data are often quoted as a per cent of GDP to give an indication of trends through time and to make international comparisons easier.

Housing Revenue Account (HRA) – the HRA represents the current income and expenditure of local authority social housing provision. The HRA is treated as a quasicorporation in **National Accounts**. The surplus of income (which includes rent rebates and subsidies paid by other parts of government) over expenditure is treated as being paid over to local authorities as a notional dividend. This net amount is then included as revenue rather than spending in the **National Accounts**, which means that the current expenditure of local authority housing departments is not included in **TME**. The cost of rent rebates and subsidies is included in TME; these items are within the **AME** lines for social security benefits and other departmental expenditure in AME. Local authority **capital expenditure** on housing associated with the HRA scores as capital spending in the **public corporation** sector, following the implementation of **ONS’s** reclassification decision in June 2006. PESA had previously shown this spending in the local government sector. Payments of interest on housing related debt will continue to be treated as part of local government expenditure.

Identifiable expenditure is expenditure that can be recognised as having been incurred for the benefit of individuals, enterprises or communities within a particular country or region. Examples are most health and education services, and spending on social security and pensions. See Chapter 9 of PESA for further details.

Impairments are recorded where there is the permanent loss or write-off of the recoverable value of a fixed or current asset below the value recorded on the balance sheet in accounts. Impairments are a non-cash charge in the **resource budget** alongside the **depreciation** charge, but are separately identified. In order to provide support for departments’ management decisions, impairments are split into six different categories, some of which are scored in **AME** and others in **DEL**. See Annex C for further details. In the Public Spending Statistics budgeting-based presentations impairments are included in the depreciation line, and it is the combined total that is used in the calculation of **Total DEL**. In the **National Accounts**, impairments resulting from accidental damage are included alongside depreciation; other sorts of impairment are not counted in the main expenditure measures.

International Financial Reporting Standards (IFRS) have been implemented by **public sector** bodies to replace **GAAP-based resource accounting**. Departments have reported 2009-10 resource accounts against IFRS, whilst local authorities moved onto this basis in 2010-11.

Local Authority Self-Financed Expenditure (LASFE) is aggregate **local government** expenditure less its receipts of **central government** current and capital support including distribution of **National Non-Domestic Rates** in England and Wales. It represents local government expenditure financed from local resources such as council tax, trading surpluses, investment income, capital receipts, self-financed borrowing, and use of reserves. LASFE does not include **depreciation**.

Locally Financed Expenditure (LFE) is LASFE plus expenditure financed by non-domestic rates in Scotland and Northern Ireland Regional Rates (NIRR).

Local government is a sector in **National Accounts**. It comprises all local authorities in the UK including county councils, metropolitan districts, parish councils, police and fire authorities, residuary bodies, passenger transport authorities, Transport for London, London boroughs, and the Greater London Assembly.

National Accounts – this is a statistical system that represents the UK’s economic transactions.

The system provides a number of key economic statistics including **Gross Domestic Product (GDP)**, consumers' expenditure, the balance of payments with the rest of the world, and the public sector balances. The National Accounts is presented by the ONS in the Blue Book.

National Loans Fund (NLF) – the NLF is a government account with the Bank of England set up under the National Loans Fund Act 1968. All government borrowing transactions are handled through this fund.

National Lottery Distribution Fund (NLDF) – the NLDF is a central government fund, administered by the Department for Culture, Media and Sport (DCMS). The Fund receives a proportion of the proceeds from national lottery ticket sales (receipt of that proportion is treated as a tax in **National Accounts**). The Fund passes it to the Lottery Distributors, independent public sector bodies responsible for awarding national lottery grants to good causes. Payments by the Distributors are treated in the National Accounts as **central government** expenditure in **AME**.

National Non-Domestic Rates (NNDR) in England is a tax paid by the occupiers of nondomestic property, principally businesses. Most NNDR is collected from businesses by local authorities and then paid into a **central government** pool. Some large businesses with national activity (such as utility companies) pay directly into the pool (the Central List). The pool is distributed back to local authorities in the form of central government grants. Similar systems apply in Wales and Scotland. The grant is in **DEL** for England and Wales, but in the **AME** line for **Locally Financed Expenditure** in Scotland. NNDR payments by **central government** or **local government** in respect of the occupation of property are consolidated out through the **accounting adjustments** to arrive at **TME**.

Net lending has two meanings:

- in **National Accounts** it is the balance of the current and capital accounts and is often quoted with sign reversed as “net borrowing”, which is sometimes called the government deficit; and
- in this publication net lending is more likely to mean lending by government net of any repayments of previous lending. It includes transactions in shares – so, for example, privatisation receipts count as negative net lending. Government lends to students, some industries, **public corporations**, **local government**, some overseas governments and some international bodies that supply foreign aid.

Non-budget income and expenditure normally refers to income and expenditure that pass through a government department's books and that are not included in **DEL** or departmental **AME**. For example, the grant-in-aid paid to **NDPBs** is normally a nonbudget transfer – it is the NDPB's income and expenditure that scores in budgets.

Non-cash refers to various transactions that appear in the **operating cost statement** under **resource accounting**, but are not directly included in the **National Accounts** measure of Surplus on the Current Budget. The major non-cash transactions are **depreciation**, **impairments** and the taking and release of **provisions**. Most depreciation and impairments are in **DEL** but following changes to the budgeting framework as part of the **alignment project**, most other non-cash items are in **AME**.

Nonidentifiable expenditure is expenditure that cannot be recognised as benefiting a particular country or region, so is deemed to be incurred on behalf of the United Kingdom as a whole, e.g. most defence expenditure, overseas representation and tax collection.

Non-voted expenditure is expenditure that is not voted by Parliament through the Supply procedure. It includes spending funded from various funds, such as the National Insurance Fund, as well as spending by **Non-Departmental Public Bodies (NDPBs)** as Parliament have previously voted the payment of funding to these bodies.

Office for National Statistics (ONS) – the ONS is an independent public sector body that produces many official statistics such as the **National Accounts**. ONS decisions about the classification of bodies are the basis for determining which bodies are included within Public Spending Statistics and PESA and as part of which sector.

Online System for Central Accounting and Reporting (OSCAR) – the Treasury’s database that holds public expenditure data.

Other AME is public spending that is outside both **DEL** and **departmental AME**. It includes net transfers to the EU, **locally financed expenditure**, debt interest, **public corporations’** own-financed capital expenditure and **accounting adjustments**.

Outturn describes expenditure actually incurred and will generally have been included in the resource accounts of the relevant body.

Pay includes salaries, employers’ National Insurance Contributions, and accruing pension costs, such as **ASLCs**. The pay of staff engaged in ownaccount **capital formation** is treated as **capital expenditure**.

Prepayments are assets on the balance sheet. They are recognised where cash payments are made to suppliers of services in advance of those services being delivered. In resource accounts these are cash movements on the balance sheet and do not score as expenditure in **TME**. The reduction in cash held by the public sector increases **PSND**. Where a department or its **ALB** makes a large (over £20m) prepayment that is long term (over 12 months) this is included in the **capital budget** on the same basis as **net lending**. When the service is delivered this is scored as appropriate, e.g. as the consumption of goods and services in **resource DEL** within **TME**.

Private Finance Initiative (PFI) is a system for purchasing capital intensive services for the public sector. Typically, the private sector designs, finances, builds, and maintains infrastructure, and other fixed capital **assets**, and then operates those assets to sell services to the **public sector**. In a proportion of cases the capital assets are accounted for on the balance sheet of the private sector operator; in other cases they are on the public sector’s books. Annex A has more information on the treatment of PFI in Public Spending Statistics.

Privatisation receipts are the receipts from the sale of shares, other securities and debt in **public corporations** that were sold as part of the privatisation programme. The proceeds are recorded as negative **net lending**. A corporation is said to be privatised when it is no longer controlled by government.

Procurement spending is now shown gross throughout Public Spending Statistics, rather than net of sales as was previously the case within certain tables. It is shown as current or capital procurement as follows:

- current procurement is expenditure on goods and services, including hire and rentals under PFI and non-PFI operating leases, payments for contract and agency staff and payments for consultancy and audit services. It also includes the purchase of services from GPs. Purchase of minor maintenance and minor pieces of equipment and IT systems that are not treated as capital would be counted as current procurement;
- capital procurement is expenditure on the purchase of fixed **assets** such as buildings, machinery and large-scale IT projects; and
- Expenditure on **Single Use Military Equipment (SUME)** is treated as current procurement within **National Accounts** and **expenditure on services**, but capital procurement in budgets.

Provider Trusts sell health services in England and Wales. In England they can either be classified as NHS or Foundation Trusts, the latter having more financial and operational

independence. In Wales they are known as Health Trusts. In Scotland trusts have been reabsorbed back into Health Boards. All Provider Trusts throughout the UK are in the **central government** sector.

Provisions – departments take provisions in accounts and budgets when a past event means that they should recognise a future liability of uncertain amount or timing. Budgets also score the release of the provision and the expenditure that the release finances. Provisions score as part of the resource budget, usually in **AME** unless they relate to pensions or are scored by independent bodies exceptionally allowed to score provisions in **DEL**.

Public corporations are publicly controlled **trading bodies** with substantial financial and operational independence from **central** and **local government** – they are legally separate institutional units responsible for their own day-to-day operations and producing their own accounts. To be classed as trading they must receive the majority of their income from sales into a market, rather than grant funding from government. They include Royal Mail Holdings, and most **trading funds** such as the Meteorological Office and Companies House.

Public Corporations' Own-Financed Capital Expenditure (PCOFCE) is aggregate **public corporation capital expenditure** less its receipts of **central government** capital support in budgets.

Public Dividend Capital (PDC) is a form of long-term government finance for some **public corporations**. The government receives a return in the form of dividends rather than fixed interest payments.

Public expenditure is spending by public bodies. The definition of aggregate public expenditure most frequently used in this publication is **Total Managed Expenditure (TME)**.

Public sector – the public sector comprises **central government, local government** and **public corporations**.

Public sector current expenditure (PSCE):

- is the sum of the **current expenditure** of **central government** and **local government**, plus certain transactions (interest and rent) paid by **public corporations** to the private sector and abroad;
- does not include expenditure incurred in producing goods and services for sale where undertaken by **public corporations** – rather the surplus of sale receipts over operating costs for public corporations is scored as a public sector receipt and does not affect expenditure measures;
- is net of certain receipts such as: receipts of contributions to public sector occupational pension schemes; receipts of grants from abroad including the EU abatement; sales of goods and services; and income from rent of buildings; and
- includes non-trading capital consumption. This is the **depreciation** of the fixed **assets** held by **central government** and **local government**. It excludes depreciation on assets used to produce goods and services for sale including the assets of **public corporations** and local authority housing.

Within Public Spending Statistics, PSCE is presented consistent with a measure of **public sector net borrowing** excluding the temporary effects of the financial sector interventions (PSNBex).

Public sector net borrowing (PSNB) is the difference between **public sector** receipts and expenditure as measured by **National Accounts**. It also equals the net balance of the public sector's net acquisition of financial liabilities less its acquisition of financial assets. Data imprecision means that the different ways of measuring net borrowing never give exactly the same answer – the difference is called the statistical discrepancy in **ESA95**. In December

2009 the ONS defined an alternative measure of PSNB excluding the temporary effects of the financial sector interventions (PSNBex). Spending aggregates consistent with PSNBex are used throughout this release.

Public sector net debt (PSND) is the sum of the public sector's financial liabilities at nominal value, less its liquid financial assets.

Public sector net investment (PSNI) is all **capital expenditure** by the **public sector** less an amount representing public sector **depreciation**. Broadly, the amount of capital expenditure that equals the depreciation charge could be seen as keeping the stock of assets stable. Net investment therefore represents the increase in the asset base after allowing for depreciation. For this release, PSNI is presented consistent with a measure of **public sector net borrowing** excluding the temporary effects of the financial sector interventions (PSNBex).

Public sector gross investment (PSGI) – see **capital expenditure**

Quasi-corporations are entities that meet the economic definition of a public corporation (i.e. trading income covers at least half their costs) but that do not take a separate legal form. Examples are Export Credits Guarantee Department and local authority housing. They score in the **National Accounts** like public corporations (although interest on housing related debt is treated as local authority expenditure).

RAB – see **resource accounting** and **resource budgeting**.

Real terms figures are amounts adjusted for the effect of general price inflation as measured by the **GDP** market price deflator.

Reserve – an amount within **DEL** not allocated to departmental programmes, which provides a margin to cover emergencies and genuinely unforeseen contingencies.

Resource accounting is the accounting system used to record expenditure in departmental accounts. It applies **International Financial Reporting Standards** (IFRS) to departmental transactions.

Resource budget is the budget for **current expenditure** on an accruals basis. It is divided into resource **DEL** (which is a **control total**) and resource **departmental AME** (a planning total).

Resource budgeting is the budgeting regime based on **resource accounting** introduced for the spending plans set in the 2000 Spending Review and which has been used for in-year spending control from 2001-02. Under RAB Stage I (2001-02 to 2002-03) resource **DEL** included **near-cash** transactions measured on an **accruals** basis while **non-cash** transactions were in Departmental **AME**. Under RAB Stage II (from 2003-04) most non-cash transactions were included in resource DEL. Near-cash controls were introduced in 2003-04 and clarified in 2005-06 such that near-cash in resource DEL was a control total. However, under the 2011-12 framework on which this release is based, the near-cash control within resource DEL has been removed as part of the **alignment project**. Resource budgeting is largely derived from resource accounting rules, but there are a number of differences in treatment between resource accounts and resource budgets. For example, **capital grants** are capital in budgets (and in the **National Accounts**), but current in departmental resource accounts. See Annex C for further information.

Revenue Support Grant is an unhypothecated (i.e. non ring-fenced) current grant from **central government** to local authorities, paid by Communities and Local Government (CLG).

Single Use Military Equipment (SUME) is equipment that can only be used for military purposes (e.g. a tank). By contrast, dual use military equipment (e.g. an army lorry) can be used for civilian or military purposes. In the **National Accounts** and **expenditure on services** frameworks all expenditure on SUME is treated as **current expenditure**. In **resource accounts**

and **resource budgeting**, expenditure on SUME that is of a capital nature is treated as capital. Dual use military equipment is treated as capital in all presentations.

Social benefits include social security, tax credits and similar payments to individuals. They also include unrequited grants to not-for-profit nonmarket bodies such as charities (although purchases of services from charities count as **procurement**). Public service pension payments are included in social benefits.

Special reserve is **reserve** specifically set aside to cover military operations.

Spending Reviews set **DELs** for the following three or four years. The first was the Comprehensive Spending Review in 1998 with further SRs held every two years until 2004. A second Comprehensive Spending Review reported in autumn 2007 and set budgets for 2008-09 to 2010-11. A further Spending Review in autumn 2010 set budgets for 2011-12 to 2014-15. A Spending Round in June 2013 set budgets for 2015-16.

Spending sectors are the part of the **public sector** that are making the expenditure, either **central government**, **local government** or **public corporations**.

Statement of Comprehensive Net Expenditure (SoCNE) – this is the statement in departmental resource accounts that shows the current income and expenditure of the department on an accruals basis. It is similar to the profit and loss statement in commercial accounts

Stock building (also known as the net acquisition of inventories) is the value of the physical increase in stocks. In government accounts it relates mainly to buildings within urban regeneration areas.

Subsidies are payments by government and the EU to trading businesses to help pay for current costs. These include payments to farmers under the EU's Common Agricultural Policy. Subsidies may be paid to **public corporations** as well as to private sector firms.

Supply expenditure is expenditure that is voted by Parliament either in the annual Main Estimates (at the start of the year) or in Supplementary Estimates in-year.

Supported borrowing – this is the equivalent of **Supported Capital Expenditure (Revenue)** in Scotland.

Supported Capital Expenditure (SCE) – Supported Capital Expenditure (Revenue) (SCE[R]) is the amount of borrowing by a local authority in England and Wales (to fund capital expenditure) towards which central government is prepared to provide revenue grant. This support is provided either through **Revenue Support Grant (RSG)** or **Housing Revenue Account (HRA)** subsidy. It is known as **supported borrowing** in Scotland but there is no equivalent in Northern Ireland as their local government sector is much smaller. Supported Capital Expenditure (Capital) (SCE[C]) is sometimes used to refer to central government **capital grants** paid to local authorities, although capital grants remains the more commonly used terminology.

Tax credits are the Working Tax Credit and Child Tax Credit. They replaced former personal tax credits in 2003/04. In budgets tax credits score in departmental AME including negative tax, this is aligned with resource accounts. Tax credits score in **TME** (within departmental **AME**) when the amount paid exceeds the tax liability of the household but as negative tax when the amount paid is less than or equal to the tax liability of the household.

Total DEL is the sum of the **resource budget DEL** and the **capital budget DEL**, less **depreciation**. Depreciation is excluded from Total DEL as scoring both **capital expenditure** and depreciation may be seen as double counting. In the calculation of Total DEL, depreciation includes **impairments**, release from donated asset reserve and release from government grant reserve. Total DEL is not a **control total**: it is purely used for presentation.

Total Expenditure on Services (TES) – see **Expenditure on services**.

Total Managed Expenditure (TME) is a definition of aggregate public spending derived from **National Accounts**. It is the consolidated sum of **current** and **capital expenditure** of **central** and **local government**, and **public corporations**. TME can also be presented as the sum of **DEL** and **AME**. For Public Spending Statistics, TME and its components are presented consistent with **public sector net borrowing** excluding the temporary effects of the financial sector interventions (PSNBex).

Trading bodies are publicly owned or controlled trading businesses. **Public corporations** and **quasi-corporations** are trading bodies. There may also be some trading activities that are closely integrated within **central government** or **local government** and do not have enough independence to be classified as a public corporation or quasicorporation. **Capital expenditure** of trading bodies is included in public expenditure measures, but the surplus of current income over **current expenditure** is included as a revenue item called gross trading surplus. There are examples in the **local government** sector such as some theatres and sports facilities.

Trading Funds are government departments or parts of government departments. They have financing frameworks that allow them to meet outgoings without the cash flows passing through **Supply Estimates**. Generally they cover their costs from trading receipts. In **National Accounts** they are normally treated as **public corporations**.

Traditional Own Resources (TOR) – the European Union’s Traditional Own Resources are customs duties, including those on agricultural products and sugar levies.

VAT refunds are given to departments in relation to payments for contracted out services to remove a disincentive to contracting out services that might otherwise have been performed in-house.

