

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 2008-09, estimated outturn published in PESA 2009 (Cm 7630) is compared with provisional outturn published in the Public Expenditure Outturn White Paper (PEOWP Cm 7606) and the final outturn in **Chapter 1**;
- for 2009-10, the plans published in PESA 2009 are reconciled to final plans and compared to the estimated outturn in **Chapter 1**; and
- for 2010-11, this chapter would normally compare PESA 2009 plans against those in **Chapter 1**. This year there is an intermediate step in the DEL tables (**Tables 3.7 and 3.8**) so policy decisions taken prior to the March Budget 2010 (HC 451) can be presented separately from those included within the June Budget 2010 (HC 61).

3.2 The tables in this chapter are consequently split into three sections by year – **Tables 3.1, 3.2 and 3.3** show changes in 2008-09, **Tables 3.4, 3.5 and 3.6** show changes in 2009-10, and **Tables 3.7, 3.8 and 3.9** show changes in 2010-11. Within each section the three tables show, respectively, resource DEL by departmental group, capital DEL by departmental group, and Total Managed Expenditure (TME) by budgeting category;

3.3 The changes in 2008-09 outturn shown in this chapter have not been assessed as National Statistics, but they do fall within the wider scope of Official Statistics.

Types of changes

3.4 The comparisons distinguish between three 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.

Machinery of Government changes

3.5 **Chapter 3** reflects the Machinery of Government changes that took place last year, the main one being the merger of the Department for Business, Enterprise and Regulatory Reform (BERR) with the Department for Innovation Universities and Skills (DIUS) to form the Department for Business, Innovation and Skills (BIS).

3.6 UK Borders Agency activities were transferred from HM Revenue and Customs (part of the Chancellor's Departments group) to the Home Office, which amounted to £0.3bn of resource DEL in both plans years (2009-10 and 2010-11).

3.7 PESA 2010 does not reflect the transfer of policing and justice powers to the Northern Ireland Executive, nor any structural changes announced since the election.

Classification and transfer changes

3.8 The most significant classification changes since PESA 2009 are:

- the budgeting framework has been more closely aligned with resource accounts, as part of the alignment (or 'Clear Line of Sight') project. This change has been applied to all years and is explained in more detail in **Box 3.A** below;

Box 3.A: The alignment (or 'Clear Line of Sight') project

As part of the alignment project the Treasury is, as far as possible, aligning the treatment of spending in departmental budgets, Supply Estimates and Resource Accounts.

The main change to the budgeting framework is the removal of the near-cash/non-cash boundary from resource budgets, as this distinction is not recognised within resource accounting. Further changes to budgets are divided into four categories:

- removal of the cost of capital charge (also removed from Supply Estimates and Resource Accounts);
- movement from DEL to AME of certain transactions (mainly provisions) previously recorded within the non-cash budget (see below for further detail);
- inclusion of Communities and Local Government's debt repayment grants to local government in their capital AME budget (previously non-budget); and
- movement from capital to resource budgets of profit/loss on disposal of assets.

DEL to AME movements

As noted above the near-cash/non-cash boundary is being removed from resource budgets. The main elements of non-cash remaining in resource DEL are:

- depreciation;
- DEL impairments; and
- notional audit fees.

The following elements are therefore being moved into departmental resource AME:

- most provisions;
- write-off of bad debts;
- exchange rate losses/gains;
- revaluations below historic cost (where not already treated as AME); and
- other notional costs.

For more information please refer to the technical note issued alongside the February 2010 National Statistics release¹, which used 2008-09 outturn to illustrate the changes to departmental budgets associated with the alignment project.

¹ http://www.hm-treasury.gov.uk/d/natstats_technote.pdf

- the treatment of financial sector interventions has been revised. PESA 2009 reflected the Office for National Statistics (ONS) reclassification of certain banks to the public sector. For PESA 2010 the effects of this reclassification are excluded, following an alternative treatment published by the ONS in December 2009. This revised treatment, and the main impacts, are explained in **Box 5.A** in **Chapter 5**; and
- the adoption of International Financial Reporting Standards (IFRS) from 2009-10 onwards has resulted in a number of changes, though on a much smaller scale than the alignment project.

3.9 Budgets are generally restated for all years following classification changes so that they are presented on a consistent basis. However, due to resource implications, we have not asked departments to restate earlier years for the effects of moving from Generally Accepted Accounting Practice (GAAP) to International Financial Reporting Standards (IFRS). The main elements of IFRS have been implemented from 2009-10 onwards, and are described in **Annex C**.

3.10 Changes in relation to Financial Instruments Standards (part of IFRS) were implemented from 2008-09 onwards. These changes affect the measurement of financial instruments on balance sheets, some of which impact on budgets. These changes are not material.

Policy changes

3.11 This section sets out the key spending policy decisions taken since PESA 2009. This mainly includes:

- measures announced at the Pre-Budget Report (PBR) 2009, March Budget 2010 and June Budget 2010;
- claims on the Reserve; and
- drawdown of End Year Flexibility (EYF), whereby departments (with the agreement of the Treasury) may carry forward unspent DEL provision from previous years.

Policy changes in 2009-10

3.12 The impact of policy decisions on resource DEL and capital DEL budgets in 2009-10 are set out in **Tables 3.4 and 3.5**, respectively. The main policy decisions are set out below.

3.13 The main claims on the resource DEL Reserve in 2009-10 were:

- BIS received £0.15bn of funding from the Reserve in relation to student support;
- a £0.2bn Reserve claim for Work and Pensions (DWP) was approved to increase funding to Jobcentre Plus;
- Ministry of Justice made a claim on the Reserve of £0.2bn to increase prison capacity;
- further to claims approved prior to PESA 2009, £0.1bn was allocated to the Ministry of Defence;
- Northern Ireland Executive made a reserve claim of £0.13bn with regards to equal pay claims; and

- Northern Ireland Office were allocated £0.1bn as part of second stage devolution (also see 3.14 below).

3.14 The main drawdown of resource DEL EYF in 2009-10 was as follows:

- £0.3bn BIS drawdown for skills participation, apprenticeships, career development loans, student support and the six month unemployment package;
- two further amounts of £0.1bn were allocated to BIS. The first was agreed as part of their Comprehensive Spending Review (CSR) 2007 settlement to fund Research Councils on a 3-yearly basis, the second mainly funded enterprise finance guarantees;
- £0.5bn Education drawdown for children, young people, academies and childcare programmes;
- £0.2bn drawdown for each of Scotland and Wales was agreed at the time of the CSR 2007;
- in addition to the resource DEL claim on the Reserve (in 3.13 above) Northern Ireland Office drew down £0.1bn of EYF to fund second stage devolution; and
- an increase of £0.1bn in the Chancellor's Departments group was due to an estate rationalisation programme in HM Revenue and Customs (HMRC).

3.15 The main claims on the capital DEL Reserve in 2009-10 were:

- as part of the automotive assistance package BIS received £0.3bn; and
- alongside the additional resource DEL allocated to the Ministry of Defence during the year, £0.2bn of funding was provided from the capital DEL Reserve to support activities in Iraq and Afghanistan.

3.16 The main drawdown of capital DEL EYF for 2009-10 was as follows:

- the Department for Education (DfE) drew down £0.3bn for the Building Schools for the Future (BSF) programme;
- the Home Office drew down £0.2bn to increase Police and counter-terrorism grants; and
- alongside the resource DEL EYF drawdown agreed at the time of the CSR 2007, Scotland and Wales were allocated £0.2bn and £0.1bn, respectively, of capital DEL.

3.17 The other main policy decisions affecting 2009-10 DELs were:

- £0.4bn of capital funding was transferred to CLG Communities as part of Building Britain's Future, mainly from Transport (£0.3bn) and Education (£0.1bn), with smaller amounts from BIS and Home Office. CLG Communities additionally brought forward a further £0.1bn from their 2010-11 capital DEL;
- shown within the Chancellor's Departments group, capital funding for the Treasury Infrastructure Finance Unit (TIFU) to support Private Finance Initiative (PFI) projects was reduced by £0.7bn to the level of expected funding required;
- Health switched £0.2bn from resource to capital DEL in order to increase stocks of antivirals;

- Ministry of Defence switched £0.1bn from capital to resource to align funding with their operational requirements; and
- HMRC and DWP both received £0.1bn of Modernisation Funding, part of the funding arrangements agreed at the CSR 2007.

Policy changes in 2010-11

3.18 The impact of policy decisions on resource DEL and capital DEL budgets in 2010-11 are set out in **Tables 3.7 and 3.8**, respectively. Decisions taken up to (and including) the March Budget 2010 are shown separately from those subsequently taken by the Coalition Government, which were included in the June Budget 2010.

Main 2010-11 policy changes up to and including the March Budget 2010

3.19 The main Reserve claims agreed were as follows:

- Ministry of Justice received £0.1bn of additional resource DEL for election costs;
- Ministry of Defence received £3.0bn resource DEL and £1.6bn capital DEL for operations in Iraq and Afghanistan; and
- a Reserve claim of £0.4bn was added to the Foreign and Commonwealth Office (FCO) resource DEL budget. This will be shared between the FCO, International Development and Ministry of Defence to fund continued peacekeeping duties.

3.20 Spending measures and other policy changes in 2010-11 were as follows:

- DWP resource DEL was reduced by £0.5bn to reflect expected underspending;
- Ministry of Defence switched £0.4bn from capital to resource to align funding with their operational requirements;
- spending measures in the March Budget allocated BIS £0.3bn of resource DEL and £0.1bn capital DEL. This was in addition to £0.1bn of capital DEL allocated in the Pre-Budget Report (PBR) 2009 for the Strategic Investment Fund (SIF); and
- Energy and Climate Change (DECC) were awarded £0.2bn of additional capital DEL in the PBR 2009 for the Warm Front programme and the boiler scrappage scheme.

Main 2010-11 policy changes included within the June Budget 2010

3.21 The Coalition Government announced £6.2bn of savings in May 2010, with £500m re-invested. These were the only changes to 2010-11 DEL budgets that were included within the June Budget 2010. Details are set out in **Box 3.B** below.

Final outturn changes

3.22 Provisional outturn for 2008-09 was first published in July 2009. The only significant change since this first release relates to Locally Financed (Capital) Expenditure, which increases by £2.8bn (See **Table 3.3**). This is due to local government asset sales (negative spending) being significantly lower in final outturn than in their budgets data that was used in July.

Box 3.B: £6.2bn of savings in 2010-11

On the 24th May the Government announced² £6.2bn of savings and £0.5bn of re-investment in 2010-11. The PESA presentation takes into account that:

- the Devolved Administrations have the option to make their contribution to the savings (£704m) and use their additional funding (£80m) in 2010-11, or defer both of these until 2011-12. For PESA 2010, as in the June Budget 2010, it has been assumed that the whole of the net amount (£624m) will be deferred;
- the Child Trust Fund savings (£320m) are in capital AME and so will only be seen as part of the total policy changes in 'other (capital) departmental expenditure' in **Table 3.9**; and
- £50m of re-investment is funding a tax measure (relating to business rates) rather than being public spending within departmental budgets. It is therefore not included within PESA.

Of the net £5.7bn savings in the May announcement, PESA therefore presents the following changes in departmental DELs:

- £3.4bn reduction in resource DEL ('Policy changes before June Budget 2010' column in **Table 3.7**); and
- £1.5bn reduction in capital DEL ('Policy changes before June Budget 2010' column in **Table 3.8**).

It should also be noted that the Olympics savings, shown in the press notice as part of the Culture, Media and Sport contribution, are now allocated across those departmental groups who are funding the Olympics.

² http://www.hm-treasury.gov.uk/d/press_04_10.pdf

Table 3.1 Resource DEL 2008–09; changes since PESA June 2009 and PEOWP July 2009

					£ million	
	Final provision adjusted for MOG	Estimated outturn in PESA 2009 adjusted for MOG	Provisional outturn in PEOWP 2009 adjusted for MOG	Transfers and classification changes since PEOWP 2009	Other changes since PEOWP 2009	Outturn
Education	46,971	46,848	46,833	15	-1	46,848
Health	93,819	92,455	92,315	-2,052	14	90,278
Transport	6,830	6,546	5,704	99	-	5,803
CLG Communities	4,380	4,274	4,187	-84	2	4,105
CLG Local Government	24,718	24,647	24,651	-	-	24,651
Business, Innovation and Skills	18,318	18,260	18,004	-124	-28	17,851
Home Office	8,996	8,926	9,241	-36	-8	9,198
Justice	9,541	9,283	9,132	101	2	9,235
Law Officers' Departments	755	733	735	-10	-1	724
Defence	38,071	37,889	36,734	-4,092	-22	32,620
Foreign and Commonwealth Office	2,078	2,025	2,085	-58	-	2,027
International Development	4,838	4,835	4,783	-25	-	4,758
Energy and Climate Change	1,090	1,016	362	-63	-5	293
Environment, Food and Rural Affairs	2,668	2,654	2,590	-155	11	2,446
Culture, Media and Sport	1,634	1,633	1,626	-86	-84	1,456
Work and Pensions	8,120	8,059	7,979	-41	-1	7,937
Scotland	24,639	24,599	24,611	-491	-29	24,090
Wales	12,972	12,970	12,903	-145	41	12,799
Northern Ireland Executive	8,100	8,117	8,036	-112	2	7,926
Northern Ireland Office	1,344	1,342	1,331	-154	-	1,177
Chancellor's Departments	4,900	4,826	4,515	-42	-	4,473
Cabinet Office	2,108	2,049	2,057	-62	-	1,995
Independent Bodies	883	806	833	-54	13	791
Allowance for Shortfall	-	-600	-	-	-	-
Total resource DEL	327,770	324,192	321,250	-7,671	-96	313,483

Table 3.2 Capital DEL 2008–09; changes since PESA June 2009 and PEOWP July 2009

£ million						
	Final provision adjusted for MOG	Estimated outturn in PESA 2009 adjusted for MOG	Provisional outturn in PEOWP 2009 adjusted for MOG	Transfers and classification changes since PEOWP 2009	Other changes since PEOWP 2009	Outturn
Education	6,007	5,634	5,518	1	–	5,519
Health	4,911	4,561	4,367	3	–	4,370
Transport	7,284	7,283	7,182	70	–	7,252
CLG Communities	7,327	7,125	7,091	34	–13	7,112
CLG Local Government	176	129	122	–	–	122
Business, Innovation and Skills	2,140	2,139	2,128	3	–	2,131
Home Office	867	862	836	–	–	836
Justice	974	975	927	–5	–10	912
Law Officers' Departments	15	12	6	–	2	9
Defence	8,313	8,604	8,642	292	45	8,980
Foreign and Commonwealth Office	216	218	229	–2	–	227
International Development	891	891	876	–1	–	875
Energy and Climate Change	1,710	1,688	1,670	0	–2	1,667
Environment, Food and Rural Affairs	619	618	613	–1	–2	610
Culture, Media and Sport	1,083	791	862	–10	–10	842
Work and Pensions	89	57	74	18	–	91
Scotland	3,337	3,337	3,333	–	–	3,333
Wales	1,668	1,656	1,621	3	2	1,627
Northern Ireland Executive	1,154	1,137	1,198	34	2	1,233
Northern Ireland Office	80	78	68	–	–	68
Chancellor's Departments	310	293	294	–11	–	282
Cabinet Office	417	416	397	–	–	397
Independent Bodies	61	42	38	–	–1	37
Allowance for Shortfall	–	–200	–	–	–	–
Total capital DEL	49,651	48,345	48,095	427	10	48,532

Table 3.3 Total Managed Expenditure 2008–09; changes since PESA June 2009 and PEOWP July 2009

	Estimated outturn in PESA 2009	Provisional outturn in PEOWP 2009	Transfers and classification changes since PEOWP 2009	Other changes since PEOWP 2009	£ million Outturn
CURRENT EXPENDITURE					
<i>Resource DEL</i>					
Total resource DEL	324,192	321,250	-7,671	-96	313,483
<i>Resource departmental AME</i>					
Social security benefits	151,497	151,198	-	-2	151,196
Tax credits	18,402	18,374	-	-	18,374
Net public service pensions	6,111	5,492	-	-73	5,419
National lottery	948	898	-	113	1,011
BBC domestic services	3,352	3,316	-	-	3,316
Student loans	-1,191	-975	-	-1	-976
Non-cash items	52,727	48,911	-6,495	54	42,470
Financial sector interventions	50,592	42,360	-809	-	41,551
Other departmental expenditure	585	-516	2,163	-25	1,622
Total resource departmental AME	283,024	269,058	-5,141	66	263,983
<i>Resource other AME</i>					
Net expenditure transfers to the EC	3,060	3,060	-	-	3,060
Locally financed expenditure	27,344	27,410	-	-598	26,812
Central government gross debt interest	30,466	30,270	-	237	30,507
Accounting adjustments	-103,625	-87,239	12,813	1,319	-73,107
Total resource other AME	-42,755	-26,499	12,813	958	-12,728
Total resource AME	240,269	242,559	7,671	1,024	251,255
Public sector current expenditure	564,461	563,809	-	928	564,738
CAPITAL EXPENDITURE					
<i>Capital DEL</i>					
Total capital DEL	48,345	48,095	427	10	48,532
<i>Capital departmental AME</i>					
National lottery	647	647	-	-111	536
BBC domestic services	116	81	-	-	81
Student loans	4,732	4,475	-	-	4,475
Financial sector interventions	85,290	85,525	-	-	85,525
Other departmental expenditure	37	-378	483	39	144
Total capital departmental AME	90,821	90,350	483	-72	90,761
<i>Capital other AME</i>					
Locally financed expenditure	4,532	4,532	-	2,958	7,490
Public corporations' own-financed capital expenditure	7,157	7,157	-	-68	7,089
Accounting adjustments	-94,631	-95,329	8,977	-2,414	-88,766
Total capital other AME	-82,942	-83,640	8,977	476	-74,187
Total capital AME	7,879	6,710	9,460	404	16,574
Public sector gross investment ⁽¹⁾	56,224	54,805	9,887	414	65,106
less public sector depreciation ⁽¹⁾	18,564	18,595	-102	228	18,721
Public sector net investment ⁽¹⁾	37,660	36,210	9,989	186	46,385
Total Managed Expenditure⁽¹⁾	620,685	618,614	9,887	1,343	629,844

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

Table 3.4 Resource DEL 2009–10; changes since PESA 2009

				£ million	
	Plans in PESA 2009 adjusted for MOG	Other transfers and classification changes	Reserve allocation and other policy changes	Final provision	Estimated outturn
Education	49,232	64	496	49,792	49,623
Health	99,897	-2,286	221	97,833	97,558
Transport	6,398	805	35	7,238	6,954
CLG Communities	4,545	-229	19	4,335	4,286
CLG Local Government	25,596	1	-32	25,565	25,505
Business, Innovation and Skills	18,998	-252	788	19,534	19,206
Home Office	9,656	-45	-63	9,548	9,485
Justice	9,465	-293	253	9,425	9,599
Law Officers' Departments	732	7	7	747	716
Defence	38,582	-3,428	253	35,407	35,205
Foreign and Commonwealth Office	2,029	23	95	2,147	2,160
International Development	5,440	-140	3	5,302	5,302
Energy and Climate Change	1,106	17	127	1,249	1,247
Environment, Food and Rural Affairs	2,709	-103	-20	2,586	2,547
Culture, Media and Sport	1,681	-146	22	1,556	1,571
Work and Pensions	9,051	-170	333	9,214	9,138
Scotland	25,421	-484	213	25,150	25,132
Wales	13,556	-140	205	13,621	13,587
Northern Ireland Executive	8,389	281	166	8,836	8,807
Northern Ireland Office	1,186	-83	192	1,295	1,108
Chancellor's Departments	4,335	-43	163	4,455	4,454
Cabinet Office	2,260	-105	41	2,195	2,173
Independent Bodies	906	-53	1	854	836
Modernisation Funding	300	-	-300	-	-
DEL Reserve	700	-	-700	-	-
Allowance for Shortfall	-	-	-	-	-1,400
Total resource DEL	342,100	-6,802	2,500	337,884	334,800

Table 3.5 Capital DEL 2009–10; changes since PESA 2009

				£ million	
	Plans in PESA 2009 adjusted for MOG	Other transfers and classification changes	Reserve allocation and other policy changes	Final provision	Estimated outturn
Education	7,343	–	233	7,575	7,523
Health	5,573	75	–260	5,389	5,393
Transport	8,314	280	–330	8,264	8,271
CLG Communities	8,623	–59	638	9,202	9,150
CLG Local Government	106	–	121	227	223
Business, Innovation and Skills	2,987	61	379	3,427	3,017
Home Office	823	–	184	1,007	1,017
Justice	777	–	136	913	859
Law Officers' Departments	13	–	2	14	14
Defence	9,121	10	98	9,228	9,238
Foreign and Commonwealth Office	216	–	–13	203	203
International Development	1,366	–	–	1,366	1,347
Energy and Climate Change	2,028	–22	–117	1,889	1,874
Environment, Food and Rural Affairs	669	–5	55	720	734
Culture, Media and Sport	404	–	139	543	560
Work and Pensions	84	207	–5	285	275
Scotland	3,713	31	186	3,929	3,927
Wales	1,722	–	217	1,939	1,947
Northern Ireland Executive	1,084	27	100	1,211	1,208
Northern Ireland Office	77	–	–	77	62
Chancellor's Departments	1,027	28	–652	402	413
Cabinet Office	390	19	53	462	461
Independent Bodies	64	–	2	66	42
DEL Reserve	1,200	–	–1,200	–	–
Allowance for Shortfall	–	–	–	–	–1,200
Total capital DEL	57,700	650	0	58,339	56,600

Table 3.6 Total Managed Expenditure 2009–10; changes since PESA 2009

	Plans in PESA 2009	Transfers and classification changes	Other Changes	£ million Estimated Outturn
CURRENT EXPENDITURE				
<i>Resource DEL</i>				
Total resource DEL	342,100	-6,802	-560	334,800
<i>Resource departmental AME</i>				
Social security benefits	165,485	-	-645	164,840
Tax credits	20,779	-	1,092	21,871
Net public service pensions	1,884	-497	1,517	2,904
National lottery	893	-	-	893
BBC domestic services	3,464	-	-	3,464
Student loans	-1,014	-	754	-260
Non-cash items	49,223	-1,951	3,322	50,594
Financial sector interventions	736	-1,500	-4,926	-5,690
Other departmental expenditure	1,639	-	437	2,076
Total resource departmental AME	243,089	-3,948	1,551	240,692
<i>Resource other AME</i>				
Net expenditure transfers to the EC	5,649	-	770	6,419
Locally financed government expenditure	27,940	-	-1,508	26,432
Central government gross debt interest	27,206	-	3,742	30,948
Accounting adjustments	-38,019	10,750	-11,445	-38,714
Total resource other AME	22,776	10,750	-8,441	25,085
Total resource AME	265,865	6,802	-6,890	265,777
Public sector current expenditure	608,000	-	-7,450	600,555
CAPITAL EXPENDITURE				
<i>Capital DEL</i>				
Total capital DEL	57,700	650	-1,765	56,600
<i>Capital departmental AME</i>				
National lottery	987	-	-28	959
BBC domestic services	123	-	-	123
Student loans	5,285	-	-541	4,744
Financial sector interventions	34,247	-	12,877	47,124
Other departmental expenditure	873	305	-158	1,021
Total capital departmental AME	41,516	305	12,151	53,972
<i>Capital other AME</i>				
Locally financed expenditure	4,378	-	1,928	6,305
Public corporations' own-financed capital expenditure	7,406	-	271	7,677
Accounting adjustments	-47,569	3,533	-11,800	-55,836
Total capital other AME	-35,786	3,533	-9,600	-41,853
Total capital AME	5,730	3,838	2,550	12,118
Public sector gross investment⁽¹⁾	63,400	4,488	785	68,705
less public sector depreciation ⁽¹⁾	19,600	-32	84	19,681
Public sector net investment⁽¹⁾	43,800	4,520	702	49,024
Total Managed Expenditure⁽¹⁾	671,400	4,488	-6,664	669,260

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

Table 3.7 Resource DEL 2010–11; changes since PESA 2009

	£ million				
	Plans in PESA 2009 adjusted for MOG	Other transfers and classification changes	Policy changes before March Budget 2010 ⁽¹⁾	Policy changes before June Budget 2010	New Plans
Education	51,302	119	121	-671	50,871
Health	104,025	-2,531	-	-	101,494
Transport	6,371	60	247	-290	6,388
Communities and Local Government	4,459	-200	15	-455	3,819
Local Government	26,296	10	-	-325	25,981
Business, Innovation and Skills	19,236	-117	395	-295	19,219
Home Office	9,773	-3	-	-323	9,447
Justice	9,379	-295	141	-142	9,083
Law Officers' Departments	703	-2	-	-17	684
Defence	36,718	-4,112	3,349	-	35,955
Foreign and Commonwealth Office	1,600	92	390	-50	2,032
International Development	6,231	-149	2	-	6,084
Energy and Climate Change	1,142	42	30	-14	1,200
Environment, Food and Rural Affairs	2,682	-138	-29	-97	2,418
Culture, Media and Sport	1,733	-149	6	-49	1,541
Work and Pensions	9,929	-127	-473	-493	8,836
Scotland	26,129	-502	71	-	25,698
Wales	13,990	-162	29	-	13,857
Northern Ireland Executive	8,659	-45	10	-	8,624
Northern Ireland Office	1,174	-13	38	-	1,199
Chancellor's Departments	4,217	-30	16	-101	4,102
Cabinet Office	2,411	-55	1	-73	2,284
Independent Bodies	953	-33	51	-	971
Modernisation Funding	200	-	0	-	200
DEL Reserve	2,900	-	-2,300	-	600
Total resource DEL	352,300	-8,342	2,200	-3,393	342,700

(1) This includes all decisions taken by the previous government prior to the election.

Table 3.8 Capital DEL 2010–11; changes since PESA 2009

	£ million				
	Plans in PESA 2009 adjusted for MOG	Other transfers and classification changes	Policy changes before March Budget 2010 ⁽¹⁾	Policy changes before June Budget 2010	New Plans
Education	6,660	2	-1	-	6,661
Health	4,823	174	-100	-	4,897
Transport	7,412	239	-73	-399	7,179
Communities and Local Government	6,348	34	-24	-166	6,192
Local Government	92	-	-	-79	13
Business, Innovation and Skills	2,122	31	197	-343	2,007
Home Office	844	-	-45	-35	764
Justice	745	-	5	-182	568
Law Officers' Departments	13	-	-	-1	12
Defence	8,846	10	1,215	-	10,071
Foreign and Commonwealth Office	205	-	-6	-5	194
International Development	1,556	-	-	-	1,556
Energy and Climate Change	1,834	-10	169	-70	1,923
Environment, Food and Rural Affairs	609	3	-	-64	548
Culture, Media and Sport	566	-	-	-22	544
Work and Pensions	74	229	-6	-52	245
Scotland	3,181	30	28	-	3,239
Wales	1,748	-	-75	-	1,673
Northern Ireland Executive	1,110	23	10	-	1,143
Northern Ireland Office	72	-	-	-	72
Chancellor's Departments	245	-	46	-30	261
Cabinet Office	354	-	-	-6	348
Independent Bodies	67	1	15	-	83
DEL Reserve	2,100	-	-600	-	1,500
Total capital DEL	51,600	767	700	-1,455	51,600

(1) This includes all decisions taken by the previous government prior to the election.

Table 3.9 Total Managed Expenditure 2010–11; changes since PESA 2009

	£ million			
	Plans in PESA 2009	Other transfers and classification changes	Reserve allocation and other policy changes	New Plans
CURRENT EXPENDITURE				
<i>Resource DEL</i>				
Total resource DEL	352,300	-8,342	-1,200	342,700
<i>Resource departmental AME</i>				
Social security benefits	171,249	-	-1,371	169,878
Tax credits	21,353	-	1,996	23,349
Net public service pensions	2,073	8,192	1,368	11,633
National lottery	864	-	59	923
BBC domestic services	3,646	-	-	3,646
Student loans	-1,043	-	38	-1,005
Non-cash items	50,970	-3,868	1,700	48,801
Financial sector interventions	81	-	-2,362	-2,281
Other departmental expenditure ⁽¹⁾	1,375	-	446	1,821
Total resource departmental AME	250,568	4,324	1,875	256,766
<i>Resource other AME</i>				
Net expenditure transfers to the EC	7,875	-	421	8,296
Locally financed government expenditure	28,479	-	-895	27,584
Central government gross debt interest	42,906	-	362	43,268
Accounting adjustments	-37,237	4,018	-8,058	-41,277
Total resource other AME	42,022	4,018	-8,170	37,870
Total resource AME	292,590	8,342	-6,296	294,636
Public sector current expenditure	644,800	-	-7,534	637,300
CAPITAL EXPENDITURE				
<i>Capital DEL</i>				
Total capital DEL	51,600	767	-700	51,600
<i>Capital departmental AME</i>				
National lottery	851	-	25	876
BBC domestic services	114	-	-	114
Student loans	5,576	-	56	5,632
Financial sector interventions	155	-	4,450	4,605
Other departmental expenditure	822	-	419	1,240
Total capital departmental AME	7,517	-	4,951	12,468
<i>Capital other AME</i>				
Locally financed expenditure	3,874	-	1,500	5,374
Public corporations' own-financed capital expenditure	7,526	-	-121	7,405
Accounting adjustments	-13,633	-767	-3,017	-17,417
Total capital other AME	-2,233	-767	-1,638	-4,638
Total capital AME	5,284	-767	3,312	7,829
Public sector gross investment	56,900	-	2,603	59,500
less public sector depreciation	20,700	-	-130	20,600
Public sector net investment	36,200	-	2,732	38,900
Total Managed Expenditure	701,700	-	-4,932	696,800

(1) This includes the £320m reduction in Child Trust Fund as part of the recent savings package, please refer to Box 3.A.