



Public Expenditure

Statistical Analyses 2015

Public Expenditure Statistical Analyses 2015

July 2015

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Statistical Analyses 2015

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the Chief Secretary to the Treasury
by Command of Her Majesty

July 2015



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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 2015 normally cover the years 2010-11 to 2015-16, although some show only the latest year (2014-15) 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 2015, **Table 1.1**);
- resource and capital elements of Departmental Expenditure Limits and Annually Managed Expenditure by departmental group (PESA 2015, **Tables 1.3 and 1.8**);
- public sector expenditure on services by function (PESA 2015, **Table 4.2**); and
- public sector expenditure on services by economic category (PESA 2015, **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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Please note: The time series on 'total expenditure on services' and specifically 'tertiary education' is distorted by significant changes to the modelling methods used to forecast the impairment costs of Student Loans. For future editions of PESA HM Treasury are currently considering removing the impact of Student Loan impairments to ensure a time series can be presented that is less distorted by these Student Loan movements. If you would like to comment on this suggestion please contact the PESA team using the details above.

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 1991-92) 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.

¹ unstats.un.org

HM Treasury functions	UN COFOG level 2
4. Economic affairs, of which: science and technology	4.8 R&D economic affairs
4. Economic affairs, of which: employment policies	4.1 General economic, commercial and labour affairs (labour affairs part only)
4. Economic affairs, of which: agriculture, fisheries and forestry	4.2 Agriculture, forestry, fishing and hunting
4. Economic affairs, of which: transport	4.5 Transport

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

A number of the tables in this publication give figures in real terms. Real terms figures are the actual (known as nominal) spend adjusted to exclude the effect of general inflation, as measured by the GDP deflator at market prices. The real terms figures in this publication are given in 2014-15 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 2014. 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.

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. Prior to September 2014 the UK was 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 moved to producing their National Accounts using the new European System of Accounts 2010 (ESA10) framework. This means that the Total Managed Expenditure (TME) aggregate used in this PESA publication is now on an ESA 2010 basis. TME figures on the ESA 2010 basis have been included in the quarterly public spending statistics publications from the November 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 There have been no significant changes to the presentation of data within this chapter since PESA 2014.

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.

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

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, ie 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, 2010-11 to 2015-16

	£ million					
	National Statistics					
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
CURRENT EXPENDITURE						
Resource DEL						
Resource DEL excluding depreciation	325,560	321,715	317,050	316,454	316,259	315,200
Depreciation in resource DEL	20,512	19,269	21,504	22,276	17,370	21,900
Total resource DEL	346,072	340,984	338,555	338,731	333,629	337,100
Resource departmental AME						
Social security benefits	169,286	175,481	183,088	179,599	184,002	186,568
Tax credits ⁽¹⁾	28,938	29,976	29,761	29,394	29,187	29,514
Net public service pensions ⁽²⁾	-78,073	6,012	4,958	5,441	10,033	10,781
National lottery	995	1,335	727	416	1,355	1,262
BBC domestic services	3,559	3,033	3,291	3,208	3,768	3,723
Student loans	-301	-642	-763	-1,096	-1,579	-1,901
Non-cash items	55,335	52,389	53,251	49,945	71,695	79,598
Financial sector interventions	-14,247	-16,143	-18,384	8,380	-48,717	-484
Other departmental expenditure	1,750	-812	4,162	13,809	3,932	7,503
Total resource departmental AME	167,242	250,628	260,090	289,095	253,676	316,565
Resource other AME						
Net expenditure transfers to the EU	8,414	7,702	9,131	9,716	8,881	9,315
Locally financed expenditure	22,969	22,104	23,433	23,226	28,814	26,903
Central government gross debt interest	46,609	49,704	48,856	48,668	45,422	46,683
Accounting adjustments ⁽³⁾	42,808	-29,312	-29,365	-49,431	-1,777	-61,302
Total resource other AME	120,800	50,198	52,055	32,178	81,340	21,599
Total resource AME	288,043	300,826	312,145	321,273	335,016	338,163
Public sector current expenditure	634,115	641,810	650,700	660,004	668,645	675,200
CAPITAL EXPENDITURE						
Capital DEL						
Total capital DEL	49,816	42,338	38,961	41,664	44,985	41,600
Capital departmental AME						
National lottery	597	380	513	492	545	538
BBC domestic services	122	172	121	82	137	134
Student loans	4,958	5,857	6,858	9,291	11,477	12,828
Financial sector interventions	-3,015	-4,571	-3,601	-4,938	-2,943	530
Other departmental expenditure	1,103	688	-302	-11,139	-3,549	2,661
Total capital departmental AME	3,764	2,525	3,589	-6,211	5,667	16,691
Capital other AME						
Locally financed expenditure	5,716	16,343	6,130	6,857	5,425	6,966
Public corporations' own-financed capital expenditure	9,157	6,640	7,197	7,983	8,506	7,272
Accounting adjustments ⁽³⁾	4,548	-3,080	14,279	12,051	2,305	-5,409
Total capital other AME	19,422	19,903	27,605	26,891	16,236	8,829
Total capital AME	23,187	22,429	31,195	20,680	21,903	25,521
Public sector gross investment ⁽⁴⁾	73,003	64,767	70,156	62,344	66,888	67,100
<i>less public sector depreciation</i>	31,441	32,757	33,781	34,907	36,034	38,442
Public sector net investment ⁽⁴⁾	41,562	32,010	36,375	27,437	30,854	28,600
TOTAL MANAGED EXPENDITURE ⁽⁴⁾	707,118	706,577	720,856	722,348	735,533	742,300
<i>of which:</i>						
Total DEL ⁽⁵⁾	375,377	364,053	356,012	358,118	361,244	356,700
Departmental AME	171,007	253,153	263,679	282,884	259,343	333,256
Other AME	160,735	89,371	101,165	81,346	114,946	52,329

⁽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.

⁽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⁾ Transactions from 2010-11 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

⁽⁴⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 2.A in Chapter 2.

⁽⁵⁾ Total DEL is given by resource DEL excluding depreciation plus capital DEL.

Table 1.2 Total Managed Expenditure in real terms,⁽¹⁾ 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
CURRENT EXPENDITURE						
Resource DEL						
Resource DEL excluding depreciation	348,465	338,295	328,094	320,863	316,259	312,100
Depreciation in resource DEL	21,955	20,263	22,253	22,586	17,370	21,700
Total resource DEL	370,420	358,557	350,347	343,450	333,629	333,700
Resource departmental AME						
Social security benefits	181,196	184,525	189,466	182,101	184,002	184,721
Tax credits ⁽²⁾	30,974	31,521	30,797	29,803	29,187	29,222
Net public service pensions ⁽³⁾	-83,565	6,322	5,131	5,517	10,033	10,675
National lottery	1,065	1,403	752	422	1,355	1,249
BBC domestic services	3,809	3,189	3,406	3,253	3,768	3,686
Student loans	-322	-676	-790	-1,111	-1,579	-1,882
Non-cash items	59,229	55,089	55,106	50,641	71,695	78,810
Financial sector interventions	-15,250	-16,975	-19,025	8,497	-48,717	-479
Other departmental expenditure	1,873	-854	4,306	14,001	3,932	7,429
Total resource departmental AME	179,009	263,544	269,149	293,123	253,676	313,431
Resource other AME						
Net expenditure transfers to the EU	9,006	8,099	9,449	9,851	8,881	9,223
Locally financed expenditure	24,585	23,243	24,250	23,549	28,814	26,636
Central government gross debt interest	49,888	52,266	50,558	49,346	45,422	46,221
Accounting adjustments ⁽⁴⁾	45,820	-30,822	-30,388	-50,120	-1,777	-60,695
Total resource other AME	129,299	52,785	53,869	32,626	81,340	21,385
Total resource AME	308,308	316,329	323,018	325,749	335,016	334,815
Public sector current expenditure	678,728	674,886	673,365	669,199	668,645	668,600
CAPITAL EXPENDITURE						
Capital DEL						
Total capital DEL	53,321	44,520	40,319	42,244	44,985	41,100
Capital departmental AME						
National lottery	639	399	531	499	545	533
BBC domestic services	130	181	126	83	137	132
Student loans	5,307	6,159	7,097	9,421	11,477	12,701
Financial sector interventions	-3,228	-4,807	-3,726	-5,006	-2,943	525
Other departmental expenditure	1,180	723	-313	-11,294	-3,549	2,635
Total capital departmental AME	4,029	2,656	3,714	-6,298	5,667	16,526
Capital other AME						
Locally financed expenditure	6,119	17,185	6,343	6,953	5,425	6,897
Public corporations' own-financed capital expenditure	9,802	6,982	7,447	8,094	8,506	7,200
Accounting adjustments ⁽⁴⁾	4,868	-3,238	14,776	12,219	2,305	-5,355
Total capital other AME	20,789	20,929	28,567	27,266	16,236	8,742
Total capital AME	24,818	23,585	32,281	20,968	21,903	25,268
Public sector gross investment ⁽⁵⁾	78,139	68,105	72,600	63,213	66,888	66,400
<i>less public sector depreciation</i>	33,653	34,445	34,958	35,393	36,034	38,061
Public sector net investment ⁽⁵⁾	44,486	33,660	37,642	27,819	30,854	28,300
TOTAL MANAGED EXPENDITURE ⁽⁵⁾	756,867	742,991	745,965	732,411	735,533	735,000
<i>of which:</i>						
Total DEL ⁽⁶⁾	401,786	382,815	368,413	363,107	361,244	353,200
Departmental AME	183,038	266,200	272,864	286,825	259,343	329,957
Other AME	172,043	93,977	104,689	82,479	114,946	51,811

⁽¹⁾ Real terms figures are the cash figures adjusted to 2014-15 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 30 June 2015. The forecasts are consistent with the Summer Budget 2015.

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

⁽³⁾ The 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⁾ Transactions from 2010-11 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⁾ Total DEL is given by resource DEL excluding depreciation plus capital DEL.

Table 1.3 Resource budgets, 2010-11 to 2015-16

	£ million					
	National Statistics					
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Resource DEL by departmental group						
Education	50,383	50,154	50,808	51,887	53,773	54,734
NHS (Health)	97,469	100,266	102,571	106,496	110,555	113,326
Personal Social Services (Health) ⁽¹⁾	1,471	-	-	-	-	-
Transport	5,806	5,578	5,283	4,791	3,544	3,756
CLG Communities	3,860	1,990	1,496	2,080	2,131	2,500
CLG Local Government ⁽²⁾	24,403	25,389	23,189	16,481	13,657	10,639
Business, Innovation and Skills	21,271	19,993	19,195	20,576	15,405	17,838
Home Office	12,778	12,127	11,386	10,999	11,397	10,445
Justice	9,078	9,032	8,728	7,970	7,597	6,871
Law Officers' Departments	677	621	599	581	554	535
Defence	39,035	37,980	35,874	36,448	35,080	36,641
Foreign and Commonwealth Office	2,200	2,175	2,152	2,156	1,862	1,991
International Development	5,930	6,184	6,129	8,088	7,318	7,423
Energy and Climate Change	1,157	1,160	1,129	1,173	1,401	1,400
Environment, Food and Rural Affairs	2,370	2,193	2,049	1,946	1,885	1,772
Culture, Media and Sport	1,584	1,618	3,537	1,248	1,375	1,325
Work and Pensions	9,152	7,624	7,497	7,615	7,152	6,459
Scotland	25,776	25,437	25,751	26,129	26,420	26,564
Wales	13,789	13,660	13,654	14,466	14,203	13,525
Northern Ireland	9,975	9,864	10,041	10,175	10,205	10,111
Chancellor's Departments	3,966	3,852	3,468	3,392	3,596	3,854
Cabinet Office	2,354	2,399	2,547	2,525	2,843	2,914
Small and Independent Bodies	1,588	1,690	1,470	1,506	1,676	1,699
Reserve	-	-	-	-	-	2,000
Special Reserve	-	-	-	-	-	200
OBR allowance for shortfall	-	-	-	-	-	-1,000
Adjustment for Budget Exchange ⁽³⁾	-	-	-	-	-	-500
Total resource DEL	346,072	340,984	338,555	338,731	333,629	337,100
Resource departmental AME by departmental group						
Education ⁽⁴⁾	-10,434	11,785	10,722	11,051	13,910	13,073
NHS (Health) ⁽⁴⁾	-10,976	19,582	18,878	18,194	22,240	25,627
Transport ⁽⁵⁾	501	876	590	876	476	5,427
CLG Communities	-112	-350	409	347	623	811
CLG Local Government ⁽²⁾	1,107	732	144	11,123	12,181	11,575
Business, Innovation and Skills	-824	-1,157	-92	-102	-688	93
Home Office	920	1,061	1,260	1,478	1,958	1,826
Justice	246	-45	934	-239	-11	385
Law Officers' Departments	-16	5	5	7	13	7
Defence ⁽⁴⁾	-878	8,039	7,360	6,377	8,311	7,076
Foreign and Commonwealth Office	35	61	88	66	80	100
International Development	303	104	191	109	156	316
Energy and Climate Change	5,241	3,742	5,388	4,963	6,254	9,448
Environment, Food and Rural Affairs	-437	-53	85	-94	88	14
Culture, Media and Sport	4,369	3,793	4,653	4,330	4,865	4,704
Work and Pensions	151,033	159,167	165,506	163,072	167,639	170,625
Scotland	3,055	3,073	2,760	2,669	3,838	4,023
Wales	53	72	141	0	48	1,182
Northern Ireland	3,178	7,511	7,764	7,463	8,239	8,872
Chancellor's Departments ⁽⁶⁾	28,604	24,040	23,980	48,784	-7,026	41,256
Cabinet Office ⁽⁴⁾	-7,466	8,739	9,431	8,659	10,614	10,057
Small and Independent Bodies	-259	-147	-109	-38	-129	68
Total resource departmental AME	167,242	250,628	260,090	289,095	253,676	316,565
Total resource budget	513,315	591,612	598,645	627,826	587,305	653,600

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

⁽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⁾ Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown. However, the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16.

⁽⁶⁾ Transactions from 2010-11 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

Table 1.4 Resource budgets in real terms,⁽¹⁾ 2010-11 to 2015-16

	National Statistics					£ million
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	outturn	outturn	outturn	outturn	outturn	plans
Resource DEL by departmental group						
Education	53,928	52,739	52,578	52,610	53,773	54,192
NHS (Health)	104,327	105,433	106,144	107,979	110,555	112,204
Personal Social Services (Health) ⁽²⁾	1,574	-	-	-	-	-
Transport	6,215	5,865	5,467	4,858	3,544	3,719
CLG Communities	4,131	2,093	1,548	2,109	2,131	2,475
CLG Local Government ⁽³⁾	26,120	26,698	23,997	16,711	13,657	10,534
Business, Innovation and Skills	22,767	21,023	19,864	20,863	15,405	17,662
Home Office	13,677	12,752	11,782	11,153	11,397	10,342
Justice	9,717	9,497	9,032	8,082	7,597	6,803
Law Officers' Departments	725	653	620	589	554	529
Defence	41,781	39,937	37,124	36,956	35,080	36,278
Foreign and Commonwealth Office	2,355	2,287	2,227	2,186	1,862	1,971
International Development	6,347	6,502	6,343	8,201	7,318	7,350
Energy and Climate Change	1,238	1,220	1,168	1,190	1,401	1,386
Environment, Food and Rural Affairs	2,536	2,306	2,120	1,973	1,885	1,754
Culture, Media and Sport	1,696	1,701	3,660	1,266	1,375	1,312
Work and Pensions	9,796	8,017	7,758	7,721	7,152	6,395
Scotland	27,589	26,748	26,648	26,493	26,420	26,301
Wales	14,759	14,364	14,129	14,668	14,203	13,392
Northern Ireland	10,677	10,372	10,391	10,316	10,205	10,011
Chancellor's Departments	4,245	4,050	3,589	3,440	3,596	3,816
Cabinet Office	2,519	2,523	2,636	2,560	2,843	2,885
Small and Independent Bodies	1,700	1,777	1,522	1,527	1,676	1,682
Reserve	-	-	-	-	-	2,000
Special Reserve	-	-	-	-	-	200
OBR allowance for shortfall	-	-	-	-	-	-1,000
Adjustment for Budget Exchange ⁽⁴⁾	-	-	-	-	-	-500
Total resource DEL	370,420	358,557	350,347	343,450	333,629	333,700
Resource departmental AME by departmental group						
Education ⁽⁵⁾	-11,168	12,393	11,095	11,205	13,910	12,943
NHS (Health) ⁽⁵⁾	-11,748	20,591	19,536	18,447	22,240	25,373
Transport ⁽⁶⁾	536	921	611	889	476	5,374
CLG Communities	-119	-368	423	351	623	803
CLG Local Government ⁽³⁾	1,185	770	149	11,278	12,181	11,461
Business, Innovation and Skills	-882	-1,217	-95	-104	-688	92
Home Office	985	1,116	1,304	1,498	1,958	1,808
Justice	263	-47	967	-242	-11	381
Law Officers' Departments	-17	5	6	7	13	7
Defence ⁽⁵⁾	-940	8,453	7,617	6,466	8,311	7,006
Foreign and Commonwealth Office	37	64	91	67	80	99
International Development	324	110	197	111	156	313
Energy and Climate Change	5,610	3,935	5,576	5,032	6,254	9,354
Environment, Food and Rural Affairs	-468	-56	88	-96	88	13
Culture, Media and Sport	4,676	3,988	4,815	4,391	4,865	4,657
Work and Pensions	161,658	167,370	171,271	165,344	167,639	168,936
Scotland	3,270	3,231	2,857	2,706	3,838	3,983
Wales	57	75	146	0	48	1,171
Northern Ireland	3,402	7,898	8,035	7,567	8,239	8,784
Chancellor's Departments ⁽⁷⁾	30,616	25,279	24,816	49,464	-7,026	40,847
Cabinet Office ⁽⁵⁾	-7,991	9,189	9,759	8,780	10,614	9,957
Small and Independent Bodies	-277	-155	-113	-39	-129	68
Total resource departmental AME	179,009	263,544	269,149	293,123	253,676	313,431
Total resource budget	549,429	622,101	619,497	636,572	587,305	647,200

⁽¹⁾ Real terms figures are the cash figures adjusted to 2014-15 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 30 June 2015. The forecasts are consistent with the Summer Budget 2015.

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

⁽⁵⁾ 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⁾ Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown. However, the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16.

⁽⁷⁾ Transactions from 2010-11 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

Table 1.5 Resource DEL excluding depreciation, 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Resource DEL excluding depreciation by departmental group						
Education	50,349	50,122	49,977	50,902	52,529	53,506
NHS (Health)	96,260	99,073	101,440	105,424	109,437	111,939
Personal Social Services (Health) ⁽¹⁾	1,471	-	-	-	-	-
Transport	5,176	4,679	4,315	3,784	2,552	2,419
CLG Communities	3,799	1,914	1,455	2,051	2,138	2,475
CLG Local Government ⁽²⁾	24,402	25,388	23,188	16,481	13,657	10,639
Business, Innovation and Skills	17,010	16,208	15,443	14,836	13,756	13,097
Home Office	12,292	11,908	11,143	10,740	11,118	10,190
Justice	8,723	8,589	8,201	7,519	7,160	6,270
Law Officers' Departments	664	611	591	575	547	527
Defence	28,090	28,142	26,415	26,968	26,582	28,141
Foreign and Commonwealth Office	2,097	2,052	1,989	1,998	1,713	1,811
International Development	5,909	6,167	6,105	8,074	7,300	7,405
Energy and Climate Change	1,149	1,147	1,120	1,166	1,393	1,395
Environment, Food and Rural Affairs	2,169	1,982	1,860	1,749	1,700	1,585
Culture, Media and Sport	1,475	1,504	2,093	1,114	1,251	1,140
Work and Pensions	8,990	7,422	7,248	7,432	6,976	6,278
Scotland	25,211	24,814	24,968	25,466	25,660	25,532
Wales	13,382	13,232	13,248	13,709	13,757	12,899
Northern Ireland	9,605	9,443	9,464	9,724	9,703	9,561
Chancellor's Departments	3,745	3,628	3,235	3,152	3,315	3,577
Cabinet Office	2,025	2,045	2,147	2,108	2,405	2,414
Small and Independent Bodies	1,569	1,645	1,406	1,481	1,610	1,620
Reserve	-	-	-	-	-	2,000
Special Reserve	-	-	-	-	-	200
OBR allowance for shortfall	-	-	-	-	-	-1,000
Adjustment for Budget Exchange ⁽³⁾	-	-	-	-	-	-500
Total resource DEL excluding depreciation	325,560	321,715	317,050	316,454	316,259	315,200

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

Table 1.6 Resource DEL excluding depreciation in real terms,⁽¹⁾ 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Resource DEL excluding depreciation by departmental group						
Education	53,891	52,705	51,718	51,611	52,529	52,976
NHS (Health)	103,032	104,178	104,973	106,893	109,437	110,831
Personal Social Services (Health) ⁽²⁾	1,574	-	-	-	-	-
Transport	5,540	4,921	4,465	3,837	2,552	2,395
CLG Communities	4,067	2,013	1,506	2,079	2,138	2,451
CLG Local Government ⁽³⁾	26,118	26,696	23,996	16,711	13,657	10,534
Business, Innovation and Skills	18,207	17,043	15,981	15,043	13,756	12,968
Home Office	13,157	12,522	11,531	10,890	11,118	10,089
Justice	9,337	9,031	8,487	7,624	7,160	6,208
Law Officers' Departments	710	642	611	583	547	521
Defence	30,066	29,593	27,336	27,344	26,582	27,863
Foreign and Commonwealth Office	2,245	2,157	2,058	2,026	1,713	1,793
International Development	6,324	6,485	6,317	8,187	7,300	7,332
Energy and Climate Change	1,230	1,206	1,159	1,182	1,393	1,382
Environment, Food and Rural Affairs	2,322	2,085	1,925	1,774	1,700	1,569
Culture, Media and Sport	1,579	1,581	2,166	1,130	1,251	1,128
Work and Pensions	9,622	7,805	7,500	7,535	6,976	6,216
Scotland	26,985	26,093	25,837	25,821	25,660	25,280
Wales	14,323	13,914	13,709	13,900	13,757	12,771
Northern Ireland	10,281	9,930	9,794	9,859	9,703	9,466
Chancellor's Departments	4,008	3,815	3,347	3,196	3,315	3,542
Cabinet Office	2,167	2,151	2,222	2,138	2,405	2,390
Small and Independent Bodies	1,679	1,729	1,455	1,501	1,610	1,604
Reserve	-	-	-	-	-	2,000
Special Reserve	-	-	-	-	-	200
OBR allowance for shortfall	-	-	-	-	-	-1,000
Adjustment for Budget Exchange ⁽⁴⁾	-	-	-	-	-	-500
Total resource DEL excluding depreciation	348,465	338,295	328,094	320,863	316,259	312,100

⁽¹⁾ Real terms figures are the cash figures adjusted to 2014-15 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 30 June 2015. The forecasts are consistent with the Summer Budget 2015.

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

Table 1.7 Administration budgets, 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Education	397	373	388	364	339	309
NHS (Health)	5,425	3,541	3,670	3,122	2,869	3,119
Transport	276	217	243	240	271	275
CLG Communities	426	339	286	368	257	313
Business, Innovation and Skills	429	802	678	676	632	607
Home Office	630	504	479	506	533	406
Justice	433	656	595	535	556	555
Law Officers' Departments	48	42	44	42	45	47
Defence	2,212	2,692	2,179	2,129	1,473	1,520
Foreign and Commonwealth Office	352	168	124	170	170	184
International Development	148	123	128	116	110	113
Energy and Climate Change	198	158	162	175	170	196
Environment, Food and Rural Affairs	740	592	550	527	482	517
Culture, Media and Sport	100	288	209	154	161	163
Work and Pensions ⁽¹⁾	5,610	1,333	1,180	1,091	894	1,001
Chancellor's Departments ⁽¹⁾	3,405	1,093	1,083	991	939	955
Cabinet Office	276	260	259	213	213	214
of which: Security and Intelligence Agencies	74	73	66	59	63	58
Small and Independent Bodies	385	336	332	306	374	302
Adjustment for Budget Exchange ⁽²⁾	-	-	-	-	-	-9
Total administration budgets	21,490	13,516	12,588	11,725	10,487	10,787
<i>of which: administration staff costs</i>	<i>13,645</i>	<i>9,052</i>	<i>8,590</i>	<i>7,625</i>	<i>6,596</i>	<i>6,238</i>
Administration budgets as a percentage of Total Managed Expenditure ⁽³⁾	3.0	1.9	1.7	1.6	1.4	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 include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

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

Table 1.8 Capital budgets 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Capital DEL by departmental group						
Education	7,127	5,043	4,260	3,604	4,468	4,700
NHS (Health)	4,159	3,771	3,783	4,353	3,863	4,635
Transport ⁽¹⁾	7,299	7,686	7,828	8,460	9,363	6,090
CLG Communities	6,459	3,821	2,472	3,808	4,398	5,340
CLG Local Government	-67	-8	1	-	-	-
Business, Innovation and Skills	2,103	1,153	1,240	2,385	2,011	3,783
Home Office	739	493	442	397	411	405
Justice	530	344	281	275	290	328
Law Officers' Departments	8	3	2	3	4	5
Defence	9,265	9,014	7,843	7,572	7,786	6,823
Foreign and Commonwealth Office	155	115	37	120	159	102
International Development	1,559	1,646	1,653	1,946	2,350	2,625
Energy and Climate Change	2,014	1,454	2,038	2,216	2,242	2,520
Environment, Food and Rural Affairs	568	385	414	482	636	493
Culture, Media and Sport	580	1,257	342	-12	264	402
Work and Pensions	368	327	419	233	249	225
Scotland	3,284	2,732	2,939	2,879	3,143	3,073
Wales	1,751	1,386	1,362	1,325	1,500	1,515
Northern Ireland	1,192	1,000	969	931	1,069	1,100
Chancellor's Departments	211	257	212	212	267	-576
Cabinet Office	432	403	363	401	430	376
Small and Independent Bodies	78	56	61	74	82	112
Reserve	-	-	-	-	-	900
Special Reserve	-	-	-	-	-	100
OBR allowance for shortfall	-	-	-	-	-	-2,000
Adjustment for Budget Exchange ⁽²⁾	-	-	-	-	-	-1,600
Total capital DEL	49,816	42,338	38,961	41,664	44,985	41,600
Capital departmental AME by departmental group						
NHS (Health)	8	-	-	-70	-5	15
Transport ⁽³⁾	-	-33	-61	13	6,695	7,080
CLG Communities	843	153	4	-	121	220
CLG Local Government	-	-	-4	-	-	-
Business, Innovation and Skills	4,158	5,469	6,129	4,675	9,573	11,251
Defence	-	-10	-35	-129	51	-
International Development	-	-	-6	-	-	-
Energy and Climate Change	-78	-58	-20	-497	-604	-86
Environment, Food and Rural Affairs	1	-	-1	-1	2	1
Culture, Media and Sport	719	552	448	624	681	672
Work and Pensions	132	-12	-17	-134	-124	-
Scotland	151	167	188	336	440	795
Wales	209	244	252	306	357	421
Northern Ireland	396	588	344	425	542	584
Chancellor's Departments ⁽⁴⁾	-2,675	-4,483	-3,591	-11,725	-12,040	-4,565
Small and Independent Bodies	-100	-52	-40	-34	-23	303
Total capital departmental AME	3,764	2,525	3,589	-6,211	5,667	16,691
Total capital budget	53,581	44,864	42,551	35,453	50,652	58,200

⁽¹⁾ Following implementation of ESA10, Network rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail. The actual expenditure of Network rail appears in the Department for Transport departmental AME budget.

⁽²⁾ Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽³⁾ In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. This is 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 1.9 Capital budgets in real terms,⁽¹⁾ 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Capital DEL by departmental group						
Education	7,629	5,303	4,408	3,654	4,468	4,653
NHS (Health)	4,451	3,966	3,915	4,414	3,863	4,589
Transport ⁽²⁾	7,812	8,082	8,100	8,577	9,363	6,030
CLG Communities	6,913	4,018	2,558	3,861	4,398	5,287
CLG Local Government	-71	-8	1	-	-	-
Business, Innovation and Skills	2,251	1,212	1,283	2,418	2,011	3,746
Home Office	791	518	458	403	411	401
Justice	568	362	291	279	290	325
Law Officers' Departments	9	3	2	3	4	5
Defence	9,917	9,479	8,117	7,677	7,786	6,756
Foreign and Commonwealth Office	166	121	38	121	159	101
International Development	1,668	1,731	1,711	1,973	2,350	2,599
Energy and Climate Change	2,156	1,529	2,109	2,247	2,242	2,495
Environment, Food and Rural Affairs	608	405	429	489	636	488
Culture, Media and Sport	621	1,322	354	-12	264	398
Work and Pensions	394	344	434	236	249	222
Scotland	3,515	2,873	3,041	2,919	3,143	3,042
Wales	1,874	1,457	1,409	1,343	1,500	1,500
Northern Ireland	1,276	1,052	1,003	944	1,069	1,089
Chancellor's Departments	226	270	219	215	267	-571
Cabinet Office	463	424	376	407	430	372
Small and Independent Bodies	84	59	63	75	82	111
Reserve	-	-	-	-	-	900
Special Reserve	-	-	-	-	-	100
OBR allowance for shortfall	-	-	-	-	-	-2,000
Adjustment for Budget Exchange ⁽³⁾	-	-	-	-	-	-1,500
Total capital DEL	53,321	44,520	40,319	42,244	44,985	41,100
Capital departmental AME by departmental group						
NHS (Health)	8	-	-	-71	-5	15
Transport ⁽⁴⁾	-	-35	-63	13	6,695	7,009
CLG Communities	902	161	4	-	121	218
CLG Local Government	-	-	-4	-	-	-
Business, Innovation and Skills	4,451	5,751	6,342	4,740	9,573	11,140
Defence	-	-10	-37	-130	51	-
International Development	-	-	-6	-	-	-
Energy and Climate Change	-83	-61	-21	-504	-604	-85
Environment, Food and Rural Affairs	1	-	-1	-1	2	1
Culture, Media and Sport	770	580	464	632	681	665
Work and Pensions	141	-12	-17	-136	-124	-
Scotland	162	176	194	340	440	787
Wales	223	257	261	310	357	417
Northern Ireland	424	618	356	431	542	578
Chancellor's Departments ⁽⁵⁾	-2,863	-4,714	-3,716	-11,888	-12,040	-4,520
Small and Independent Bodies	-107	-55	-42	-34	-23	300
Total capital departmental AME	4,029	2,656	3,714	-6,298	5,667	16,526
Total capital budget	57,350	47,176	44,033	35,946	50,652	57,700

⁽¹⁾ Real terms figures are the cash figures adjusted to 2014-15 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 30 June 2015. The forecasts are consistent with the Summer Budget 2015.

⁽²⁾ Following implementation of ESA10, Network rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail. The actual expenditure of Network rail appears in the Department for Transport departmental AME budget.

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

⁽⁴⁾ In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. This is included in Capital departmental AME as lending to the private sector.

⁽⁵⁾ 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⁾ 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Total DEL by departmental group						
Education	57,476	55,165	54,237	54,505	56,997	58,206
NHS (Health) ⁽²⁾	100,418	102,844	105,222	109,777	113,300	116,574
Personal Social Services (Health)	1,471	-	-	-	-	-
Transport ⁽³⁾	12,474	12,366	12,143	12,244	11,915	8,509
CLG Communities	10,258	5,735	3,928	5,859	6,536	7,816
CLG Local Government ⁽⁴⁾	24,335	25,380	23,189	16,481	13,657	10,639
Business, Innovation and Skills	19,113	17,360	16,684	17,222	15,767	16,881
Home Office	13,032	12,401	11,585	11,137	11,529	10,595
Justice	9,253	8,933	8,482	7,794	7,450	6,598
Law Officers' Departments	672	613	592	578	551	532
Defence	37,355	37,157	34,259	34,540	34,368	34,965
Foreign and Commonwealth Office	2,253	2,167	2,026	2,118	1,872	1,913
International Development	7,467	7,813	7,758	10,020	9,650	10,031
Energy and Climate Change	3,164	2,602	3,159	3,382	3,635	3,916
Environment, Food and Rural Affairs	2,737	2,368	2,274	2,232	2,336	2,078
Culture, Media and Sport	2,055	2,761	2,435	1,102	1,515	1,542
Work and Pensions	9,358	7,749	7,667	7,665	7,225	6,502
Scotland	28,495	27,546	27,907	28,345	28,803	28,605
Wales	15,133	14,618	14,609	15,034	15,258	14,414
Northern Ireland	10,798	10,443	10,433	10,655	10,772	10,660
Chancellor's Departments	3,956	3,884	3,447	3,364	3,582	3,001
Cabinet Office	2,457	2,448	2,510	2,509	2,835	2,789
Small and Independent Bodies	1,647	1,701	1,467	1,555	1,692	1,732
Reserve	-	-	-	-	-	3,000
Special Reserve	-	-	-	-	-	300
OBR allowance for shortfall	-	-	-	-	-	-3,000
Adjustment for Budget Exchange ⁽⁵⁾	-	-	-	-	-	-2,100
Total DEL	375,377	364,053	356,012	358,118	361,244	356,700

⁽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⁾ Following implementation of ESA10, Network rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail. The actual expenditure of Network rail appears in the Department for Transport departmental AME 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 include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 1.11 Total Departmental Expenditure Limits⁽¹⁾ in real terms,⁽²⁾ 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Total DEL by departmental group						
Education	61,520	58,008	56,126	55,264	56,997	57,630
NHS (Health)	107,483	108,144	108,888	111,307	113,300	115,420
Personal Social Services (Health) ⁽³⁾	1,574	-	-	-	-	-
Transport ⁽⁴⁾	13,352	13,003	12,566	12,414	11,915	8,425
CLG Communities	10,980	6,030	4,064	5,940	6,536	7,738
CLG Local Government ⁽⁵⁾	26,047	26,688	23,997	16,711	13,657	10,534
Business, Innovation and Skills	20,458	18,255	17,265	17,461	15,767	16,713
Home Office	13,948	13,040	11,988	11,292	11,529	10,491
Justice	9,904	9,393	8,777	7,903	7,450	6,533
Law Officers' Departments	719	645	613	586	551	527
Defence	39,983	39,071	35,452	35,021	34,368	34,618
Foreign and Commonwealth Office	2,411	2,279	2,097	2,147	1,872	1,894
International Development	7,993	8,216	8,028	10,159	9,650	9,931
Energy and Climate Change	3,386	2,736	3,269	3,429	3,635	3,877
Environment, Food and Rural Affairs	2,930	2,490	2,353	2,263	2,336	2,057
Culture, Media and Sport	2,199	2,903	2,520	1,118	1,515	1,526
Work and Pensions	10,016	8,148	7,934	7,772	7,225	6,438
Scotland	30,499	28,965	28,879	28,740	28,803	28,322
Wales	16,197	15,371	15,118	15,243	15,258	14,271
Northern Ireland	11,557	10,982	10,796	10,803	10,772	10,555
Chancellor's Departments	4,234	4,085	3,567	3,411	3,582	2,971
Cabinet Office	2,630	2,574	2,597	2,544	2,835	2,762
Small and Independent Bodies	1,763	1,789	1,518	1,577	1,692	1,715
Reserve	-	-	-	-	-	2,900
Special Reserve	-	-	-	-	-	300
OBR allowance for shortfall	-	-	-	-	-	-3,000
Adjustment for Budget Exchange ⁽⁶⁾	-	-	-	-	-	-2,000
Total DEL	401,786	382,815	368,413	363,107	361,244	353,200

⁽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 2014-15 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 30 June 2015. The forecasts are consistent with the Summer Budget 2015.

⁽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⁾ Following implementation of ESA10, Network rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail. The actual expenditure of Network rail appears in the Department for Transport departmental AME budget.

⁽⁵⁾ 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.

⁽⁶⁾ Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

Table 1.12 Total Managed Expenditure by departmental group and other expenditure, 2010-11 to 2015-16

	£ million					
	National Statistics					
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Total Managed Expenditure by departmental group						
Education ⁽¹⁾	47,042	66,951	64,958	65,556	70,907	71,279
NHS (Health) ⁽¹⁾	89,450	122,426	124,101	127,901	135,535	142,216
Personal Social Services (Health) ⁽²⁾	1,471	-	-	-	-	-
Transport ⁽³⁾	12,975	13,208	12,672	13,133	19,086	21,016
CLG Communities	10,990	5,538	4,341	6,205	7,280	8,847
CLG Local Government	25,442	26,113	23,329	27,605	25,837	22,214
Business, Innovation and Skills	22,448	21,672	22,720	21,794	24,652	28,225
Home Office	13,952	13,462	12,845	12,615	13,487	12,421
Justice	9,499	8,888	9,416	7,555	7,439	6,984
Law Officers' Departments	656	618	598	584	564	539
Defence ⁽¹⁾	36,477	45,185	41,584	40,789	42,729	42,040
Foreign and Commonwealth Office	2,287	2,228	2,114	2,183	1,951	2,013
International Development	7,770	7,917	7,943	10,129	9,806	10,347
Energy and Climate Change	8,327	6,286	8,526	7,849	9,285	13,278
Environment, Food and Rural Affairs	2,301	2,314	2,357	2,136	2,426	2,092
Culture, Media and Sport	7,143	7,105	7,536	6,056	7,061	6,917
Work and Pensions	160,522	166,904	173,156	170,603	174,740	177,128
Scotland	31,701	30,786	30,855	31,350	33,081	33,424
Wales	15,395	14,934	15,003	15,339	15,662	16,018
Northern Ireland	14,372	18,543	18,541	18,543	19,553	20,116
Chancellor's Departments ⁽⁴⁾	29,885	23,441	23,836	40,424	-15,484	39,691
Cabinet Office ⁽¹⁾	-5,009	11,187	11,941	11,169	13,449	12,846
Small and Independent Bodies	1,288	1,502	1,318	1,483	1,541	2,104
Total departmental expenditure ⁽⁵⁾	546,383	617,206	619,691	641,002	620,587	691,754
Central government gross debt interest	46,609	49,704	48,856	48,668	45,422	46,683
Locally financed expenditure	28,686	38,447	29,563	30,083	34,239	33,869
Public sector depreciation	31,441	32,757	33,781	34,907	36,034	38,442
Net expenditure transfers to the EU	8,414	7,702	9,131	9,716	8,881	9,315
Public corporations' own-financed capital expenditure	9,157	6,640	7,197	7,983	8,506	7,272
Accounting adjustments	36,428	-45,879	-27,363	-50,011	-18,136	-83,251
Reserve	-	-	-	-	-	3,000
Special Reserve	-	-	-	-	-	300
OBR allowance for shortfall	-	-	-	-	-	-3,000
Adjustment for Budget Exchange ⁽⁶⁾	-	-	-	-	-	-2,100
Total other expenditure ⁽⁷⁾	160,735	89,371	101,165	81,346	114,946	50,563
TOTAL MANAGED EXPENDITURE ⁽⁸⁾	707,118	706,577	720,856	722,348	735,533	742,317

⁽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⁾ Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown. However, the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. This is included in Capital departmental AME as lending to the private sector.

⁽⁴⁾ Transactions from 2010-11 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

⁽⁵⁾ Total departmental expenditure is given by Resource DEL excluding depreciation plus capital DEL plus resource and capital departmental AME.

⁽⁶⁾ Departmental budgets include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽⁷⁾ Total other expenditure is other AME spend within total managed expenditure.

⁽⁸⁾ 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⁾ 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Total Managed Expenditure by departmental group						
Education ⁽²⁾	50,352	70,401	67,221	66,469	70,907	70,573
NHS (Health) ⁽²⁾	95,744	128,735	128,424	129,683	135,535	140,808
Personal Social Services (Health) ⁽³⁾	1,574	-	-	-	-	-
Transport ⁽⁴⁾	13,888	13,888	13,114	13,316	19,086	20,808
CLG Communities	11,763	5,823	4,492	6,292	7,280	8,759
CLG Local Government	27,231	27,458	24,142	27,989	25,837	21,994
Business, Innovation and Skills	24,027	22,789	23,512	22,098	24,652	27,946
Home Office	14,933	14,156	13,293	12,791	13,487	12,298
Justice	10,167	9,346	9,744	7,661	7,439	6,914
Law Officers' Departments	702	650	619	593	564	534
Defence ⁽²⁾	39,044	47,514	43,032	41,357	42,729	41,624
Foreign and Commonwealth Office	2,448	2,343	2,188	2,214	1,951	1,993
International Development	8,317	8,325	8,220	10,270	9,806	10,244
Energy and Climate Change	8,913	6,610	8,823	7,958	9,285	13,146
Environment, Food and Rural Affairs	2,463	2,434	2,440	2,166	2,426	2,071
Culture, Media and Sport	7,645	7,471	7,799	6,141	7,061	6,849
Work and Pensions	171,816	175,506	179,187	172,979	174,740	175,374
Scotland	33,931	32,373	31,930	31,787	33,081	33,093
Wales	16,478	15,704	15,525	15,553	15,662	15,859
Northern Ireland	15,383	19,498	19,187	18,801	19,553	19,917
Chancellor's Departments ⁽⁵⁾	31,987	24,649	24,666	40,988	-15,484	39,298
Cabinet Office ⁽²⁾	-5,362	11,763	12,357	11,324	13,449	12,719
Small and Independent Bodies	1,379	1,579	1,364	1,504	1,541	2,083
Total departmental expenditure ⁽⁶⁾	584,824	649,014	641,276	649,932	620,587	684,905
Central government gross debt interest	49,888	52,266	50,558	49,346	45,422	46,221
Locally financed expenditure	30,704	40,428	30,593	30,502	34,239	33,533
Public sector depreciation	33,653	34,445	34,958	35,393	36,034	38,061
Net expenditure transfers to the EU	9,006	8,099	9,449	9,851	8,881	9,223
Public corporations' own-financed capital expenditure	9,802	6,982	7,447	8,094	8,506	7,200
Accounting adjustments	38,991	-48,243	-28,316	-50,708	-18,136	-82,427
Reserve	-	-	-	-	-	2,900
Special Reserve	-	-	-	-	-	300
OBR allowance for shortfall	-	-	-	-	-	-3,000
Adjustment for Budget Exchange ⁽⁷⁾	-	-	-	-	-	-2,000
Total other expenditure ⁽⁸⁾	172,043	93,977	104,689	82,479	114,946	50,063
TOTAL MANAGED EXPENDITURE ⁽⁹⁾	756,867	742,991	745,965	732,411	735,533	734,967

⁽¹⁾ Real terms figures are the cash figures adjusted to 2014-15 price levels using GDP deflators. The deflators are calculated from data released by the Office for National Statistics on 30 June 2015. The forecasts are consistent with the Summer Budget 2015.

⁽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⁾ Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown. However, the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. This is included in Capital departmental AME as lending to the private sector.

⁽⁵⁾ Transactions from 2010-11 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 include amounts carried forward through Budget Exchange. These increases will be offset by any deposits at Supplementary Estimates in future years so are excluded from spending totals.

⁽⁸⁾ Total other expenditure is other AME spend within total managed expenditure.

⁽⁹⁾ 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⁾ 2010-11 to 2015-16

	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
£ billion						
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)	-8.5	-15.0	-14.9	-17.7	-15.2	-16.9
NHS capital consumption	-1.8	-1.7	-1.8	-2.1	-1.8	-2.00
Interest	-0.1	-0.2	-0.2	-0.2	-0.3	0.0
Public corporation subsidies	-1.2	-1.1	-1.7	-1.1	-0.8	-0.9
Other	-0.1	0.0	0.0	0.1	0.1	0.0
Total resource DEL	-11.7	-18.0	-18.5	-21.0	-18.0	-19.8
Resource departmental AME						
Capital consumption	-1.8	-1.6	-1.6	-1.4	-2.0	-3.5
Interest	1.0	2.2	2.7	1.2	2.1	1.4
Subsidy element of renewable obligation certificates	0.0	0.0	0.0	0.0	0.0	0.0
Subsidy element of other environmental levies	0.0	0.0	0.0	-0.1	-0.2	-0.4
NNDR outturn adjustment	-1.1	-0.7	-0.1	-0.3	0.0	-0.3
Public corporation subsidies	-0.4	-7.3	0.0	0.0	0.0	0.0
Other	0.1	2.4	0.0	0.2	0.1	0.1
Total resource departmental AME	-2.2	-5.1	1.0	-0.4	0.1	-2.7
Adjustment for different data used by OBR in PSCE forecast	0.0	0.0	0.0	0.0	0.0	-4.6
<i>of which DEL</i>	0.0	0.0	0.0	0.0	0.0	-1.8
<i>of which AME</i>	0.0	0.0	0.0	0.0	0.0	-2.8
Total resource budget data replaced by different source data	-13.9	-23.0	-17.6	-21.4	-17.9	-27.1
Remove data in budgets which do not form part of public sector current expenditure						
Resource DEL						
Impairments	-7.8	-0.4	-2.7	1.1	-0.6	-0.1
Receipts treated as negative DEL but revenue in National Accounts	0.7	0.6	0.8	1.1	0.7	0.4
Fees, levies and charges	0.2	0.2	0.4	1.6	1.6	0.6
Grant equivalent element of student lending	-4.2	-3.8	-3.9	-5.7	-1.6	-4.8
Stock write-offs	0.0	0.0	0.0	0.0	0.0	0.0
Change in pension scheme liabilities	-0.1	0.0	0.0	0.0	-0.1	0.0
Miscellaneous current transfers	1.6	1.8	2.3	2.6	2.6	2.3
Northern Ireland Executive transfers between DEL and AME ⁽²⁾	0.6	0.6	0.6	0.6	0.7	1.2
Profit or loss - sale of company securities	0.0	0.0	0.0	0.0	0.0	0.0
Profit or loss - sale of other assets (capital in National Accounts)	0.0	-0.1	0.0	-0.8	0.2	0.0
EU funded expenditure	-0.3	-0.5	-0.3	-0.2	0.2	0.3
Other	0.0	-0.5	0.1	-1.2	-1.3	-0.6
Total resource DEL	-9.4	-2.1	-2.8	-0.8	2.5	-0.7
Resource departmental AME						
Impairments	3.0	12.4	14.8	-14.3	45.3	-4.9
Bad debts	-0.6	-0.5	-0.5	-0.5	-0.3	-0.5
Grant equivalent element of student lending	0.0	1.6	0.1	-0.6	-0.5	-0.9
Provisions	-7.2	-5.4	-10.3	-9.3	-10.7	-15.3
Change in pension scheme liabilities	56.8	-27.1	-26.9	-28.7	-34.6	-36.9
Unwinding of discount rate on pension scheme liabilities	-37.6	-44.0	-40.5	-38.0	-46.1	-43.7
Release of provisions covering payments of pension benefits	25.9	27.7	30.5	32.2	34.2	35.4
Fees, levies and charges	0.2	0.5	1.2	1.9	2.3	3.0
Profit or loss - sale of other assets (capital in National Accounts)	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	0.0
Imputed tax element of other environmental levies	0.0	0.0	0.0	0.0	0.0	0.0
Tax credits	-5.6	-4.6	-2.8	-2.6	-2.6	-2.6
Other	1.1	-0.6	-0.8	4.8	0.3	-1.5
Total resource departmental AME	36.1	-39.9	-35.1	-55.1	-12.8	-67.9
Total resource budget data not in public sector current expenditure	26.7	-42.0	-37.9	-55.9	-10.3	-68.6

Table 1.14 Accounting adjustments,⁽¹⁾ 2010-11 to 2015-16 (continued)

	£ billion					
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Central government adjustments in National Accounts						
Expenditure on goods and services	16.7	21.5	16.1	17.9	17.4	17.3
<i>of which: VAT refunds</i>	4.8	5.0	5.1	5.0	5.0	5.2
<i>of which: Single Use Military Equipment</i>	0.4	0.4	0.3	0.3	0.3	0.2
<i>of which: payment from EU for tax collection costs</i>	-0.8	-0.7	-0.7	-0.7	-0.8	-0.8
<i>of which: capital consumption</i>	15.4	16.2	16.7	17.0	17.3	18.6
<i>of which: Capitalisation of R&D</i>	-4.8	-3.9	-3.8	-4.0	-4.1	-5.0
<i>of which: other</i>	1.7	4.6	-1.6	0.2	-0.4	-1.0
Net social benefits	5.9	5.2	3.7	3.8	4.8	3.1
<i>of which: switch between benefits and other current grants</i>	0.4	0.6	0.3	0.3	0.3	0.0
<i>of which: other</i>	5.5	4.6	3.4	3.5	4.5	3.1
Net current grants abroad	-2.5	-1.9	-2.3	-2.0	-2.3	0.2
<i>of which: attributed aid</i>	-0.8	-0.9	0.0	0.0	0.0	0.0
<i>of which: EU receipts</i>	4.8	4.9	0.0	0.0	0.0	0.0
<i>of which: Capitalisation of R&D</i>	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
<i>of which: other</i>	-6.2	-5.5	-1.9	-1.7	-2.0	0.5
Other current grants	-2.6	-7.2	0.3	-1.1	-0.7	-3.1
<i>of which: switch between other current grants and benefits</i>	-0.4	-0.6	-0.3	-0.3	-0.3	0.0
<i>of which: Capitalisation of R&D</i>	-2.5	-2.6	-2.6	-2.9	-3.2	-2.8
<i>of which: other</i>	0.2	-4.0	3.2	2.1	2.7	-0.3
Subsidies	3.9	10.8	4.4	4.4	5.3	7.1
<i>of which: Renewable Obligation Certificates</i>	1.3	0.5	1.7	2.5	3.1	3.9
<i>of which: other environmental levies</i>	0.0	0.0	0.5	0.6	1.0	1.5
<i>of which: company tax credits outside departmental AME</i>	1.3	1.3	1.4	1.5	1.9	0.8
<i>of which: other</i>	1.3	9.0	0.9	-0.2	-0.7	0.9
Total central government resource adjustments	21.3	28.4	22.1	22.9	24.5	24.5
Local government adjustments in National Accounts						
Remove data which do not form part of public sector current expenditure	-4.5	-5.1	-3.8	-3.9	-12.3	-3.9
<i>of which: Northern Ireland regional rates</i>	-0.5	-0.6	-0.6	-0.6	-0.7	-0.6
<i>of which: retirement benefits</i>	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which: debt interest payments to central government</i>	-3.0	-4.4	-2.8	-3.1	-3.2	-3.3
<i>of which: other</i>	-1.0	-0.2	-0.4	-0.2	-8.5	0.0
Adjustments to reconcile use of different data sources	1.0	2.6	-0.1	-0.7	3.9	-5.2
<i>of which: central government support</i>	-0.4	0.2	-1.2	-1.2	4.4	-2.8
<i>of which: debt interest</i>	-0.3	0.6	-0.3	-0.1	-0.5	-0.5
<i>of which: police and fire top up grants</i>	1.1	1.4	1.6	1.7	1.9	0.0
<i>of which: other</i>	0.6	0.5	-0.2	-1.1	-1.9	-1.9
Expenditure on goods and services	15.9	16.3	17.4	18.8	18.4	18.5
<i>of which: VAT refunds</i>	6.4	6.8	6.5	6.6	6.6	6.6
<i>of which: Local Authority Pension Scheme</i>	1.8	1.9	2.0	1.9	1.9	1.9
<i>of which: capital consumption</i>	8.0	8.5	9.0	9.5	10.0	10.9
<i>of which: rates</i>	-1.2	-1.4	-1.4	-1.4	-1.4	-1.4
<i>of which: other</i>	0.9	0.5	1.3	2.3	1.4	0.5
Subsidies	1.1	0.5	0.3	0.5	0.4	0.4
<i>of which: equity injection into Housing Revenue Account</i>	1.1	0.5	0.3	0.5	0.4	0.4
<i>of which: other</i>	0.0	0.0	0.0	0.0	0.0	0.0
Net social benefits	-0.5	-0.9	-1.1	-0.9	-1.3	0.1
<i>of which: housing benefits and rent rebates</i>	0.4	0.1	0.0	0.2	0.1	0.1
<i>of which: other</i>	-0.9	-1.0	-1.1	-1.1	-1.4	0.0
Other current grants and current grants abroad	-0.1	-0.1	0.0	0.0	-0.1	-0.1
Total local government resource adjustments	12.9	13.2	12.7	13.8	9.0	9.9
Other resource adjustments						
Public corporations	0.5	0.3	0.3	0.3	-0.2	0.3
Asset Purchase Facility and Special Liquidity Scheme	-7.7	-8.8	-12.1	-12.6	-12.4	-12.0
Network Rail	0.7	0.5	0.6	0.4	0.9	1.0
EU VAT contributions	2.3	2.3	2.4	2.2	2.2	2.2
Other	0.0	-0.2	0.0	0.9	2.5	8.6
Total other resource adjustments	-4.2	-5.9	-8.7	-8.9	-7.1	0.0
Total resource adjustments	42.8	-29.3	-29.4	-49.4	-1.8	-61.3
<i>of which:</i>						
Timing adjustments ⁽³⁾						
Central government	-8.5	0.3	-0.8	-0.6	-2.6	0.9
Local government	0.5	-0.5	0.2	1.1	-0.1	0.4

Table 1.14 Accounting adjustments,⁽¹⁾ 2010-11 to 2015-16 (continued)

	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
£ billion						
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	0.1	0.0	0.0	0.0	-0.1	-0.2
Acquisitions less disposals of valuables	0.0	-0.1	-0.1	0.0	0.0	0.0
Total capital DEL	0.0	-0.2	-0.1	0.0	-0.1	-0.2
Adjustment for different data used by OBR in PSGI forecast	0.0	0.0	0.0	0.0	0.0	0.3
<i>of which DEL</i>	0.0	0.0	0.0	0.0	0.0	0.6
<i>of which AME</i>	0.0	0.0	0.0	0.0	0.0	-0.3
Total capital budget data replaced by different source data	0.0	-0.2	-0.1	0.0	-0.1	0.1
Remove data in budgets which do not form part of public sector gross investment						
Capital DEL						
Net lending to private sector	-1.0	-2.1	-1.5	-3.0	-3.0	-4.1
Capital support for public corporations	0.2	0.1	0.0	0.4	0.5	0.1
Local government supported capital expenditure	0.0	0.0	0.0	0.0	0.0	-0.2
Northern Ireland Executive transfers between DEL and AME	0.2	0.4	0.2	0.2	0.3	0.5
Other	0.1	0.0	-0.2	0.0	-0.5	-0.6
Total Capital DEL	-0.5	-1.7	-1.6	-2.4	-2.8	-4.3
Capital departmental AME						
Net lending to private sector	-2.1	-1.2	-3.3	4.5	1.6	-8.2
Capital support for public corporations	0.4	-0.1	0.2	0.8	-0.3	0.0
Purchase of company securities	0.0	0.0	0.0	0.0	0.0	0.0
Sale of company securities	0.0	0.0	0.0	0.0	0.0	0.0
Northern Ireland Executive transfers between DEL and AME	-0.2	-0.4	-0.1	-0.2	-0.2	-0.5
Other	-0.2	0.1	0.2	0.6	-6.5	0.1
Total capital departmental AME	-2.1	-1.7	-3.0	5.6	-5.3	-8.6
Total capital budget data not in public sector gross investment	-2.6	-3.4	-4.5	3.2	-8.1	-12.9
Central government adjustments in National Accounts						
Gross fixed capital formation	8.1	7.7	6.8	5.4	6.6	4.6
<i>of which: profit or loss - sale of other assets (from resource budgets)</i>	0.0	0.1	0.0	0.8	-0.2	0.0
<i>of which: Capitalisation of R&D</i>	4.8	3.9	3.8	4.0	4.1	5.0
<i>of which: Single use military expenditure</i>	-0.4	-0.4	-0.3	-0.3	-0.3	-0.2
<i>of which: other</i>	3.7	4.1	3.4	1.0	3.1	-0.1
Capital grants to and from the private sector	0.6	0.5	9.1	1.0	0.1	2.8
<i>of which: VAT refunds</i>	0.1	0.1	0.1	0.1	0.1	0.1
<i>of which: Royal Mail assets transfer</i>	0.0	0.0	9.5	0.0	0.0	0.0
<i>of which: Capitalisation of R&D</i>	2.7	2.9	2.9	3.2	3.5	3.2
<i>of which: other</i>	-2.2	-2.5	-3.3	-2.3	-3.5	-0.5
Total central government capital adjustments	8.8	8.2	15.9	6.4	6.6	7.4
Local government adjustments in National Accounts						
Adjustments to reconcile use of different data sources	-3.5	-3.8	-1.4	-2.1	-2.7	-3.5
<i>of which: overhanging debt</i>	-0.8	-0.2	0.0	0.0	-0.4	-0.7
<i>of which: central government support</i>	-0.5	-1.3	1.2	0.4	0.4	0.0
<i>of which: financial transactions</i>	-1.4	-1.8	-2.1	-2.1	-2.1	-2.2
<i>of which: capital grants from private sector</i>	-0.8	-0.7	-0.4	-0.5	-0.5	-0.7
Gross fixed capital formation	2.1	3.1	3.5	3.3	3.5	3.6
<i>of which: VAT refunds</i>	2.0	2.1	2.1	2.1	2.1	2.0
<i>of which: roads de-trunking</i>	0.1	0.0	0.0	0.0	0.0	0.0
<i>of which: other</i>	0.0	1.0	1.4	1.2	1.4	1.6
Capital grants	0.2	0.2	0.2	-0.6	0.0	0.0
<i>of which: grants to public corporations</i>	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which: other</i>	0.2	0.2	0.2	-0.6	0.0	0.0
Total local government capital adjustments	-1.3	-0.5	2.2	0.5	0.8	0.1
Other capital adjustments						
Public corporations	-0.5	0.1	-0.2	-1.2	-0.3	-0.1
Housing Revenue Account reform receipts	0.0	-8.1	0.0	0.0	0.0	0.0
Network Rail	0.1	0.6	1.0	3.1	2.5	0.0
Other	0.0	0.1	0.0	-0.1	0.7	0.0
Total other capital adjustments	-0.4	-7.1	0.8	1.9	3.0	-0.1
Total capital adjustments	4.5	-3.1	14.3	12.1	2.3	-5.4
<i>of which:</i>						
Timing adjustments ⁽³⁾						
Central government	0.4	0.0	-12.6	-4.8	-3.6	-0.1
Local government	2.0	2.1	2.1	2.1	2.1	2.0

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

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

⁽³⁾ Reflects timing difference between the latest OSCAR and other source data and the data underlying the Public Sector Finances statistical bulletin. These mainly result from revisions policy and issues with late corrections to OSCAR data in the early years.

Table 1.15 Total Managed Expenditure by spending sector, 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Central government own expenditure						
DEL ⁽¹⁾	264,652	262,260	260,005	269,199	274,700	278,890
Departmental AME ^{(1) (2)}	142,374	223,345	233,881	247,192	221,080	295,270
Locally financed support in Northern Ireland	538	588	621	632	661	650
Net expenditure transfers to the EU	8,414	7,702	9,131	9,716	8,881	9,315
Central government debt interest	46,609	49,704	48,856	48,668	45,422	46,683
Accounting and other adjustments ⁽²⁾	63,859	-9,344	2,879	-17,421	18,214	-50,550
Total central government own expenditure	526,446	534,255	555,373	557,986	568,958	580,300
Local government expenditure						
Central government support in DEL	110,728	101,721	95,883	89,172	86,816	79,622
Central government support in departmental AME ⁽¹⁾	29,100	29,702	30,255	36,685	38,096	38,241
Locally financed support in Scotland	2,068	2,182	2,263	2,435	2,650	2,800
Local authority self-financed expenditure	25,699	34,711	26,680	27,014	30,928	30,419
Accounting and other adjustments ⁽²⁾	11,298	5,369	14,868	14,235	12,191	15,338
Total local government expenditure	178,893	173,685	169,949	169,541	170,681	166,400
Public corporations' expenditure						
DEL	-3	72	124	-252	-272	-14
Departmental AME ⁽²⁾	-467	106	-457	-992	167	-255
Public corporations' own-financed capital expenditure	9,157	6,640	7,197	7,983	8,506	7,272
Accounting and other adjustments	792	547	689	624	-141	644
Total public corporations' expenditure	9,479	7,365	7,553	7,363	8,260	7,600
Bank of England ⁽³⁾	-7,700	-8,728	-12,019	-12,542	-12,366	-12,000
Total Managed Expenditure	707,118	706,577	720,856	722,348	735,533	742,300

⁽¹⁾ Full resource budgeting basis, ie 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.

⁽³⁾ Asset Purchase Facility and Special Liquidity Scheme

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 2014-15) 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 2014.

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: £1.8 billion in 2010-11, £1.0 billion in 2011-12, £0.5 billion in 2012-13, £0.03 billion in 2013-14 and £0.2 billion in 2014-15. 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. There was a further gain of £47.0 billion in 2014-15.
- Other: income of £0.4 billion in 2010-11, £0.8 billion in both 2011-12 and 2012-13, £4.5 billion in 2013-14 and £1.9 billion in 2014-15. 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: -£3.0 billion in 2010-11, -£4.6 billion in 2011-12, -£3.6 billion in 2012-13, -£4.9 billion in 2013-14 and -£2.9 billion in 2014-15. 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 and 2014-15.

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

2.13 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**.

2.14 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).

2.15 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**.

2.16 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.

2.17 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.

2.18 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.

2.19 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.

2.20 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.

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

2.22 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, 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Resource DEL						
Staff costs ⁽¹⁾	94,807	96,666	99,591	103,441	106,282	106,195
Gross current procurement ⁽¹⁾	104,204	105,546	107,903	110,438	114,480	115,827
Income from sales of goods and services	-15,379	-15,470	-16,861	-18,309	-19,029	-17,806
Current grants to local government ⁽¹⁾	97,835	90,812	86,215	80,028	76,614	68,737
Current grants to persons and non-profit bodies	31,296	29,223	25,968	24,845	23,631	24,272
Current grants abroad	1,028	727	1,457	3,118	2,294	3,691
Subsidies to private sector companies	5,646	6,006	5,899	5,679	5,208	5,816
Subsidies to public corporations	1,247	1,138	1,707	1,093	846	857
Net public service pensions ⁽²⁾	20	9	43	134	585	64
Rentals	4,723	6,542	7,156	7,166	7,761	6,474
Depreciation ⁽³⁾	20,512	19,269	21,504	22,276	17,370	21,901
Take up of provisions	-	32	-21	-22	-7	-
Release of provisions	-8	-10	-12	-16	-1	-3
Change in pension scheme liabilities	74	29	22	16	74	2
Unwinding of the discount rate on pension scheme liabilities	-20	56	25	32	-	-
Release of provisions covering payments of pensions benefits	-	-	-	-	-430	-
Other	87	409	-2,040	-1,189	-2,048	-465
Plus unallocated funds	-	-	-	-	-	1,500
Total resource DEL	346,072	340,984	338,555	338,731	333,629	337,100
Of which: administration budgets in resource DEL						
Staff costs	13,645	9,052	8,590	7,625	6,596	6,238
Gross current procurement	6,713	4,294	4,111	4,363	5,094	4,733
Income from sales of goods and services	-1,304	-1,096	-1,035	-1,160	-1,469	-1,277
Rentals	1,450	565	617	473	288	358
Depreciation	1,066	769	744	637	505	947
Other	-80	-68	-440	-212	-527	-203
Total administration budgets in resource DEL	21,490	13,516	12,588	11,725	10,487	10,796
Resource departmental AME						
Staff costs	1,161	1,310	1,162	1,330	1,567	3,384
Gross current procurement	2,904	2,321	3,299	2,884	2,832	5,584
Income from sales of goods and services ⁽⁴⁾	-2,069	-1,231	-1,240	-354	-625	-2,430
Current grants to local government	28,107	29,412	30,123	36,552	37,889	38,045
Current grants to persons and non-profit bodies	174,053	180,153	186,470	187,640	192,712	194,948
Subsidies to private sector companies	332	445	465	604	1,099	1,744
Subsidies to public corporations	-658	-776	-83	-70	-70	2
Net public service pensions ⁽²⁾	4,607	6,668	8,577	8,947	9,618	9,284
Rentals	-	-	83	107	2	-271
Depreciation ⁽⁴⁾	-1,238	-12,387	-13,356	16,339	-42,807	9,318
Take up of provisions ⁽⁴⁾	13,230	12,754	17,908	14,062	15,163	21,341
Release of provisions	-6,067	-7,386	-7,637	-4,726	-4,463	-6,065
Change in pension scheme liabilities ⁽⁵⁾	-56,752	27,069	26,928	28,740	34,602	36,903
Unwinding of the discount rate on pension scheme liabilities	37,615	44,012	40,499	37,991	46,109	43,687
Release of provisions covering payments of pensions benefits ⁽⁶⁾	-25,928	-27,725	-30,546	-32,246	-34,187	-35,406
Other	-2,055	-4,011	-2,562	-8,704	-5,763	-3,504
Total resource departmental AME	167,242	250,628	260,090	289,095	253,676	316,565

Table 2.1 Budgets by economic category of spending, 2010-11 to 2015-16 (continued)

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Resource budgets						
Staff costs ⁽¹⁾	95,969	97,976	100,753	104,771	107,848	109,579
Gross current procurement ⁽¹⁾	107,108	107,867	111,202	113,322	117,312	121,412
Income from sales of goods and services ⁽⁴⁾	-17,448	-16,701	-18,101	-18,663	-19,654	-20,235
Current grants to local government ⁽¹⁾	125,942	120,224	116,338	116,580	114,503	106,782
Current grants to persons and non-profit bodies	205,350	209,377	212,438	212,485	216,343	219,220
Current grants abroad	1,028	727	1,457	3,118	2,294	3,691
Subsidies to private sector companies	5,977	6,452	6,364	6,283	6,307	7,559
Subsidies to public corporations	588	362	1,625	1,023	775	860
Net public service pensions ⁽²⁾	4,627	6,678	8,620	9,081	10,203	9,348
Rentals	4,723	6,542	7,239	7,273	7,763	6,203
Depreciation ⁽³⁾⁽⁴⁾	19,274	6,882	8,148	38,615	-25,437	31,219
Take up of provisions ⁽⁴⁾	13,231	12,786	17,886	14,040	15,156	21,341
Release of provisions	-6,075	-7,396	-7,650	-4,742	-4,464	-6,068
Change in pension scheme liabilities ⁽⁵⁾	-56,677	27,098	26,950	28,756	34,675	36,905
Unwinding of the discount rate on pension scheme liabilities	37,594	44,068	40,524	38,023	46,109	43,688
Release of provisions covering payments of pensions benefits ⁽⁶⁾	-25,928	-27,726	-30,547	-32,247	-34,618	-35,406
Other ⁽⁴⁾	-1,968	-3,602	-4,603	-9,893	-7,810	-3,969
<i>Plus unallocated funds</i>	-	-	-	-	-	1,500
Total resource budgets	513,315	591,612	598,645	627,826	587,305	653,600
Capital DEL						
Capital support for local government	12,893	10,909	9,668	9,144	10,203	10,885
Capital grants to persons and non-profit bodies	4,836	3,044	1,653	1,923	2,912	3,908
Capital grants to private sector companies	7,683	6,643	5,892	6,258	6,972	2,420
Capital grants abroad	1,772	1,425	1,369	1,558	1,549	2,146
Capital support for public corporations	187	268	304	-56	-258	244
Gross capital procurement	23,786	20,644	21,813	22,433	21,721	20,959
Income from sales of assets	-960	-1,241	-2,118	-1,290	-1,584	-1,369
Net lending and investment to the private sector and abroad ⁽⁴⁾	-126	504	561	1,855	2,993	4,181
Other	-254	143	-180	-162	479	476
<i>Plus unallocated funds</i>	-	-	-	-	-	-2,300
Total capital DEL	49,816	42,338	38,961	41,664	44,985	41,550
Capital departmental AME						
Capital support for local government	993	290	133	132	207	196
Capital grants to persons and non-profit bodies	549	338	369	327	462	456
Capital grants to private sector companies	-	-1	-	-1,016	-500	-
Capital grants abroad	-	-	-	-20	15	-
Capital support for public corporations	-361	187	-198	-797	263	-17
Gross capital procurement	139	193	183	11	195	7,419
Income from sales of assets	-	-	-211	-127	-274	-36
Net lending and investment to the private sector and abroad	2,013	1,198	3,233	-4,761	-1,608	8,190
Other	430	320	80	40	6,908	482
Total capital departmental AME	3,764	2,525	3,589	-6,211	5,667	16,691

Table 2.1 Budgets by economic category of spending, 2010-11 to 2015-16 (continued)

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Capital budgets						
Capital support for local government	13,886	11,199	9,800	9,276	10,409	11,082
Capital grants to persons and non-profit bodies	5,385	3,382	2,022	2,250	3,373	4,364
Capital grants to private sector companies	7,683	6,642	5,891	5,242	6,471	2,420
Capital grants abroad	1,772	1,425	1,369	1,539	1,564	2,146
Capital support for public corporations	-173	455	106	-853	4	228
Gross capital procurement	23,925	20,837	21,997	22,444	21,916	28,378
Income from sales of assets	-960	-1,241	-2,329	-1,417	-1,858	-1,405
Net lending and investment to the private sector and abroad ⁽⁴⁾	1,887	1,702	3,794	-2,906	1,385	12,372
Other	176	463	-100	-122	7,387	958
<i>Plus unallocated funds</i>	-	-	-	-	-	-2,300
Total capital budgets	53,581	44,864	42,551	35,453	50,652	58,200

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

⁽⁵⁾ 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.

⁽⁶⁾ Payments that release provision include bulk and individual transfers, including the transfer of liabilities within government.

Table 2.2 Gross current procurement in budgets, 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Gross current procurement in budgets						
Education ⁽¹⁾	1,321	2,316	2,867	3,555	3,391	4,783
NHS (Health)	51,124	53,447	56,168	56,295	60,642	60,542
Personal Social Services (Health)	24	-	-	-	-	-
Transport	1,727	1,823	1,942	2,039	1,829	3,380
CLG Communities	484	402	339	305	329	533
CLG Local Government	89	89	89	-	-	-
Business, Innovation and Skills	1,384	1,344	1,142	1,515	1,333	1,489
Home Office	2,396	2,019	2,146	2,182	2,233	2,255
Justice	5,720	6,039	5,874	5,389	4,837	4,906
Law Officers' Departments	346	299	281	278	300	330
Defence	13,517	13,018	11,901	12,462	12,787	13,092
Foreign and Commonwealth Office	960	907	960	729	573	553
International Development	588	728	784	1,123	1,289	161
Energy and Climate Change	1,961	1,931	1,598	1,789	1,932	1,935
Environment, Food and Rural Affairs	1,080	1,104	1,286	1,198	1,195	1,029
Culture, Media and Sport	3,376	2,905	3,662	3,518	3,180	3,014
Work and Pensions	2,945	2,111	2,089	2,259	2,441	1,989
Scotland	6,777	6,224	6,886	7,442	7,238	7,444
Wales	3,849	3,831	3,410	3,342	3,769	3,695
Northern Ireland	3,948	3,726	4,137	4,307	4,224	4,243
Chancellor's Departments	1,325	1,321	1,519	1,400	1,352	2,984
Cabinet Office	1,190	1,237	1,266	1,269	1,484	1,826
Small and Independent Bodies	978	1,044	856	927	951	1,229
Total gross current procurement in budgets	107,108	107,867	111,202	113,322	117,312	121,412

⁽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.

Table 2.3 Gross capital procurement in budgets, 2010-11 to 2014-15

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Gross capital procurement in budgets						
Education ⁽¹⁾	27	15	2,227	2,440	581	583
NHS (Health)	4,178	3,416	3,831	4,100	4,465	4,610
Personal Social Services (Health)	-	-	-	-	-	-
Transport	1,654	1,361	1,110	1,431	2,135	9,512
CLG Communities	217	84	55	125	163	168
CLG Local Government	1	-	1	-	-	-
Business, Innovation and Skills	470	321	297	300	249	-45
Home Office	337	278	227	214	228	259
Justice	591	420	327	364	360	358
Law Officers' Departments	8	3	2	3	4	5
Defence	9,369	8,699	7,872	7,498	7,976	7,348
Foreign and Commonwealth Office	125	99	106	137	134	127
International Development	11	17	66	13	8	-
Energy and Climate Change	1,326	1,444	1,786	1,710	1,825	2,009
Environment, Food and Rural Affairs	196	133	150	181	171	140
Culture, Media and Sport	1,715	1,380	510	639	331	176
Work and Pensions	233	229	308	126	118	179
Scotland	1,107	905	1,178	1,050	898	738
Wales	624	472	389	480	530	546
Northern Ireland	1,070	844	900	908	987	997
Chancellor's Departments	186	241	211	224	251	170
Cabinet Office	412	419	381	422	420	386
Small and Independent Bodies	68	57	63	80	82	112
Total gross capital procurement in budgets	23,925	20,837	21,997	22,444	21,916	28,378

⁽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.

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 2013-14, estimated outturn published in PESA 2014 (Cm 8902) is compared with the final outturn in **Chapter 1**;
- for 2014-15, the plans published in PESA 2014 are reconciled to final plans and compared to the estimated outturn in **Chapter 1**; and
- for 2015-16 latest plans are compared with the published figures in PESA 2014.

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 2013-14;
- **Tables 3.5, 3.6, 3.7 and 3.8** show changes for 2014-15;
- **Tables 3.9-3.11** show changes for 2015-16.

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

3.3 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 2014-15 to 2015-16 under the Budget Exchange system.

Machinery of Government and classification changes

No significant Machinery of Government (MoG) and classification changes have taken place since PESA 2014.

Policy changes

3.4 This section sets out the key spending policy decisions taken since PESA 2014. This mainly includes:

- measures announced in the Autumn Statement 2014, March Budget 2015 and July Budget 2015;

- claims on the Reserve; and
- carry forward of estimated resource and capital DEL under spends (with the agreement of the Treasury) from 2014-15 under the Budget Exchange (BX) system.

Policy changes in 2014-15 Tables 3.5 to 3.7

3.5 The impact of policy decisions on resource DEL and capital DEL budgets in 2014-15 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 2014-15 were:

- BIS received £2.3bn of funding of which £2.1bn covers changes in estimates of the cost of the student loan book;
- HO received £0.4bn funding for Tribunal costs and for Crime and Policing;
- MOJ received £0.2bn to meet spending pressures, £0.1bn for transformation costs and £0.1bn for costs associated with the O'Brien case;
- DH received £0.3bn of additional funding;
- Scottish Government received £0.3bn additional funding;
- MOD received £0.2bn for depreciation and stock write off and £0.1bn for Operations and peacekeeping;
- CLG LG received £0.3bn of funding for Revenue Support Grant and in support of Council Tax freezes;
- DfE received £0.2bn in respect of depreciation for Academies;
- FCO received £0.1bn for Consular Premiums;
- DCMS received £0.1bn for a number of measures;
- Northern Ireland Executive received £0.1bn additional funding;
- Welsh Assembly Government received £0.1bn additional funding.

The main claims on the capital DEL Reserve in 2014-15 was:

- CLG Com received £0.4 bn for Housing programmes and Regional Growth Fund;
- DFID received £0.3bn in respect of a loan to the World Bank;
- Scottish Government received £0.3bn additional funding;
- MOD received £0.2bn for single use military equipment (SUME);
- DCMS received £0.1bn in support of Heritage bodies and the Horseracing foundation;
- FCO received £0.1bn in respect of work on the UK and overseas estate;
- BIS received £0.1bn, mostly for Spectrum.

The other main policy decisions affecting 2014-15 DELs were:

- DH switched £0.6bn from capital to resource DEL funded by savings on DH central and other ALB capital budgets to meet additional current spending requirements;

- Scottish Government switched £0.2bn from resource to capital DEL;
- Defence switched £0.1bn from resource DEL to single use military equipment (SUME) capital to realign budgets;
- DEFRA switched £0.1bn from resource to capital DEL to manage risk from environmental emergencies.

3.6 Under the Budget Exchange system departments carried forward from 2014-15 into 2015-16 £0.5 bn resource DEL and £1.8 bn capital DEL.

Policy changes in 2015-16 Tables 3.9 to 3.11

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

3.7 A number of claims on the reserve have already fed into 2015-16 control totals at Main Estimates 2015-16:

- £1.0bn resource DEL additional funding for DH;
- £0.8bn resource DEL for MOD in respect of defence equipment and also operations and peacekeeping;
- £0.2bn resource DEL for Cabinet office in respect of General election costs, electoral reform and GREAT funding.

3.8 The other main policy decisions affecting 2015-16 DEL budgets were:

- DH switched £0.2bn from capital to resource DEL;
- MOD received £0.9bn Resource DEL to cover future pension liabilities;
- Reduction in DEL as announced on 4 June by the Chancellor, of resource DEL by £1.5bn and capital DEL by £1.1bn;
- DH received £0.3bn resource DEL in respect of mental health services. DH also received £0.2bn resource DEL and £0.1bn capital DEL in respect of NHS transformation;
- £0.3bn Resource DEL provided to CLG LG for various Business rates measures;
- HMRC received £0.1bn Resource DEL funding for various measures;
- DFT received £0.1bn Resource DEL in respect of the Rail fares cap.

Table 3.1 Resource DEL 2013-14; changes since PESA 2014

					£ million
	Final provision adjusted for MoG	Outturn in PESA 2014 adjusted for MoG	Transfers and classification changes since PESA 2014	Other changes since PESA 2014	Outturn
Resource DEL					
Education	52,699	52,473	-	-586	51,887
Health	106,804	106,476	-	19	106,496
Transport	4,947	4,791	-	-	4,791
CLG Communities	2,215	2,080	-	-	2,080
CLG Local Government	16,496	16,481	-	-	16,481
Business, Innovation and Skills	23,500	20,576	-	-	20,576
Home Office	11,062	10,997	-	2	10,999
Justice	8,180	7,972	-	-2	7,970
Law Officers' Departments	616	571	-	10	581
Defence	37,798	36,181	-	267	36,448
Foreign and Commonwealth Office	2,188	2,156	-	-	2,156
International Development	8,470	8,088	-	-	8,088
Energy and Climate Change	1,186	1,175	-	-2	1,173
Environment, Food and Rural Affairs	1,996	1,985	-	-39	1,946
Culture, Media and Sport	1,415	1,300	-	-51	1,248
Work and Pensions	7,657	7,615	-	-	7,615
Scotland	26,434	26,136	-	-7	26,129
Wales	14,600	14,450	-	16	14,466
Northern Ireland	10,226	10,166	-	8	10,175
Chancellor's Departments	3,460	3,396	-	-3	3,392
Cabinet Office	2,612	2,518	-	7	2,525
Small and Independent Bodies	1,622	1,492	-29	43	1,506
Total resource DEL	346,184	339,075	-29	-316	338,731

Table 3.2 Resource DEL excluding depreciation 2013-14; changes since PESA 2014

	£ million				
	Final provision adjusted for MoG	Outturn in PESA 2014 adjusted for MoG	Transfers and classification changes since PESA 2014	Other changes since PESA 2014	Outturn
Resource DEL excluding depreciation					
Education	51,855	51,466	-	-564	50,902
Health	105,579	105,427	-	-3	105,424
Transport	3,890	3,784	-	-	3,784
CLG Communities	2,177	2,051	-	-	2,051
CLG Local Government	16,496	16,481	-	-	16,481
Business, Innovation and Skills	14,916	14,836	-	-	14,836
Home Office	10,790	10,727	-	14	10,740
Justice	7,617	7,521	-	-2	7,519
Law Officers' Departments	606	565	-	10	575
Defence	27,193	26,968	-	-	26,968
Foreign and Commonwealth Office	2,023	1,998	-	-	1,998
International Development	8,449	8,074	-	-	8,074
Energy and Climate Change	1,177	1,165	-	1	1,166
Environment, Food and Rural Affairs	1,806	1,789	-	-39	1,749
Culture, Media and Sport	1,196	1,152	-	-38	1,114
Work and Pensions	7,472	7,432	-	-	7,432
Scotland	25,608	25,464	-	2	25,466
Wales	13,780	13,697	-	13	13,709
Northern Ireland	9,745	9,728	-	-4	9,724
Chancellor's Departments	3,214	3,156	-	-3	3,152
Cabinet Office	2,186	2,101	-	7	2,108
Small and Independent Bodies	1,550	1,441	-28	68	1,481
Total resource DEL	319,325	317,021	-28	-538	316,454

Table 3.3 Capital DEL 2013-14; changes since PESA 2014

		£ million			
	Final provision adjusted for MoG	Outturn in PESA 2014 adjusted for MoG	Transfers and classification changes since PESA 2014	Other changes since PESA 2014	Outturn
Capital DEL					
Education	3,983	3,918	-	-314	3,604
Health	4,444	4,294	-	59	4,353
Transport	8,545	8,460	-	-	8,460
CLG Communities	3,867	3,808	-	-	3,808
CLG Local Government	1	0	-	-	-
Business, Innovation and Skills	2,506	2,385	-	-	2,385
Home Office	415	398	-	-1	397
Justice	276	273	-	2	275
Law Officers' Departments	6	3	-	-	3
Defence	7,841	7,584	-	-12	7,572
Foreign and Commonwealth Office	126	120	-	-	120
International Development	1,969	1,946	-	-	1,946
Energy and Climate Change	2,273	2,218	-	-1	2,216
Environment, Food and Rural Affairs	493	482	-	-	482
Culture, Media and Sport	149	75	-	-87	-12
Work and Pensions	246	233	-	-	233
Scotland	2,914	2,883	-	-3	2,879
Wales	1,335	1,326	-	-1	1,325
Northern Ireland	968	931	-	-	931
Chancellor's Departments	226	212	-	-	212
Cabinet Office	407	401	-	-	401
Small and Independent Bodies	95	72	-	2	74
Total capital DEL	43,085	42,021	-	-357	41,664

Table 3.4 Total Managed Expenditure 2013-14; changes since PESA 2014

	£ million			
	Outturn in PESA 2014	Transfers and classification changes since PESA 2014	Other changes since PESA 2014	Outturn
CURRENT EXPENDITURE				
<i>Resource DEL</i>				
Total resource DEL	339,075	-29	-316	338,731
<i>Resource departmental AME</i>				
Social security benefits	179,759	-	-160	179,599
Tax credits	29,394	-	-	29,394
Net public service pensions	6,347	-	-906	5,441
National lottery	1,160	-	-744	416
BBC domestic services	3,165	-	44	3,208
Student loans	-1,096	-	-	-1,096
Non-cash items	49,442	-	503	49,945
Financial sector interventions	7,944	-	436	8,380
Other departmental expenditure	13,185	2	622	13,809
Total resource departmental AME	289,299	2	-206	289,095
<i>Resource other AME</i>				
Net expenditure transfers to the EU	9,716	-	-	9,716
Locally financed expenditure	23,870	-	-644	23,226
Central government gross debt interest	47,384	-	1,284	48,668
Accounting adjustments	-43,027	-	-6,404	-49,431
Total resource other AME	37,942	-	-5,764	32,178
Total resource AME	327,242	2	-5,970	321,273
Public sector current expenditure	666,317	-27	-6,286	660,004
CAPITAL EXPENDITURE				
<i>Capital DEL</i>				
Total capital DEL	42,021	-	-357	41,664
<i>Capital departmental AME</i>				
National lottery	468	-	24	492
BBC domestic services	262	-	-180	82
Student loans	9,292	-	-	9,291
Financial sector interventions	-4,938	-	-	-4,938
Other departmental expenditure	-11,201	-	62	-11,139
Total capital departmental AME	-6,117	-	-94	-6,211
<i>Capital other AME</i>				
Locally financed expenditure	6,355	-	503	6,857
Public corporations' own-financed capital expenditure	8,197	-	-214	7,983
Accounting adjustments	-2,357	-	14,408	12,051
Total capital other AME	12,195	-	14,696	26,891
Total capital AME	6,078	-	14,602	20,680
Public sector gross investment	48,099	-	14,245	62,344
<i>less public sector depreciation</i>	23,359	-	11,548	34,907
Public sector net investment	24,740	-	2,697	27,437
Total Managed Expenditure	714,416	-27	7,959	722,348

Table 3.5 Resource DEL 2014-15; changes since PESA 2014

	£ million				
	Plans in PESA 2014 adjusted for MOG	Transfers and classification changes since PESA 2014	Other changes since PESA 2014	Final provision	Outturn
Resource DEL					
Education	54,485	-16	-370	54,098	53,773
Health	109,652	18	886	110,556	110,555
Transport	4,349	-1	-727	3,621	3,544
CLG Communities	2,574	-7	-184	2,383	2,131
CLG Local Government	13,340	5	314	13,660	13,657
Business, Innovation and Skills	17,272	-34	2,306	19,545	15,405
Home Office	11,152	45	360	11,557	11,397
Justice	7,376	-14	348	7,710	7,597
Law Officers' Departments	552	2	22	576	554
Defence	36,436	-74	284	36,647	35,080
Foreign and Commonwealth Office	1,742	62	68	1,872	1,862
International Development	7,870	-7	-467	7,396	7,318
Energy and Climate Change	1,540	13	-84	1,468	1,401
Environment, Food and Rural Affairs	1,988	-	-69	1,919	1,885
Culture, Media and Sport	1,350	10	142	1,502	1,375
Work and Pensions	7,734	-20	-498	7,217	7,152
Scotland	26,629	3	91	26,723	26,420
Wales	14,221	-1	174	14,394	14,203
Northern Ireland	10,160	-	123	10,283	10,205
Chancellor's Departments	3,792	-14	-104	3,674	3,596
Cabinet Office	2,880	-30	26	2,876	2,843
Small and Independent Bodies	1,635	24	81	1,740	1,676
Reserve	2,378	-	-2,378	-	-
Special Reserve	637	-	-637	-	-
OBR allowance for shortfall	-750	-	-	-	-
Adjustment for Budget Exchange	-2,165	-	-	-	-
Total resource DEL	338,829	-33	-293	341,418	333,629

Table 3.6 Resource DEL excluding depreciation 2014-15; changes since PESA 2014

	£ million				
	Plans in PESA 2014 adjusted for MOG	Transfers and classification changes since PESA 2014	Other changes since PESA 2014	Final provision	Outturn
Resource DEL excluding depreciation					
Education	53,433	-16	-572	52,845	52,529
Health	108,383	18	886	109,287	109,437
Transport	3,413	-1	-799	2,613	2,552
CLG Communities	2,538	-7	-184	2,347	2,138
CLG Local Government	13,340	5	314	13,660	13,657
Business, Innovation and Skills	13,807	-34	174	13,948	13,756
Home Office	10,844	45	360	11,249	11,118
Justice	6,783	-14	348	7,118	7,160
Law Officers' Departments	544	2	22	569	547
Defence	26,831	-74	87	26,844	26,582
Foreign and Commonwealth Office	1,618	62	42	1,722	1,713
International Development	7,849	-7	-467	7,375	7,300
Energy and Climate Change	1,532	13	-81	1,463	1,393
Environment, Food and Rural Affairs	1,797	-	-69	1,728	1,700
Culture, Media and Sport	1,173	10	137	1,321	1,251
Work and Pensions	7,597	-20	-538	7,039	6,976
Scotland	25,808	3	-1	25,811	25,660
Wales	13,715	-1	110	13,824	13,757
Northern Ireland	9,680	-	69	9,750	9,703
Chancellor's Departments	3,535	-14	-107	3,414	3,315
Cabinet Office	2,371	-30	85	2,426	2,405
Small and Independent Bodies	1,553	24	83	1,660	1,610
Reserve	2,378	-	-2,378	-	-
Special Reserve	637	-	-637	-	-
OBR allowance for shortfall	-750	-	-	-	-
Adjustment for Budget Exchange	-2,165	-	-	-	-
Total resource DEL	318,245	-33	-3,117	318,010	316,259

Table 3.7 Capital DEL 2014-15; changes since PESA 2014

	£ million				
	Plans in PESA 2014 adjusted for MOG	Transfers and classification changes since PESA 2014	Other changes since PESA 2014	Final provision	Outturn
Capital DEL					
Education	5,030	-	-274	4,756	4,468
Health	4,654	-	-640	4,014	3,863
Transport	9,246	5	211	9,461	9,363
CLG Communities	5,159	187	-610	4,736	4,398
CLG Local Government	-	-	-	-	-
Business, Innovation and Skills	3,000	111	-132	2,978	2,011
Home Office	466	-36	-2	429	411
Justice	301	-5	-	296	290
Law Officers' Departments	7	-	1	8	4
Defence	7,507	4	313	7,824	7,786
Foreign and Commonwealth Office	98	7	69	174	159
International Development	2,043	-2	324	2,365	2,350
Energy and Climate Change	2,424	-24	-59	2,342	2,242
Environment, Food and Rural Affairs	558	-6	99	651	636
Culture, Media and Sport	538	-102	-76	360	264
Work and Pensions	286	-	-6	281	249
Scotland	2,901	88	508	3,497	3,143
Wales	1,455	33	16	1,503	1,500
Northern Ireland	1,051	-	33	1,084	1,069
Chancellor's Departments	187	33	77	297	267
Cabinet Office	374	13	46	433	430
Small and Independent Bodies	90	-	5	95	82
Reserve	1,067	-	-1,067	-	-
Special Reserve	228	-	-228	-	-
OBR allowance for shortfall	-1,750	-	-	-	-
Adjustment for Budget Exchange	-1,966	-	-	-	-
Total capital DEL	44,954	307	-1,394	47,583	44,985

Table 3.8 Total Managed Expenditure 2014-15; changes since PESA 2014

	Plans in PESA 2014	Transfers and classification changes since PESA 2014	Other changes since PESA 2014	£ million Outturn
CURRENT EXPENDITURE				
<i>Resource DEL</i>				
Total resource DEL	338,829	-33	-5,167	333,629
<i>Resource departmental AME</i>				
Social security benefits	184,380	-	-378	184,002
Tax credits	29,764	-	-577	29,187
Net public service pensions	8,370	-	1,663	10,033
National lottery	1,401	-	-46	1,355
BBC domestic services	3,917	-	-149	3,768
Student loans	-1,549	-	-30	-1,579
Non-cash items	84,622	-	-12,927	71,695
Financial sector interventions	-1,202	-	-47,515	-48,717
Other departmental expenditure	16,817	824	-13,709	3,932
Total resource departmental AME	326,520	824	-73,668	253,676
<i>Resource other AME</i>				
Net expenditure transfers to the EU	8,881	-	-	8,881
Locally financed expenditure	24,872	-	3,942	28,814
Central government gross debt interest	52,073	-	-6,651	45,422
Accounting adjustments	-71,306	-	69,528	-1,777
Total resource other AME	14,521	-	66,819	81,340
Total resource AME	341,040	824	-6,848	335,016
Public sector current expenditure	679,869	791	-12,015	668,645
CAPITAL EXPENDITURE				
<i>Capital DEL</i>				
Total capital DEL	44,954	307	-276	44,985
<i>Capital departmental AME</i>				
National lottery	499	-	46	545
BBC domestic services	113	-	24	137
Student loans	11,331	-	146	11,477
Financial sector interventions	-2,985	-	42	-2,943
Other departmental expenditure	8,268	-334	-11,483	-3,549
Total capital departmental AME	17,225	-334	-11,225	5,667
<i>Capital other AME</i>				
Locally financed expenditure	6,241	-	-817	5,425
Public corporations' own-financed capital expenditure	7,519	-	987	8,506
Accounting adjustments	-23,856	-	26,162	2,305
Total capital other AME	-10,096	0	26,332	16,236
Total capital AME	7,129	-334	15,108	21,903
Public sector gross investment	52,083	-27	14,832	66,888
<i>less public sector depreciation</i>	24,250	-	11,784	36,034
Public sector net investment	27,833	-27	3,048	30,854
Total Managed Expenditure	731,952	764	2,817	735,533

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

	2015-16			£ million
	Plans in PESA 2014 adjusted for MOG	Transfers and classification changes	Other changes since PESA 2014	New Plans
Resource DEL				
Education	54,546	-12	201	54,734
Health	111,663	120	1,543	113,326
Transport	3,231	104	421	3,756
CLG Communities	1,502	1,028	-29	2,500
CLG Local Government	11,294	-1,036	381	10,639
Business Innovation and Skills	18,072	55	-288	17,838
Home Office	10,547	-116	15	10,445
Justice	6,889	-4	-15	6,871
Law Officers' Departments	521	2	12	535
Defence	35,537	-215	1,319	36,641
Foreign and Commonwealth Office	1,215	740	36	1,991
International Development	8,426	-1,003	-	7,423
Energy and Climate Change	1,277	22	101	1,400
Environment, Food and Rural Affairs	1,758	10	4	1,772
Culture, Media and Sport	1,281	3	42	1,325
Work and Pensions	6,325	-64	198	6,459
Scotland	26,818	7	-261	26,564
Wales	14,309	4	-788	13,525
Northern Ireland	10,241	3	-134	10,111
Chancellor's Departments	3,587	15	252	3,854
Cabinet Office	2,522	183	209	2,914
Small and Independent Bodies	1,485	153	61	1,699
Spending commitments not yet in budgets	896	-	-896	-
Reserve	2,513	-	-492	2,000
Special Reserve	1,000	-	-766	200
OBR allowance for shortfall	-1,000	-	-	-1,000
Adjustment for Budget Exchange ⁽¹⁾	-2	-	-495	-500
Total resource DEL	336,453	-2	630	337,100

⁽¹⁾ Departments budgets in 2015-16 include amounts carried forward 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 2015-16; changes since PESA 2014

	2015-16			£ million
	Plans in PESA 2014 adjusted for MOG	Transfers and classification changes	Other changes since PESA 2014	New Plans
Resource DEL excluding depreciation				
Education	53,472	-11	45	53,506
Health	110,372	120	1,447	111,939
Transport	2,278	104	36	2,419
CLG Communities	1,477	1,028	-29	2,475
CLG Local Government	11,293	-1,036	382	10,639
Business Innovation and Skills	13,331	55	-288	13,097
Home Office	10,292	-116	15	10,190
Justice	6,289	-4	-15	6,270
Law Officers' Departments	513	2	12	527
Defence	25,916	-215	2,440	28,141
Foreign and Commonwealth Office	1,088	740	-17	1,811
International Development	8,408	-1,003	-	7,405
Energy and Climate Change	1,269	22	104	1,395
Environment, Food and Rural Affairs	1,572	10	3	1,585
Culture, Media and Sport	1,102	3	36	1,140
Work and Pensions	6,186	-64	156	6,278
Scotland	25,786	7	-261	25,532
Wales	13,683	4	-788	12,899
Northern Ireland	9,691	3	-134	9,561
Chancellor's Departments	3,325	15	237	3,577
Cabinet Office	2,022	183	209	2,414
Small and Independent Bodies	1,411	150	59	1,620
Spending commitments not yet in budgets	896	-	-896	-
Reserve	2,513	-	-492	2,000
Special Reserve	1,000	-	-766	200
OBR allowance for shortfall	-1,000	-	-	-1,000
Adjustment for Budget Exchange ⁽¹⁾	-2	-	-495	-500
Total resource DEL excluding depreciation	314,182	-3	1,001	315,200

⁽¹⁾ Departments budgets in 2015-16 include amounts carried forward 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 2015-16; changes since PESA 2014

	2015-16			New Plans
	Plans in PESA 2014 adjusted for MOG	Transfers and classification changes	Other changes since PESA 2014	
Capital DEL				
Education	4,569	-	131	4,700
Health	4,735	-1	-99	4,635
Transport	10,453	-848	-3,515	6,090
CLG Communities	3,469	1,319	553	5,340
CLG Local Government	-	-	-	-
Business Innovation and Skills	3,845	-357	295	3,783
Home Office	390	2	14	405
Justice	350	8	-30	328
Law Officers' Departments	5	-	-	5
Defence	6,996	-3	-170	6,823
Foreign and Commonwealth Office	98	4	-	102
International Development	2,613	12	-	2,625
Energy and Climate Change	2,513	-11	18	2,520
Environment, Food and Rural Affairs	493	-	-	493
Culture, Media and Sport	362	-	40	402
Work and Pensions	236	-	-12	225
Scotland	3,041	-	32	3,073
Wales	1,505	-	10	1,515
Northern Ireland	1,092	-	8	1,100
Chancellor's Departments	147	-8	-715	-576
Cabinet Office	360	-16	33	376
Small and Independent Bodies	103	-	9	112
Adjustment for Devolved Administration borrowing	346	-	-346	-
Spending commitments not yet in budgets	382	-	-382	-
Reserve	489	-	451	900
Special Reserve	100	-	0	100
OBR allowance for shortfall	-2,000	-	0	-2,000
Adjustment for Budget Exchange ⁽¹⁾	-705	-	-858	-1,600
Total capital DEL	45,986	100	-4,534	41,600

⁽¹⁾ Departments budgets in 2015-16 include amounts carried forward 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 There have been no significant changes to the presentation of data within this chapter since PESA 2014.

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 2014-15 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 2015-16 onwards are taken from the Office for Budget Responsibility, and are consistent with their Economic and fiscal outlook forecasts published at the time of the summer budget.

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 1991-92. **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 2014-15. 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 2010-11 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 2014-15 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	Per cent of GDP	Nominal £ billion	Real terms ⁽¹⁾ £ billion	Per cent of GDP	Nominal £ billion	Real terms ⁽¹⁾ £ billion	Per cent of GDP
1972-73	22.1	234.1	31.1	2.9		3.5	37.5	5.0	28.5	301.9	40.1
1973-74	25.8	251.9	32.4	3.4		4.3	41.6	5.4	33.4	326.9	42.1
1974-75	34.1	279.5	36.6	4.3		5.5	44.7	5.8	43.9	359.4	47.0
1975-76	43.9	289.3	38.3	5.5		6.8	44.5	5.9	56.1	369.8	48.9
1976-77	51.2	297.9	38.2	6.4		6.4	37.4	4.8	64.1	372.7	47.8
1977-78	57.5	294.5	36.7	7.4		5.2	26.9	3.3	70.2	359.2	44.8
1978-79	66.1	305.3	36.6	8.4		5.2	24.0	2.9	79.7	368.0	44.1
1979-80	79.6	315.0	36.5	10.0		5.8	22.8	2.6	95.3	377.3	43.7
1980-81	96.8	322.8	38.8	12.1		5.8	19.4	2.3	114.7	382.4	46.0
1981-82	110.8	336.7	40.1	13.2		4.1	12.6	1.5	128.2	389.3	46.4
1982-83	121.6	346.2	40.3	13.9		6.1	17.4	2.0	141.6	403.1	46.9
1983-84	131.3	357.6	39.9	14.6		7.6	20.7	2.3	153.4	417.9	46.6
1984-85	142.0	365.6	40.0	14.8		7.3	18.8	2.1	164.1	422.4	46.3
1985-86	150.5	365.5	38.6	14.4		6.3	15.4	1.6	171.3	415.8	44.0
1986-87	158.7	370.7	37.9	14.9		4.8	11.3	1.2	178.4	416.8	42.7
1987-88	169.6	375.5	36.1	14.9		4.7	10.4	1.0	189.3	418.9	40.3
1988-89	176.3	365.9	33.6	15.8		3.8	7.9	0.7	195.9	406.6	37.3
1989-90	191.1	367.9	33.0	16.8		9.0	17.3	1.5	216.8	417.5	37.5
1990-91	208.1	370.1	33.3	16.7		10.3	18.3	1.6	235.1	418.1	37.7
1991-92	232.0	389.7	35.3	15.4		13.5	22.6	2.0	260.9	438.3	39.7
1992-93	252.1	413.1	37.2	15.3		14.0	23.0	2.1	281.5	461.1	41.5
1993-94	266.2	425.6	37.0	15.6		11.9	19.1	1.7	293.7	469.6	40.9
1994-95	277.6	438.6	36.8	15.7		12.3	19.4	1.6	305.5	482.8	40.5
1995-96	291.2	447.1	36.6	15.7		12.6	19.3	1.6	319.4	490.5	40.2
1996-97	300.3	442.4	35.4	15.3		8.3	12.3	1.0	323.9	477.2	38.2
1997-98	306.9	444.2	34.5	18.5		4.5	6.5	0.5	329.9	477.5	37.1
1998-99	315.2	449.0	33.8	18.5		5.7	8.2	0.6	339.4	483.6	36.4
1999-00	326.5	460.5	33.3	19.2		6.5	9.1	0.7	352.2	496.6	36.0
2000-01	348.1	479.9	33.7	19.7		6.7	9.2	0.6	374.5	516.2	36.2
2001-02	365.5	496.4	34.1	20.5		13.2	18.0	1.2	399.3	542.2	37.2
2002-03	393.5	520.6	34.6	22.5		15.4	20.4	1.4	431.4	570.7	38.0
2003-04	429.7	557.2	35.5	22.5		15.2	19.6	1.3	467.3	606.0	38.6
2004-05	462.7	581.6	36.4	24.0		22.5	28.2	1.8	509.2	640.0	40.1
2005-06	489.8	598.9	36.3	25.3		26.7	32.7	2.0	541.8	662.6	40.1
2006-07	513.2	611.0	36.0	26.6		28.8	34.3	2.0	568.5	676.9	39.9
2007-08	543.5	628.7	36.3	27.5		32.0	37.1	2.1	603.1	697.6	40.2
2008-09	574.9	648.8	38.3	29.2		49.5	55.9	3.3	653.7	737.7	43.5
2009-10	606.2	666.8	40.4	30.1		50.2	55.2	3.3	686.5	755.1	45.7
2010-11	634.1	678.7	40.2	31.4		41.6	44.5	2.6	707.1	756.9	44.9
2011-12	641.8	674.9	39.4	32.8		32.0	33.7	2.0	706.6	743.0	43.4
2012-13	650.7	673.4	39.1	33.8		36.4	37.6	2.2	720.9	746.0	43.3
2013-14	660.0	669.2	38.1	34.9		27.4	27.8	1.6	722.3	732.4	41.7
2014-15	668.6	668.6	37.0	36.0		30.9	30.9	1.7	735.5	735.5	40.7
2015-16	675.2	668.6	36.0	38.4		28.6	28.3	1.5	742.3	735.0	39.6

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2014-15 price levels using GDP deflators from the Office for National Statistics (released 30 June 2015).

⁽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, 1991-92 to 2014-15

	National Statistics																						
	cash basis							accruals basis															
	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	26.9	27.9	29.8	32.7	36.3	37.4	39.0	39.8	37.2	38.7	36.2	35.5	38.7	43.0	46.1	48.5	51.4	48.0	60.7	61.4	57.0	58.4	56.1
of which: public and common services	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	11.4	11.8
of which: international services	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	10.1	10.8
of which: public sector debt interest	18.3	19.0	20.8	23.5	26.8	28.1	29.7	29.4	25.5	26.6	22.7	21.2	22.7	25.4	27.1	29.5	32.2	33.5	27.1	40.0	41.8	37.6	36.9
2. Defence	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	36.5
3. Public order and safety	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	31.2	29.5
4. Economic affairs	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	35.4	38.1
of which: enterprise and economic development ⁽¹⁾	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	4.8	4.9	5.5
of which: science and technology	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	2.7	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	2.9	3.7
of which: agriculture, fisheries and forestry	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	5.5	5.8	5.5	5.3	5.4
of which: transport	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	18.7	19.1
5. Environment protection	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	11.0
6. Housing and community amenities	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	9.9	10.9
7. Health	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	129.2
8. Recreation, culture and religion	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	11.4
9. Education ⁽²⁾	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	89.2
10. Social protection	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	240.3	250.7	257.6
EU transactions	-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	5.0
Public sector expenditure on services	238.2	260.3	271.7	284.0	295.7	302.5	308.5	318.4	331.4	353.0	376.3	402.7	439.0	471.2	501.8	524.0	555.6	603.2	637.7	655.3	653.0	659.5	669.0
Accounting adjustments	22.7	21.1	22.0	21.5	23.7	21.4	21.4	21.0	20.8	21.5	23.0	28.7	28.3	37.9	40.0	44.5	47.5	50.5	48.8	51.8	53.6	61.3	53.4
Total Managed Expenditure⁽³⁾	260.9	281.5	293.7	305.5	319.4	323.9	329.9	339.4	352.2	374.5	399.3	431.4	467.3	509.2	541.8	568.5	603.1	653.7	686.5	707.1	706.6	720.9	722.3

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

⁽²⁾ The 2014-15 decrease in 'Education' is due to a decreased impact of student loan impairments. Earnings forecasts improved during 2014-15 (a reduction of around £1.4bn), and along with further modelling improvements (another reduction of around £1.4bn), the cost of new loans was partially offset by improvements to the value of existing loans. This reduction (£2.8bn), combined with the large increase in 2013-14 (£2.2bn), explains the significant decrease in Education expenditure in 2014-15.

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

Table 4.3 Public sector expenditure on services by function in real terms,⁽¹⁾ 1991-92 to 2014-15

	National Statistics																							
	cash basis							accruals basis																
	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	2014-15
1. General public services	45.2	45.8	47.6	51.7	55.7	55.1	56.4	56.7	52.5	53.3	49.1	47.0	50.2	54.1	56.4	57.7	59.4	60.8	52.8	65.0	64.5	59.0	59.2	56.1
of which: public and common services	9.6	9.5	9.3	9.3	9.4	9.1	9.0	10.3	11.3	10.9	12.5	13.0	14.1	15.2	15.7	15.1	14.5	15.8	15.2	13.7	12.2	11.8	11.5	11.8
of which: international services	4.9	5.1	5.1	5.2	5.2	4.6	4.5	4.6	5.2	5.8	5.8	6.0	6.6	6.9	7.6	7.5	7.8	7.2	7.8	8.6	8.4	8.2	10.2	10.8
of which: public sector debt interest	30.7	31.2	33.2	37.1	41.1	41.4	43.0	41.9	36.0	36.7	30.8	28.1	29.5	32.0	33.2	35.1	37.2	37.8	29.9	42.8	44.0	39.0	37.5	33.5
2. Defence	39.0	39.0	37.6	36.8	34.6	32.6	31.4	34.9	35.4	35.4	34.5	35.7	37.3	37.5	37.9	38.3	39.0	41.5	41.5	42.1	40.7	37.6	36.9	36.5
3. Public order and safety	22.2	23.6	24.0	24.7	24.6	24.2	24.8	25.6	25.9	28.1	31.4	32.3	34.2	35.8	35.8	36.2	36.7	38.0	37.5	35.3	33.7	32.3	30.0	29.9
4. Economic affairs	36.0	38.2	38.1	37.8	35.9	34.3	31.1	27.9	30.3	32.8	37.7	40.8	42.9	42.4	43.3	44.9	43.3	56.1	53.5	42.7	39.4	36.6	38.6	38.4
of which: enterprise and economic development ⁽²⁾	9.1	8.8	8.8	7.4	6.9	6.3	6.2	4.4	6.2	6.8	6.9	7.8	7.8	8.2	7.8	7.5	8.2	18.3	13.4	5.2	5.1	5.0	5.6	4.7
of which: science and technology	2.2	2.3	2.4	1.7	1.8	2.1	2.0	2.0	2.0	1.9	2.3	2.8	3.0	3.1	3.7	3.5	3.8	3.6	4.0	3.6	3.7	3.7	4.5	4.9
of which: employment policies	4.5	4.8	5.0	5.1	4.8	4.1	3.6	4.1	4.9	5.2	4.5	4.0	4.1	4.0	4.0	3.9	2.4	3.9	4.5	5.0	3.4	3.0	3.7	3.2
of which: agriculture, fisheries and forestry	4.7	4.8	6.1	5.4	6.0	8.0	6.8	6.3	6.1	6.5	8.6	6.5	6.9	6.8	6.8	6.1	5.0	6.5	6.4	5.9	6.1	5.5	5.5	5.1
of which: transport	15.5	17.7	16.0	18.2	16.7	14.0	12.6	11.1	11.1	12.4	15.3	19.6	21.1	20.1	20.8	23.7	23.8	23.7	25.3	23.0	21.1	19.4	19.4	20.5
5. Environment protection	5.7	5.9	5.4	6.0	6.3	5.5	5.8	6.1	6.9	7.0	7.3	7.9	8.0	8.8	10.4	11.2	11.1	10.4	11.4	11.7	11.0	11.0	11.2	11.7
6. Housing and community amenities	11.4	11.6	9.9	9.8	9.2	8.4	7.1	7.8	6.6	7.6	8.4	7.1	8.7	10.1	13.1	13.7	15.0	17.3	17.9	14.0	10.6	10.3	9.9	10.9
7. Health	51.9	56.0	58.5	62.3	63.6	63.1	64.4	66.8	69.7	74.7	81.2	87.6	97.1	104.2	109.8	112.7	116.9	122.7	128.6	128.3	127.5	128.6	131.0	134.1
8. Recreation, culture and religion	8.4	8.4	8.2	8.2	8.4	8.4	9.3	10.3	10.9	10.8	11.7	12.3	12.6	12.6	13.2	13.6	13.8	14.0	14.5	13.9	13.2	13.2	11.6	11.9
9. Education ⁽³⁾	52.6	54.4	55.5	57.2	56.8	55.7	55.9	57.0	59.5	63.3	69.5	72.4	79.1	81.8	85.4	86.9	91.0	93.7	97.3	97.9	91.4	90.0	90.4	84.3
10. Social protection	134.7	149.2	157.2	161.2	165.2	166.2	165.7	164.1	173.4	177.1	186.6	192.2	201.8	206.3	209.1	210.7	218.2	229.5	245.3	246.6	252.7	259.4	254.4	257.6
EU transactions	-6.9	-5.6	-7.5	-6.8	-6.3	-7.7	-5.4	-3.7	-3.8	-3.6	-6.5	-2.5	-2.7	-1.1	-0.7	-2.1	-1.7	-3.3	1.0	3.9	2.1	4.5	5.1	3.7
Public sector expenditure on services	400.2	426.5	434.4	448.8	454.0	445.7	446.5	453.6	467.3	486.6	510.9	532.8	569.3	592.4	613.7	623.8	642.6	680.6	701.5	701.4	686.7	682.5	678.3	675.1
Accounting adjustments	38.1	34.6	35.2	34.0	36.4	31.5	31.0	30.0	29.3	29.6	31.3	37.9	36.7	47.7	48.9	53.0	55.0	57.0	53.7	55.5	56.3	63.5	54.1	60.4
Total Managed Expenditure⁽⁴⁾	438.3	461.1	469.6	482.8	490.5	477.2	477.5	483.6	496.6	516.2	542.2	570.7	606.0	640.0	662.6	676.9	697.6	737.7	755.1	756.9	743.0	746.0	732.4	735.5

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2014-15 price levels using GDP deflators from the Office for National Statistics (released 30 June 2015).

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

⁽³⁾ The 2014-15 decrease in 'Education' is due to a decreased impact of student loan impairments. Earnings forecasts improved during 2014-15 (a nominal terms reduction of around £1.4bn), and along with further modelling improvements (another nominal terms reduction of around £1.4bn), the cost of new loans was partially offset by improvements to the value of existing loans. This reduction (£2.8bn nominally), combined with the large increase in 2013-14 (£2.2bn nominally), explains the significant decrease in Education expenditure in 2014-15.

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

Table 4.4 Public sector expenditure on services by function as a per cent of GDP⁽¹⁾ 1991-92 to 2014-15

	National Statistics																							
	cash basis							accruals basis																
	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	2014-15
1. General public services	4.1	4.1	4.1	4.3	4.6	4.4	4.4	4.3	3.8	3.7	3.4	3.1	3.2	3.4	3.4	3.4	3.4	3.6	3.2	3.9	3.8	3.4	3.4	3.1
of which: public and common services	0.9	0.9	0.8	0.8	0.8	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0	0.9	0.9	0.8	0.9	0.9	0.8	0.7	0.7	0.7	0.7
of which: international services	0.4	0.5	0.4	0.4	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.6	0.6
of which: public sector debt interest	2.8	2.8	2.9	3.1	3.4	3.3	3.3	3.1	2.6	2.6	2.1	1.9	1.9	2.0	2.0	2.1	2.1	2.2	1.8	2.5	2.6	2.3	2.1	1.9
2. Defence	3.5	3.5	3.3	3.1	2.8	2.6	2.4	2.6	2.6	2.5	2.4	2.4	2.4	2.3	2.3	2.3	2.2	2.4	2.5	2.5	2.4	2.2	2.1	2.0
3. Public order and safety	2.0	2.1	2.1	2.1	2.0	1.9	1.9	1.9	1.9	2.0	2.2	2.1	2.2	2.2	2.2	2.1	2.1	2.2	2.3	2.1	2.0	1.9	1.7	1.7
4. Economic affairs	3.3	3.4	3.3	3.2	2.9	2.7	2.4	2.1	2.2	2.3	2.6	2.7	2.7	2.7	2.6	2.6	2.5	3.3	3.2	2.5	2.3	2.1	2.2	2.1
of which: enterprise and economic development ⁽²⁾	0.8	0.8	0.8	0.6	0.6	0.5	0.5	0.3	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.5	1.1	0.8	0.3	0.3	0.3	0.3	0.3
of which: science and technology	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3
of which: employment policies	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.1	0.2	0.3	0.3	0.2	0.2	0.2	0.2
of which: agriculture, fisheries and forestry	0.4	0.4	0.5	0.5	0.5	0.6	0.5	0.5	0.4	0.5	0.6	0.4	0.4	0.4	0.4	0.4	0.3	0.4	0.4	0.3	0.4	0.3	0.3	0.3
of which: transport	1.4	1.6	1.4	1.5	1.4	1.1	1.0	0.8	0.8	0.9	1.1	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.5	1.4	1.2	1.1	1.1	1.1
5. Environment protection	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.7	0.6	0.6	0.7	0.7	0.6	0.6	0.6	0.6
6. Housing and community amenities	1.0	1.0	0.9	0.8	0.8	0.7	0.6	0.6	0.5	0.5	0.6	0.5	0.6	0.6	0.8	0.8	0.9	1.0	1.1	0.8	0.6	0.6	0.6	0.6
7. Health	4.7	5.0	5.1	5.2	5.2	5.0	5.0	5.0	5.0	5.2	5.6	5.8	6.2	6.5	6.7	6.6	6.7	7.2	7.8	7.6	7.4	7.5	7.5	7.4
8. Recreation, culture and religion	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	0.8	0.8	0.8	0.9	0.8	0.8	0.8	0.7	0.7
9. Education ⁽³⁾	4.8	4.9	4.8	4.8	4.7	4.5	4.3	4.3	4.3	4.4	4.8	4.8	5.0	5.1	5.2	5.1	5.3	5.5	5.9	5.8	5.3	5.2	4.7	4.7
10. Social protection	12.2	13.4	13.7	13.5	13.5	13.3	12.9	12.3	12.6	12.4	12.8	12.8	12.9	12.9	12.7	12.4	12.6	13.5	14.9	14.6	14.8	15.1	14.5	14.2
EU transactions	-0.6	-0.5	-0.7	-0.6	-0.5	-0.6	-0.4	-0.3	-0.3	-0.3	-0.4	-0.2	-0.2	-0.1	0.0	-0.1	-0.1	-0.2	0.1	0.2	0.1	0.3	0.3	0.2
Public sector expenditure on services	36.2	38.4	37.8	37.7	37.2	35.7	34.6	34.1	33.8	34.1	35.1	35.5	36.3	37.1	37.2	36.8	37.1	40.1	42.5	41.6	40.1	39.6	38.6	37.3
Accounting adjustments	3.5	3.1	3.1	2.8	3.0	2.5	2.4	2.3	2.1	2.1	2.1	2.5	2.3	3.0	3.0	3.1	3.2	3.4	3.2	3.3	3.3	3.7	3.1	3.3
Total Managed Expenditure⁽⁴⁾	39.7	41.5	40.9	40.5	40.2	38.2	37.1	36.4	36.0	36.2	37.2	38.0	38.6	40.1	40.1	39.9	40.2	43.5	45.7	44.9	43.4	43.3	41.7	40.7

⁽¹⁾ GDP until 2014-15 is consistent with the latest figures from the Office for National Statistics (published 30 June 2015).

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

⁽³⁾ The 2014-15 decrease in 'Education' is due to a decreased impact of student loan impairments. Earnings forecasts improved during 2014-15 (a reduction of around £1.4bn), and along with further modelling improvements (another reduction of around £1.4bn), the cost of new loans was partially offset by improvements to the value of existing loans. This reduction (£2.8bn), combined with the large increase in 2013-14 (£2.2bn), explains the significant decrease in Education expenditure in 2014-15.

⁽⁴⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A 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 2010-11 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 Since PESA 2014 there has been a slight change to the presentation of data in Table 5.2 where Public debt transactions now include a line for Bank of England. This change has been brought about due to National Accounts using the new ESA10 framework from September 2014. The data shown here is in respect of the Asset Purchase Facility and Special Liquidity Scheme.

Classification changes

5.3 Three years on from the switchover from the COINS database to its replacement OSCAR, there has been far less restructuring of the way departments organise their data. As a result there are no significant changes to the functional and sub-functional breakdown of data to report in in either **Chapters 5 or 6**.

Relationship between functional series and departments

5.4 Table 5.1 shows public sector expenditure on services by function split across the different government departmental groups for 2014-15. 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

5.5 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 website.¹

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

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

Public sector expenditure on services by economic category

5.7 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.

Box 5.A: 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: £1.8 billion in 2010-11, £1.0 billion in 2011-12, £0.5 billion in 2012-13, £0.03 billion in 2013-14 and £0.2 billion in 2014-15.

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).

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

- **pay** includes wages and salaries, employers' social contributions, payments of accruing superannuation liability charges for UK staff and locally engaged staff overseas, and amounts that finance employee contributions to pension schemes. It also includes income from the recovery of secondee costs. Unlike **Chapter 2**, it does not include payments for contract and agency staff which are treated as procurement instead;
- **gross current procurement** includes expenditure on goods and services, including payments for contract and agency staff, and payments for consultancy and audit services. Expenditure on hire and rentals under PFI and non-PFI operating leases, shown as **Rentals** in **Chapter 2**, are included here. **Income from the sales of goods and services** is now shown separately;
- **current grants to persons and non-profit bodies** are payments to these recipients that do not fund capital formation. They are mainly social security payments but also comprise grants to further and higher education institutions and other non-profit private sector bodies. 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; 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

5.8 Table 5.4 gives a functional (COFOG level 1) breakdown of the current and capital expenditure of the public sector for the years from 2010-11. 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

5.9 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.

5.10 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, 2014-15

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																		56,961	11,397		68,358
NHS (Health)							96	96											14,012		125,681
Transport							250	16,568					16,386	1	729				1,201		18,750
Communities and Local Government		3,337	3,337	0		12	2,432	689		182					6,623		0		1,914		15,007
Business, Innovation and Skills		148	147	0				5,536	1,382	4,138	52		-34	406		746	130	12,459	511		19,936
Home Office							15,198	112					112		257		-51				15,515
Justice		179	179				7,516												50		7,746
Law Officers' Departments							627														627
Defence							34,299										29			3,431	37,760
Foreign and Commonwealth Office		1,900		1,900																	1,900
International Development		8,841		8,841																86	8,927
Energy and Climate Change		32		32				693	533	161				3,063					-500		3,290
Environment, Food and Rural Affairs								3,224					3,224								10,475
Culture, Media and Sport		41	41					161	135					75	27	34	8,911	49	564		9,863
Work and Pensions		293	293					2,948	32	24	2,891								170,708		173,948
Scotland		951	951			3	2,568	4,129	550	3			2,665	1,065	1,868	11,442	1,206	7,720	3,964		34,917
Wales		568	568				1	1,603	323	44	3	379	855	471	618	6,409	349	4,010	1,914		15,944
Northern Ireland		398	398				1,264	1,549	302	41	181	512	512	242	820	3,905	456	2,888	7,151		18,673
Chancellor's Departments		37,269	3,746					658	310	348				3					38,201	3,723	79,854
Cabinet Office		634	634			36														2,956	5,795
Small and Independent Bodies		1,523	1,523			4	470	352					28					174			2,171
Public sector expenditure on services for each function		56,114	11,818	10,774	33,523	36,484	29,897	38,436	4,702	4,940	3,154	5,116	20,524	11,726	10,949	134,108	11,874	84,261	257,562	3,723	675,134

⁽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, 2010-11 to 2014-15

	National Statistics				
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn
£ million					
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	11,778	10,615	10,282	10,492	10,764
1.2 Foreign economic aid	5,675	5,731	5,836	7,891	8,842
1.3 General services	1,065	979	971	853	813
1.4 Basic research	-	-	-	-	-
1.5 R&D general public services	16	10	9	10	11
1.6 General public services n.e.c.	2,226	2,193	2,229	2,201	2,162
1.7 Public debt transactions ^{(1), (2)}	39,972	41,829	37,647	36,942	33,523
<i>of which: central government debt interest</i>	46,609	49,704	48,856	48,668	45,422
<i>of which: local government debt interest</i>	600	583	560	583	717
<i>of which: public corporation debt interest</i>	483	292	289	256	-218
<i>of which: Bank of England</i>	-7,720	-8,750	-12,058	-12,565	-12,398
Total general public services	60,732	61,358	56,973	58,389	56,114
2. Defence					
2.1 Military defence	32,913	33,129	31,489	32,182	32,884
2.2 Civil defence	135	105	110	113	119
2.3 Foreign military aid	3,572	3,172	2,235	1,344	621
2.4 R&D defence	2,386	1,980	2,239	2,528	2,599
2.5 Defence n.e.c.	282	276	281	245	261
Total defence	39,287	38,662	36,355	36,411	36,484
3. Public order and safety					
3.1 Police services	18,575	18,187	17,553	16,329	16,877
<i>of which: immigration and citizenship</i>	1,769	1,663	1,529	977	1,197
<i>of which: other police services</i>	16,807	16,524	16,024	15,353	15,680
3.2 Fire-protection services	3,021	2,901	2,887	2,818	2,875
3.3 Law courts	6,195	6,536	5,983	5,548	5,494
3.4 Prisons	4,969	4,133	4,326	4,063	3,789
3.5 R&D public order and safety	10	12	35	34	32
3.6 Public order and safety n.e.c.	255	270	461	749	829
Total public order and safety	33,025	32,039	31,244	29,541	29,897
4. Economic affairs					
4.1 General economic, commercial and labour affairs ⁽³⁾	6,578	5,981	5,779	6,994	6,127
4.2 Agriculture, forestry, fishing and hunting	5,475	5,787	5,292	5,381	5,116
<i>of which: market support under CAP</i>	3,744	3,932	2,894	2,959	2,756
<i>of which: other agriculture, food and fisheries policy</i>	1,597	1,723	2,289	2,303	2,234
<i>of which: forestry</i>	134	132	109	118	126
4.3 Fuel and energy	818	527	463	464	445
4.4 Mining, manufacturing and construction	239	142	-12	273	29
4.5 Transport	21,490	20,043	18,750	19,120	20,524
<i>of which: national roads</i>	3,584	3,097	2,867	3,166	3,659
<i>of which: local roads</i>	5,861	5,165	4,898	5,098	5,477
<i>of which: local public transport</i>	3,631	3,583	3,093	2,953	2,791
<i>of which: railway</i>	7,399	7,132	6,550	6,334	7,158
<i>of which: other transport</i>	1,016	1,065	1,341	1,569	1,440
4.6 Communication	514	419	764	641	432
4.7 Other industries	506	376	312	275	297
4.8 R&D economic affairs	3,406	3,563	3,597	4,438	4,940
4.9 Economic affairs n.e.c.	855	658	445	504	525
Total economic affairs	39,883	37,496	35,391	38,090	38,436
5. Environment protection					
5.1 Waste management	7,162	7,268	7,685	7,876	8,282
5.2 Waste water management	12	20	-	-	-
5.3 Pollution abatement	383	110	156	146	482
5.4 Protection of biodiversity and landscape	522	483	399	440	481
5.5 R&D environment protection	430	413	350	387	368
5.6 Environment protection n.e.c.	2,421	2,167	2,014	2,162	2,113
Total environment protection	10,929	10,462	10,604	11,011	11,726

Table 5.2 Public sector expenditure on services by sub-function, 2010-11 to 2014-15 (continued)

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	
6. Housing and community amenities						
6.1 Housing development	8,462	5,646	5,551	5,106	6,200	
<i>of which: local authority housing</i>	4,368	2,957	4,238	4,007	5,005	
<i>of which: other social housing</i>	4,093	2,690	1,314	1,100	1,195	
6.2 Community development	3,101	2,671	2,679	2,889	2,879	
6.3 Water supply	735	788	770	749	735	
6.4 Street lighting	645	679	711	752	815	
6.5 R&D housing and community amenities	4	3	2	3	3	
6.6 Housing and community amenities n.e.c.	172	258	235	246	317	
Total housing and community amenities	13,119	10,047	9,949	9,745	10,949	
7. Health ⁽⁴⁾						
Medical services	115,293	116,547	118,945	123,801	128,871	
Medical research	1,798	1,343	1,365	906	1,016	
Central and other health services	2,735	3,345	3,948	4,524	4,221	
Total health	119,826	121,236	124,259	129,231	134,108	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	4,388	4,419	4,701	3,493	3,353	
8.2 Cultural services	4,190	4,090	4,121	4,013	4,014	
8.3 Broadcasting and publishing services	4,018	3,695	3,578	3,697	4,226	
8.4 Religious and other community services	139	118	115	96	83	
8.5 R&D recreation, culture and religion	141	106	126	103	132	
8.6 Recreation, culture and religion n.e.c.	88	92	96	45	66	
Total recreation, culture and religion	12,966	12,518	12,737	11,447	11,874	
9. Education ⁽⁵⁾						
9.1 Pre-primary and primary education	30,656	30,567	30,825	31,024	31,089	
<i>of which: under fives</i>	4,851	4,645	5,054	5,227	5,098	
<i>of which: primary education</i>	25,805	25,922	25,772	25,796	25,991	
9.2 Secondary education	36,792	36,044	36,237	36,887	36,847	
9.3 Post-secondary non-tertiary education	293	220	104	126	108	
9.4 Tertiary education ⁽⁶⁾	15,780	13,095	13,516	15,358	10,308	
9.5 Education not definable by level	1,044	695	671	639	842	
9.6 Subsidiary services to education	4,075	3,878	3,595	2,976	2,878	
9.7 R&D education	1	9	10	10	9	
9.8 Education n.e.c.	2,855	2,390	2,028	2,170	2,179	
Total education	91,495	86,897	86,986	89,189	84,261	
10. Social protection						
<i>of which: personal social services</i>	27,862	28,457	28,548	28,693	29,302	
10.1 Sickness and disability	40,889	43,832	46,262	46,898	49,982	
<i>of which: personal social services</i>	8,517	9,916	9,847	9,360	9,222	
<i>of which: incapacity, disability and injury benefits</i>	32,372	33,916	36,416	37,538	40,760	
10.2 Old age	98,290	103,882	111,091	114,463	118,195	
<i>of which: personal social services</i>	10,981	10,184	10,114	10,290	10,299	
<i>of which: pensions</i>	87,309	93,699	100,978	104,173	107,966	
10.3 Survivors	1,097	1,070	1,076	1,135	1,122	
10.4 Family and children	29,054	28,160	26,572	24,639	24,879	
<i>of which: personal social services</i>	7,773	7,852	8,088	8,505	9,389	
<i>of which: family benefits, income support and tax credits</i>	21,282	20,308	18,484	16,134	15,491	
10.5 Unemployment	5,231	5,633	5,939	4,945	3,473	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: other unemployment benefits</i>	5,231	5,633	5,939	4,945	3,473	
10.6 Housing	24,399	25,366	26,359	26,482	26,569	
10.7 Social exclusion n.e.c. ⁽⁷⁾	26,079	27,828	29,607	29,339	29,329	
<i>of which: personal social services</i>	591	505	499	539	462	
<i>of which: family benefits, income support and tax credits</i>	25,488	27,323	29,108	28,800	28,867	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	5,357	4,498	3,804	2,968	4,013	
Total social protection	230,397	240,269	250,711	250,869	257,562	

Table 5.2 Public sector expenditure on services by sub-function, 2010-11 to 2014-15 (continued)

	£ million				
	National Statistics				
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn
EU transactions⁽⁸⁾					
GNI-based contribution (net of abatement and collection costs)	7,669	6,967	8,411	8,982	8,127
<i>derived as:</i>					
<i>"EU gross contribution pre-abatement and after deduction of collection costs"</i>	15,593	15,700	16,871	18,208	18,272
<i>"Traditional Own Resources (without deduction of collection costs) and VAT contributions"</i>	-5,246	-5,216	-5,288	-5,096	-5,334
<i>UK abatement</i>	-2,678	-3,516	-3,172	-4,130	-4,811
EU receipts	-3,998	-4,771	-4,022	-3,856	-4,404
Attributed aid and Common Foreign and Security Policy	-43	-163	-82	-79	-
Total EU transactions	3,628	2,034	4,307	5,047	3,723
Public sector expenditure on services	655,286	653,018	659,514	668,970	675,134
Accounting adjustments	51,832	53,559	61,342	53,378	60,399
Total Managed Expenditure⁽⁹⁾	707,118	706,577	720,856	722,348	735,533

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

⁽²⁾ Bank of England public debt transactions shows data in respect of the Asset Purchase Facility and Special Liquidity Scheme.

⁽³⁾ Transactions from 2010-11 onwards have been affected by financial sector interventions. Details are provided in Box 5.A.

⁽⁴⁾ The level of detail required for COFOG level 2 is not yet available in England and Wales. Health spending is therefore presented using HM Treasury's own sub-functional classification.

⁽⁵⁾ The 2014-15 decrease in 'Education' and specifically 'tertiary education' is due to a decreased impact of student loan impairments. Earnings forecasts improved during 2014-15 (a reduction of around £1.4bn), and along with further modelling improvements (another reduction of around £1.4bn), the cost of new loans was partially offset by improvements to the value of existing loans. This reduction (£2.8bn), combined with the large increase in 2013-14 (£2.2bn), explains the significant decrease in Education expenditure in 2014-15.

⁽⁶⁾ The significantly higher spending in 'tertiary education' in 2013-14 reflects a higher impairment cost on student loans held on the government balance sheet following improvements to modelling forecasts (an additional impact of around £2.2bn). These changes affected the valuation of both new and existing loans.

⁽⁷⁾ Social exclusion n.e.c. includes Child and Working Tax Credits

⁽⁸⁾ An explanation of why the EU transactions are defined in TES in this way is given in Annex E. Complete transactions with the institutions of the EU are shown in Table C.1.

⁽⁹⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

Table 5.3 Public sector expenditure on services by economic category, 2010-11 to 2014-15

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	
Public sector current expenditure on services						
Pay	169,348	166,162	164,445	165,100	169,786	
Gross current procurement	188,665	189,587	193,790	197,279	201,898	
Income from sales of goods and services	-47,464	-44,964	-46,158	-46,774	-48,534	
Current grants to persons and non-profit bodies	222,635	229,101	234,861	234,817	238,676	
Current grants abroad	9,427	7,639	9,952	12,470	10,354	
Subsidies to private sector companies	7,940	8,246	7,802	7,760	7,845	
Subsidies to public corporations	705	476	1,746	1,140	876	
Net public service pensions	4,627	6,678	8,620	9,081	10,203	
Grant equivalent element of student lending	4,242	2,215	3,809	6,310	2,151	
Public sector debt interest	39,972	41,829	37,647	36,942	33,523	
Other	59	82	238	278	197	
Total public sector current expenditure on services	600,156	607,051	616,752	624,403	626,975	
Accounting adjustments	33,959	34,759	33,948	35,601	41,670	
Total public sector current expenditure	634,115	641,810	650,700	660,004	668,645	
Public sector capital expenditure on services						
Capital grants	15,567	12,062	10,988	10,473	13,949	
Gross capital procurement	42,824	38,015	35,535	37,328	39,337	
Income from sales of capital assets	-3,258	-4,111	-3,761	-3,236	-5,127	
Other	0	0	0	0	0	
Total public sector capital expenditure on services	55,133	45,966	42,762	44,565	48,159	
Accounting adjustments	17,870	18,801	27,394	17,779	18,729	
Total public sector capital expenditure	73,003	64,767	70,156	62,344	66,888	
Total public sector expenditure on services	655,289	653,017	659,514	668,968	675,134	
Accounting adjustments	51,829	53,560	61,342	53,380	60,399	
Total Managed Expenditure	707,118	706,577	720,856	722,348	735,533	

Table 5.4 Public sector current and capital expenditure on services by function,⁽¹⁾ 2010-11 to 2014-15

	National Statistics				
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn
£ million					
Public sector current expenditure on services					
1. General public services	58,354	59,655	55,160	56,392	52,722
<i>of which: public and common services</i>	11,126	10,465	10,106	9,976	10,543
<i>of which: international services</i>	7,257	7,360	7,407	9,475	8,655
<i>of which: public sector debt interest⁽²⁾</i>	39,972	41,829	37,647	36,942	33,523
2. Defence	34,982	35,056	32,899	33,162	33,255
3. Public order and safety	31,023	30,514	29,880	28,316	28,684
4. Economic affairs	24,255	23,275	22,665	24,038	22,267
<i>of which: enterprise and economic development⁽³⁾</i>	2,791	3,255	3,932	4,346	3,870
<i>of which: science and technology</i>	2,885	2,957	3,106	3,324	3,756
<i>of which: employment policies</i>	4,603	3,170	2,803	3,584	3,123
<i>of which: agriculture, fisheries and forestry</i>	5,146	5,518	4,986	4,973	4,640
<i>of which: transport</i>	8,830	8,375	7,838	7,811	6,878
5. Environment protection	8,145	8,212	7,716	7,878	8,200
6. Housing and community amenities	3,219	2,732	3,175	3,035	3,061
7. Health	114,437	116,987	119,477	123,533	129,521
8. Recreation, culture and religion	10,384	9,805	10,858	9,779	9,904
9. Education ⁽⁴⁾	82,347	79,108	80,353	81,951	78,008
10. Social protection	229,379	239,674	250,261	251,271	257,632
EU transactions	3,628	2,034	4,307	5,047	3,723
Total public sector current expenditure on services	600,155	607,051	616,752	624,404	626,976
Accounting adjustments	33,960	34,759	33,948	35,600	41,669
Public sector current expenditure	634,115	641,810	650,700	660,004	668,645
Public sector capital expenditure on services					
1. General public services	2,377	1,703	1,813	1,996	3,393
<i>of which: public and common services</i>	1,635	1,111	1,267	1,375	1,275
<i>of which: international services</i>	743	593	546	621	2,118
2. Defence	4,305	3,606	3,456	3,249	3,229
3. Public order and safety	2,002	1,525	1,364	1,224	1,213
4. Economic affairs	15,628	14,221	12,726	14,051	16,169
<i>of which: enterprise and economic development⁽³⁾</i>	2,024	1,595	938	1,145	832
<i>of which: science and technology</i>	521	607	492	1,114	1,184
<i>of which: employment policies</i>	94	83	78	76	31
<i>of which: agriculture, fisheries and forestry</i>	329	269	305	408	476
<i>of which: transport</i>	12,660	11,667	10,912	11,309	13,646
5. Environment protection	2,784	2,250	2,888	3,133	3,526
6. Housing and community amenities	9,900	7,314	6,773	6,709	7,888
7. Health	5,389	4,249	4,782	5,698	4,587
8. Recreation, culture and religion	2,582	2,714	1,879	1,668	1,970
9. Education	9,148	7,789	6,633	7,238	6,253
10. Social protection	1,018	595	449	-403	-70
Total public sector capital expenditure on services	55,132	45,966	42,763	44,565	48,159
Accounting adjustments	17,871	18,801	27,393	17,779	18,729
Public sector capital expenditure	73,003	64,767	70,156	62,344	66,888
Total public sector expenditure on services	655,286	653,018	659,514	668,970	675,134
Accounting adjustments	51,832	53,559	61,342	53,378	60,399
Total Managed Expenditure⁽⁵⁾	707,118	706,577	720,856	722,348	735,533

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

⁽²⁾ Debt interest figures include Bank of England public debt transactions in respect of the Asset Purchase Facility and Special Liquidity Scheme.

⁽³⁾ Transactions from 2010-11 onwards have been affected by financial sector interventions. See Box 5.A for details.

⁽⁴⁾ The 2014-15 decrease in 'Current Education' is due to a decreased impact of student loan impairments. Earnings forecasts improved during 2014-15 (a reduction of around £1.4bn), and along with further modelling improvements (another reduction of around £1.4bn), the cost of new loans was partially offset by improvements to the value of existing loans. This reduction (£2.8bn), combined with the large increase in 2013-14 (£2.2bn), explains the significant decrease in Current Education expenditure in 2014-15.

⁽⁵⁾ 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, 2010-11 to 2014-15

	£ million				
	National Statistics				
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn
Public sector gross current procurement expenditure on services					
1. General public services	13,228	12,780	12,909	13,019	13,548
<i>of which: public and common services</i>	11,629	11,111	11,129	11,136	11,586
<i>of which: international services</i>	1,599	1,668	1,780	1,883	1,962
2. Defence	22,980	22,762	21,330	21,968	22,856
3. Public order and safety	12,850	13,100	12,990	12,364	12,530
4. Economic affairs	13,286	11,754	11,672	11,978	11,066
<i>of which: enterprise and economic development</i>	2,911	2,483	2,830	2,535	2,519
<i>of which: science and technology</i>	366	389	325	487	421
<i>of which: employment policies</i>	2,578	1,697	1,447	2,045	1,669
<i>of which: agriculture, fisheries and forestry</i>	1,020	867	857	839	821
<i>of which: transport</i>	6,412	6,317	6,212	6,071	5,636
5. Environment protection	7,835	7,907	7,651	7,772	7,980
6. Housing and community amenities	3,087	2,823	2,685	2,737	2,849
7. Health	65,458	67,362	71,073	75,655	79,465
8. Recreation, culture and religion	7,424	6,906	7,646	7,462	6,861
9. Education	12,979	13,814	15,366	14,398	14,175
10. Social protection	29,538	30,379	30,468	29,927	30,570
Total public sector gross current procurement expenditure on services	188,665	189,587	193,790	197,280	201,898

⁽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, 2010-11 to 2014-15

	National Statistics				
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn
£ million					
Public sector gross capital procurement expenditure on services					
1. General public services	2,390	2,225	2,254	2,021	2,022
<i>of which: public and common services</i>	2,240	2,094	2,055	1,853	1,880
<i>of which: international services</i>	150	131	199	168	142
2. Defence	4,417	3,924	3,608	3,424	3,542
3. Public order and safety	2,197	1,702	1,525	1,501	1,566
4. Economic affairs	10,348	9,011	7,683	8,147	9,947
<i>of which: enterprise and economic development</i>	1,328	963	737	691	397
<i>of which: science and technology</i>	85	150	185	159	143
<i>of which: employment policies</i>	93	83	78	75	31
<i>of which: agriculture, fisheries and forestry</i>	230	197	200	287	351
<i>of which: transport</i>	8,613	7,618	6,482	6,936	9,026
5. Environment protection	6,574	6,121	6,399	6,872	8,092
6. Housing and community amenities	1,609	1,343	1,182	1,589	1,707
7. Health	5,534	4,553	4,841	5,078	5,384
8. Recreation, culture and religion	2,417	2,401	1,623	1,474	1,602
9. Education	6,892	6,332	5,935	6,886	5,091
10. Social protection	446	405	486	336	382
Total public sector gross capital procurement expenditure on services	42,824	38,016	35,536	37,328	39,336
Plus public sector receipts from sales of assets					
Central government					
Fixed assets	-911	-1,380	-1,119	-504	-1,744
Intangible assets	-8	197	-20	-27	-115
Total central government receipts	-919	-1,183	-1,139	-532	-1,859
Local government					
Fixed assets	-1,116	-1,244	-1,431	-1,432	-1,790
Intangible assets	-	-	-	-	-
Total local government receipts	-1,116	-1,244	-1,431	-1,432	-1,790
Total general government receipts	-2,035	-2,427	-2,570	-1,964	-3,649
Public corporations					
Fixed assets	-1,223	-1,684	-1,191	-1,272	-1,478
Intangible assets	-	-	-	-	-
Total public corporations receipts	-1,223	-1,684	-1,191	-1,272	-1,478
Total public sector income from sales of capital assets	-3,258	-4,111	-3,761	-3,236	-5,126

⁽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, whereas **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 2014.

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.

Central government own expenditure on services by sub-function

6.8 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

6.9 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

6.10 Table 6.6 shows central government own current and capital expenditure on services by function. This shows the capital and current split on a National Accounts basis.

Table 6.1 Central government own expenditure in budgets by departmental group,⁽¹⁾ 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Within DEL						
Education	10,579	13,565	18,038	19,548	21,409	23,058
Health	100,255	102,562	104,994	107,131	110,459	113,833
Transport ⁽²⁾	6,795	6,127	5,618	6,045	6,652	3,948
CLG Communities	5,600	3,251	1,162	2,558	2,503	3,652
CLG Local Government	123	133	105	-	-	-
Business, Innovation and Skills	18,557	17,098	16,711	16,755	15,348	16,756
Home Office	2,813	2,690	2,366	2,317	2,454	1,993
Justice	9,252	8,933	8,482	7,794	7,450	6,598
Law Officers' Departments	672	613	592	578	551	532
Defence	37,460	37,197	34,298	34,597	34,296	35,014
Foreign and Commonwealth Office	2,223	2,144	2,020	2,113	1,867	1,908
International Development	7,467	7,813	7,758	10,020	9,650	10,031
Energy and Climate Change	3,166	2,564	3,097	3,299	3,598	3,886
Environment, Food and Rural Affairs	2,604	2,179	2,123	2,069	2,013	1,851
Culture, Media and Sport	2,168	2,759	1,133	1,060	1,418	1,542
Work and Pensions	8,651	7,167	7,046	6,756	6,501	6,081
Scotland	18,565	18,073	18,523	20,167	20,697	20,564
Wales	9,121	9,202	8,262	8,452	9,124	9,609
Northern Ireland	10,527	10,156	10,251	10,522	10,636	10,502
Chancellor's Departments	3,956	3,884	3,447	3,364	3,582	3,001
Cabinet Office	2,451	2,450	2,512	2,499	2,799	2,799
Small and Independent Bodies	1,647	1,701	1,467	1,555	1,692	1,732
Total CG own expenditure within DEL	264,652	262,260	260,005	269,199	274,700	278,890
Within departmental AME						
Education	-10,434	11,785	10,722	11,051	13,910	13,073
Health	-10,968	19,582	18,878	18,124	22,235	25,642
Transport ⁽²⁾	501	842	529	889	7,171	13,061
CLG Communities	-496	-666	-20	-48	175	318
CLG Local Government	-4	-12	2	-	-	-
Business, Innovation and Skills	3,616	4,101	6,327	5,383	8,594	11,438
Home Office	192	-6	21	199	530	210
Justice	246	-45	934	-239	-11	385
Law Officers' Departments	-16	5	6	7	13	7
Defence	-878	8,029	7,325	6,249	8,362	7,076
Foreign and Commonwealth Office	35	61	88	66	80	100
International Development	303	104	185	109	156	316
Energy and Climate Change	5,163	3,685	5,368	4,466	5,650	9,362
Environment, Food and Rural Affairs	-437	-53	83	-95	90	15
Culture, Media and Sport	4,865	4,150	5,039	4,842	5,425	5,311
Work and Pensions	125,357	131,942	137,181	139,235	143,775	146,840
Scotland	3,206	3,240	2,948	3,005	4,277	4,818
Wales	262	302	377	287	383	647
Northern Ireland	3,574	8,099	8,109	7,888	8,781	9,455
Chancellor's Departments ⁽³⁾	25,996	19,596	20,448	37,144	-19,013	36,744
Cabinet Office	-7,466	8,739	9,431	8,659	10,614	10,057
Small and Independent Bodies	-242	-135	-99	-29	-117	393
Total CG own expenditure within dept AME	142,374	223,345	233,881	247,192	221,080	295,270
Locally financed expenditure in Northern Ireland	538	588	621	632	661	650
Net expenditure transfers to the EU	8,414	7,702	9,131	9,716	8,881	9,315
Central government debt interest	46,609	49,704	48,856	48,668	45,422	46,683
Accounting and other adjustments	63,859	-9,344	2,879	-17,421	18,214	-50,550
Total CG own expenditure ⁽⁴⁾	526,446	534,255	555,373	557,986	568,958	580,258

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

⁽²⁾ Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail within DEL. The actual expenditure of Network Rail appears in the Department for Transport Resource departmental AME budget. In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. This is included in Capital departmental AME as lending to the private sector.

⁽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, 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Within resource DEL						
Education	9,762	13,212	15,811	18,180	19,517	21,587
Health	96,278	98,936	101,346	102,711	106,765	109,300
Transport	1,369	1,193	806	943	99	1,166
CLG Communities	1,369	922	378	567	472	689
CLG Local Government	122	133	104	-	-	-
Business, Innovation and Skills	16,773	16,137	15,479	14,499	13,436	13,138
Home Office	2,388	2,370	2,098	2,070	2,217	1,721
Justice	8,723	8,589	8,201	7,519	7,160	6,270
Law Officers' Departments	664	611	591	575	547	527
Defence	28,123	28,177	26,449	27,019	26,454	28,187
Foreign and Commonwealth Office	2,097	2,052	1,989	1,998	1,713	1,811
International Development	5,909	6,167	6,105	8,074	7,300	7,405
Energy and Climate Change	1,147	1,147	1,106	1,159	1,377	1,395
Environment, Food and Rural Affairs	2,159	1,860	1,770	1,658	1,561	1,465
Culture, Media and Sport	1,417	1,531	2,083	1,122	1,279	1,140
Work and Pensions	8,285	6,841	6,627	6,523	6,251	5,856
Scotland	16,282	16,195	16,349	17,909	18,482	18,537
Wales	8,158	8,316	7,528	7,693	8,165	8,600
Northern Ireland	9,553	9,390	9,406	9,667	9,565	9,529
Chancellor's Departments	3,745	3,628	3,235	3,152	3,315	3,577
Cabinet Office	2,026	2,047	2,149	2,103	2,373	2,424
Small and Independent Bodies	1,569	1,645	1,406	1,481	1,610	1,620
Total within resource DEL	227,916	231,099	231,016	236,623	239,659	245,943
Within resource departmental AME						
Education	-10,434	11,785	10,722	11,051	13,910	13,073
Health	-10,976	19,582	18,878	18,194	22,240	25,627
Transport	501	876	590	876	476	5,873
CLG Communities	-496	-666	10	-48	175	318
CLG Local Government	-4	-12	6	-	-	-
Business, Innovation and Skills	-804	-1,129	41	-56	-687	187
Home Office	192	-6	21	199	530	210
Justice	246	-45	934	-239	-11	385
Law Officers' Departments	-16	5	5	7	13	7
Defence	-878	8,039	7,360	6,377	8,311	7,076
Foreign and Commonwealth Office	35	61	88	66	80	100
International Development	303	104	191	109	156	316
Energy and Climate Change	5,241	3,742	5,388	4,963	6,254	9,448
Environment, Food and Rural Affairs	-437	-53	85	-94	88	14
Culture, Media and Sport	4,295	3,735	4,690	4,351	4,830	4,724
Work and Pensions	125,225	131,954	137,197	139,370	143,899	146,840
Scotland	3,055	3,073	2,760	2,669	3,838	4,023
Wales	53	57	125	-19	26	226
Northern Ireland	3,178	7,511	7,764	7,463	8,239	8,872
Chancellor's Departments ⁽²⁾	28,670	24,080	24,039	48,868	-6,973	41,310
Cabinet Office	-7,466	8,739	9,431	8,659	10,614	10,057
Small and Independent Bodies	-242	-135	-99	-29	-123	73
Total within resource departmental AME	139,241	221,297	230,227	252,738	215,883	278,758
Within resource other AME						
Locally financed expenditure in Northern Ireland	538	588	621	632	661	650
Net expenditure transfers to the EU	8,414	7,702	9,131	9,716	8,881	9,315
Central government debt interest	46,609	49,704	48,856	48,668	45,422	46,683
Accounting and other adjustments	58,046	-14,827	-9,487	-29,211	17,071	-44,022
Total CG own current expenditure	480,764	495,563	510,364	519,166	527,577	537,327

⁽¹⁾ Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently Central Government own current expenditure includes Network Rail spending in all years shown. However, the actual expenditure of Network Rail appears in the Department for Transport Resource departmental AME budget from 2015-16.

⁽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, 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Within capital DEL						
Education	818	353	2,227	1,369	1,893	1,471
Health	3,977	3,626	3,648	4,419	3,694	4,533
Transport	5,426	4,934	4,812	5,103	6,553	2,782
CLG Communities	4,232	2,329	784	1,991	2,030	2,963
CLG Local Government	1	-	1	-	-	-
Business, Innovation and Skills	1,784	961	1,232	2,256	1,911	3,618
Home Office	425	319	268	247	237	272
Justice	529	344	281	275	290	328
Law Officers' Departments	8	3	2	3	4	5
Defence	9,337	9,020	7,849	7,577	7,842	6,827
Foreign and Commonwealth Office	126	92	31	115	154	97
International Development	1,559	1,646	1,653	1,946	2,350	2,625
Energy and Climate Change	2,018	1,416	1,991	2,140	2,221	2,491
Environment, Food and Rural Affairs	445	318	352	411	453	386
Culture, Media and Sport	751	1,228	-950	-63	139	402
Work and Pensions	366	326	419	233	249	225
Scotland	2,283	1,879	2,174	2,258	2,216	2,027
Wales	963	886	734	759	959	1,009
Northern Ireland	974	766	845	855	1,071	973
Chancellor's Departments	211	257	212	212	267	-576
Cabinet Office	425	403	363	396	426	376
Small and Independent Bodies	78	56	61	74	82	112
Total within capital DEL	36,736	31,162	28,990	32,576	35,041	32,947
Within capital departmental AME						
Health	8	-	-	-70	-5	15
Transport ⁽¹⁾	-	-33	-61	13	6,695	7,187
CLG Communities	-	-	-29	-	-	-
CLG Local Government	-	-	-4	-	-	-
Business, Innovation and Skills	4,419	5,230	6,286	5,438	9,281	11,251
Law Officers' Departments	-	-	-	-	-	-
Defence	-	-10	-35	-129	51	-
International Development	-	-	-6	-	-	-
Energy and Climate Change	-78	-58	-20	-497	-604	-86
Environment, Food and Rural Affairs	1	-	-1	-1	2	1
Culture, Media and Sport	569	415	349	492	596	588
Work and Pensions	132	-12	-17	-134	-124	0
Scotland	151	167	188	336	440	795
Wales	209	244	252	306	357	421
Northern Ireland	396	588	344	425	542	584
Chancellor's Departments ⁽²⁾	-2,675	-4,483	-3,591	-11,725	-12,040	-4,565
Small and Independent Bodies	-	-	-	-	7	320
Total within capital departmental AME	3,132	2,048	3,654	-5,546	5,197	16,512
Within capital other AME						
Accounting and other adjustments	5,814	5,482	12,365	11,790	1,143	-6,528
Total CG own capital expenditure ⁽³⁾	45,682	38,692	45,009	38,820	41,381	42,931

⁽¹⁾ In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014. This is included in Capital departmental AME as lending to the private sector.

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

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

Table 6.4 Central government own expenditure on services by sub-function, 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	8,906	8,484	8,039	8,241	8,461	8,234
1.2 Foreign economic aid	5,669	5,724	5,832	7,891	8,842	8,674
1.3 General services	588	589	478	554	587	543
1.4 Basic research	-	-	-	-	-	-
1.5 R&D general public services	16	10	9	10	11	17
1.6 General public services n.e.c.	441	294	205	158	317	361
1.7 Public sector debt interest	46,609	49,704	48,856	48,668	45,422	46,683
<i>of which: central government debt interest ⁽¹⁾</i>	<i>46,609</i>	<i>49,704</i>	<i>48,856</i>	<i>48,668</i>	<i>45,422</i>	<i>46,683</i>
Total general public services	62,229	64,804	63,420	65,522	63,640	64,511
2. Defence						
2.1 Military defence	32,913	33,129	31,489	32,182	32,884	33,549
2.2 Civil defence	72	52	57	57	68	101
2.3 Foreign military aid	3,572	3,172	2,235	1,344	621	260
2.4 R&D defence	2,386	1,980	2,239	2,528	2,599	2,230
2.5 Defence n.e.c.	196	190	196	186	202	181
Total defence	39,139	38,523	36,216	36,297	36,374	36,321
3. Public order and safety						
3.1 Police services	4,357	4,269	4,017	4,452	4,757	4,327
<i>of which: immigration and citizenship</i>	<i>1,769</i>	<i>1,663</i>	<i>1,529</i>	<i>977</i>	<i>1,197</i>	<i>858</i>
<i>of which: other police services</i>	<i>2,588</i>	<i>2,606</i>	<i>2,488</i>	<i>3,476</i>	<i>3,560</i>	<i>3,470</i>
3.2 Fire-protection services	188	134	98	411	450	452
3.3 Law courts	6,115	6,449	5,906	5,465	5,408	4,284
3.4 Prisons	4,969	4,133	4,326	4,063	3,789	4,030
3.5 R&D public order and safety	10	12	35	34	32	40
3.6 Public order and safety n.e.c.	255	270	461	749	829	730
Total public order and safety	15,894	15,268	14,843	15,174	15,265	13,862
4. Economic affairs						
4.1 General economic, commercial and labour affairs ⁽²⁾	4,997	4,893	4,901	6,179	5,288	3,806
4.2 Agriculture, forestry, fishing and hunting	5,273	5,613	5,121	5,163	4,836	4,915
<i>of which: market support under CAP</i>	<i>3,744</i>	<i>3,932</i>	<i>2,894</i>	<i>2,959</i>	<i>2,756</i>	<i>2,976</i>
<i>of which: other agriculture, food and fisheries policy</i>	<i>1,402</i>	<i>1,553</i>	<i>2,129</i>	<i>2,091</i>	<i>1,956</i>	<i>1,842</i>
<i>of which: forestry</i>	<i>127</i>	<i>128</i>	<i>98</i>	<i>113</i>	<i>124</i>	<i>97</i>
4.3 Fuel and energy	818	527	463	464	445	491
4.4 Mining, manufacturing and construction	-17	-5	-5	2	6	11
4.5 Transport	10,652	9,843	9,842	10,154	10,513	18,435
<i>of which: national roads</i>	<i>3,568</i>	<i>3,089</i>	<i>2,856</i>	<i>3,165</i>	<i>3,659</i>	<i>3,798</i>
<i>of which: local roads</i>	<i>625</i>	<i>440</i>	<i>467</i>	<i>369</i>	<i>349</i>	<i>433</i>
<i>of which: local public transport</i>	<i>768</i>	<i>781</i>	<i>675</i>	<i>587</i>	<i>511</i>	<i>559</i>
<i>of which: railway ⁽³⁾</i>	<i>5,057</i>	<i>4,909</i>	<i>5,003</i>	<i>4,850</i>	<i>4,936</i>	<i>11,819</i>
<i>of which: other transport</i>	<i>634</i>	<i>624</i>	<i>840</i>	<i>1,183</i>	<i>1,059</i>	<i>1,826</i>
4.6 Communication	313	221	521	641	432	-209
4.7 Other industries	350	254	189	156	175	132
4.8 R&D economic affairs	3,406	3,563	3,597	4,438	4,940	6,093
4.9 Economic affairs n.e.c.	855	658	445	504	525	646
Total economic affairs	26,648	25,568	25,075	27,702	27,161	34,319
5. Environment protection						
5.1 Waste management	1,868	1,927	2,248	2,284	2,337	2,193
5.2 Waste water management	12	20	-	-	-	-
5.3 Pollution abatement	383	110	156	146	482	672
5.4 Protection of biodiversity and landscape	519	481	397	437	479	339
5.5 R&D environment protection	430	413	350	387	368	369
5.6 Environment protection n.e.c.	1,575	1,398	1,261	1,460	1,415	1,570
Total environment protection	4,787	4,350	4,412	4,714	5,081	5,142

Table 6.4 Central government own expenditure on services by sub-function, 2010-11 to 2015-16 (continued)

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
6. Housing and community amenities						
6.1 Housing development	3,583	1,908	1,302	1,073	1,243	1,099
<i>of which: local authority housing</i>	-283	-580	114	84	54	139
<i>of which: other social housing</i>	3,865	2,488	1,188	989	1,189	960
6.2 Community development	594	449	286	411	397	292
6.3 Water supply	292	297	283	274	265	267
6.4 Street lighting	21	25	23	24	25	18
6.5 R&D housing and community amenities	4	3	2	3	3	4
6.6 Housing and community amenities n.e.c	219	163	159	165	189	256
Total housing and community amenities	4,713	2,846	2,056	1,951	2,122	1,937
7. Health ⁽⁴⁾						
Medical services	115,074	116,402	118,832	121,289	125,998	128,666
Medical research	1,798	1,343	1,365	906	1,016	1,427
Central and other health services	2,657	3,280	3,891	4,470	4,168	4,592
Total health	119,529	121,026	124,088	126,665	131,181	134,684
8. Recreation, culture and religion						
8.1 Recreational and sporting services	1,188	1,310	1,765	723	592	630
8.2 Cultural services	1,908	1,894	2,025	2,065	2,144	1,915
8.3 Broadcasting and publishing services	4,012	3,680	3,569	3,697	4,226	4,271
8.4 Religious and other community services	63	46	61	64	74	79
8.5 R&D recreation, culture and religion	141	106	126	103	132	101
8.6 Recreation, culture and religion n.e.c	88	92	96	45	66	65
Total recreation, culture and religion	7,402	7,127	7,642	6,698	7,234	7,061
9. Education ⁽⁵⁾						
9.1 Pre-primary and primary education	798	765	795	788	835	769
<i>of which: under fives</i>	147	163	123	97	99	103
<i>of which: primary education</i>	652	602	672	691	736	666
9.2 Secondary education	14,595	17,480	21,105	24,111	24,233	25,734
9.3 Post-secondary non-tertiary education	-	-	-	-	-	-
9.4 Tertiary education ⁽⁶⁾	15,780	13,095	13,516	15,358	10,308	13,002
9.5 Education not definable by level	784	465	446	449	648	863
9.6 Subsidiary services to education	848	731	503	528	562	794
9.7 R&D education	1	9	10	10	9	11
9.8 Education n.e.c	2,807	2,337	1,977	2,128	2,136	2,640
Total education	35,613	34,882	38,352	43,372	38,733	43,812
10. Social protection						
<i>of which: personal social services</i>	1,706	1,839	1,681	1,064	1,113	1,096
10.1 Sickness and disability	32,929	34,943	37,296	37,803	41,039	42,151
<i>of which: personal social services</i>	557	1,026	880	265	279	257
<i>of which: incapacity, disability and injury benefits</i>	32,372	33,916	36,416	37,538	40,760	41,894
10.2 Old age	87,876	93,608	100,840	104,031	107,661	110,033
<i>of which: personal social services</i>	869	429	431	449	467	439
<i>of which: pensions</i>	87,006	93,179	100,410	103,582	107,194	109,594
10.3 Survivors	1,097	1,070	1,076	1,135	1,122	1,131
10.4 Family and children	21,483	20,614	18,810	16,434	15,814	15,777
<i>of which: personal social services</i>	201	306	326	299	323	332
<i>of which: family benefits, income support and tax credits</i>	21,282	20,308	18,484	16,134	15,491	15,444
10.5 Unemployment	5,231	5,633	5,939	4,945	3,473	2,438
<i>of which: personal social services</i>	-	-	-	-	-	-
<i>of which: other unemployment benefits</i>	5,231	5,633	5,939	4,945	3,473	2,438
10.6 Housing	787	729	725	620	619	580
10.7 Social exclusion n.e.c. ⁽⁷⁾	25,567	27,400	29,153	28,850	28,911	29,066
<i>of which: personal social services</i>	79	77	45	50	44	68
<i>of which: family benefits, income support and tax credits</i>	25,488	27,323	29,108	28,800	28,867	28,998
10.8 R&D Social protection	-	-	-	-	-	-
10.9 Social protection n.e.c.	4,150	3,600	3,348	2,495	3,548	4,287
Total social protection	179,119	187,597	197,186	196,314	202,187	205,463

Table 6.4 Central government own expenditure on services by sub-function, 2010-11 to 2015-16 (continued)

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
EU transactions ⁽⁸⁾						
GNI-based contribution (net of abatement and collection costs)	7,669	6,967	8,411	8,982	8,127	8,588
<i>derived as</i>						
<i>EU gross contribution pre-abatement and after deduction of collection costs</i>	15,593	15,700	16,871	18,208	18,272	18,703
<i>Traditional Own Resources (without deduction of collection costs) and VAT contributions</i>	-5,246	-5,216	-5,288	-5,096	-5,334	-5,873
<i>UK abatement</i>	-2,678	-3,516	-3,172	-4,130	-4,811	-4,242
EU receipts	-3,998	-4,771	-4,022	-3,856	-4,404	-4,070
Attributed aid and CFSP	-43	-163	-82	-79	-	-
Total EU transactions	3,628	2,034	4,307	5,047	3,723	4,518
Total central government own expenditure on services	498,701	504,025	517,597	529,455	532,702	551,631
Accounting adjustments	27,745	30,230	37,776	28,531	36,256	28,627
Total central government own expenditure ⁽⁹⁾	526,446	534,255	555,373	557,986	568,958	580,258

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

⁽²⁾ Transactions from 2010-11 onwards have been affected by financial sector interventions. Details are provided in Box 5.A.

⁽³⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The sub-functional analysis only includes Network Rail spending from 2015-16 and is therefore currently only included within 'Total Expenditure on services' for that year.

⁽⁴⁾ The level of detail required for COFOG level 2 is not yet available in England and Wales. Health spending is therefore presented using HM Treasury's own sub-functional classification.

⁽⁵⁾ The 2014-15 decrease in 'Education' and specifically 'tertiary education' is due to a decreased impact of student loan impairments. Earnings forecasts improved during 2014-15 (a reduction of around £1.4bn), and along with further modelling improvements (another reduction of around £1.4bn), the cost of new loans was partially offset by improvements to the value of existing loans. This reduction (£2.8bn), combined with the large increase in 2013-14 (£2.2bn), explains the significant decrease in Education expenditure in 2014-15.

⁽⁶⁾ The significantly higher spending in 'tertiary education' in 2013-14 reflects a higher impairment cost on student loans held on the government balance sheet following improvements to modelling forecasts (an additional impact of around £2.2bn). These changes affected the valuation of both new and existing loans.

⁽⁷⁾ Social exclusion n.e.c. includes Child and Working Tax Credits

⁽⁸⁾ An explanation of why the EU transactions are defined in TES in this way is given in Annex E. Complete transactions with the institutions of the EU are shown in Table C.1.

⁽⁹⁾ This excludes the temporary effects of banks being classified to the public sector. See Box 5.A for details.

Table 6.5 Central government own expenditure on services by economic category, 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Central government current expenditure on services						
Pay	92,222	94,590	97,101	99,776	103,773	109,579
Gross current procurement	121,563	123,713	127,630	130,425	134,315	13,144
Income from sales of goods and services	-17,781	-17,008	-18,406	-19,015	-20,348	-20,327
Current grants to persons and non-profit bodies ⁽¹⁾	199,578	204,530	208,661	208,535	212,340	215,333
Current grants abroad	9,427	7,639	9,952	12,470	10,354	12,343
Subsidies to private sector companies	5,977	6,452	6,364	6,283	6,306	7,559
Subsidies to public corporations	588	362	1,625	1,023	775	860
Net public service pensions	4,627	6,678	8,620	9,081	10,203	9,348
Grant equivalent element of student lending	4,242	2,215	3,809	6,310	2,151	5,779
Central government debt interest	46,609	49,704	48,856	48,668	45,422	46,683
Other	59	82	238	278	197	141
Total central government own current expenditure on services	467,111	478,957	494,450	503,834	505,488	518,442
Accounting adjustments	13,653	16,606	15,914	15,332	22,089	18,885
Total central government own current expenditure	480,764	495,563	510,364	519,166	527,577	537,327
Central government capital expenditure on services						
Capital grants to persons and non-profit bodies	5,385	3,384	1,974	2,167	3,377	4,365
Capital grants to private sector companies ^{(2) (3)}	7,481	6,553	6,024	5,237	6,463	2,445
Capital grants abroad	968	673	643	844	2,195	2,430
Gross capital procurement ⁽³⁾	18,678	15,642	15,643	17,905	17,038	25,405
Income from sales of capital assets	-919	-1,183	-1,139	-532	-1,859	-1,456
Other	-	-	-	-	-	-
Total central government own capital expenditure on services	31,593	25,069	23,145	25,621	27,214	33,189
Accounting adjustments	14,089	13,623	21,864	13,199	14,167	9,742
Total central government own capital expenditure	45,682	38,692	45,009	38,820	41,381	42,931
Total central government own expenditure on services	498,704	504,026	517,595	529,455	532,702	551,631
Accounting adjustments	27,742	30,229	37,778	28,531	36,256	28,627
Total central government own expenditure ⁽⁴⁾	526,446	534,255	555,373	557,986	568,958	580,258

⁽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⁾ Following implementation of ESA10, Network Rail is now classified to Central Government. Consequently from 2015-16 there is no longer a Central Government capital grant to Network Rail within DEL. The actual expenditure of Network Rail appears in the Department for Transport Resource departmental AME budget. In 2014-15 the Government put in place a loan arrangement in advance of Network Rail's formal reclassification to the Public Sector in September 2014.

⁽⁴⁾ 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, 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Central government own current expenditure on services						
1. General public services	61,082	63,844	62,643	64,518	61,066	62,109
<i>of which: public and common services</i>	7,217	6,780	6,380	6,375	6,989	6,841
<i>of which: international services</i>	7,257	7,360	7,407	9,475	8,655	8,585
<i>of which: public sector debt interest</i>	46,609	49,704	48,856	48,668	45,422	46,683
2. Defence	34,919	35,003	32,846	33,107	33,204	32,087
3. Public order and safety	14,726	14,410	14,120	14,462	14,581	13,047
4. Economic affairs	17,680	17,546	17,635	19,158	17,549	21,262
<i>of which: enterprise and economic development ⁽¹⁾</i>	1,151	2,143	3,026	3,434	2,947	2,180
<i>of which: science and technology</i>	2,885	2,957	3,106	3,324	3,756	4,836
<i>of which: employment policies</i>	4,603	3,170	2,803	3,584	3,123	2,312
<i>of which: agriculture, fisheries and forestry</i>	5,072	5,445	4,908	4,887	4,546	4,691
<i>of which: transport ⁽²⁾</i>	3,969	3,831	3,793	3,929	3,176	7,243
5. Environment protection	2,506	2,563	2,059	2,201	2,357	2,199
6. Housing and community amenities	437	169	678	642	632	851
7. Health	114,205	116,819	119,338	120,973	126,629	129,459
8. Recreation, culture and religion	6,195	5,822	6,960	6,009	6,451	6,002
9. Education ⁽³⁾	33,331	33,523	36,932	40,732	36,768	41,611
10. Social protection	178,400	187,224	196,932	196,987	202,527	205,296
EU transactions	3,628	2,034	4,307	5,047	3,723	4,518
Total central government own current expenditure on services	467,109	478,956	494,451	503,835	505,488	518,442
Accounting adjustments	13,655	16,607	15,913	15,331	22,089	18,885
Total central government own current expenditure	480,764	495,563	510,364	519,166	527,577	537,327
Central government own capital expenditure on services						
1. General public services	1,147	960	776	1,004	2,574	2,402
<i>of which: public and common services</i>	418	382	257	400	456	347
<i>of which: international services</i>	729	578	519	604	2,118	2,056
2. Defence	4,220	3,520	3,370	3,191	3,170	4,233
3. Public order and safety	1,168	858	723	712	684	815
4. Economic affairs	8,968	8,022	7,439	8,544	9,612	13,057
<i>of which: enterprise and economic development ⁽¹⁾</i>	1,471	1,152	608	852	771	337
<i>of which: science and technology</i>	521	607	492	1,114	1,184	1,257
<i>of which: employment policies</i>	92	83	77	76	31	48
<i>of which: agriculture, fisheries and forestry</i>	201	169	213	276	289	224
<i>of which: transport ⁽²⁾</i>	6,683	6,012	6,049	6,225	7,337	11,192
5. Environment protection	2,281	1,787	2,354	2,514	2,723	2,943
6. Housing and community amenities	4,276	2,677	1,378	1,308	1,490	1,086
7. Health	5,324	4,207	4,750	5,692	4,552	5,226
8. Recreation, culture and religion	1,206	1,305	682	689	783	1,059
9. Education	2,282	1,359	1,420	2,640	1,965	2,201
10. Social protection	719	373	254	-673	-341	167
Total central government own capital expenditure on services	31,592	25,068	23,146	25,621	27,214	33,189
Accounting adjustments	14,090	13,624	21,863	13,199	14,167	9,742
Total central government own capital expenditure ⁽⁴⁾	45,682	38,692	45,009	38,820	41,381	42,931

⁽¹⁾ Transactions from 2010-11 onwards have been affected by financial sector interventions. See Box 5.A for details.

⁽²⁾ Following implementation of ESA2010, Network Rail is now classified to Central Government. Consequently Total Managed Expenditure (TME) includes Network Rail spending in all years shown however the actual expenditure of Network Rail only appears in the Department for Transport budget from 2015-16. The functional analysis only includes Network Rail spending from 2015-16 and is therefore currently only included within 'Total Expenditure on services' for that year.

⁽³⁾ The 2014-15 decrease in 'Current Education' is due to a decreased impact of student loan impairments. Earnings forecasts improved during 2014-15 (a reduction of around £1.4bn), and along with further modelling improvements (another reduction of around £1.4bn), the cost of new loans was partially offset by improvements to the value of existing loans. This reduction (£2.8bn), combined with the large increase in 2013-14 (£2.2bn), explains the significant decrease in Current Education expenditure in 2014-15.

⁽⁴⁾ 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 2014-15) are covered by National Statistics protocols.

7.3 Central government support data for all years up to 2014-15 are final outturn figures and data from 2015-16 onwards are latest plans.

7.4 Local government spending data for all years up to 2013-14 are final outturn. Data for 2014-15 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 2014.

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 (DCLG) 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 read across 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 DCLG 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 – DCLG 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, 2010-11 to 2015-16

	National Statistics						£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans	
Current finance in DEL							
England ⁽¹⁾	83,182	76,800	71,656	66,239	63,562	57,261	
Scotland ⁽²⁾	9,070	8,764	8,757	7,691	7,306	7,096	
Wales	5,530	5,194	5,744	6,040	5,608	4,328	
Northern Ireland	53	54	59	58	138	52	
Total current finance in DEL	97,835	90,812	86,216	80,028	76,614	68,737	
Capital support in DEL							
England	11,222	9,621	8,421	8,009	8,833	9,378	
Scotland ⁽²⁾	866	769	607	565	829	891	
Wales	790	515	637	569	535	614	
Northern Ireland	16	3	3	2	6	3	
Total capital support in DEL	12,894	10,908	9,668	9,145	10,203	10,886	
Total central government support in DEL ⁽³⁾	110,729	101,720	95,884	89,173	86,817	79,623	
Current finance in departmental AME							
England ⁽¹⁾	24,993	26,150	26,770	33,826	35,114	34,794	
Scotland	1,997	2,061	2,121	1,724	1,750	1,294	
Wales	1,117	1,202	1,231	1,003	1,025	1,957	
Northern Ireland	-	-	-	-	-	-	
Total current finance in departmental AME	28,107	29,413	30,122	36,553	37,889	38,045	
Capital support in departmental AME							
England	993	290	133	132	207	201	
Scotland	-	-	-	-	-	-5	
Wales	-	-	-	-	-	-	
Northern Ireland	-	-	-	-	-	-	
Total capital support in departmental AME	993	290	133	132	207	196	
Total central government support in departmental AME ⁽⁴⁾	29,100	29,703	30,255	36,685	38,096	38,241	
Locally financed expenditure							
Local authority self-financed expenditure ⁽⁵⁾	25,699	34,711	26,680	27,014	30,928	30,419	
Locally financed support in Scotland ⁽⁶⁾	2,068	2,182	2,263	2,435	2,650	2,800	
Total locally financed expenditure	27,767	36,893	28,943	29,449	33,578	33,219	
Total financing of local government expenditure	167,596	168,316	155,082	155,307	158,491	151,083	
Accounting and other adjustments	11,297	5,369	14,867	14,234	12,190	15,763	
Total local government expenditure	178,893	173,685	169,949	169,541	170,681	166,846	

⁽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, 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
England						
Education ⁽¹⁾						
Schools Grant	36,820	33,905	30,824	29,167	28,254	27,183
School standards grant	1,571	-	-	-	-	-
Sure Start	-	206	448	-	-	-
Early Intervention grant	-	556	989	1,365	1,768	1,843
Pupil Premium	2,184	1,585	1,136	849	810	776
Maintained sixth forms grant	-	600	670	715	744	749
Private finance initiative grant	-	1	37	907	1,192	1,200
Other	12	57	62	-281	244	168
Total Education	40,587	36,910	34,166	32,722	33,012	31,919
Health						
Health	185	116	88	-	-	-
Social Care	1,265	-	-	42	80	-
Public Health ⁽²⁾	-	-	-	2,662	2,572	2,639
Other	4	20	5	9	20	-
Total Health	1,454	136	93	2,713	2,672	2,639
Transport						
GLA transport	2,774	2,804	2,835	1,988	1,777	629
Strategic rail authority	206	214	164	182	52	1
Other	834	476	516	677	627	663
Total Transport	3,814	3,494	3,515	2,847	2,456	1,293
CLG Communities						
Local Services Support Grant	2,166	191	110	-	-	-
New Homes Bonus	-	234	397	668	917	1,168
Fire Superannuation	384	316	399	395	448	493
Other	267	573	573	817	749	620
Total CLG Communities	2,817	1,314	1,479	1,880	2,114	2,281
CLG Local Government						
Non-domestic rate payments/Revenue Support Grant ⁽³⁾	24,373	24,566	23,133	26,314	23,980	20,933
PFI special grant	908	27	29	26	27	28
Other	109	1,406	61	1,264	1,830	1,253
Total CLG Local Government	25,390	25,999	23,223	27,604	25,837	22,214
Business, Innovation and Skills						
RDA development fund	257	96	-	-	-	-
Other	-	2	-	376	357	-
Total Business, Innovation and Skills	257	98	0	376	357	0
Home Office						
Police	10,114	10,179	9,995	9,862	10,242	10,050
Area Based Grants	71	67	29	-	-	-
Other	169	107	260	87	87	7
Total Home Office	10,354	10,353	10,284	9,949	10,329	10,057
Environment, Food and Rural Affairs						
Environment, Food and Rural Affairs	50	147	98	92	139	120
Total Environment, Food and Rural Affairs	50	147	98	92	139	120

Table 7.2 Central government current grants for local government in the United Kingdom by departmental group, 2010-11 to 2015-16 (continued)

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Work and Pensions ⁽³⁾						
Housing benefits	18,510	19,758	20,710	20,992	20,989	21,044
Area Based Grants	44	-	-	-	-	-
Other	4,763	4,711	4,812	847	676	421
Total Work and Pensions	23,317	24,469	25,522	21,839	21,665	21,465
Other government departments	135	30	46	43	96	67
Total England	108,175	102,950	98,426	100,065	98,677	92,055
Scotland ⁽⁴⁾						
Work and Pensions						
Housing benefits	1,621	1,686	1,748	1,724	1,750	1,740
Other	429	427	419	41	30	-
Total Work and Pensions	2,050	2,113	2,167	1,765	1,780	1,740
Scottish Government						
Revenue Support Grant ⁽³⁾	8,395	8,110	8,114	7,529	7,165	7,004
Non-domestic rate income ⁽⁵⁾	2,068	2,182	2,263	2,435	2,650	2,800
Police	496	480	479	-	-	-
Other	126	122	117	121	110	91
Total Scottish Government	11,085	10,894	10,973	10,085	9,925	9,895
Other government departments	-	-	-	-	-446	-
Total Scotland	13,135	13,007	13,140	11,850	11,259	11,635
Wales						
Home Office						
Police	278	250	-	-	-	13
Other	-	1	-	-	-	16
Total Home Office	278	251	0	0	0	29
Work and Pensions						
Housing benefits	884	944	976	984	1,003	1,001
Other	261	269	264	23	16	-
Total Work and Pensions	1,145	1,213	1,240	1,007	1,019	1,001
Welsh Assembly Government						
Non-domestic rate payments/Revenue Support Grant ⁽³⁾	4,267	4,150	4,477	4,681	4,439	4,291
Other	957	781	1,258	1,355	1,175	964
Total Welsh Assembly Government	5,224	4,931	5,735	6,036	5,614	5,255
Other government departments	-	1	1	-	-	-1
Total Wales	6,647	6,396	6,976	7,043	6,633	6,284
Northern Ireland						
Northern Ireland Executive	53	54	59	58	138	52
Total Northern Ireland	53	54	59	58	138	52
Total current finance	128,010	122,407	118,601	119,016	116,707	110,026

⁽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, 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
England						
Supported Capital Expenditure (Revenue) ⁽¹⁾						
Education	539	-	-	-	-	-
Transport	975	-	-	-	-	-
CLG Communities	946	-	-	-	-	-
Home Office	73	-	-	-	-	-
Total Supported Capital Expenditure (Revenue)	2,532	0	0	0	0	0
Capital grants						
Education	5,771	4,690	2,033	2,235	2,575	3,229
Health	182	155	128	247	227	292
Transport	1,139	2,789	3,044	3,373	3,188	3,231
CLG Communities	2,121	1,630	1,733	1,817	2,476	2,581
CLG Local Government	-68	-8	-	-	-	-
Business, Innovation and Skills	243	187	1	1	1	-
Home Office	206	169	174	150	174	26
Justice	1	-	-	-	-	-
Energy and Climate Change	-4	38	48	76	21	29
Environment, Food and Rural Affairs	105	49	48	54	164	107
Culture, Media and Sport	-21	213	1,345	183	211	84
Work and Pensions	-	-	-	-	-	-
Cabinet Office	7	-	-	5	3	-
Total capital grants	9,683	9,912	8,553	8,141	9,039	9,579
Total England	12,215	9,912	8,553	8,141	9,039	9,579
Scotland						
Supported borrowing						
Scottish Government	330	20	16	-	-	-
Total supported borrowing	330	20	16	0	0	0
Capital grants						
Scottish Government	536	749	591	565	829	887
Total capital grants	536	749	591	565	829	887
Total Scotland	866	769	607	565	829	887
Wales						
Supported Capital Expenditure (Revenue)						
Welsh Assembly Government	163	120	107	89	89	89
Total Supported Capital Expenditure (Revenue)	163	120	107	89	89	89
Capital grants						
Home Office	7	5	-	-	-	108
Welsh Assembly Government	619	390	529	480	446	417
Total capital grants	626	395	529	480	446	525
Total Wales	790	515	637	569	535	614
Northern Ireland capital grants						
Northern Ireland Executive	16	3	3	2	6	3
Total Northern Ireland	16	3	3	2	6	3
Total United Kingdom	13,887	11,199	9,800	9,277	10,409	11,083

⁽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, 2010-11 to 2014-15

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	
Current						
1. General public services	4,509	4,268	4,286	4,184	4,271	
<i>of which: public and common services</i>	3,909	3,685	3,726	3,601	3,554	
<i>of which: public sector debt interest ⁽¹⁾</i>	600	583	560	583	717	
2. Defence	62	53	53	55	51	
3. Public order and safety ⁽²⁾	16,298	16,104	15,761	13,855	14,102	
4. Economic affairs	6,575	5,730	5,029	4,880	4,718	
<i>of which: enterprise and economic development</i>	1,640	1,112	906	912	923	
<i>of which: agriculture, fisheries and forestry</i>	74	74	78	86	93	
<i>of which: transport</i>	4,861	4,544	4,045	3,882	3,702	
5. Environment protection	5,639	5,649	5,657	5,678	5,843	
6. Housing and community amenities	2,782	2,564	2,497	2,393	2,429	
7. Health	232	168	139	2,560	2,892	
8. Recreation, culture and religion	4,189	3,983	3,898	3,770	3,453	
9. Education	49,016	45,585	43,422	41,219	41,240	
10. Social protection	50,980	52,450	53,329	54,285	55,104	
Total local government current expenditure on services	140,282	136,553	134,070	132,879	134,104	
Accounting adjustments	20,306	18,152	18,035	20,268	19,580	
Total local government current expenditure	160,588	154,705	152,105	153,147	153,684	
Capital						
1. General public services	1,028	907	965	951	815	
<i>of which: public and common services</i>	1,028	907	965	951	815	
3. Public order and safety ⁽²⁾	828	665	639	512	529	
4. Economic affairs	4,820	4,399	3,876	4,462	4,789	
<i>of which: enterprise and economic development</i>	340	240	82	292	60	
<i>of which: employment policies</i>	-	-	-	-	-	
<i>of which: agriculture, fisheries and forestry</i>	121	97	82	126	185	
<i>of which: transport</i>	4,359	4,062	3,712	4,044	4,544	
5. Environment protection	503	463	534	619	802	
6. Housing and community amenities	1,459	1,321	2,166	2,189	2,557	
7. Health	38	31	27	6	34	
8. Recreation, culture and religion	1,353	1,393	1,188	980	1,187	
9. Education	6,866	6,430	5,212	4,598	4,289	
10. Social protection	298	222	195	270	271	
Total local government capital expenditure on services	17,193	15,830	14,802	14,587	15,274	
Accounting adjustments	1,112	3,150	3,042	1,807	1,723	
Total local government capital expenditure	18,305	18,980	17,844	16,394	16,997	
Total local government expenditure	178,893	173,685	169,949	169,541	170,681	

⁽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, 2010-11 to 2014-15

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	
England						
1. General public services	3,195	2,856	2,948	2,690	2,947	
<i>of which: public and common services</i>	3,195	2,856	2,948	2,690	2,947	
2. Defence	54	45	45	47	44	
3. Public order and safety	14,187	13,849	13,527	13,085	13,323	
4. Economic affairs	5,443	4,571	3,831	3,714	3,665	
<i>of which: enterprise and economic development</i>	1,275	748	556	544	527	
<i>of which: agriculture, fisheries and forestry</i>	61	61	65	69	74	
<i>of which: transport</i>	4,107	3,762	3,210	3,101	3,064	
5. Environment protection	4,486	4,488	4,475	4,477	4,630	
6. Housing and community amenities	2,461	2,189	2,108	2,003	1,986	
7. Health ⁽¹⁾	180	116	89	2,508	2,849	
8. Recreation, culture and religion	3,096	2,856	2,772	2,670	2,440	
9. Education	41,756	38,409	36,191	33,979	33,935	
10. Social protection	43,695	44,938	45,559	46,309	47,114	
Total England	118,552	114,318	111,545	111,482	112,934	
Scotland						
1. General public services	552	663	597	728	400	
<i>of which: public and common services</i>	552	663	597	728	400	
2. Defence	5	4	4	5	3	
3. Public order and safety ⁽²⁾	1,318	1,474	1,458	-	-	
4. Economic affairs	762	815	873	846	757	
<i>of which: enterprise and economic development</i>	231	237	238	251	301	
<i>of which: agriculture, fisheries and forestry</i>	7	7	7	10	12	
<i>of which: transport</i>	524	571	628	585	444	
5. Environment protection	629	639	641	661	660	
6. Housing and community amenities	161	101	134	125	164	
8. Recreation, culture and religion	591	640	633	617	592	
9. Education	4,674	4,578	4,600	4,618	4,675	
10. Social protection	4,766	4,863	5,020	5,080	5,136	
Total Scotland	13,458	13,780	13,960	12,679	12,386	
Wales						
1. General public services	162	167	180	182	207	
<i>of which: public and common services</i>	162	167	180	182	207	
2. Defence	4	3	4	4	4	
3. Public order and safety	792	780	776	770	779	
4. Economic affairs	350	322	301	300	274	
<i>of which: enterprise and economic development</i>	114	106	88	97	74	
<i>of which: agriculture, fisheries and forestry</i>	6	5	6	7	7	
<i>of which: transport</i>	230	211	207	196	193	
5. Environment protection	351	347	363	360	375	
6. Housing and community amenities	174	167	164	168	144	
8. Recreation, culture and religion	285	282	278	262	237	
9. Education	2,586	2,598	2,631	2,623	2,630	
10. Social protection	2,519	2,649	2,750	2,896	2,854	
Total Wales	7,223	7,315	7,447	7,564	7,504	
Total Great Britain	139,233	135,413	132,952	131,725	132,824	
Northern Ireland						
4. Economic affairs	20	20	23	21	21	
<i>of which: enterprise and economic development</i>	20	20	23	21	21	
5. Environment protection	173	175	178	180	178	
6. Housing and community amenities	-13	106	91	98	135	
7. Health	52	52	50	52	43	
8. Recreation, culture and religion	218	204	215	221	184	
Total Northern Ireland	449	558	557	571	562	
Debt interest ⁽³⁾	600	583	560	583	717	
Total local government current expenditure on services	140,282	136,554	134,069	132,879	134,103	
Accounting adjustments	20,306	18,151	18,036	20,268	19,581	
Total local government current expenditure	160,588	154,705	152,105	153,147	153,684	

⁽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, 2010-11 to 2014-15

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	
England						
1. General public services	1,091	1,111	1,191	1,246	1,295	
<i>of which: public and common services</i>	<i>1,091</i>	<i>1,111</i>	<i>1,191</i>	<i>1,246</i>	<i>1,295</i>	
3. Public order and safety	797	675	673	660	730	
4. Economic affairs	4,174	3,855	3,266	4,010	4,175	
<i>of which: enterprise and economic development</i>	<i>301</i>	<i>359</i>	<i>183</i>	<i>447</i>	<i>185</i>	
<i>of which: employment policies</i>	-	-	-	-	-	
<i>of which: agriculture, fisheries and forestry</i>	<i>70</i>	<i>73</i>	<i>50</i>	<i>87</i>	<i>117</i>	
<i>of which: transport</i>	<i>3,803</i>	<i>3,423</i>	<i>3,033</i>	<i>3,476</i>	<i>3,873</i>	
5. Environment protection	427	395	432	474	634	
6. Housing and community amenities	1,532	1,224	2,048	2,030	2,388	
7. Health	38	29	25	4	24	
8. Recreation, culture and religion	1,139	1,097	874	817	869	
9. Education	6,370	5,693	4,703	3,913	3,509	
10. Social protection	274	223	182	229	224	
Total England	15,842	14,304	13,394	13,385	13,850	
Scotland						
1. General public services	169	141	124	171	198	
<i>of which: public and common services</i>	<i>169</i>	<i>141</i>	<i>124</i>	<i>171</i>	<i>198</i>	
3. Public order and safety ⁽²⁾	56	74	67	-	-	
4. Economic affairs	536	616	646	575	662	
<i>of which: enterprise and economic development</i>	<i>92</i>	<i>97</i>	<i>93</i>	<i>66</i>	<i>76</i>	
<i>of which: agriculture, fisheries and forestry</i>	<i>51</i>	<i>52</i>	<i>57</i>	<i>69</i>	<i>79</i>	
<i>of which: transport</i>	<i>393</i>	<i>467</i>	<i>496</i>	<i>440</i>	<i>507</i>	
5. Environment protection	57	53	72	126	145	
6. Housing and community amenities	56	36	43	50	58	
8. Recreation, culture and religion	201	252	264	152	175	
9. Education	410	585	513	517	596	
10. Social protection	50	46	73	80	92	
Total Scotland	1,534	1,805	1,801	1,672	1,927	
Wales						
1. General public services	55	47	68	50	36	
<i>of which: public and common services</i>	<i>55</i>	<i>47</i>	<i>68</i>	<i>50</i>	<i>36</i>	
3. Public order and safety	53	38	34	54	66	
4. Economic affairs	255	236	247	198	241	
<i>of which: enterprise and economic development</i>	<i>29</i>	<i>18</i>	<i>15</i>	<i>22</i>	<i>23</i>	
<i>of which: agriculture, fisheries and forestry</i>	<i>20</i>	<i>18</i>	<i>10</i>	<i>14</i>	<i>18</i>	
<i>of which: transport</i>	<i>206</i>	<i>200</i>	<i>222</i>	<i>162</i>	<i>200</i>	
5. Environment protection	31	28	36	24	17	
6. Housing and community amenities	164	185	192	201	248	
8. Recreation, culture and religion	50	63	72	53	66	
9. Education	232	259	267	274	319	
10. Social protection	22	19	23	18	10	
Total Wales	863	875	940	872	1,002	
Total Great Britain	18,239	16,984	16,135	15,929	16,779	
Northern Ireland						
4. Economic affairs	1	1	2	1	44	
<i>of which: enterprise and economic development</i>	<i>1</i>	<i>1</i>	<i>2</i>	<i>1</i>	<i>44</i>	
5. Environment protection	10	9	13	9	20	
6. Housing and community amenities	15	25	22	21	49	
7. Health	1	2	4	3	10	
8. Recreation, culture and religion	44	53	59	57	161	
Total Northern Ireland	71	89	99	91	285	
Total United Kingdom	18,310	17,073	16,234	16,020	17,064	
Memorandum						
United Kingdom gross capital expenditure, from above	18,310	17,073	16,234	16,020	17,064	
United Kingdom capital receipts (see table 7.7)	-1,116	-1,244	-1,431	-1,432	-1,790	
Total local government net capital expenditure on services	17,194	15,829	14,803	14,588	15,274	
Accounting adjustments	1,111	3,151	3,041	1,806	1,723	
Total local government net capital expenditure	18,305	18,980	17,844	16,394	16,997	

⁽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, 2010-11 to 2014-15

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	
England						
1. General public services	251	365	380	477	659	
<i>of which: public and common services</i>	251	365	380	477	659	
3. Public order and safety	72	116	126	199	262	
4. Economic affairs	120	285	261	256	225	
<i>of which: enterprise and economic development</i>	60	216	189	179	163	
<i>of which: employment policies</i>	-	-	-	-	-	
<i>of which: agriculture, fisheries and forestry</i>	20	47	36	44	29	
<i>of which: transport</i>	40	22	36	33	33	
5. Environment protection	17	19	16	12	8	
6. Housing and community amenities	282	130	124	97	140	
8. Recreation, culture and religion	51	54	60	70	21	
9. Education	112	81	265	89	91	
10. Social protection	44	62	76	53	52	
Total England	949	1,111	1,307	1,252	1,457	
Scotland						
1. General public services	19	16	24	28	32	
<i>of which: public and common services</i>	19	16	24	28	32	
3. Public order and safety	4	5	7	-	-	
4. Economic affairs	20	15	16	59	68	
<i>of which: enterprise and economic development</i>	18	9	13	57	66	
<i>of which: agriculture, fisheries and forestry</i>	-	-	-	-	-	
<i>of which: transport</i>	2	6	3	2	2	
5. Environment protection	1	1	-	1	2	
6. Housing and community amenities	-	6	2	1	1	
8. Recreation, culture and religion	12	1	1	4	4	
9. Education	19	20	6	14	16	
10. Social protection	2	3	3	3	3	
Total Scotland	76	66	59	110	126	
Wales						
1. General public services	17	12	14	12	22	
<i>of which: public and common services</i>	17	12	14	12	22	
3. Public order and safety	3	1	2	2	5	
4. Economic affairs	4	9	6	8	14	
<i>of which: enterprise and economic development</i>	4	9	6	7	12	
<i>of which: agriculture, fisheries and forestry</i>	-	-	-	-	-	
<i>of which: transport</i>	-	-	-	1	2	
5. Environment protection	-	-	-	-	-	
6. Housing and community amenities	8	10	4	12	21	
8. Recreation, culture and religion	1	1	1	-	1	
9. Education	15	7	1	5	28	
10. Social protection	2	1	3	-	-	
Total Wales	50	42	32	40	92	
Total Great Britain	1,075	1,219	1,398	1,402	1,675	
Northern Ireland						
4. Economic affairs	1	2	2	1	28	
<i>of which: enterprise and economic development</i>	1	2	2	1	28	
5. Environment protection	4	2	2	1	4	
6. Housing and community amenities	18	5	7	3	23	
7. Health	2	-	1	-	-	
8. Recreation, culture and religion	17	16	20	25	58	
Total Northern Ireland	41	25	33	30	114	
Total United Kingdom capital receipts	1,116	1,244	1,431	1,432	1,790	

Table 7.8 Local government expenditure on services in the United Kingdom by country and economic category, 2010-11 to 2014-15

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 plans	
England						
Pay	65,214	60,118	55,861	54,673	55,542	
Gross current procurement	56,491	54,970	55,070	56,143	57,099	
Income from sales of goods and services	-25,635	-24,466	-24,258	-24,335	-24,810	
Subsidies to private sector companies	1,963	1,794	1,438	1,477	1,539	
Subsidies to public corporations	15	14	15	15	16	
Current grants to persons and non-profit bodies	20,504	21,888	23,420	23,508	23,549	
Gross capital procurement	14,440	13,137	11,263	11,374	12,085	
Income from sales of capital assets	-949	-1,111	-1,307	-1,252	-1,457	
Capital grants	1,403	1,167	2,130	2,011	1,765	
Total England	133,445	127,511	123,632	123,615	125,327	
Scotland						
Pay	7,543	7,134	7,180	5,994	5,810	
Gross current procurement	6,597	6,824	6,851	6,689	6,587	
Income from sales of goods and services	-2,445	-2,005	-1,965	-1,877	-1,873	
Subsidies to public corporations	102	100	107	102	85	
Current grants to persons and non-profit bodies	1,661	1,728	1,789	1,770	1,776	
Gross capital procurement	1,493	1,775	1,777	1,642	1,892	
Income from sales of capital assets	-76	-66	-59	-110	-126	
Capital grants	41	30	24	30	35	
Total Scotland	14,915	15,519	15,702	14,241	14,187	
Wales						
Pay	4,084	4,029	4,012	4,355	4,345	
Gross current procurement	3,602	3,671	3,795	3,555	3,482	
Income from sales of goods and services	-1,355	-1,340	-1,352	-1,350	-1,333	
Current grants to persons and non-profit bodies	893	956	991	1,004	1,011	
Gross capital procurement	764	784	849	778	889	
Income from sales of capital assets	-50	-42	-32	-40	-92	
Capital grants	98	91	91	94	113	
Total Wales	8,036	8,148	8,355	8,395	8,414	
Great Britain						
Pay	76,840	71,280	67,053	65,022	65,696	
Gross current procurement	66,690	65,464	65,716	66,388	67,168	
Income from sales of goods and services	-29,435	-27,811	-27,575	-27,562	-28,016	
Subsidies to private sector companies	1,963	1,794	1,438	1,477	1,539	
Subsidies to public corporations	117	114	121	117	101	
Current grants to persons and non-profit bodies	23,057	24,571	26,200	26,282	26,336	
Gross capital procurement	16,697	15,696	13,889	13,793	14,866	
Income from sales of capital assets	-1,076	-1,218	-1,398	-1,402	-1,676	
Capital grants	1,542	1,288	2,245	2,135	1,913	
Total Great Britain	156,396	151,178	147,689	146,251	147,928	
Northern Ireland						
Pay	286	292	291	302	317	
Gross current procurement	411	410	444	466	415	
Income from sales of goods and services	-248	-144	-177	-197	-170	
Gross capital procurement	71	89	99	91	285	
Income from sales of capital assets	-41	-25	-33	-30	-114	
Total Northern Ireland	480	622	624	632	732	
United Kingdom						
Pay	77,126	71,572	67,344	65,324	66,013	
Gross current procurement	67,102	65,874	66,160	66,854	67,583	
Income from sales of goods and services	-29,683	-27,956	-27,752	-27,759	-28,186	
Subsidies to private sector companies	1,963	1,794	1,438	1,477	1,539	
Subsidies to public corporations	117	114	121	117	101	
Current grants to persons and non-profit bodies	23,057	24,571	26,200	26,282	26,336	
Local government debt interest ⁽¹⁾	600	583	560	583	717	
Gross capital procurement	16,768	15,785	13,988	13,884	15,151	
Income from sales of capital assets	-1,116	-1,244	-1,431	-1,432	-1,790	
Capital grants	1,542	1,288	2,245	2,135	1,913	
Total local government expenditure on services	157,476	152,381	148,873	147,465	149,377	
Accounting adjustments	21,417	21,304	21,076	22,076	21,304	
Total local government expenditure	178,893	173,685	169,949	169,541	170,681	

⁽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 8.2 Outturn data in this chapter up to 2014-15 are National Statistics.

What's new

8.3 There have been no significant changes to the presentation of data within this chapter since PESA 2014.

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' own financed capital expenditure line in other AME. They are also included in the bottom line of **Tables 8.1, 8.3, 8.4 and 8.5**, which show the total contribution of all public corporations' own expenditure to Total Managed Expenditure (TME).

8.14 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' own financed capital expenditure (PCOFCE).

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.

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

The National Accounts

8.16 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.

8.17 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.

8.18 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.

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

8.20 **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.

8.21 **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

8.22 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.

8.23 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

8.24 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⁾, 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Resource DEL						
CG dividends from PCs (-)	-89	-94	-78	-93	90	-152
CG interest from PCs (-)	-101	-102	-103	-103	-104	-107
Subsidies to PCs	1,247	1,138	1,707	1,093	846	857
Loans written off - mutual consent	-	-	-	-	-	-
Total resource DEL	1,056	942	1,527	897	832	598
Resource departmental AME						
CG dividends from PCs (-)	-88	-66	-160	-132	-89	-234
CG interest from PCs (-)	-18	-15	-100	-63	-7	-5
Subsidies to PCs	-658	-776	-83	-70	-70	2
Loans written off - mutual consent	-	-	-	-	-	-
Total resource departmental AME	-765	-857	-342	-265	-167	-236
Total public corporations' contribution to resource budget	291	85	1,185	632	666	363
Capital DEL						
CG investment grants to PCs	391	330	289	316	262	334
Net lending to PCs	-199	-44	31	-367	-511	-89
Market and overseas borrowing	-5	-18	-16	-5	-9	-
Total capital DEL	187	268	304	-56	-258	244
Capital departmental AME						
CG investment grants to PCs	-	-	-	-	-	-
Net lending to PCs	-361	187	-198	-797	263	-17
Total capital departmental AME	-361	187	-198	-797	263	-17
Total public corporations' contribution to capital budget	-173	455	106	-853	4	228
Other AME						
PC own-financed capital expenditure ⁽²⁾	9,157	6,640	7,197	7,983	8,506	7,272
Accounting adjustments	204	185	-935	-399	-916	-216
Public corporations' expenditure in TME ⁽³⁾	9,479	7,365	7,553	7,363	8,260	7,647
<i>of which:</i>						
PC current expenditure in TME	656	483	292	289	256	-218
PC gross investment in TME	9,428	8,996	7,073	7,264	7,107	8,478

⁽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⁾ 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Resource DEL						
Health	-2	10	70	92	98	66
Transport	50	-1	12	6	25	-18
Communities and Local Government	20	24	-3	-2	-2	-2
Business, Innovation and Skills	230	153	314	310	192	140
Home Office	-	-	-	-	-1	-
Defence	-33	-35	-34	-51	128	-46
Foreign and Commonwealth Office	187	179	166	157	150	147
Environment, Food and Rural Affairs	37	36	32	19	8	11
Culture, Media and Sport	83	75	523	9	-	-
Work and Pensions	174	206	141	120	111	61
Scotland	12	21	48	31	41	33
Wales	-	-	-	-1	-	0
Northern Ireland	299	275	260	210	81	216
Cabinet Office	-2	-2	-3	-3	-2	-10
Total resource DEL	1,056	942	1,527	897	832	598
Resource departmental AME						
Communities and Local Government	-582	-704	-13	-	-	-
Business, Innovation and Skills	-23	-29	-133	-46	-1	-94
Culture, Media and Sport	-	-	-58	-55	-37	-86
Wales	-79	-74	-72	-73	-73	-
Chancellor's Departments	-67	-40	-59	-84	-53	-54
Small and Independent Bodies	-14	-10	-7	-7	-4	-2
Total resource departmental AME	-765	-857	-342	-265	-167	-236
Total public corporations' contribution to resource budget	291	85	1,185	632	666	363
Capital DEL						
Health	-	-10	7	-313	-57	-190
Transport	-242	-37	-28	-16	-378	-26
Communities and Local Government	3	14	-11	-	14	17
Business, Innovation and Skills	76	5	6	128	99	165
Home Office	29	-	-	-	-	-
Defence	-72	-5	-6	-6	-57	-4
Foreign and Commonwealth Office	30	23	6	5	5	5
Environment, Food and Rural Affairs	18	18	14	17	19	-
Culture, Media and Sport	-	-47	47	-	-	-
Work and Pensions	2	1	-	-	-	-
Scotland	135	84	158	57	99	155
Wales	5	-11	-9	-3	7	-
Northern Ireland	203	231	121	74	-8	124
Total capital DEL	187	268	304	-56	-258	244
Capital departmental AME						
Business, Innovation and Skills	-261	239	-157	-764	292	-
Small and Independent Bodies	-100	-52	-40	-34	-29	-17
Total capital departmental AME	-361	187	-198	-797	263	-17
Total public corporations' contribution to capital budget	-173	455	106	-853	4	228
Total public corporations' contribution to budgets	118	540	1,291	-221	670	590

⁽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, 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Health						
Medicines and Healthcare Products Regulatory Agency ⁽¹⁾	18	3	5	-	#	#
NHS Estates ⁽¹⁾	8	7	-	-	#	#
NHS Blood and Transplant	-	-	-	-	#	#
Total Health	27	11	5	-	#	#
Transport						
Civil Aviation Authority	-	1	2	-	#	#
Driving Standards Agency ⁽¹⁾	12	6	3	-	#	#
Vehicle and Operator Services Agency ⁽¹⁾	1	3	5	-	#	#
Total Transport	13	9	9	-	#	#
Communities and Local Government						
Fire Service College ⁽¹⁾	1	2	2	-	-	-
QEI Conference Centre ⁽¹⁾	0	0	0	1	3	-
Total Department for Communities and Local Government	1	2	2	1	3	-
Business, Innovation and Skills						
UK Intellectual Property Office	2	2	1	2	1	5
Companies House ⁽¹⁾	9	3	5	-2	-	-2
Royal Mail Holdings ⁽⁵⁾	201	198	243	-	-	-
Ordnance Survey ⁽¹⁾	26	9	15	20	-	-
Meteorological Office ⁽¹⁾	26	27	27	-	-	-
Total Business, Innovation and Skills	265	238	291	*	*	*
Home Office						
Forensic Science Service ⁽¹⁾	4	1	-	#	#	#
Total Home Office	4	1	0	#	#	#
Justice						
Land Registry ⁽¹⁾	-29	13	9	3	#	6
Total Justice	-29	13	9	3	#	6
Defence						
Defence Support Group	7	7	7	7	7	-
Defence Science and Technology Laboratory ⁽¹⁾	41	41	41	41	41	32
Hydrographic Office ⁽¹⁾	8	8	8	8	8	1
Navy, Army and Air Force Institute	3	3	3	3	3	-
Total Defence	59	59	59	59	59	33
Foreign and Commonwealth Office						
British Council	8	7	23	17	-	-
Total Foreign and Commonwealth Office	8	7	23	17	-	-
International Development						
CDC Group ⁽⁵⁾	6	7	3	*	*	*
Actis ⁽⁵⁾	-	-	-	*	*	*
Total International Development	6	7	3	*	*	*
Environment Food and Rural Affairs						
Covent Garden Market Authority	1	-	-	-	-	1
Total Environment Food and Rural Affairs	1	-	-	-	-	1
Culture Media and Sport						
Channel Four Television Corporation ⁽⁵⁾	6	15	9	#	#	#
Historic Royal Palaces Trust	-	-	-	#	#	#
Tote ⁽⁵⁾	17	-	-	#	#	#
Total Culture Media and Sport	22	15	9	#	#	#

Table 8.3 Public corporations' capital expenditure on services, 2010-11 to 2015-16 (continued)

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Work and Pensions						
Remploy	2	1	1	-	*	*
Pension Protection Fund	0	0	0	-	*	*
National Employment Savings Trust	1	17	10	-	*	*
Total Work and Pensions	3	18	11	-	*	*
Scotland						
Caledonian MacBrayne	6	6	8	6	6	#
Forest Enterprise	7	3	11	5	2	#
Scottish Water	443	491	488	475	470	#
Total Scotland	455	500	507	485	477	#
Northern Ireland						
Northern Ireland Driver and Vehicle Testing Agency ⁽¹⁾	3	-	3	1	-	2
Northern Ireland Housing Executive	228	202	126	110	6	11
Northern Ireland Public Trust Port Authority	-	34	42	10	22	25
Northern Ireland Transport Holding Company	71	110	60	29	37	92
Total Northern Ireland	301	345	232	151	65	129
Chancellor's Departments						
Crown Estate(S)	191	-216	11	*	*	*
Royal Mint(S)(T)	-	-	-	-	-	-
Total Chancellor's Departments	191	-216	11	*	*	*
Local Government						
London Underground Limited	1,525	1,435	1,028	994	*	*
England Housing Revenue Account	2,894	1,930	1,915	3,398	2,379	1,712
Scotland Housing Revenue Account	480	553	565	565	785	304
Wales Housing Revenue Account	120	140	136	147	200	80
Total Local Government	5,019	4,059	3,644	5,105	*	*
Total public corporations' capital expenditure on services	6,346	5,068	4,815	5,842	5,671	4,078
Accounting Adjustments	2,650	2,005	2,449	1,265	2,807	3,319
Total public corporations' capital expenditure ⁽¹⁾	8,996	7,073	7,264	7,107	8,478	7,397

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.

⁽²⁾ 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.

⁽³⁾ 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, 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Public corporations' current expenditure on services						
1. General public services	483	292	289	256	-218	250
<i>of which: public sector debt interest</i>	483	292	289	256	-218	250
Total public corporations' current expenditure on services	483	292	289	256	-218	250
Accounting adjustments	-	-	-	-	-	-
Total public corporations' current expenditure	483	292	289	256	-218	250
Public corporations' capital expenditure on services						
1. General public services	203	-163	72	41	3	6
<i>of which: public and common services</i>	189	-178	45	24	3	6
<i>of which: international services</i>	14	14	27	17	-	-
2. Defence	85	86	86	59	59	33
3. Public order and safety	5	3	2	-	-	-
4. Economic affairs	1,839	1,800	1,411	1,046	1,768	1,932
<i>of which: enterprise and economic development</i>	212	203	249	1	1	3
<i>of which: employment policies</i>	2	1	1	-	-	-
<i>of which: agriculture, fisheries and forestry</i>	7	3	11	5	2	1
<i>of which: transport</i>	1,618	1,593	1,151	1,040	1,765	1,929
5. Environment protection	-	-	-	-	-	-
6. Housing and community amenities	4,165	3,316	3,229	3,212	3,841	2,107
7. Health	27	11	5	-	-	-
8. Recreation, culture and religion	22	15	9	-	-	-
10. Social protection	0	0	0	-	-	-
Total public corporations' capital expenditure on services	6,346	5,068	4,815	4,357	5,671	4,078
Accounting adjustments	2,650	2,005	2,449	2,750	2,807	3,319
Total public corporations' capital expenditure	8,996	7,073	7,264	7,107	8,478	7,397

Table 8.5 Public corporations' current and capital expenditure by economic category, 2010-11 to 2015-16

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Public corporations' current expenditure on services						
Public corporations' debt interest	483	292	289	256	-218	250
Total public corporations' current expenditure on services	483	292	289	256	-218	250
Accounting adjustments	-	-	-	-	-	-
Total public corporations' current expenditure	483	292	289	256	-218	250
Public corporations' capital expenditure on services						
Gross capital procurement	7,378	6,588	5,904	5,539	7,148	4,085
Income from sales of assets	-1,223	-1,684	-1,191	-1,272	-1,478	-7
Capital grants	191	164	102	90	1	-
Total public corporations' capital expenditure on services	6,346	5,068	4,815	4,357	5,671	4,078
Accounting adjustments	2,650	2,005	2,449	2,750	2,807	3,319
Total public corporations' capital expenditure	8,996	7,073	7,264	7,107	8,478	7,397
Total public corporations' expenditure on services	6,829	5,360	5,104	4,613	5,453	4,328
Accounting adjustments	2,650	2,005	2,449	2,750	2,807	3,319
Total public corporations' expenditure ⁽¹⁾	9,479	7,365	7,553	7,363	8,260	7,647

⁽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; and

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 2014. 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 2014¹. 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 2014 CRA release.
- GDP deflators (**Annex F**) as used throughout PESA 2015 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 2015 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 UKwide 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 2009-10 to 2013-14. Information on methods and data quality is provided in the sections below.

¹ <https://www.gov.uk/government/publications/country-and-regional-analysis-2014>

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 2013-14 only.

9.12 A supplementary database and tables are available on GOV.UK alongside the November 2014 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 nonidentifiable 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 nonidentifiable 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 2014.

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 of Health (DH)** – for several programmes, DH have changed the methodology for allocating expenditure to English regions;

Population estimates – where appropriate, DH have allocated several

programmes using population estimates. These include NHS Litigation Authority, Health Education England (mainly concerned with training future nurses) and administrative costs;

Foundation Trusts – in 2014 DH have improved the allocation methodology for Foundation Trusts (FTs) by gathering expenditure data from individual trusts. In previous years, a methodology based on the number of organisations in a region was used as a proxy. With FTs accounting for around 35 per cent of DH expenditure in 2013-14, these changes have inevitably had a major impact on the regional expenditure allocation;

- **Department for Transport (DfT)** – 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 two headings together comprise the majority of DfT expenditure. As in previous years, this expenditure is therefore allocated on an ‘in’ basis;
- **Department for Culture, Media and Sport (DCMS)** – while some of the Non-departmental Public Bodies (NDPBs) DCMS is responsible for could allocate 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.

Table 9.1 Total identifiable expenditure on services by country and region, 2009-10 to 2013-14

	As a per cent of identifiable expenditure														
	National Statistics						National Statistics								
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn
	£ million														
North East	24,020	24,133	23,853	24,134	24,999	4	4	4	4	4	4	4	4	4	4
North West	62,953	63,667	62,946	64,502	65,889	11	11	11	11	11	11	11	11	11	11
Yorkshire and the Humber	43,755	44,207	44,334	45,010	46,328	8	8	8	8	8	8	8	8	8	8
East Midlands	35,171	35,500	35,396	36,331	37,796	6	6	6	6	6	6	6	6	6	6
West Midlands	46,561	46,794	46,822	47,744	49,036	8	8	8	8	8	8	8	8	8	8
East	44,744	45,286	44,355	45,266	47,339	8	8	8	8	8	8	8	8	8	8
London	81,376	82,311	81,373	81,298	83,041	15	14	14	14	14	14	14	14	14	14
South East	63,964	64,948	63,938	65,846	68,197	11	11	11	11	11	11	11	11	11	11
South West	41,200	41,550	41,835	42,871	44,830	7	7	7	7	7	7	7	7	7	8
Total England	443,744	448,395	444,851	453,003	467,453	79	79	79	79	79	79	79	78	78	78
Scotland	51,705	52,142	52,814	54,599	54,741	9	9	9	9	9	9	9	9	9	9
Wales	28,944	29,371	29,780	29,730	30,590	5	5	5	5	5	5	5	5	5	5
Northern Ireland	18,889	19,133	19,364	19,802	20,055	3	3	3	3	3	3	3	3	3	3
UK identifiable expenditure	543,282	549,042	546,810	557,133	572,839	97	97	97	97	97	97	97	96	96	96
Outside UK	16,696	19,854	18,821	20,467	23,352	3	3	3	3	3	3	3	4	4	4
Total identifiable expenditure	559,978	568,896	565,631	577,601	596,191	100	100	100	100	100	100	100	100	100	100
	£ million														
	National Statistics						National Statistics								
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn
Identifiable expenditure	559,978	568,896	565,631	577,601	596,191	82	80	80	80	83	82	80	80	80	83
Non-identifiable expenditure ⁽¹⁾	77,783	86,385	87,109	82,213	80,619	11	12	12	12	11	11	12	12	11	11
Public sector expenditure on services	637,761	655,281	652,740	659,814	676,810	93	93	92	92	94	93	93	92	92	94
Accounting adjustments	48,741	51,837	53,837	61,042	45,538	7	7	7	7	6	7	7	8	8	6
Total Managed Expenditure ⁽²⁾	686,502	707,118	706,577	720,856	722,348	100	100	100	100	100	100	100	100	100	100

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

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

Table 9.2 Total identifiable expenditure on services by country and region, per head 2009-10 to 2013-14 ⁽¹⁾

	£ per head					Index (UK identifiable expenditure = 100)				
	National Statistics					National Statistics				
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn
North East	9,327	9,329	9,187	9,274	9,576	107	107	106	106	107
North West	9,011	9,070	8,921	9,105	9,276	103	104	103	104	104
Yorkshire and the Humber	8,377	8,413	8,384	8,466	8,679	96	96	97	97	97
East Midlands	7,865	7,876	7,801	7,954	8,219	90	90	90	91	92
West Midlands	8,423	8,407	8,348	8,461	8,641	97	96	97	97	97
East	7,780	7,798	7,566	7,663	7,950	89	89	88	88	89
London	10,246	10,210	9,918	9,785	9,866	117	117	115	112	110
South East	7,533	7,572	7,389	7,547	7,756	86	87	86	86	87
South West	7,882	7,897	7,892	8,029	8,336	90	90	91	92	93
England	8,501	8,518	8,376	8,468	8,678	97	97	97	97	97
Scotland	9,883	9,909	9,965	10,275	10,275	113	113	115	117	115
Wales	9,524	9,630	9,720	9,671	9,924	109	110	112	111	111
Northern Ireland	10,533	10,601	10,673	10,859	10,961	121	121	124	124	123
UK identifiable expenditure	8,726	8,748	8,640	8,746	8,936	100	100	100	100	100

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

Table 9.3 Total identifiable expenditure on services by country and region in real terms ⁽¹⁾, 2009-10 to 2013-14

	National Statistics					£ million
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	
North East	26,422	25,830	25,082	24,975	25,347	
North West	69,247	68,146	66,190	66,749	66,807	
Yorkshire and the Humber	48,130	47,318	46,619	46,578	46,973	
East Midlands	38,687	37,997	37,220	37,597	38,323	
West Midlands	51,216	50,086	49,235	49,407	49,719	
East	49,217	48,472	46,641	46,842	47,998	
London	89,512	88,101	85,566	84,130	84,198	
South East	70,359	69,517	67,233	68,139	69,147	
South West	45,319	44,473	43,991	44,364	45,454	
England	488,108	479,942	467,777	468,782	473,966	
Scotland	56,875	55,811	55,536	56,501	55,504	
Wales	31,838	31,437	31,315	30,765	31,016	
Northern Ireland	20,777	20,479	20,362	20,492	20,334	
UK identifiable expenditure	597,598	587,669	574,990	576,540	580,819	
Outside UK	18,365	21,251	19,791	21,180	23,678	
Total identifiable expenditure	615,963	608,920	594,781	597,720	604,497	
Non-identifiable expenditure ⁽²⁾	85,560	92,463	91,598	85,077	81,742	
Total Expenditure on Services	701,522	701,383	686,379	682,797	686,239	
Accounting adjustments	53,614	55,484	56,612	63,168	46,172	
Total Managed Expenditure ⁽³⁾	755,136	756,867	742,991	745,965	732,411	

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2014-15 price levels using GDP deflators from the Office for National Statistics (released 30 June 2015).

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

⁽³⁾ 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 ⁽¹⁾ in real terms ⁽²⁾, 2009-10 to 2013-14

	National Statistics					£ per head
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	
North East	10,259	9,985	9,660	9,597	9,710	
North West	9,912	9,708	9,381	9,422	9,405	
Yorkshire and the Humber	9,214	9,005	8,816	8,761	8,800	
East Midlands	8,652	8,431	8,203	8,231	8,334	
West Midlands	9,265	8,999	8,778	8,756	8,761	
East	8,557	8,347	7,956	7,930	8,061	
London	11,270	10,929	10,429	10,126	10,004	
South East	8,286	8,104	7,770	7,810	7,864	
South West	8,670	8,453	8,299	8,309	8,453	
England	9,351	9,117	8,808	8,763	8,799	
Scotland	10,871	10,606	10,479	10,633	10,418	
Wales	10,477	10,307	10,221	10,008	10,062	
Northern Ireland	11,586	11,347	11,223	11,237	11,114	
UK identifiable expenditure	9,598	9,364	9,086	9,050	9,060	

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

⁽²⁾ Real terms figures are the nominal figures adjusted to 2014-15 price levels using GDP deflators from the Office for National Statistics (released 30 June 2015).

Table 9.5 Identifiable expenditure on general public services by country and region, 2009-10 to 2013-14

	General public services												of which: current						of which: capital						£ million			
	National Statistics						National Statistics						2009-10			2010-11			2011-12			2012-13				2013-14		
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn						
North East	331	293	227	280	312		274	222	189	242	252		58	71	38	38	60											
North West	841	816	605	650	729		698	699	547	520	525		143	117	58	130	204											
Yorkshire and the Humber	581	510	485	411	458		481	369	361	350	358		100	141	124	61	100											
East Midlands	602	694	528	479	523		466	596	471	408	408		136	98	56	71	115											
West Midlands	773	664	510	440	455		535	458	438	418	417		238	206	72	22	38											
East	700	596	551	551	605		553	508	489	481	492		147	87	62	70	113											
London	1,142	889	716	863	1,047		914	773	624	569	587		228	115	92	294	460											
South East	916	945	797	780	873		773	768	697	653	669		143	177	99	127	204											
South West	668	557	510	479	522		519	453	428	427	435		149	104	82	51	87											
England	6,554	5,964	4,930	4,934	5,524		5,213	4,848	4,246	4,069	4,144		1,341	1,117	683	864	1,380											
Scotland	1,230	1,282	1,289	1,162	1,268		1,159	1,085	1,157	1,037	1,083		71	197	132	126	185											
Wales	806	732	655	635	659		698	659	606	563	628		108	73	50	72	31											
Northern Ireland	446	462	388	385	421		379	405	357	359	378		67	57	31	25	43											
UK identifiable expenditure	9,036	8,441	7,263	7,116	7,872		7,449	6,997	6,367	6,028	6,233		1,587	1,444	896	1,088	1,639											
Outside the UK	5,786	6,592	6,577	6,608	8,676		5,356	5,968	6,116	6,124	8,180		430	625	462	485	496											
Total identifiable expenditure	14,822	15,033	13,840	13,724	16,548		12,805	12,965	12,483	12,152	14,413		2,017	2,069	1,357	1,572	2,135											
Non-identifiable expenditure	33,207	45,698	47,517	43,189	42,625		32,808	45,389	47,172	42,947	42,309		399	309	346	241	316											
Total Expenditure on Services	48,028	60,731	61,357	56,913	59,173		45,613	58,354	59,654	55,099	56,722		2,416	2,377	1,703	1,813	2,451											

Table 9.5a Identifiable expenditure on general public services (of which: public and common services) by country and region, 2009-10 to 2013-14

	Total public and common services												of which: current						of which: capital						£ million					
	National Statistics						National Statistics						2009-10			2010-11			2011-12			2012-13				2013-14				
	2009-10	2010-11	2011-12	2012-13	2013-14		2009-10	2010-11	2011-12	2012-13	2013-14		2009-10	2010-11	2011-12	2012-13	2013-14	2009-10	2010-11	2011-12	2012-13	2013-14	2009-10	2010-11		2011-12	2012-13	2013-14		
North East	324	284	219	273	306		267	213	181	236	246		57	70	38	37	60													
North West	821	792	582	631	711		678	676	526	503	509		143	117	57	128	202													
Yorkshire and the Humber	566	492	468	396	445		466	351	345	337	346		100	141	123	59	99													
East Midlands	589	679	513	467	511		453	581	457	397	398		135	98	56	70	113													
West Midlands	757	645	491	425	441		519	439	421	405	405		237	206	71	20	37													
East	684	576	532	535	590		536	489	471	467	478		147	87	61	68	112													
London	1,119	861	689	841	1,026		892	746	599	549	568		227	115	91	292	458													
South East	891	916	769	756	851		749	739	671	632	649		142	176	98	124	202													
South West	653	539	493	463	508		505	435	412	414	423		149	104	81	49	85													
England	6,403	5,784	4,757	4,788	5,390		5,066	4,671	4,082	3,940	4,022		1,338	1,114	675	848	1,368													
Scotland	1,215	1,265	1,273	1,149	1,256		1,145	1,068	1,141	1,024	1,072		71	197	132	125	184													
Wales	798	722	645	626	651		690	649	596	556	621		108	73	49	71	30													
Northern Ireland	441	456	383	379	417		374	399	352	355	374		67	57	31	25	42													
UK identifiable expenditure	8,858	8,227	7,058	6,942	7,713		7,274	6,787	6,171	5,874	6,089		1,584	1,440	887	1,068	1,624													
Outside the UK	280	170	124	134	186		280	158	153	146	182		1	11	-29	-11	4													
Total identifiable expenditure	9,138	8,397	7,181	7,076	7,899		7,554	6,945	6,324	6,020	6,270		1,584	1,452	857	1,057	1,629													
Non-identifiable expenditure	4,614	4,363	4,394	4,236	4,237		4,379	4,180	4,141	4,026	4,035		235	183	253	210	202													
Total Expenditure on Services	13,752	12,760	11,576	11,312	12,136		11,933	11,125	10,465	10,045	10,305		1,819	1,635	1,111	1,267	1,831													

Table 9.5b Identifiable expenditure on general public services (of which: international services) by country and region, 2009-10 to 2013-14

	International services												of which: current												of which: capital												£ million
	National Statistics						National Statistics						National Statistics						National Statistics																		
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn														
North East	7	9	8	7	6		7	9	8	6	6		7	9	8	6	6		0	0	0	0	1														
North West	20	24	23	19	17		20	24	22	17	16		20	24	22	17	16		0	0	1	1	1														
Yorkshire and the Humber	15	18	17	15	13		15	18	16	13	12		15	18	16	13	12		0	0	1	2	1														
East Midlands	13	15	15	13	11		13	15	14	11	10		13	15	14	11	10		0	0	1	2	1														
West Midlands	16	19	18	15	14		16	19	17	14	13		16	19	17	14	13		0	0	1	2	1														
East	17	20	19	16	15		16	19	18	14	13		16	19	18	14	13		0	0	1	2	1														
London	23	28	27	22	21		22	27	25	20	19		22	27	25	20	19		0	1	1	2	2														
South East	24	29	28	24	22		24	29	27	21	20		24	29	27	21	20		0	1	1	3	2														
South West	15	18	17	15	14		15	18	16	13	12		15	18	16	13	12		0	0	1	2	1														
England	150	180	172	146	134		147	177	164	130	122		147	177	164	130	122		3	3	8	16	12														
Scotland	15	18	17	14	13		14	17	16	13	12		14	17	16	13	12		0	0	0	1	1														
Wales	9	10	10	9	8		8	10	9	7	7		8	10	9	7	7		0	0	1	1	1														
Northern Ireland	5	6	6	5	5		5	6	6	4	4		5	6	6	4	4		0	0	0	1	0														
UK identifiable expenditure	178	214	205	174	159		175	210	196	154	144		175	210	196	154	144		3	4	9	19	14														
Outside the UK	5,505	6,423	6,454	6,474	8,490		5,076	5,809	5,963	5,978	7,998		5,076	5,809	5,963	5,978	7,998		429	613	491	496	492														
Total identifiable expenditure	5,684	6,637	6,659	6,648	8,649		5,251	6,020	6,158	6,132	8,143		5,251	6,020	6,158	6,132	8,143		433	617	500	515	506														
Non-identifiable expenditure	1,449	1,363	1,294	1,306	1,446		1,286	1,237	1,202	1,275	1,332		1,286	1,237	1,202	1,275	1,332		163	126	92	31	115														
Total Expenditure on Services	7,133	7,999	7,953	7,953	10,095		6,537	7,257	7,360	7,407	9,474		6,537	7,257	7,360	7,407	9,474		596	743	592	546	621														

Table 9.5c Identifiable expenditure on general public services (of which: public sector debt interest) by country and region, 2009-10 to 2013-14

	Public sector debt interest						of which: current						of which: capital						£ million
	National Statistics						National Statistics						National Statistics						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 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	27,143	39,972	41,829	37,647	36,942		27,143	39,972	41,829	37,647	36,942		-	-	-	-	-		
Total Expenditure on Services	27,143	39,972	41,829	37,647	36,942		27,143	39,972	41,829	37,647	36,942		-	-	-	-	-		

Table 9.6 Identifiable expenditure on defence by country and region, 2009-10 to 2013-14

	Defence												of which: capital												£ million
	National Statistics						of which: current						National Statistics												
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn								
North East	3	3	2	3	3		3	3	3	3	3		0	0	0	0	0								
North West	8	8	6	7	7		8	8	7	7	7		0	0	0	0	-1								
Yorkshire and the Humber	5	5	4	4	4		5	5	4	4	5		0	0	0	0	0								
East Midlands	6	6	4	5	5		6	6	5	5	5		0	0	0	0	0								
West Midlands	7	7	5	6	6		7	6	6	6	6		0	0	0	0	0								
East	10	9	8	8	8		10	9	8	8	8		0	0	0	0	0								
London	11	11	10	10	11		11	11	9	10	11		0	0	1	0	-1								
South East	12	11	7	11	11		12	11	11	10	11		0	0	-4	0	-1								
South West	7	7	5	5	5		6	6	6	5	6		0	0	-1	0	0								
England	69	67	53	59	59		67	64	58	57	63		2	2	-5	2	-4								
Scotland	5	5	5	4	6		5	5	4	4	6		-	-	0	-	-								
Wales	3	4	3	4	5		3	4	3	4	5		-	-	0	-	-								
Northern Ireland	-	0	0	-	-		-	-	-	-	-		-	-	0	-	-								
UK identifiable expenditure	77	75	61	66	70		76	73	66	65	74		2	2	-5	2	-4								
Outside the UK	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-								
Total identifiable expenditure	77	75	61	66	70		76	73	66	65	74		2	2	-5	2	-4								
Non-identifiable expenditure	37,634	39,212	38,601	36,288	36,360		33,576	34,909	34,990	32,834	33,095		4,058	4,303	3,611	3,454	3,265								
Total Expenditure on Services	37,712	39,287	38,662	36,355	36,430		33,652	34,982	35,056	32,899	33,169		4,060	4,305	3,606	3,456	3,261								

Table 9.7 Identifiable expenditure on public order and safety by country and region, 2009-10 to 2013-14

	Public order and safety						of which: current						of which: capital						£ million
	National Statistics						National Statistics						National Statistics						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		
North East	1,388	1,329	1,293	1,260	1,244		1,270	1,259	1,237	1,199	1,170		118	71	56	61	74		
North West	3,797	3,694	3,515	3,444	3,379		3,499	3,460	3,371	3,328	3,235		298	234	145	116	144		
Yorkshire and the Humber	2,585	2,523	2,391	2,344	2,313		2,387	2,374	2,269	2,223	2,170		198	149	123	120	144		
East Midlands	1,893	1,794	1,724	1,728	1,701		1,743	1,696	1,631	1,639	1,589		150	98	93	89	112		
West Midlands	2,672	2,521	2,431	2,375	2,314		2,430	2,393	2,338	2,302	2,225		242	128	93	73	89		
East	2,195	2,126	2,081	1,971	1,980		2,037	2,027	2,006	1,920	1,914		158	99	76	51	66		
London	6,527	6,337	6,198	6,014	5,892		6,110	5,994	5,944	5,797	5,638		417	343	254	217	254		
South East	3,453	3,350	3,164	3,130	3,126		3,216	3,196	3,075	3,026	2,995		237	154	89	104	131		
South West	2,095	2,023	1,987	1,968	1,938		1,940	1,920	1,913	1,903	1,857		156	103	74	65	81		
England	26,605	25,697	24,785	24,232	23,888		24,633	24,319	23,781	23,337	22,792		1,972	1,378	1,003	895	1,097		
Scotland	2,514	2,659	2,726	2,739	2,476		2,283	2,435	2,546	2,558	2,342		232	224	180	181	134		
Wales	1,497	1,439	1,416	1,398	1,437		1,382	1,352	1,353	1,344	1,331		114	87	62	54	106		
Northern Ireland	1,302	1,448	1,440	1,398	1,382		1,230	1,374	1,357	1,325	1,315		73	74	83	73	67		
UK identifiable expenditure	31,918	31,243	30,367	29,767	29,183		29,528	29,479	29,038	28,564	27,780		2,391	1,763	1,329	1,203	1,403		
Outside the UK	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
Total identifiable expenditure	31,918	31,243	30,367	29,767	29,183		29,528	29,479	29,038	28,564	27,780		2,391	1,763	1,329	1,203	1,403		
Non-identifiable expenditure	2,199	1,773	1,668	1,533	981		1,904	1,534	1,472	1,373	894		295	238	196	161	87		
Total Expenditure on Services	34,118	33,015	32,035	31,300	30,165		31,432	31,014	30,509	29,936	28,674		2,686	2,002	1,525	1,364	1,491		

Table 9.8 Identifiable expenditure on economic affairs by country and region, 2009-10 to 2013-14

	Economic affairs												of which: current												of which: capital												£ million
	National Statistics						National Statistics						National Statistics						National Statistics																		
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn														
North East	1,516	1,491	1,399	1,201	1,390		1,054	1,033	923	858	902		462	457	476	343	488		1,528	1,520	1,459	1,205	1,496														
North West	4,259	3,912	3,533	3,131	3,528		2,731	2,392	2,074	1,926	2,032		1,089	956	962	908	1,081		1,089	956	962	908	1,081														
Yorkshire and the Humber	3,157	2,911	2,759	2,625	2,896		2,068	1,955	1,797	1,717	1,815		884	727	686	539	727		884	727	686	539	727														
East Midlands	2,607	2,376	2,156	1,826	2,080		1,723	1,648	1,470	1,287	1,353		1,141	915	859	912	1,183		1,141	915	859	912	1,183														
West Midlands	3,025	2,704	2,447	2,375	2,724		1,885	1,789	1,588	1,463	1,541		1,395	1,518	1,337	985	1,178		1,395	1,518	1,337	985	1,178														
East	3,551	3,519	3,095	2,660	2,892		2,156	2,001	1,759	1,674	1,714		4,116	3,762	3,301	2,604	3,099		4,116	3,762	3,301	2,604	3,099														
London	8,232	7,461	6,714	5,413	5,986		4,115	3,699	3,414	2,809	2,887		1,752	1,546	1,281	1,255	1,636		1,752	1,546	1,281	1,255	1,636														
South East	4,229	3,824	3,374	3,475	3,920		2,477	2,277	2,093	2,220	2,283		827	795	688	666	784		827	795	688	666	784														
South West	2,730	2,488	2,401	2,263	2,384		1,903	1,693	1,713	1,597	1,600																										
England	33,306	30,686	27,878	24,970	27,799		20,112	18,489	16,830	15,554	16,128		13,194	12,197	11,047	9,416	11,671		13,194	12,197	11,047	9,416	11,671														
Scotland	5,475	5,264	5,304	5,495	5,695		3,578	3,645	3,636	3,686	3,889		1,897	1,619	1,668	1,809	1,807		1,897	1,619	1,668	1,809	1,807														
Wales	2,560	2,692	2,469	2,160	2,316		1,755	1,793	1,813	1,430	1,471		805	898	657	730	845		805	898	657	730	845														
Northern Ireland	1,723	1,796	1,621	1,582	1,622		1,254	1,285	1,222	1,243	1,272		469	511	399	339	351		469	511	399	339	351														
UK identifiable expenditure	43,065	40,437	37,272	34,206	37,434		26,699	25,212	23,501	21,913	22,760		16,366	15,225	13,771	12,294	14,674		16,366	15,225	13,771	12,294	14,674														
Outside the UK	641	661	505	297	435		445	470	271	198	278		195	191	234	99	158		195	191	234	99	158														
Total identifiable expenditure	43,705	41,098	37,777	34,503	37,869		27,144	25,682	23,772	22,111	23,037		16,561	15,416	14,005	12,392	14,831		16,561	15,416	14,005	12,392	14,831														
Non-identifiable expenditure ⁽¹⁾	4,974	-1,210	-274	1,119	1,361		70	-1,422	-492	766	1,193		4,903	212	217	353	167		4,903	212	217	353	167														
Total Expenditure on Services	48,679	39,888	37,503	35,622	39,229		27,214	24,260	23,280	22,877	24,231		21,465	15,628	14,222	12,746	14,999		21,465	15,628	14,222	12,746	14,999														

⁽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, 2009-10 to 2013-14

£ million

	Enterprise and economic development						of which: current						of which: capital					
	National Statistics						National Statistics						National Statistics					
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	
North East	312	298	288	190	240		231	237	174	160	156		80	61	114	31	84	
North West	797	702	583	445	481		584	516	438	391	392		213	186	144	54	89	
Yorkshire and the Humber	648	474	439	314	344		421	347	291	263	245		227	127	149	51	99	
East Midlands	512	365	354	220	241		398	288	281	182	173		113	77	73	38	68	
West Midlands	598	466	407	331	341		407	346	298	277	254		191	120	109	53	88	
East	462	298	258	214	219		339	225	206	191	192		123	73	52	22	27	
London	1,160	902	784	364	395		712	566	537	365	346		448	336	248	-2	49	
South East	589	517	377	352	370		416	313	286	304	291		174	203	91	48	79	
South West	440	315	301	228	236		334	250	248	224	219		105	65	53	4	17	
England	5,518	4,336	3,792	2,658	2,869		3,844	3,087	2,759	2,358	2,267		1,674	1,249	1,034	300	601	
Scotland	1,000	879	922	929	1,025		710	623	685	707	784		290	257	237	222	241	
Wales	637	738	423	389	448		485	501	358	310	305		152	237	66	78	142	
Northern Ireland	370	320	284	289	298		255	243	227	258	252		115	76	57	31	46	
UK identifiable expenditure	7,525	6,273	5,422	4,265	4,640		5,293	4,454	4,029	3,634	3,610		2,232	1,819	1,393	631	1,031	
Outside the UK	2	2	1	1	1		2	2	1	1	1		-	-	-	-	-	
Total identifiable expenditure	7,527	6,275	5,423	4,266	4,641		5,295	4,456	4,030	3,634	3,610		2,232	1,819	1,393	631	1,031	
Non-identifiable expenditure ⁽¹⁾	4,709	-1,459	-573	606	633		-169	-1,664	-774	299	613		4,878	205	202	307	20	
Total Expenditure on Services	12,236	4,816	4,850	4,872	5,274		5,126	2,792	3,256	3,933	4,224		7,110	2,024	1,595	938	1,051	

⁽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, 2009-10 to 2013-14

	Science and technology						of which: current						of which: capital						£ million
	National Statistics						National Statistics						National Statistics						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		
North East	124	113	122	118	154		102	99	106	104	115		22	15	16	14	39		
North West	282	267	262	295	394		227	228	227	256	289		55	38	34	39	106		
Yorkshire and the Humber	218	204	208	229	302		177	175	184	200	223		41	29	24	29	79		
East Midlands	200	191	191	194	251		165	167	168	171	191		34	24	23	22	60		
West Midlands	182	174	180	199	263		153	154	161	178	202		29	21	19	22	61		
East	372	355	400	412	477		284	290	326	335	345		88	65	73	77	132		
London	491	479	505	535	676		386	398	435	454	459		105	81	70	80	217		
South East	494	460	496	532	631		340	375	379	438	461		154	85	117	94	170		
South West	204	210	203	234	302		175	190	184	211	240		29	21	19	23	62		
England	2,567	2,454	2,567	2,747	3,450		2,009	2,076	2,171	2,347	2,524		558	378	396	400	926		
Scotland	314	293	331	332	380		270	265	291	294	309		44	28	41	37	70		
Wales	88	95	100	111	146		78	87	90	100	115		11	7	9	11	31		
Northern Ireland	78	80	73	79	88		73	76	69	76	78		5	4	4	3	10		
UK identifiable expenditure	3,048	2,922	3,071	3,269	4,064		2,429	2,504	2,621	2,817	3,027		618	418	450	452	1,038		
Outside the UK	391	383	375	226	264		285	282	226	188	196		106	101	149	38	68		
Total identifiable expenditure	3,438	3,306	3,446	3,495	4,328		2,714	2,786	2,847	3,005	3,223		724	519	599	490	1,105		
Non-identifiable expenditure	114	101	117	104	111		105	98	110	102	102		10	2	7	2	8		
Total Expenditure on Services	3,553	3,406	3,563	3,599	4,439		2,819	2,885	2,957	3,107	3,325		734	521	607	492	1,114		

Table 9.8c Identifiable expenditure on economic affairs (of which: employment policies) by country and region, 2009-10 to 2013-14

	Employment policies												of which: current						of which: capital						£ million			
	National Statistics						National Statistics						2009-10			2010-11			2011-12			2012-13				2013-14		
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn						
North East	209	244	178	180	215		204	239	173	174	211		6	5	5	5	5	6	5	5	6	5						
North West	494	562	398	382	451		481	550	387	369	441		13	12	11	13	10	13	12	11	13	10						
Yorkshire and the Humber	388	451	324	319	390		378	442	315	308	382		10	10	9	11	8	10	10	9	11	8						
East Midlands	284	315	219	209	242		277	309	213	202	237		8	7	6	7	5	8	7	6	7	5						
West Midlands	445	494	341	318	389		433	484	332	307	381		12	11	9	11	8	12	11	9	11	8						
East	315	360	237	221	257		307	353	230	214	252		8	7	6	8	6	8	7	6	8	6						
London	578	705	476	437	516		563	691	463	422	505		15	14	13	15	11	15	14	13	15	11						
South East	417	467	291	271	306		406	458	283	262	299		11	9	8	9	7	11	9	8	9	7						
South West	247	278	182	171	196		241	272	177	165	192		7	6	5	6	4	7	6	5	6	4						
England	3,379	3,876	2,644	2,508	2,963		3,290	3,796	2,573	2,422	2,899		88	80	71	86	64	88	80	71	86	64						
Scotland	341	426	289	270	327		332	417	281	261	320		9	9	8	9	7	9	9	8	9	7						
Wales	242	223	161	156	191		197	218	157	151	187		45	5	4	5	4	45	5	4	5	4						
Northern Ireland	134	171	158	152	176		133	170	158	152	176		1	0	0	0	0	1	0	0	0	0						
UK identifiable expenditure	4,096	4,696	3,253	3,086	3,658		3,952	4,602	3,169	2,986	3,582		144	94	83	100	76	144	94	83	100	76						
Outside the UK	0	1	1	1	1		0	1	0	0	1		0	0	0	0	0	0	0	0	0	0						
Total identifiable expenditure	4,097	4,697	3,253	3,086	3,658		3,953	4,603	3,170	2,986	3,582		144	94	83	100	76	144	94	83	100	76						
Non-identifiable expenditure	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-	-	-	-	-						
Total Expenditure on Services	4,097	4,697	3,253	3,086	3,658		3,953	4,603	3,170	2,986	3,582		144	94	83	100	76	144	94	83	100	76						

Table 9.8d Identifiable expenditure on economic affairs (of which: agriculture, fisheries and forestry) by country and region, 2009-10 to 2013-14

	£ million																			
	Agriculture, fisheries and forestry						of which: current						of which: capital							
	2009-10		2010-11		2011-12		2012-13		2013-14		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
North East	199	175	227	196	197	195	172	220	189	184	4	3	7	8	14					
North West	356	280	348	312	314	328	266	336	301	294	28	14	12	11	21					
Yorkshire and the Humber	424	382	412	376	379	419	373	405	368	360	5	9	6	8	18					
East Midlands	467	491	438	426	433	462	486	445	423	423	6	5	-7	4	9					
West Midlands	372	346	358	334	338	360	329	347	326	323	13	17	11	7	15					
East	695	673	566	557	552	686	664	551	553	534	9	9	15	4	19					
London	69	53	48	100	94	75	51	47	90	65	-6	1	1	10	29					
South East	442	363	456	516	516	430	347	452	503	489	12	16	4	13	27					
South West	683	558	700	631	642	653	533	699	622	609	31	25	1	9	33					
England	3,708	3,320	3,553	3,450	3,466	3,607	3,221	3,504	3,375	3,281	101	99	49	75	184					
Scotland	880	932	971	920	957	768	780	824	770	807	112	152	148	150	149					
Wales	525	522	727	427	447	487	468	686	382	398	38	54	41	45	49					
Northern Ireland	559	525	503	495	535	536	501	470	459	483	22	24	32	35	52					
UK identifiable expenditure	5,672	5,300	5,754	5,291	5,405	5,399	4,971	5,484	4,986	4,970	273	329	270	305	435					
Outside the UK	151	179	38	4	78	151	179	38	4	74	0	0	0	0	4					
Total identifiable expenditure	5,823	5,479	5,793	5,295	5,483	5,549	5,150	5,522	4,990	5,044	273	329	270	305	439					
Non-identifiable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Total Expenditure on Services	5,823	5,479	5,793	5,295	5,483	5,549	5,150	5,522	4,990	5,044	273	329	270	305	439					

Table 9.8e Identifiable expenditure on economic affairs (of which: transport) by country and region, 2009-10 to 2013-14

	Transport												of which: capital												£ million
	National Statistics						National Statistics						National Statistics												
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn								
North East	672	661	584	517	583		322	288	249	232	237		350	373	334	285	346								
North West	2,329	2,102	1,943	1,697	1,887		1,110	831	685	610	617		1,219	1,270	1,258	1,088	1,270								
Yorkshire and the Humber	1,478	1,399	1,376	1,387	1,481		672	618	602	578	605		806	782	774	809	876								
East Midlands	1,144	1,013	954	777	913		421	399	364	309	329		723	615	591	468	585								
West Midlands	1,428	1,224	1,162	1,193	1,392		532	477	451	375	382		896	747	711	819	1,010								
East	1,707	1,832	1,634	1,255	1,386		540	469	444	381	391		1,167	1,363	1,190	874	995								
London	5,934	5,323	4,901	3,978	4,304		2,379	1,993	1,932	1,478	1,513		3,555	3,329	2,969	2,500	2,792								
South East	2,287	2,018	1,754	1,803	2,096		885	785	692	713	743		1,402	1,233	1,061	1,090	1,353								
South West	1,156	1,128	1,015	999	1,009		500	449	405	376	341		656	678	610	624	668								
England	18,134	16,700	15,321	13,607	15,052		7,362	6,309	5,824	5,052	5,156		10,772	10,391	9,497	8,555	9,896								
Scotland	2,939	2,733	2,790	3,044	3,006		1,498	1,559	1,554	1,654	1,668		1,441	1,174	1,235	1,390	1,339								
Wales	1,068	1,114	1,058	1,077	1,084		508	519	521	488	465		560	595	537	590	618								
Northern Ireland	583	699	603	567	525		257	293	297	297	283		326	406	306	270	242								
UK identifiable expenditure	22,724	21,246	19,772	18,296	19,666		9,625	8,681	8,197	7,490	7,572		13,099	12,565	11,575	10,805	12,094								
Outside the UK	96	95	90	66	92		7	6	5	5	5		89	90	84	61	86								
Total identifiable expenditure	22,821	21,342	19,862	18,361	19,758		9,632	8,687	8,203	7,495	7,578		13,188	12,655	11,659	10,866	12,180								
Non-identifiable expenditure	150	148	181	409	617		135	144	173	365	477		15	5	8	44	139								
Total Expenditure on Services	22,971	21,490	20,043	18,770	20,374		9,767	8,830	8,375	7,861	8,055		13,204	12,660	11,667	10,910	12,319								

Table 9.9 Identifiable expenditure on environment protection by country and region, 2009-10 to 2013-14

	Environment protection												of which: current						of which: capital						£ million
	National Statistics						National Statistics						National Statistics												
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn								
North East	319	348	336	294	322		290	299	298	267	284		30	49	38	27	38								
North West	1,871	2,010	2,017	2,228	2,338		1,152	1,137	1,223	1,120	1,196		718	873	794	1,108	1,142								
Yorkshire and the Humber	665	636	644	591	645		563	551	568	516	544		102	85	76	75	101								
East Midlands	576	569	515	517	618		489	474	435	408	436		86	96	80	109	182								
West Midlands	644	614	617	557	618		560	531	552	501	530		84	83	66	56	87								
East	818	825	711	782	871		667	655	606	621	661		151	169	106	161	210								
London	1,070	1,086	1,131	1,043	1,133		987	993	1,022	963	1,026		83	94	109	80	106								
South East	1,275	1,353	1,223	1,172	1,274		1,014	1,017	995	897	952		262	337	229	275	322								
South West	930	1,008	941	931	1,014		715	722	704	646	691		215	286	238	285	323								
England	8,167	8,448	8,137	8,115	8,832		6,437	6,378	6,402	5,940	6,320		1,731	2,071	1,735	2,175	2,512								
Scotland	1,268	1,320	1,304	1,353	1,413		1,008	1,012	1,030	974	1,014		260	308	273	379	399								
Wales	593	616	600	647	657		481	497	504	516	539		112	119	97	131	118								
Northern Ireland	249	250	265	255	257		243	239	252	241	237		6	11	12	13	20								
UK identifiable expenditure	10,277	10,634	10,306	10,370	11,159		8,168	8,125	8,188	7,671	8,110		2,109	2,509	2,117	2,699	3,049								
Outside the UK	7	7	5	6	7		7	7	5	6	7		0	0	0	0	-								
Total identifiable expenditure	10,284	10,640	10,311	10,376	11,167		8,175	8,131	8,194	7,678	8,118		2,109	2,509	2,117	2,699	3,049								
Non-identifiable expenditure	113	289	151	228	348		13	14	18	38	24		100	275	133	189	325								
Total Expenditure on Services	10,396	10,929	10,462	10,604	11,515		8,188	8,145	8,212	7,716	8,141		2,209	2,784	2,250	2,888	3,374								

Table 9.10 Identifiable expenditure on housing and community amenities by country and region, 2009-10 to 2013-14

	Housing and community amenities						of which: current						of which: capital						£ million
	National Statistics						National Statistics						National Statistics						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		
North East	840	674	519	446	593		201	161	121	138	140		640	514	398	308	453		
North West	1,534	1,228	740	796	992		439	355	251	297	299		1,094	872	489	499	693		
Yorkshire and the Humber	1,151	917	606	563	735		309	239	180	229	228		842	677	426	334	507		
East Midlands	739	670	502	507	661		247	198	142	197	190		493	472	360	310	471		
West Midlands	1,104	869	600	550	725		262	190	164	215	217		842	679	436	335	508		
East	978	690	506	525	693		315	210	179	231	230		663	480	327	294	463		
London	3,884	3,191	2,071	2,308	2,824		562	488	384	507	483		3,322	2,703	1,686	1,801	2,341		
South East	1,500	1,185	779	748	917		464	337	296	392	386		1,036	848	482	356	531		
South West	900	676	539	450	541		283	217	178	223	220		617	460	361	226	321		
England	12,629	10,100	6,861	6,892	8,681		3,082	2,395	1,896	2,429	2,392		9,548	7,705	4,965	4,463	6,288		
Scotland	1,970	1,621	1,624	1,611	1,620		261	296	231	167	196		1,709	1,324	1,393	1,444	1,423		
Wales	623	565	599	626	611		146	125	119	134	124		477	440	480	491	487		
Northern Ireland	1,122	834	962	820	824		530	403	486	445	434		592	431	476	375	391		
UK identifiable expenditure	16,344	13,119	10,047	9,949	11,736		4,018	3,219	2,732	3,175	3,146		12,326	9,900	7,314	6,773	8,590		
Outside the UK	-	-	-	-	0		-	-	-	-	0		-	-	-	-	-		
Total identifiable expenditure	16,344	13,119	10,047	9,949	11,736		4,018	3,219	2,732	3,175	3,146		12,326	9,900	7,314	6,773	8,590		
Non-identifiable expenditure	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
Total Expenditure on Services	16,344	13,119	10,047	9,949	11,736		4,018	3,219	2,732	3,175	3,146		12,326	9,900	7,314	6,773	8,590		

Table 9.11 Identifiable expenditure on health by country and region, 2009-10 to 2013-14

	Health												of which: capital						£ million
	National Statistics						National Statistics						of which: current			National Statistics			
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		
North East	5,213	5,272	5,410	5,562	5,837		4,928	5,040	5,232	5,362	5,614		285	231	178	200	223		
North West	13,386	13,481	14,009	14,708	14,983		12,688	12,913	13,561	14,182	14,442		698	568	449	526	541		
Yorkshire and the Humber	9,251	9,340	9,748	10,030	10,377		8,769	8,932	9,437	9,671	10,019		482	408	310	359	357		
East Midlands	7,193	7,256	7,558	7,833	8,182		6,832	6,969	7,321	7,556	7,921		361	286	236	277	261		
West Midlands	10,065	10,286	10,594	11,029	11,208		9,548	9,864	10,256	10,631	10,826		517	421	338	398	382		
East	9,589	9,808	9,251	9,478	10,445		9,085	9,386	8,954	9,144	10,108		504	422	297	335	337		
London	18,876	19,919	20,254	20,180	20,693		17,879	19,034	19,558	19,431	19,913		997	885	695	749	780		
South East	14,182	14,584	14,243	14,569	15,601		13,402	13,952	13,789	14,049	15,097		780	631	454	520	504		
South West	8,362	8,409	8,725	9,078	10,087		7,926	8,056	8,440	8,756	9,749		436	353	285	321	338		
England	96,117	98,353	99,792	102,468	107,412		91,057	94,147	96,549	98,782	103,689		5,060	4,206	3,243	3,685	3,723		
Scotland	10,616	10,877	11,056	11,285	11,459		10,081	10,287	10,543	10,715	10,946		535	591	514	569	513		
Wales	5,926	6,119	6,075	6,001	6,141		5,528	5,730	5,777	5,788	5,920		397	389	297	212	221		
Northern Ireland	3,442	3,595	3,638	3,844	3,882		3,254	3,393	3,444	3,529	3,631		188	203	195	315	251		
UK identifiable expenditure	116,100	118,945	120,561	123,597	128,894		109,920	113,556	116,312	118,814	124,186		6,180	5,389	4,249	4,782	4,707		
Outside the UK	817	881	675	677	589		817	881	675	677	586		-	0	-	-	3		
Total identifiable expenditure	116,917	119,826	121,236	124,274	129,483		110,737	114,437	116,987	119,491	124,772		6,180	5,389	4,249	4,782	4,710		
Non-identifiable expenditure	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		
Total Expenditure on Services	116,917	119,826	121,236	124,274	129,483		110,737	114,437	116,987	119,491	124,772		6,180	5,389	4,249	4,782	4,710		

Table 9.12 Identifiable expenditure on recreation, culture and religion by country and region, 2009-10 to 2013-14

	Recreation, culture and religion										of which: current										of which: capital										£ million																								
	National Statistics					National Statistics					National Statistics					National Statistics					National Statistics																																		
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn																														
North East	415	368	292	314	318	319	290	228	260	242	96	78	64	53	76	182	171	186	126	177	159	123	134	129	158	141	102	81	93	125	125	150	210	168	212	188	132	111	126	167	362	292	405	291	348	226	215	226	202	240	131	146	154	120	151
North West	803	766	701	670	686	620	595	515	544	509	620	595	515	544	509	182	171	186	126	177	159	123	134	129	158	141	102	81	93	125	125	150	210	168	212	188	132	111	126	167	362	292	405	291	348	226	215	226	202	240	131	146	154	120	151
Yorkshire and the Humber	629	588	548	584	586	470	465	415	455	428	470	465	415	455	428	159	123	134	129	158	141	102	81	93	125	125	150	210	168	212	188	132	111	126	167	362	292	405	291	348	226	215	226	202	240	131	146	154	120	151					
East Midlands	514	455	382	414	420	374	353	301	321	296	374	353	301	321	296	141	102	81	93	125	125	150	210	168	212	188	132	111	126	167	362	292	405	291	348	226	215	226	202	240	131	146	154	120	151										
West Midlands	588	582	617	595	613	462	432	407	427	400	462	432	407	427	400	125	150	210	168	212	188	132	111	126	167	362	292	405	291	348	226	215	226	202	240	131	146	154	120	151															
East	628	541	471	499	507	440	409	361	373	340	440	409	361	373	340	188	132	111	126	167	362	292	405	291	348	226	215	226	202	240	131	146	154	120	151																				
London	1,307	1,264	1,476	1,883	1,378	945	972	1,071	1,592	1,030	945	972	1,071	1,592	1,030	362	292	405	291	348	226	215	226	202	240	131	146	154	120	151																									
South East	873	829	768	785	785	647	614	542	583	545	647	614	542	583	545	226	215	226	202	240	131	146	154	120	151																														
South West	560	549	506	467	481	429	403	352	347	330	429	403	352	347	330	131	146	154	120	151																																			
England	6,317	5,942	5,761	6,212	5,774	4,707	4,533	4,190	4,903	4,119	4,707	4,533	4,190	4,903	4,119	1,610	1,409	1,570	1,309	1,655	1,610	1,409	1,570	1,309	1,655	274	252	304	321	201	82	75	85	112	90	91	98	65	91	129															
Scotland	1,173	1,103	1,223	1,323	1,170	899	852	920	1,002	969	899	852	920	1,002	969	274	252	304	321	201	82	75	85	112	90	91	98	65	91	129																									
Wales	601	612	647	624	564	519	537	563	512	474	519	537	563	512	474	82	75	85	112	90	91	98	65	91	129																														
Northern Ireland	412	463	416	462	458	321	365	351	372	330	321	365	351	372	330	91	98	65	91	129																																			
UK identifiable expenditure	8,503	8,121	8,048	8,621	7,967	6,446	6,287	6,024	6,789	5,892	6,446	6,287	6,024	6,789	5,892	2,057	1,834	2,024	1,833	2,075	2,057	1,834	2,024	1,833	2,075	33	35	81	45	30																									
Outside the UK	232	219	247	231	201	199	185	166	186	171	199	185	166	186	171	33	35	81	45	30																																			
Total identifiable expenditure	8,735	8,340	8,295	8,853	8,168	6,645	6,471	6,189	6,975	6,063	6,645	6,471	6,189	6,975	6,063	2,090	1,869	2,105	1,878	2,105	2,090	1,869	2,105	1,878	2,105	706	713	608	0	120																									
Non-identifiable expenditure	4,444	4,622	4,216	3,878	3,499	3,738	3,909	3,608	3,878	3,379	3,738	3,909	3,608	3,878	3,379	706	713	608	0	120																																			
Total Expenditure on Services	13,179	12,962	12,511	12,731	11,667	10,383	10,380	9,797	10,852	9,442	10,383	10,380	9,797	10,852	9,442	2,796	2,582	2,714	1,879	2,225	2,796	2,582	2,714	1,879	2,225																														

Table 9.13 Identifiable expenditure on education by country and region, 2009-10 to 2013-14

	Education						of which: current						of which: capital						£ million
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics						
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn				
North East	3,789	3,889	3,558	3,527	3,720	3,263	3,474	3,245	3,287	3,481	527	415	313	240	239				
North West	10,046	10,588	9,717	9,729	10,073	8,885	9,460	8,896	9,053	9,425	1,161	1,128	820	676	648				
Yorkshire and the Humber	7,362	7,799	7,521	7,448	7,839	6,514	6,891	6,640	6,752	7,156	848	908	880	696	683				
East Midlands	6,129	6,253	5,800	6,028	6,470	5,427	5,640	5,349	5,613	6,032	702	613	451	415	438				
West Midlands	7,696	8,119	7,785	7,751	8,215	6,945	7,356	7,048	7,124	7,596	751	764	736	627	620				
East	7,656	7,882	7,416	7,530	7,891	6,758	7,013	6,733	6,912	7,221	898	869	683	618	670				
London	12,970	13,728	13,227	13,197	13,844	11,410	12,187	11,825	12,093	12,627	1,560	1,541	1,403	1,104	1,217				
South East	11,138	11,458	10,664	10,831	11,078	9,786	10,342	9,860	10,090	10,310	1,352	1,117	804	742	768				
South West	6,914	7,047	6,503	6,494	6,843	6,034	6,331	6,057	6,074	6,387	880	716	446	420	456				
England	73,700	76,764	72,190	72,535	75,974	65,022	68,693	65,653	66,996	70,235	8,678	8,070	6,537	5,539	5,739				
Scotland	7,728	7,679	7,492	7,677	7,607	7,066	7,079	6,805	7,021	6,996	662	600	687	656	610				
Wales	4,340	4,227	4,417	4,222	4,686	4,017	3,973	4,011	3,913	4,407	323	254	406	308	279				
Northern Ireland	2,714	2,826	2,794	2,849	2,750	2,443	2,602	2,635	2,719	2,621	271	224	158	130	130				
UK identifiable expenditure	88,482	91,496	86,894	87,282	91,017	78,548	82,348	79,105	80,649	84,260	9,934	9,148	7,789	6,633	6,758				
Outside the UK	2	3	3	3	4	2	3	3	3	3	-	0	-	0	0				
Total identifiable expenditure	88,484	91,499	86,897	87,286	91,021	78,550	82,351	79,108	80,652	84,263	9,934	9,148	7,789	6,633	6,758				
Non-identifiable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Total Expenditure on Services	88,484	91,499	86,897	87,286	91,021	78,550	82,351	79,108	80,652	84,263	9,934	9,148	7,789	6,633	6,758				

Table 9.14 Identifiable expenditure on social protection by country and region, 2009-10 to 2013-14

	Social protection												of which: current						of which: capital						£ million			
	National Statistics						National Statistics						2009-10			2010-11			2011-12			2012-13				2013-14		
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn						
North East	10,204	10,467	10,815	11,247	11,259		10,144	10,409	10,780	11,226	11,231		60	58	35	21	29											
North West	26,410	27,164	28,102	29,140	29,173		26,280	27,039	28,037	29,095	29,125		130	125	65	44	49											
Yorkshire and the Humber	18,370	18,979	19,628	20,410	20,474		18,289	18,892	19,580	20,375	20,431		81	87	48	36	43											
East Midlands	14,912	15,427	16,227	16,995	17,136		14,827	15,354	16,194	16,966	17,095		84	73	33	29	41											
West Midlands	19,987	20,428	21,216	22,066	22,158		19,904	20,350	21,173	22,032	22,123		83	79	43	33	35											
East	18,619	19,290	20,263	21,262	21,448		18,532	19,205	20,207	21,224	21,401		87	85	55	38	46											
London	27,358	28,425	29,576	30,387	30,234		27,212	28,298	29,508	30,360	30,189		146	127	68	27	45											
South East	26,386	27,408	28,919	30,345	30,613		26,254	27,270	28,832	30,285	30,542		132	138	87	60	71											
South West	18,034	18,786	19,719	20,736	21,014		17,952	18,695	19,666	20,713	20,993		83	91	53	23	21											
England	180,279	186,374	194,465	202,588	203,510		179,394	185,512	193,978	202,278	203,130		886	862	487	310	380											
Scotland	19,727	20,331	20,791	21,950	22,027		19,616	20,238	20,727	21,865	21,934		111	93	64	85	94											
Wales	11,996	12,367	12,898	13,414	13,513		11,967	12,317	12,866	13,385	13,497		29	50	32	29	16											
Northern Ireland	7,478	7,460	7,839	8,207	8,458		7,451	7,447	7,827	8,204	8,455		27	13	12	3	2											
UK identifiable expenditure	219,480	226,532	235,993	246,159	247,507		218,428	225,514	235,398	245,732	247,015		1,053	1,018	595	427	492											
Outside the UK	3,521	3,866	4,003	4,315	4,537		3,521	3,866	4,003	4,315	4,537		-	-	-	-	-											
Total identifiable expenditure	223,001	230,398	239,996	250,474	252,044		221,948	229,380	239,401	250,046	251,552		1,053	1,018	595	427	492											
Non-identifiable expenditure	-	-	-	-	-700		-	-	-	-	-		-	-	-	-	-700											
Total Expenditure on Services	223,001	230,398	239,996	250,474	251,344		221,948	229,380	239,401	250,046	251,552		1,053	1,018	595	427	-208											

Table 9.15 UK identifiable expenditure on services by function, country and region, per head, (1) 2009-10 to 2013-14

Data in this table from 2009-10 to 2013-14 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
2009-10																		
North East	129	126	3	1	539	589	121	48	81	77	261	124	326	2,024	161	1,471	3,962	9,327
North West	120	118	3	1	543	610	114	40	71	51	333	268	220	1,916	115	1,438	3,780	9,011
Yorkshire and the Humber	111	108	3	1	495	604	124	42	74	81	283	127	220	1,771	120	1,409	3,517	8,377
East Midlands	135	132	3	1	423	583	114	45	64	105	256	129	165	1,609	115	1,371	3,335	7,865
West Midlands	140	137	3	1	483	547	108	33	81	67	258	117	200	1,821	106	1,392	3,616	8,423
East	122	119	3	2	382	617	80	65	55	121	297	142	170	1,667	109	1,331	3,237	7,780
London	144	141	3	1	822	1,036	146	62	73	9	747	135	489	2,377	165	1,633	3,444	10,246
South East	108	105	3	1	407	498	69	58	49	52	269	150	177	1,670	103	1,312	3,108	7,533
South West	128	125	3	1	401	522	84	39	47	131	221	178	172	1,600	107	1,323	3,450	7,882
England	126	123	3	1	510	638	106	49	65	71	347	156	242	1,841	121	1,412	3,454	8,501
Scotland	235	232	3	1	481	1,046	191	60	65	168	562	242	376	2,029	224	1,477	3,771	9,883
Wales	265	263	3	1	492	842	210	29	80	173	351	195	205	1,950	198	1,428	3,947	9,524
Northern Ireland	249	246	3	-	726	961	206	43	75	312	325	139	626	1,919	230	1,514	4,170	10,533
UK identifiable expenditure	145	142	3	1	513	692	121	49	66	91	365	165	263	1,865	137	1,421	3,525	8,726
2010-11																		
North East	113	110	3	1	514	576	115	44	94	68	255	134	261	2,038	142	1,503	4,046	9,329
North West	116	113	3	1	526	557	100	38	80	40	299	286	175	1,920	109	1,508	3,870	9,070
Yorkshire and the Humber	97	94	3	1	480	554	90	39	86	73	266	121	174	1,777	112	1,484	3,612	8,413
East Midlands	154	151	3	1	398	527	81	42	70	109	225	126	149	1,610	101	1,387	3,423	7,876
West Midlands	119	116	3	1	453	486	84	31	89	62	220	110	156	1,848	104	1,459	3,670	8,407
East	103	99	3	2	366	606	51	61	62	116	316	142	119	1,689	93	1,357	3,322	7,798
London	110	107	3	1	786	926	112	59	87	7	660	135	396	2,471	157	1,703	3,526	10,210
South East	110	107	3	1	391	446	60	54	54	42	235	158	138	1,700	97	1,336	3,195	7,572
South West	106	103	3	1	384	473	60	40	53	106	214	192	129	1,598	104	1,339	3,571	7,897
England	113	110	3	1	488	583	82	47	74	63	317	160	192	1,868	113	1,458	3,540	8,518
Scotland	244	240	3	1	505	1,000	167	56	81	177	519	251	308	2,067	210	1,459	3,864	9,909
Wales	240	237	3	1	472	882	242	31	73	171	365	202	185	2,006	201	1,386	4,055	9,630
Northern Ireland	256	253	3	0	802	995	177	44	95	291	388	138	462	1,992	257	1,566	4,133	10,601
UK identifiable expenditure	134	131	3	1	498	644	100	47	75	84	339	169	209	1,895	129	1,458	3,610	8,748

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

Table 9.15 UK identifiable expenditure on services by function, country and region, per head ⁽¹⁾, 2009-10 to 2013-14 (continued)

Data in this table from 2009-10 to 2013-14 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
2011-12																		
North East	88	84	3	1	498	539	111	47	68	88	225	129	200	2,084	113	1,370	4,166	9,187
North West	86	83	3	1	498	501	83	37	56	49	275	286	105	1,985	99	1,377	3,983	8,921
Yorkshire and the Humber	92	89	3	1	452	522	83	39	61	78	260	122	115	1,843	104	1,422	3,712	8,384
East Midlands	116	113	3	1	380	475	78	42	48	97	210	114	111	1,666	84	1,278	3,576	7,801
West Midlands	91	88	3	1	433	436	73	32	61	64	207	110	107	1,889	110	1,388	3,783	8,348
East	94	91	3	1	355	528	44	68	40	97	279	121	86	1,578	80	1,265	3,456	7,566
London	87	84	3	1	755	818	96	62	58	6	597	138	252	2,469	180	1,612	3,605	9,918
South East	92	89	3	1	366	390	44	57	34	53	203	141	90	1,646	89	1,232	3,342	7,389
South West	96	93	3	1	375	453	57	38	34	132	191	178	102	1,646	95	1,227	3,720	7,892
England	93	90	3	1	467	525	71	48	50	67	289	153	129	1,879	108	1,359	3,662	8,376
Scotland	243	240	3	1	514	1,001	174	63	55	183	526	246	306	2,086	231	1,414	3,923	9,965
Wales	214	211	3	1	462	806	138	33	53	237	345	196	195	1,983	211	1,442	4,210	9,720
Northern Ireland	214	211	3	0	794	893	156	40	87	277	332	146	530	2,005	229	1,540	4,320	10,673
UK identifiable expenditure	115	112	3	1	480	589	86	49	51	91	312	163	159	1,905	127	1,373	3,729	8,640
2012-13																		
North East	108	105	3	1	484	462	73	45	69	75	199	113	171	2,137	121	1,355	4,322	9,274
North West	92	89	3	1	486	442	63	42	54	44	240	315	112	2,076	95	1,373	4,113	9,105
Yorkshire and the Humber	77	74	3	1	441	494	59	43	60	71	261	111	106	1,887	110	1,401	3,839	8,466
East Midlands	105	102	3	1	378	400	48	42	46	93	170	113	111	1,715	91	1,320	3,721	7,954
West Midlands	78	75	3	1	421	421	59	35	56	59	211	99	97	1,955	105	1,374	3,911	8,461
East	93	91	3	1	334	450	36	70	37	94	213	132	89	1,604	84	1,275	3,599	7,663
London	104	101	3	1	724	652	44	64	53	12	479	125	278	2,429	227	1,588	3,657	9,785
South East	89	87	3	1	359	398	40	61	31	59	207	134	86	1,670	90	1,241	3,478	7,547
South West	90	87	3	1	368	424	43	44	32	118	187	174	84	1,700	87	1,216	3,884	8,029
England	92	90	3	1	453	467	50	51	47	64	254	152	129	1,916	116	1,356	3,787	8,468
Scotland	219	216	3	1	515	1,034	175	62	51	173	573	255	303	2,124	249	1,445	4,131	10,275
Wales	207	204	3	1	455	703	126	36	51	139	350	211	203	1,952	203	1,373	4,364	9,671
Northern Ireland	211	208	3	-	767	868	158	43	84	271	311	140	450	2,108	254	1,562	4,501	10,859
UK identifiable expenditure	112	109	3	1	467	537	67	51	48	83	287	163	156	1,940	135	1,370	3,864	8,746

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

Table 9.15 UK identifiable expenditure on services by function, country and region, per head ⁽¹⁾, 2009-10 to 2013-14 (continued)

	Data in this table from 2009-10 to 2013-14 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
2013-14																		
North East	120	117	2	1	477	532	92	59	83	76	223	123	227	2,236	122	1,425	4,313	9,576
North West	103	100	2	1	476	497	68	56	63	44	266	329	140	2,109	97	1,418	4,107	9,276
Yorkshire and the Humber	86	83	3	1	433	543	64	57	73	71	278	121	138	1,944	110	1,469	3,836	8,679
East Midlands	114	111	2	1	370	452	52	55	53	94	199	134	144	1,779	91	1,407	3,727	8,219
West Midlands	80	78	2	1	408	480	60	46	69	60	245	109	128	1,975	108	1,448	3,905	8,641
East	102	99	2	1	332	486	37	80	43	93	233	146	116	1,754	85	1,325	3,602	7,950
London	124	122	2	1	700	711	47	80	61	11	511	135	336	2,459	164	1,645	3,592	9,866
South East	99	97	2	1	356	446	42	72	35	59	238	145	104	1,774	89	1,260	3,482	7,756
South West	97	95	3	1	360	443	44	56	36	119	188	189	101	1,876	89	1,273	3,908	8,336
England	103	100	2	1	443	516	53	64	55	64	279	164	161	1,994	107	1,410	3,778	8,678
Scotland	238	236	2	1	465	1,069	192	71	61	180	564	265	304	2,151	220	1,428	4,134	10,275
Wales	214	211	3	2	466	751	145	47	62	145	352	213	198	1,992	183	1,520	4,384	9,924
Northern Ireland	230	228	3	-	755	887	163	48	96	292	287	141	451	2,121	251	1,503	4,622	10,961
UK identifiable expenditure	123	120	2	1	455	584	72	63	57	84	307	174	183	2,011	124	1,420	3,861	8,936

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

Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2009-10 to 2013-14

		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
2009-10																			
	North East	89	88	100	96	105	85	100	98	124	85	71	75	124	109	118	104	112	107
	North West	83	83	100	96	106	88	94	83	108	56	91	162	84	103	84	101	107	103
	Yorkshire and the Humber	77	76	100	78	97	87	103	85	113	89	78	77	84	95	88	99	100	96
	East Midlands	93	93	100	103	83	84	95	91	97	115	70	78	63	86	84	96	95	90
	West Midlands	96	96	100	99	94	79	90	67	122	74	71	71	76	98	78	98	103	97
	East	84	84	100	138	74	89	66	132	83	133	81	86	65	89	80	94	92	89
	London	99	99	100	113	160	150	121	126	111	9	205	82	186	127	120	115	98	117
	South East	74	74	100	118	79	72	57	119	75	57	74	91	67	90	75	92	88	86
	South West	88	88	100	101	78	76	70	80	72	143	61	108	66	86	78	93	98	90
	England	87	86	100	106	99	92	87	100	98	78	95	95	92	99	89	99	98	97
	Scotland	162	163	98	76	94	151	158	123	99	185	154	147	143	109	164	104	107	113
	Wales	183	185	99	90	96	122	173	59	121	190	96	118	78	105	145	100	112	109
	Northern Ireland	171	173	99	-	142	139	171	89	114	342	89	84	238	103	168	106	118	121
	UK identifiable expenditure	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
2010-11																			
	North East	84	84	100	109	103	89	115	94	126	80	75	79	125	108	110	103	112	107
	North West	86	86	100	94	106	86	100	82	107	47	88	169	84	101	84	103	107	104
	Yorkshire and the Humber	72	71	100	80	96	86	90	84	115	86	79	71	83	94	86	102	100	96
	East Midlands	115	115	100	106	80	82	81	91	93	129	66	75	71	85	78	95	95	90
	West Midlands	89	88	100	98	91	75	84	67	119	74	65	65	75	98	81	100	102	96
	East	76	76	100	132	74	94	51	131	83	137	93	84	57	89	72	93	92	89
	London	82	81	100	113	158	144	112	128	117	8	195	80	189	130	121	117	98	117
	South East	82	81	100	110	78	69	60	115	73	50	69	93	66	90	75	92	89	87
	South West	79	78	100	106	77	73	60	86	71	126	63	113	61	84	81	92	99	90
	England	84	84	100	106	98	90	82	100	98	75	94	95	92	99	87	100	98	97
	Scotland	181	183	98	75	102	155	167	120	108	210	153	148	147	109	162	100	107	113
	Wales	178	180	99	104	95	137	242	67	98	203	108	119	89	106	155	95	112	110
	Northern Ireland	191	193	99	1	161	154	177	95	127	345	114	82	221	105	198	107	115	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, 2009-10 to 2013-14 (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
2011-12		76	76	100	95	104	91	130	97	133	96	72	79	126	109	88	100	112	106
North East																			
North West		75	74	100	94	104	85	96	76	110	54	88	176	66	104	78	100	107	103
Yorkshire and the Humber		80	79	101	86	94	89	97	81	119	86	83	75	72	97	82	104	100	97
East Midlands		101	101	100	102	79	81	91	87	94	106	67	70	70	87	66	93	96	90
West Midlands		79	79	100	98	90	74	85	66	118	70	66	68	67	99	86	101	101	97
East		82	81	100	146	74	90	51	141	79	106	89	75	54	83	63	92	93	88
London		76	75	100	123	157	139	112	127	113	6	191	85	159	130	141	117	97	115
South East		80	80	100	84	76	66	51	118	65	58	65	87	57	86	70	90	90	86
South West		84	83	101	100	78	77	66	79	67	145	61	109	64	86	75	89	100	91
England		81	80	100	104	97	89	83	100	97	74	92	94	81	99	85	99	98	97
Scotland		212	215	97	89	107	170	203	129	106	202	168	151	193	110	181	103	105	115
Wales		186	189	100	115	96	137	161	67	102	261	111	120	123	104	166	105	113	112
Northern Ireland		187	189	100	4	165	152	183	83	170	305	106	90	334	105	180	112	116	124
UK identifiable expenditure		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
2012-13																			
North East		96	96	99	102	104	86	109	88	143	91	69	69	110	110	89	99	112	106
North West		82	82	96	94	104	82	94	81	111	53	83	193	72	107	70	100	106	104
Yorkshire and the Humber		69	68	103	79	94	92	88	84	124	85	91	68	68	97	81	102	99	97
East Midlands		94	94	102	102	81	74	72	83	94	112	59	70	71	88	67	96	96	91
West Midlands		70	69	99	99	90	78	88	69	116	71	74	61	62	101	78	100	101	97
East		84	83	100	127	71	84	54	136	77	114	74	81	57	83	62	93	93	88
London		93	93	99	119	155	121	65	125	108	15	167	77	178	125	167	116	95	112
South East		80	80	100	116	77	74	60	119	64	71	72	83	55	86	66	91	90	86
South West		80	80	105	99	79	79	64	86	66	142	65	107	54	88	65	89	101	92
England		83	82	100	106	97	87	74	100	97	78	89	93	82	99	86	99	98	97
Scotland		196	198	95	72	110	193	261	122	105	208	199	156	194	109	184	105	107	117
Wales		185	187	104	111	97	131	189	70	105	167	122	129	130	101	150	100	113	111
Northern Ireland		189	191	104	-	164	162	237	84	173	327	108	86	288	109	187	114	116	124
UK identifiable expenditure		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2009-10 to 2013-14 (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
2013-14																		
North East	97	97	100	97	105	91	127	93	145	90	73	71	124	111	98	100	112	107
North West	84	83	99	89	105	85	94	88	111	52	87	189	76	105	78	100	106	104
Yorkshire and the Humber	70	69	101	73	95	93	89	89	128	84	90	69	75	97	88	103	99	97
East Midlands	93	92	101	97	81	77	72	86	92	112	65	77	79	88	74	99	97	92
West Midlands	65	65	100	94	90	82	83	73	120	71	80	63	70	98	87	102	101	97
East	83	82	100	124	73	83	51	126	76	110	76	84	64	87	69	93	93	89
London	101	101	100	115	154	122	65	127	107	13	167	77	183	122	132	116	93	110
South East	81	80	100	112	78	76	58	113	61	70	78	83	57	88	72	89	90	87
South West	79	79	102	93	79	76	61	89	64	142	61	108	55	93	72	90	101	93
England	84	83	100	101	97	88	74	101	96	76	91	94	88	99	86	99	98	97
Scotland	194	196	95	103	102	183	266	112	108	213	184	152	166	107	177	101	107	115
Wales	174	175	101	139	102	129	201	75	109	172	115	122	108	99	147	107	114	111
Northern Ireland	187	189	101	-	166	152	225	76	169	347	93	81	246	106	202	106	120	123
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, 2009-10 to 2013-14

	2009-10		2010-11		2011-12		2012-13		2013-14		As a per cent of total spending in that region (from Table 9.1)				
	outturn		outturn		outturn		outturn		outturn		2009-10	2010-11	2011-12	2012-13	2013-14
	£ million										National Statistics				
	National Statistics										National Statistics				
North East	7,096		7,111		6,693		6,388		6,669		30	29	28	26	27
North West	18,536		18,684		17,579		16,989		17,783		29	29	28	26	27
Yorkshire and the Humber	12,512		12,747		12,358		11,920		12,325		29	29	28	26	27
East Midlands	9,961		9,913		9,398		9,069		9,517		28	28	27	25	25
West Midlands	13,450		13,490		12,997		12,569		13,068		29	29	28	26	27
East	13,143		12,911		12,193		11,662		12,329		29	29	27	26	26
London	28,677		28,358		27,836		27,329		28,469		35	34	34	34	34
South East	18,273		18,508		17,600		17,266		18,130		29	28	28	26	27
South West	11,660		11,724		10,858		10,442		11,013		28	28	26	24	25
Total England	133,309		133,445		127,511		123,633		129,304		30	30	29	27	28
Scotland	14,824		14,915		15,239		15,702		14,274		29	29	29	29	26
Wales	7,938		8,036		8,148		8,355		8,394		27	27	27	28	27
Northern Ireland ⁽¹⁾	565		480		622		624		681		3	3	3	3	3
UK local government identifiable expenditure	156,635		156,876		151,520		148,314		152,653		29	29	28	27	27
Non-identifiable expenditure	537		600		583		560		583		1	1	1	1	1
Total local government expenditure on services	157,172		157,476		152,103		148,874		153,236		25	24	23	23	23
Accounting adjustments	19,180		21,417		21,582		21,075		16,305		39	41	40	35	36
Total local government expenditure	176,352		178,893		173,685		169,949		169,541		26	25	25	24	23

⁽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 9.18 Total local government identifiable expenditure on services by country and region, per head ⁽¹⁾ 2009-10 to 2013-14

	£ per head					Index (UK identifiable expenditure = 100)				
	National Statistics					National Statistics				
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn
North East	2,755	2,749	2,578	2,455	2,555	110	110	108	105	107
North West	2,653	2,662	2,491	2,398	2,503	105	106	104	103	105
Yorkshire and the Humber	2,396	2,426	2,337	2,242	2,309	95	97	98	96	97
East Midlands	2,228	2,199	2,071	1,985	2,070	89	88	87	85	87
West Midlands	2,433	2,424	2,317	2,228	2,303	97	97	97	96	97
East	2,285	2,223	2,080	1,974	2,071	91	89	87	85	87
London	3,610	3,518	3,393	3,289	3,383	144	141	142	141	142
South East	2,152	2,158	2,034	1,979	2,062	86	86	85	85	87
South West	2,231	2,228	2,048	1,956	2,048	89	89	86	84	86
Total England	2,554	2,535	2,401	2,311	2,400	102	101	100	99	101
Scotland	2,833	2,834	2,875	2,955	2,679	113	113	120	127	113
Wales	2,612	2,635	2,660	2,718	2,723	104	105	111	117	114
Northern Ireland ⁽²⁾	315	266	343	342	372	13	11	14	15	16
UK local government identifiable expenditure	2,516	2,500	2,394	2,328	2,381	100	100	100	100	100

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

⁽²⁾ 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' expenditure on services by country and region, 2009-10 to 2013-14

	£ million				As a per cent of total spending in that region from Table 9.1							
	National Statistics				National Statistics							
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		
North East	16,924	17,021	17,160	17,747	18,329	70	71	72	74	73		
North West	44,417	44,984	45,367	47,514	48,106	71	71	72	74	73		
Yorkshire and the Humber	31,243	31,461	31,976	33,091	34,002	71	71	72	74	73		
East Midlands	25,210	25,587	25,998	27,263	28,279	72	72	73	75	75		
West Midlands	33,111	33,304	33,825	35,175	35,968	71	71	72	74	73		
East	31,601	32,375	32,162	33,604	35,010	71	71	73	74	74		
London	52,700	53,953	53,537	53,969	54,572	65	66	66	66	66		
South East	45,691	46,439	46,338	48,580	50,067	71	72	72	74	73		
South West	29,539	29,826	30,977	32,429	33,816	72	72	74	76	75		
Total England	310,435	314,950	317,340	329,370	338,150	70	70	71	73	72		
Scotland	36,882	37,227	37,575	38,897	40,467	71	71	71	71	74		
Wales	21,006	21,335	21,632	21,375	22,195	73	73	73	72	73		
Northern Ireland ⁽¹⁾	18,324	18,654	18,742	19,178	19,374	97	97	97	97	97		
UK central government and public corporations identifiable expenditure	386,647	392,166	395,290	408,820	420,186	71	71	72	73	73		
Outside UK	16,696	19,854	18,821	20,467	23,352	100	100	100	100	100		
Total central government and public corporations identifiable expenditure	403,343	412,020	414,111	429,287	443,538	72	72	73	74	74		
Non-identifiable expenditure ⁽²⁾	82,862	93,505	95,276	93,711	92,601	107	108	109	114	115		
Total central government and public corporations' expenditure on services	486,205	505,526	509,387	522,998	536,139	76	77	78	79	79		
Accounting adjustments	23,945	22,699	23,505	27,909	16,668	49	44	44	46	37		
Total central government and public corporations' expenditure⁽³⁾	510,150	528,225	532,892	550,907	552,807	74	75	75	76	77		

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

Table 9.20 Total central government and public corporations' identifiable expenditure on services by country and region per head,⁽¹⁾ 2009-10 to 2013-14

	National Statistics					£ per head
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	
North East	6,571	6,580	6,609	6,820	7,021	
North West	6,358	6,408	6,430	6,707	6,772	
Yorkshire and the Humber	5,981	5,987	6,047	6,224	6,370	
East Midlands	5,638	5,677	5,730	5,969	6,150	
West Midlands	5,990	5,984	6,031	6,234	6,338	
East	5,494	5,575	5,486	5,689	5,880	
London	6,635	6,693	6,525	6,496	6,484	
South East	5,381	5,414	5,355	5,568	5,694	
South West	5,651	5,669	5,844	6,073	6,288	
Total England	5,947	5,983	5,975	6,157	6,278	
Scotland	7,049	7,074	7,090	7,320	7,596	
Wales	6,912	6,995	7,060	6,953	7,201	
Northern Ireland ⁽²⁾	10,218	10,336	10,330	10,517	10,589	
UK central government and public corporations' identifiable expenditure	6,210	6,249	6,246	6,417	6,555	

	National Statistics					Index (UK identifiable expenditure = 100)
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	
North East	106	105	106	106	107	
North West	102	103	103	105	103	
Yorkshire and the Humber	96	96	97	97	97	
East Midlands	91	91	92	93	94	
West Midlands	96	96	97	97	97	
East	88	89	88	89	90	
London	107	107	104	101	99	
South East	87	87	86	87	87	
South West	91	91	94	95	96	
Total England	96	96	96	96	96	
Scotland	114	113	114	114	116	
Wales	111	112	113	108	110	
Northern Ireland ⁽²⁾	165	165	165	164	162	
UK central government and public corporations' identifiable expenditure	100	100	100	100	100	

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

⁽²⁾ The relative weighting of Northern Ireland is higher in these tables because spending that is undertaken by local government in Great Britain is mostly undertaken by Northern Ireland departments.

Table 9.21 Identifiable expenditure on services for Scotland, Wales and Northern Ireland in 2013-14

Function		National Statistics										Total Expenditure on Services						
		1. General public services <i>of which: public and common services</i>	2. Defence <i>of which: international services</i>	3. Public order and safety	4. Economic affairs <i>of which: enterprise and economic development</i>	<i>of which: science and technology</i>	<i>of which: employment policies</i>	<i>of which: agriculture, fisheries and forestry</i>	<i>of which: transport</i>	5. Environment protection	6. Housing and community amenities		7. Health	8. Recreation, culture and religion	9. Education	10. Social protection		
Scotland																		
Scottish Government ⁽¹⁾	368	-	2,310	3,193	499	3	-	869	1,822	263	852	11,354	323	2,448	398		21,509	
Scotland Office	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	
Scottish local government	807	-	-	1,465	335	-	-	78	1,052	745	768	-	739	5,132	5,215		14,877	
Local government public corporations	-	-	-	4	-	-	-	-	4	-	-	-	-	-	-	-	4	
UK government departments	86	13	166	1,033	191	377	327	10	128	404	-	105	108	27	16,414		18,343	
Total identifiable expenditure in Scotland	1,268	13	2,476	5,695	1,025	380	327	957	3,006	1,413	1,620	11,459	1,170	7,607	22,027		54,741	
Wales																		
Welsh Assembly Government ⁽¹⁾	354	-	1	1,187	261	29	2	424	471	189	94	6,125	98	1,696	90		9,834	
Wales Office	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	
Welsh local government	242	-	5	873	80	-	-	17	425	370	513	-	323	2,890	2,816		8,554	
Local government public corporations	-	-	-	3	-	-	-	-	3	-	-	-	-	-	-	-	3	
UK government departments	59	8	562	604	107	117	189	6	184	98	4	16	143	101	10,607		12,195	
Total identifiable expenditure in Wales	659	8	1,437	2,316	448	146	191	447	1,084	657	611	6,141	564	4,686	13,513		30,590	
Northern Ireland																		
Northern Ireland Executive	359	-	1,356	1,501	240	39	175	528	519	52	661	3,821	181	2,741	6,956		17,627	
Northern Ireland Office	30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30	
Northern Irish local government	-	-	-	24	24	-	-	-	-	186	163	53	254	-	-	-	681	
UK government departments	32	5	26	97	34	49	2	7	6	19	0	7	23	9	1,502		1,717	
Total identifiable expenditure in Northern Ireland	421	5	1,382	1,622	298	88	176	535	525	257	824	3,882	458	2,750	8,458		20,055	

⁽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 2014. 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 2014.¹ 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 2014 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-2014>

- **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 2013-14 and;
- **Table 10.10** shows total identifiable expenditure on services for each English region by sub-function per head for outturn period 2013-14.

Table 10.1 Total identifiable expenditure on services in England by sub-function, 2009-10 to 2013-14

	National Statistics				
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn
£ million					
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	3,412	3,401	2,596	2,529	2,751
1.2 Foreign economic aid	3	2	1	1	1
1.3 General services	919	830	770	746	702
1.4 Basic research	-	-	-	-	-
1.5 R&D general public services	10	7	5	5	5
1.6 General public services n.e.c.	2,210	1,725	1,557	1,653	2,065
Total general public services	6,554	5,964	4,930	4,934	5,524
2. Defence					
2.1 Military defence	-	-	-	-	-
2.2 Civil defence	69	66	51	59	59
2.3 Foreign military aid	-	-	-	-	-
2.4 R&D defence	-	-	-	-	-
2.5 Defence n.e.c.	-	1	2	-	-
Total defence	69	67	53	59	59
3. Public order and safety					
3.1 Police services	14,227	13,721	13,378	12,954	12,783
<i>of which: immigration and citizenship</i>	-	-	-	-	-
<i>of which: other police services</i>	14,227	13,721	13,378	12,954	12,783
3.2 Fire-protection services	2,495	2,433	2,272	2,282	2,430
3.3 Law courts	5,586	5,173	5,498	4,990	4,559
3.4 Prisons	4,038	4,165	3,417	3,590	3,400
3.5 R&D public order and safety	22	9	10	31	31
3.6 Public order and safety n.e.c.	237	197	210	385	685
Total public order and safety	26,605	25,697	24,785	24,232	23,888
4. Economic affairs					
4.1 General economic, commercial and labour affairs	6,464	6,371	5,088	4,264	4,838
4.2 Agriculture, forestry, fishing and hunting	3,708	3,320	3,553	3,450	3,466
<i>of which: market support under CAP</i>	2,742	2,459	2,773	1,882	1,863
<i>of which: other agriculture, food and fisheries policy</i>	966	861	780	1,566	1,601
<i>of which: forestry</i>	-	-	-	1	2
4.3 Fuel and energy	924	724	446	384	355
4.4 Mining, manufacturing and construction	529	222	137	-12	127
4.5 Transport	18,134	16,700	15,321	13,607	15,052
<i>of which: national roads</i>	3,284	2,725	2,424	2,018	2,335
<i>of which: local roads</i>	4,583	4,334	3,747	3,425	3,852
<i>of which: local public transport</i>	3,455	3,146	3,156	2,664	3,064
<i>of which: railway</i>	6,247	6,037	5,610	5,130	5,327
<i>of which: other transport</i>	566	458	384	370	473
4.6 Communication	70	93	3	-	-
4.7 Other industries	356	333	212	137	131
4.8 R&D economic affairs	2,567	2,454	2,567	2,747	3,450
4.9 Economic affairs n.e.c.	555	469	551	392	381
Total economic affairs	33,306	30,686	27,878	24,970	27,799
5. Environment protection					
5.1 Waste management	5,504	5,747	5,831	6,132	6,727
5.2 Waste water management	30	12	20	-	-
5.3 Pollution abatement	247	342	83	119	123
5.4 Protection of biodiversity and landscape	332	336	325	245	288
5.5 R&D environment protection	337	359	343	292	322
5.6 Environment protection n.e.c.	1,717	1,654	1,534	1,327	1,372
Total environment protection	8,167	8,448	8,137	8,115	8,832

Table 10.1 Total identifiable expenditure on services in England by sub-function, 2009-10 to 2013-14 (continued)

	£ million				
	National Statistics				
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn
6. Housing and community amenities					
6.1 Housing development	8,957	6,707	3,897	3,907	5,216
<i>of which: local authority housing</i>	4,781	3,472	2,034	3,251	4,537
<i>of which: other social housing</i>	4,176	3,235	1,863	657	679
6.2 Community development	3,068	2,616	2,198	2,190	2,557
6.3 Water supply	6	5	8	9	7
6.4 Street lighting	563	578	604	634	745
6.5 R&D housing and community amenities	-	-	-	-	-
6.6 Housing and community amenities n.e.c.	35	194	154	151	155
Total housing and community amenities	12,629	10,100	6,861	6,892	8,681
7. Health⁽¹⁾					
Medical services	92,286	94,528	95,910	97,933	103,443
Health research	1,399	1,581	1,083	1,136	671
Central and other health services	2,432	2,245	2,798	3,399	3,299
Total health	96,117	98,353	99,792	102,468	107,412
8. Recreation, culture and religion					
8.1 Recreational and sporting services	2,882	2,593	2,458	2,923	2,628
8.2 Cultural services	3,203	3,108	3,039	3,055	3,027
8.3 Broadcasting and publishing services	52	80	158	114	54
8.4 Religious and other community services	95	78	52	48	38
8.5 R&D recreation, culture and religion	28	32	3	28	2
8.6 Recreation, culture and religion n.e.c.	56	51	50	44	25
Total recreation, culture and religion	6,317	5,942	5,761	6,212	5,774
9. Education					
9.1 Pre-primary and primary education	25,009	25,655	25,536	25,756	27,222
<i>of which: under fives</i>	4,395	4,412	4,151	4,610	4,784
<i>of which: primary education</i>	20,614	21,243	21,385	21,146	22,438
9.2 Secondary education	30,633	31,416	30,562	31,014	30,894
9.3 Post-secondary non-tertiary education	365	293	220	104	167
9.4 Tertiary education	10,496	13,129	10,680	10,966	13,001
9.5 Education not definable by level	350	487	215	231	224
9.6 Subsidiary services to education	3,411	3,366	3,065	2,950	3,056
9.7 R&D education	15	1	9	10	11
9.8 Education n.e.c.	3,422	2,416	1,903	1,504	1,399
Total education	73,700	76,764	72,190	72,535	75,974
10. Social protection					
<i>of which: personal social services</i>	22,131	22,182	23,086	22,979	22,834
10.1 Sickness and disability	30,227	31,747	34,486	36,340	37,485
<i>of which: personal social services</i>	6,871	6,862	8,331	8,142	7,747
<i>of which: incapacity, disability and injury benefits</i>	23,356	24,885	26,155	28,198	29,738
10.2 Old age	75,312	78,011	82,384	88,142	91,038
<i>of which: personal social services</i>	8,426	8,238	7,841	7,714	7,941
<i>of which: pensions</i>	66,885	69,773	74,543	80,428	83,097
10.3 Survivors	798	808	762	756	795
10.4 Family and children	24,833	24,420	23,525	22,151	20,247
<i>of which: personal social services</i>	6,430	6,547	6,468	6,652	6,707
<i>of which: family benefits, income support and tax credits</i>	18,403	17,873	17,057	15,500	13,540
10.5 Unemployment	4,655	4,303	4,645	4,888	4,033
<i>of which: personal social services</i>	-	-	-	-	-
<i>of which: other unemployment benefits</i>	4,655	4,303	4,645	4,888	4,033
10.6 Housing	19,444	20,880	21,719	22,523	22,628
10.7 Social exclusion n.e.c.	20,347	21,803	23,310	24,821	24,554
<i>of which: personal social services</i>	404	535	447	471	439
<i>of which: family benefits, income support and tax credits</i>	19,943	21,268	22,863	24,350	24,115
10.8 R&D social protection	-	-	-	-	-
10.9 Social protection n.e.c.	4,664	4,403	3,635	2,967	2,730
Total social protection	180,279	186,374	194,465	202,588	203,510
Total Expenditure on Services in England	443,744	448,395	444,851	453,003	467,453

⁽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, 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	832	945	846	755	964	
1.2 Foreign economic aid	-	-	-	-	-	
1.3 General services	25	18	17	46	47	
1.4 Basic research	-	-	-	-	-	
1.5 R&D general public services	9	9	4	4	4	
1.6 General public services n.e.c.	365	310	422	358	253	
Total general public services	1,230	1,282	1,289	1,162	1,268	
2. Defence						
2.1 Military defence	-	-	-	-	-	
2.2 Civil defence	5	5	4	4	6	
2.3 Foreign military aid	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	
2.5 Defence n.e.c.	-	0	0	-	-	
Total defence	5	5	5	4	6	
3. Public order and safety						
3.1 Police services	1,299	1,375	1,492	1,501	1,319	
<i>of which: immigration and citizenship</i>	-	-	-	-	-	
<i>of which: other police services</i>	1,299	1,375	1,492	1,501	1,319	
3.2 Fire-protection services	343	343	389	380	309	
3.3 Law courts	519	491	477	462	479	
3.4 Prisons	305	405	323	345	317	
3.5 R&D public order and safety	1	0	1	2	1	
3.6 Public order and safety n.e.c.	47	44	44	48	51	
Total public order and safety	2,514	2,659	2,726	2,739	2,476	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	1,090	1,110	1,064	1,051	1,156	
4.2 Agriculture, forestry, fishing and hunting	880	932	971	920	957	
<i>of which: market support under CAP</i>	520	505	529	467	482	
<i>of which: other agriculture, food and fisheries policy</i>	302	342	340	353	369	
<i>of which: forestry</i>	59	85	103	99	106	
4.3 Fuel and energy	63	57	48	41	49	
4.4 Mining, manufacturing and construction	28	-1	-1	0	0	
4.5 Transport	2,939	2,733	2,790	3,044	3,006	
<i>of which: national roads</i>	595	552	453	611	571	
<i>of which: local roads</i>	684	690	747	776	709	
<i>of which: local public transport</i>	275	258	266	280	268	
<i>of which: railway</i>	962	888	906	908	959	
<i>of which: other transport</i>	423	344	417	469	500	
4.6 Communication	27	20	11	9	3	
4.7 Other industries	79	66	71	75	72	
4.8 R&D economic affairs	314	293	331	332	380	
4.9 Economic affairs n.e.c.	54	54	19	23	72	
Total economic affairs	5,475	5,264	5,304	5,495	5,695	
5. Environment protection						
5.1 Waste management	810	855	876	956	1,016	
5.2 Waste water management	-	-	-	-	-	
5.3 Pollution abatement	13	28	20	27	13	
5.4 Protection of biodiversity and landscape	175	172	146	142	137	
5.5 R&D environment protection	34	36	34	29	32	
5.6 Environment protection n.e.c.	236	230	227	198	214	
Total environment protection	1,268	1,320	1,304	1,353	1,413	

Table 10.2 Total identifiable expenditure on services in Scotland by sub-function, 2009-10 to 2013-14 (continued)

	£ million				
	National Statistics				
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn
6. Housing and community amenities					
6.1 Housing development	1,095	1,000	993	981	972
<i>of which: local authority housing</i>	569	600	602	653	677
<i>of which: other social housing</i>	527	401	390	327	295
6.2 Community development	210	138	116	122	140
6.3 Water supply	651	446	494	490	477
6.4 Street lighting	8	8	9	8	17
6.5 R&D housing and community amenities	4	4	3	2	3
6.6 Housing and community amenities n.e.c.	1	25	9	8	10
Total housing and community amenities	1,970	1,621	1,624	1,611	1,620
7. Health⁽¹⁾					
Medical services	10,244	10,495	10,646	10,912	11,061
Health research	132	151	203	170	171
Central and other health services	240	231	207	203	227
Total health	10,616	10,877	11,056	11,285	11,459
8. Recreation, culture and religion					
8.1 Recreational and sporting services	623	604	730	831	680
8.2 Cultural services	515	465	447	449	459
8.3 Broadcasting and publishing services	12	13	16	14	13
8.4 Religious and other community services	23	21	28	28	18
8.5 R&D recreation, culture and religion	-	-	-	-	-
8.6 Recreation, culture and religion n.e.c.	1	2	1	1	1
Total recreation, culture and religion	1,173	1,103	1,223	1,323	1,170
9. Education					
9.1 Pre-primary and primary education	2,809	2,839	2,829	2,823	2,837
<i>of which: under fives</i>	307	307	302	303	306
<i>of which: primary education</i>	2,502	2,531	2,527	2,520	2,531
9.2 Secondary education	2,772	2,767	2,791	2,695	2,657
9.3 Post-secondary non-tertiary education	-	-	-	-	-
9.4 Tertiary education	1,571	1,458	1,297	1,578	1,497
9.5 Education not definable by level	160	210	169	169	168
9.6 Subsidiary services to education	212	225	220	207	228
9.7 R&D education	-	0	0	0	0
9.8 Education n.e.c.	203	180	187	206	219
Total education	7,728	7,679	7,492	7,677	7,607
10. Social protection					
<i>of which: personal social services</i>	2,797	2,818	2,616	3,064	3,166
10.1 Sickness and disability	3,755	3,903	4,014	4,476	4,581
<i>of which: personal social services</i>	747	771	708	915	873
<i>of which: incapacity, disability and injury benefits</i>	3,008	3,132	3,306	3,561	3,707
10.2 Old age	8,373	8,712	9,172	9,870	10,146
<i>of which: personal social services</i>	1,295	1,295	1,201	1,364	1,412
<i>of which: pensions</i>	7,078	7,417	7,971	8,506	8,734
10.3 Survivors	145	142	151	158	159
10.4 Family and children	2,644	2,560	2,419	2,303	2,141
<i>of which: personal social services</i>	752	753	708	785	880
<i>of which: family benefits, income support and tax credits</i>	1,891	1,807	1,711	1,517	1,260
10.5 Unemployment	441	487	507	518	443
<i>of which: personal social services</i>	-	-	-	-	-
<i>of which: other unemployment benefits</i>	441	487	507	518	443
10.6 Housing	1,844	1,933	1,925	2,034	2,024
10.7 Social exclusion n.e.c.	1,938	2,012	2,080	2,221	2,169
<i>of which: personal social services</i>	2	-1	-1	-	-
<i>of which: family benefits, income support and tax credits</i>	1,936	2,013	2,081	2,221	2,169
10.8 R&D social protection	-	-	-	-	-
10.9 Social protection n.e.c.	588	583	523	370	364
Total social protection	19,727	20,331	20,791	21,950	22,027
Total Expenditure on Services in Scotland	51,705	52,142	52,814	54,599	54,741

⁽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, 2009-10 to 2013-14

	National Statistics				
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn
£ million					
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	657	599	549	526	588
1.2 Foreign economic aid	-	-	-	-	-
1.3 General services	24	26	27	20	20
1.4 Basic research	-	-	-	-	-
1.5 R&D general public services	1	0	0	0	0
1.6 General public services n.e.c.	125	106	79	89	50
Total general public services	806	732	655	635	659
2. Defence					
2.1 Military defence	-	-	-	-	-
2.2 Civil defence	3	4	3	4	5
2.3 Foreign military aid	-	-	-	-	-
2.4 R&D defence	-	-	-	-	-
2.5 Defence n.e.c.	-	0	0	-	-
Total defence	3	4	3	4	5
3. Public order and safety					
3.1 Police services	769	749	732	726	771
<i>of which: immigration and citizenship</i>	-	-	-	-	-
<i>of which: other police services</i>	769	749	732	726	771
3.2 Fire-protection services	179	160	160	148	166
3.3 Law courts	295	268	297	274	248
3.4 Prisons	239	250	214	227	215
3.5 R&D public order and safety	1	0	1	2	2
3.6 Public order and safety n.e.c.	13	11	12	21	36
Total public order and safety	1,497	1,439	1,416	1,398	1,437
4. Economic affairs					
4.1 General economic, commercial and labour affairs	507	500	403	408	472
4.2 Agriculture, forestry, fishing and hunting	525	522	727	427	447
<i>of which: market support under CAP</i>	301	280	274	261	258
<i>of which: other agriculture, food and fisheries policy</i>	190	199	429	164	186
<i>of which: forestry</i>	34	43	25	2	3
4.3 Fuel and energy	54	33	30	34	36
4.4 Mining, manufacturing and construction	26	16	4	-1	-4
4.5 Transport	1,068	1,114	1,058	1,077	1,084
<i>of which: national roads</i>	234	271	201	216	247
<i>of which: local roads</i>	334	346	334	362	365
<i>of which: local public transport</i>	91	104	86	70	54
<i>of which: railway</i>	355	348	400	393	388
<i>of which: other transport</i>	53	45	38	36	29
4.6 Communication	42	37	23	37	61
4.7 Other industries	31	43	37	36	29
4.8 R&D economic affairs	88	95	100	111	146
4.9 Economic affairs n.e.c.	221	331	88	30	44
Total economic affairs	2,560	2,692	2,469	2,160	2,316
5. Environment protection					
5.1 Waste management	365	382	379	409	387
5.2 Waste water management	-	-	-	-	-
5.3 Pollution abatement	1	3	-	1	2
5.4 Protection of biodiversity and landscape	7	7	7	5	6
5.5 R&D environment protection	20	21	20	17	18
5.6 Environment protection n.e.c.	200	203	195	215	244
Total environment protection	593	616	600	647	657

Table 10.3 Total identifiable expenditure on services in Wales by sub-function, 2009-10 to 2013-14 (continued)

	£ million				
	National Statistics				
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn
6. Housing and community amenities					
6.1 Housing development	401	297	320	334	319
<i>of which: local authority housing</i>	401	297	320	334	319
<i>of which: other social housing</i>	-	-	-	-	-
6.2 Community development	184	230	236	246	245
6.3 Water supply	-	-	-	-	-
6.4 Street lighting	37	38	42	46	47
6.5 R&D housing and community amenities	-	-	-	-	-
6.6 Housing and community amenities n.e.c.	-	-	-	-	-
Total housing and community amenities	623	565	599	626	611
7. Health⁽¹⁾					
Medical services	5,835	5,954	5,918	5,854	5,986
Health research	49	63	54	45	44
Central and other health services	42	102	102	102	111
Total health	5,926	6,119	6,075	6,001	6,141
8. Recreation, culture and religion					
8.1 Recreational and sporting services	261	246	253	254	222
8.2 Cultural services	222	210	206	212	212
8.3 Broadcasting and publishing services	94	123	151	109	110
8.4 Religious and other community services	5	4	4	3	5
8.5 R&D recreation, culture and religion	-	-	-	-	-
8.6 Recreation, culture and religion n.e.c.	19	30	34	45	17
Total recreation, culture and religion	601	612	647	624	564
9. Education					
9.1 Pre-primary and primary education	1,474	1,453	1,490	1,531	1,523
<i>of which: under fives</i>	81	70	79	78	73
<i>of which: primary education</i>	1,392	1,383	1,411	1,453	1,450
9.2 Secondary education	1,541	1,504	1,661	1,737	1,853
9.3 Post-secondary non-tertiary education	-	-	-	-	-
9.4 Tertiary education	715	725	647	483	845
9.5 Education not definable by level	228	238	205	171	182
9.6 Subsidiary services to education	355	280	395	241	245
9.7 R&D education	-	-	-	-	-
9.8 Education n.e.c.	26	26	19	58	38
Total education	4,340	4,227	4,417	4,222	4,686
10. Social protection					
<i>of which: personal social services</i>	1,539	1,594	1,636	1,658	1,682
10.1 Sickness and disability	2,745	2,797	2,874	2,995	3,062
<i>of which: personal social services</i>	518	529	528	535	558
<i>of which: incapacity, disability and injury benefits</i>	2,227	2,268	2,347	2,460	2,504
10.2 Old age	4,805	5,066	5,363	5,740	5,910
<i>of which: personal social services</i>	566	579	586	605	608
<i>of which: pensions</i>	4,239	4,487	4,777	5,135	5,303
10.3 Survivors	57	58	61	60	68
10.4 Family and children	1,542	1,517	1,497	1,412	1,293
<i>of which: personal social services</i>	408	428	463	490	478
<i>of which: family benefits, income support and tax credits</i>	1,134	1,089	1,034	922	815
10.5 Unemployment	273	252	275	301	256
<i>of which: personal social services</i>	-	-	-	-	-
<i>of which: other unemployment benefits</i>	273	252	275	301	256
10.6 Housing	973	990	1,090	1,142	1,164
10.7 Social exclusion n.e.c.	1,321	1,410	1,489	1,554	1,536
<i>of which: personal social services</i>	47	57	59	28	39
<i>of which: family benefits, income support and tax credits</i>	1,275	1,353	1,430	1,526	1,497
10.8 R&D social protection	-	-	-	-	-
10.9 Social protection n.e.c.	279	277	249	210	223
Total social protection	11,996	12,367	12,898	13,414	13,513
Total Expenditure on Services in Wales	28,944	29,371	29,780	29,730	30,590

⁽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, 2009-10 to 2013-14

	£ million				
	National Statistics				
	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	226	188	156	157	178
1.2 Foreign economic aid	-	-	-	-	-
1.3 General services	190	191	165	159	174
1.4 Basic research	-	-	-	-	-
1.5 R&D general public services	0	0	0	0	0
1.6 General public services n.e.c.	31	84	68	69	70
Total general public services	446	462	388	385	421
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	803	958	917	899	911
<i>of which: immigration and citizenship</i>	-	-	-	-	-
<i>of which: other police services</i>	803	958	917	899	911
3.2 Fire-protection services	89	84	80	76	86
3.3 Law courts	258	254	259	253	245
3.4 Prisons	149	150	180	163	131
3.5 R&D public order and safety	0	0	0	1	0
3.6 Public order and safety n.e.c.	3	3	4	6	7
Total public order and safety	1,302	1,448	1,440	1,398	1,382
4. Economic affairs					
4.1 General economic, commercial and labour affairs	379	407	377	371	417
4.2 Agriculture, forestry, fishing and hunting	559	525	503	495	535
<i>of which: market support under CAP</i>	360	322	320	282	319
<i>of which: other agriculture, food and fisheries policy</i>	194	198	177	207	209
<i>of which: forestry</i>	5	5	6	6	8
4.3 Fuel and energy	6	4	2	4	4
4.4 Mining, manufacturing and construction	15	2	2	1	1
4.5 Transport	583	699	603	567	525
<i>of which: national roads</i>	17	36	20	22	14
<i>of which: local roads</i>	391	490	337	335	369
<i>of which: local public transport</i>	75	123	75	79	68
<i>of which: railway</i>	74	35	131	82	55
<i>of which: other transport</i>	25	16	40	49	18
4.6 Communication	49	14	4	1	6
4.7 Other industries	55	64	57	64	41
4.8 R&D economic affairs	78	80	73	79	88
4.9 Economic affairs n.e.c.	0	0	-	0	6
Total economic affairs	1,723	1,796	1,621	1,582	1,622
5. Environment protection					
5.1 Waste management	173	178	182	188	186
5.2 Waste water management	-	-	-	-	-
5.3 Pollution abatement	-	-	-	-	-
5.4 Protection of biodiversity and landscape	0	0	0	0	0
5.5 R&D environment protection	12	12	12	10	11
5.6 Environment protection n.e.c.	64	59	71	57	60
Total environment protection	249	250	265	255	257

Table 10.4 Total identifiable expenditure on services in Northern Ireland by sub-function, 2009-10 to 2013-14 (continued)

	£ million				
	National Statistics				
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn
6. Housing and community amenities					
6.1 Housing development	496	458	436	330	281
<i>of which: local authority housing</i>	-	-	-	-	-
<i>of which: other social housing</i>	496	458	436	330	281
6.2 Community development	126	118	120	121	123
6.3 Water supply	388	284	286	270	265
6.4 Street lighting	22	21	25	23	24
6.5 R&D housing and community amenities	-	-	-	-	-
6.6 Housing and community amenities n.e.c.	90	-47	95	76	130
Total housing and community amenities	1,122	834	962	820	824
7. Health⁽¹⁾					
Medical services	3,243	3,436	3,401	3,595	3,588
Health research	2	2	0	4	5
Central and other health services	197	157	237	245	289
Total health	3,442	3,595	3,638	3,844	3,882
8. Recreation, culture and religion					
8.1 Recreational and sporting services	212	225	209	239	238
8.2 Cultural services	159	194	164	180	173
8.3 Broadcasting and publishing services	4	7	9	7	8
8.4 Religious and other community services	36	37	34	35	40
8.5 R&D recreation, culture and religion	-	-	-	-	-
8.6 Recreation, culture and religion n.e.c.	1	1	1	0	0
Total recreation, culture and religion	412	463	416	462	458
9. Education					
9.1 Pre-primary and primary education	743	709	711	715	736
<i>of which: under fives</i>	57	61	112	63	66
<i>of which: primary education</i>	685	647	599	652	670
9.2 Secondary education	1,058	1,104	1,029	984	979
9.3 Post-secondary non-tertiary education	-	-	-	-	-
9.4 Tertiary education	397	471	471	597	477
9.5 Education not definable by level	85	109	106	100	99
9.6 Subsidiary services to education	203	204	197	197	213
9.7 R&D education	-	-	-	-	-
9.8 Education n.e.c.	229	230	278	256	246
Total education	2,714	2,826	2,794	2,849	2,750
10. Social protection					
<i>of which: personal social services</i>	1,457	1,273	853	854	889
10.1 Sickness and disability	2,371	2,350	2,252	2,341	2,425
<i>of which: personal social services</i>	437	355	255	255	263
<i>of which: incapacity, disability and injury benefits</i>	1,935	1,995	1,997	2,086	2,161
10.2 Old age	3,063	2,885	3,106	3,294	3,540
<i>of which: personal social services</i>	1,001	869	429	431	446
<i>of which: pensions</i>	2,062	2,016	2,676	2,864	3,094
10.3 Survivors	32	66	67	71	71
10.4 Family and children	517	545	658	660	652
<i>of which: personal social services</i>	19	48	168	168	180
<i>of which: family benefits, income support and tax credits</i>	498	497	490	491	472
10.5 Unemployment	163	188	205	231	211
<i>of which: personal social services</i>	-	-	-	-	-
<i>of which: other unemployment benefits</i>	163	188	205	231	211
10.6 Housing	551	596	631	662	564
10.7 Social exclusion n.e.c.	757	809	889	946	946
<i>of which: personal social services</i>	-	-	-	-	-
<i>of which: family benefits, income support and tax credits</i>	757	809	889	946	946
10.8 R&D social protection	-	-	-	-	-
10.9 Social protection n.e.c.	24	21	31	3	49
Total social protection	7,478	7,460	7,839	8,207	8,458
Total Expenditure on Services in Northern Ireland	18,889	19,133	19,364	19,802	20,055

⁽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⁽¹⁾, 2009-10 to 2013-14

	£ per head				
	National Statistics				
	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	65	65	49	47	51
1.2 Foreign economic aid	0	0	0	0	0
1.3 General services	18	16	14	14	13
1.4 Basic research	-	-	-	-	-
1.5 R&D general public services	0	0	0	0	0
1.6 General public services n.e.c.	42	33	29	31	38
Total general public services	126	113	93	92	103
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	273	261	252	242	237
<i>of which: immigration and citizenship</i>	-	-	-	-	-
<i>of which: other police services</i>	273	261	252	242	237
3.2 Fire-protection services	48	46	43	43	45
3.3 Law courts	107	98	104	93	85
3.4 Prisons	77	79	64	67	63
3.5 R&D public order and safety	0	0	0	1	1
3.6 Public order and safety n.e.c.	5	4	4	7	13
Total public order and safety	510	488	467	453	443
4. Economic affairs					
4.1 General economic, commercial and labour affairs	124	121	96	80	90
4.2 Agriculture, forestry, fishing and hunting	71	63	67	64	64
<i>of which: market support under CAP</i>	53	47	52	35	35
<i>of which: other agriculture, food and fisheries policy</i>	19	16	15	29	30
<i>of which: forestry</i>	-	-	-	0	0
4.3 Fuel and energy	18	14	8	7	7
4.4 Mining, manufacturing and construction	10	4	3	0	2
4.5 Transport	347	317	289	254	279
<i>of which: national roads</i>	63	52	46	38	43
<i>of which: local roads</i>	88	82	71	64	72
<i>of which: local public transport</i>	66	60	59	50	57
<i>of which: railway</i>	120	115	106	96	99
<i>of which: other transport</i>	11	9	7	7	9
4.6 Communication	1	2	0	-	-
4.7 Other industries	7	6	4	3	2
4.8 R&D economic affairs	49	47	48	51	64
4.9 Economic affairs n.e.c.	11	9	10	7	7
Total economic affairs	638	583	525	467	516
5. Environment protection					
5.1 Waste management	105	109	110	115	125
5.2 Waste water management	1	0	0	-	-
5.3 Pollution abatement	5	6	2	2	2
5.4 Protection of biodiversity and landscape	6	6	6	5	5
5.5 R&D environment protection	6	7	6	5	6
5.6 Environment protection n.e.c.	33	31	29	25	25
Total environment protection	156	160	153	152	164

Table 10.5 Total identifiable expenditure on services in England by sub-function, per head⁽¹⁾, 2009-10 to 2013-14 (continued)

	National Statistics					£ per head
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	
6. Housing and community amenities						
6.1 Housing development	172	127	73	73	97	
<i>of which: local authority housing</i>	92	66	38	61	84	
<i>of which: other social housing</i>	80	61	35	12	13	
6.2 Community development	59	50	41	41	47	
6.3 Water supply	0	0	0	0	0	
6.4 Street lighting	11	11	11	12	14	
6.5 R&D housing and community amenities	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	1	4	3	3	3	
Total housing and community amenities	242	192	129	129	161	
7. Health⁽²⁾						
Medical services	1,768	1,796	1,806	1,831	1,920	
Health research	27	30	20	21	12	
Central and other health services	47	43	53	64	61	
Total health	1,841	1,868	1,879	1,916	1,994	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	55	49	46	55	49	
8.2 Cultural services	61	59	57	57	56	
8.3 Broadcasting and publishing services	1	2	3	2	1	
8.4 Religious and other community services	2	1	1	1	1	
8.5 R&D recreation, culture and religion	1	1	0	1	0	
8.6 Recreation, culture and religion n.e.c.	1	1	1	1	0	
Total recreation, culture and religion	121	113	108	116	107	
9. Education						
9.1 Pre-primary and primary education	479	487	481	481	505	
<i>of which: under fives</i>	84	84	78	86	89	
<i>of which: primary education</i>	395	404	403	395	417	
9.2 Secondary education	587	597	575	580	574	
9.3 Post-secondary non-tertiary education	7	6	4	2	3	
9.4 Tertiary education	201	249	201	205	241	
9.5 Education not definable by level	7	9	4	4	4	
9.6 Subsidiary services to education	65	64	58	55	57	
9.7 R&D education	0	0	0	0	0	
9.8 Education n.e.c.	66	46	36	28	26	
Total education	1,412	1,458	1,359	1,356	1,410	
10. Social protection						
<i>of which: personal social services</i>	424	421	435	430	424	
10.1 Sickness and disability	579	603	649	679	696	
<i>of which: personal social services</i>	132	130	157	152	144	
<i>of which: incapacity, disability and injury benefits</i>	447	473	492	527	552	
10.2 Old age	1,443	1,482	1,551	1,648	1,690	
<i>of which: personal social services</i>	161	156	148	144	147	
<i>of which: pensions</i>	1,281	1,325	1,404	1,504	1,543	
10.3 Survivors	15	15	14	14	15	
10.4 Family and children	476	464	443	414	376	
<i>of which: personal social services</i>	123	124	122	124	125	
<i>of which: family benefits, income support and tax credits</i>	353	340	321	290	251	
10.5 Unemployment	89	82	87	91	75	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: other unemployment benefits</i>	89	82	87	91	75	
10.6 Housing	373	397	409	421	420	
10.7 Social exclusion n.e.c.	390	414	439	464	456	
<i>of which: personal social services</i>	8	10	8	9	8	
<i>of which: family benefits, income support and tax credits</i>	382	404	431	455	448	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	89	84	68	55	51	
Total social protection	3,454	3,540	3,662	3,787	3,778	
Total Expenditure on Services in England	8,501	8,518	8,376	8,468	8,678	

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

⁽²⁾ 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⁽¹⁾, 2009-10 to 2013-14

	£ per head				
	National Statistics				
	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	159	180	160	142	181
1.2 Foreign economic aid	-	-	-	-	-
1.3 General services	5	3	3	9	9
1.4 Basic research	-	-	-	-	-
1.5 R&D general public services	2	2	1	1	1
1.6 General public services n.e.c.	70	59	80	67	47
Total general public services	235	244	243	219	238
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	248	261	282	282	247
<i>of which: immigration and citizenship</i>	-	-	-	-	-
<i>of which: other police services</i>	248	261	282	282	247
3.2 Fire-protection services	66	65	73	72	58
3.3 Law courts	99	93	90	87	90
3.4 Prisons	58	77	61	65	60
3.5 R&D public order and safety	0	0	0	0	0
3.6 Public order and safety n.e.c.	9	8	8	9	10
Total public order and safety	481	505	514	515	465
4. Economic affairs					
4.1 General economic, commercial and labour affairs	208	211	201	198	217
4.2 Agriculture, forestry, fishing and hunting	168	177	183	173	180
<i>of which: market support under CAP</i>	99	96	100	88	90
<i>of which: other agriculture, food and fisheries policy</i>	58	65	64	67	69
<i>of which: forestry</i>	11	16	19	19	20
4.3 Fuel and energy	12	11	9	8	9
4.4 Mining, manufacturing and construction	5	0	0	0	-
4.5 Transport	562	519	526	573	564
<i>of which: national roads</i>	114	105	85	115	107
<i>of which: local roads</i>	131	131	141	146	133
<i>of which: local public transport</i>	53	49	50	53	50
<i>of which: railway</i>	184	169	171	171	180
<i>of which: other transport</i>	81	65	79	88	94
4.6 Communication	5	4	2	2	1
4.7 Other industries	15	13	13	14	14
4.8 R&D economic affairs	60	56	63	62	71
4.9 Economic affairs n.e.c.	10	10	4	4	13
Total economic affairs	1,046	1,000	1,001	1,034	1,069
5. Environment protection					
5.1 Waste management	155	163	165	180	191
5.2 Waste water management	-	-	-	-	-
5.3 Pollution abatement	2	5	4	5	2
5.4 Protection of biodiversity and landscape	33	33	28	27	26
5.5 R&D environment protection	6	7	6	5	6
5.6 Environment protection n.e.c.	45	44	43	37	40
Total environment protection	242	251	246	255	265

Table 10.6 Total identifiable expenditure on services in Scotland by sub-function, per head,⁽¹⁾ 2009-10 to 2013-14 (continued)

	National Statistics					£ per head
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	
6. Housing and community amenities						
6.1 Housing development	209	190	187	185	182	
<i>of which: local authority housing</i>	109	114	114	123	127	
<i>of which: other social housing</i>	101	76	74	62	55	
6.2 Community development	40	26	22	23	26	
6.3 Water supply	124	85	93	92	89	
6.4 Street lighting	2	1	2	1	3	
6.5 R&D housing and community amenities	1	1	1	0	1	
6.6 Housing and community amenities n.e.c.	0	5	2	2	2	
Total housing and community amenities	376	308	306	303	304	
7. Health⁽²⁾						
Medical services	1,958	1,994	2,009	2,054	2,076	
Health research	25	29	38	32	32	
Central and other health services	46	44	39	38	43	
Total health	2,029	2,067	2,086	2,124	2,151	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	119	115	138	156	128	
8.2 Cultural services	98	88	84	85	86	
8.3 Broadcasting and publishing services	2	2	3	3	2	
8.4 Religious and other community services	4	4	5	5	3	
8.5 R&D recreation, culture and religion	-	-	-	-	-	
8.6 Recreation, culture and religion n.e.c.	0	0	0	0	0	
Total recreation, culture and religion	224	210	231	249	220	
9. Education						
9.1 Pre-primary and primary education	537	539	534	531	532	
<i>of which: under fives</i>	59	58	57	57	57	
<i>of which: primary education</i>	478	481	477	474	475	
9.2 Secondary education	530	526	527	507	499	
9.3 Post-secondary non-tertiary education	-	-	-	-	-	
9.4 Tertiary education	300	277	245	297	281	
9.5 Education not definable by level	31	40	32	32	32	
9.6 Subsidiary services to education	41	43	42	39	43	
9.7 R&D education	-	0	0	0	0	
9.8 Education n.e.c.	39	34	35	39	41	
Total education	1,477	1,459	1,414	1,445	1,428	
10. Social protection						
<i>of which: personal social services</i>	535	535	494	577	594	
10.1 Sickness and disability	718	742	757	842	860	
<i>of which: personal social services</i>	143	146	134	172	164	
<i>of which: incapacity, disability and injury benefits</i>	575	595	624	670	696	
10.2 Old age	1,600	1,656	1,731	1,858	1,904	
<i>of which: personal social services</i>	248	246	227	257	265	
<i>of which: pensions</i>	1,353	1,410	1,504	1,601	1,639	
10.3 Survivors	28	27	29	30	30	
10.4 Family and children	505	486	456	433	402	
<i>of which: personal social services</i>	144	143	134	148	165	
<i>of which: family benefits, income support and tax credits</i>	362	343	323	286	237	
10.5 Unemployment	84	92	96	97	83	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: other unemployment benefits</i>	84	92	96	97	83	
10.6 Housing	353	367	363	383	380	
10.7 Social exclusion n.e.c.	370	382	392	418	407	
<i>of which: personal social services</i>	0	0	0	-	-	
<i>of which: family benefits, income support and tax credits</i>	370	382	393	418	407	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	112	111	99	70	68	
Total social protection	3,771	3,864	3,923	4,131	4,134	
Total Expenditure on Services in Scotland	9,883	9,909	9,965	10,275	10,275	

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

⁽²⁾ 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,⁽¹⁾ 2009-10 to 2013-14

	£ per head				
	National Statistics				
	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	216	196	179	171	191
1.2 Foreign economic aid	-	-	-	-	-
1.3 General services	8	9	9	6	6
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	35	26	29	16
Total general public services	265	240	214	207	214
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	253	246	239	236	250
<i>of which: immigration and citizenship</i>	-	-	-	-	-
<i>of which: other police services</i>	253	246	239	236	250
3.2 Fire-protection services	59	53	52	48	54
3.3 Law courts	97	88	97	89	80
3.4 Prisons	79	82	70	74	70
3.5 R&D public order and safety	0	0	0	1	1
3.6 Public order and safety n.e.c.	4	4	4	7	12
Total public order and safety	492	472	462	455	466
4. Economic affairs					
4.1 General economic, commercial and labour affairs	167	164	132	133	153
4.2 Agriculture, forestry, fishing and hunting	173	171	237	139	145
<i>of which: market support under CAP</i>	99	92	89	85	84
<i>of which: other agriculture, food and fisheries policy</i>	63	65	140	53	60
<i>of which: forestry</i>	11	14	8	1	1
4.3 Fuel and energy	18	11	10	11	12
4.4 Mining, manufacturing and construction	8	5	1	0	-1
4.5 Transport	351	365	345	350	352
<i>of which: national roads</i>	77	89	65	70	80
<i>of which: local roads</i>	110	114	109	118	119
<i>of which: local public transport</i>	30	34	28	23	18
<i>of which: railway</i>	117	114	131	128	126
<i>of which: other transport</i>	18	15	12	12	9
4.6 Communication	14	12	7	12	20
4.7 Other industries	10	14	12	12	9
4.8 R&D economic affairs	29	31	33	36	47
4.9 Economic affairs n.e.c.	73	108	29	10	14
Total economic affairs	842	882	806	703	751
5. Environment protection					
5.1 Waste management	120	125	124	133	126
5.2 Waste water management	-	-	-	-	-
5.3 Pollution abatement	0	1	-	0	1
5.4 Protection of biodiversity and landscape	2	2	2	2	2
5.5 R&D environment protection	6	7	6	5	6
5.6 Environment protection n.e.c.	66	67	64	70	79
Total environment protection	195	202	196	211	213

Table 10.7 Total identifiable expenditure on services in Wales by sub-function, per head,⁽¹⁾ 2009-10 to 2013-14 (continued)

	£ per head				
	National Statistics				
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn
6. Housing and community amenities					
6.1 Housing development	132	97	105	109	103
<i>of which: local authority housing</i>	132	97	105	109	103
<i>of which: other social housing</i>	-	-	-	-	-
6.2 Community development	60	75	77	80	80
6.3 Water supply	-	-	-	-	-
6.4 Street lighting	12	13	14	15	15
6.5 R&D housing and community amenities	-	-	-	-	-
6.6 Housing and community amenities n.e.c.	-	-	-	-	-
Total housing and community amenities	205	185	195	203	198
7. Health⁽¹⁾					
Medical services	1,920	1,952	1,931	1,904	1,942
Health research	16	21	18	15	14
Central and other health services	14	34	33	33	36
Total health	1,950	2,006	1,983	1,952	1,992
8. Recreation, culture and religion					
8.1 Recreational and sporting services	86	81	82	83	72
8.2 Cultural services	73	69	67	69	69
8.3 Broadcasting and publishing services	31	40	49	35	36
8.4 Religious and other community services	2	1	1	1	2
8.5 R&D recreation, culture and religion	-	-	-	-	-
8.6 Recreation, culture and religion n.e.c.	6	10	11	15	5
Total recreation, culture and religion	198	201	211	203	183
9. Education					
9.1 Pre-primary and primary education	485	476	486	498	494
<i>of which: under fives</i>	27	23	26	25	24
<i>of which: primary education</i>	458	453	461	473	470
9.2 Secondary education	507	493	542	565	601
9.3 Post-secondary non-tertiary education	-	-	-	-	-
9.4 Tertiary education	235	238	211	157	274
9.5 Education not definable by level	75	78	67	56	59
9.6 Subsidiary services to education	117	92	129	78	79
9.7 R&D education	-	-	-	-	-
9.8 Education n.e.c.	8	9	6	19	12
Total education	1,428	1,386	1,442	1,373	1,520
10. Social protection					
<i>of which: personal social services</i>	507	523	534	539	546
10.1 Sickness and disability	903	917	938	974	993
<i>of which: personal social services</i>	170	173	172	174	181
<i>of which: incapacity, disability and injury benefits</i>	733	743	766	800	812
10.2 Old age	1,581	1,661	1,750	1,867	1,917
<i>of which: personal social services</i>	186	190	191	197	197
<i>of which: pensions</i>	1,395	1,471	1,559	1,670	1,720
10.3 Survivors	19	19	20	20	22
10.4 Family and children	507	498	489	459	419
<i>of which: personal social services</i>	134	140	151	159	155
<i>of which: family benefits, income support and tax credits</i>	373	357	338	300	265
10.5 Unemployment	90	83	90	98	83
<i>of which: personal social services</i>	-	-	-	-	-
<i>of which: other unemployment benefits</i>	90	83	90	98	83
10.6 Housing	320	325	356	371	378
10.7 Social exclusion n.e.c.	435	462	486	506	498
<i>of which: personal social services</i>	15	19	19	9	13
<i>of which: family benefits, income support and tax credits</i>	419	444	467	496	486
10.8 R&D social protection	-	-	-	-	-
10.9 Social protection n.e.c.	92	91	81	68	72
Total social protection	3,947	4,055	4,210	4,364	4,384
Total Expenditure on Services in Wales	9,524	9,630	9,720	9,671	9,924

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

⁽²⁾ 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,⁽¹⁾ 2009-10 to 2013-14

	National Statistics				
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn
£ per head					
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	126	104	86	86	97
1.2 Foreign economic aid	-	-	-	-	-
1.3 General services	106	106	91	87	95
1.4 Basic research	-	-	-	-	-
1.5 R&D general public services	0	0	0	0	0
1.6 General public services n.e.c.	17	47	37	38	38
Total general public services	249	256	214	211	230
2. Defence					
2.1 Military defence	-	-	-	-	-
2.2 Civil defence	-	-	-	-	-
2.3 Foreign military aid	-	-	-	-	-
2.4 R&D defence	-	-	-	-	-
2.5 Defence n.e.c.	-	0	0	-	-
Total defence	-	0	0	-	-
3. Public order and safety					
3.1 Police services	448	531	506	493	498
<i>of which: immigration and citizenship</i>	-	-	-	-	-
<i>of which: other police services</i>	448	531	506	493	498
3.2 Fire-protection services	49	46	44	42	47
3.3 Law courts	144	141	143	139	134
3.4 Prisons	83	83	99	89	72
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	726	802	794	767	755
4. Economic affairs					
4.1 General economic, commercial and labour affairs	211	226	208	204	228
4.2 Agriculture, forestry, fishing and hunting	312	291	277	271	292
<i>of which: market support under CAP</i>	201	179	176	155	174
<i>of which: other agriculture, food and fisheries policy</i>	108	109	98	113	114
<i>of which: forestry</i>	3	3	3	3	4
4.3 Fuel and energy	3	2	1	2	2
4.4 Mining, manufacturing and construction	8	1	1	1	1
4.5 Transport	325	388	332	311	287
<i>of which: national roads</i>	10	20	11	12	8
<i>of which: local roads</i>	218	272	186	184	202
<i>of which: local public transport</i>	42	68	41	43	37
<i>of which: railway</i>	41	19	72	45	30
<i>of which: other transport</i>	14	9	22	27	10
4.6 Communication	27	8	2	1	3
4.7 Other industries	31	35	31	35	22
4.8 R&D economic affairs	43	44	40	43	48
4.9 Economic affairs n.e.c.	0	0	-	0	3
Total economic affairs	961	995	893	868	887
5. Environment protection					
5.1 Waste management	96	99	100	103	102
5.2 Waste water management	-	-	-	-	-
5.3 Pollution abatement	-	-	-	-	-
5.4 Protection of biodiversity and landscape	0	0	0	0	0
5.5 R&D environment protection	6	7	6	5	6
5.6 Environment protection n.e.c.	36	33	39	31	33
Total environment protection	139	138	146	140	141

Table 10.8 Total identifiable expenditure on services in Northern Ireland by sub-function, per head,⁽¹⁾ 2009-10 to 2013-14 (continued)

	National Statistics					£ per head
	2009-10 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	
6. Housing and community amenities						
6.1 Housing development	277	254	240	181	154	
<i>of which: local authority housing</i>	-	-	-	-	-	
<i>of which: other social housing</i>	277	254	240	181	154	
6.2 Community development	70	65	66	67	67	
6.3 Water supply	216	157	158	148	145	
6.4 Street lighting	12	12	14	13	13	
6.5 R&D housing and community amenities	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	50	-26	52	41	71	
Total housing and community amenities	626	462	530	450	451	
7. Health⁽²⁾						
Medical services	1,808	1,904	1,875	1,971	1,961	
Health research	1	1	0	2	3	
Central and other health services	110	87	131	134	158	
Total health	1,919	1,992	2,005	2,108	2,121	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	118	125	115	131	130	
8.2 Cultural services	89	107	90	99	94	
8.3 Broadcasting and publishing services	2	4	5	4	4	
8.4 Religious and other community services	20	20	18	19	22	
8.5 R&D recreation, culture and religion	-	-	-	-	-	
8.6 Recreation, culture and religion n.e.c.	0	0	0	0	0	
Total recreation, culture and religion	230	257	229	254	251	
9. Education						
9.1 Pre-primary and primary education	414	393	392	392	402	
<i>of which: under fives</i>	32	34	62	35	36	
<i>of which: primary education</i>	382	359	330	358	366	
9.2 Secondary education	590	612	567	539	535	
9.3 Post-secondary non-tertiary education	-	-	-	-	-	
9.4 Tertiary education	221	261	260	327	260	
9.5 Education not definable by level	47	60	58	55	54	
9.6 Subsidiary services to education	113	113	109	108	116	
9.7 R&D education	-	-	-	-	-	
9.8 Education n.e.c.	128	127	153	140	135	
Total education	1,514	1,566	1,540	1,562	1,503	
10. Social protection						
<i>of which: personal social services</i>	812	705	470	468	486	
10.1 Sickness and disability	1,322	1,302	1,241	1,284	1,325	
<i>of which: personal social services</i>	244	197	141	140	144	
<i>of which: incapacity, disability and injury benefits</i>	1,079	1,105	1,101	1,144	1,181	
10.2 Old age	1,708	1,599	1,712	1,807	1,935	
<i>of which: personal social services</i>	558	482	237	236	244	
<i>of which: pensions</i>	1,150	1,117	1,475	1,570	1,691	
10.3 Survivors	18	37	37	39	39	
10.4 Family and children	288	302	363	362	356	
<i>of which: personal social services</i>	11	27	93	92	98	
<i>of which: family benefits, income support and tax credits</i>	277	275	270	269	258	
10.5 Unemployment	91	104	113	126	115	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: other unemployment benefits</i>	91	104	113	126	115	
10.6 Housing	307	330	348	363	308	
10.7 Social exclusion n.e.c.	422	448	490	519	517	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: family benefits, income support and tax credits</i>	422	448	490	519	517	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	13	11	17	1	27	
Total social protection	4,170	4,133	4,320	4,501	4,622	
Total Expenditure on Services in Northern Ireland	10,533	10,601	10,673	10,859	10,961	

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

⁽²⁾ 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 2013-14

	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	196	339	266	231	232	310	467	438	271		2,751	
1.2 Foreign economic aid	0	0	0	0	0	0	0	0	0		1	
1.3 General services	31	119	54	115	108	53	108	64	51		702	
1.4 Basic research	-	-	-	-	-	-	-	-	-		-	
1.5 R&D general public services	0	1	0	0	1	1	1	1	0		5	
1.6 General public services n.e.c.	85	270	138	176	114	242	472	369	200		2,065	
Total general public services	312	729	458	523	455	605	1,047	873	522		5,524	
2. Defence												
2.1 Military defence	-	-	-	-	-	-	-	-	-		-	
2.2 Civil defence	3	7	4	5	6	8	11	11	5		59	
2.3 Foreign military aid	-	-	-	-	-	-	-	-	-		-	
2.4 R&D defence	-	-	-	-	-	-	-	-	-		-	
2.5 Defence n.e.c.	-	-	-	-	-	-	-	-	-		-	
Total defence	3	7	4	5	6	8	11	11	5		59	
3. Public order and safety												
3.1 Police services	611	1,648	1,167	883	1,156	1,081	3,539	1,666	1,032		12,783	
<i>of which: immigration and citizenship</i>	-	-	-	-	-	-	-	-	-		-	
<i>of which: other police services</i>	611	1,648	1,167	883	1,156	1,081	3,539	1,666	1,032		12,783	
3.2 Fire-protection services	154	334	228	194	227	226	455	370	241		2,430	
3.3 Law courts	254	714	436	310	479	347	1,064	592	363		4,559	
3.4 Prisons	191	588	414	259	378	256	677	396	241		3,400	
3.5 R&D public order and safety	1	4	3	2	3	3	7	4	3		31	
3.6 Public order and safety n.e.c.	33	91	65	52	71	66	149	98	60		685	
Total public order and safety	1,244	3,379	2,313	1,701	2,314	1,980	5,892	3,126	1,938		23,888	
4. Economic affairs												
4.1 General economic, commercial and labour affairs	382	738	627	401	632	407	775	523	352		4,838	
4.2 Agriculture, forestry, fishing and hunting	197	314	379	433	338	552	94	516	642		3,466	
<i>of which: market support under CAP</i>	100	161	215	258	193	291	19	254	370		1,863	
<i>of which: other agriculture, food and fisheries policy</i>	97	153	163	175	145	261	74	262	271		1,601	
<i>of which: forestry</i>	0	0	0	0	0	0	0	0	0		2	
4.3 Fuel and energy	47	70	47	35	31	23	30	39	32		355	
4.4 Mining, manufacturing and construction	2	8	9	14	26	5	33	40	-12		127	

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2013-14 (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	583	1,887	1,481	913	1,392	1,386	4,304	2,096	1,009		15,052	
of which: national roads	113	138	267	257	281	399	37	685	158		2,335	
of which: local roads	168	517	432	310	440	460	477	566	482		3,852	
of which: local public transport	151	577	210	152	364	144	1,176	170	120		3,064	
of which: railway	130	605	533	164	266	336	2,505	579	210		5,327	
of which: other transport	21	50	40	30	41	47	109	95	41		473	
4.6 Communication	-	-	-	-	-	-	-	-	-		-	
4.7 Other industries	7	17	12	6	9	9	32	21	18		131	
4.8 R&D economic affairs	154	394	302	251	263	477	676	631	302		3,450	
4.9 Economic affairs n.e.c.	17	100	38	26	32	32	41	54	40		381	
Total economic affairs	1,390	3,528	2,896	2,080	2,724	2,892	5,986	3,920	2,384		27,799	
5. Environment protection												
5.1 Waste management	221	2,110	413	446	438	533	825	964	777		6,727	
5.2 Waste water management	-	-	-	-	-	-	-	-	-		-	
5.3 Pollution abatement	4	12	7	8	6	22	20	31	12		123	
5.4 Protection of biodiversity and landscape	16	27	43	46	31	37	8	35	45		288	
5.5 R&D environment protection	16	42	32	27	34	36	50	53	32		322	
5.6 Environment protection n.e.c.	65	147	149	91	109	242	230	191	148		1,372	
Total environment protection	322	2,338	645	618	618	871	1,133	1,274	1,014		8,832	
6. Housing and community amenities												
6.1 Housing development	368	451	460	412	392	392	1,969	480	292		5,216	
of which: local authority housing	334	316	413	375	363	353	1,733	407	244		4,537	
of which: other social housing	35	135	47	37	29	39	236	72	48		679	
6.2 Community development	154	410	180	184	236	210	733	267	182		2,557	
6.3 Water supply	0	1	1	1	1	1	1	1	1		7	
6.4 Street lighting	62	109	79	51	80	73	97	144	51		745	
6.5 R&D housing and community amenities	-	-	-	-	-	-	-	-	-		-	
6.6 Housing and community amenities n.e.c.	8	20	15	13	16	17	24	25	15		155	
Total housing and community amenities	593	992	735	661	725	693	2,824	917	541		8,681	
7. Health⁽¹⁾												
Medical services	5,659	14,503	10,004	7,872	10,836	10,025	19,857	14,957	9,730		103,443	
Health research	20	51	29	32	29	59	304	114	32		671	
Central and other health services	159	429	344	278	343	360	532	530	325		3,299	
Total health	5,837	14,983	10,377	8,182	11,208	10,445	20,693	15,601	10,087		107,412	

£ million

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2013-14 (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	176	342	261	218	260	253	499	398	221		2,628	
8.2 Cultural services	138	331	321	193	347	240	831	368	258		3,027	
8.3 Broadcasting and publishing services	1	5	2	1	1	6	26	9	3		54	
8.4 Religious and other community services	2	6	0	6	3	7	11	8	-4		38	
8.5 R&D recreation, culture and religion	0	0	0	0	0	0	0	0	0		2	
8.6 Recreation, culture and religion n.e.c.	1	2	2	1	2	2	11	2	2		25	
Total recreation, culture and religion	318	686	586	420	613	507	1,378	785	481		5,774	
9. Education												
9.1 Pre-primary and primary education	1,257	3,679	2,761	2,098	2,899	2,775	5,355	4,115	2,284		27,222	
of which: under-fives	228	670	481	370	521	476	910	728	401		4,784	
of which: primary education	1,029	3,009	2,280	1,728	2,378	2,299	4,445	3,387	1,883		22,438	
9.2 Secondary education	1,614	4,023	3,349	2,949	3,564	3,337	4,860	4,259	2,940		30,894	
9.3 Post-secondary non-tertiary education	9	9	13	7	25	51	35	8	9		167	
9.4 Tertiary education	600	1,771	1,209	1,052	1,234	1,223	2,752	1,994	1,167		13,001	
9.5 Education not definable by level	11	29	24	19	23	24	38	36	22		224	
9.6 Subsidiary services to education	160	368	334	228	329	339	565	444	290		3,056	
9.7 R&D education	1	1	1	1	1	1	2	2	1		11	
9.8 Education n.e.c.	69	194	148	117	141	142	239	220	130		1,399	
Total education	3,720	10,073	7,839	6,470	8,215	7,891	13,844	11,078	6,843		75,974	
10. Social protection												
of which: personal social services	1,301	3,090	2,164	1,738	2,365	2,452	4,169	3,377	2,177		22,834	
10.1 Sickness and disability	2,351	6,312	3,872	3,227	4,126	3,712	5,116	5,103	3,666		37,485	
of which: personal social services	395	1,101	684	574	743	915	1,329	1,220	786		7,747	
of which: incapacity, disability and injury benefits	1,955	5,211	3,188	2,654	3,383	2,797	3,787	3,884	2,880		29,738	
10.2 Old age	4,858	12,324	9,019	8,147	9,753	10,622	9,689	15,659	10,967		91,038	
of which: personal social services	521	1,057	781	628	832	803	1,333	1,199	787		7,941	
of which: pensions	4,337	11,267	8,238	7,520	8,921	9,819	8,356	14,460	10,180		83,097	
10.3 Survivors	50	124	92	84	93	84	43	128	97		795	
10.4 Family and children	1,070	2,816	2,044	1,643	2,276	2,103	3,613	2,866	1,816		20,247	
of which: personal social services	374	900	677	518	761	696	1,293	911	578		6,707	
of which: family benefits, income support and tax credits	696	1,916	1,367	1,126	1,515	1,407	2,320	1,955	1,239		13,540	
10.5 Unemployment	289	610	526	330	526	354	697	427	273		4,033	
of which: personal social services	-	-	-	-	-	-	-	-	-		-	
of which: other unemployment benefits	289	610	526	330	526	354	697	427	273		4,033	
10.6 Housing	1,131	2,855	1,888	1,351	2,123	1,954	6,426	3,061	1,838		22,628	

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2013-14 (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.	1,321	3,723	2,727	2,110	2,941	2,326	4,194	3,067	2,145		24,554	
of which: personal social services	11	32	22	19	29	37	214	48	26		439	
of which: family benefits, income support and tax credits	1,310	3,690	2,705	2,092	2,911	2,289	3,980	3,019	2,119		24,115	
10.8 R&D social protection	-	-	-	-	-	-	-	-	-		-	
10.9 Social protection n.e.c.	190	410	305	241	320	292	456	303	211		2,730	
Total social protection	11,259	29,173	20,474	17,136	22,158	21,448	30,234	30,613	21,014		203,510	
Total Expenditure on Services in the English Regions	24,999	65,889	46,328	37,796	49,036	47,339	83,041	68,197	44,830		467,453	

⁽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⁽¹⁾ for 2013-14

	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	75	48	50	50	41	52	55	50	50	51	
1.2 Foreign economic aid	0	0	0	0	0	0	0	0	0	0	
1.3 General services	12	17	10	25	19	9	13	7	9	13	
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.	33	38	26	38	20	41	56	42	37	38	
Total general public services	120	103	86	114	80	102	124	99	97	103	
2. Defence											
2.1 Military defence	-	-	-	-	-	-	-	-	-	-	
2.2 Civil defence	1	1	1	1	1	1	1	1	1	1	
2.3 Foreign military aid	-	-	-	-	-	-	-	-	-	-	
2.4 R&D defence	-	-	-	-	-	-	-	-	-	-	
2.5 Defence n.e.c.	-	-	-	-	-	-	-	-	-	-	
Total defence	1	1	1	1	1	1	1	1	1	1	
3. Public order and safety											
3.1 Police services	234	232	219	192	204	182	421	189	192	237	
<i>of which: immigration and citizenship</i>	-	-	-	-	-	-	-	-	-	-	
<i>of which: other police services</i>	234	232	219	192	204	182	421	189	192	237	
3.2 Fire-protection services	59	47	43	42	40	38	54	42	45	45	
3.3 Law courts	97	100	82	67	84	58	126	67	67	85	
3.4 Prisons	73	83	78	56	67	43	80	45	45	63	
3.5 R&D public order and safety	1	1	1	1	1	0	1	0	0	1	
3.6 Public order and safety n.e.c.	13	13	12	11	12	11	18	11	11	13	
Total public order and safety	477	476	433	370	408	332	700	356	360	443	
4. Economic affairs											
4.1 General economic, commercial and labour affairs	146	104	117	87	111	68	92	59	66	90	
4.2 Agriculture, forestry, fishing and hunting	76	44	71	94	60	93	11	59	119	64	
<i>of which: market support under CAP</i>	38	23	40	56	34	49	2	29	69	35	
<i>of which: other agriculture, food and fisheries policy</i>	37	22	31	38	25	44	9	30	50	30	
<i>of which: forestry</i>	0	0	0	0	0	0	0	0	0	0	
4.3 Fuel and energy	18	10	9	8	5	4	4	4	6	7	
4.4 Mining, manufacturing and construction	1	1	2	3	5	1	4	5	-2	2	

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head⁽¹⁾ for 2013-14 (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	223	266	278	199	245	233	511	238	188	279	
of which: national roads	43	19	50	56	50	67	4	78	29	43	
of which: local roads	64	73	81	67	77	77	57	64	90	72	
of which: local public transport	58	81	39	33	64	24	140	19	22	57	
of which: railway	50	85	100	36	47	56	298	66	39	99	
of which: other transport	8	7	7	6	7	8	13	11	8	9	
4.6 Communication	-	-	-	-	-	-	-	-	-	-	
4.7 Other industries	3	2	2	1	2	2	4	2	3	2	
4.8 R&D economic affairs	59	56	57	55	46	80	80	72	56	64	
4.9 Economic affairs n.e.c.	7	14	7	6	6	5	5	6	7	7	
Total economic affairs	532	497	543	452	480	486	711	446	443	516	
5. Environment protection											
5.1 Waste management	85	297	77	97	77	90	98	110	144	125	
5.2 Waste water management	-	-	-	-	-	-	-	-	-	-	
5.3 Pollution abatement	2	2	1	2	1	4	2	4	2	2	
5.4 Protection of biodiversity and landscape	6	4	8	10	5	6	1	4	8	5	
5.5 R&D environment protection	6	6	6	6	6	6	6	6	6	6	
5.6 Environment protection n.e.c.	25	21	28	20	19	41	27	22	28	25	
Total environment protection	123	329	121	134	109	146	135	145	189	164	
6. Housing and community amenities											
6.1 Housing development	141	63	86	90	69	66	234	55	54	97	
of which: local authority housing	128	45	77	81	64	59	206	46	45	84	
of which: other social housing	13	19	9	8	5	7	28	8	9	13	
6.2 Community development	59	58	34	40	42	35	87	30	34	47	
6.3 Water supply	0	0	0	0	0	0	0	0	0	0	
6.4 Street lighting	24	15	15	11	14	12	12	16	9	14	
6.5 R&D housing and community amenities	-	-	-	-	-	-	-	-	-	-	
6.6 Housing and community amenities n.e.c.	3	3	3	3	3	3	3	3	3	3	
Total housing and community amenities	227	140	138	144	128	116	336	104	101	161	
7. Health⁽²⁾											
Medical services	2,168	2,042	1,874	1,712	1,909	1,684	2,359	1,701	1,809	1,920	
Health research	7	7	5	7	5	10	36	13	6	12	
Central and other health services	61	60	64	60	60	60	63	60	60	61	
Total health	2,236	2,109	1,944	1,779	1,975	1,754	2,459	1,774	1,876	1,994	

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head⁽¹⁾ for 2013-14 (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	68	48	49	47	46	43	59	45	41	49	
8.2 Cultural services	53	47	60	42	61	40	99	42	48	56	
8.3 Broadcasting and publishing services	0	1	0	0	0	1	3	1	1	1	
8.4 Religious and other community services	1	1	0	1	0	1	1	1	-1	1	
8.5 R&D recreation, culture and religion	0	0	0	0	0	0	0	0	0	0	
8.6 Recreation, culture and religion n.e.c.	0	0	0	0	0	0	1	0	0	0	
Total recreation, culture and religion	122	97	110	91	108	85	164	89	89	107	
9. Education											
9.1 Pre-primary and primary education	482	518	517	456	511	466	636	468	425	505	
of which: under-fives	87	94	90	81	92	80	108	83	75	89	
of which: primary education	394	424	427	376	419	386	528	385	350	417	
9.2 Secondary education	618	566	627	641	628	560	577	484	547	574	
9.3 Post-secondary non-tertiary education	4	1	2	1	4	9	4	1	2	3	
9.4 Tertiary education	230	249	227	229	217	205	327	227	217	241	
9.5 Education not definable by level	4	4	5	4	4	4	4	4	4	4	
9.6 Subsidiary services to education	61	52	63	50	58	57	67	50	54	57	
9.7 R&D education	0	0	0	0	0	0	0	0	0	0	
9.8 Education n.e.c.	26	27	28	25	25	24	28	25	24	26	
Total education	1,425	1,418	1,469	1,407	1,448	1,325	1,645	1,260	1,273	1,410	
10. Social protection											
of which: personal social services	498	435	405	378	417	412	495	384	405	424	
10.1 Sickness and disability	900	889	725	702	727	623	608	580	682	696	
of which: personal social services	151	155	128	125	131	154	158	139	146	144	
of which: incapacity, disability and injury benefits	749	734	597	577	596	470	450	442	536	552	
10.2 Old age	1,861	1,735	1,690	1,772	1,719	1,784	1,151	1,781	2,039	1,690	
of which: personal social services	200	149	146	137	147	135	158	136	146	147	
of which: pensions	1,661	1,586	1,543	1,635	1,572	1,649	993	1,644	1,893	1,543	
10.3 Survivors	19	17	17	18	16	14	5	15	18	15	
10.4 Family and children	410	396	383	357	401	353	429	326	338	376	
of which: personal social services	143	127	127	113	134	117	154	104	107	125	
of which: family benefits, income support and tax credits	267	270	256	245	267	236	276	222	230	251	
10.5 Unemployment	111	86	99	72	93	60	83	49	51	75	
of which: personal social services	-	-	-	-	-	-	-	-	-	-	
of which: other unemployment benefits	111	86	99	72	93	60	83	49	51	75	
10.6 Housing	433	402	354	294	374	328	764	348	342	420	

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head⁽¹⁾ for 2013-14 (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.	506	524	511	459	518	391	498	349	399	456	
of which: personal social services	4	5	4	4	5	6	25	5	5	8	
of which: family benefits, income support and tax credits	502	520	507	455	513	384	473	343	394	448	
10.8 R&D social protection	-	-	-	-	-	-	-	-	-	-	
10.9 Social protection n.e.c.	73	58	57	52	56	49	54	34	39	51	
Total social protection	4,313	4,107	3,836	3,727	3,905	3,602	3,592	3,482	3,908	3,778	
Total Expenditure on Services in the English Regions	9,576	9,276	8,679	8,219	8,641	7,950	9,866	7,756	8,336	8,678	

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

⁽²⁾ 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, known as the Online System for Central Accounting and Reporting (OSCAR). This system collects public spending data from central government departments and the devolved administrations. OSCAR is a reporting system rather than an accounting system and so contains aggregate spending information rather than any transactional detail.

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

- their own expenditure;
- the expenditure of agencies, 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 2015 departments maintained the years 2010-11 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 and tables published in Departmental Reports.

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

- complexity of the public expenditure system: data needs to be coded so that a wide range of outputs can be produced against a number of frameworks. Some data will be miscoded;
- although comprehensive guidance is made available, those recording data sometimes need to apply judgement to determine the right coding. Views on the right judgement to make may differ;
- while the budget-based numbers in PESA (for example in **Chapter 1**) are key control totals for departments and devolved administrations that are closely monitored, some of the economic category and sub-functional analyses do not appear in departmental outputs so may be less robust. The devolved administrations do not draw outputs 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 2014 is provided in chapter text.

A.15 Where we discover errors after the production of PESA 2015 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 2015 treatment differs from the ONS classification:

- The **Financial Services Compensation Scheme (FSCS)** is classified by the ONS to the public sector but is not currently incorporated within the budgeting framework. While the spending of this body is not included within PESA, the Treasury loans to the FSCS are shown as payments to the private sector to reflect their ultimate destination;
- Banks classified to the public sector by the ONS (**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 2015 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 19 June 2015.

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 2014-15 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 2015 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

Title	Departments included
Cabinet Office	Cabinet Office Security and Intelligence Agencies
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 and Road 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 2014.

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 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.17 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.18 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.19 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.20 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.21 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.22 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.23 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.24 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.25 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.26 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.27 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.28 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.29 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.30 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.31 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.32 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.33 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.34 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.35 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.36 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.37 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.38 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.39 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.40 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.41 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.42 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.43 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.44 Expenditure on services includes the cost of public service pensions on a TME basis in the social protection function.

C.45 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.46 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.47 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.48 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.49 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.50 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.51 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.52 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.53 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.54 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, 2010-11 to 2015-16

	£ million					
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	outturn	outturn	outturn	outturn	plans	plans
GNI based contribution	11,092	11,218	12,303	13,845	13,693	13,557
UK abatement	-2,678	-3,516	-3,172	-4,130	-4,811	-4,242
Net expenditure transfers to the EU	8,414	7,702	9,131	9,716	8,881	9,315
Receipts to cover collection costs in respect of collecting Traditional Own Resources (TOR) ⁽¹⁾	-745	-735	-720	-733	-755	-727
to give contribution to TME	7,669	6,967	8,411	8,982	8,127	8,588
TOR ⁽¹⁾	2,979	2,940	2,891	2,933	3,018	3,129
VAT-based payments to the EU	2,266	2,276	2,398	2,163	2,316	2,744
Gross contribution to the EU budget	12,915	12,184	13,699	14,079	13,461	14,461
Public sector EU receipts ⁽²⁾	-3,998	-4,771	-4,022	-3,856	-4,404	-4,070
Net contributions to the EU budget	8,917	7,413	9,678	10,223	9,057	10,391
less Attributed costs ⁽³⁾	43	163	82	79	-	-
Net payments to EU institutions	8,874	7,250	9,595	10,143	9,057	10,391

⁽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.

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

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

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

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

Total Managed Expenditure

C.58 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.59 As in **Table 1.1**, TME can be shown to equal Total DEL + AME (including accounting adjustments).

C.60 In addition, TME may be expressed as the sum of:

- public sector current expenditure;
- public sector net investment; and
- public sector depreciation.

C.61 In this presentation, depreciation represents the amount of capital expenditure required to make good the depreciation of assets, and net investment represents the amount of capital expenditure that adds to the overall stock of assets.

D

Accounting adjustments in budgeting presentation of TME

The need for accounting adjustments

D.1 The National Accounts, produced by the Office for National Statistics (ONS), follow international guidelines and provide a widely accepted framework for analysing the economic activity of the country. Total Managed Expenditure (TME) is an aggregate drawn from National Accounts that measures the sum of public sector current and capital spending.

D.2 Government departments budget and account for their spending in resource terms. From 2009-10 onwards this was based on International Financial Reporting Standards (IFRS) and prior to that was based on UK's Generally Accepted Accounting Practice. Both accounting frameworks differ in a number of ways from National Accounts, which are based on the European System of Accounts 2010 (ESA10). The main difference is that ESA10, in the main, recognises liabilities and assets only when they crystallise.

D.3 As a consequence of this, a number of adjustments are needed to reconcile budgets to the component parts of TME – these are known as accounting adjustments. **Table 1.1** shows resource DEL plus resource AME equalling public sector current expenditure, and capital DEL plus capital AME equalling public sector gross investment. Public sector current expenditure (PSCE) plus public sector gross investment (PSGI) then equals TME. In this presentation the AME totals include the accounting adjustments.

D.4 The accounting adjustments are shown separately for resource and capital in **Table 1.14**, the former shows the breakdown of those adjustments necessary to reconcile to PSCE and the latter those adjustments necessary to reconcile to PSGI. In each table the accounting adjustments are broken down into three categories;

- a. data that are removed from budgets because the National Accounts uses a different data source;
- b. data that are removed from budgets because they are not part of spending as defined by the National Accounts; 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 Giltss 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 2015-16 used in this publication are taken from the data submitted by departments on OSCAR. The OBR used OSCAR data consistent with PESA 2014 for their forecast in the July 2015 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 2014 adjusted to reflect policy announcements made during the year. For 2014-15 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 pensions schemes in AME and in TME, 2010-11 to 2015-16

	£ million					
	National Statistics				2014-15 plans	2015-16 plans
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn		
Departmental AME (GAAP basis)						
Change in liability	-56,752	27,069	26,928	28,740	34,602	36,903
Contributions received*	-21,360	-21,142	-22,028	-23,313	-24,664	-26,263
Cash payments in OCS not covered by release of provision*	39	85	58	13	95	141
Net public service pensions (GAAP basis)	-78,073	6,012	4,958	5,441	10,033	10,781
Unwinding of discount rate (= contribution to non-cash items)	37,615	44,012	40,499	37,991	46,109	43,687
Total Departmental AME (GAAP basis)	-40,458	50,024	45,457	43,432	56,141	54,469
Accounting adjustments						
Remove change in liability	56,752	-27,069	-26,928	-28,740	-34,602	-36,903
Remove increased liability due to unwinding of discount rate	-37,615	-44,012	-40,499	-37,991	-46,109	-43,687
Add pensions in payment covered by release of provision**	25,928	27,725	30,546	32,246	34,187	35,406
Accounting adjustments (Pensions)	45,065	-43,356	-36,881	-34,485	-46,523	-45,185
Contribution to TME (National Accounts basis)	4,607	6,668	8,577	8,947	9,618	9,284
<i>of which:</i>						
Pensions in payment*	25,967	27,810	30,604	32,260	34,282	35,547
Contributions received*	-21,360	-21,142	-22,028	-23,313	-24,664	-26,263

* 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.

EU tax collection costs

D.32 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.33 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.34 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.35 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.36 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.37 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.38 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.39 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.40 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.41 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.42 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.43 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.44 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.45 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.46 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.47 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.48 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.49 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.50 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.51 The data in the National Accounts for both of these are sourced from ONS surveys and administrative sources other than OSCAR.

Adjustment for different data used by OBR in PSGI forecast

D.52 As explained above for resource spending, the forecast data for departments' DEL and AME budgets for 2015-16 used in this PESA publication differ from those used by the OBR in their July 2015 EFO. These adjustments are to reconcile the data used by the OBR with those on OSCAR used in PESA.

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

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

D.53 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.54 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.55 This is the capital equivalent of the transfers described in D.22 above.

Green Investment Bank

D.56 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.57 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.58 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.59 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.60 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.61 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.62 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.63 As mentioned above, the data for Central Government support used in the calculation of LASFE is based on data in Central Government departments' budgets and the total spending is from the Local Government sources. This adjustment is therefore necessary to reconcile Central Government and Local Government sources of information for Central Government support via capital grants. The data based on Central Government departments' budgets are the data deducted in the calculation of LASFE as these are felt to be more reliable and are available at a detailed level for quality assurance.

Financial transactions

D.64 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.65 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.66 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.67 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.68 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.69 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.70 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 92% 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 2014 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, 2014-15

	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	53,773	110,555	3,544	15,788	15,405	11,397	7,597	554	35,080	1,862	7,318	1,401	1,885	1,375	7,152	26,420	14,203	10,205	3,596	2,843	1,676	333,629
Capital DEL	4,468	3,863	9,363	4,398	2,011	411	290	4	7,786	159	2,350	2,242	636	264	249	3,143	1,500	1,069	267	430	82	44,985
Resource Departmental AME	13,910	22,240	476	12,803	-688	1,958	-11	13	8,311	80	156	6,254	88	4,865	167,639	3,838	48	8,239	-7,026	10,614	-129	253,676
Capital Departmental AME	-	-5	6,695	121	9,573	-	-	-	51	-	-	-604	2	681	-124	440	357	542	-12,040	-	-23	5,667
Remove																						
Grants to local government	-35,587	-2,899	-5,644	-19,148	-358	-10,504	-	-	-	-	-	-36	-303	-254	-24,464	-8,104	-6,149	-144	-	-38	-	-113,633
Capital grants to public corporations	-	-27	-	-14	-100	-	-	-	-	-5	-	-	-19	-	-	-27	-	-71	-	-	-	-262
Depreciation	-1,399	-1,839	-1,734	-88	-2,318	-287	-451	-6	-9,002	-197	-28	-167	-294	-299	-174	-821	-415	-912	46,415	-483	-66	25,437
Provisions	-10,154	-22,119	-2	-152	-12	-523	76	3	-4,366	1	-60	-5,906	68	15	-612	-3,441	-187	-1,967	-316	-7,613	410	-56,858
Financial transactions	-	65	-6,261	-1,357	-10,390	-	-	-	57	-	-344	85	-7	-	-10	-726	-474	-257	11,692	1	23	-7,904
Interest and dividends	-	47	-208	27	1,674	-38	-	-	-329	-	-	-	-	-41	12	147	59	-36	698	-26	23	2,010
Items classified as revenue in National Accounts	1	-1,732	2,486	-11,184	1,842	728	84	60	114	-	-420	30	65	52	-211	12	27	-4	-2,045	7	187	-9,899
EU receipts	-	-	65	471	273	-	-	-	-	-	-	-	2,058	-	282	613	851	411	-	-	1	5,023
Other items not in TME	-1,682	-22	1,235	2,404	647	-148	-1	-1	-1	0	-45	-9	33	560	-879	784	-283	-13	-2,054	12	-13	522
Add																						
Local government current expenditure	41,596	17,373	4,732	8,023	418	12,160	162	-	-	-	-	-	5,402	1,943	25,088	10,322	5,558	562	-	48	-	133,387
Local government capital expenditure	3,432	181	4,003	2,912	10	361	-	-	-	-	-	-	861	702	-	1,790	849	171	-	-	-	15,274
Northern Ireland locally financed expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	661	-	-	661
Public corporations' capital expenditure	-	-	-	3	-	-	-	-	59	-	-	-	-	-	-	477	-	65	-	-	-	604
Public sector debt interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,944	-	-	36,944
EU transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,723	-	-	3,723
Grant equivalent element of student loans	-	-	-	-	1,949	-	-	-	-	-	-	-	-	-	-	50	-	152	-	-	-	2,151
Loans written off by mutual consent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public sector expenditure on services	68,358	125,681	18,750	15,007	19,936	15,515	7,746	627	37,760	1,900	8,927	3,290	10,475	9,863	173,948	34,917	15,944	18,673	79,854	5,795	2,171	675,134

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 2009 to financial data for 2009-10).

Table F.1 Population numbers by country and region

	Thousands				
	mid-2009	mid-2010	mid-2011	mid-2012	mid-2013
North East	2,575	2,587	2,596	2,602	2,611
North West	6,986	7,020	7,056	7,084	7,103
Yorkshire and the Humber	5,223	5,255	5,288	5,317	5,338
East Midlands	4,472	4,507	4,537	4,568	4,598
West Midlands	5,528	5,566	5,609	5,643	5,675
East	5,751	5,807	5,862	5,907	5,954
London	7,943	8,062	8,204	8,308	8,417
South East	8,491	8,578	8,653	8,725	8,793
South West	5,227	5,261	5,301	5,340	5,378
England	52,196	52,643	53,107	53,494	53,866
Scotland	5,232	5,262	5,300	5,314	5,328
Wales	3,039	3,050	3,064	3,074	3,082
Northern Ireland	1,793	1,805	1,814	1,824	1,830
United Kingdom	62,261	62,760	63,285	63,705	64,106

Source: Mid-Year Population Estimates from the ONS^{[1], [2]} for the Countries of the UK and the English Regions (2011 Population Census based)

^[1] <http://www.ons.gov.uk> for mid-2009 to mid-2012

^[2] <http://www.ons.gov.uk> for mid-2013

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 2014-15 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 2015 National Accounts figures from ONS

Forecast data are consistent with the 2015 Summer Budget

Financial year	GDP deflator at market prices		Money GDP £ million
	2014-15 = 100	Per cent change on previous year	
1972-73	9.450	8.08	71,193
1973-74	10.230	8.26	79,419
1974-75	12.206	19.32	93,293
1975-76	15.171	24.29	114,642
1976-77	17.197	13.36	134,142
1977-78	19.537	13.60	156,674
1978-79	21.656	10.85	180,802
1979-80	25.266	16.67	218,104
1980-81	30.002	18.75	249,641
1981-82	32.918	9.72	276,166
1982-83	35.139	6.75	301,688
1983-84	36.712	4.48	329,238
1984-85	38.834	5.78	354,498
1985-86	41.191	6.07	389,638
1986-87	42.815	3.95	418,214
1987-88	45.183	5.53	469,834
1988-89	48.178	6.63	525,247
1989-90	51.931	7.79	578,879
1990-91	56.225	8.27	624,024
1991-92	59.525	5.87	657,102
1992-93	61.041	2.55	677,942
1993-94	62.538	2.45	718,845
1994-95	63.278	1.18	754,128
1995-96	65.122	2.91	794,983
1996-97	67.879	4.23	847,895
1997-98	69.087	1.78	890,311
1998-99	70.184	1.59	933,474
1999-00	70.916	1.04	979,291
2000-01	72.544	2.30	1,034,257
2001-02	73.644	1.52	1,072,891
2002-03	75.582	2.63	1,135,829
2003-04	77.121	2.04	1,209,281
2004-05	79.553	3.15	1,269,505
2005-06	81.775	2.79	1,350,055
2006-07	83.992	2.71	1,424,361
2007-08	86.450	2.93	1,498,594
2008-09	88.620	2.51	1,502,318
2009-10	90.911	2.59	1,501,670
2010-11	93.427	2.77	1,576,231
2011-12	95.099	1.79	1,628,485
2012-13	96.634	1.61	1,663,874
2013-14	98.626	2.06	1,731,762
2014-15	100.000	1.39	1,808,712
2015-16	-	1.0	1,873,200

GDP Deflator: Financial years 1972-73 to 2014-15 taken from ONS series L8GG.

For 2015-16: derived from Office for Budget Responsibility (OBR) forecasts for GDP deflator increases as at the Summer Budget Report 2015

Money GDP: For years 1972-73 to 2014-15: ONS data for money GDP (not seasonally adjusted, BKTL)

For 2015-16: OBR forecasts for money GDP as of the Summer 2015 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 website.¹

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.

¹ http://webarchive.nationalarchives.gov.uk/20130405170223/http://www.hm-treasury.gov.uk/psr_clear_line_of_sight_intro.htm

Capital budget – a department’s capital budget covers **capital expenditure**. The capital budget is divided into **DEL** and **departmental AME**. The capital budget is not a control total; capital DEL is a control total and capital AME is a planning total. The capital budget includes:

- **capital formation** and the acquisition of assets (including under finance leases) such as land, buildings, machinery and vehicles. In both capital budgets and **National Accounts**, acquisition of assets is recorded net of the sale value of any assets disposed of (where sale value is the aggregate of the net book value and any profit or loss on disposal);
- **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 in-house 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.

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 write-offs 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 website.²

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 called **social benefits** and those to trading businesses are called **subsidies**.

² <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=4>

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.

Estimated outturn is a forecast of spending incurred on the basis of actual expenditure to date.

Estimates – see **Supply Expenditure**.

European System of Accounts 2010 (ESA10) – This is the system used by the **Office for National Statistics** for measuring and presenting UK **National Accounts**. The system is compulsory for EU member states reporting economic statistics to the EU Commission. ESA10 is consistent with the earlier System of National Accounts 2008 (SNA08), which was developed by a number of international organisations.

Expenditure on services (known as TES) is an aggregate used in PESA to analyse the capital and current spending of the public sector. The current and capital elements of expenditure on services are sometimes shown separately as current expenditure on services and capital expenditure on services. Note that TES and its components represent the overall cost of providing services, rather than just the cost of purchasing services from third parties, and includes expenditure on **assets**. See Annex E for a full definition.

Financial Reporting Standard 17 (FRS17) sets out the **GAAP** basis for recording pensions.

Financial Statement and Budget Report (FSBR) – the FSBR is published each year by the Treasury on Budget day. It has been known as the Red Book. Since 1999 it has been published alongside the Economic and Fiscal Strategy Report in a single Budget document.

Financial transactions are payments and receipts relating to changes in holdings of financial assets or liabilities. Financial assets entitle their owners to unconditional financial claims on the units that have the liability (except for gold where there is no liability on another unit). Government departments' financial assets include bank deposits; foreign currency held; bonds and shares owned; loans given; accounts receivable in respect of, for example, income accrued but not yet paid; and **public dividend capital** and the value of government's other stakes in **public corporations**. Physical assets such as buildings and land are not financial assets. Transactions in some financial assets are undertaken to manage cash flows, for example movements in bank deposits, but some are undertaken to further a policy such as lending to students. These types of financial transactions are sometimes called policy lending and are normally included in a department's **DEL capital budget**.

General Government is the consolidated combination of the **central government** and **local government** sectors in **National Accounts**.

Generally accepted accounting practice (GAAP) – there is no statutory definition of GAAP, but it is taken to be the accounting and disclosure requirements of the Companies Act, pronouncements by the Accounting Standards Board (e.g. financial reporting standards), and the body of accounting knowledge built up over time. **Public sector** bodies have recently moved from GAAP to **International Financial Reporting Standards (IFRS)**.

Grants – see **current grants** and **capital grants**.

Gross Domestic Product (GDP) (at market prices) is the value of goods and services produced in the UK. "Gross" means there is no deduction for **depreciation**. Economic data are often quoted as a per cent of GDP to give an indication of trends through time and to make international comparisons easier.

Housing Revenue Account (HRA) – the HRA represents the current income and expenditure of local authority social housing provision. The HRA is treated as a quasi-corporation 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 non-domestic 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 non-budget 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**.

Non-identifiable 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 own-account **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 re-absorbed 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).

Social benefits include social security, tax credits and similar payments to individuals. They also include unrequited grants to not-for-profit non-market 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 quasi-corporation. **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.

