

8

Public corporations

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

8.2 Outturn data in this chapter up to 2008-09 are National Statistics.

What's new

8.3 The budgeting treatment of **Forest Enterprises** and **London and Continental Railways** (LCR) has been brought into line with that of other public corporations accountable to Ministers (see paragraph 8.11 below). As a result the line for profit (loss) of Forest Enterprises and LCR has been removed from **Table 8.1**, and their capital spending is now outside departmental budgets.

8.4 The classification of banks to the public sector is now being treated as a temporary measure, reflecting the Government's intention to return the banks to the private sector. As a result the banks are treated as if they are outside the public sector in PESA. More detail on the effect of this can be found in **Box 5.A** in **Chapter 5**.

8.5 **Tables 8.2 and 8.3** reflect the Machinery of Government changes that took place in 2009, the main one being the merger 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). 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.

8.6 Following the alignment (or 'Clear Line of Sight') project, the cost of capital charge of PCs has been removed from **Table 8.1**. More information on this can be found in **Chapter 3**.

Definition of public corporations

8.7 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)

8.8 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.

8.9 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

8.10 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.

8.11 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.

8.12 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

8.13 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).

8.14 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.

8.15 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.

8.16 **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).

8.17 **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.

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

The National Accounts

8.19 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.

8.20 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.

8.21 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.

8.22 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).

8.23 **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.

8.24 The increase in public corporation capital spending in TME in 2005-06 is a result of a series of imputed transactions recorded in the National Accounts in respect of British Nuclear Fuels Limited (a public corporation) transferring assets and liabilities to the Nuclear Decommissioning Authority (a central government body). This is explained in more detail in **Annex A**.

8.25 **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

8.26 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.

8.27 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

8.28 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⁽¹⁾ and Total Managed Expenditure, 2004–05 to 2010–11

	£ million						
	National Statistics					2009–10 estimated outturn	2010–11 plans
	2004–05 outturn	2005–06 outturn	2006–07 outturn	2007–08 outturn	2008–09 outturn		
Resource DEL							
CG dividends from PCs (–)	–32	–44	–62	–70	–108	–71	–74
CG interest from PCs (–)	–60	–63	–69	–74	–85	–99	–103
Subsidies to PCs ⁽¹⁾	861	901	923	1,422	1,282	1,204	1,088
Total resource DEL	769	794	793	1,279	1,088	1,034	911
Resource departmental AME							
CG dividends from PCs (–)	–44	–53	–83	–85	–452	–143	–172
CG interest from PCs (–)	–1	–1	–22	–	–173	–	–733
Subsidies to PCs	–9	166	45	–28	–312	–172	–416
Loan write off – mutual consent	–	5	–	–	–	2	–
Total resource departmental AME	–54	117	–60	–113	–936	–313	–1,321
Total public corporations' contribution to resource budget⁽¹⁾	715	911	732	1,166	152	721	–409
Capital DEL							
CG investment grants to PCs	823	1,663	1,225	307	356	433	285
Net lending to PCs	–136	–15	–57	187	112	144	87
Market and overseas borrowing	–	4	17	485	–1	91	2
Total capital DEL	687	1,652	1,185	979	467	669	374
Capital departmental AME							
Net lending to PCs	470	–120	–550	–270	–525	517	618
Total capital departmental AME	470	–120	–550	–270	–525	517	618
Total public corporations' contribution to capital budget	1,157	1,532	634	709	–58	1,186	992
Other AME							
PC own-financed capital expenditure ⁽²⁾	2,332	3,836	4,251	5,173	7,089	7,677	7,405
Accounting adjustments ⁽³⁾	–139	15,171	469	–197	944	–1,220	900
Public corporations' expenditure in TME⁽⁴⁾	4,065	21,450	6,086	6,852	8,127	8,364	8,900
<i>of which:</i>							
PC current expenditure in TME	576	496	644	709	537	408	700
PC gross investment in TME ⁽³⁾	3,489	20,948	5,446	6,294	8,478	7,956	8,100

(1) Data in this table differ from those shown for public corporations in Tables 1.11 and 2.4. Central government subsidies to public corporations are classified as central government own spending in National Accounts, and are shown as such in Tables 1.11 and 2.4. 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) The increase in 2005–06 is a result of a series of imputed transactions in respect of British Nuclear Fuels Limited. See paragraph 8.24 for details.

(4) 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⁽¹⁾ by departmental group, 2004–05 to 2010–11

	£ million						
	National Statistics					2009–10 estimated outturn	2010–11 plans
	2004–05 outturn	2005–06 outturn	2006–07 outturn	2007–08 outturn	2008–09 outturn		
Resource DEL							
Health	89	77	53	41	51	-1	70
Transport	14	18	14	28	12	134	45
Communities and Local Government	35	17	14	15	10	73	7
Business, Innovation and Skills	-9	-6	74	455	293	145	152
Home Office	-	-	-	-	-	-	-1
Defence	-28	-38	-53	-42	-61	-28	-30
Foreign and Commonwealth Office	164	181	183	186	195	197	178
Energy and Climate Change	-	-	-	-	-	-1	-1
Environment, Food and Rural Affairs	76	83	68	57	53	48	39
Work and Pensions	109	108	129	192	174	120	120
Scotland	48	62	36	39	49	32	23
Wales	13	13	-19	0	-	0	-
Northern Ireland Executive	258	280	294	310	313	314	310
Chancellor's Departments	-1	-1	-2	-2	-	0	-1
Total resource DEL	769	794	793	1,279	1,088	1,034	911
Resource departmental AME							
Communities and Local Government	65	241	131	66	-221	-89	-340
Business, Innovation and Skills	-	-	-22	-	-7	-	-3
Defence	-7	-2	-	-	-	2	-
Energy and Climate Change	-	-	-	-	-31	-22	-22
Scotland	10	10	8	7	0	-	-
Wales	-86	-87	-96	-103	-93	-85	-78
Chancellor's Departments	-36	-45	-81	-83	-583	-119	-878
Total resource departmental AME	-54	117	-60	-113	-936	-313	-1,321
Total public corporations' contribution to resource budget	715	911	732	1,166	152	721	-409
Capital DEL							
Health	37	28	22	41	19	0	43
Transport	549	1,418	1,120	531	85	185	-13
Communities and Local Government	51	19	6	3	0	44	35
Business, Innovation and Skills	-48	-58	-1	15	4	4	12
Home Office	-	-	-	-	10	-	9
Defence	-74	-76	-4	-10	-39	7	-7
Foreign and Commonwealth Office	39	39	36	36	37	36	33
International Development	19	16	1	1	-	-	-
Environment, Food and Rural Affairs	1	0	8	16	28	25	18
Culture, Media and Sport	0	-	-	0	-	-	-
Work and Pensions	7	3	5	4	-	9	6
Scotland	44	213	40	269	230	201	176
Wales	-	-	-	-	-	97	-
Northern Ireland Executive	53	52	-46	75	93	64	63
Chancellor's Departments	8	-2	-3	-3	-	-1	-
Total capital DEL	687	1,652	1,185	979	467	669	374
Capital departmental AME							
Health	-	-	-	-	-	-1	-
Business, Innovation and Skills	470	-120	-550	-270	-525	518	618
Total capital departmental AME	470	-120	-550	-270	-525	517	618
Total public corporations' contribution to capital budget	1,157	1,532	634	709	-58	1,186	992
Total public corporations' contribution to budgets	1,871	2,443	1,367	1,875	94	1,907	582

(1) Data in this table differ from those shown for public corporations in Tables 1.11 and 2.4. Central government subsidies to public corporations are classified as central government own spending in National Accounts, and are shown as such in Tables 1.11 and 2.4. In Table 8.2 subsidies are shown as part of public corporations' contribution to the resource budget.

Table 8.3 Public corporations' capital expenditure on services, 2004–05 to 2010–11

	£ million						
	National Statistics					2009–10 estimated outturn	2010–11 plans
	2004–05 outturn	2005–06 outturn	2006–07 outturn	2007–08 outturn	2008–09 outturn		
Health							
Medicines and Healthcare Products Regulatory Agency ^(T)	10	4	6	2	6	#	#
NHS Estates ^(T)	0	1	1	1	0	#	#
NHS Blood and Transplant	22	22	19	34	19	#	#
Total Health	32	27	26	37	25	#	#
Transport							
Civil Aviation Authority	12	8	5	4	4	#	#
Driving Standards Agency ^(T)	7	2	15	2	3	#	#
Vehicle and Operator Services Agency ^(T)	15	15	12	24	15	#	#
London and Continental Railways	674	601	474	312	-70	-	-
GNER ⁽¹⁾	-	-	-8	-25	-	-	-
Total Transport	708	627	498	318	-48	-	-
Communities and Local Government							
Fire Service College ^(T)	-	1	1	0	1	1	2
Housing Action Trusts ⁽²⁾	15	4	4	3	-	-	-
Housing Revenue Account	191	1,701	2,057	2,122	3,226	3,097	3,151
Ordnance Survey ^(T)	14	15	14	10	22	39	4
QEII Conference Centre ^(T)	1	1	0	1	1	1	1
Total Department for Communities and Local Government	221	1,721	2,076	2,137	3,250	3,138	3,158
Business, Innovation and Skills							
UK Intellectual Property Office ^(T)	2	2	4	-	1	4	2
British Nuclear Fuels Limited ⁽⁵⁾	289	-260	26	2	-	-	-
Companies House ^(T)	8	12	23	10	14	10	14
Royal Mail Holdings ⁽⁵⁾	132	170	235	253	444	*	*
Total Business, Innovation and Skills	431	-76	288	265	458	*	*
Home Office							
Forensic Science Service ^(T)	6	0	4	4	6	6	4
Total Home Office	6	0	4	4	6	6	4
Justice							
Land Registry ^(T)	29	43	51	40	27	10	19
Total Justice	29	43	51	40	27	10	19
Defence							
Army Base Repair Organisation ^(T)	5	4	4	4	-	-	-
Defence Aviation Repair Agency ^(T)	12	3	3	3	7	7	7
Defence Science and Technology Laboratory ^(T)	12	12	45	41	41	41	41
Hydrographic Office ^(T)	7	13	14	8	8	8	8
Meteorological Office ^(T)	21	25	34	26	26	26	26
Navy, Army and Air Force Institute	3	3	3	3	3	3	3
QinetiQ ⁽⁵⁾	64	48	48	48	-	-	-
Total Defence	124	109	150	133	85	85	85
Foreign and Commonwealth Office							
BBC World Service	31	31	31	21	31	31	27
British Council	15	12	11	14	10	8	16
Total Foreign and Commonwealth Office	46	43	42	35	41	39	43
International Development							
CDC Group ⁽⁵⁾	-30	116	121	41	86	*	*
Actis ⁽⁵⁾	4	0	2	1	1	*	*
Total International Development	-25	117	123	42	87	*	*
Energy and Climate Change							
British Energy ⁽³⁾	28	220	235	224	244	-	-
Total Energy and Climate Change	28	220	235	224	244	-	-
Environment Food and Rural Affairs							
British Waterways	-7	-20	-20	-19	-51	-18	2
Forest Enterprise	-2	1	-4	0	-	-	-
Total Environment Food and Rural Affairs	-9	-19	-24	-20	-51	-18	2

Table 8.3 Public corporations' capital expenditure on services, 2004–05 to 2010–11 (continued)

	£ million						
	National Statistics						
	2004–05 outturn	2005–06 outturn	2006–07 outturn	2007–08 outturn	2008–09 outturn	2009–10 estimated outturn	2010–11 plans
Culture Media and Sport							
Channel Four Television Corporation ⁽⁵⁾	7	5	12	6	9	*	*
Historic Royal Palaces Trust	–	0	4	3	1	#	#
Tote ⁽⁵⁾	20	24	15	17	17	*	*
Total Culture Media and Sport	27	30	31	26	27	*	*
Work and Pensions							
Remploy	10	12	3	–14	–10	8	5
Pension Protection Fund	–	0	2	1	1	1	1
Total Work and Pensions	10	12	5	–13	–9	9	6
Scotland							
Caledonian MacBrayne	8	9	10	7	8	6	6
Forest Enterprise	2	3	6	7	2	1	1
Highlands and Islands Airports	4	10	19	10	10	4	4
Housing Revenue Account	122	184	264	224	353	475	481
Scottish Water	167	541	660	616	699	580	580
Total Scotland	303	746	959	864	1,073	1,065	1,071
Wales							
Housing Revenue Account	–13	65	95	105	125	125	128
Total Wales	–13	65	95	105	125	125	128
Northern Ireland Executive							
Northern Ireland Driver and Vehicle Testing Agency ⁽⁷⁾	1	1	–	2	2	1	3
Northern Ireland Housing Executive	82	82	15	93	147	104	115
Northern Ireland Public Trust Port Authority	–	17	20	48	37	16	12
Northern Ireland Transport Holding Company	5	4	34	82	47	51	79
Total Northern Ireland Executive	87	104	69	225	233	173	210
Chancellor's Departments							
Crown Estate ⁽⁵⁾	–67	31	–239	–52	180	*	*
Buying Solutions ⁽⁷⁾⁽⁴⁾	12	–	–	–	–	–	–
Royal Mint ⁽⁵⁾⁽⁷⁾	4	2	1	0	–	*	*
Total Chancellor's Departments	–50	33	–237	–52	180	*	*
Local Government							
London Underground Limited ⁽⁵⁾	899	1,201	1,306	1,333	1,653	*	*
Total Local Government	899	1,201	1,306	1,333	1,653	*	*
Total public corporations' capital expenditure on services	2,852	5,003	5,698	5,702	7,407	6,699	6,709
Accounting adjustments ⁽⁶⁾	637	15,949	–262	440	186	1,257	1,400
Total public corporations' capital expenditure⁽⁷⁾	3,489	20,952	5,436	6,142	7,593	7,956	8,100

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

(T) Denotes public corporation with trading fund status.

(S) 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.

(1) Great North Eastern Railways (GNER) is classified to the public corporation sector from December 2006 to December 2007, during which time GNER operated under an amended version of the Franchise Agreement signed in May 2005.

(2) Housing Action Trusts are central government bodies in National Accounts but treated as public corporations in PESA.

(3) The Government sold shares in British Energy in January 2009, but it is still currently classified by the ONS as a public corporation.

(4) Established as the Buying Agency in April 1992, renamed to OGCbuying.solutions in April 2001, and renamed as Buying Solutions in April 2009.

(5) Includes capital spending by Infracos (Metronet and Tubelines).

(6) The increase in 2005–06 is a result of a series of imputed transactions in respect of British Nuclear Fuels Limited. See paragraph 8.24 for details.

(7) This excludes the temporary effects 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, 2004–05 to 2010–11

	£ million						
	National Statistics					2009–10 estimated outturn	2010–11 plans
	2004–05 outturn	2005–06 outturn	2006–07 outturn	2007–08 outturn	2008–09 outturn		
Public corporations' current expenditure							
1. General public services	576	498	650	710	534	408	700
of which: public sector debt interest	576	498	650	710	534	408	700
Total public corporations' current expenditure on services	576	498	650	710	534	408	700
Accounting adjustments	–	–	–	–	–	–	–
Total public corporations' current expenditure	576	498	650	710	534	408	700
Public corporations' capital expenditure on services							
1. General public services	14	252	–6	76	359	226	204
of which: public and common services	–6	92	–171	–1	231	101	74
of which: international services	21	160	165	77	128	126	130
of which: public sector debt interest	–	–	–	–	–	–	–
2. Defence	96	70	103	99	51	51	51
3. Public order and safety	6	1	5	4	7	7	6
4. Economic affairs	2,121	2,066	2,463	2,315	2,438	2,050	1,989
of which: enterprise and economic development	487	183	571	523	736	400	316
of which: science and technology	–	–	–	–	–	–	–
of which: employment policies	10	12	3	–14	–10	8	5
of which: agriculture, fisheries and forestry	0	4	2	6	2	1	1
of which: transport	1,624	1,868	1,887	1,800	1,710	1,642	1,667
5. Environment protection	–7	–20	–20	–19	–51	–18	2
6. Housing and community amenities	563	2,577	3,095	3,163	4,549	4,381	4,455
7. Health	32	27	26	37	25	–	–
8. Recreation, culture and religion	27	30	31	26	27	–	–
9. Education	–	–	–	–	–	–	–
10. Social protection	–	0	2	1	1	1	1
Total public corporations' capital expenditure on services	2,852	5,003	5,698	5,702	7,407	6,699	6,709
Accounting adjustments	637	15,949	–262	440	186	1,257	1,400
Total public corporations' capital expenditure⁽¹⁾	3,489	20,952	5,436	6,142	7,593	7,956	8,100

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

Table 8.5 Public corporations' current and capital expenditure by economic category, 2004–05 to 2010–11

	National Statistics						£ million
	2004–05 outturn	2005–06 outturn	2006–07 outturn	2007–08 outturn	2008–09 outturn	2009–10 estimated outturn	2010–11 plans
Public corporations' current expenditure on services							
Public corporation debt interest	576	498	650	710	534	408	700
Total public corporations' current expenditure on services	576	498	650	710	534	408	700
Accounting adjustments	–	–	–	–	–	–	–
Total public corporations' current expenditure	576	498	650	710	534	408	700
Public corporations' capital expenditure on services							
Gross capital procurement	6,759	8,155	8,266	7,962	8,411	7,361	6,742
Income from sales of assets	–3,985	–3,201	–2,616	–2,309	–1,045	–707	–68
Capital grants	78	49	49	49	41	45	35
Total public corporations' capital expenditure on services	2,852	5,003	5,698	5,702	7,407	6,699	6,709
Accounting adjustments ⁽¹⁾	637	15,949	–262	440	186	1,257	1,400
Total public corporations' capital expenditure⁽¹⁾⁽²⁾	3,489	20,952	5,436	6,142	7,593	7,956	8,100
Total public corporations' expenditure on services	3,428	5,501	6,348	6,412	7,941	7,107	7,424
Accounting adjustments ⁽¹⁾	637	15,949	–262	440	186	1,257	1,400
Total public corporations' expenditure⁽¹⁾⁽²⁾	4,065	21,450	6,086	6,852	8,127	8,364	8,900

(1) The increase in 2005–06 is a result of a series of imputed transactions in respect of British Nuclear Fuels Limited. See paragraph 8.24 for details.

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