



HM Treasury

Public Expenditure Statistical Analyses 2016

Public Expenditure Statistical Analyses 2016

July 2016

HM Treasury contacts

This document can be downloaded from
www.gov.uk

If you require this information in an alternative
format or have general enquiries about
HM Treasury and its work, contact:

Correspondence Team
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Tel: 020 7270 5000

Email: public.enquiries@hmtreasury.gsi.gov.uk

ISBN 978-1-4741-3625-9



9 781474 136259

Cm 9322

July 2016



Public Expenditure

Statistical Analyses 2016

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

July 2016

Cm 9322



© Crown copyright 2016

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/government/publications

Any enquiries regarding this publication should be sent to us at public.enquiries@hmtreasury.gsi.gov.uk

Print ISBN 9781474136259

Web ISBN 9781474136266

ID 11071622 56286 07/16

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

Contents

		Page
i	How to use PESA	3
ii	List of tables	9
Chapter 1	Departmental budgets	15
Chapter 2	Economic analyses of budgets	35
Chapter 3	Changes in departmental budgets	45
Chapter 4	Trends in public sector expenditure	63
Chapter 5	Public sector expenditure by function, sub-function and economic category	69
Chapter 6	Central government own expenditure	81
Chapter 7	Local government financing and expenditure	91
Chapter 8	Public corporations	105
Chapter 9	Public expenditure by country, region and function	115
Chapter 10	Public expenditure by country and sub-function	153
Annex A	Sources, data quality and conventions	179
Annex B	Departmental groups	185
Annex C	Public expenditure budgeting and control aggregates	187
Annex D	Accounting adjustments in budgeting presentation of TME	195
Annex E	Expenditure on services framework	207
Annex F	Population numbers and GDP deflators	211
Annex G	Glossary of terms	213

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. Thus PESA 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 which framework each chapter or table is presented under. 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 (e.g. 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

This analysis splits the data from the above sections by sector of government (central government, local government and public corporations). 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 and asks departments to identify the country and/or region who benefit from their spending. Be aware that while these data are on the same basis as the public sector section, they are from an earlier point in the year to that used in the rest of PESA.

- **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 2016 normally cover the years 2011-12 to 2019-20, although some show only the latest year (2015-16) 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 2016, **Table 1.1**);
- resource and capital elements of Departmental Expenditure Limits and Annually Managed Expenditure by departmental group (PESA 2016, **Tables 1.3 and 1.8**);
- public sector expenditure on services by function (PESA 2016, **Table 4.2**); and
- public sector expenditure on services by economic category (PESA 2016, **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:

The Editor, PESA
Government Financial Reporting
Floor 2 Red Zone
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

e-mail: pesa@hmtreasury.gsi.gov.uk

Frequently asked questions

How much did the government spend on x?

The answer varies depending upon 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 total 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;
- **Tables 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**), but split between departments' DEL and AME budgets.

How can I compare spending on x to previous years?

Chapter 4 contains long-run series (from 1992-93) for public sector expenditure on services by function. Historic long-run series of the budgeting aggregates are not available, due to the restructuring of government departments and the movement of spending programmes between departments. These changes do not impact on the expenditure on services framework.

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

What are departmental groups?

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

How are the functions defined?

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

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

¹ unstats.un.org

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 2015-16 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 2015. 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.

² www.gov.uk



List of tables

Chapter 1 Departmental budgets

Table 1.1	Total Managed Expenditure, 2011-12 to 2019-20	18
Table 1.2	Total Managed Expenditure in real terms, 2011-12 to 2019-20	19
Table 1.3	Resource budgets, 2011-12 to 2019-20	20
Table 1.4	Resource budgets in real terms, 2011-12 to 2019-20	21
Table 1.5	Resource DEL excluding depreciation, 2011-12 to 2019-20	22
Table 1.6	Resource DEL excluding depreciation in real terms, 2011-12 to 2019-20	23
Table 1.7	Administration budgets, 2011-12 to 2019-20	24
Table 1.8	Capital budgets, 2011-12 to 2019-20	25
Table 1.9	Capital budgets in real terms, 2011-12 to 2019-20	26
Table 1.10	Total Departmental Expenditure Limits, 2011-12 to 2019-20	27
Table 1.11	Total Departmental Expenditure Limits in real terms, 2011-12 to 2019-20	28
Table 1.12	Total Managed Expenditure by departmental group and other expenditure, 2011-12 to 2019-20	29
Table 1.13	Total Managed Expenditure by departmental group and other expenditure in real terms, 2011-12 to 2019-20	30
Table 1.14	Accounting adjustments 2011-12 to 2019-20	31
Table 1.15	Total Managed Expenditure by spending sector, 2011-12 to 2019-20	34

Chapter 2 Economic analyses of budgets

Table 2.1	Budgets by economic category of spending, 2011-12 to 2019-20	39
Table 2.2	Gross current procurement in budgets, 2011-12 to 2019-20	42
Table 2.3	Gross capital procurement in budgets, 2011-12 to 2019-20	43

Chapter 3 Changes in departmental budgets

Table 3.1	Resource DEL 2014-15; changes since PESA 2015	48
Table 3.2	Resource DEL excluding depreciation 2014-15; changes since PESA 2015	49
Table 3.3	Capital DEL 2014-15; changes since PESA 2015	50
Table 3.4	Total Managed Expenditure 2014-15; changes since PESA 2015	51
Table 3.5	Resource DEL 2015-16; changes since PESA 2015	52
Table 3.6	Resource DEL excluding depreciation 2015-16; changes since PESA 2015	53

Table 3.7	Capital DEL 2015-16; changes since PESA 2015	54
Table 3.8	Total Managed Expenditure 2015-16; changes since PESA 2015	55
Table 3.9	Resource DEL 2016-17 and 2017-18; changes since SR 2015	56
Table 3.10	Resource DEL 2018-19 and 2019-20; changes since SR 2015	57
Table 3.11	Resource DEL excluding depreciation 2016-17 and 2017-18; changes since SR 2015	58
Table 3.12	Resource DEL excluding depreciation 2018-19 and 2019-20; changes since SR 2015	59
Table 3.13	Capital DEL 2016-17 and 2017-18; changes since SR 2015	60
Table 3.14	Capital DEL 2018-19 and 2019-20; changes since SR 2015	61
Chapter 4	Trends in public sector expenditure	
Table 4.1	Public expenditure aggregates, 1976-77 to 2019-20	65
Table 4.2	Public sector expenditure on services by function, 1992-93 to 2015-16	66
Table 4.3	Public sector expenditure on services by function in real terms, 1992-93 to 2015-16	67
Table 4.4	Public sector expenditure by function as a percent of GDP, 1992-93 to 2015-16	68
Chapter 5	Public sector expenditure by function, sub-function and economic category	
Table 5.1	Public sector expenditure on services by departmental group and function, 2015-16	73
Table 5.2	Public sector expenditure on services by sub-function, 2011-12 to 2015-16	74
Table 5.3	Public sector expenditure on services by economic category, 2011-12 to 2015-16	77
Table 5.4	Public sector current and capital expenditure on services by function, 2011-12 to 2015-16	78
Table 5.5	Public sector current procurement expenditure on services by function, 2011-12 to 2015-16	79
Table 5.6	Public sector capital procurement expenditure on services by function, 2011-12 to 2015-16	80
Chapter 6	Central government own expenditure	
Table 6.1	Central government own expenditure in budgets by departmental group, 2011-12 to 2019-20	83
Table 6.2	Central government own resource expenditure in budgets by departmental group, 2011-12 to 2019-20	84
Table 6.3	Central government own capital expenditure in budgets by departmental group, 2011-12 to 2019-20	85
Table 6.4	Central government own expenditure on services by sub-function, 2011-12 to 2019-20	86

Table 6.5	Central government own expenditure on services by economic category, 2011-12 to 2019-20	89
Table 6.6	Central government own current and capital expenditure on services by function, 2011-12 to 2019-20	90
Chapter 7	Local government financing and expenditure	
Table 7.1	Financing of local government in the United Kingdom by country, 2011-12 to 2019-20	95
Table 7.2	Central government current grants to local government in the United Kingdom by departmental group, 2011-12 to 2019-20	96
Table 7.3	Central government capital support for local government in the United Kingdom by country and departmental group, 2011-12 to 2019-20	98
Table 7.4	Local government current and capital expenditure on services in the United Kingdom by function, 2011-12 to 2015-16	99
Table 7.5	Local government current expenditure on services in the United Kingdom by country and function, 2011-12 to 2015-16	100
Table 7.6	Local government gross capital expenditure on services in the United Kingdom by country and function, 2011-12 to 2015-16	101
Table 7.7	Local government capital receipts within expenditure on services in the United Kingdom by country and function, 2011-12 to 2015-16	102
Table 7.8	Local government expenditure on services in the United Kingdom by country and economic category, 2011-12 to 2015-16	103
Chapter 8	Public corporations	
Table 8.1	Public corporations' contribution to budgets and Total Managed Expenditure, 2011-12 to 2019-20	109
Table 8.2	Public corporations' contribution to budgets by departmental group, 2011-12 to 2019-20	110
Table 8.3	Public corporations' capital expenditure on services, 2011-12 to 2019-20	111
Table 8.4	Public corporations' current and capital expenditure on services by function, 2011-12 to 2019-20	113
Table 8.5	Public corporations' current and capital expenditure by economic category, 2011-12 to 2019-20	114
Chapter 9	Public expenditure by country, region and function	
Table 9.1	Total identifiable expenditure on services by country and region, 2010-11 to 2014-15	120
Table 9.2	Total identifiable expenditure on services by country and region per head, 2010-11 to 2014-15	121
Table 9.3	Total identifiable expenditure on services by country and region in real terms, 2010-11 to 2014-15	122
Table 9.4	Total identifiable expenditure on services by country and region per head in real terms, 2010-11 to 2014-15	123

Table 9.5	Identifiable expenditure on general public services by country and region, 2010-11 to 2014-15	124
Table 9.5a	Identifiable expenditure on general public services (of which: public and common services) by country and region, 2010-11 to 2014-15	125
Table 9.5b	Identifiable expenditure on general public services (of which: international services) by country and region, 2010-11 to 2014-15	126
Table 9.5c	Identifiable expenditure on general public services (of which: public sector debt interest) by country and region, 2010-11 to 2014-15	127
Table 9.6	Identifiable expenditure on defence by country and region, 2010-11 to 2014-15	128
Table 9.7	Identifiable expenditure on public order and safety by country and region, 2010-11 to 2014-15	129
Table 9.8	Identifiable expenditure on economic affairs by country and region, 2010-11 to 2014-15	130
Table 9.8a	Identifiable expenditure on economic affairs (of which: enterprise and economic development) by country and region, 2010-11 to 2014-15	131
Table 9.8b	Identifiable expenditure on economic affairs (of which: science and technology) by country and region, 2010-11 to 2014-15	132
Table 9.8c	Identifiable expenditure on economic affairs (of which: employment policies) by country and region, 2010-11 to 2014-15	133
Table 9.8d	Identifiable expenditure on economic affairs (of which: agriculture, fisheries and forestry) by country and region, 2010-11 to 2014-15	134
Table 9.8e	Identifiable expenditure on economic affairs (of which: transport) by country and region, 2010-11 to 2014-15	135
Table 9.9	Identifiable expenditure on environment protection by country and region, 2010-11 to 2014-15	136
Table 9.10	Identifiable expenditure on housing and community amenities by country and region, 2010-11 to 2014-15	137
Table 9.11	Identifiable expenditure on health by country and region, 2010-11 to 2014-15	138
Table 9.12	Identifiable expenditure on recreation, culture and religion by country and region, 2010-11 to 2014-15	139
Table 9.13	Identifiable expenditure on education by country and region, 2010-11 to 2014-15	140
Table 9.14	Identifiable expenditure on social protection by country and region, 2010-11 to 2014-15	141
Table 9.15	Identifiable expenditure on services by function, country and region per head, 2010-11 to 2014-15	142
Table 9.16	Identifiable expenditure on services by function, country and region per head indexed, 2010-11 to 2014-15	145
Table 9.17	Local government identifiable expenditure on services by country and region, 2010-11 to 2014-15	148

Table 9.18	Local government identifiable expenditure on services by country and region, per head, 2010-11 to 2014-15	149
Table 9.19	Central government and public corporations' identifiable expenditure on services by country and region, 2010-11 to 2014-15	150
Table 9.20	Central government and public corporations' identifiable expenditure on services by country and region per head, 2010-11 to 2014-15	151
Table 9.21	Identifiable expenditure on services for Scotland, Wales and Northern Ireland, 2014-15	152
Chapter 10	Public expenditure by country and sub-function	
Table 10.1	Identifiable expenditure on services in England by sub-function, 2010-11 to 2014-15	155
Table 10.2	Identifiable expenditure on services in Scotland by sub-function, 2010-11 to 2014-15	157
Table 10.3	Identifiable expenditure on services in Wales by sub-function, 2010-11 to 2014-15	159
Table 10.4	Identifiable expenditure on services in Northern Ireland by sub-function, 2010-11 to 2014-15	161
Table 10.5	Identifiable expenditure on services in England by sub-function, per head, 2010-11 to 2014-15	163
Table 10.6	Identifiable expenditure on services in Scotland by sub-function, per head, 2010-11 to 2014-15	165
Table 10.7	Identifiable expenditure on services in Wales by sub-function, per head, 2010-11 to 2014-15	167
Table 10.8	Identifiable expenditure on services in Northern Ireland by sub-function, per head, 2010-11 to 2014-15	169
Table 10.9	Identifiable expenditure on services in the English Regions by sub-function for 2014-15	171
Table 10.10	Identifiable expenditure on services in the English Regions by sub-function per head for 2014-15	175
Annex C	Public expenditure budgeting and control aggregates	
Table C.1	Transactions with the institutions of the European Community, 2011-12 to 2019-20	194
Annex D	The accounting adjustments in the budgeting presentation of TME	
Table D.1	Pay as you go public service pension schemes in AME and TME, 2011-12 to 2019-20	198
Annex E	Expenditure on services framework	
Table E.1	Derivation of public sector expenditure on services from departmental groups' budgets, 2015-16	209
Annex F	Population numbers and GDP deflators	
Table F.1	Population by country and region	211
Table F.2	GDP deflators & money GDP	212

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 Since PESA 2015 there has been a change to the presentation of departmental groupings in the tables in this chapter. The departmental groupings are consistent with the presentation shown elsewhere in PESA and have been updated to reflect the groupings presented in the 2015 Spending Review and Budget 2016. More details of the composition of departmental groupings can be found in **Annex B**.

1.3 From September 2014 the UK, along with all other EU Member States, has been moving to produce its National Accounts using the new European System of Accounts 2010 (ESA10). Departmental budgets in this chapter have been re-stated to take account of the requirement to record Research & Development (R&D) expenditure as capital spend where previously it counted as resource. This has moved around £9 billion of expenditure from resource to capital budgets.

The budgeting and reporting framework

1.4 **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.

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

1.6 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 multi-year spending limits called Departmental Expenditure Limits (DELs), within which they prioritise resources and plan ahead.

1.7 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. 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.

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

Reconciliation of budgeting and National Accounts aggregates

1.8 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.

1.9 **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.

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

1.11 **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.

1.12 **Table 1.5** shows resource DEL excluding depreciation as first presented in the Spending Reviews of 2010 (to 2015-16) and 2015 (from 2016-17). The depreciation ringfence is a control total that departments must manage. **Table 1.6** presents the same information in real terms.

1.13 **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

1.14 **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 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**.

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 (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 and Wales (the proceeds of non-domestic rates that are collected and distributed to local authorities by the devolved administrations); 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, 2011-12 to 2019-20

	£ million								
	National Statistics								
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
CURRENT EXPENDITURE									
Resource DEL									
Resource DEL excluding depreciation	314,288	309,653	308,354	307,818	306,875	307,700	315,300	317,700	317,100
Depreciation in resource DEL	19,269	21,504	22,298	17,169	18,734	20,600	21,900	22,800	23,300
Total resource DEL	333,557	331,157	330,652	324,987	325,608	328,300	337,200	340,400	340,300
Resource departmental AME									
Social security benefits	175,481	183,088	179,599	184,185	187,584	190,000	191,011	193,690	197,129
Tax credits ⁽¹⁾	29,976	29,761	29,394	29,187	28,482	28,576	28,190	27,967	27,541
Net public service pensions	6,012	4,958	5,441	9,605	12,174	8,896	8,971	9,004	9,045
National lottery	1,335	727	1,209	1,440	1,121	1,050	1,050	1,050	1,050
BBC domestic services ⁽²⁾	3,013	3,271	3,204	3,533	3,608	3,725	3,792	3,662	3,604
Student loans	-642	-763	-1,096	-1,579	-1,683	-2,060	-2,822	-3,899	-5,370
Non-cash items	51,311	53,161	43,542	61,030	185,946	62,267	60,065	63,138	65,619
Financial sector interventions	-16,143	-18,384	8,380	-48,669	-12,492	-175	-84	-84	-84
Other departmental expenditure	266	4,252	13,526	15,571	14,788	25,461	22,343	21,982	24,826
Total resource departmental AME	250,607	260,070	283,199	254,302	419,528	317,741	312,516	316,510	323,360
Resource other AME									
Net expenditure transfers to the EU	9,978	11,529	11,879	11,658	11,253	12,401	10,080	11,811	12,282
Locally financed expenditure	22,112	23,442	23,187	25,540	29,969	30,326	31,450	32,907	34,326
Central government gross debt interest	49,704	48,856	48,668	45,241	44,942	47,805	51,001	54,137	54,379
Accounting adjustments ⁽³⁾	-19,995	-18,936	-31,160	11,555	-151,783	-42,378	-36,261	-33,214	-33,329
Total resource other AME	61,799	64,891	52,574	93,994	-65,620	48,154	56,270	65,641	67,657
Total resource AME	312,407	324,961	335,773	348,296	353,908	365,895	368,785	382,150	391,017
Public sector current expenditure	645,964	656,118	666,425	673,283	679,516	694,200	706,000	722,600	731,400
CAPITAL EXPENDITURE									
Capital DEL									
Total capital DEL	49,766	46,375	49,749	53,203	48,208	52,500	54,400	55,000	55,000
Capital departmental AME									
National lottery	380	513	492	584	454	407	407	407	407
BBC domestic services ⁽²⁾	172	121	83	111	117	96	126	197	170
Student loans	5,857	6,858	9,291	11,477	12,596	14,406	16,888	19,666	22,519
Financial sector interventions	-4,571	-3,601	-4,938	-3,030	-11,315	30	-	-	-
Other departmental expenditure	708	-282	-11,118	-4,118	-11,189	6,412	7,507	6,430	6,982
Total capital departmental AME	2,546	3,610	-6,189	5,024	-9,336	21,351	24,929	26,701	30,078
Capital other AME									
Locally financed expenditure	16,123	5,957	6,980	7,060	8,206	6,868	7,283	5,790	6,420
Public corporations' own-financed capital expenditure	13,129	13,519	14,951	16,503	16,850	14,668	13,510	12,798	11,871
Accounting adjustments ⁽³⁾	-12,424	5,242	3,997	-8,465	9,578	-17,627	-21,602	-21,873	-24,293
Total capital other AME	16,828	24,718	25,928	15,098	34,634	3,910	-810	-3,286	-6,002
Total capital AME	19,374	28,327	19,738	20,122	25,298	25,261	24,120	23,415	24,076
Public sector gross investment ⁽⁴⁾	69,140	74,702	69,487	73,325	73,506	77,800	78,600	78,400	79,100
<i>less public sector depreciation</i>	35,020	36,167	37,562	38,582	39,675	41,392	43,227	45,149	46,944
Public sector net investment ⁽⁴⁾	34,120	38,535	31,925	34,743	33,831	36,400	35,300	33,200	32,100
TOTAL MANAGED EXPENDITURE ^{(4) (5)}	715,104	730,820	735,912	746,608	753,022	771,900	784,600	801,000	810,400
<i>of which:</i>									
Total DEL ⁽⁵⁾	364,054	356,028	358,103	361,021	355,083	360,100	369,700	372,600	372,100
Departmental AME	253,153	263,679	277,009	259,326	410,192	339,092	337,445	343,210	353,438
Other AME	97,897	111,113	100,800	126,261	-12,253	72,704	77,391	85,148	84,949

⁽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.

⁽²⁾ Plans figures for 2017-18 to 2019-20 are sourced from Table 2.31 of the "Economic and Fiscal Outlook - March 2016" published by the Office for Budget Responsibility.

⁽³⁾ Transactions from 2011-12 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⁾ 2011-12 to 2019-20

	£ million								
	National Statistics								
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
CURRENT EXPENDITURE									
Resource DEL									
Resource DEL excluding depreciation	331,545	319,939	313,425	308,068	306,875	303,100	305,200	301,100	294,900
Depreciation in resource DEL	20,328	22,218	22,665	17,183	18,734	20,300	21,200	21,600	21,700
Total resource DEL	351,872	342,158	336,090	325,251	325,608	323,400	326,400	322,700	316,600
Resource departmental AME									
Social security benefits	185,116	189,170	182,552	184,335	187,584	187,192	184,861	183,598	183,373
Tax credits ⁽²⁾	31,622	30,749	29,877	29,210	28,482	28,154	27,282	26,510	25,619
Net public service pensions	6,342	5,123	5,530	9,612	12,174	8,765	8,682	8,535	8,414
National lottery	1,408	751	1,229	1,441	1,121	1,034	1,016	995	977
BBC domestic services ⁽³⁾	3,178	3,380	3,257	3,536	3,608	3,670	3,670	3,471	3,353
Student loans	-678	-789	-1,114	-1,580	-1,683	-2,029	-2,731	-3,696	-4,995
Non-cash items	54,129	54,926	44,258	61,079	185,946	61,346	58,131	59,848	61,040
Financial sector interventions	-17,030	-18,995	8,518	-48,709	-12,492	-172	-81	-80	-78
Other departmental expenditure	281	4,393	13,748	15,583	14,788	25,085	21,623	20,836	23,093
Total resource departmental AME	264,368	268,709	287,856	254,508	419,528	313,046	302,453	300,018	300,796
Resource other AME									
Net expenditure transfers to the EU	10,526	11,912	12,074	11,667	11,253	12,217	9,756	11,196	11,425
Locally financed expenditure	23,326	24,220	23,569	25,561	29,969	29,878	30,437	31,192	31,931
Central government gross debt interest	52,433	50,479	49,468	45,278	44,942	47,099	49,359	51,316	50,585
Accounting adjustments ⁽⁴⁾	-21,092	-19,565	-31,672	11,564	-151,783	-41,752	-35,094	-31,483	-31,004
Total resource other AME	65,193	67,047	53,439	94,070	-65,620	47,442	54,458	62,221	62,936
Total resource AME	329,560	335,755	341,295	348,578	353,908	360,488	356,911	362,239	363,732
Public sector current expenditure	681,433	677,913	677,385	673,829	679,516	683,900	683,300	684,900	680,300
CAPITAL EXPENDITURE									
Capital DEL									
Total capital DEL	52,498	47,915	50,567	53,246	48,208	51,700	52,700	52,100	51,200
Capital departmental AME									
National lottery	401	530	500	585	454	401	394	386	379
BBC domestic services ⁽³⁾	181	125	85	111	117	95	122	187	158
Student loans	6,179	7,085	9,444	11,486	12,596	14,193	16,345	18,641	20,947
Financial sector interventions	-4,822	-3,720	-5,019	-3,032	-11,315	30	-	-	-
Other departmental expenditure	747	-291	-11,301	-4,121	-11,189	6,317	7,266	6,095	6,495
Total capital departmental AME	2,686	3,729	-6,291	5,028	-9,336	21,036	24,127	25,309	27,979
Capital other AME									
Locally financed expenditure	17,009	6,155	7,094	7,066	8,206	6,767	7,048	5,488	5,972
Public corporations' own-financed capital expenditure	13,850	13,968	15,197	16,517	16,850	14,452	13,075	12,131	11,042
Accounting adjustments ⁽⁴⁾	-13,106	5,416	4,063	-8,472	9,578	-17,366	-20,907	-20,733	-22,598
Total capital other AME	17,752	25,539	26,354	15,110	34,634	3,852	-783	-3,115	-5,583
Total capital AME	20,438	29,268	20,063	20,138	25,298	24,888	23,343	22,195	22,396
Public sector gross investment⁽⁵⁾	72,936	77,183	70,630	73,384	73,506	76,600	76,000	74,300	73,600
<i>less public sector depreciation</i>	36,943	37,368	38,180	38,613	39,675	40,780	41,835	42,797	43,668
Public sector net investment⁽⁵⁾	35,993	39,815	32,450	34,771	33,831	35,800	34,200	31,500	29,900
TOTAL MANAGED EXPENDITURE^{(5) (6)}	754,369	755,096	748,015	747,213	753,022	760,500	759,300	759,200	753,900
<i>of which:</i>									
Total DEL ⁽⁶⁾	384,043	367,854	363,992	361,314	355,083	354,800	357,800	353,200	346,100
Departmental AME	267,053	272,438	281,565	259,536	410,192	334,081	326,580	325,327	328,775
Other AME	103,273	114,804	102,458	126,363	-12,253	71,630	74,899	80,711	79,022

⁽¹⁾ Real terms figures are the cash figures adjusted to 2015-16 price levels using GDP deflators. The deflators are calculated from the data released by the office for National Statistics on 30 June 2016. The forecasts are consistent with the March 2016 Budget.

⁽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.

⁽³⁾ Plans figures for 2017-18 to 2019-20 are sourced from Table 2.31 of the "Economic and Fiscal Outlook - March 2016" published by the Office for Budget Responsibility.

⁽⁴⁾ Transactions from 2011-12 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, 2011-12 to 2019-20

	£ million								
	National Statistics					2016-17	2017-18	2018-19	2019-20
	2011-12	2012-13	2013-14	2014-15	2015-16	plans	plans	plans	plans
	outturn	outturn	outturn	outturn	outturn				
Resource DEL by departmental group									
Defence	37,196	34,987	35,536	34,155	34,424	35,320	35,943	36,696	37,547
Single Intelligence Account	1,830	1,945	1,965	2,016	2,159	2,201	2,144	2,276	2,398
Home Office	12,225	11,447	11,052	11,439	10,690	11,061	11,131	11,083	11,002
Foreign and Commonwealth Office	2,175	2,152	2,156	1,864	1,956	2,024	1,323	1,339	1,356
International Development	5,962	5,899	7,783	7,017	6,859	7,445	8,076	9,333	8,877
NHS (Health)	99,368	101,646	105,478	109,534	113,661	116,312	119,334	121,992	124,777
Work and Pensions	7,619	7,493	7,611	7,148	6,472	6,265	6,475	6,111	5,583
Education	50,204	50,850	51,914	53,665	54,419	55,802	57,573	58,747	59,714
Business, Innovation and Skills	14,882	14,243	15,132	9,749	10,986	11,126	10,707	10,672	10,891
Transport	5,487	5,191	4,702	3,460	3,019	3,167	3,619	3,721	3,327
Energy and Climate Change	1,160	1,129	1,173	1,405	1,404	912	953	957	847
Culture, Media and Sport	1,561	3,490	1,222	1,288	1,259	1,345	1,317	1,332	1,305
DCLG Communities	1,840	1,393	1,985	2,047	2,190	2,827	2,951	2,451	2,232
DCLG Local Government ⁽¹⁾	25,389	23,189	16,481	13,657	10,758	8,206	5,165	4,300	3,539
Scotland ⁽²⁾	25,399	25,712	26,091	26,373	26,391	21,554	27,507	27,618	27,784
Wales	13,660	13,654	14,466	14,202	13,335	13,689	13,913	14,014	14,133
Northern Ireland	9,847	10,027	10,161	10,189	10,164	10,300	10,469	10,495	10,533
Justice	9,027	8,724	7,965	7,593	7,171	7,174	6,910	6,407	6,276
Law Officers' Departments	621	599	581	554	546	546	548	563	563
Environment, Food and Rural Affairs	2,115	1,978	1,883	1,855	1,747	1,911	1,862	1,732	1,663
HM Revenue and Customs	3,706	3,663	3,645	3,464	3,576	3,882	3,751	3,488	3,293
HM Treasury	156	-185	-243	137	137	185	162	153	147
Cabinet Office	449	473	419	649	576	763	610	591	653
Small and Independent Bodies	1,677	1,456	1,492	1,528	1,707	1,850	1,724	1,689	1,673
Reserves	-	-	-	-	-	3,000	3,600	3,700	4,200
OBR allowance for shortfall	-	-	-	-	-	-500	-500	-1,000	-500
Adjustment for Budget Exchange ⁽³⁾	-	-	-	-	-	-100	-	-	-
Adjustment for planned efficiency savings	-	-	-	-	-	-	-	-	-3,500
Total resource DEL	333,557	331,157	330,652	324,987	325,608	328,300	337,200	340,400	340,300
Resource departmental AME by departmental group									
Defence	8,039	7,360	6,377	8,311	12,020	6,578	5,491	5,642	5,798
Single Intelligence Account	18	41	19	41	135	39	39	39	39
Home Office	1,377	1,659	1,872	2,457	1,536	2,285	2,462	2,613	2,758
Foreign and Commonwealth Office	61	88	66	-70	39	100	100	100	100
International Development	104	191	109	151	171	185	183	182	181
NHS (Health)	19,582	18,878	18,194	21,952	48,649	25,907	27,114	28,416	29,766
Work and Pensions	159,167	165,506	163,072	167,639	173,400	173,572	174,343	176,800	179,754
Education	11,783	10,720	11,050	14,047	12,880	12,996	11,864	12,186	12,507
Business, Innovation and Skills	-1,157	-92	-102	-663	-7,556	-784	-1,860	-2,828	-3,186
Transport ⁽⁴⁾	876	590	-5,207	-264	7,543	8,557	8,007	7,185	8,618
Energy and Climate Change	3,742	5,388	4,963	8,473	101,581	813	1,496	1,862	1,946
Culture, Media and Sport	3,774	4,635	4,517	4,933	4,561	4,644	4,981	4,851	4,793
DCLG Communities	-666	10	-48	47	56	418	541	653	720
DCLG Local Government ⁽¹⁾	732	144	11,123	11,662	12,163	12,352	12,628	13,000	13,422
Scotland ⁽²⁾	3,073	2,760	2,669	3,858	3,936	8,860	3,408	3,559	3,713
Wales	72	141	0	32	-309	143	91	201	159
Northern Ireland	7,511	7,764	7,463	8,285	8,395	8,728	8,646	8,866	9,185
Justice	-45	934	-239	-144	543	503	503	503	503
Law Officers' Departments	5	5	7	13	-9	5	4	4	4
Environment, Food and Rural Affairs	-53	85	-92	78	366	84	105	149	168
HM Revenue and Customs	42,781	42,690	42,574	42,931	43,194	42,967	43,073	42,996	42,700
HM Treasury ⁽⁵⁾	-18,741	-18,710	6,210	-49,912	-13,781	-695	-203	-197	-197
Cabinet Office	8,720	9,390	8,641	10,573	10,346	9,300	9,473	9,709	9,890
Small and Independent Bodies	-147	-109	-38	-129	-333	184	26	19	19
Total resource departmental AME	250,607	260,070	283,199	254,302	419,528	317,741	312,516	316,510	323,360
Total resource budget	584,165	591,227	613,851	579,289	745,136	646,034	649,755	656,955	663,700

⁽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⁾ The Scottish Government's block grant has been adjusted to reflect the devolution of SDLT and Landfill tax with effect from 1st April 2015 and the creation of the Scottish Rate of Income Tax from 1st April 2016. Adjustments to the block grant from 2017-18 onwards will be reflected once the Scottish Government's Fiscal Framework has been implemented.

⁽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⁾ 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.

⁽⁵⁾ Transactions from 2011-12 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

Table 1.4 Resource budgets in real terms,⁽¹⁾ 2011-12 to 2019-20

	£ million								
	National Statistics					2016-17	2017-18	2018-19	2019-20
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans
Resource DEL by departmental group									
Defence	39,239	36,149	36,120	34,183	34,424	34,798	34,786	34,784	34,927
Single Intelligence Account	1,930	2,009	1,998	2,017	2,159	2,169	2,075	2,158	2,231
Home Office	12,896	11,827	11,234	11,449	10,690	10,898	10,773	10,506	10,234
Foreign and Commonwealth Office	2,295	2,224	2,191	1,866	1,956	1,994	1,281	1,269	1,261
International Development	6,289	6,095	7,911	7,023	6,859	7,335	7,816	8,847	8,258
NHS (Health)	104,824	105,022	107,212	109,623	113,661	114,593	115,492	115,636	116,070
Work and Pensions	8,038	7,742	7,736	7,154	6,472	6,172	6,267	5,792	5,194
Education	52,961	52,539	52,767	53,708	54,419	54,977	55,719	55,686	55,547
Business, Innovation and Skills	15,699	14,716	15,381	9,757	10,986	10,962	10,362	10,116	10,131
Transport	5,788	5,364	4,779	3,463	3,019	3,120	3,502	3,527	3,095
Energy and Climate Change	1,224	1,167	1,193	1,406	1,404	899	922	907	788
Culture, Media and Sport	1,647	3,606	1,242	1,289	1,259	1,325	1,275	1,262	1,214
DCLG Communities	1,941	1,439	2,017	2,048	2,190	2,785	2,856	2,324	2,076
DCLG Local Government ⁽²⁾	26,783	23,959	16,752	13,668	10,758	8,084	4,999	4,076	3,292
Scotland ⁽³⁾	26,793	26,566	26,520	26,394	26,391	21,235	26,621	26,179	25,845
Wales	14,410	14,107	14,704	14,214	13,335	13,487	13,465	13,284	13,147
Northern Ireland	10,388	10,360	10,328	10,197	10,164	10,148	10,132	9,948	9,798
Justice	9,523	9,013	8,096	7,600	7,171	7,068	6,687	6,074	5,838
Law Officers' Departments	655	619	591	554	546	538	531	533	524
Environment, Food and Rural Affairs	2,231	2,044	1,914	1,856	1,747	1,883	1,802	1,641	1,547
HM Revenue and Customs	3,909	3,785	3,705	3,467	3,576	3,825	3,630	3,306	3,063
HM Treasury	165	-191	-247	137	137	182	157	145	136
Cabinet Office	473	489	426	650	576	752	590	560	608
Small and Independent Bodies	1,770	1,504	1,516	1,529	1,707	1,823	1,668	1,601	1,556
Reserves	–	–	–	–	–	3,000	3,500	3,500	3,900
OBR allowance for shortfall	–	–	–	–	–	-500	-500	-900	-500
Adjustment for Budget Exchange ⁽⁴⁾	–	–	–	–	–	-100	–	–	–
Adjustment for planned efficiency savings	–	–	–	–	–	–	–	–	-3,300
Total resource DEL	351,872	342,158	336,090	325,251	325,608	323,400	326,400	322,700	316,600
Resource departmental AME by departmental group									
Defence	8,480	7,605	6,482	8,317	12,020	6,481	5,314	5,348	5,393
Single Intelligence Account	19	42	19	41	135	38	38	37	36
Home Office	1,453	1,714	1,903	2,459	1,536	2,251	2,383	2,477	2,565
Foreign and Commonwealth Office	64	91	67	-70	39	99	97	95	93
International Development	110	197	111	152	171	183	177	172	168
NHS (Health)	20,657	19,506	18,493	21,970	48,649	25,524	26,241	26,935	27,689
Work and Pensions	167,906	171,003	165,754	167,775	173,400	171,006	168,730	167,588	167,211
Education	12,430	11,076	11,231	14,059	12,880	12,804	11,482	11,551	11,634
Business, Innovation and Skills	-1,221	-95	-104	-664	-7,556	-773	-1,801	-2,681	-2,964
Transport ⁽⁵⁾	924	610	-5,293	-264	7,543	8,430	7,749	6,810	8,017
Energy and Climate Change	3,948	5,567	5,045	8,480	101,581	801	1,448	1,765	1,810
Culture, Media and Sport	3,982	4,789	4,591	4,937	4,561	4,575	4,821	4,598	4,459
DCLG Communities	-702	10	-49	47	56	412	524	619	670
DCLG Local Government ⁽²⁾	773	149	11,306	11,671	12,163	12,170	12,221	12,323	12,485
Scotland ⁽³⁾	3,242	2,852	2,713	3,861	3,936	8,729	3,298	3,374	3,454
Wales	76	146	0	32	-309	141	88	191	148
Northern Ireland	7,924	8,022	7,586	8,292	8,395	8,599	8,367	8,404	8,545
Justice	-48	965	-243	-145	543	496	487	477	468
Law Officers' Departments	5	6	7	13	-9	5	4	4	4
Environment, Food and Rural Affairs	-56	87	-94	78	366	83	102	141	156
HM Revenue and Customs	45,130	44,108	43,275	42,966	43,194	42,332	41,686	40,756	39,721
HM Treasury ⁽⁶⁾	-19,770	-19,331	6,312	-49,953	-13,781	-685	-197	-187	-183
Cabinet Office	9,199	9,702	8,783	10,581	10,346	9,163	9,168	9,203	9,200
Small and Independent Bodies	-156	-113	-39	-129	-333	181	25	18	18
Total resource departmental AME	264,368	268,709	287,856	254,508	419,528	313,046	302,453	300,018	300,796
Total resource budget	616,240	610,866	623,946	579,758	745,136	636,500	628,800	622,700	617,400

⁽¹⁾ Real terms figures are the cash figures adjusted to 2015-16 price levels using GDP deflators. The deflators are calculated from the data released by the office for National Statistics on 30 June 2016. The forecasts are consistent with the March 2016 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⁾ The Scottish Government's block grant has been adjusted to reflect the devolution of SDLT and Landfill tax with effect from 1st April 2015 and the creation of the Scottish Rate of Income Tax from 1st April 2016. Adjustments to the block grant from 2017-18 onwards will be reflected once the Scottish Government's Fiscal Framework has been implemented.

⁽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⁾ 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 2011-12 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

Table 1.5 Resource DEL excluding depreciation, 2011-12 to 2019-20

	National Statistics					£ million			
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
Resource DEL excluding depreciation by departmental group									
Defence	27,359	25,528	26,055	25,632	26,696	26,820	27,443	28,196	29,047
Single Intelligence Account	1,484	1,556	1,563	1,591	1,754	1,846	1,790	1,911	2,021
Home Office	11,993	11,191	10,792	11,159	10,442	10,773	10,800	10,730	10,692
Foreign and Commonwealth Office	2,052	1,989	1,998	1,715	1,765	1,918	1,212	1,228	1,244
International Development	5,945	5,875	7,769	7,000	6,847	7,427	8,058	9,315	8,858
NHS (Health)	98,175	100,514	104,408	108,373	112,561	114,801	117,823	120,461	123,246
Work and Pensions	7,418	7,244	7,428	6,972	6,288	6,070	6,295	5,946	5,428
Education	50,170	50,019	50,927	52,669	53,210	54,286	55,855	56,829	57,597
Business, Innovation and Skills	11,097	10,491	9,392	8,100	7,137	7,746	6,923	6,470	6,343
Transport	4,589	4,224	3,695	2,468	1,920	1,938	1,989	2,087	1,693
Energy and Climate Change	1,147	1,120	1,166	1,395	1,395	907	948	952	842
Culture, Media and Sport	1,448	2,046	1,064	1,182	1,116	1,183	1,145	1,145	1,106
DCLG Communities	1,777	1,366	1,957	2,054	2,189	2,776	2,860	2,292	2,207
DCLG Local Government ⁽¹⁾	25,388	23,188	16,481	13,657	10,758	8,206	5,165	4,300	3,539
Scotland ⁽²⁾	24,776	24,929	25,428	25,620	25,612	20,587	26,450	26,513	26,639
Wales	13,232	13,248	13,709	13,754	12,821	13,100	13,277	13,351	13,445
Northern Ireland	9,427	9,450	9,710	9,686	9,909	9,772	9,911	9,921	9,946
Justice	8,586	8,198	7,516	7,158	6,717	6,592	6,321	5,818	5,673
Law Officers' Departments	611	591	575	547	540	538	537	548	548
Environment, Food and Rural Affairs	1,905	1,789	1,687	1,664	1,579	1,701	1,619	1,491	1,424
HM Revenue and Customs	3,488	3,437	3,411	3,188	3,303	3,562	3,427	3,136	2,914
HM Treasury	149	-192	-249	131	129	179	156	148	141
Cabinet Office	441	462	405	636	558	736	595	576	638
Small and Independent Bodies	1,632	1,392	1,467	1,466	1,631	1,763	1,639	1,604	1,588
Reserves	–	–	–	–	–	3,000	3,600	3,700	4,200
OBR allowance for shortfall	–	–	–	–	–	-500	-500	-1,000	-500
Adjustment for Budget Exchange ⁽³⁾	–	–	–	–	–	-100	–	–	–
Adjustment for planned efficiency savings	–	–	–	–	–	–	–	–	-3,500
Total Resource DEL excluding depreciation	314,288	309,653	308,354	307,818	306,875	307,700	315,300	317,700	317,100

⁽¹⁾ (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⁾ The Scottish Government's block grant has been adjusted to reflect the devolution of SDLT and Landfill tax with effect from 1st April 2015 and the creation of the Scottish Rate of Income Tax from 1st April 2016. Adjustments to the block grant from 2017-18 onwards will be reflected once the Scottish Government's Fiscal Framework has been implemented.

⁽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⁾ 2011-12 to 2019-20

	National Statistics					£ million			
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
Resource DEL excluding depreciation by departmental group									
Defence	28,861	26,376	26,484	25,653	26,696	26,424	26,559	26,727	27,020
Single Intelligence Account	1,565	1,608	1,588	1,592	1,754	1,819	1,732	1,812	1,880
Home Office	12,651	11,563	10,969	11,168	10,442	10,614	10,453	10,171	9,946
Foreign and Commonwealth Office	2,164	2,055	2,031	1,717	1,765	1,890	1,173	1,164	1,157
International Development	6,272	6,070	7,897	7,005	6,847	7,317	7,799	8,830	8,240
NHS (Health)	103,566	103,853	106,125	108,461	112,561	113,104	114,029	114,185	114,646
Work and Pensions	7,825	7,485	7,550	6,978	6,288	5,980	6,093	5,636	5,050
Education	52,925	51,680	51,765	52,711	53,210	53,484	54,057	53,868	53,578
Business, Innovation and Skills	11,707	10,839	9,547	8,106	7,137	7,632	6,700	6,133	5,901
Transport	4,841	4,364	3,755	2,470	1,920	1,909	1,925	1,978	1,574
Energy and Climate Change	1,210	1,157	1,185	1,396	1,395	894	918	903	784
Culture, Media and Sport	1,528	2,113	1,081	1,183	1,116	1,165	1,108	1,086	1,029
DCLG Communities	1,874	1,411	1,990	2,056	2,189	2,735	2,768	2,173	2,053
DCLG Local Government ⁽²⁾	26,782	23,959	16,752	13,668	10,758	8,084	4,999	4,076	3,292
Scotland ⁽³⁾	26,136	25,758	25,846	25,640	25,612	20,283	25,599	25,131	24,780
Wales	13,959	13,688	13,935	13,765	12,821	12,906	12,850	12,655	12,507
Northern Ireland	9,945	9,764	9,870	9,694	9,909	9,628	9,592	9,404	9,252
Justice	9,057	8,470	7,640	7,164	6,717	6,494	6,117	5,515	5,277
Law Officers' Departments	644	610	584	548	540	530	520	519	510
Environment, Food and Rural Affairs	2,009	1,848	1,714	1,666	1,579	1,676	1,566	1,413	1,325
HM Revenue and Customs	3,680	3,551	3,468	3,191	3,303	3,510	3,317	2,973	2,710
HM Treasury	158	-199	-253	131	129	176	151	140	131
Cabinet Office	465	477	412	637	558	725	576	546	594
Small and Independent Bodies	1,722	1,438	1,491	1,468	1,631	1,737	1,586	1,520	1,477
Reserves	–	–	–	–	–	3,000	3,500	3,500	3,900
OBR allowance for shortfall	–	–	–	–	–	-500	-500	-900	-500
Adjustment for Budget Exchange ⁽⁴⁾	–	–	–	–	–	-100	–	–	–
Adjustment for planned efficiency savings	–	–	–	–	–	–	–	–	-3,300
Total Resource DEL excluding depreciation	331,545	319,939	313,425	308,068	306,875	303,100	305,200	301,100	294,900

⁽¹⁾ Real terms figures are the cash figures adjusted to 2015-16 price levels using GDP deflators. The deflators are calculated from the data released by the office for National Statistics on 30 June 2016. The forecasts are consistent with the March 2016 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⁾ The Scottish Government's block grant has been adjusted to reflect the devolution of SDLT and Landfill tax with effect from 1st April 2015 and the creation of the Scottish Rate of Income Tax from 1st April 2016. Adjustments to the block grant from 2017-18 onwards will be reflected once the Scottish Government's Fiscal Framework has been implemented.

⁽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, 2011-12 to 2019-20

	National Statistics					£ million			
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
Defence	2,692	2,179	2,129	1,474	1,517	1,463	1,498	1,430	1,482
Single Intelligence Account	73	66	59	58	63	72	74	75	76
Home Office	494	473	501	525	385	388	378	349	309
Foreign and Commonwealth Office	168	124	170	181	114	184	184	184	184
International Development	123	128	116	110	104	113	114	115	117
NHS (Health)	3,541	3,670	3,122	2,873	2,558	3,021	2,931	2,846	2,767
Work and Pensions	1,330	1,177	1,089	891	835	941	901	826	796
Education	411	420	386	359	302	351	345	327	315
Business, Innovation and Skills	757	566	542	511	454	454	546	534	520
Transport	217	243	240	271	266	272	268	265	262
Energy and Climate Change	158	162	175	172	173	171	166	164	162
Culture, Media and Sport	258	186	139	147	161	151	148	146	144
DCLG Communities	332	281	363	252	279	306	265	253	238
Justice	652	590	530	552	541	557	555	392	317
Law Officers' Departments	42	44	42	45	43	48	47	51	55
Environment, Food and Rural Affairs	592	550	527	487	497	512	477	460	455
HM Revenue and Customs	962	947	864	797	792	938	894	893	892
HM Treasury	141	145	137	154	141	167	145	137	130
Cabinet Office	187	193	153	153	149	178	131	120	120
Small and Independent Bodies	335	331	306	375	297	302	286	285	271
Adjustment for Budget Exchange ⁽¹⁾	–	–	–	–	–	-26	–	–	–
Total administration budgets	13,465	12,476	11,589	10,388	9,672	10,561	10,355	9,851	9,613
<i>of which: administration costs payroll</i>	<i>9,043</i>	<i>8,502</i>	<i>7,531</i>	<i>6,685</i>	<i>6,624</i>	<i>6,009</i>	<i>5,904</i>	<i>5,686</i>	<i>5,522</i>
Administration budgets as a percentage of Total Managed Expenditure ⁽²⁾	1.9	1.7	1.6	1.4	1.3	1.4	1.3	1.2	1.2

⁽¹⁾ 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.

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

Table 1.8 Capital budgets 2011-12 to 2019-20

	National Statistics					£ million			
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
Capital DEL by departmental group									
Defence	9,798	8,731	8,485	8,736	8,402	8,127	8,493	8,745	8,984
Single Intelligence Account	506	476	497	550	574	649	567	585	655
Home Office	660	555	519	520	477	527	575	496	482
Foreign and Commonwealth Office	115	37	120	158	131	98	98	98	98
International Development	1,868	1,883	2,251	2,650	2,433	2,594	3,637	3,207	3,507
NHS (Health)	4,669	4,708	5,367	4,971	4,668	5,810	5,886	5,903	5,918
Work and Pensions	331	423	237	253	188	307	378	255	227
Education	5,044	4,260	3,604	4,237	4,776	5,264	4,746	4,944	3,843
Business, Innovation and Skills	6,249	6,176	7,810	7,646	8,305	8,867	7,994	7,451	7,288
Transport ⁽¹⁾	7,777	7,934	8,537	9,389	5,885	5,437	7,061	8,500	10,465
Energy and Climate Change	1,454	2,038	2,216	2,241	2,289	2,420	2,510	2,413	2,311
Culture, Media and Sport	1,273	356	20	243	327	384	394	377	303
DCLG Communities	3,706	2,402	3,729	4,332	3,851	5,541	5,148	5,332	4,426
DCLG Local Government	-8	1	-	-	-	-	-	-	-
Scotland	2,773	2,981	2,921	3,289	3,126	3,214	3,236	3,295	3,428
Wales	1,386	1,362	1,325	1,500	1,536	1,544	1,524	1,572	1,657
Northern Ireland	1,014	983	945	1,085	766	1,138	1,150	1,165	1,209
Justice	343	280	274	295	266	655	742	692	417
Law Officers' Departments	3	2	3	4	3	15	15	16	8
Environment, Food and Rural Affairs	463	487	550	693	570	610	684	669	508
HM Revenue and Customs	220	194	218	232	228	242	242	228	216
HM Treasury	36	18	-6	36	-660	82	87	84	82
Cabinet Office	17	15	43	50	-30	55	46	25	15
Small and Independent Bodies	67	72	85	92	98	173	129	121	108
Reserves	-	-	-	-	-	1,000	1,300	1,300	1,200
OBR allowance for shortfall	-	-	-	-	-	-2,000	-2,200	-2,500	-2,300
Adjustment for Budget Exchange ⁽²⁾	-	-	-	-	-	-300	-	-	-
Total capital DEL	49,766	46,375	49,749	53,203	48,208	52,500	54,400	55,000	55,000
Capital departmental AME by departmental group									
Defence	-10	-35	-129	51	29	-	-	-	-
Home Office	-	-	-	-	440	-	-	-	-
International Development	-	-6	-	-	450	285	-	-	-
NHS (Health)	-	-	-70	-5	9	15	15	15	15
Work and Pensions	-12	-17	-134	-124	-148	-	-	-	-
Business, Innovation and Skills	5,469	6,129	4,675	9,548	9,948	13,261	15,749	18,636	21,500
Transport ⁽³⁾	-33	-61	13	6,695	6,598	6,999	6,982	5,837	6,368
Energy and Climate Change	-58	-20	-497	-601	-99	-43	-44	-45	-46
Culture, Media and Sport	572	468	646	743	500	564	574	645	618
DCLG Communities	153	4	-	121	207	-	-	-	-
DCLG Local Government	-	-4	-	-	-	-	-	-	-
Scotland	167	188	336	440	744	807	560	560	560
Wales	244	252	306	357	388	414	457	482	503
Northern Ireland	588	344	425	536	629	675	636	570	559
Law Officers' Departments	-	0	-	-	-	-	-	-	-
Environment, Food and Rural Affairs	0	-1	-1	2	0	1	1	1	1
HM Revenue and Customs	86	1	0	0	-	0	-	-	-
HM Treasury ⁽⁴⁾	-4,570	-3,592	-11,725	-12,714	-29,066	-3,563	-	-	-
Small and Independent Bodies	-52	-40	-34	-23	34	1,935	-	-	-
Total capital departmental AME	2,546	3,610	-6,189	5,024	-9,336	21,351	24,929	26,701	30,078
Total capital budget	52,312	49,984	43,559	58,227	38,872	73,800	79,400	81,700	85,100

⁽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 2011-12 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

Table 1.9 Capital budgets in real terms,⁽¹⁾ 2011-12 to 2019-20

	National Statistics					£ million			
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
Capital DEL by departmental group									
Defence	10,335	9,021	8,624	8,743	8,402	8,007	8,219	8,289	8,357
Single Intelligence Account	534	492	506	551	574	640	548	554	609
Home Office	696	573	527	521	477	520	556	470	449
Foreign and Commonwealth Office	122	38	122	158	131	97	95	93	91
International Development	1,970	1,946	2,288	2,652	2,433	2,555	3,520	3,040	3,262
NHS (Health)	4,925	4,865	5,455	4,975	4,668	5,724	5,696	5,595	5,505
Work and Pensions	350	437	241	253	188	302	366	241	211
Education	5,321	4,402	3,663	4,241	4,776	5,186	4,593	4,686	3,575
Business, Innovation and Skills	6,592	6,381	7,938	7,652	8,305	8,736	7,736	7,063	6,779
Transport ⁽²⁾	8,204	8,197	8,677	9,397	5,885	5,357	6,833	8,057	9,735
Energy and Climate Change	1,534	2,106	2,253	2,243	2,289	2,384	2,429	2,287	2,150
Culture, Media and Sport	1,342	368	21	244	327	378	381	357	281
DCLG Communities	3,910	2,481	3,791	4,336	3,851	5,459	4,982	5,054	4,117
DCLG Local Government	-8	1	-	-	-	-	-	-	-
Scotland	2,926	3,080	2,969	3,292	3,126	3,166	3,132	3,123	3,189
Wales	1,462	1,407	1,346	1,501	1,536	1,521	1,475	1,490	1,541
Northern Ireland	1,070	1,015	960	1,086	766	1,121	1,113	1,104	1,125
Justice	362	289	279	296	266	645	718	656	388
Law Officers' Departments	3	2	3	4	3	14	14	15	8
Environment, Food and Rural Affairs	488	504	559	693	570	601	662	634	473
HM Revenue and Customs	232	200	222	232	228	238	234	216	201
HM Treasury	39	19	-6	36	-660	81	84	80	76
Cabinet Office	18	16	44	50	-30	54	45	24	14
Small and Independent Bodies	71	75	87	92	98	171	125	115	100
Reserves	-	-	-	-	-	1,000	1,300	1,200	1,100
OBR allowance for shortfall	-	-	-	-	-	-2,000	-2,100	-2,400	-2,100
Adjustment for Budget Exchange ⁽³⁾	-	-	-	-	-	-300	-	-	-
Total capital DEL	52,498	47,915	50,567	53,246	48,208	51,700	52,700	52,100	51,200
Capital departmental AME by departmental group									
Defence	-10	-37	-131	51	29	-	-	-	-
Home Office	-	-	-	-	440	-	-	-	-
International Development	-	-6	-	-	450	281	-	-	-
NHS (Health)	-	-	-71	-5	9	15	15	14	14
Work and Pensions	-12	-17	-137	-124	-148	-	-	-	-
Business, Innovation and Skills	5,769	6,332	4,752	9,556	9,948	13,065	15,242	17,665	20,000
Transport ⁽⁴⁾	-35	-63	13	6,701	6,598	6,896	6,757	5,533	5,924
Energy and Climate Change	-61	-21	-505	-602	-99	-42	-42	-42	-43
Culture, Media and Sport	604	484	656	743	500	556	555	611	574
DCLG Communities	161	4	-	121	207	-	-	-	-
DCLG Local Government	-	-4	-	-	-	-	-	-	-
Scotland	176	194	341	440	744	795	542	531	521
Wales	258	261	311	357	388	408	442	457	468
Northern Ireland	620	356	432	536	629	665	615	541	520
Law Officers' Departments	-	0	-	-	-	-	-	-	-
Environment, Food and Rural Affairs	0	-1	-1	2	0	1	1	1	1
HM Revenue and Customs	91	1	0	0	-	0	-	-	-
HM Treasury ⁽⁵⁾	-4,821	-3,711	-11,918	-12,725	-29,066	-3,511	-	-	-
Small and Independent Bodies	-55	-42	-34	-23	34	1,907	-	-	-
Total capital departmental AME	2,686	3,729	-6,291	5,028	-9,336	21,036	24,127	25,309	27,979
Total capital budget	55,184	51,644	44,276	58,274	38,872	72,800	76,800	77,400	79,100

⁽¹⁾ Real terms figures are the cash figures adjusted to 2015-16 price levels using GDP deflators. The deflators are calculated from the data released by the office for National Statistics on 30 June 2016. The forecasts are consistent with the March 2016 Budget.

⁽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 2011-12 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

Table 1.10 Total Departmental Expenditure Limits,⁽¹⁾ 2011-12 to 2019-20

	National Statistics					£ million			
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
Total DEL by departmental group									
Defence	37,157	34,259	34,540	34,368	35,099	34,947	35,936	36,941	38,031
Single Intelligence Account	1,990	2,032	2,060	2,141	2,328	2,495	2,357	2,496	2,676
Home Office	12,653	11,746	11,311	11,680	10,919	11,300	11,375	11,226	11,174
Foreign and Commonwealth Office	2,167	2,026	2,118	1,873	1,896	2,016	1,310	1,326	1,342
International Development	7,813	7,758	10,020	9,650	9,279	10,020	11,695	12,522	12,365
NHS (Health)	102,844	105,222	109,775	113,345	117,229	120,611	123,709	126,364	129,164
Work and Pensions	7,749	7,667	7,665	7,225	6,476	6,376	6,673	6,201	5,655
Education	55,214	54,279	54,531	56,906	57,986	59,550	60,601	61,773	61,440
Business, Innovation and Skills	17,346	16,667	17,202	15,745	15,442	16,613	14,916	13,922	13,631
Transport ⁽²⁾	12,366	12,157	12,231	11,857	7,805	7,375	9,050	10,587	12,157
Energy and Climate Change	2,602	3,159	3,382	3,636	3,684	3,327	3,458	3,366	3,154
Culture, Media and Sport	2,721	2,402	1,084	1,426	1,443	1,567	1,539	1,522	1,408
DCLG Communities	5,483	3,767	5,687	6,386	6,040	8,317	8,008	7,624	6,633
DCLG Local Government ⁽³⁾	25,380	23,189	16,481	13,657	10,758	8,206	5,165	4,300	3,539
Scotland ⁽⁴⁾	27,549	27,910	28,349	28,909	28,738	23,801	29,686	29,807	30,067
Wales	14,618	14,609	15,034	15,254	14,358	14,644	14,801	14,923	15,102
Northern Ireland	10,441	10,433	10,655	10,771	10,674	10,910	11,061	11,086	11,155
Justice	8,928	8,477	7,790	7,454	6,983	7,247	7,063	6,510	6,090
Law Officers' Departments	613	592	578	551	543	553	552	564	556
Environment, Food and Rural Affairs	2,368	2,276	2,236	2,357	2,149	2,310	2,303	2,160	1,932
HM Revenue and Customs	3,708	3,631	3,630	3,420	3,531	3,804	3,670	3,365	3,130
HM Treasury	186	-174	-255	167	-531	261	243	232	223
Cabinet Office	458	477	448	686	527	791	641	601	653
Small and Independent Bodies	1,699	1,464	1,552	1,558	1,729	1,936	1,768	1,725	1,695
Reserves	–	–	–	–	–	4,100	4,900	5,000	5,400
OBR allowance for shortfall	–	–	–	–	–	-2,500	-2,700	-3,500	-2,800
Adjustment for Budget Exchange ⁽⁵⁾	–	–	–	–	–	-400	–	–	–
Adjustment for planned efficiency savings	–	–	–	–	–	–	–	–	-3,500
Total Resource DEL less depreciation	364,054	356,028	358,103	361,021	355,083	360,100	369,700	372,600	372,100

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

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

⁽⁴⁾ The Scottish Government's block grant has been adjusted to reflect the devolution of SDLT and Landfill tax with effect from 1st April 2015 and the creation of the Scottish Rate of Income Tax from 1st April 2016. Adjustments to the block grant from 2017-18 onwards will be reflected once the Scottish Government's Fiscal Framework has been implemented.

⁽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⁾ 2011-12 to 2019-20

	National Statistics					£ million			
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
Total DEL by departmental group									
Defence	39,197	35,397	35,108	34,396	35,099	34,431	34,779	35,016	35,377
Single Intelligence Account	2,099	2,100	2,094	2,143	2,328	2,459	2,281	2,366	2,489
Home Office	13,348	12,136	11,497	11,689	10,919	11,133	11,009	10,641	10,395
Foreign and Commonwealth Office	2,286	2,093	2,153	1,875	1,896	1,987	1,268	1,257	1,248
International Development	8,242	8,016	10,185	9,658	9,279	9,872	11,318	11,870	11,502
NHS (Health)	108,491	108,718	111,580	113,437	117,229	118,829	119,725	119,780	120,151
Work and Pensions	8,174	7,921	7,791	7,231	6,476	6,282	6,458	5,878	5,260
Education	58,246	56,082	55,428	56,952	57,986	58,670	58,650	58,554	57,153
Business, Innovation and Skills	18,299	17,221	17,485	15,758	15,442	16,367	14,436	13,197	12,680
Transport ⁽³⁾	13,045	12,561	12,433	11,867	7,805	7,266	8,758	10,035	11,309
Energy and Climate Change	2,744	3,263	3,438	3,639	3,684	3,278	3,347	3,190	2,934
Culture, Media and Sport	2,870	2,482	1,102	1,427	1,443	1,543	1,490	1,442	1,310
DCLG Communities	5,784	3,893	5,780	6,392	6,040	8,194	7,750	7,227	6,170
DCLG Local Government ⁽⁴⁾	26,774	23,960	16,752	13,668	10,758	8,084	4,999	4,076	3,292
Scotland ⁽⁵⁾	29,062	28,837	28,815	28,932	28,738	23,449	28,730	28,254	27,969
Wales	15,421	15,095	15,281	15,266	14,358	14,427	14,325	14,146	14,048
Northern Ireland	11,015	10,779	10,830	10,780	10,674	10,749	10,705	10,509	10,377
Justice	9,419	8,759	7,918	7,460	6,983	7,139	6,836	6,171	5,665
Law Officers' Departments	647	612	587	552	543	545	534	534	517
Environment, Food and Rural Affairs	2,498	2,352	2,273	2,359	2,149	2,276	2,228	2,047	1,797
HM Revenue and Customs	3,912	3,752	3,689	3,423	3,531	3,748	3,551	3,189	2,911
HM Treasury	196	-180	-259	167	-531	257	235	220	207
Cabinet Office	483	493	456	687	527	779	620	569	608
Small and Independent Bodies	1,792	1,513	1,577	1,559	1,729	1,908	1,711	1,635	1,577
Reserves	–	–	–	–	–	4,000	4,700	4,700	5,000
OBR allowance for shortfall	–	–	–	–	–	-2,500	-2,600	-3,300	-2,600
Adjustment for Budget Exchange ⁽⁶⁾	–	–	–	–	–	-400	–	–	–
Adjustment for planned efficiency savings	–	–	–	–	–	–	–	–	-3,300
Total Resource DEL less depreciation	384,043	367,854	363,992	361,314	355,083	354,800	357,800	353,200	346,100

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

⁽²⁾ Real terms figures are the cash figures adjusted to 2015-16 price levels using GDP deflators. The deflators are calculated from the data released by the office for National Statistics on 30 June 2016. The forecasts are consistent with the March 2016 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⁾ The Scottish Government's block grant has been adjusted to reflect the devolution of SDLT and Landfill tax with effect from 1st April 2015 and the creation of the Scottish Rate of Income Tax from 1st April 2016. Adjustments to the block grant from 2017-18 onwards will be reflected once the Scottish Government's Fiscal Framework has been implemented.

⁽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, 2011-12 to 2019-20

	£ million									
	National Statistics					2016-17	2017-18	2018-19	2019-20	
	2011-12	2012-13	2013-14	2014-15	2015-16	plans	plans	plans	plans	
	outturn	outturn	outturn	outturn	outturn					
Total Managed Expenditure by departmental group										
Defence	45,185	41,584	40,789	42,729	47,148	41,526	41,427	42,583	43,829	
Single Intelligence Account	2,008	2,073	2,079	2,182	2,463	2,534	2,396	2,535	2,715	
Home Office	14,030	13,405	13,183	14,137	12,894	13,585	13,837	13,839	13,932	
Foreign and Commonwealth Office	2,228	2,114	2,183	1,803	1,935	2,116	1,410	1,426	1,442	
International Development	7,917	7,943	10,129	9,801	9,901	10,491	11,877	12,704	12,545	
NHS (Health)	122,426	124,101	127,899	135,292	165,887	146,533	150,838	154,795	158,945	
Work and Pensions	166,904	173,156	170,603	174,740	179,728	179,948	181,016	183,000	185,409	
Education	66,998	64,999	65,581	70,953	70,867	72,546	72,465	73,959	73,947	
Business, Innovation and Skills	21,658	22,704	21,775	24,631	17,834	29,090	28,805	29,729	31,945	
Transport ⁽¹⁾	13,208	12,687	7,037	18,289	21,947	22,930	24,039	23,608	27,144	
Energy and Climate Change	6,286	8,526	7,849	11,508	105,166	4,098	4,911	5,183	5,054	
Culture, Media and Sport	7,067	7,505	6,247	7,102	6,503	6,775	7,094	7,017	6,819	
DCLG Communities	4,970	3,781	5,638	6,555	6,303	8,734	8,549	8,277	7,353	
DCLG Local Government	26,113	23,329	27,605	25,319	22,921	20,558	17,793	17,300	16,961	
Scotland ⁽²⁾	30,789	30,858	31,354	33,206	33,418	33,467	33,655	33,926	34,340	
Wales	14,934	15,003	15,339	15,643	14,436	15,201	15,349	15,606	15,764	
Northern Ireland	18,541	18,541	18,543	19,592	19,699	20,313	20,342	20,523	20,899	
Justice	8,883	9,412	7,551	7,309	7,526	7,750	7,566	7,013	6,593	
Law Officers' Departments	618	598	584	564	533	558	556	568	560	
Environment, Food and Rural Affairs	2,314	2,360	2,143	2,437	2,516	2,396	2,409	2,309	2,101	
HM Revenue and Customs	46,576	46,322	46,204	46,351	46,725	46,771	46,742	46,361	45,830	
HM Treasury ⁽³⁾	-23,125	-22,476	-5,769	-62,460	-43,377	-3,998	40	35	26	
Cabinet Office	9,178	9,867	9,089	11,259	10,873	10,091	10,115	10,310	10,543	
Small and Independent Bodies	1,500	1,314	1,480	1,406	1,430	4,055	1,794	1,744	1,715	
Total departmental expenditure ⁽⁴⁾	617,207	619,707	635,112	620,347	765,275	698,070	705,024	714,352	726,411	
Central government gross debt interest	49,704	48,856	48,668	45,241	45,686	47,805	51,001	54,137	54,379	
Locally financed expenditure	38,235	29,399	30,167	32,600	37,255	37,195	38,732	38,697	40,746	
Public sector depreciation	35,020	36,167	37,562	38,582	39,675	41,392	43,227	45,149	46,944	
Net expenditure transfers to the EU	9,978	11,529	11,879	11,658	11,253	12,401	10,080	11,811	12,282	
Public corporations' own-financed capital expenditure	13,129	13,519	14,951	16,503	15,522	14,668	13,510	12,798	11,871	
Accounting adjustments	-48,169	-28,357	-42,426	-18,323	-161,643	-80,757	-79,160	-77,444	-81,272	
Reserves	-	-	-	-	-	4,100	4,900	5,000	5,400	
OBR allowance for shortfall	-	-	-	-	-	-2,500	-2,700	-3,500	-2,800	
Adjustment for Budget Exchange ⁽⁵⁾	-	-	-	-	-	-400	-	-	-	
Adjustment for planned efficiency savings	-	-	-	-	-	-	-	-	-3,500	
Total other expenditure ⁽⁶⁾	97,897	111,113	100,800	126,261	-12,253	73,874	79,554	86,609	84,036	
Total Managed Expenditure ⁽⁷⁾	715,104	730,820	735,912	746,608	753,022	771,900	784,600	801,000	810,400	

⁽¹⁾ 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.

⁽²⁾ The Scottish Government's block grant has been adjusted to reflect the devolution of SDLT and Landfill tax with effect from 1st April 2015 and the creation of the Scottish Rate of Income Tax from 1st April 2016. Adjustments to the block grant from 2017-18 onwards will be reflected once the Scottish Government's Fiscal Framework has been implemented.

⁽³⁾ Transactions from 2011-12 onwards have been affected by financial sector interventions, see Box 2.A in Chapter 2.

⁽⁴⁾ Total departmental expenditure is given by Resource DEL excluding depreciation plus capital DEL plus resource and capital departmental AME.

⁽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.

⁽⁶⁾ Total other expenditure is other AME spend within total managed expenditure.

⁽⁷⁾ 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⁾ 2011-12 to 2019-20

	£ million								
	National Statistics								
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
Total Managed Expenditure by departmental group									
Defence	47,667	42,965	41,460	42,764	47,148	40,912	40,093	40,364	40,770
Single Intelligence Account	2,118	2,142	2,113	2,184	2,463	2,497	2,319	2,403	2,526
Home Office	14,800	13,851	13,400	14,149	12,894	13,385	13,391	13,118	12,960
Foreign and Commonwealth Office	2,350	2,184	2,219	1,804	1,935	2,085	1,364	1,351	1,341
International Development	8,352	8,207	10,296	9,809	9,901	10,336	11,495	12,042	11,670
NHS (Health)	129,148	128,223	130,002	135,402	165,887	144,368	145,981	146,730	147,854
Work and Pensions	176,068	178,908	173,408	174,881	179,728	177,289	175,188	173,465	172,472
Education	70,676	67,158	66,660	71,011	70,867	71,474	70,132	70,105	68,787
Business, Innovation and Skills	22,847	23,458	22,133	24,651	17,834	28,660	27,878	28,180	29,716
Transport ⁽²⁾	13,933	13,108	7,152	18,304	21,947	22,592	23,265	22,378	25,249
Energy and Climate Change	6,631	8,810	7,978	11,517	105,166	4,037	4,753	4,913	4,701
Culture, Media and Sport	7,455	7,754	6,349	7,107	6,503	6,675	6,866	6,652	6,343
DCLG Communities	5,243	3,907	5,731	6,560	6,303	8,605	8,274	7,846	6,840
DCLG Local Government	27,546	24,104	28,059	25,339	22,921	20,254	17,220	16,399	15,778
Scotland ⁽³⁾	32,480	31,883	31,869	33,233	33,418	32,973	32,571	32,159	31,944
Wales	15,754	15,501	15,592	15,655	14,436	14,976	14,855	14,793	14,664
Northern Ireland	19,559	19,157	18,848	19,608	19,699	20,013	19,687	19,453	19,441
Justice	9,371	9,724	7,675	7,315	7,526	7,635	7,322	6,648	6,133
Law Officers' Departments	652	618	594	564	533	549	538	538	521
Environment, Food and Rural Affairs	2,441	2,438	2,178	2,439	2,516	2,360	2,331	2,189	1,954
HM Revenue and Customs	49,133	47,860	46,964	46,389	46,725	46,080	45,237	43,945	42,632
HM Treasury ⁽⁴⁾	-24,395	-23,223	-5,864	-62,511	-43,377	-3,939	38	33	24
Cabinet Office	9,682	10,195	9,238	11,268	10,873	9,942	9,789	9,772	9,808
Small and Independent Bodies	1,582	1,358	1,504	1,408	1,430	3,996	1,736	1,653	1,595
Total departmental expenditure ⁽⁵⁾	651,096	640,292	645,557	620,850	765,275	687,753	682,323	677,131	675,723
Central government gross debt interest	52,433	50,479	49,468	45,278	45,686	47,099	49,359	51,316	50,585
Locally financed expenditure	40,334	30,375	30,663	32,627	37,255	36,645	37,485	36,681	37,903
Public sector depreciation	36,943	37,368	38,180	38,613	39,675	40,780	41,835	42,797	43,668
Net expenditure transfers to the EU	10,526	11,912	12,074	11,667	11,253	12,217	9,756	11,196	11,425
Public corporations' own-financed capital expenditure	13,850	13,968	15,197	16,517	15,522	14,452	13,075	12,131	11,042
Accounting adjustments	-50,814	-29,299	-43,124	-18,338	-161,643	-79,563	-76,611	-73,408	-75,601
Reserves	–	–	–	–	–	4,000	4,700	4,700	5,000
OBR allowance for shortfall	–	–	–	–	–	-2,500	-2,600	-3,300	-2,600
Adjustment for Budget Exchange ⁽⁶⁾	–	–	–	–	–	-400	–	–	–
Adjustment for planned efficiency savings	–	–	–	–	–	–	–	–	-3,300
Total other expenditure ⁽⁷⁾	103,273	114,804	102,458	126,363	-12,253	72,783	76,993	82,097	78,172
Total Managed Expenditure ⁽⁸⁾	754,369	755,096	748,015	747,213	753,022	760,500	759,300	759,200	753,900

⁽¹⁾ Real terms figures are the cash figures adjusted to 2015-16 price levels using GDP deflators. The deflators are calculated from the data released by the office for National Statistics on 30 June 2016. The forecasts are consistent with the March 2016 Budget.

⁽²⁾ 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.

⁽³⁾ The Scottish Government's block grant has been adjusted to reflect the devolution of SDLT and Landfill tax with effect from 1st April 2015 and the creation of the Scottish Rate of Income Tax from 1st April 2016. Adjustments to the block grant from 2017-18 onwards will be reflected once the Scottish Government's Fiscal Framework has been implemented.

⁽⁴⁾ Transactions from 2011-12 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 1.14 Accounting adjustments,⁽¹⁾ 2011-12 to 2019-20

	£ billion								
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
Remove data in budgets which form part of public sector current expenditure but where a different source is used for National Accounts									
Resource DEL									
Capital consumption (excluding NHS)	-15.0	-14.9	-17.7	-15.0	-14.6	-17.1	-17.9	-18.4	-18.5
NHS capital consumption	-1.7	-1.8	-2.1	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8
Interest	-0.2	-0.2	-0.2	-0.1	0.0	-0.1	-0.1	0.0	0.0
Public corporation subsidies	-1.1	-1.7	-1.1	-0.9	-0.8	-0.7	-0.6	-0.6	-0.6
Other	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0
Total resource DEL	-18.0	-18.6	-21.1	-17.7	-17.1	-19.7	-20.4	-20.8	-20.9
Resource departmental AME									
Capital consumption	-1.6	-1.6	4.7	-1.2	-6.5	-8.9	-6.3	-6.6	-7.0
Interest	2.2	2.7	1.2	2.0	3.0	2.3	2.3	3.4	4.9
Subsidy element of renewable obligation certificates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subsidy element of other environmental levies	0.0	0.0	-0.1	-0.2	-0.4	-0.6	-0.8	-0.9	-1.0
NNDR outturn adjustment	-0.7	-0.1	-0.3	0.0	0.0	-0.3	0.0	0.0	0.0
Public corporation subsidies	-7.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	2.4	0.0	0.2	0.1	0.1	0.2	0.1	0.1	0.1
Total resource departmental AME	-5.1	1.0	5.7	0.8	-3.8	-7.3	-4.7	-4.0	-3.0
Adjustment for different data used by OBR in PSCE forecast	0.0	0.0	0.0	0.0	0.0	-6.5	-2.8	-1.5	-1.3
<i>of which DEL</i>	0.0	0.0	0.0	0.0	0.0	7.8	9.7	10.0	9.7
<i>of which AME</i>	0.0	0.0	0.0	0.0	0.0	-14.2	-12.5	-11.5	-10.9
Total resource budget data replaced by different source data	-23.1	-17.6	-15.3	-16.9	-21.0	-33.5	-27.9	-26.3	-25.2
Remove data in budgets which do not form part of public sector current expenditure									
Resource DEL									
Impairments	-0.4	-2.6	1.6	-0.5	-0.4	0.0	0.0	0.0	0.0
Receipts treated as negative DEL but revenue in National Accounts	0.1	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Fees, levies and charges	0.2	0.3	1.4	1.6	2.7	1.3	1.5	1.6	1.6
Grant equivalent element of student lending	-3.8	-4.0	-6.1	-1.8	-3.7	-3.5	-4.0	-4.4	-4.8
Stock write-offs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in pension scheme liabilities	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
Miscellaneous current transfers	1.4	1.8	2.5	2.7	2.2	2.1	1.9	1.7	2.0
Northern Ireland Executive transfers between DEL and AME ⁽²⁾	0.6	0.6	0.6	0.7	1.1	6.2	0.6	0.6	0.6
Profit or loss – sale of company securities	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Profit or loss – sale of other assets (capital in National Accounts)	0.1	0.0	-0.8	0.2	0.3	0.0	0.0	0.0	0.0
EU funded expenditure	-0.5	-0.3	-0.2	0.2	0.0	0.5	0.2	0.2	0.2
Other	-0.7	-0.1	-1.2	-0.9	-1.3	-1.8	-2.1	-2.2	-2.2
Total resource DEL	-3.1	-4.4	-2.1	2.3	1.0	4.7	-1.8	-2.6	-2.6
Resource departmental AME									
Impairments	12.4	15.1	-14.4	43.9	-5.3	-4.2	-4.0	-4.1	-4.0
Bad debts	-0.5	-0.5	-0.5	-0.3	-0.3	-0.5	-0.4	-0.4	-0.4
Grant equivalent element of student lending	1.6	0.1	-0.6	-0.5	7.5	0.1	0.1	0.1	0.1
Provisions	-5.4	-10.5	-8.3	-9.9	-127.6	-6.9	-7.7	-8.6	-9.2
Change in pension scheme liabilities	-27.1	-26.9	-28.7	-34.2	-38.0	-35.5	-35.9	-36.2	-36.6
Unwinding of discount rate on pension scheme liabilities	-44.0	-40.5	-38.0	-46.3	-42.7	-42.6	-42.2	-44.0	-45.6
Release of provisions covering payments of pension benefits	27.7	30.5	32.2	34.2	35.3	36.0	35.6	37.2	38.8
Fees, levies and charges	0.5	0.9	0.9	1.0	1.6	1.6	1.9	2.5	2.9
Profit or loss – sale of other assets (capital in National Accounts)	0.0	0.0	0.0	0.0	0.1	0.1	0.6	1.3	0.0
Imputed tax element of renewable obligation certificates	0.0	0.0	0.0	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	0.0	0.0	0.0
Tax credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-0.6	-0.8	4.5	-1.0	3.8	-6.6	-1.1	-1.1	-2.0
Total resource departmental AME	-35.3	-32.7	-52.9	-13.1	-165.5	-58.5	-53.1	-53.2	-56.0
Total resource budget data not in public sector current expenditure	-38.4	-37.1	-55.1	-10.8	-164.6	-53.8	-55.0	-55.8	-58.6

Table 1.14 Accounting adjustments,⁽¹⁾ 2011-12 to 2019-20 (continued)

	£ billion								
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans
Central government adjustments in National Accounts									
Expenditure on goods and services	26.2	21.0	24.3	23.5	17.9	24.0	24.4	24.8	25.8
of which: VAT refunds	5.0	5.1	5.0	5.0	5.0	4.9	4.6	4.5	4.5
of which: Single use military expenditure	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
of which: payment from EU for tax collection costs	-0.7	-0.7	-0.7	-0.8	-0.7	-0.6	-0.6	-0.7	-0.7
of which: capital consumption	16.7	17.1	17.6	18.0	18.4	19.6	20.7	21.8	22.8
of which: Network Rail	0.5	0.6	0.4	1.0	0.8	0.8	0.3	-0.2	-0.3
of which: other	4.4	-1.4	1.7	0.0	-5.9	-0.9	-0.9	-0.9	-0.9
Net social benefits	0.6	0.9	1.2	1.4	-0.1	0.6	0.6	0.6	0.6
of which: switch between benefits and other current grants	0.6	0.3	0.3	0.3	0.1	0.0	0.0	0.0	0.0
of which: other	0.0	0.6	0.9	1.1	-0.1	0.6	0.6	0.6	0.6
Net current grants abroad	0.8	0.8	0.8	0.8	1.0	0.5	0.5	0.5	0.5
of which: attributed aid	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which: EU receipts	4.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which: other	-3.2	0.8	0.8	0.8	1.0	0.5	0.5	0.5	0.5
Other current grants	-2.9	5.0	3.7	3.3	4.5	-0.2	-0.2	-0.2	-0.2
of which: switch between other current grants and benefits	-0.6	-0.3	-0.3	-0.3	-0.1	0.0	0.0	0.0	0.0
of which: other	-2.3	5.3	4.0	3.6	4.6	-0.2	-0.2	-0.2	-0.2
Subsidies	10.8	4.0	4.1	5.3	6.1	7.6	8.5	9.6	9.6
of which: Renewable Obligation Certificates	0.5	1.7	2.5	3.1	4.0	4.4	4.9	5.6	5.6
of which: other environmental levies	0.0	0.5	0.6	1.0	1.3	1.6	1.9	2.3	2.3
of which: company tax credits outside departmental AME	1.3	1.4	1.5	1.9	0.8	0.8	0.9	0.9	0.9
of which: other	9.0	0.5	-0.6	-0.7	0.0	0.8	0.8	0.8	0.8
Total central government resource adjustments	35.5	31.7	34.1	34.2	29.4	32.6	33.8	35.3	36.3
Local government adjustments in National Accounts									
Remove data which do not form part of public sector current expenditure	-5.4	-5.6	-5.2	-3.5	-3.3	-3.5	-3.5	-3.6	-3.6
of which: Northern Ireland regional rates	-0.6	-0.6	-0.6	-0.7	-0.7	-0.6	-0.6	-0.6	-0.6
of which: retirement benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which: debt interest payments to central government	-4.4	-2.8	-3.1	-2.5	-2.9	-2.9	-3.0	-3.0	-3.0
of which: other	-0.5	-2.1	-1.4	-0.3	0.2	0.0	0.0	0.0	0.0
Adjustments to reconcile use of different data sources	2.0	1.6	2.2	0.9	1.0	-3.7	-3.8	-3.8	-3.9
of which: central government support	-0.4	-1.7	-1.5	-1.2	0.1	-3.7	-3.8	-3.8	-3.9
of which: debt interest	0.5	-0.4	-0.2	-0.9	-0.4	0.0	0.0	0.0	0.0
of which: police and fire top up grants	1.4	1.6	1.7	1.9	0.0	0.0	0.0	0.0	0.0
of which: other	0.5	2.0	2.2	1.2	1.3	0.0	0.0	0.0	0.0
Expenditure on goods and services	18.2	20.1	20.2	19.8	19.0	20.0	20.4	21.0	21.6
of which: VAT refunds	6.8	6.5	6.6	6.6	6.6	6.3	6.1	6.1	6.1
of which: Local Authority Pension Scheme	1.9	2.0	1.9	1.8	1.8	1.9	2.0	2.1	2.2
of which: capital consumption	9.0	9.5	10.0	10.5	11.0	11.6	12.1	12.7	13.2
of which: rates	-1.4	-1.4	-1.4	-1.4	-1.4	-1.5	-1.5	-1.6	-1.6
of which: other	2.0	3.6	3.2	2.3	0.9	1.7	1.7	1.7	1.7
Subsidies	0.4	0.3	0.5	0.8	0.5	0.5	0.5	0.5	0.5
of which: equity injection into Housing Revenue Account	0.4	0.4	0.5	0.6	0.5	0.5	0.5	0.5	0.0
of which: other	0.0	-0.1	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Net social benefits	-0.9	-1.0	-1.0	-1.1	-1.2	-1.2	-1.2	-1.2	-1.2
of which: housing benefits and rent rebates	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
of which: other	-1.0	-1.0	-1.1	-1.1	-1.2	-1.2	-1.2	-1.2	-1.2
Other current grants and current grants abroad	-0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total local government resource adjustments	14.3	15.5	16.9	16.9	16.1	12.1	12.4	13.0	13.5
Other resource adjustments									
Public corporations	3.0	3.0	3.1	2.9	2.8	3.3	3.5	3.8	4.0
Asset Purchase Facility and Special Liquidity Scheme	-8.8	-12.1	-12.6	-12.4	-11.7	-12.4	-12.4	-11.7	-11.0
Other	-2.5	-2.4	-2.2	-2.3	-2.8	9.2	9.3	8.5	7.7
Total other resource adjustments	-8.2	-11.4	-10.9	-11.5	-7.3	-0.6	1.2	0.6	0.4
Total resource adjustments	-20.0	-18.9	-31.2	11.6	-152.5	-42.4	-36.3	-33.2	-33.3
of which:									
Timing adjustments ⁽²⁾									
Central government	9.3	5.8	6.7	4.5	-1.4	0.0	0.0	0.0	0.0
Local government	0.5	1.9	1.5	0.5	-1.1	0.0	0.0	0.0	0.0

Table 1.14 Accounting adjustments,⁽¹⁾ 2011-12 to 2019-20 (continued)

	£ billion								
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans
Remove data in budgets which form part of public sector gross investment but where a different source is used for National Accounts									
Capital DEL									
Change in inventories	0.0	0.0	0.0	0.1	0.0	-0.4	-0.6	-1.0	-0.8
Acquisitions less disposals of valuables	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total capital DEL	-0.2	-0.1	0.0	0.1	-0.1	-0.4	-0.6	-1.0	-0.8
Adjustment for different data used by OBR in PSGI forecast	0.0	0.0	0.0	0.0	0.0	-5.3	-4.0	-0.5	-2.6
<i>of which DEL</i>	0.0	0.0	0.0	0.0	0.0	-8.5	-7.8	-7.1	-7.9
<i>of which AME</i>	0.0	0.0	0.0	0.0	0.0	3.1	3.8	6.7	5.2
Total capital budget data replaced by different source data	-0.2	-0.1	0.0	0.1	-0.1	-5.7	-4.6	-1.4	-3.4
Remove data in budgets which do not form part of public sector gross investment									
Capital DEL									
Net lending to private sector	-2.1	-1.6	-3.0	-3.1	-2.0	-4.7	-4.9	-3.7	-3.9
Capital support for public corporations	0.1	0.0	0.4	0.9	-0.1	-0.1	0.0	0.0	0.0
Local government supported capital expenditure	0.0	0.0	0.0	0.0	-0.3	-0.2	-0.3	-0.1	0.0
Northern Ireland Executive transfers between DEL and AME	0.4	0.2	0.2	0.3	0.6	0.7	0.6	0.5	0.6
Other	0.3	0.1	0.0	0.9	-1.1	0.2	-0.5	-0.6	0.0
Total Capital DEL	-1.4	-1.3	-2.4	-0.9	-2.9	-4.2	-5.1	-4.0	-3.4
Capital departmental AME									
Net lending to private sector	-1.2	-3.3	4.5	2.3	17.5	-13.1	-17.1	-20.0	-22.9
Capital support for public corporations	-0.1	0.2	0.8	-0.3	0.0	0.0	0.0	0.0	0.0
Purchase of company securities	0.0	0.0	0.0	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	0.0	0.0	0.0
Northern Ireland Executive transfers between DEL and AME	-0.4	-0.1	-0.2	-0.2	-0.5	-0.7	-0.3	-0.2	-0.2
Other	0.1	0.2	0.6	-6.5	0.0	0.1	0.1	0.1	0.1
Total capital departmental AME	-1.7	-3.0	5.6	-4.7	17.0	-13.7	-17.3	-20.1	-23.0
Total capital budget data not in public sector gross investment	-3.1	-4.3	3.3	-5.7	14.1	-17.8	-22.4	-24.1	-26.4
Central government adjustments in National Accounts									
Gross fixed capital formation	5.2	4.8	6.8	3.4	0.0	6.5	5.7	3.2	4.6
<i>of which: profit or loss – sale of other assets (from resource budgets)</i>	-0.1	0.0	0.8	-0.2	-0.4	-0.1	-0.6	-1.3	0.0
<i>of which: Network Rail</i>	4.6	4.9	6.4	6.4	6.6	7.1	6.8	4.9	5.1
<i>of which: Single use military expenditure</i>	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
<i>of which: other</i>	1.1	0.2	0.0	-2.5	-5.9	-0.2	-0.2	-0.2	-0.2
Capital grants to and from the private sector	-5.7	3.3	-5.6	-5.3	-2.9	0.0	0.2	0.3	0.4
<i>of which: VAT refunds</i>	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<i>of which: Royal Mail assets transfer</i>	0.0	9.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which: Network Rail</i>	-3.9	-4.0	-3.6	-4.1	0.0	0.0	0.0	0.0	0.0
<i>of which: other</i>	-1.9	-2.2	-2.1	-1.3	-3.0	-0.1	0.1	0.2	0.3
Total central government capital adjustments	-0.6	8.1	1.1	-2.0	-2.9	6.6	6.0	3.5	4.9
Local government adjustments in National Accounts									
Adjustments to reconcile use of different data sources	-4.1	-1.8	-2.6	-3.6	1.0	-3.0	-2.9	-2.1	-1.7
<i>of which: overhanging debt</i>	-0.2	0.0	0.0	-0.1	-0.2	0.0	0.0	0.0	0.0
<i>of which: central government support</i>	-1.3	1.2	0.4	0.7	3.5	0.0	0.0	0.0	0.0
<i>of which: financial transactions</i>	-1.8	-2.1	-2.1	-2.7	-1.3	-2.3	-2.2	-1.4	-1.0
<i>of which: capital grants from private sector</i>	-0.9	-0.9	-0.9	-1.4	-1.0	-0.7	-0.7	-0.7	-0.7
Gross fixed capital formation	3.2	3.5	3.4	3.4	-1.3	2.3	2.3	2.2	2.2
<i>of which: VAT refunds</i>	2.1	2.1	2.1	2.0	2.1	2.3	2.3	2.2	2.2
<i>of which: roads de-trunking</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which: other</i>	1.1	1.4	1.3	1.4	-3.4	0.0	0.0	0.0	0.0
Capital grants	0.1	0.1	-0.1	-0.1	-1.4	0.0	0.0	0.0	0.0
<i>of which: grants to public corporations</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which: other</i>	0.1	0.1	-0.1	-0.1	-1.4	0.0	0.0	0.0	0.0
Total local government capital adjustments	-0.8	1.7	0.7	-0.3	-1.7	-0.7	-0.5	0.1	0.5
Other capital adjustments									
Public corporations	0.1	-0.2	-1.2	-0.7	0.2	0.0	0.0	0.0	0.0
Housing Revenue Account reform receipts	-8.1	0.0	0.0	0.0	-0.9	0.0	0.0	0.0	0.0
Other	0.2	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0
Total other capital adjustments	-7.8	-0.1	-1.2	-0.6	0.2	0.0	0.0	0.0	0.0
Total capital adjustments	-12.4	5.2	4.0	-8.5	9.6	-17.6	-21.6	-21.9	-24.3
<i>of which:</i>									
Timing adjustments ⁽²⁾									
Central government	-0.6	-1.9	-1.3	-3.2	-8.9	0.0	0.0	0.0	0.0
Local government	-0.2	-0.1	0.2	0.1	-0.7	0.0	0.0	0.0	0.0

⁽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 COINS 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 COINS data in the early years.

Table 1.15 Total Managed Expenditure by spending sector, 2011-12 to 2019-20

	£ million								
	National Statistics								
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
Central government own expenditure									
DEL ⁽¹⁾	262,267	260,131	269,507	275,538	274,057	281,162	293,419	298,567	303,585
Departmental AME ^{(1) (2)}	223,345	233,881	241,317	221,535	372,557	302,486	300,220	305,574	315,302
Locally financed support in Northern Ireland	588	621	632	661	652	585	585	585	585
Net expenditure transfers to the EU	9,978	11,529	11,879	11,658	11,253	12,401	10,080	11,811	12,282
Central government debt interest	49,704	48,856	48,668	45,241	44,942	47,805	51,001	54,137	54,379
Accounting and other adjustments ⁽²⁾	-12,780	-706	-13,194	12,782	-129,510	-47,976	-47,213	-47,218	-55,464
Total central government own expenditure	533,102	554,312	558,809	567,415	573,951	596,463	608,092	623,456	630,669
Local government expenditure									
Central government support in DEL	101,715	95,773	88,848	86,299	80,895	77,666	74,150	72,539	69,345
Central government support in departmental AME	29,702	30,255	36,685	37,641	37,794	36,760	37,280	37,691	38,191
Locally financed support in Scotland	2,182	2,263	2,435	2,650	2,789	2,769	2,800	2,800	2,800
Locally financed support in Wales	–	–	–	–	956	977	1,012	1,040	1,074
Local authority self-financed expenditure	35,465	26,515	27,099	29,290	32,859	32,864	34,335	34,271	36,287
Accounting and other adjustments	5,151	17,101	17,461	16,685	15,387	18,699	22,188	24,172	27,087
Total local government expenditure	174,215	171,907	172,528	172,565	170,680	169,735	171,765	172,513	174,784
Public corporations' expenditure									
DEL	72	124	-252	-816	182	150	10	36	44
Departmental AME ⁽²⁾	106	-457	-992	150	-159	-154	-55	-55	-55
Public corporations' own-financed capital expenditure	13,129	13,519	14,951	16,503	16,850	14,668	13,510	12,798	11,871
Accounting and other adjustments	3,208	3,433	3,405	3,146	3,179	3,444	3,687	3,962	4,155
Total public corporations' expenditure	16,515	16,619	17,112	18,983	20,052	18,108	17,152	16,741	16,015
Bank of England ⁽³⁾	-8,728	-12,018	-12,537	-12,355	-11,661	-12,362	-12,431	-11,749	-11,021
Total Managed Expenditure	715,104	730,820	735,912	746,608	753,022	771,900	784,600	801,000	810,400

⁽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 2A 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 2015-16) fall within the scope of National Statistics.

What's new

2.2 Since PESA 2015 there has been a change to the presentation of departmental groupings in the tables in this chapter. The departmental groupings are consistent with the presentation shown elsewhere in PESA and have been updated to reflect the groupings presented in the 2015 Spending Review and Budget 2016. More details of the composition of departmental groupings can be found in **Annex B**.

2.3 From September 2014 the UK, along with all other EU Member States, has been moving to produce its National Accounts using the new European System of Accounts 2010 (ESA10). Departmental budgets in this chapter have been re-stated to take account of the requirement to record Research & Development (R&D) expenditure as capital spend where previously it counted as resource. This has moved around £9 billion of expenditure from resource to capital budgets.

2.4 **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**.

2.5 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**.

2.6 **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.

2.7 **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.

2.8 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. **Current grants abroad** are mainly foreign aid, such as programmes to reduce poverty.

2.9 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).

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

2.11 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.

2.12 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: £1.0 billion in 2011-12, £0.5 billion in 2012-13, £0.0 billion in 2013-14 and £0.2 billion in 2014-15. This is mainly underwriting commission and guarantee fee income;
- Depreciation: In 2011-12 the impairment cost of RBS and LBG shares was £14.1 billion, offset by a -£28.4 billion gain for the BEAPFF. There was a further gain of -£17.1 billion in 2012-13 and an impairment of £13.0 billion in 2013-14. There was a further gain of £48.0 billion in 2014-15 and £6.3 billion in 2015-16.
- Other: income of -£0.8 billion in both 2011-12 and 2012-13, -£4.5 billion in 2013-14, -£0.5 billion in 2014-15 and -£6.2 billion in 2015-16. This is mainly interest paid to government and from the sale of shares in Lloyds Banking Group.

Capital budget

- Net lending to the private sector: -£4.6 billion in 2011-12, -£3.6 billion in 2012-13, -£4.9 billion in 2013-14, -£3.0 billion in 2014-15 and -£11.3 billion in 2015-16. 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, 2014-15 and 2015-16. Figures for 2015-16 also reflect the income from an initial sale of Royal Bank of Scotland shares in August 2015.

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 2.14 and 2.15).

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.

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

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, 2011-12 to 2019-20

	£ million									
	National Statistics					2016-17	2017-18	2018-19	2019-20	
	2011-12	2012-13	2013-14	2014-15	2015-16	plans	plans	plans	plans	
	outturn	outturn	outturn	outturn	outturn					
Resource DEL										
Staff costs	96,283	99,066	102,986	106,948	109,548	106,638	109,196	110,376	111,619	
Gross current procurement	102,786	105,132	107,539	112,263	116,811	121,616	121,161	123,923	127,193	
Income from sales of goods and services	-15,429	-16,547	-18,171	-19,683	-21,807	-21,144	-17,051	-17,579	-18,343	
Current grants to local government	90,812	86,105	79,704	76,051	70,428	67,222	64,232	62,392	60,961	
Current grants to persons and non-profit bodies	25,096	21,739	20,623	19,603	19,102	19,501	18,259	18,158	18,504	
Current grants abroad	450	975	2,585	1,735	2,557	4,370	2,657	3,609	3,124	
Subsidies to private sector companies	6,006	6,009	6,002	5,237	5,019	6,107	5,828	5,893	5,861	
Subsidies to public corporations	1,138	1,707	1,094	886	766	677	633	599	589	
Net public service pensions ⁽¹⁾	9	43	134	540	135	66	66	66	66	
Rentals	6,543	7,160	7,168	7,916	8,544	6,878	7,707	7,747	7,820	
Depreciation ⁽²⁾	19,269	21,504	22,298	17,169	18,734	20,600	21,900	22,800	23,300	
Take up of provisions	32	-21	-22	-147	44	-	-	-	-	
Release of provisions	-10	-12	-16	-2	-2	-1	-	-	-	
Change in pension scheme liabilities	29	22	16	74	16	2	2	2	2	
Unwinding of the discount rate on pension scheme liabilities	56	25	32	-	-	-	-	-	-	
Release of provisions covering payments of pensions benefits	-	-	-	-386	-	-	-	-	-	
Other	488	-1,750	-1,319	-3,218	-4,285	-6,929	-732	-484	-819	
Plus unallocated funds	-	-	-	-	-	2,650	3,351	2,950	474	
Total resource DEL	333,557	331,157	330,652	324,987	325,608	328,300	337,200	340,400	340,300	
Of which: administration budgets in resource DEL										
Staff costs	9,043	8,502	7,531	6,685	6,624	6,009	5,904	5,686	5,522	
Gross current procurement	4,251	4,057	4,319	5,000	4,465	4,691	4,398	4,101	4,070	
Income from sales of goods and services	-1,096	-1,005	-1,152	-1,625	-1,785	-1,131	-1,126	-1,110	-1,113	
Rentals	566	617	473	299	400	382	354	335	323	
Depreciation	769	744	637	504	477	930	934	939	945	
Other	-68	-440	-219	-475	-509	-294	-109	-99	-133	
Total administration budgets in resource DEL	13,465	12,476	11,589	10,388	9,672	10,587	10,355	9,851	9,613	
Resource departmental AME										
Staff costs	1,310	1,162	1,374	1,719	3,035	3,802	2,800	2,763	2,845	
Gross current procurement	2,301	3,279	2,916	3,095	5,194	3,636	5,141	5,103	5,168	
Income from sales of goods and services ⁽³⁾	-1,231	-1,240	-354	-461	-444	-397	-404	-388	-381	
Current grants to local government	29,412	30,123	36,552	37,331	37,486	36,991	37,547	37,996	38,320	
Current grants to persons and non-profit bodies	180,153	186,470	188,433	192,848	195,884	198,071	199,029	201,746	204,992	
Subsidies to private sector companies	445	465	604	1,099	1,773	2,317	2,503	2,663	2,810	
Subsidies to public corporations	-776	-83	-70	-66	3	2	-	-	-	
Net public service pensions ⁽¹⁾	6,668	8,577	8,947	9,641	9,530	9,366	10,042	11,484	12,786	
Rentals	-	83	107	109	-270	-289	-307	-332	-224	
Depreciation ⁽³⁾	-12,387	-13,633	10,358	-42,189	4,322	13,032	10,192	10,624	10,922	
Take up of provisions ⁽³⁾	12,754	18,185	13,120	14,317	133,361	10,817	11,405	12,582	13,566	
Release of provisions	-7,386	-7,637	-4,805	-4,369	-5,750	-3,904	-3,693	-3,997	-4,359	
Change in pension scheme liabilities	27,069	26,928	28,740	34,186	37,953	35,496	35,913	36,224	36,589	
Unwinding of the discount rate on pension scheme liabilities	44,012	40,499	37,991	46,256	42,710	42,560	42,226	43,989	45,562	
Release of provisions covering payments of pensions benefits	-27,725	-30,546	-32,246	-34,222	-35,309	-35,965	-35,596	-37,234	-38,803	
Other	-4,011	-2,562	-8,468	-4,991	-9,948	2,206	-4,283	-6,714	-6,433	
Total resource departmental AME	250,607	260,070	283,199	254,302	419,528	317,741	312,516	316,510	323,360	

Table 2.1 Budgets by economic category of spending, 2011-12 to 2019-20 (continued)

	National Statistics					£ million			
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
Resource budgets									
Staff costs	97,593	100,228	104,360	108,666	112,582	110,440	111,996	113,139	114,464
Gross current procurement	105,086	108,412	110,455	115,358	122,005	125,252	126,302	129,026	132,361
Income from sales of goods and services ⁽³⁾	-16,660	-17,787	-18,525	-20,144	-22,251	-21,541	-17,455	-17,966	-18,724
Current grants to local government	120,224	116,228	116,257	113,383	107,914	104,212	101,780	100,389	99,281
Current grants to persons and non-profit bodies	205,249	208,209	209,056	212,450	214,985	217,572	217,288	219,905	223,496
Current grants abroad	450	975	2,585	1,735	2,557	4,370	2,657	3,609	3,124
Subsidies to private sector companies	6,452	6,474	6,606	6,336	6,792	8,424	8,331	8,556	8,671
Subsidies to public corporations	362	1,625	1,023	821	769	680	633	599	589
Net public service pensions ⁽¹⁾	6,678	8,620	9,081	10,182	9,665	9,431	10,108	11,550	12,852
Rentals	6,543	7,243	7,275	8,025	8,274	6,588	7,399	7,415	7,596
Depreciation ⁽²⁾⁽³⁾	6,882	7,871	32,656	-25,020	23,055	33,673	32,123	33,416	34,217
Take up of provisions ⁽³⁾	12,786	18,163	13,098	14,170	133,405	10,817	11,405	12,582	13,566
Release of provisions	-7,396	-7,650	-4,821	-4,371	-5,752	-3,904	-3,693	-3,997	-4,359
Change in pension scheme liabilities	27,098	26,950	28,756	34,259	37,969	35,498	35,915	36,226	36,592
Unwinding of the discount rate on pension scheme liabilities	44,068	40,524	38,023	46,256	42,710	42,560	42,226	43,989	45,562
Release of provisions covering payments of pensions benefits ⁽⁴⁾	-27,726	-30,547	-32,247	-34,608	-35,309	-35,965	-35,596	-37,234	-38,803
Other	-3,524	-4,312	-9,787	-8,208	-14,234	-4,723	-5,015	-7,198	-7,253
Plus unallocated funds	–	–	–	–	–	2,650	3,351	2,950	474
Total resource budgets	584,165	591,227	613,851	579,289	745,136	646,034	649,756	656,956	663,705
Capital DEL									
Capital support for local government	10,903	9,668	9,144	10,248	10,467	10,444	9,917	10,147	8,384
Capital grants to persons and non-profit bodies	7,202	5,882	6,145	6,589	6,929	8,206	7,970	7,772	7,767
Capital grants to private sector companies	6,620	5,892	6,363	6,513	2,644	2,888	3,386	4,329	4,131
Capital grants abroad	1,895	1,851	2,092	2,063	2,419	2,602	2,851	2,888	2,921
Capital support for public corporations	260	297	-66	-599	439	528	396	401	413
Release of provisions	–	–	4	–	–	–	–	–	–
Gross capital procurement	23,790	25,051	25,851	28,336	24,900	26,832	27,836	28,524	30,992
Income from sales of assets	-1,282	-2,442	-1,445	-2,048	-2,119	-1,694	-1,856	-1,627	-1,835
Net lending and investment to the private sector and abroad ⁽³⁾	504	585	1,846	3,010	2,079	4,562	4,886	3,664	3,814
Other	-126	-409	-186	-909	449	-636	-69	127	-454
Plus unallocated funds in capital DEL	–	–	–	–	–	-1,236	-885	-1,275	-1,123
Total capital DEL	49,766	46,375	49,749	53,203	48,208	52,500	54,400	55,000	55,000
Capital departmental AME									
Capital support for local government	290	133	132	310	307	-230	-267	-305	-129
Capital grants to persons and non-profit bodies	338	369	327	333	610	407	407	407	407
Capital grants to private sector companies	-1	0	-1,016	-500	-13	–	–	–	–
Capital grants abroad	–	–	-20	17	-161	–	–	–	–
Capital support for public corporations	187	-198	-797	263	29	-14	–	–	–
Take up of Provisions	-33	35	73	149	137	–	–	–	–
Release of Provision	-22	-142	-73	-80	-99	-91	-88	-78	-78
Gross capital procurement	214	204	33	180	6,983	7,506	7,527	6,492	6,787
Income from sales of assets	–	-211	-127	-281	-126	–	–	–	–
Net lending and investment to the private sector and abroad	1,198	3,233	-4,761	-2,264	-17,689	13,090	17,043	19,979	22,886
Other	375	188	40	6,898	684	682	307	206	204
Total capital departmental AME	2,546	3,610	-6,189	5,024	-9,336	21,351	24,929	26,701	30,078

Table 2.1 Budgets by economic category of spending, 2011-12 to 2019-20 (continued)

	National Statistics					£ million			
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
Capital budgets									
Capital support for local government	11,193	9,800	9,276	10,558	10,774	10,214	9,650	9,842	8,255
Capital grants to persons and non-profit bodies	7,540	6,251	6,472	6,921	7,539	8,613	8,378	8,179	8,174
Capital grants to private sector companies	6,619	5,892	5,348	6,013	2,631	2,888	3,386	4,329	4,131
Capital grants abroad	1,895	1,851	2,072	2,080	2,259	2,602	2,851	2,888	2,921
Capital support for public corporations	447	99	-863	-336	468	514	396	401	413
Take up of Provisions	-33	35	73	149	137	—	—	—	—
Release of Provision	-22	-142	-69	-80	-99	-91	-88	-78	-78
Gross capital procurement	24,003	25,255	25,884	28,516	31,883	34,338	35,363	35,016	37,779
Income from sales of assets	-1,282	-2,652	-1,572	-2,328	-2,245	-1,694	-1,856	-1,627	-1,835
Net lending and investment to the private sector and abroad ⁽³⁾	1,702	3,818	-2,915	746	-15,610	17,652	21,929	23,642	26,700
Other	249	-221	-146	5,989	1,134	46	238	333	-250
Plus unallocated funds in capital DEL	—	—	—	—	—	-1,236	-885	-1,275	-1,123
Total capital budgets	52,312	49,984	43,559	58,227	38,872	73,846	79,363	81,651	85,087

⁽¹⁾ 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 publicservice pensions is used in Table 1.1.

⁽²⁾ Excludes NHS Trusts' depreciation as exceptionally this is not removed in the calculation of TDEL.

⁽³⁾ Transactions have been affected by financial sector interventions. See Box 2.A for details.

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

Table 2.2 Gross current procurement in budgets, 2011-12 to 2019-20

	£ million								
	National Statistics								
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
Gross current procurement in budgets									
Defence	12,235	11,013	11,549	11,836	11,220	10,840	10,346	10,614	10,839
Single Intelligence Account	899	846	831	970	1,072	1,320	987	1,058	1,124
Home Office	2,036	2,159	2,208	2,254	2,232	2,814	2,733	2,591	2,514
Foreign and Commonwealth Office	907	960	729	490	476	771	777	790	804
International Development	679	726	1,057	1,218	1,193	276	1,445	1,681	1,718
NHS (Health)	52,524	55,212	55,247	59,341	65,362	68,280	68,402	71,165	74,326
Work and Pensions	2,110	2,088	2,257	2,440	2,270	2,146	2,210	2,105	1,918
Education	2,329	2,881	3,561	4,120	3,893	2,999	5,046	5,397	5,733
Business, Innovation and Skills	723	648	900	713	638	388	456	445	454
Transport	1,732	1,854	1,953	1,745	3,953	3,999	4,179	4,189	4,231
Energy and Climate Change	1,931	1,598	1,789	1,814	1,869	1,778	1,755	1,702	1,592
Culture, Media and Sport	2,863	3,622	3,568	3,577	3,268	3,070	3,028	2,937	2,868
DCLG Communities	357	304	260	288	346	448	442	446	412
DCLG Local Government	89	89	0	—	—	—	—	—	—
Scotland ⁽¹⁾	6,188	6,851	7,406	7,902	7,520	7,700	7,786	7,805	7,842
Wales ⁽¹⁾	3,831	3,410	3,421	3,471	3,573	3,969	4,015	4,037	4,065
Northern Ireland ⁽¹⁾	3,715	4,126	4,296	4,212	4,262	4,139	4,198	4,203	4,213
Justice	6,031	5,867	5,382	4,825	4,460	5,307	4,480	4,093	4,075
Law Officers' Departments	299	281	278	300	307	341	337	344	347
Environment, Food and Rural Affairs	1,027	1,215	1,141	1,160	1,039	1,172	1,131	1,038	987
HM Treasury	161	381	202	246	576	491	107	103	99
HM Revenue & Customs	1,167	1,145	1,205	1,147	1,237	1,383	1,281	1,146	1,072
Cabinet Office	218	292	298	337	333	348	206	174	152
Small and Independent Bodies	1,032	844	915	948	907	1,275	955	963	977
Total gross current procurement in budgets	105,086	108,412	110,455	115,358	122,005	125,252	126,302	129,026	132,361

⁽¹⁾ The Devolved administrations have yet to make decisions on the detail of their budget allocations for 2017-18 onwards and are therefore unable to provide an economic breakdown of budgeting aggregates beyond 2016-17. Resource and capital totals have been split by HM Treasury using earlier years as a guide.

Table 2.3 Gross capital procurement in budgets, 2011-12 to 2019-20

	£ million								
	National Statistics								
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
Gross capital procurement in budgets									
Defence	9,482	8,760	8,411	9,145	9,015	8,324	8,728	8,942	9,174
Single Intelligence Account	531	494	535	563	580	664	567	585	655
Home Office	336	263	250	265	281	357	355	285	213
Foreign and Commonwealth Office	99	106	137	123	134	96	96	96	96
International Development	66	123	79	79	77	80	102	105	104
NHS (Health)	4,340	4,730	5,008	5,523	4,709	6,046	6,088	6,069	6,047
Work and Pensions	234	312	130	122	102	183	239	111	93
Education	17	2,227	2,441	3,127	892	623	551	6	5
Business, Innovation and Skills	1,281	1,269	1,383	1,333	1,376	985	849	847	781
Transport	1,452	1,198	1,517	2,219	9,190	9,965	10,422	10,552	13,633
Energy and Climate Change	1,444	1,786	1,710	1,862	1,845	2,007	2,036	1,938	1,909
Culture, Media and Sport	1,416	545	697	425	372	249	231	288	262
DCLG Communities	77	61	131	168	139	435	661	1,007	836
DCLG Local Government	0	1	—	—	—	—	—	—	—
Scotland ⁽¹⁾	942	1,215	1,087	1,053	1,066	1,210	1,236	1,291	1,359
Wales ⁽¹⁾	472	389	480	531	467	513	514	548	586
Northern Ireland ⁽¹⁾	868	925	933	1,011	787	1,160	1,088	1,054	1,063
Justice	418	326	363	365	297	716	921	711	484
Law Officers' Departments	3	2	3	4	3	15	15	16	8
Environment, Food and Rural Affairs	211	223	249	228	191	228	266	214	152
HM Treasury	20	11	3	13	3	12	10	7	5
HM Revenue & Customs	222	199	220	238	229	245	245	231	219
Cabinet Office	9	15	26	28	28	55	46	25	15
Small and Independent Bodies	67	75	91	92	99	172	99	91	77
Total gross capital procurement in budgets	24,003	25,255	25,884	28,516	31,883	34,338	35,363	35,016	37,779

⁽¹⁾ The Devolved administrations have yet to make decisions on the detail of their budget allocations for 2017-18 onwards and are therefore unable to provide an economic breakdown of budgeting aggregates beyond 2016-17. Resource and capital totals have been split by HM Treasury using earlier years as a guide.

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 2014-15, estimated outturn published in PESA 2015 (Cm 9122) is compared with the final outturn in **Chapter 1**;
- for 2015-16, the plans published in PESA 2015 are reconciled to final plans and compared to the estimated outturn in **Chapter 1**; and
- for 2016-17 to 2019-20 latest plans are compared with the published figures in the 2015 Spending Review.

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 2014-15;
- **Tables 3.5, 3.6, 3.7 and 3.8** show changes for 2015-16.
- **Tables 3.9-3.14** show plans for 2016-17 to 2019-20.

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 2015-16 to 2016-17 under the Budget Exchange system.

Machinery of Government and classification changes

3.4 From September 2014 the UK, along with all other EU Member States, has been moving to produce its National Accounts using the new European System of Accounts 2010 (ESA10). Departmental budgets in this chapter have been re-stated to take account of the requirement to record Research & Development (R&D) expenditure as capital spend where previously it counted as resource. This has moved around £9 billion of expenditure from resource to capital budgets. No significant Machinery of Government (MoG) changes have taken place since PESA 2015.

Policy changes

3.5 This section sets out the key spending policy decisions taken since PESA 2015. This mainly includes:

- measures announced in the Autumn Statement 2015 and March Budget 2016;
- claims on the Reserve; and
- carry forward of estimated resource and capital DEL under spends (with the agreement of the Treasury) from 2015-16 under the Budget Exchange (BX) system.

Policy changes in 2015-16 Tables 3.5 to 3.7

3.6 The impact of policy decisions on resource DEL and capital DEL budgets in 2015-16 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 2015-16 were:

- MOD received £0.4bn in respect of operations and peacekeeping, LIBOR and depreciation;
- MOJ received £0.4bn in respect of modernisation funding and other pressures;
- DH received £0.2bn to cover reduced Prescription Pricing Regulations Scheme income;
- Home Office received £0.2bn to meet the cost of migrant and other programmes;
- Scotland received an additional £0.2bn of funding;
- BIS received £0.1bn in respect of support for industry;
- DCLG received an additional £0.1bn for support to local authorities for severe weather recovery;
- DEFRA received an additional £0.1bn funding for various measures;
- HMRC, Cabinet Office, DWP, Northern Ireland and Wales each received an additional £0.1bn funding.

The main claims on the capital DEL Reserve in 2015-16 were:

- MOD received £0.1bn for their capital equipment programme;
- BIS received £0.1bn in respect of support for industry;
- HM Treasury received £0.1bn in respect of the Asian Infrastructure Investment Bank;
- Cabinet Office and Scotland each received an additional £0.1bn funding.

The other main policy decisions affecting 2015-16 DELs were:

- MOD switched £0.7bn from resource to single use military equipment (SUME) capital DEL to realign budgets;
- DH switched £1bn from CDEL from savings identified in capital programmes to RDEL to meet spending pressures;

- Northern Ireland switched £0.3bn from CDEL to RDEL to balance budget pressures;
- DfE switched £0.2bn from RDEL to CDEL.

3.7 Under the Budget Exchange system departments carried forward from 2015-16 into 2016-17 £0.1bn resource DEL and £0.3bn capital DEL.

Policy changes in 2016-17 Tables 3.9 to 3.11

3.8 The impact of policy decisions on resource DEL and capital DEL budgets in 2016-17 are set out in **Tables 3.9** and **3.11** respectively. The main policy decisions are set out below.

3.9 A number of claims on the reserve have already fed into 2016-17 control totals at Main Estimates 2016-17:

- £0.2bn resource DEL funding for MOD for operations and peacekeeping;
- Electoral Commission received £0.1bn resource DEL for the cost of conducting the EU referendum, public awareness campaigns and lead campaign grants;
- Cabinet office received £0.1bn resource DEL additional funding for various measures.

3.10 The other main policy decisions affecting 2016-17 DEL budgets were

- Cabinet Office switched £0.2bn from resource to capital DEL;
- DfT switched £0.1bn from resource to capital DEL;

Policy changes in 2017-18 to 2019-20 Tables 3.9 to 3.14

3.11 The impact of policy decisions on resource DEL and capital DEL budgets in 2017-18 to 2019-20 are set out in **Tables 3.9, 3.10, 3.13** and **3.14**. The main policy decisions are set out below.

3.12 Budget 2016 provided DfE additional resource DEL by accelerating fairer schools funding and academies' funding for 2017-18 to 2019-20 by £0.4bn, £0.6bn and £0.6bn respectively.

3.13 In Budget 2016 the government accelerated its investment plans in its priority areas. The budget changes for the main departments affected are in the table:

£ bn	2017-18	2018-19	2019-20
DCLG Communities	0.4	0.3	-0.5
DfE	0.1	0.5	-0.6
BIS	0.1	0.1	-0.1
DfT	0.2	0.2	-0.1
Total all departments	0.8	1.0	-1.6

Table 3.1 Resource DEL 2014-15; changes since PESA 2015

£ million					
	Final provision adjusted for MoG	Outturn in PESA 2015 adjusted for MoG	Transfers and classification changes since PESA 2015	Other changes since PESA 2015	Outturn
Resource DEL					
Defence	36,647	35,080	-950	25	34,155
Single Intelligence Account	2,203	2,187	-171	–	2,016
Home Office	11,637	11,477	-38	–	11,439
Foreign and Commonwealth Office	1,872	1,862	–	2	1,864
International Development	7,396	7,318	-300	–	7,017
Health	110,556	110,555	-1,021	-1	109,534
Work and Pensions	7,217	7,152	-4	–	7,148
Education	54,130	53,804	–	-140	53,665
Business, Innovation and Skills	19,523	15,383	-5,635	–	9,749
Transport	3,621	3,544	-84	–	3,460
Energy and Climate Change	1,468	1,401	–	4	1,405
Culture, Media and Sport	1,482	1,355	-15	-52	1,288
DCLG Communities	2,304	2,052	-5	–	2,047
DCLG Local Government	13,660	13,657	–	–	13,657
Scotland	26,727	26,423	-42	-9	26,373
Wales	14,394	14,203	–	0	14,202
Northern Ireland	10,281	10,205	-14	-3	10,189
Justice	7,705	7,592	-6	7	7,593
Law Officers' Departments	576	554	–	–	554
Environment, Food and Rural Affairs	1,922	1,887	-55	22	1,855
HM Revenue and Customs	3,518	3,464	–	–	3,464
HM Treasury	167	143	–	-7	137
Cabinet Office	672	655	–	-6	649
Small and Independent Bodies	1,739	1,673	-1	-144	1,528
Total resource DEL	341,418	333,629	-8,341	-301	324,987

Table 3.2 Resource DEL excluding depreciation 2014-15; changes since PESA 2015

				£ million	
	Final provision adjusted for MoG	Outturn in PESA 2015 adjusted for MoG	Transfers and classification changes since PESA 2015	Other changes since PESA 2015	
				Outturn	
Resource DEL excluding depreciation					
Defence	26,844	26,582	-950	-	25,632
Single Intelligence Account	1,769	1,762	-171	-	1,591
Home Office	11,329	11,197	-38	-	11,159
Foreign and Commonwealth Office	1,722	1,713	-	2	1,715
International Development	7,375	7,300	-300	0	7,000
Health	109,287	109,437	-1,021	-43	108,373
Work and Pensions	7,039	6,976	-4	-	6,972
Education	52,876	52,560	-	109	52,669
Business, Innovation and Skills	13,926	13,734	-5,635	-	8,100
Transport	2,613	2,552	-84	-	2,468
Energy and Climate Change	1,463	1,393	-	2	1,395
Culture, Media and Sport	1,300	1,230	-15	-33	1,182
DCLG Communities	2,269	2,059	-5	-	2,054
DCLG Local Government	13,660	13,657	-	-	13,657
Scotland	25,814	25,663	-42	-2	25,620
Wales	13,824	13,757	-	-4	13,754
Northern Ireland	9,748	9,703	-14	-3	9,686
Justice	7,115	7,157	-6	7	7,158
Law Officers' Departments	569	547	-	-	547
Environment, Food and Rural Affairs	1,731	1,703	-55	17	1,664
HM Revenue and Customs	3,264	3,188	-	-	3,188
HM Treasury	162	138	-	-7	131
Cabinet Office	657	642	-	-6	636
Small and Independent Bodies	1,658	1,607	-1	-139	1,466
Total resource DEL	318,010	316,259	-8,341	-100	307,818

Table 3.3 Capital DEL 2014-15; changes since PESA 2015

				£ million	
	Final provision adjusted for MoG	Outturn in PESA 2015 adjusted for MoG	Transfers and classification changes since PESA 2015	Other changes since PESA 2015	
				Outturn	
Capital DEL					
Defence	7,824	7,786	950	–	8,736
Single Intelligence Account	381	379	171	–	550
Home Office	500	482	38	–	520
Foreign and Commonwealth Office	174	159	–	-1	158
International Development	2,365	2,350	300	0	2,650
Health	4,014	3,863	1,021	87	4,971
Work and Pensions	281	249	4	0	253
Education	4,757	4,468	–	-231	4,237
Business, Innovation and Skills	2,978	2,011	5,635	–	7,646
Transport	9,461	9,363	84	-57	9,389
Energy and Climate Change	2,342	2,242	–	-1	2,241
Culture, Media and Sport	361	264	15	-36	243
DCLG Communities	4,664	4,327	5	–	4,332
Scotland	3,497	3,143	42	104	3,289
Wales	1,503	1,500	–	–	1,500
Northern Ireland	1,084	1,069	14	2	1,085
Justice	296	289	6	–	295
Law Officers' Departments	8	4	–	–	4
Environment, Food and Rural Affairs	651	636	55	2	693
HM Revenue and Customs	250	232	–	–	232
HM Treasury	47	36	–	–	36
Cabinet Office	51	51	–	-1	50
Small and Independent Bodies	95	82	1	9	92
Total capital DEL	47,583	44,985	8,341	-123	53,203

Table 3.4 Total Managed Expenditure 2014-15; changes since PESA 2015

	Outturn in PESA 2015	Transfers and classification changes since PESA 2015	Other changes since PESA 2015	Outturn
£ million				
CURRENT EXPENDITURE				
<i>Resource DEL</i>				
Total resource DEL	333,629	-8,341	-301	324,987
<i>Resource departmental AME</i>				
Social security benefits	184,002	–	183	184,185
Tax credits	29,187	–	–	29,187
Net public service pensions	10,033	–	-428	9,605
National lottery	1,355	–	84	1,440
BBC domestic services	3,768	–	-235	3,533
Student loans	-1,579	–	–	-1,579
Non-cash items	71,695	–	-10,665	61,030
Financial sector interventions	-48,717	–	48	-48,669
Other departmental expenditure	3,932	–	11,638	15,571
Total resource departmental AME	253,676	–	626	254,302
<i>Resource other AME</i>				
Net expenditure transfers to the EU ⁽¹⁾	8,881	–	2,777	11,658
Locally financed expenditure	28,814	–	-3,274	25,540
Central government gross debt interest	45,422	–	-181	45,241
Accounting adjustments	-1,777	–	13,332	11,555
Total resource other AME	81,340	–	12,654	93,994
Total resource AME	335,016	–	13,280	348,296
Public sector current expenditure	668,645	-8,341	12,979	673,283
CAPITAL EXPENDITURE				
<i>Capital DEL</i>				
Total capital DEL	44,985	8,341	-123	53,203
<i>Capital departmental AME</i>				
National lottery	545	–	39	584
BBC domestic services	137	–	-26	111
Student loans	11,477	–	0	11,477
Financial sector interventions	-2,943	–	-87	-3,030
Other departmental expenditure	-3,549	–	-568	-4,118
Total capital departmental AME	5,667	–	-642	5,024
<i>Capital other AME</i>				
Locally financed expenditure	5,425	–	1,635	7,060
Public corporations' own-financed capital expenditure	8,506	–	7,997	16,503
Accounting adjustments	2,305	–	-10,770	-8,465
Total capital other AME	16,236	–	-1,138	15,098
Total capital AME	21,903	–	-1,781	20,122
Public sector gross investment	66,888	8,341	-1,904	73,325
<i>less public sector depreciation</i>	36,034	–	2,548	38,582
Public sector net investment	30,854	8,341	-4,452	34,743
Total Managed Expenditure	735,533	–	11,075	746,608

⁽¹⁾ Includes VAT-based contributions to the EU, reflecting changes in the European System of Accounts 2010.

Table 3.5 Resource DEL 2015-16; changes since PESA 2015

	£ million				
	Plans in PESA 2015 adjusted for MOG	Transfers and classification changes since PESA 2015	Other changes since PESA 2015	Final provision adjusted for R&D	Outturn
Resource DEL					
Defence	36,641	-986	-292	35,363	34,424
Single Intelligence Account	2,382	-172	-12	2,197	2,159
Home Office	10,549	38	195	10,782	10,690
Foreign and Commonwealth Office	1,991	1	-21	1,971	1,956
International Development	7,423	-382	-112	6,929	6,859
Health	113,326	-985	1,155	113,495	113,661
Work and Pensions	6,459	-22	67	6,504	6,472
Education	54,772	-23	-131	54,617	54,419
Business, Innovation and Skills	17,812	-5,821	67	12,058	10,986
Transport	3,756	-5	-631	3,119	3,019
Energy and Climate Change	1,400	14	7	1,421	1,404
Culture, Media and Sport	1,304	6	5	1,316	1,259
DCLG Communities	2,397	7	56	2,461	2,190
DCLG Local Government	10,639	-3	122	10,759	10,758
Scotland	26,567	-38	70	26,599	26,391
Wales	13,525	0	42	13,568	13,335
Northern Ireland	10,111	-8	401	10,504	10,164
Justice	6,867	24	400	7,290	7,171
Law Officers' Departments	535	3	25	563	546
Environment, Food and Rural Affairs	1,774	-40	65	1,798	1,747
HM Revenue and Customs	3,725	1	-118	3,608	3,576
HM Treasury	140	2	13	155	137
Cabinet Office	532	25	53	610	576
Small and Independent Bodies	1,696	20	46	1,761	1,707
Reserves	3,015	–	–	–	–
OBR allowance for shortfall	-750	–	–	–	–
Adjustment for Budget Exchange	-2,165	–	–	–	–
Total resource DEL	336,422	-8,344	1,469	329,448	325,608

Table 3.6 Resource DEL excluding depreciation 2015-16; changes since PESA 2015

	£ million				
	Plans in PESA 2015 adjusted for MOG	Transfers and classification changes since PESA 2015	Other changes since PESA 2015	Final provision adjusted for R&D	Outturn
Resource DEL excluding depreciation					
Defence	28,141	-986	-417	26,738	26,696
Single Intelligence Account	1,897	-166	46	1,777	1,754
Home Office	10,291	38	195	10,525	10,442
Foreign and Commonwealth Office	1,811	-4	-21	1,786	1,765
International Development	7,405	-377	-112	6,916	6,847
Health	111,939	-985	1,155	112,108	112,561
Work and Pensions	6,278	-22	67	6,323	6,288
Education	53,543	-23	-132	53,388	53,210
Business, Innovation and Skills	13,071	-5,821	67	7,317	7,137
Transport	2,419	-5	-471	1,942	1,920
Energy and Climate Change	1,395	14	5	1,414	1,395
Culture, Media and Sport	1,120	6	6	1,132	1,116
DCLG Communities	2,375	7	66	2,448	2,189
DCLG Local Government	10,639	-3	122	10,759	10,758
Scotland	25,536	-38	192	25,690	25,612
Wales	12,899	0	28	12,928	12,821
Northern Ireland	9,561	-8	401	9,954	9,909
Justice	6,266	24	400	6,690	6,717
Law Officers' Departments	527	3	25	555	540
Environment, Food and Rural Affairs	1,587	-40	65	1,611	1,579
HM Revenue and Customs	3,453	1	-132	3,323	3,303
HM Treasury	135	2	11	147	129
Cabinet Office	516	25	40	581	558
Small and Independent Bodies	1,617	21	43	1,681	1,631
Reserves	3,015	–	–	–	–
OBR allowance for shortfall	-750	–	–	–	–
Adjustment for Budget Exchange	-2,165	–	–	–	–
Total resource DEL	314,521	-8,335	1,648	307,733	306,875

Table 3.7 Capital DEL 2015-16; changes since PESA 2015

					£ million
	Plans in PESA 2015 adjusted for MOG	Transfers and classification changes since PESA 2015	Other changes since PESA 2015	Final provision adjusted for R&D	Outturn
Capital DEL					
Defence	6,823	932	796	8,552	8,402
Single Intelligence Account	360	158	58	576	574
Home Office	468	36	-5	499	477
Foreign and Commonwealth Office	102	1	36	139	131
International Development	2,625	311	-450	2,486	2,433
Health	4,635	2,061	-1,978	4,718	4,668
Work and Pensions	225	4	-2	227	188
Education	4,700	-	185	4,886	4,776
Business, Innovation and Skills	3,771	5,821	-703	8,889	8,305
Transport	6,090	-	-56	6,034	5,885
Energy and Climate Change	2,520	-27	-181	2,312	2,289
Culture, Media and Sport	415	15	-48	381	327
DCLG Communities	5,277	6	-1,292	3,991	3,851
Scotland	3,073	97	36	3,205	3,126
Wales	1,515	11	26	1,553	1,536
Northern Ireland	1,100	16	-328	788	766
Justice	327	-37	-4	286	266
Law Officers' Departments	5	-	-	5	3
Environment, Food and Rural Affairs	493	39	55	588	570
HM Revenue and Customs	163	3	68	234	228
HM Treasury	-739	0	82	-657	-660
Cabinet Office	16	1	-40	-23	-30
Small and Independent Bodies	112	-1	3	113	98
Reserves	1,295	-	-	-	-
OBR allowance for shortfall	-1,750	-	-	-	-
Adjustment for Budget Exchange	-1,966	-	-	-	-
Total capital DEL	41,656	9,447	-3,742	49,781	48,208

Table 3.8 Total Managed Expenditure 2015-16; changes since PESA 2015

	Plans in PESA 2015	Transfers and classification changes since PESA 2015	Other changes since PESA 2015	£ million Outturn
CURRENT EXPENDITURE				
<i>Resource DEL</i>				
Total resource DEL	336,422	-8,344	-2,419	325,608
<i>Resource departmental AME</i>				
Social security benefits	186,568	–	1,016	187,584
Tax credits	29,514	–	-1,032	28,482
Net public service pensions	10,781	–	1,392	12,174
National lottery	1,262	–	-140	1,121
BBC domestic services	3,723	–	-115	3,608
Student loans	-1,901	–	218	-1,683
Non-cash items	79,598	–	106,348	185,946
Financial sector interventions	-484	–	-12,008	-12,492
Other departmental expenditure	7,503	373	6,912	14,788
Total resource departmental AME	316,565	373	102,590	419,528
<i>Resource other AME</i>				
Net expenditure transfers to the EU ⁽¹⁾	9,315	–	1,938	11,253
Locally financed expenditure	26,903	–	3,066	29,969
Central government gross debt interest	46,683	–	-997	45,686
Accounting adjustments	-61,302	–	-91,226	-152,527
Total resource other AME	21,599	–	-87,219	-65,620
Total resource AME	338,163	373	15,371	353,908
Public sector current expenditure	674,586	-7,971	12,952	679,516
CAPITAL EXPENDITURE				
<i>Capital DEL</i>				
Total capital DEL	41,656	9,447	-2,895	48,208
<i>Capital departmental AME</i>				
National lottery	538	–	-84	454
BBC domestic services	134	–	-17	117
Student loans	12,828	–	-232	12,596
Financial sector interventions	530	–	-11,845	-11,315
Other departmental expenditure	2,661	–	-13,850	-11,189
Total capital departmental AME	16,691	–	-26,028	-9,336
<i>Capital other AME</i>				
Locally financed expenditure	6,966	–	1,239	8,206
Public corporations' own-financed capital expenditure	7,272	–	9,579	16,850
Accounting adjustments	-5,409	–	14,987	9,578
Total capital other AME	8,829	–	25,805	34,634
Total capital AME	25,521	–	-223	25,298
Public sector gross investment	67,176	9,447	-3,117	73,506
<i>less public sector depreciation</i>	38,442	–	1,233	39,675
Public sector net investment	28,734	9,447	-4,350	33,831
Total Managed Expenditure	741,762	1,476	9,835	753,022

⁽¹⁾ Includes VAT-based contributions to the EU, reflecting changes in the European System of Accounts 2010.

Table 3.9 Resource DEL 2016-17 and 2017-18; changes since SR 2015

	2016-17				2017-18				£ million
	Plans in SR2015 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	Plans in SR2015 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	
Resource DEL									
Defence	36,247	-1,157	230	35,320	36,979	-1,036	–	35,943	
Single Intelligence Account	2,278	22	-99	2,201	2,449	-174	-131	2,144	
Home Office	11,032	-7	35	11,061	10,967	88	76	11,131	
Foreign and Commonwealth Office	1,151	947	-74	2,024	1,169	223	-69	1,323	
International Development	9,088	-1,774	131	7,445	9,336	-1,260	–	8,076	
Health	116,998	-816	130	116,312	120,105	-895	124	119,334	
Work and Pensions	6,239	-18	44	6,265	6,446	-4	33	6,475	
Education	55,708	-173	266	55,802	56,734	-160	999	57,573	
Business, Innovation and Skills	18,105	-5,840	-1,139	11,126	17,030	-5,507	-816	10,707	
Transport	3,359	-79	-113	3,167	3,401	-75	293	3,619	
Energy and Climate Change	914	-17	16	912	977	-24	–	953	
Culture, Media and Sport	1,370	-11	-14	1,345	1,332	-10	-6	1,317	
DCLG Communities	1,280	-38	1,585	2,827	1,282	-11	1,680	2,951	
DCLG Local Government	9,604	0	-1,398	8,206	7,439	–	-2,274	5,165	
Scotland ⁽¹⁾	27,133	-32	-5,547	21,554	27,333	-43	216	27,507	
Wales	13,653	11	25	13,689	13,774	10	129	13,913	
Northern Ireland	10,327	-11	-16	10,300	10,405	-9	73	10,469	
Justice	7,175	11	-12	7,174	6,911	11	-12	6,910	
Law Officers' Departments	530	6	11	546	539	6	2	548	
Environment, Food and Rural Affairs	1,882	-34	64	1,911	1,793	-27	97	1,862	
HM Revenue and Customs	3,804	-1	79	3,882	3,652	-12	111	3,751	
HM Treasury	169	0	15	185	161	0	1	162	
Cabinet Office	573	47	143	763	581	30	-1	610	
Small and Independent Bodies	1,580	151	119	1,850	1,573	128	23	1,724	
Reserves	3,500	–	-486	3,000	3,400	–	169	3,600	
OBR allowance for shortfall	-1,000	–	500	-500	-1,000	–	500	-500	
Adjustment for Budget Exchange ⁽²⁾	–	–	-88	-100	–	–	–	–	
Total resource DEL	342,699	-8,814	-5,592	328,300	344,769	-8,749	1,219	337,200	

⁽¹⁾ The Scottish Government's block grant has been adjusted to reflect the devolution of SDLT and Landfill tax with effect from 1st April 2015 and the creation of the Scottish Rate of Income Tax from 1st April 2016. Adjustments to the block grant from 2017-18 onwards will be reflected once the Scottish Government's Fiscal Framework has been implemented.

⁽²⁾ Departments budgets in 2016-17 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 2018-19 and 2019-20; changes since SR 2015

	2018-19				2019-20				£ million
	Plans in SR2015 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	Plans in SR2015 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	
Resource DEL									
Defence	37,632	-936	–	36,696	38,451	-904	–	37,547	
Single Intelligence Account	2,572	-176	-120	2,276	2,683	-177	-108	2,398	
Home Office	10,911	80	92	11,083	10,899	59	44	11,002	
Foreign and Commonwealth Office	1,188	220	-69	1,339	1,209	215	-69	1,356	
International Development	10,761	-1,428	–	9,333	11,064	-1,538	-649	8,877	
Health	122,695	-847	144	121,992	125,472	-839	144	124,777	
Work and Pensions	6,097	-4	18	6,111	5,613	-4	-26	5,583	
Education	57,651	-154	1,250	58,747	58,402	-148	1,459	59,714	
Business, Innovation and Skills	16,462	-5,453	-337	10,672	16,214	-5,356	33	10,891	
Transport	3,498	-74	297	3,721	3,102	-72	297	3,327	
Energy and Climate Change	979	-22	–	957	865	-18	–	847	
Culture, Media and Sport	1,336	-6	1	1,332	1,296	-6	14	1,305	
DCLG Communities	1,198	-11	1,264	2,451	1,107	-6	1,131	2,232	
DCLG Local Government	6,148	–	-1,848	4,300	5,414	–	-1,875	3,539	
Scotland	27,382	-44	280	27,618	27,503	-47	328	27,784	
Wales	13,831	18	164	14,014	13,911	30	192	14,133	
Northern Ireland	10,411	-9	93	10,495	10,435	-9	108	10,533	
Justice	6,408	11	-11	6,407	6,263	11	2	6,276	
Law Officers' Departments	549	6	7	563	549	6	7	563	
Environment, Food and Rural Affairs	1,663	-25	94	1,732	1,594	-23	92	1,663	
HM Revenue and Customs	3,401	-14	100	3,488	3,198	-13	108	3,293	
HM Treasury	153	0	-1	153	146	0	0	147	
Cabinet Office	559	33	-1	591	619	35	-1	653	
Small and Independent Bodies	1,563	122	4	1,689	1,555	116	1	1,673	
Reserves	3,500	–	184	3,700	4,100	–	133	4,200	
OBR allowance for shortfall	-1,500	–	500	-1,000	-1,500	–	1,000	-500	
Adjustment for planned efficiency savings	–	–	–	–	–	–	-3,500	-3,500	
Total resource DEL	347,049	-8,710	2,107	340,400	350,165	-8,687	-1,133	340,300	

Table 3.11 Resource DEL excluding depreciation 2016-17 and 2017-18; changes since SR 2015

	2016-17				2017-18				£ million
	Plans in SR2015 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	Plans in SR2015 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	
Resource DEL excluding depreciation									
Defence	27,747	-1,157	230	26,820	28,479	-1,036	–	27,443	
Single Intelligence Account	1,793	22	32	1,846	1,964	-174	–	1,790	
Home Office	10,777	-7	2	10,773	10,712	88	0	10,800	
Foreign and Commonwealth Office	971	947	–	1,918	989	223	–	1,212	
International Development	9,070	-1,774	131	7,427	9,318	-1,260	–	8,058	
Health	115,611	-816	6	114,801	118,718	-895	–	117,823	
Work and Pensions	6,058	-18	30	6,070	6,265	-4	34	6,295	
Education	54,480	-173	-21	54,286	55,506	-160	510	55,855	
Business, Innovation and Skills	13,364	-5,840	222	7,746	12,289	-5,507	141	6,923	
Transport	2,022	-79	-5	1,938	2,064	-75	–	1,989	
Energy and Climate Change	909	-17	16	907	972	-24	–	948	
Culture, Media and Sport	1,185	-11	9	1,183	1,147	-10	8	1,145	
DCLG Communities	1,255	-38	1,559	2,776	1,257	-11	1,614	2,860	
DCLG Local Government	9,604	–	-1,398	8,206	7,439	–	-2,274	5,165	
Scotland ⁽¹⁾	26,101	-32	-5,483	20,587	26,302	-43	191	26,450	
Wales	13,026	11	63	13,100	13,147	10	120	13,277	
Northern Ireland	9,777	-11	6	9,772	9,855	-9	65	9,911	
Justice	6,574	11	7	6,592	6,310	11	–	6,321	
Law Officers' Departments	522	6	11	538	531	6	0	537	
Environment, Food and Rural Affairs	1,695	-34	40	1,701	1,606	-27	40	1,619	
HM Revenue and Customs	3,533	-1	30	3,562	3,381	-12	58	3,427	
HM Treasury	163	0	15	179	155	0	–	156	
Cabinet Office	558	47	131	736	566	30	-1	595	
Small and Independent Bodies	1,501	151	111	1,763	1,494	128	17	1,639	
Reserves	3,500	–	-486	3,000	3,400	–	169	3,600	
OBR allowance for shortfall	-1,000	–	500	-500	-1,000	–	500	-500	
Adjustment for Budget Exchange ⁽²⁾	–	–	-88	-100	–	–	–	–	
Total resource DEL	320,798	-8,814	-4,331	307,700	322,867	-8,749	1,190	315,300	

⁽¹⁾ The Scottish Government's block grant has been adjusted to reflect the devolution of SDLT and Landfill tax with effect from 1st April 2015 and the creation of the Scottish Rate of Income Tax from 1st April 2016. Adjustments to the block grant from 2017-18 onwards will be reflected once the Scottish Government's Fiscal Framework has been implemented.

⁽²⁾ Departments budgets in 2016-17 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 3.12 Resource DEL excluding depreciation 2018-19 and 2019-20; changes since SR 2015

	2018-19				2019-20				£ million
	Plans in SR2015 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	Plans in SR2015 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	
Resource DEL excluding depreciation									
Defence	29,132	-936	–	28,196	29,951	-904	–	29,047	
Single Intelligence Account	2,087	-176	–	1,911	2,198	-177	–	2,021	
Home Office	10,656	80	-6	10,730	10,644	59	-11	10,692	
Foreign and Commonwealth Office	1,008	220	–	1,228	1,029	215	–	1,244	
International Development	10,743	-1,428	–	9,315	11,046	-1,538	-650	8,858	
Health	121,308	-847	–	120,461	124,085	-839	–	123,246	
Work and Pensions	5,916	-4	34	5,946	5,432	-4	–	5,428	
Education	56,423	-154	560	56,829	57,174	-148	571	57,597	
Business, Innovation and Skills	11,721	-5,453	202	6,470	11,473	-5,356	226	6,343	
Transport	2,161	-74	–	2,087	1,765	-72	–	1,693	
Energy and Climate Change	974	-22	–	952	860	-18	–	842	
Culture, Media and Sport	1,151	-6	–	1,145	1,111	-6	–	1,106	
DCLG Communities	1,173	-11	1,130	2,292	1,082	-6	1,131	2,207	
DCLG Local Government	6,148	–	-1,848	4,300	5,414	–	-1,875	3,539	
Scotland	26,351	-44	206	26,513	26,471	-47	214	26,639	
Wales	13,205	18	128	13,351	13,285	30	131	13,445	
Northern Ireland	9,861	-9	69	9,921	9,885	-9	70	9,946	
Justice	5,807	11	–	5,818	5,662	11	–	5,673	
Law Officers' Departments	541	6	0	548	541	6	–	548	
Environment, Food and Rural Affairs	1,476	-25	40	1,491	1,407	-23	40	1,424	
HM Revenue and Customs	3,130	-14	20	3,136	2,927	-13	–	2,914	
HM Treasury	147	0	–	148	140	0	–	141	
Cabinet Office	544	33	-1	576	604	35	-1	638	
Small and Independent Bodies	1,485	122	-3	1,604	1,476	116	-5	1,588	
Reserves	3,500	–	184	3,700	4,100	–	133	4,200	
OBR allowance for shortfall	-1,500	–	500	-1,000	-1,500	–	1,000	-500	
Adjustment for planned efficiency savings	–	–	–	–	–	–	-3,500	-3,500	
Total resource DEL	325,148	-8,710	1,216	317,700	328,264	-8,687	-2,526	317,100	

Table 3.13 Capital DEL 2016-17 and 2017-18; changes since SR 2015

	2016-17				2017-18				£ million
	Plans in SR2015 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	Plans in SR2015 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	
Resource DEL									
Defence	7,255	872	–	8,127	7,512	981	–	8,493	
Single Intelligence Account	415	226	8	649	384	183	–	567	
Home Office	483	44	0	527	528	46	0	575	
Foreign and Commonwealth Office	98	–	–	98	98	0	–	98	
International Development	2,726	313	-445	2,594	3,248	389	–	3,637	
Health	4,810	1,000	–	5,810	4,810	1,076	–	5,886	
Work and Pensions	303	4	–	307	374	4	–	378	
Education	5,189	–	75	5,264	4,646	–	100	4,746	
Business, Innovation and Skills	3,149	5,920	-202	8,867	2,216	5,838	-61	7,994	
Transport	6,255	-817	-1	5,437	7,639	-729	151	7,061	
Energy and Climate Change	2,377	33	11	2,420	2,460	27	23	2,510	
Culture, Media and Sport	368	15	0	384	371	16	8	394	
DCLG Communities	4,161	1,031	349	5,541	3,941	809	399	5,148	
Scotland	3,158	42	14	3,214	3,191	43	3	3,236	
Wales	1,531	–	13	1,544	1,522	-	2	1,524	
Northern Ireland	1,123	12	3	1,138	1,137	12	1	1,150	
Justice	653	9	-7	655	742	–	–	742	
Law Officers' Departments	15	–	–	15	15	–	–	15	
Environment, Food and Rural Affairs	570	36	4	610	613	34	37	684	
HM Revenue and Customs	243	-2	0	242	235	–	7	242	
HM Treasury	82	–	–	82	87	–	–	87	
Cabinet Office	45	10	–	55	46	–	–	46	
Small and Independent Bodies	113	8	53	173	122	8	–	129	
Reserves	1,100	–	-63	1,000	1,300	–	-6	1,300	
OBR allowance for shortfall	-2,000	–	0	-2,000	-2,000	–	-200	-2,200	
Adjustment for Budget Exchange ⁽¹⁾	–	–	-293	-300	–	–	–	–	
Total resource DEL	44,222	8,754	-481	52,500	45,236	8,733	464	54,400	

⁽¹⁾ Departments budgets in 2016-17 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 3.14 Capital DEL 2018-19 and 2019-20; changes since SR 2015

	2018-19				2019-20				£ million
	Plans in SR2015 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	Plans in SR2015 adjusted for MOG	Transfers and classification changes	Reserve allocation and other policy changes	New Plans	
Resource DEL									
Defence	7,845	900	–	8,745	8,128	856	–	8,984	
Single Intelligence Account	400	185	–	585	469	186	–	655	
Home Office	451	45	–	496	436	47	–	482	
Foreign and Commonwealth Office	98	0	–	98	98	0	–	98	
International Development	2,809	398	–	3,207	3,113	394	–	3,507	
Health	4,810	1,093	–	5,903	4,810	1,108	–	5,918	
Work and Pensions	251	4	–	255	223	4	–	227	
Education	4,446	–	498	4,944	4,441	–	-598	3,843	
Business, Innovation and Skills	1,714	5,857	-120	7,451	1,746	5,871	-329	7,288	
Transport	8,941	-606	165	8,500	11,418	-799	-154	10,465	
Energy and Climate Change	2,365	25	23	2,413	2,335	22	-46	2,311	
Culture, Media and Sport	361	16	–	377	287	16	–	303	
DCLG Communities	4,397	683	252	5,332	4,053	874	-501	4,426	
Scotland	3,242	44	8	3,295	3,372	47	10	3,428	
Wales	1,566	–	6	1,572	1,648	–	9	1,657	
Northern Ireland	1,150	12	4	1,165	1,192	12	5	1,209	
Justice	692	–	–	692	417	–	–	417	
Law Officers' Departments	16	–	–	16	8	–	–	8	
Environment, Food and Rural Affairs	556	32	81	669	499	30	-21	508	
HM Revenue and Customs	228	–	0	228	216	–	–	216	
HM Treasury	84	–	–	84	82	–	–	82	
Cabinet Office	25	–	–	25	15	–	–	15	
Small and Independent Bodies	114	8	–	121	100	8	–	108	
Reserves	1,300	–	-22	1,300	1,300	–	-146	1,200	
OBR allowance for shortfall	-2,500	–	–	-2,500	-2,500	–	200	-2,300	
Total resource DEL	45,360	8,694	896	55,000	47,906	8,674	-1,571	55,000	

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 2015.

Public spending aggregates

4.4 **Table 4.1** shows trends in public spending since 1976-77 in terms of three spending aggregates: public sector current expenditure; public sector net investment; and Total Managed Expenditure (TME). All aggregates are presented in both nominal and real terms, and as a percentage of Gross Domestic Product (GDP). Data for a fourth aggregate, public sector depreciation, are shown in nominal terms only.

4.5 Outturn data for these aggregates up to 2015-16 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 on a monthly basis.

4.6 Plans period data from 2016-17 onwards are taken from the Office for Budget Responsibility, and are consistent with their Economic and Fiscal Outlook forecasts published on Budget day.

Public sector expenditure on services by function

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

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

4.9 **Table 4.2** shows public sector expenditure on services by United Nations Classification Of the Functions Of Government (COFOG) level 1 from 1992-93. **Tables 4.3 and 4.4** present this in real terms and as a percentage of GDP respectively. These tables cover outturn years up to 2015-16. 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 2011-12 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, reclassifications sometimes affect the long-run functional series. These include ONS decisions on 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, 1976-77 to 2019-20
Outturn data in this table up to 2015-16 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
1976-77	51.2	287.5	36.3	6.4	4.6	6.4	36.1	4.6	64.1	359.7	45.4
1977-78	57.5	283.9	34.9	7.4	3.2	7.4	25.9	3.2	70.2	346.2	42.5
1978-79	66.1	293.3	34.6	8.4	2.7	8.4	23.1	2.7	79.7	353.6	41.7
1979-80	79.6	302.1	34.4	10.0	2.5	10.0	21.9	2.5	95.3	361.8	41.2
1980-81	96.8	308.5	36.4	12.1	2.2	12.1	18.5	2.2	114.7	365.5	43.2
1981-82	110.8	319.9	37.5	13.2	1.4	13.2	11.9	1.4	128.2	369.9	43.3
1982-83	121.6	327.5	37.5	13.9	1.9	13.9	16.5	1.9	141.6	381.3	43.6
1983-84	131.3	337.4	37.0	14.6	2.1	14.6	19.5	2.1	153.4	394.3	43.2
1984-85	142.0	345.0	37.1	14.8	1.9	14.8	17.8	1.9	164.1	398.7	42.9
1985-86	150.5	346.3	35.7	14.4	1.5	14.4	14.6	1.5	171.3	393.9	40.7
1986-87	158.7	350.6	35.1	14.9	1.1	14.9	10.7	1.1	178.4	394.2	39.4
1987-88	169.6	355.3	33.4	14.9	0.9	14.9	9.9	0.9	189.3	396.4	37.3
1988-89	176.3	346.9	31.2	15.8	0.7	15.8	7.5	0.7	195.9	385.4	34.6
1989-90	191.1	349.1	30.7	16.8	1.4	16.8	16.4	1.4	216.8	396.1	34.8
1990-91	208.1	351.7	31.0	16.7	1.5	16.7	17.3	1.5	235.1	397.3	35.0
1991-92	232.0	371.1	32.8	15.4	1.9	15.4	21.5	1.9	260.9	417.3	36.9
1992-93	252.1	393.7	34.7	15.3	1.9	15.3	21.9	1.9	281.5	439.5	38.7
1993-94	266.2	406.3	34.6	15.6	1.6	15.6	18.2	1.6	293.7	448.3	38.2
1994-95	277.6	419.0	34.4	15.7	1.5	15.7	18.5	1.5	305.5	461.1	37.9
1995-96	291.2	426.6	34.3	15.7	1.5	15.7	18.4	1.5	319.4	467.9	37.6
1996-97	300.3	423.8	33.2	15.3	0.9	15.3	11.8	0.9	323.9	457.1	35.8
1997-98	307.1	426.6	32.3	18.7	0.5	18.7	6.0	0.5	330.1	458.6	34.8
1998-99	315.3	432.1	31.8	18.8	0.6	18.8	7.7	0.6	339.7	465.6	34.3
1999-00	326.8	445.4	31.6	19.4	0.6	19.4	8.8	0.6	352.6	480.7	34.0
2000-01	348.4	465.4	31.9	20.0	0.6	20.0	8.5	0.6	374.8	500.6	34.3
2001-02	366.0	482.6	32.3	20.9	1.1	20.9	16.9	1.1	399.6	527.1	35.3
2002-03	394.0	508.1	33.1	22.8	1.3	22.8	19.3	1.3	431.8	556.8	36.3
2003-04	430.3	542.8	34.2	22.9	1.2	22.9	18.4	1.2	467.8	590.1	37.1
2004-05	463.5	569.5	35.1	24.5	1.7	24.5	26.8	1.7	509.8	626.4	38.6
2005-06	490.7	587.2	35.0	25.9	1.9	25.9	31.2	1.9	542.6	649.4	38.7
2006-07	514.1	597.2	34.8	27.2	1.9	27.2	32.5	1.9	569.3	661.3	38.5
2007-08	544.7	617.7	35.2	28.2	2.0	28.2	35.2	2.0	604.0	685.0	39.0
2008-09	577.4	637.5	37.3	30.4	3.3	30.4	55.9	3.3	658.5	727.0	42.6
2009-10	609.5	663.8	39.8	31.6	3.4	31.6	56.1	3.4	692.5	754.2	45.2
2010-11	637.5	681.8	40.0	33.0	2.7	33.0	46.6	2.7	714.1	763.7	44.9
2011-12	646.0	681.4	39.5	35.0	2.1	35.0	36.0	2.1	715.1	754.4	43.8
2012-13	656.1	677.9	38.8	36.2	1.8	36.2	39.8	1.8	730.8	755.1	43.2
2013-14	666.4	677.4	37.9	37.6	1.9	37.6	32.5	1.9	735.9	748.0	41.8
2014-15	673.8	673.8	36.7	38.6	1.9	38.6	34.8	1.9	746.6	747.2	40.7
2015-16	679.5	679.5	36.2	39.7	1.8	39.7	33.8	1.8	753.0	753.0	40.1
2016-17	694.2	683.9	35.7	41.4	1.9	41.4	35.8	1.9	771.9	760.5	39.7
2017-18	706.0	683.3	34.9	43.2	1.7	43.2	34.2	1.7	784.6	759.3	38.8
2018-19	722.6	684.9	34.3	45.1	1.6	45.1	31.5	1.6	801.0	759.2	38.0
2019-20	731.4	680.3	33.4	46.9	1.5	46.9	29.9	1.5	810.4	753.9	37.0

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2015-16 price levels using GDP deflators from the Office for National Statistics (released 30 June 2016).

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

Table 4.2 Public sector expenditure on services by function, 1992-93 to 2015-16

	cash basis												accruals basis												£ billion
	National Statistics												National Statistics												
	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	2015-16	
1. General public services	27.9	29.8	32.7	36.3	37.4	39.0	39.7	37.2	38.7	36.1	35.5	38.7	43.0	46.1	48.5	51.4	55.4	50.4	63.0	63.7	59.4	60.8	58.6	58.7	
of which: public and common services	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	11.5	11.3	11.3	11.7	11.8	
of which: international services	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	7.8	7.7	7.7	9.8	10.5	10.1	
of which: public sector debt interest	19.0	20.8	23.5	26.8	28.1	29.7	29.3	25.5	26.6	22.6	21.2	22.7	25.4	27.1	29.5	32.2	35.0	29.5	42.4	44.5	40.4	39.7	36.5	36.7	
2. Defence	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	36.3	36.4	36.7	36.6	
3. Public order and safety	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	33.1	32.1	31.3	29.6	29.6	30.2	
4. Economic affairs	23.3	23.8	23.9	23.6	23.4	21.6	19.6	21.5	23.8	27.7	30.7	33.1	33.6	35.3	37.5	37.4	49.7	48.7	40.0	36.8	35.0	38.0	38.2	45.1	
of which: enterprise and economic development ⁽¹⁾	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	4.9	4.8	5.0	5.7	5.1	5.3	
of which: science and technology	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	3.3	4.2	4.5	4.8	
of which: employment policies	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	3.2	2.9	3.7	3.1	2.4	
of which: agriculture, fisheries and forestry	2.9	3.8	3.4	3.9	5.4	4.7	4.4	4.3	4.7	6.3	4.9	5.3	5.4	5.6	5.1	4.3	5.8	5.8	5.5	5.8	5.3	5.4	5.2	4.5	
of which: transport ⁽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	19.4	18.5	19.1	20.3	28.1	
5. Environment protection	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	10.7	11.2	11.6	11.6	
6. Housing and community amenities	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	13.3	10.2	10.0	9.8	10.2	10.0	
7. Health	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	119.9	121.3	124.3	129.4	134.1	138.7	
8. Recreation, culture and religion	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	12.4	11.4	
9. Education ⁽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	86.5	84.2	85.3	85.7	84.0	
10. Social protection	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	244.8	253.4	254.0	260.9	264.2	
EU transactions ⁽⁴⁾	-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	5.9	4.3	6.7	7.2	6.2	7.7	
Public sector expenditure on services	260.3	271.7	284.0	295.7	302.5	308.5	318.3	331.4	353.0	376.1	402.6	439.0	471.1	501.7	523.8	555.6	604.7	640.1	660.3	661.3	664.0	673.1	684.3	698.3	
Accounting adjustments	21.1	22.0	21.5	23.7	21.4	21.6	21.4	21.2	21.8	23.5	29.2	28.8	38.7	40.9	45.5	48.4	53.8	52.4	53.8	53.8	66.8	62.8	62.3	54.8	
Total Managed Expenditure⁽⁵⁾	281.5	293.7	305.5	319.4	323.9	330.1	339.7	352.6	374.8	399.6	431.8	467.8	509.8	542.6	569.3	604.0	658.5	692.5	714.1	715.1	730.8	735.9	746.6	753.0	

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

⁽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 shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' for that year.

⁽³⁾ From 2011-12 onwards the 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from the Education function. Therefore figures are not directly comparable between 2010-11 and 2011-12. A full explanation of this decision can be found in Annex E.

⁽⁴⁾ From 2010-11 onwards VAT-based payments are no longer deducted from EU transactions thus bringing these totals in-line with ESA10.

⁽⁵⁾ 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⁾ 1992-93 to 2015-16

	cash basis												accruals basis												£ billion
	National Statistics																								
	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	2015-16	
1. General public services	43.6	45.4	49.3	53.1	52.8	54.1	54.5	50.7	51.6	47.6	45.7	48.8	52.9	55.2	56.3	58.2	61.2	54.9	67.3	67.2	61.4	61.8	58.7	58.7	
of which: public and common services	9.1	8.9	8.9	8.9	8.7	8.6	9.9	10.9	10.6	12.1	12.6	13.7	14.9	15.3	14.8	14.2	15.5	15.0	13.7	12.1	11.7	11.5	11.7	11.8	
of which: international services	4.8	4.9	5.0	5.0	4.4	4.3	4.4	5.0	5.6	5.7	5.8	6.4	6.8	7.4	7.3	7.6	7.1	7.7	8.3	8.2	8.0	10.0	10.5	10.1	
of which: public sector debt interest	29.7	31.7	35.5	39.2	39.7	41.2	40.2	34.7	35.5	29.8	27.3	28.6	31.2	32.4	34.2	36.5	38.7	32.1	45.3	46.9	41.7	40.4	36.5	36.7	
2. Defence	37.2	35.9	35.2	33.0	31.2	30.1	33.6	34.2	34.3	33.5	34.8	36.3	36.6	37.1	37.4	38.2	40.6	41.1	42.0	40.8	37.5	37.0	36.7	36.6	
3. Public order and safety	22.5	22.9	23.5	23.4	23.1	23.8	24.7	25.1	27.2	30.5	31.5	33.3	35.0	35.1	35.3	36.0	37.2	37.1	35.4	33.8	32.3	30.0	29.6	30.2	
4. Economic affairs	36.4	36.3	36.1	34.6	33.0	30.0	26.9	29.3	31.8	36.5	39.6	41.8	41.3	42.2	43.6	42.4	54.9	53.0	42.8	38.8	36.2	38.6	38.2	45.1	
of which: enterprise and economic development ⁽²⁾	8.4	8.4	7.1	6.6	6.1	6.0	4.2	6.0	6.5	6.7	7.6	7.6	8.0	7.7	7.3	8.1	17.9	13.3	5.2	5.0	5.2	5.8	5.1	5.3	
of which: science and technology	2.2	2.3	1.7	1.8	2.0	1.9	1.9	1.9	1.9	2.2	2.7	2.9	3.1	3.6	3.4	3.7	3.5	3.9	3.6	3.8	3.4	4.3	4.5	4.8	
of which: employment policies	4.5	4.7	4.8	4.5	4.0	3.5	4.0	4.8	5.1	4.4	3.9	4.0	3.9	3.9	3.8	2.4	3.9	4.5	5.0	3.4	3.0	3.7	3.1	2.4	
of which: agriculture, fisheries and forestry	4.5	5.8	5.1	5.7	7.6	6.5	6.0	5.9	6.3	8.3	6.3	6.7	6.6	6.7	5.9	4.9	6.4	6.3	5.9	6.1	5.5	5.5	5.2	4.5	
of which: transport ⁽³⁾	16.9	15.3	17.4	16.0	13.4	12.1	10.7	10.8	12.0	14.9	19.1	20.6	19.7	20.3	23.1	23.4	23.2	25.0	23.0	20.5	19.2	19.4	20.3	28.1	
5. Environment protection	5.6	5.2	5.7	6.0	5.2	5.6	5.9	6.7	6.8	7.1	7.7	7.8	8.6	10.2	10.9	10.9	10.2	11.3	11.7	11.1	11.0	11.4	11.6	11.6	
6. Housing and community amenities	11.1	9.5	9.4	8.8	8.0	6.8	7.5	6.4	7.3	8.2	7.0	8.5	9.8	12.8	13.4	14.7	16.9	17.8	14.2	10.7	10.3	10.0	10.2	10.0	
7. Health	53.4	55.9	59.5	60.7	60.4	61.8	64.3	67.3	72.4	78.9	85.4	94.5	101.9	107.5	110.0	114.7	120.0	127.3	128.2	127.9	128.4	131.5	134.2	138.7	
8. Recreation, culture and religion	8.0	7.8	7.8	8.1	8.0	8.9	9.9	10.5	10.4	11.3	12.0	12.2	12.3	12.9	13.2	13.5	13.7	14.4	13.9	13.2	13.1	11.6	12.5	11.4	
9. Education ⁽⁴⁾	51.8	53.0	54.6	54.2	53.3	53.6	54.8	57.5	61.3	67.5	70.5	76.9	80.0	83.5	84.8	89.3	91.6	96.4	97.9	91.2	87.0	86.7	85.8	84.0	
10. Social protection	142.3	150.1	154.0	157.6	159.2	159.0	157.9	167.7	171.6	181.2	187.4	196.3	201.6	204.7	205.6	213.9	224.6	242.9	246.4	258.3	261.9	258.1	261.1	264.2	
EU transactions ⁽⁵⁾	-5.3	-7.2	-6.5	-6.0	-7.3	-5.1	-3.6	-3.7	-3.5	-6.3	-2.5	-2.6	-1.1	-0.7	-2.1	-1.7	-3.2	1.0	6.3	4.5	6.9	7.3	6.2	7.7	
Public sector expenditure on services	406.5	414.7	428.7	433.2	426.8	428.5	436.2	451.7	471.5	496.0	519.2	553.7	578.9	600.4	608.4	630.1	667.7	697.1	706.2	697.6	686.1	684.2	684.8	698.3	
Accounting adjustments	33.0	33.6	32.4	34.7	30.2	30.0	29.4	29.0	29.1	31.0	37.6	36.3	47.5	48.9	52.9	54.9	59.4	57.1	57.6	56.8	69.0	63.9	62.4	54.8	
Total Managed Expenditure⁽⁶⁾	439.5	448.3	461.1	467.9	457.1	458.6	465.6	480.7	500.6	527.1	556.8	590.1	626.4	649.4	661.3	685.0	727.0	754.2	763.7	754.4	755.1	748.0	747.2	753.0	

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2015-16 price levels using GDP deflators from the Office for National Statistics (released 30 June 2016).

⁽²⁾ Transactions from 2008-09 onwards have been affected by financial sector interventions. Details are provided in chapter 5 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 functional analysis shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' for that year.

⁽⁴⁾ From 2011-12 onwards the 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from the Education function. Therefore figures are not directly comparable between 2010-11 and 2011-12. A full explanation of this decision can be found in Annex E.

⁽⁵⁾ From 2010-11 onwards VAT-based payments are no longer deducted from EU transactions thus bringing these totals in-line with ESA10.

⁽⁶⁾ 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⁾ 1992-93 to 2015-16

	cash basis												accruals basis												£ billion
	National Statistics												National Statistics												
	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	2015-16	
outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	
1. General public services	3.8	3.9	4.1	4.3	4.1	4.1	4.0	3.6	3.5	3.2	3.0	3.1	3.3	3.3	3.3	3.3	3.6	3.3	4.0	3.9	3.5	3.5	3.2	3.1	
of which: public and common services	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.8	0.7	0.8	0.8	0.9	0.9	0.9	0.9	0.8	0.9	0.9	0.8	0.7	0.7	0.6	0.6	0.6	
of which: international services	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.6	0.6	0.5	
of which: public sector debt interest	2.6	2.7	2.9	3.1	3.1	3.1	3.0	2.5	2.4	2.0	1.8	1.8	1.9	1.9	2.0	2.1	2.3	1.9	2.7	2.7	2.4	2.3	2.0	2.0	
2. Defence	3.3	3.1	2.9	2.6	2.4	2.3	2.5	2.4	2.4	2.2	2.3	2.3	2.2	2.2	2.2	2.4	2.5	2.5	2.5	2.4	2.2	2.1	2.0	1.9	
3. Public order and safety	2.0	1.9	1.9	1.9	1.8	1.8	1.8	1.8	1.9	2.0	2.0	2.1	2.2	2.1	2.1	2.0	2.2	2.2	2.1	2.0	1.9	1.7	1.6	1.6	
4. Economic affairs	3.2	3.1	3.0	2.8	2.6	2.3	2.0	2.1	2.2	2.4	2.6	2.6	2.5	2.5	2.4	3.2	3.2	2.5	2.3	2.1	2.2	2.1	2.2	2.4	
of which: enterprise and economic development ⁽²⁾	0.7	0.7	0.6	0.5	0.5	0.5	0.3	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.4	0.5	1.0	0.8	0.3	0.3	0.3	0.3	0.3	0.3	
of which: science and technology	0.2	0.2	0.1	0.1	0.2	0.1	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	0.2	0.2	0.3	
of which: employment policies	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.1	
of which: agriculture, fisheries and forestry	0.4	0.5	0.4	0.5	0.6	0.5	0.4	0.4	0.4	0.6	0.4	0.4	0.4	0.4	0.3	0.3	0.4	0.4	0.3	0.4	0.3	0.3	0.3	0.2	
of which: transport ⁽³⁾	1.5	1.3	1.4	1.3	1.0	0.9	0.8	0.8	0.8	1.0	1.2	1.3	1.2	1.2	1.3	1.3	1.4	1.5	1.4	1.2	1.1	1.1	1.1	1.5	
5. Environment protection	0.5	0.4	0.5	0.5	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	
6. Housing and community amenities	1.0	0.8	0.8	0.7	0.6	0.5	0.6	0.5	0.5	0.5	0.5	0.6	0.8	0.8	0.8	1.0	1.1	0.8	0.6	0.6	0.6	0.6	0.6	0.5	
7. Health	4.7	4.8	4.9	4.9	4.7	4.7	4.7	4.8	5.0	5.3	5.6	5.9	6.3	6.4	6.4	6.5	7.0	7.6	7.5	7.4	7.4	7.4	7.3	7.4	
8. Recreation, culture and religion	0.7	0.7	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.8	0.6	0.7	0.6	
9. Education ⁽⁴⁾	4.6	4.5	4.5	4.4	4.2	4.1	4.0	4.1	4.2	4.5	4.6	4.8	4.9	5.0	4.9	5.1	5.4	5.8	5.7	5.3	5.0	4.9	4.7	4.5	
10. Social protection	12.5	12.8	12.7	12.7	12.5	12.1	11.6	11.9	11.8	12.1	12.2	12.4	12.4	12.2	12.0	12.2	13.1	14.6	14.5	15.0	15.0	14.4	14.2	14.1	
EU transactions ⁽⁵⁾	-0.5	-0.6	-0.5	-0.5	-0.6	-0.4	-0.3	-0.3	-0.2	-0.4	-0.2	-0.2	-0.1	0.0	-0.1	-0.1	-0.2	0.1	0.4	0.3	0.4	0.4	0.3	0.4	
Public sector expenditure on services	35.8	35.3	35.2	34.8	33.4	32.5	32.1	32.0	32.3	33.2	33.8	34.9	35.7	35.8	35.5	35.9	39.1	41.8	41.5	40.5	39.3	38.3	37.3	37.1	
Accounting adjustments	2.9	2.9	2.7	2.8	2.4	2.3	2.2	2.1	2.0	2.1	2.4	2.3	2.9	2.9	3.1	3.1	3.5	3.4	3.4	3.3	4.0	3.6	3.4	2.9	
Total Managed Expenditure⁽⁶⁾	38.7	38.2	37.9	37.6	35.8	34.8	34.3	34.0	34.3	35.3	36.3	37.1	38.6	38.7	38.5	39.0	42.6	45.2	44.9	43.8	43.2	41.8	40.7	40.1	

⁽¹⁾ GDP until 2015-16 is consistent with the latest figures from the Office for National Statistics (published 30 June 2016).

⁽²⁾ Transactions from 2008-09 onwards have been affected by financial sector interventions. Details are provided in chapter 5 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 functional analysis shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' for that year.

⁽⁴⁾ From 2011-12 onwards the 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from the Education function. Therefore figures are not directly comparable between 2010-11 and 2011-12. A full explanation of this decision can be found in Annex E.

⁽⁵⁾ From 2010-11 onwards VAT-based payments are no longer deducted from EU transactions thus bringing these totals in-line with ESA10.

⁽⁶⁾ 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 2011-12 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 2015 there has been a change to the presentation of departmental groupings in **Table 5.1**. The departmental groupings are consistent with the presentation shown elsewhere in PESA and have been updated to reflect the groupings presented in the last Budget. More details of the composition of departmental groupings can be found in **Annex B**.

5.3 To bring EU transactions into line with ESA10, EU transactions in **Table 5.2** have been amended so that VAT-based payments to the EU are no longer deducted from the GNI-based contribution. Similarly, EU transactions in **Table 6.4** have also been amended to reflect this change. EU transactions totals, now inclusive of VAT-based payments, also feed in to 'Current grants abroad' in **Table 5.3**.

5.4 For **Table 5.3** 'Total public sector current expenditure on services' no longer includes a line for 'Grant equivalent element of student lending'. This also impacts upon **Table 6.5**. A full explanation of this decision is provided in **Annex E** under the section 'Expenditure on services and TME'.

Classification changes

5.5 From September 2014 the UK, along with all other EU Member States, has been moving to produce its National Accounts using the new European System of Accounts 2010 (ESA10). The move to ESA10 has resulted in changes to EU transactions as mentioned under 'What's new'. Further ESA10 related changes are explained under the 'Classification changes' section.

5.6 Also as a requirement of ESA10 and prior to finalising the PESA 2016 dataset, departments were requested to switch R&D expenditure from resource to capital DEL. Departments were also asked to score these changes at the COFOG level of classification. As a result of this work, users will see notable changes in spending allocations to sub-functions in **Table 5.2** when compared to the previous year's publication, particularly in R&D related lines. Users should note that this work is ongoing and departments will continue to improve their classification of R&D in COFOG.

5.7 Under ESA10, the full expenditure on personal tax credits should be recorded as a social benefit and therefore included fully within the expenditure on services framework. An amount of expenditure related to tax credits had previously been excluded from TES due to it being scored as negative tax. For this year, expenditure lines related to the negative tax element of tax credits have been brought into TES. This change impacts across several tables in chapter 5.

5.8 As mentioned under 'What's new', HM Treasury has taken the decision to remove the 'the grant-equivalent element of student loans' from the TES framework. As well as **Table 5.3**, this change impacts across several tables in chapter 5. A full explanation of this decision is provided in **Annex E** under the section 'Expenditure on services and TME'.

Relationship between functional series and departments

5.9 Table 5.1 shows public sector expenditure on services by function split across the different government departmental groups for 2015-16. 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

5.10 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

5.11 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.

Public sector expenditure on services by economic category

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

5.13 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;

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

- **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;
- **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**;
- **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

5.14 Table 5.4 gives a functional (COFOG level 1) breakdown of the current and capital expenditure of the public sector for the years from 2011-12. 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

5.15 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.

5.16 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.

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: £1.0 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).

Table 5.1 Public sector expenditure on services by departmental group⁽¹⁾ and function, 2015-16

Departmental Grouping	Function	National Statistics										Public sector expenditure on services for each department									
		1. General public services	of which: public and com- mon 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
Defence		-	-	-	-	34,282	-	-	-	-	-	-	-	-	-	-	37	-	2,280	-	36,599
Single Intelligence Account		-	-	-	-	2,302	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,302
Home Office		-	-	-	-	-	15,108	98	-	-	-	98	-	-	240	-	-66	-	-	-	15,381
Foreign and Commonwealth Office		1,926	-	1,926	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,926
International Development		8,481	308	8,173	-	-	-	-	-	-	-	-	-	-	-	-	-	-	82	-	8,563
NHS (Health)		-	-	-	-	-	-	95	-	-	-	-	-	-	-	-	-	-	13,822	-	129,063
Work and Pensions		268	268	-	-	-	-	2,240	4	2,214	-	-	-	-	-	-	-	-	175,053	-	177,561
Education		-	-	-	-	-	-	-	4,322	51	-	-	-	-	-	-	129	59,861	11,298	-	71,160
Business, Innovation and Skills		135	135	0	-	-	-	5,752	1,378	426	-	0	426	-	-	-	-	9,270	575	-	17,206
Transport		-	-	-	-	-	167	23,969	-	40	-	23,929	1	756	-	-	-	-	1,211	-	26,105
Energy and Climate Change		38	-	38	-	-	2	892	520	372	-	-	2,939	-	-	-	-	-	0	-	3,872
Culture, Media and Sport		40	40	-	-	-	-	130	130	-	-	-	55	32	49	36	8,694	49	536	-	9,573
Communities and Local Government		3,664	3,663	0	-	13	2,350	172	172	-	-	-	-	5,508	-	-	1	-	1,755	-	13,463
Scotland		948	948	-	-	4	2,605	4,117	469	5	-	826	2,817	958	12,002	1,025	1,025	7,873	4,028	-	35,578
Wales		469	469	-	-	-	2	1,502	267	37	-	433	765	554	6,574	395	395	4,134	1,979	-	16,300
Northern Ireland		341	341	-	-	-	1,269	1,442	354	-	149	519	421	232	760	4,026	415	2,704	7,361	-	18,549
Justice		234	234	-	-	-	8,064	-	-	-	-	-	-	-	-	-	-	-	39	-	8,337
Law Officers' Departments		-	-	-	-	-	611	-	-	-	-	-	-	-	-	-	-	-	-	-	611
Environment, Food and Rural Affairs		-	-	-	-	-	-	2,689	-	-	-	-	6,441	6	-	-	798	-	-	-	9,934
HM Revenue and Customs		3,542	3,542	-	-	-	-	1,123	1,123	-	-	-	3	-	-	-	-	-	40,218	-	44,887
HM Treasury		37,228	504	-	36,724	-	-	361	361	-	-	-	-	-	-	-	-	-	4	7,671	45,264
Cabinet Office		512	512	-	-	45	-	-	-	-	-	-	-	-	-	-	-	-	3,911	-	4,468
Small and Independent Bodies		883	883	-	-	-	4	549	437	7	-	74	30	-	-	-	-	134	-	-	1,570
Public sector expenditure on services for each function		58,708	11,846	10,138	36,724	36,646	30,183	45,132	5,329	4,787	2,414	4,541	28,061	11,608	10,013	138,704	11,429	84,027	264,151	7,671	698,271

⁽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, 2011-12 to 2015-16

	National Statistics					£ million
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	10,389	10,045	10,284	10,119	10,101	
1.2 Foreign economic aid	5,509	5,606	7,586	8,542	8,173	
1.3 General services	946	946	767	932	758	
1.4 Basic research	—	—	—	—	—	
1.5 R&D general public services	303	319	402	407	417	
1.6 General public services n.e.c.	2,089	2,116	2,079	2,157	2,535	
1.7 Public debt transactions ^{(1), (2)}	44,476	40,354	39,703	36,473	36,724	
<i>of which: central government debt interest</i>	49,704	48,856	48,668	45,241	44,942	
<i>of which: local government debt interest</i>	561	515	548	772	712	
<i>of which: public corporation debt interest</i>	2,961	3,041	3,052	2,858	2,774	
<i>of which: Bank of England</i>	-8,750	-12,058	-12,565	-12,398	-11,704	
Total general public services	63,713	59,385	60,820	58,629	58,708	
2. Defence						
2.1 Military defence	33,539	32,261	33,019	33,734	33,996	
2.2 Civil defence	98	96	104	104	115	
2.3 Foreign military aid	3,172	2,235	1,361	633	329	
2.4 R&D defence	1,570	1,467	1,673	1,950	1,922	
2.5 Defence n.e.c.	276	281	245	261	284	
Total defence	38,655	36,340	36,402	36,683	36,646	
3. Public order and safety						
3.1 Police services	18,239	17,578	16,351	16,662	16,645	
<i>of which: immigration and citizenship</i>	1,663	1,528	976	1,196	1,063	
<i>of which: other police services</i>	16,576	16,049	15,375	15,466	15,582	
3.2 Fire-protection services	2,868	2,885	2,802	2,807	2,821	
3.3 Law courts	6,536	5,983	5,548	5,496	5,691	
3.4 Prisons	4,133	4,326	4,063	3,786	4,092	
3.5 R&D public order and safety	59	71	72	70	62	
3.6 Public order and safety n.e.c.	236	429	719	799	872	
Total public order and safety	32,070	31,271	29,554	29,621	30,183	
4. Economic affairs						
4.1 General economic, commercial and labour affairs ⁽³⁾	5,891	5,903	7,201	6,508	6,030	
4.2 Agriculture, forestry, fishing and hunting	5,777	5,277	5,371	5,206	4,541	
<i>of which: market support under CAP</i>	3,932	2,894	2,959	2,773	2,320	
<i>of which: other agriculture, food and fisheries policy</i>	1,713	2,274	2,294	2,305	2,115	
<i>of which: forestry</i>	132	109	118	128	107	
4.3 Fuel and energy	527	463	464	449	463	
4.4 Mining, manufacturing and construction	142	-12	273	39	72	
4.5 Transport	19,413	18,539	19,079	20,299	28,061	
<i>of which: national roads</i>	3,081	2,851	3,151	3,713	3,887	
<i>of which: local roads</i>	5,095	4,813	5,025	5,302	5,475	
<i>of which: local public transport</i>	2,893	2,634	2,398	2,519	2,696	
<i>of which: railway ⁽⁴⁾</i>	7,315	6,928	6,934	7,268	13,979	
<i>of which: other transport</i>	1,029	1,312	1,572	1,497	2,024	
4.6 Communication	423	770	645	436	447	
4.7 Other industries	375	311	274	282	273	
4.8 R&D economic affairs	3,623	3,333	4,201	4,479	4,787	
4.9 Economic affairs n.e.c.	642	451	488	509	458	
Total economic affairs	36,811	35,035	37,997	38,209	45,132	
5. Environment protection						
5.1 Waste management	7,172	7,662	7,828	7,896	8,089	
5.2 Waste water management	20	—	—	—	—	
5.3 Pollution abatement	102	147	142	501	469	
5.4 Protection of biodiversity and landscape	476	391	431	472	638	
5.5 R&D environment protection	563	442	499	470	460	
5.6 Environment protection n.e.c.	2,167	2,021	2,283	2,227	1,952	
Total environment protection	10,500	10,664	11,183	11,566	11,608	

Table 5.2 Public sector expenditure on services by sub-function, 2011-12 to 2015-16 (continued)

	National Statistics				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn
£ million					
6. Housing and community amenities					
6.1 Housing development	5,760	5,570	5,174	5,692	5,572
<i>of which: local authority housing</i>	3,070	4,262	4,074	4,738	4,780
<i>of which: other social housing</i>	2,690	1,308	1,100	954	792
6.2 Community development	2,669	2,674	2,886	2,709	2,423
6.3 Water supply	788	770	749	735	814
6.4 Street lighting	675	706	750	790	839
6.5 R&D housing and community amenities	–	–	–	–	–
6.6 Housing and community amenities n.e.c.	261	237	248	269	366
Total housing and community amenities	10,153	9,957	9,807	10,195	10,013
7. Health ⁽⁵⁾					
Medical services	116,047	118,621	122,814	128,596	132,103
Medical research	1,834	1,703	1,970	1,876	2,142
Central and other health services	3,372	3,978	4,604	3,581	4,460
Total health	121,254	124,302	129,389	134,053	138,704
8. Recreation, culture and religion					
8.1 Recreational and sporting services	4,388	4,672	3,471	3,997	3,194
8.2 Cultural services	4,067	4,098	3,952	4,056	4,003
8.3 Broadcasting and publishing services	3,684	3,566	3,705	4,086	3,945
8.4 Religious and other community services	116	114	95	76	93
8.5 R&D recreation, culture and religion	139	164	141	174	130
8.6 Recreation, culture and religion n.e.c.	93	97	46	58	63
Total recreation, culture and religion	12,488	12,710	11,410	12,446	11,429
9. Education					
9.1 Pre-primary and primary education	30,020	29,715	30,474	30,749	30,942
<i>of which: under fives</i>	3,008	3,000	3,396	2,932	3,255
<i>of which: primary education</i>	27,012	26,715	27,078	27,817	27,688
9.2 Secondary education ⁽⁶⁾	37,021	37,281	37,976	39,853	38,193
9.3 Post-secondary non-tertiary education	220	104	323	105	91
9.4 Tertiary education ⁽⁷⁾	9,310	8,123	7,511	6,656	5,896
9.5 Education not definable by level	691	667	598	735	636
9.6 Subsidiary services to education	5,230	4,690	4,642	4,202	4,092
9.7 R&D education	1,569	1,586	1,577	1,578	1,577
9.8 Education n.e.c.	2,418	2,059	2,246	1,872	2,600
Total education	86,479	84,225	85,346	85,750	84,027
10. Social protection					
<i>of which: personal social services</i>	28,415	28,512	28,657	30,268	29,520
10.1 Sickness and disability	43,818	46,251	46,887	50,155	52,956
<i>of which: personal social services</i>	9,902	9,835	9,348	9,422	9,515
<i>of which: incapacity, disability and injury benefits</i>	33,916	36,416	37,538	40,733	43,440
10.2 Old age	103,888	111,074	114,446	118,571	120,095
<i>of which: personal social services</i>	10,163	10,096	10,273	10,552	10,071
<i>of which: pensions</i>	93,725	100,978	104,173	108,019	110,024
10.3 Survivors	1,070	1,076	1,135	1,153	1,164
10.4 Family and children	28,152	26,566	24,631	25,250	24,795
<i>of which: personal social services</i>	7,845	8,082	8,497	9,759	9,478
<i>of which: family benefits, income support and tax credits</i>	20,308	18,484	16,134	15,491	15,317
10.5 Unemployment	5,633	5,939	4,945	3,473	2,698
<i>of which: personal social services</i>	–	–	–	–	–
<i>of which: other unemployment benefits</i>	5,633	5,939	4,945	3,473	2,698
10.6 Housing	25,342	26,353	26,431	26,417	26,374
10.7 Social exclusion n.e.c. ⁽⁸⁾	32,440	32,373	31,897	32,013	31,485
<i>of which: personal social services</i>	505	499	539	534	455
<i>of which: family benefits, income support and tax credits</i>	31,935	31,873	31,358	31,479	31,030
10.8 R&D social protection	–	–	–	–	–
10.9 Social protection n.e.c.	4,500	3,808	3,601	3,876	4,583
Total social protection	244,844	253,438	253,971	260,908	264,151

Table 5.2 Public sector expenditure on services by sub-function, 2011-12 to 2015-16 (continued)

	National Statistics					£ million
	2011-12	2012-13	2013-14	2014-15	2015-16	
	outturn	outturn	outturn	outturn	outturn	outturn
EU transactions ⁽⁹⁾						
VAT-based and GNI-based contributions (net of abatement and collection costs)	9,244	10,809	11,146	10,915	10,482	
<i>derived as:</i>						
<i>EU gross contribution pre-abatement and after deduction of collection costs</i>	15,700	16,871	18,208	18,733	17,635	
<i>Traditional Own Resources (without deduction of collection costs)</i>	-2,940	-2,891	-2,933	-3,006	-3,085	
<i>UK abatement</i>	-3,516	-3,172	-4,130	-4,811	-4,068	
EU receipts	-4,771	-4,022	-3,856	-4,690	-2,811	
Attributed aid and Common Foreign and Security Policy	-163	-82	-79	–	–	
Total EU transactions	4,311	6,705	7,210	6,225	7,671	
Public sector expenditure on services	661,277	664,033	673,090	684,284	698,271	
Accounting adjustments	53,827	66,787	62,822	62,324	54,751	
Total Managed Expenditure ⁽¹⁰⁾	715,104	730,820	735,912	746,608	753,022	

⁽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 2011-12 onwards have been affected by financial sector interventions. Details are provided in chapter 5 Box 5.A.

⁽⁴⁾ 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 shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' for that year.

⁽⁵⁾ 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.

⁽⁶⁾ The Department for Education is currently recording all central government academy expenditure as 'Secondary Education', across all years presented. While secondary schools currently account for the largest population in the academy sector, it is recognised that this will also cover some schools in primary and other functional categories. In future editions of PESA the Department for Education will look to improve apportionment of spending across the education categories.

⁽⁷⁾ The 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from Tertiary education. A full explanation of this decision can be found in Annex E.

⁽⁸⁾ Social exclusion n.e.c. includes Child and Working Tax Credits. In addition to this, personal tax credits that were previously scored as negative tax and outside the TES framework are now included in full within TES.

⁽⁹⁾ 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.

⁽¹⁰⁾ 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, 2011-12 to 2015-16

	National Statistics					£ million
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	
Public sector current expenditure on services						
Pay	165,995	164,136	163,627	167,173	171,144	
Gross current procurement	188,869	193,192	198,759	205,642	213,219	
Income from sales of goods and services	-49,458	-50,352	-51,070	-53,871	-56,007	
Current grants to persons and non-profit bodies	227,829	231,145	231,871	235,127	237,302	
Current grants abroad	9,611	11,844	14,072	12,316	13,756	
Subsidies to private sector companies	8,246	7,912	8,083	7,693	8,433	
Subsidies to public corporations	458	1,724	1,136	925	885	
Net public service pensions	6,678	8,620	9,081	10,182	9,665	
Public sector debt interest	44,476	40,354	39,703	36,473	36,724	
Other	82	238	278	289	294	
Total public sector current expenditure on services	602,786	608,813	615,540	621,949	635,415	
Accounting adjustments	43,178	47,305	50,885	51,334	44,101	
Total public sector current expenditure	645,964	656,118	666,425	673,283	679,516	
Public sector capital expenditure on services						
Capital grants	16,865	15,871	15,531	18,223	14,691	
Gross capital procurement	45,977	43,435	45,861	49,855	55,113	
Income from sales of capital assets	-4,351	-4,084	-3,842	-5,741	-6,691	
Other	-	-	-	-	-	
Total public sector capital expenditure on services	58,491	55,222	57,550	62,337	63,113	
Accounting adjustments	10,649	19,480	11,937	10,988	10,393	
Total public sector capital expenditure	69,140	74,702	69,487	73,325	73,506	
Total public sector expenditure on services	661,277	664,035	673,090	684,286	698,272	
Accounting adjustments	53,827	66,785	62,822	62,322	54,750	
Total Managed Expenditure	715,104	730,820	735,912	746,608	753,022	

Table 5.4 Public sector current and capital expenditure on services by function⁽¹⁾, 2011-12 to 2015-16

	National Statistics					£ million
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	
Public sector current expenditure on services						
1. General public services	61,705	57,253	58,375	54,721	55,219	
<i>of which: public and common services</i>	10,091	9,722	9,502	9,891	10,336	
<i>of which: international services</i>	7,138	7,177	9,170	8,357	8,159	
<i>of which: public sector debt interest⁽²⁾</i>	44,476	40,354	39,703	36,473	36,724	
2. Defence	28,854	27,142	27,564	27,443	27,771	
3. Public order and safety	30,486	29,861	28,296	28,370	28,816	
4. Economic affairs	20,613	19,782	21,081	19,132	22,780	
<i>of which: enterprise and economic development⁽³⁾</i>	3,395	4,079	4,517	4,215	4,606	
<i>of which: science and technology</i>	370	272	363	496	837	
<i>of which: employment policies</i>	3,143	2,786	3,573	3,115	2,392	
<i>of which: agriculture, fisheries and forestry</i>	5,507	4,970	4,962	4,690	4,121	
<i>of which: transport⁽⁴⁾</i>	8,197	7,675	7,666	6,616	10,824	
5. Environment protection	7,743	7,376	7,608	7,813	8,036	
6. Housing and community amenities	2,725	3,088	2,987	2,855	2,993	
7. Health	115,347	117,944	121,968	127,651	133,019	
8. Recreation, culture and religion	9,634	10,666	9,573	10,425	9,381	
9. Education ⁽⁵⁾	77,120	76,007	76,508	76,299	75,909	
10. Social protection	244,248	252,988	254,373	261,015	263,820	
EU transactions	4,311	6,705	7,210	6,225	7,671	
Total public sector current expenditure on services	602,785	608,811	615,542	621,949	635,416	
Accounting adjustments	43,179	47,307	50,883	51,334	44,100	
Public sector current expenditure	645,964	656,118	666,425	673,283	679,516	
Public sector capital expenditure on services						
1. General public services	2,007	2,132	2,446	3,908	3,489	
<i>of which: public and common services</i>	1,415	1,586	1,825	1,775	1,510	
<i>of which: international services</i>	593	546	621	2,133	1,979	
2. Defence	9,801	9,198	8,838	9,240	8,875	
3. Public order and safety	1,585	1,410	1,258	1,251	1,366	
4. Economic affairs	16,198	15,253	16,916	19,077	22,352	
<i>of which: enterprise and economic development⁽³⁾</i>	1,376	942	1,178	862	723	
<i>of which: science and technology</i>	3,253	3,061	3,838	3,983	3,950	
<i>of which: employment policies</i>	84	79	77	32	22	
<i>of which: agriculture, fisheries and forestry</i>	270	307	409	516	421	
<i>of which: transport⁽⁴⁾</i>	11,216	10,864	11,414	13,683	17,236	
5. Environment protection	2,757	3,288	3,575	3,753	3,571	
6. Housing and community amenities	7,428	6,869	6,820	7,340	7,020	
7. Health	5,907	6,358	7,421	6,402	5,685	
8. Recreation, culture and religion	2,854	2,044	1,837	2,022	2,048	
9. Education	9,359	8,219	8,838	9,450	8,118	
10. Social protection	596	450	-402	-107	331	
Total public sector capital expenditure on services	58,492	55,222	57,548	62,336	62,855	
Accounting adjustments	10,648	19,480	11,939	10,989	10,651	
Public sector capital expenditure	69,140	74,702	69,487	73,325	73,506	
Total public sector expenditure on services	661,277	664,033	673,090	684,284	698,271	
Accounting adjustments	53,827	66,787	62,822	62,324	54,751	
Total Managed Expenditure⁽⁶⁾	715,104	730,820	735,912	746,608	753,022	

⁽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 2011-12 onwards have been affected by financial sector interventions. See chapter 5 Box 5.A for details.

⁽⁴⁾ 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 shown includes Network Rail spending from 2015-16 and is therefore only included within 'Total Expenditure on services' for that year.

⁽⁵⁾ The 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from 'Current education'. A full explanation of this decision can be found in Annex E.

⁽⁶⁾ 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 expenditure on services by function, 2011-12 to 2015-16

	National Statistics					£ million
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	
Public sector gross current procurement expenditure on services						
1. General public services	12,458	12,559	12,624	12,062	12,414	
<i>of which: public and common services</i>	<i>10,838</i>	<i>10,837</i>	<i>10,807</i>	<i>10,255</i>	<i>10,643</i>	
<i>of which: international services</i>	<i>1,620</i>	<i>1,723</i>	<i>1,817</i>	<i>1,808</i>	<i>1,771</i>	
2. Defence	16,564	15,577	16,373	16,835	16,448	
3. Public order and safety	13,087	12,983	12,360	12,597	12,611	
4. Economic affairs	11,206	11,190	11,401	10,786	12,751	
<i>of which: enterprise and economic development</i>	<i>2,377</i>	<i>2,733</i>	<i>2,440</i>	<i>2,556</i>	<i>2,527</i>	
<i>of which: science and technology</i>	<i>161</i>	<i>156</i>	<i>219</i>	<i>152</i>	<i>183</i>	
<i>of which: employment policies</i>	<i>1,698</i>	<i>1,450</i>	<i>2,050</i>	<i>1,680</i>	<i>1,267</i>	
<i>of which: agriculture, fisheries and forestry</i>	<i>819</i>	<i>819</i>	<i>811</i>	<i>825</i>	<i>839</i>	
<i>of which: transport ⁽¹⁾</i>	<i>6,151</i>	<i>6,031</i>	<i>5,882</i>	<i>5,573</i>	<i>7,934</i>	
5. Environment protection	7,736	7,476	7,592	7,706	7,755	
6. Housing and community amenities	2,809	2,668	2,720	2,751	2,770	
7. Health	66,231	69,922	74,523	78,588	85,869	
8. Recreation, culture and religion	6,836	7,579	7,375	7,556	6,788	
9. Education	21,631	22,831	23,927	24,971	24,168	
10. Social protection	30,312	30,405	29,862	31,789	31,645	
Total public sector gross current procurement expenditure on services	188,869	193,191	198,759	205,642	213,219	

⁽¹⁾ 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 shown includes Network Rail spending from 2015-16 and is therefore only included within 'Gross Current Procurement' for that year.

Table 5.6 Public sector capital procurement expenditure on services by function, 2011-12 to 2015-16

	National Statistics					£ million
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	
Public sector gross capital procurement expenditure on services						
1. General public services	2,348	2,396	2,675	2,405	2,496	
<i>of which: public and common services</i>	1,842	1,882	2,114	1,784	1,922	
<i>of which: international services</i>	506	515	561	621	574	
2. Defence	10,112	9,352	9,009	9,773	9,970	
3. Public order and safety	1,746	1,561	1,536	1,607	1,592	
4. Economic affairs	8,970	8,027	8,778	10,370	17,968	
<i>of which: enterprise and economic development</i>	963	737	715	493	541	
<i>of which: science and technology</i>	594	612	718	674	678	
<i>of which: employment policies</i>	84	79	76	33	25	
<i>of which: agriculture, fisheries and forestry</i>	198	201	288	381	362	
<i>of which: transport ⁽¹⁾</i>	7,131	6,398	6,979	8,789	16,362	
5. Environment protection	2,403	2,823	2,834	2,910	2,995	
6. Housing and community amenities	5,379	5,093	5,972	6,527	7,063	
7. Health	5,821	6,087	6,292	6,749	5,702	
8. Recreation, culture and religion	2,455	1,671	1,517	1,608	1,654	
9. Education	6,337	5,938	6,912	7,525	5,355	
10. Social protection	405	486	336	382	317	
Total public sector gross capital procurement expenditure on services	45,978	43,435	45,861	49,855	55,113	
Plus public sector receipts from sales of assets						
Central government						
Fixed assets	-1,423	-1,442	-659	-2,193	-2,495	
Intangible assets	0	-20	-27	-107	-28	
Total central government receipts	-1,423	-1,462	-686	-2,300	-2,523	
Local government						
Fixed assets	-1,244	-1,431	-1,432	-1,746	-2,202	
Intangible assets	-	-	-	-	-	
Total local government receipts	-1,244	-1,431	-1,432	-1,746	-2,202	
Total general government receipts	-2,666	-2,894	-2,119	-4,047	-4,726	
Public corporations						
Fixed assets	-1,684	-1,191	-1,724	-1,695	-1,966	
Intangible assets	-	-	-	-	-	
Total public corporations receipts	-1,684	-1,191	-1,724	-1,695	-1,966	
Total public sector income from sales of capital assets	-4,351	-4,085	-3,843	-5,742	-6,692	

⁽¹⁾ 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 shown includes Network Rail spending from 2015-16 and is therefore only included within 'Capital Procurement' for that year.

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 Since PESA 2015 there has been a change to the presentation of departmental groupings in the tables in this chapter. The departmental groupings are consistent with the presentation shown elsewhere in PESA and have been updated to reflect the groupings presented in the 2015 Spending Review and Budget 2016. More details of the composition of departmental groupings can be found in **Annex B**.

6.6 Since September 2014 the UK, along with all other EU Member States, has been moving to produce its National Accounts using the new European System of Accounts 2010 (ESA10). Departmental budgets in this chapter have been re-stated to take account of the requirement to record Research & Development (R&D) expenditure as capital spend where previously it counted as resource. This has moved around £9 billion of expenditure from resource to capital budgets.

Central government own expenditure by department

6.7 **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

6.8 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

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

Central government own expenditure on services by economic category

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

Central government own current and capital expenditure on services by function

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

Table 6.1 Central government own expenditure in budgets by departmental group,⁽¹⁾ 2011-12 to 2019-20

	£ million									
	National Statistics									
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans	
Within DEL										
Defence	37,197	34,298	34,597	34,509	35,169	34,951	35,920	36,925	38,034	
Single Intelligence Account	1,990	2,032	2,060	2,141	2,328	2,495	2,357	2,496	2,676	
Home Office	2,731	2,381	2,327	2,475	2,170	2,625	2,563	2,285	2,050	
Foreign and Commonwealth Office	2,144	2,020	2,113	1,868	1,891	2,016	1,310	1,326	1,342	
International Development	7,813	7,758	10,020	9,650	9,279	10,020	11,695	12,522	12,365	
Health	102,562	104,994	107,128	110,921	113,871	117,060	120,242	122,982	125,867	
Work and Pensions	7,167	7,046	6,756	6,501	5,950	5,856	6,120	5,674	5,181	
Education	13,615	18,081	19,575	22,003	23,863	24,194	25,190	25,849	27,498	
Business, Innovation and Skills	17,089	16,695	16,736	15,326	14,958	16,478	14,912	13,970	13,679	
Transport ⁽²⁾	6,127	5,633	6,033	6,595	2,912	3,978	5,146	7,017	9,030	
Energy and Climate Change	2,564	3,097	3,299	3,599	3,632	3,292	3,397	3,313	3,089	
Culture, Media and Sport	2,719	1,100	1,042	1,100	1,316	1,567	1,539	1,522	1,408	
DCLG Communities	3,209	1,148	2,549	2,482	1,538	3,015	3,972	4,584	3,799	
DCLG Local Government	133	105	0	–	–	–	–	–	–	
Scotland	18,077	18,526	20,170	20,793	20,639	16,355	22,150	22,220	22,404	
Wales	9,202	8,372	8,775	9,106	9,393	9,863	9,962	10,022	10,128	
Northern Ireland	10,154	10,251	10,522	10,634	10,483	10,737	10,958	10,956	11,008	
Justice	8,928	8,477	7,790	7,454	6,983	7,247	7,063	6,510	6,090	
Law Officers' Departments	613	592	578	551	543	553	552	564	556	
Environment, Food and Rural Affairs	2,179	2,125	2,074	2,035	1,861	2,066	2,050	1,907	1,679	
HM Treasury	186	-174	-255	167	-531	261	243	232	223	
HM Revenue and Customs	3,708	3,631	3,630	3,420	3,531	3,804	3,670	3,365	3,130	
Cabinet Office	460	479	438	650	499	793	643	603	655	
Small and Independent Bodies	1,699	1,464	1,552	1,558	1,729	1,936	1,768	1,725	1,695	
Total CG own expenditure within DEL	262,267	260,131	269,507	275,538	274,006	281,162	293,419	298,567	303,585	
Within departmental AME										
Defence	8,029	7,325	6,249	8,361	12,049	6,578	5,491	5,642	5,798	
Single Intelligence Account	18	41	19	41	135	39	39	39	39	
Home Office	-6	21	199	582	-518	140	140	140	140	
Foreign and Commonwealth Office	61	88	66	-70	39	100	100	100	100	
International Development	104	185	109	151	621	470	183	182	181	
Health	19,582	18,878	18,124	21,948	48,658	25,922	27,129	28,431	29,781	
Work and Pensions	131,942	137,181	139,235	143,775	149,652	150,664	151,331	153,913	157,027	
Education	11,783	10,720	11,050	14,047	12,880	12,996	11,864	12,186	12,507	
Business, Innovation and Skills	4,101	6,327	5,383	8,594	2,341	12,478	13,890	15,808	18,315	
Transport ⁽²⁾	842	529	-5,195	6,432	14,838	16,236	15,706	13,725	15,597	
Energy and Climate Change	3,685	5,368	4,466	7,872	101,482	771	1,452	1,817	1,900	
Culture, Media and Sport	4,152	5,041	5,051	5,464	5,133	5,255	5,519	5,460	5,375	
DCLG Communities	-666	-20	-48	48	56	418	541	653	720	
DCLG Local Government	-12	2	–	–	–	–	–	–	–	
Scotland	3,240	2,948	3,005	4,298	4,680	9,667	3,968	4,119	4,273	
Wales	302	377	287	367	52	557	548	683	662	
Northern Ireland	8,099	8,109	7,888	8,821	9,025	9,403	9,282	9,436	9,744	
Justice	-45	934	-239	-144	543	503	503	503	503	
Law Officers' Departments	5	6	7	13	-9	5	4	4	4	
Environment, Food and Rural Affairs	-53	83	-93	80	367	85	106	150	169	
HM Treasury ⁽³⁾	-23,271	-22,242	-5,431	-62,530	-42,737	-4,205	-149	-143	-143	
HM Revenue and Customs	42,867	42,691	42,575	42,931	43,194	42,967	43,073	42,996	42,700	
Cabinet Office	8,721	9,390	8,640	10,573	10,346	9,300	9,473	9,709	9,890	
Small and Independent Bodies	-135	-99	-29	-116	-270	2,136	26	19	19	
Total CG own expenditure within dept AME	223,345	233,881	241,317	221,535	372,557	302,486	300,220	305,574	315,302	
Locally financed expenditure in Northern Ireland	588	621	632	661	652	585	585	585	585	
Net expenditure transfers to the EU	9,978	11,529	11,879	11,658	11,253	12,401	10,080	11,811	12,282	
Central government debt interest	49,704	48,856	48,668	45,241	44,942	47,805	51,001	54,137	54,379	
Accounting and other adjustments	-12,780	-706	-13,194	12,782	-129,459	-47,976	-47,213	-47,218	-55,464	
Total CG own expenditure⁽⁴⁾	533,102	554,312	558,809	567,415	573,951	596,463	608,092	623,456	630,669	

⁽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, 2011-12 to 2019-20

	£ million								
	National Statistics								
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
Within resource DEL									
Defence	27,394	25,562	26,106	25,716	26,763	26,820	27,443	28,196	29,047
Single Intelligence Account	1,484	1,556	1,563	1,591	1,754	1,846	1,790	1,911	2,021
Home Office	2,358	2,078	2,047	2,199	1,895	2,225	2,123	1,903	1,685
Foreign and Commonwealth Office	2,052	1,989	1,998	1,715	1,765	1,918	1,212	1,228	1,244
International Development	5,945	5,875	7,769	7,000	6,847	7,427	8,058	9,315	8,858
Health	98,039	100,421	101,695	105,707	109,448	111,413	114,519	117,242	120,112
Work and Pensions	6,836	6,624	6,519	6,248	5,829	5,626	5,830	5,505	5,029
Education	13,260	15,853	18,206	20,291	21,107	22,304	23,948	25,225	26,718
Business, Innovation and Skills	11,019	10,519	9,046	7,771	6,829	7,757	6,944	6,493	6,366
Transport	1,102	715	853	15	605	925	1,049	1,351	981
Energy and Climate Change	1,147	1,106	1,159	1,379	1,393	907	942	946	840
Culture, Media and Sport	1,475	2,035	1,072	1,157	1,176	1,183	1,145	1,145	1,106
DCLG Communities	881	357	549	448	286	487	579	536	485
DCLG Local Government	133	104	0	–	–	–	–	–	–
Scotland	16,156	16,310	17,871	18,432	18,467	13,910	19,699	19,746	19,840
Wales	8,316	7,638	8,017	8,148	8,485	8,893	9,014	9,064	9,128
Northern Ireland	9,374	9,392	9,653	9,548	9,763	9,634	9,772	9,782	9,806
Justice	8,586	8,198	7,516	7,158	6,717	6,592	6,321	5,818	5,673
Law Officers' Departments	611	591	575	547	540	538	537	548	548
Environment, Food and Rural Affairs	1,783	1,699	1,595	1,525	1,447	1,583	1,493	1,365	1,298
HM Treasury	149	-192	-249	131	129	179	156	148	141
HM Revenue and Customs	3,488	3,437	3,411	3,188	3,303	3,562	3,427	3,136	2,914
Cabinet Office	443	464	399	603	529	738	597	578	640
Small and Independent Bodies	1,632	1,392	1,467	1,466	1,631	1,763	1,639	1,604	1,588
Total within resource DEL	223,664	223,721	228,837	231,985	236,707	238,231	248,238	252,785	256,066
Within resource departmental AME									
Defence	8,039	7,360	6,377	8,311	12,020	6,578	5,491	5,642	5,798
Single Intelligence Account	18	41	19	41	135	39	39	39	39
Home Office	-6	21	199	582	-612	140	140	140	140
Foreign and Commonwealth Office	61	88	66	-70	39	100	100	100	100
International Development	104	191	109	151	171	185	183	182	181
Health	19,582	18,878	18,194	21,952	48,649	25,907	27,114	28,416	29,766
Work and Pensions	131,954	137,197	139,370	143,899	149,800	150,664	151,331	153,913	157,027
Education	11,783	10,720	11,050	14,047	12,880	12,996	11,864	12,186	12,507
Business, Innovation and Skills	-1,129	41	-56	-662	-7,553	-783	-1,859	-2,827	-3,185
Transport ⁽¹⁾	876	590	-5,207	-264	7,989	9,006	8,457	7,583	9,100
Energy and Climate Change	3,742	5,388	4,963	8,473	101,581	813	1,496	1,862	1,946
Culture, Media and Sport	3,717	4,672	4,538	4,910	4,633	4,691	4,946	4,815	4,758
DCLG Communities	-666	10	-48	48	56	418	541	653	720
DCLG Local Government	-12	6	–	–	–	–	–	–	–
Scotland	3,073	2,760	2,669	3,858	3,936	8,860	3,408	3,559	3,713
Wales	57	125	-19	10	-330	143	91	201	159
Northern Ireland	7,511	7,764	7,463	8,285	8,395	8,728	8,646	8,866	9,185
Justice	-45	934	-239	-144	543	503	503	503	503
Law Officer' Departments	5	5	7	13	-9	5	4	4	4
Environment, Food and Rural Affairs	-53	85	-92	78	366	84	105	149	168
HM Treasury ⁽²⁾	-18,701	-18,651	6,294	-49,816	-13,672	-641	-149	-143	-143
HM Revenue and Customs	42,781	42,690	42,574	42,931	43,194	42,967	43,073	42,996	42,700
Cabinet Office	8,721	9,390	8,640	10,573	10,346	9,300	9,473	9,709	9,890
Small and Independent Bodies	-135	-99	-29	-123	-328	187	26	19	19
Total within resource departmental AME	221,277	230,206	246,841	217,083	382,230	280,891	275,023	278,568	285,095
Within resource other AME									
Locally financed expenditure in Northern Ireland	588	621	632	661	652	585	585	585	585
Net expenditure transfers to the EU	9,978	11,529	11,879	11,658	11,253	12,401	10,080	11,811	12,282
Central government debt interest	49,704	48,856	48,668	45,241	44,942	47,805	51,001	54,137	54,379
Accounting and other adjustments	-9,204	-4,593	-16,771	20,592	-141,176	-27,566	-22,244	-20,826	-24,972
Total CG own current expenditure	496,007	510,340	520,086	527,220	534,608	552,347	562,683	577,060	583,435

⁽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, 2011-12 to 2019-20

	£ million									
	National Statistics									
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans	
Within capital DEL										
Defence	9,803	8,736	8,490	8,792	8,406	8,131	8,477	8,729	8,987	
Single Intelligence Account	506	476	497	550	574	649	567	585	655	
Home Office	373	303	280	276	275	401	440	382	365	
Foreign and Commonwealth Office	92	31	115	153	126	98	98	98	98	
International Development	1,868	1,883	2,251	2,650	2,433	2,594	3,637	3,207	3,507	
Health	4,524	4,573	5,433	5,213	4,423	5,647	5,723	5,740	5,755	
Work and Pensions	330	423	237	253	121	230	290	169	152	
Education	355	2,228	1,369	1,712	2,756	1,890	1,242	624	780	
Business, Innovation and Skills	6,070	6,176	7,690	7,555	8,129	8,721	7,968	7,477	7,313	
Transport	5,025	4,918	5,180	6,580	2,306	3,053	4,097	5,666	8,049	
Energy and Climate Change	1,416	1,991	2,140	2,220	2,240	2,385	2,455	2,366	2,249	
Culture, Media and Sport	1,244	-936	-30	-57	141	384	394	377	303	
DCLG Communities	2,328	791	2,000	2,034	1,252	2,528	3,392	4,047	3,314	
DCLG Local Government	0	1	-	-	-	-	-	-	-	
Scotland	1,920	2,216	2,299	2,361	2,172	2,445	2,450	2,474	2,564	
Wales	886	734	759	958	908	969	948	958	1,000	
Northern Ireland	780	859	869	1,086	719	1,102	1,186	1,175	1,202	
Justice	342	280	274	295	266	655	742	692	417	
Law Officers' Departments	3	2	3	4	3	15	15	16	8	
Environment, Food and Rural Affairs	396	426	479	510	414	483	557	542	381	
HM Treasury	36	18	-6	36	-660	82	87	84	82	
HM Revenue and Customs	220	194	218	232	228	242	242	228	216	
Cabinet Office	17	15	38	47	-31	55	46	25	15	
Small and Independent Bodies	67	72	85	92	98	173	129	121	108	
Total within capital DEL	38,603	36,410	40,670	43,553	37,299	42,931	45,181	45,782	47,519	
Within capital departmental AME										
Defence	-10	-35	-129	51	29	-	-	-	-	
Home Office	-	-	-	-	94	-	-	-	-	
International Development	-	-6	-	-	450	285	-	-	-	
Health	-	-	-70	-5	9	15	15	15	15	
Work and Pensions	-12	-17	-134	-124	-148	-	-	-	-	
Business, Innovation and Skills	5,230	6,286	5,438	9,256	9,895	13,261	15,749	18,636	21,500	
Transport ⁽¹⁾	-33	-61	13	6,695	6,849	7,229	7,249	6,142	6,497	
Energy and Climate Change	-58	-20	-497	-601	-99	-43	-44	-45	-46	
Culture, Media and Sport	435	369	513	554	500	564	574	645	618	
DCLG Communities	-	-29	-	-	-	-	-	-	-	
DCLG Local Government	-	-4	-	-	-	-	-	-	-	
Scotland	167	188	336	440	744	807	560	560	560	
Wales	244	252	306	357	382	414	457	482	503	
Northern Ireland	588	344	425	536	629	675	636	570	559	
Law Officers' Departments	-	0	-	-	-	-	-	-	-	
Environment, Food and Rural Affairs	0	-1	-1	2	0	1	1	1	1	
HM Treasury ⁽²⁾	-4,570	-3,592	-11,725	-12,714	-29,066	-3,563	-	-	-	
HM Revenue and Customs	86	1	0	0	-	0	-	-	-	
Small and Independent Bodies	-	-	-	7	58	1,949	-	-	-	
Total within capital departmental AME	2,068	3,675	-5,524	4,451	-9,672	21,595	25,197	27,006	30,207	
Within capital other AME										
Accounting and other adjustments	-3,576	3,887	3,577	-7,809	11,716	-20,410	-24,969	-26,392	-30,492	
Total CG own capital expenditure⁽³⁾	37,095	43,972	38,723	40,195	39,343	44,116	45,409	46,396	47,234	

⁽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, 2011-12 to 2019-20

	£ million								
	National Statistics								
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
1. General public services									
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	8,353	7,908	8,085	8,146	8,179	8,773	7,613	7,302	7,136
1.2 Foreign economic aid	5,502	5,602	7,586	8,542	8,173	9,233	9,670	10,965	10,549
1.3 General services	555	453	467	492	449	464	411	395	379
1.4 Basic research	–	–	–	–	–	–	–	–	–
1.5 R&D general public services	303	319	402	407	417	431	519	533	533
1.6 General public services n.e.c.	297	208	162	320	303	415	194	194	195
1.7 Public sector debt interest	49,704	48,856	48,668	45,241	44,942	47,805	51,001	54,137	54,379
<i>of which: central government debt interest ⁽¹⁾</i>	<i>49,704</i>	<i>48,856</i>	<i>48,668</i>	<i>45,241</i>	<i>44,942</i>	<i>47,805</i>	<i>51,001</i>	<i>54,137</i>	<i>54,379</i>
Total general public services	64,714	63,346	65,370	63,147	62,463	67,121	69,408	73,526	73,171
2. Defence									
2.1 Military defence	33,539	32,261	33,019	33,734	33,996	34,012	35,259	36,513	37,858
2.2 Civil defence	46	44	50	56	67	68	–	–	–
2.3 Foreign military aid	3,172	2,235	1,361	633	329	230	–	–	–
2.4 R&D defence	1,570	1,467	1,673	1,950	1,922	1,861	1,986	1,940	1,918
2.5 Defence n.e.c	190	196	186	202	225	169	–	–	–
Total defence	38,517	36,203	36,290	36,575	36,539	36,340	37,245	38,453	39,776
3. Public order and safety									
3.1 Police services	4,301	4,034	4,474	4,778	4,666	4,770	4,733	4,571	4,424
<i>of which: immigration and citizenship</i>	<i>1,663</i>	<i>1,528</i>	<i>976</i>	<i>1,196</i>	<i>1,063</i>	<i>980</i>	<i>918</i>	<i>784</i>	<i>662</i>
<i>of which: other police services</i>	<i>2,639</i>	<i>2,506</i>	<i>3,498</i>	<i>3,582</i>	<i>3,603</i>	<i>3,790</i>	<i>3,815</i>	<i>3,787</i>	<i>3,762</i>
3.2 Fire-protection services	102	96	395	444	475	436	441	442	446
3.3 Law courts	6,449	5,906	5,465	5,409	5,604	4,529	5,022	4,800	4,626
3.4 Prisons	4,133	4,326	4,063	3,786	4,092	4,311	4,870	4,591	4,393
3.5 R&D public order and safety	59	71	72	70	62	39	41	40	40
3.6 Public order and safety n.e.c.	236	429	719	799	872	844	787	655	549
Total public order and safety	15,280	14,862	15,188	15,287	15,771	14,930	15,893	15,100	14,478
4. Economic affairs									
4.1 General economic, commercial and labour affairs ⁽²⁾	4,810	5,038	6,366	5,615	5,340	5,665	5,363	5,210	5,070
4.2 Agriculture, forestry, fishing and hunting	5,604	5,106	5,154	4,898	4,243	4,774	4,720	4,578	4,489
<i>of which: market support under CAP</i>	<i>3,932</i>	<i>2,894</i>	<i>2,959</i>	<i>2,773</i>	<i>2,320</i>	<i>2,699</i>	<i>2,664</i>	<i>2,623</i>	<i>2,610</i>
<i>of which: other agriculture, food and fisheries policy</i>	<i>1,543</i>	<i>2,114</i>	<i>2,082</i>	<i>1,998</i>	<i>1,818</i>	<i>1,985</i>	<i>1,965</i>	<i>1,865</i>	<i>1,788</i>
<i>of which: forestry</i>	<i>128</i>	<i>98</i>	<i>113</i>	<i>127</i>	<i>106</i>	<i>90</i>	<i>91</i>	<i>91</i>	<i>91</i>
4.3 Fuel and energy	527	463	464	449	463	462	431	417	399
4.4 Mining, manufacturing and construction	-5	-5	2	6	8	11	11	11	11
4.5 Transport	9,779	9,819	10,163	10,686	17,697	19,049	19,585	19,536	23,894
<i>of which: national roads</i>	<i>3,073</i>	<i>2,841</i>	<i>3,150</i>	<i>3,712</i>	<i>3,887</i>	<i>4,162</i>	<i>4,344</i>	<i>4,743</i>	<i>5,280</i>
<i>of which: local roads</i>	<i>440</i>	<i>467</i>	<i>369</i>	<i>349</i>	<i>246</i>	<i>292</i>	<i>283</i>	<i>290</i>	<i>263</i>
<i>of which: local public transport</i>	<i>781</i>	<i>675</i>	<i>587</i>	<i>511</i>	<i>533</i>	<i>567</i>	<i>573</i>	<i>589</i>	<i>594</i>
<i>of which: railway ⁽³⁾</i>	<i>4,892</i>	<i>5,008</i>	<i>4,856</i>	<i>4,942</i>	<i>11,328</i>	<i>11,546</i>	<i>11,190</i>	<i>9,599</i>	<i>11,460</i>
<i>of which: other transport</i>	<i>592</i>	<i>828</i>	<i>1,200</i>	<i>1,172</i>	<i>1,703</i>	<i>2,482</i>	<i>3,195</i>	<i>4,314</i>	<i>6,296</i>
4.6 Communication	225	527	645	436	447	298	253	222	219
4.7 Other industries	254	190	156	175	177	137	142	152	131
4.8 R&D economic affairs	3,623	3,333	4,201	4,479	4,787	5,352	5,531	5,648	5,788
4.9 Economic affairs n.e.c	642	451	488	509	458	723	663	681	582
Total economic affairs	25,458	24,922	27,639	27,253	33,621	36,471	36,700	36,457	40,581
5. Environment protection									
5.1 Waste management	1,854	2,248	2,259	2,344	2,278	2,316	2,417	2,323	2,041
5.2 Waste water management	20	–	–	–	–	–	–	–	–
5.3 Pollution abatement	102	147	142	501	469	191	90	99	171
5.4 Protection of biodiversity and landscape	474	389	429	469	636	433	441	433	413
5.5 R&D environment protection	563	442	499	470	460	420	461	452	403
5.6 Environment protection n.e.c	1,397	1,269	1,582	1,580	1,301	1,405	1,433	1,443	1,334
Total environment protection	4,410	4,496	4,911	5,365	5,144	4,765	4,842	4,750	4,363

Table 6.4 Central government own expenditure on services by sub-function, 2011-12 to 2019-20
(continued)

	£ million								
	National Statistics								
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
6. Housing and community amenities									
6.1 Housing development	1,914	1,301	1,078	1,000	950	1,322	1,435	2,077	1,964
<i>of which: local authority housing</i>	-574	119	89	66	152	145	146	155	165
<i>of which: other social housing</i>	2,488	1,182	989	934	798	1,177	1,289	1,922	1,799
6.2 Community development	449	286	411	398	268	277	272	274	268
6.3 Water supply	297	282	273	265	256	297	288	281	287
6.4 Street lighting	25	23	24	25	26	13	13	13	13
6.5 R&D housing and community amenities	–	–	–	–	–	–	–	–	–
6.6 Housing and community amenities n.e.c	166	162	168	192	218	264	203	180	162
Total housing and community amenities	2,851	2,054	1,955	1,880	1,717	2,173	2,212	2,825	2,693
7. Health ⁽⁴⁾									
Medical services	115,902	118,508	120,303	125,853	128,767	133,127	134,935	137,185	140,067
Medical research	1,834	1,703	1,970	1,876	2,142	1,729	1,777	1,823	1,831
Central and other health services	3,307	3,921	4,550	3,526	4,408	4,076	5,610	6,147	6,269
Total health	121,044	124,131	126,823	131,255	135,317	138,932	142,322	145,155	148,167
8. Recreation, culture and religion									
8.1 Recreational and sporting services	1,308	1,763	721	1,196	522	490	486	487	484
8.2 Cultural services	1,882	2,014	2,013	2,142	2,172	2,102	1,973	1,955	1,928
8.3 Broadcasting and publishing services	3,669	3,557	3,705	4,086	3,945	4,177	4,223	4,164	4,025
8.4 Religious and other community services	46	61	64	74	104	67	65	56	53
8.5 R&D recreation, culture and religion	139	164	141	174	130	180	158	155	154
8.6 Recreation, culture and religion n.e.c	93	97	46	57	63	63	56	56	56
Total recreation, culture and religion	7,137	7,656	6,691	7,729	6,936	7,078	6,960	6,873	6,700
9. Education									
9.1 Pre-primary and primary education	765	795	788	835	814	826	748	741	750
<i>of which: under fives</i>	163	123	97	99	85	77	78	78	78
<i>of which: primary education</i>	602	672	691	736	729	750	670	664	671
9.2 Secondary education ⁽⁵⁾	17,480	21,215	24,435	27,693	25,637	26,496	27,044	27,929	29,545
9.3 Post-secondary non-tertiary education	–	–	197	–	–	–	–	–	–
9.4 Tertiary education ⁽⁶⁾	9,310	8,123	7,511	6,656	5,896	5,383	4,734	4,119	3,858
9.5 Education not definable by level	462	444	408	560	468	414	633	590	592
9.6 Subsidiary services to education	731	503	528	573	512	683	787	859	859
9.7 R&D education	1,569	1,586	1,577	1,578	1,577	1,687	1,694	1,708	1,723
9.8 Education n.e.c	2,366	2,009	2,204	1,837	2,548	2,528	2,780	2,466	2,636
Total education	32,684	34,675	37,649	39,731	37,453	38,016	38,419	38,412	39,963
10. Social protection									
<i>of which: personal social services</i>	1,839	1,681	1,064	1,113	1,204	1,268	1,274	1,246	1,253
10.1 Sickness and disability	34,943	37,296	37,803	41,011	43,738	43,652	44,088	44,633	45,953
<i>of which: personal social services</i>	1,026	880	265	278	298	308	312	312	313
<i>of which: incapacity, disability and injury benefits</i>	33,916	36,416	37,538	40,733	43,440	43,344	43,776	44,320	45,640
10.2 Old age	93,635	100,840	104,031	107,679	109,762	112,068	113,302	117,649	121,985
<i>of which: personal social services</i>	429	431	449	467	489	498	505	506	507
<i>of which: pensions</i>	93,205	100,410	103,582	107,212	109,273	111,570	112,797	117,143	121,478
10.3 Survivors	1,070	1,076	1,135	1,153	1,164	1,143	1,163	1,128	1,113
10.4 Family and children	20,614	18,810	16,434	15,814	15,688	15,410	15,567	15,492	15,559
<i>of which: personal social services</i>	306	326	299	323	371	395	390	360	364
<i>of which: family benefits, income support and tax credits</i>	20,308	18,484	16,134	15,491	15,317	15,014	15,177	15,132	15,195
10.5 Unemployment	5,633	5,939	4,945	3,473	2,698	2,172	3,046	3,187	3,235
<i>of which: personal social services</i>	–	–	–	–	–	–	–	–	–
<i>of which: other unemployment benefits</i>	5,633	5,939	4,945	3,473	2,698	2,172	3,046	3,187	3,235
10.6 Housing	729	725	620	619	590	562	565	582	601
10.7 Social exclusion n.e.c. ⁽⁷⁾	32,012	31,918	31,408	31,523	31,076	31,479	31,281	31,261	31,022
<i>of which: personal social services</i>	77	45	50	44	46	67	67	69	70
<i>of which: family benefits, income support and tax credits</i>	31,935	31,873	31,358	31,479	31,030	31,412	31,214	31,193	30,952
10.8 R&D Social protection	–	–	–	–	–	–	–	–	–
10.9 Social protection n.e.c.	3,603	3,352	3,128	3,745	4,453	5,799	3,606	2,423	1,031
Total social protection	192,238	199,955	199,504	205,017	209,169	212,284	212,617	216,355	220,500

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

	£ million									
	National Statistics									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
	outturn	outturn	outturn	outturn	outturn	Plans	Plans	Plans	Plans	
EU transactions ⁽⁸⁾										
VAT-based and GNI-based contributions (net of abatement and collection costs)	9,244	10,809	11,146	10,915	10,482	11,802	9,447	11,162	11,610	
<i>derived as:</i>										
<i>EU gross contribution pre-abatement and after deduction of collection costs</i>	15,700	16,871	18,208	18,733	17,635	20,625	18,080	18,949	19,809	
<i>Traditional Own Resources (without deduction of collection costs)</i>	-2,940	-2,891	-2,933	-3,006	-3,085	-3,323	-3,168	-3,243	-3,358	
<i>UK abatement</i>	-3,516	-3,172	-4,130	-4,811	-4,068	-5,499	-5,466	-4,544	-4,840	
EU receipts	-4,771	-4,022	-3,856	-4,690	-2,811	-4,517	-4,667	-4,992	-5,281	
Attributed aid and Common Foreign and Security Policy	-163	-82	-79	-	-	-	-	-	-	
Total EU transactions	4,311	6,705	7,210	6,225	7,671	7,285	4,780	6,171	6,328	
Total central government own expenditure on services	508,644	519,006	529,228	539,463	551,800	565,394	571,399	584,077	596,721	
Accounting adjustments	24,458	35,306	29,581	27,952	22,151	31,069	36,693	39,379	33,948	
Total central government own expenditure ⁽⁹⁾	533,102	554,312	558,809	567,415	573,951	596,463	608,092	623,456	630,669	

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

⁽²⁾ Transactions from 2011-12 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 only included within 'Total Expenditure on services' from that year onwards.

⁽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 Department for Education is currently recording all central government academy expenditure as 'Secondary Education', across all years presented. While secondary schools currently account for the largest population in the academy sector, it is recognised that this will also cover some schools in primary and other functional categories. In future editions of PESA the Department for Education will look to improve apportionment of spending across the education categories.

⁽⁶⁾ The 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from Tertiary education. A full explanation of this decision can be found in Annex E.

⁽⁷⁾ Social exclusion n.e.c. includes Child and Working Tax Credits. In addition to this, personal tax credits that were previously scored as negative tax and outside the TES framework are now included in full within TES.

⁽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, 2011-12 to 2019-20

	£ million								
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans
Central government current expenditure on services									
Pay	94,172	96,573	99,369	103,979	107,889	110,423	111,980	113,123	114,449
Gross current procurement	115,626	120,063	122,981	128,425	135,465	132,002	134,046	136,826	140,224
Income from sales of goods and services	-16,961	-18,083	-18,871	-20,870	-22,976	-22,075	-18,015	-18,560	-19,326
Current grants to persons and non-profit bodies	205,009	207,253	207,694	210,814	213,071	216,504	216,218	218,838	222,413
Current grants abroad	9,611	11,844	14,072	12,316	13,756	15,546	11,282	13,670	13,329
Subsidies to private sector companies	6,452	6,474	6,606	6,336	6,792	8,424	8,331	8,556	8,671
Subsidies to public corporations	362	1,625	1,023	818	769	680	633	599	589
Net public service pensions	6,678	8,620	9,081	10,182	9,665	9,431	8,720	10,080	11,325
Central government debt interest	49,704	48,856	48,668	45,241	44,942	47,805	51,001	54,137	54,379
Other	82	238	278	289	294	134	134	122	109
Total central government own current expenditure on services	470,735	483,463	490,901	497,530	509,667	518,874	524,330	537,391	546,162
Accounting adjustments	25,272	26,877	29,185	29,690	24,941	33,473	38,353	39,669	37,273
Total central government own current expenditure	496,007	510,340	520,086	527,220	534,608	552,347	562,683	577,060	583,435
Central government capital expenditure on services									
Capital grants to persons and non-profit bodies	7,543	6,202	6,389	6,923	7,559	8,765	8,530	8,334	8,333
Capital grants to private sector companies ^{(1) (2)}	6,529	6,025	5,342	6,044	2,655	2,888	3,386	4,329	4,131
Capital grants abroad	1,170	1,150	1,405	2,754	2,571	2,658	2,895	2,929	2,974
Gross capital procurement ⁽²⁾	24,091	23,629	25,877	28,512	31,873	33,973	34,731	34,006	36,933
Income from sales of capital assets	-1,423	-1,462	-686	-2,300	-2,523	-1,763	-2,474	-2,914	-1,811
Total central government own capital expenditure on services	37,910	35,544	38,327	41,933	42,135	46,521	47,068	46,684	50,560
Accounting adjustments	-815	8,428	396	-1,738	-2,792	-2,405	-1,659	-288	-3,326
Total central government own capital expenditure	37,095	43,972	38,723	40,195	39,343	44,116	45,409	46,396	47,234
Total central government own expenditure on services	508,645	519,007	529,228	539,463	551,802	565,395	571,398	584,075	596,722
Accounting adjustments	24,457	35,305	29,581	27,952	22,149	31,068	36,694	39,381	33,947
Total central government own expenditure ⁽³⁾	533,102	554,312	558,809	567,415	573,951	596,463	608,092	623,456	630,669

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

⁽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.

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

Table 6.6 Central government own current and capital expenditure on services by function, 2011-12 to 2019-20

	£ million									
	National Statistics									
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans	
Central government own current expenditure on services										
1. General public services	63,453	62,250	63,964	60,171	59,741	64,182	66,292	70,403	70,041	
<i>of which: public and common services</i>	6,610	6,217	6,127	6,573	6,640	6,996	6,414	6,115	5,952	
<i>of which: international services</i>	7,138	7,177	9,170	8,357	8,159	9,381	8,878	10,151	9,709	
<i>of which: public sector debt interest</i>	49,704	48,856	48,668	45,241	44,942	47,805	51,001	54,137	54,379	
2. Defence	28,802	27,091	27,510	27,394	27,722	27,560	28,202	29,139	30,134	
3. Public order and safety	14,382	14,100	14,441	14,555	14,938	13,703	14,572	13,905	13,639	
4. Economic affairs	14,999	14,903	16,335	14,687	18,240	19,736	19,570	19,615	19,515	
<i>of which: enterprise and economic development ⁽¹⁾</i>	2,295	3,192	3,614	3,304	3,947	4,337	3,989	3,991	3,899	
<i>of which: science and technology</i>	370	272	363	496	837	1,260	1,325	1,471	1,576	
<i>of which: employment policies</i>	3,143	2,786	3,573	3,115	2,392	2,292	2,385	2,256	2,066	
<i>of which: agriculture, fisheries and forestry</i>	5,434	4,892	4,876	4,602	4,029	4,488	4,420	4,318	4,268	
<i>of which: transport ⁽²⁾</i>	3,757	3,761	3,908	3,170	7,034	7,357	7,452	7,579	7,706	
5. Environment protection	2,121	1,746	1,959	2,184	2,239	1,626	1,591	1,575	1,459	
6. Housing and community amenities	174	682	647	635	695	804	768	758	722	
7. Health	115,178	117,805	119,408	124,863	129,654	132,022	135,390	138,182	141,167	
8. Recreation, culture and religion	5,693	6,809	5,836	6,854	6,086	5,945	5,811	5,671	5,599	
9. Education ⁽³⁾	29,755	31,669	33,414	34,582	33,586	33,847	34,890	35,692	37,118	
10. Social protection	191,865	199,702	200,177	205,380	209,095	212,165	212,464	216,279	220,441	
EU transactions	4,311	6,705	7,210	6,225	7,671	7,285	4,780	6,171	6,328	
Total central government own current expenditure on services	470,733	483,462	490,902	497,530	509,666	518,874	524,331	537,391	546,162	
Accounting adjustments	25,274	26,878	29,184	29,690	24,942	33,473	38,352	39,669	37,273	
Total central government own current expenditure	496,007	510,340	520,086	527,220	534,608	552,347	562,683	577,060	583,435	
Central government own capital expenditure on services										
1. General public services	1,261	1,095	1,405	2,976	2,722	2,939	3,115	3,124	3,130	
<i>of which: public and common services</i>	683	576	801	859	744	1,031	1,028	997	962	
<i>of which: international services</i>	578	519	604	2,117	1,979	1,908	2,088	2,126	2,169	
2. Defence	9,715	9,112	8,780	9,181	8,817	8,780	9,044	9,314	9,642	
3. Public order and safety	898	761	746	732	833	1,226	1,321	1,195	840	
4. Economic affairs	10,459	10,020	11,304	12,566	15,382	16,736	17,130	16,841	21,065	
<i>of which: enterprise and economic development ⁽¹⁾</i>	931	608	856	739	533	619	427	426	423	
<i>of which: science and technology</i>	3,253	3,061	3,838	3,983	3,950	4,092	4,206	4,177	4,211	
<i>of which: employment policies</i>	83	79	77	32	22	48	63	20	24	
<i>of which: agriculture, fisheries and forestry</i>	170	213	278	296	214	286	301	261	221	
<i>of which: transport ⁽²⁾</i>	6,022	6,059	6,255	7,516	10,663	11,691	12,133	11,957	16,187	
5. Environment protection	2,289	2,750	2,952	3,181	2,904	3,140	3,250	3,175	2,904	
6. Housing and community amenities	2,677	1,372	1,308	1,245	1,022	1,369	1,444	2,066	1,971	
7. Health	5,865	6,326	7,415	6,392	5,664	6,910	6,932	6,973	7,001	
8. Recreation, culture and religion	1,445	847	854	875	850	1,133	1,149	1,202	1,102	
9. Education	2,928	3,006	4,234	5,148	3,867	4,169	3,530	2,720	2,845	
10. Social protection	373	254	-673	-363	74	119	153	76	58	
Total central government own capital expenditure on services	37,911	35,544	38,326	41,932	42,134	46,520	47,068	46,685	50,559	
Accounting adjustments	-816	8,428	397	-1,737	-2,791	-2,404	-1,659	-289	-3,325	
Total central government own capital expenditure ⁽⁴⁾	37,095	43,972	38,723	40,195	39,343	44,116	45,409	46,396	47,234	

⁽¹⁾ Transactions from 2011-12 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 only included within 'Total Expenditure on services' from that year onwards.

⁽³⁾ The 'grant-equivalent element of student loans' is no longer part of the TES framework and has therefore been removed from 'Current education'. A full explanation of this decision can be found in Annex E.

⁽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 2015-16) are covered by National Statistics protocols.

7.3 Central government support data (**Tables 7.1 to 7.3**) for all years up to 2015-16 are final outturn figures and data from 2016-17 onwards are latest plans.

7.4 Local government spending data (**Tables 7.4 to 7.8**) for all years up to 2014-15 are final outturn, while data for 2015-16 are based on budget plans and provisional outturns, where the latter are available.

What's new

7.5 Since PESA 2015 it has been decided to move from using DfE data as a source for local government current expenditure on education in England to that collected by DCLG from local authorities as part of its local government expenditure returns. This brings the reporting of current education expenditure in England into line with other areas of local government spending. This includes the breakdown by economic category within education spending.

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. Dedicated Schools Grant). From April 2013 in England a non-domestic rates retention scheme was introduced that allows 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 (NNDR) were originally 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. Also, from 2015-16 Welsh non-domestic rates move from central government DEL support to locally raised finance, 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) in Wales, 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 the devolved administrations (Scottish Government, Welsh Assembly Government and Northern Ireland Executive). 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 (e.g. education, roads, etc.). The Treasury assign spending to the COFOG functional categories used in PESA. In general the link 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 – Department for Communities and Local Government

- [<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

- [<http://www.gov.scot/Topics/Statistics/Browse/Local-Government-Finance>]

Wales – Welsh Government

- [<https://statswales.gov.wales/Catalogue/Local-Government/Finance>]

Table 7.1 Financing of local government in the United Kingdom by country, 2011-12 to 2019-20

	£ million								
	National Statistics								
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans
Current finance in DEL									
England ⁽¹⁾	76,800	71,656	66,239	62,976	58,660	56,105	52,986	51,114	49,631
Scotland ⁽²⁾	8,764	8,757	7,691	7,315	7,270	6,777	6,853	6,869	6,901
Wales ⁽⁷⁾	5,194	5,634	5,717	5,621	4,351	4,201	4,253	4,269	4,288
Northern Ireland	54	59	58	138	147	138	140	140	141
Total current finance in DEL	90,812	86,106	79,705	76,050	70,428	67,221	64,232	62,392	60,961
Capital support in DEL									
England	9,616	8,421	8,009	8,878	8,979	9,170	8,624	8,786	6,943
Scotland ⁽²⁾	769	607	565	829	880	687	702	733	772
Wales	515	637	569	535	562	583	588	625	666
Northern Ireland	3	3	2	6	46	4	4	4	4
Total capital support in DEL	10,903	9,668	9,145	10,248	10,467	10,444	9,918	10,148	8,385
Total central government support in DEL ⁽³⁾	101,715	95,774	88,850	86,298	80,895	77,665	74,150	72,540	69,346
Current finance in departmental AME									
England ⁽¹⁾	26,150	26,770	33,826	34,556	35,177	34,751	35,258	35,620	35,977
Scotland	2,061	2,121	1,724	1,750	1,286	1,252	1,286	1,361	1,313
Wales	1,202	1,231	1,003	1,025	1,023	987	1,003	1,015	1,030
Northern Ireland	–	–	–	–	–	–	–	–	–
Total current finance in departmental AME	29,413	30,122	36,553	37,331	37,486	36,990	37,547	37,996	38,320
Capital support in departmental AME									
England	290	133	132	310	312	-228	-258	-290	-124
Scotland	–	–	–	–	-10	-3	-9	-15	-6
Wales	–	–	–	–	5	–	–	–	–
Northern Ireland	–	–	–	–	–	–	–	–	–
Total capital support in departmental AME	290	133	132	310	307	-231	-267	-305	-130
Total central government support in departmental AME ⁽⁴⁾	29,703	30,255	36,685	37,641	37,793	36,759	37,280	37,691	38,190
Locally financed expenditure									
Local authority self-financed expenditure ⁽⁵⁾	35,465	26,515	27,099	29,290	32,859	32,864	34,335	34,271	36,287
Locally financed support in Scotland ⁽⁶⁾	2,182	2,263	2,435	2,650	2,789	2,769	2,800	2,800	2,800
Locally financed support in Wales ⁽⁷⁾	–	–	–	–	1,875	977	1,012	1,040	1,074
Total locally financed expenditure	37,647	28,778	29,534	31,940	37,523	36,610	38,147	38,111	40,161
Total financing of local government expenditure	169,065	154,807	155,069	155,879	156,211	151,034	149,577	148,342	147,697
Accounting and other adjustments	5,150	17,100	17,459	16,686	14,469	18,701	22,188	24,171	27,087
Total local government expenditure	174,215	171,907	172,528	172,565	170,680	169,735	171,765	172,513	174,784

⁽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, as it is finance raised in Scotland rather than funding from Whitehall.

⁽⁷⁾ From 2015-16 national non-domestic rates in Wales became classified as locally raised, prior to that they formed part of departmental DEL. 2015-16 includes borrowing to reform the HRA.

Table 7.2 Central government current grants for local government in the United Kingdom by departmental group, 2011-12 to 2019-20

	£ million									
	National Statistics									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans	
England										
Home Office										
Police	10,280	10,071	9,943	10,300	10,036	10,176	10,453	10,699	10,983	
Area Based Grants	67	29	–	–	–	–	–	–	–	
Other	424	653	475	537	659	523	556	620	672	
Total Home Office	10,771	10,753	10,418	10,837	10,695	10,699	11,009	11,319	11,655	
Health										
Health	116	88	–	–	–	–	–	–	–	
Social Care	–	–	42	80	58	–	–	–	–	
Public Health ⁽²⁾	–	–	2,662	2,565	3,028	3,388	3,304	3,219	3,134	
Other	20	5	9	21	26	–	–	–	–	
Total Health	136	93	2,713	2,666	3,112	3,388	3,304	3,219	3,134	
Work and Pensions ⁽³⁾										
Housing benefits	19,758	20,710	20,992	20,989	20,866	20,219	20,273	20,111	19,902	
Other	4,711	4,812	847	676	443	475	498	473	428	
Total Work and Pensions	24,469	25,522	21,839	21,665	21,309	20,694	20,771	20,584	20,330	
Education ⁽¹⁾										
Schools Grant	33,905	30,824	29,167	28,254	27,588	26,339	26,470	26,158	25,452	
Early Intervention grant	206	448	–	–	–	–	–	–	–	
Pupil Premium	556	989	1,365	1,768	1,668	1,655	1,653	1,737	1,805	
Maintained sixth forms grant	1,585	1,136	849	810	742	2,195	2,235	2,209	2,178	
Private finance initiative grant	600	670	715	744	749	738	738	738	738	
Learner Support	1	37	907	1,183	1,227	944	680	657	603	
Other	57	62	-281	-381	129	111	131	105	103	
Total Education	36,910	34,166	32,722	32,378	32,103	31,982	31,907	31,604	30,879	
Business, Innovation and Skills										
RDA development fund	96	–	–	–	–	–	–	–	–	
Other	2	0	376	357	332	11	–	–	–	
Total Business, Innovation and Skills	98	0	376	357	332	11	–	–	–	
Transport										
GLA transport	2,804	2,835	1,988	1,777	591	474	255	28	28	
Strategic rail authority	214	164	182	52	126	5	111	119	135	
Other	476	516	677	627	639	601	644	636	598	
Total Transport	3,494	3,515	2,847	2,456	1,356	1,080	1,010	783	761	
DCLG Communities										
New Homes Bonus	234	397	668	917	1,168	1,485	1,493	938	900	
PFI special grant (Housing)	21	134	154	183	184	192	192	192	192	
Troubled Families	9	132	161	153	141	230	180	180	180	
City Deals	–	–	–	–	1	142	142	162	162	
Other	632	348	427	354	410	242	276	287	290	
Total DCLG Communities	896	1,011	1,410	1,607	1,904	2,291	2,283	1,759	1,724	
DCLG Local Government										
Non-domestic rate payments/Revenue Support Grant ⁽³⁾	24,566	23,133	26,669	24,994	22,230	20,027	17,090	16,035	15,014	
Independent Living Fund	–	–	–	–	140	177	171	166	161	
PFI special grant	27	29	26	27	27	28	28	28	28	
Other	1,406	61	909	298	524	326	504	1,071	1,758	
Total DCLG Local Government	25,999	23,223	27,604	25,319	22,921	20,558	17,793	17,300	16,961	
Environment, Food and Rural Affairs										
Environment, Food and Rural Affairs	147	98	92	139	132	117	125	126	126	
Total Environment, Food and Rural Affairs	147	98	92	139	132	117	125	126	126	
Other government departments										
Other	30	45	44	109	-27	36	42	40	38	
Total England	102,950	98,426	100,065	97,533	93,837	90,856	88,244	86,734	85,608	

Table 7.2 Central government current grants for local government in the United Kingdom by departmental group, 2011-12 to 2019-20 (continued)

	£ million								
	National Statistics								
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans
Scotland ⁽⁴⁾									
Work and Pensions									
Housing benefits	1,686	1,748	1,724	1,750	1,732	1,702	1,736	1,760	1,795
Other	427	419	41	30	27	–	–	–	–
Total Work and Pensions	2,113	2,167	1,765	1,780	1,759	1,702	1,736	1,760	1,795
Scottish Government									
Revenue Support Grant ⁽³⁾	8,110	8,114	7,529	7,165	7,151	6,686	6,761	6,777	6,809
Non-domestic rate income ⁽⁵⁾	2,182	2,263	2,435	2,650	2,789	2,769	2,800	2,800	2,800
Police	480	479	–	–	–	–	–	–	–
Other	122	117	121	120	91	91	92	92	92
Total Scottish Government	10,894	10,973	10,085	9,935	10,031	9,546	9,653	9,669	9,701
Other government departments	0	0	0	0	-445	-450	-450	-399	-482
Total Scotland	13,007	13,140	11,850	11,715	11,345	10,798	10,939	11,030	11,014
Wales									
Home Office									
Police	250	–	–	–	–	-5	-10	-18	-30
Other	1	–	–	–	–	–	–	–	–
Total Home Office	251	–	–	–	–	-5	-10	-18	-30
Work and Pensions									
Housing benefits	944	976	984	1,003	1,002	987	1,003	1,015	1,030
Other	269	264	23	16	15	–	–	–	–
Total Work and Pensions	1,213	1,240	1,007	1,019	1,017	987	1,003	1,015	1,030
Welsh Assembly Government									
Non-domestic rate payments/Revenue Support Grant ⁽³⁾	4,150	4,477	4,681	4,439	4,293	4,267	4,346	4,393	4,450
Other	781	1,149	1,031	1,189	1,020	917	930	934	942
Total Welsh Assembly Government	4,931	5,626	5,712	5,628	5,313	5,184	5,276	5,327	5,392
Other government departments	1	–	–	-1	–	-1	-1	–	–
Total Wales	6,396	6,866	6,719	6,646	6,330	6,165	6,268	6,324	6,392
Northern Ireland									
Northern Ireland Executive									
	54	59	58	138	147	138	140	140	141
Total Northern Ireland	54	59	58	138	147	138	140	140	141
Total current finance	122,407	118,491	118,692	116,032	111,659	107,957	105,591	104,228	103,155

⁽¹⁾ Academies are now treated as part of central government, and so 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 DCLG 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, 2011-12 to 2019-20

	£ million								
	National Statistics								
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans
England									
Capital grants									
Home Office	282	252	238	244	548	118	122	104	108
NHS (Health)	155	128	247	227	212	129	129	129	129
Education	4,690	2,033	2,235	2,525	2,020	3,374	3,504	4,320	3,063
Business, Innovation and Skills	181	7	5	15	269	247	299	124	27
Transport	2,789	3,044	3,373	3,188	3,342	2,161	2,707	2,541	2,287
Energy and Climate Change	38	48	76	21	49	35	56	47	63
Culture, Media and Sport	213	1,345	183	409	186	–	–	–	–
CLG Communities	1,517	1,650	1,725	2,392	2,528	2,751	1,422	1,104	1,015
CLG Local Government	-8	0	–	–	–	–	–	–	–
Justice	0	0	–	–	–	–	–	–	–
Environment, Food and Rural Affairs	49	48	54	164	137	127	127	127	127
Cabinet Office	–	0	5	3	–	–	–	–	–
Total capital grants	9,906	8,553	8,141	9,188	9,291	8,943	8,365	8,496	6,819
Total England	9,906	8,553	8,141	9,188	9,291	8,943	8,365	8,496	6,819
Scotland									
Supported borrowing									
Scottish Government	20	16	–	–	–	–	–	–	–
Total supported borrowing	20	16	–	–	–	–	–	–	–
Capital grants									
Scottish Government	749	591	565	829	871	684	692	717	766
Total capital grants	749	591	565	829	871	684	692	717	766
Total Scotland	769	607	565	829	871	684	692	717	766
Wales									
Supported Capital Expenditure (Revenue) ⁽¹⁾									
Welsh Assembly Government	120	107	89	89	89	89	89	95	102
Total Supported Capital Expenditure (Revenue)	120	107	89	89	89	89	89	95	102
Capital grants									
Home Office	5	–	–	–	–	9	13	11	9
Welsh Assembly Government	390	529	480	446	473	486	487	519	555
Total capital grants	395	529	480	446	473	495	500	530	564
Total Wales	515	637	569	535	562	583	588	625	666
Northern Ireland capital grants									
Northern Ireland Executive	3	3	2	6	46	4	4	4	4
Total Northern Ireland	3	3	2	6	46	4	4	4	4
Total United Kingdom	11,193	9,800	9,277	10,558	10,770	10,214	9,649	9,842	8,255

⁽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, 2011-12 to 2015-16

	£ million				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
Current					
1. General public services	4,042	4,019	3,923	4,090	4,408
<i>of which: public and common services</i>	3,481	3,504	3,375	3,318	3,696
<i>of which: public sector debt interest⁽¹⁾</i>	561	515	548	772	712
2. Defence	52	52	54	49	49
3. Public order and safety ⁽²⁾	16,104	15,761	13,855	13,815	13,878
4. Economic affairs	5,613	4,879	4,746	4,445	4,541
<i>of which: enterprise and economic development</i>	1,100	887	903	911	659
<i>of which: agriculture, fisheries and forestry</i>	73	78	86	88	92
<i>of which: transport</i>	4,440	3,914	3,757	3,446	3,790
5. Environment protection	5,621	5,630	5,649	5,629	5,797
6. Housing and community amenities	2,550	2,405	2,340	2,219	2,298
7. Health	168	139	2,560	2,788	3,366
8. Recreation, culture and religion	3,941	3,857	3,737	3,571	3,295
9. Education	47,365	44,338	43,094	41,717	42,324
10. Social protection	52,383	53,286	54,196	55,635	54,725
Total local government current expenditure on services	137,841	134,366	134,153	133,958	134,680
Accounting adjustments	17,905	20,429	21,699	21,645	19,158
Total local government current expenditure	155,746	154,795	155,852	155,603	153,838
Capital					
1. General public services	909	965	954	878	1,084
<i>of which: public and common services</i>	909	965	954	878	1,084
3. Public order and safety ⁽²⁾	684	647	512	519	534
4. Economic affairs	4,427	3,906	4,503	4,938	5,144
<i>of which: enterprise and economic development</i>	242	85	300	84	191
<i>of which: employment policies</i>	—	—	—	—	—
<i>of which: agriculture, fisheries and forestry</i>	97	83	127	219	205
<i>of which: transport</i>	4,088	3,738	4,076	4,635	4,748
5. Environment protection	469	538	624	573	667
6. Housing and community amenities	1,435	2,268	2,300	2,543	2,051
7. Health	31	27	6	10	22
8. Recreation, culture and religion	1,394	1,189	983	1,146	1,198
9. Education	6,430	5,212	4,604	4,302	4,251
10. Social protection	222	196	271	256	257
Total local government capital expenditure on services	16,001	14,947	14,757	15,166	15,206
Accounting adjustments	2,468	2,165	1,919	1,796	1,636
Total local government capital expenditure	18,469	17,112	16,676	16,962	16,842
Total local government expenditure	174,215	171,907	172,528	172,565	170,680

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

⁽²⁾ Funding arrangements for police services in Scotland 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, 2011-12 to 2015-16

	£ million				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
England					
1. General public services	2,856	2,948	2,690	2,682	3,104
<i>of which: public and common services</i>	2,856	2,948	2,690	2,682	3,104
2. Defence	45	45	47	43	41
3. Public order and safety	13,849	13,527	13,085	13,014	13,111
4. Economic affairs	4,571	3,831	3,714	3,458	3,555
<i>of which: enterprise and economic development</i>	748	556	544	559	308
<i>of which: agriculture, fisheries and forestry</i>	61	65	69	72	72
<i>of which: transport</i>	3,762	3,210	3,101	2,827	3,175
5. Environment protection	4,488	4,475	4,477	4,467	4,607
6. Housing and community amenities	2,189	2,108	2,003	1,892	1,867
7. Health ⁽¹⁾	116	89	2,508	2,737	3,321
8. Recreation, culture and religion	2,856	2,772	2,670	2,505	2,325
9. Education	40,219	37,134	35,881	34,477	34,976
10. Social protection	44,938	45,559	46,309	47,619	46,564
Total England	116,128	112,488	113,384	112,894	113,472
Scotland					
1. General public services	458	376	503	455	395
<i>of which: public and common services</i>	458	376	503	455	395
2. Defence	3	3	3	3	4
3. Public order and safety ⁽²⁾	1,474	1,458	–	–	–
4. Economic affairs	700	724	711	701	723
<i>of which: enterprise and economic development</i>	226	220	241	247	274
<i>of which: agriculture, fisheries and forestry</i>	7	7	10	10	13
<i>of which: transport</i>	467	497	460	444	436
5. Environment protection	612	614	632	633	663
6. Housing and community amenities	88	42	72	74	148
8. Recreation, culture and religion	599	591	584	609	575
9. Education	4,548	4,574	4,590	4,624	4,793
10. Social protection	4,797	4,977	4,991	5,066	5,239
Total Scotland	13,280	13,358	12,086	12,164	12,539
Wales					
1. General public services	167	180	182	181	197
<i>of which: public and common services</i>	167	180	182	181	197
2. Defence	3	4	4	4	3
3. Public order and safety	780	776	770	801	767
4. Economic affairs	322	301	300	257	240
<i>of which: enterprise and economic development</i>	106	88	97	77	54
<i>of which: agriculture, fisheries and forestry</i>	5	6	7	6	7
<i>of which: transport</i>	211	207	196	174	179
5. Environment protection	347	363	360	343	344
6. Housing and community amenities	167	164	168	155	128
8. Recreation, culture and religion	282	278	262	245	214
9. Education	2,598	2,631	2,623	2,616	2,555
10. Social protection	2,649	2,750	2,896	2,951	2,923
Total Wales	7,315	7,447	7,564	7,553	7,371
Total Great Britain	136,723	133,293	133,034	132,611	133,382
Northern Ireland					
4. Economic affairs	20	23	21	27	23
<i>of which: enterprise and economic development</i>	20	23	21	27	23
5. Environment protection	175	178	180	186	183
6. Housing and community amenities	106	91	98	99	155
7. Health	52	50	52	52	44
8. Recreation, culture and religion	204	215	221	211	180
Total Northern Ireland	558	557	571	575	586
Debt interest ⁽³⁾	561	515	548	772	712
Total local government current expenditure on services	137,842	134,365	134,153	133,958	134,680
Accounting adjustments	17,904	20,430	21,699	21,645	19,158
Total local government current expenditure	155,746	154,795	155,852	155,603	153,838

⁽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, 2011-12 to 2015-16

	£ million				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
England					
1. General public services	1,111	1,191	1,246	1,280	1,391
<i>of which: public and common services</i>	1,111	1,191	1,246	1,280	1,391
3. Public order and safety	675	673	660	740	778
4. Economic affairs	3,855	3,266	4,010	4,551	4,759
<i>of which: enterprise and economic development</i>	359	183	447	296	349
<i>of which: employment policies</i>	—	—	—	—	—
<i>of which: agriculture, fisheries and forestry</i>	73	50	87	147	170
<i>of which: transport</i>	3,423	3,033	3,476	4,108	4,240
5. Environment protection	395	432	474	491	579
6. Housing and community amenities	1,224	2,048	2,030	2,330	2,161
7. Health	29	25	4	7	14
8. Recreation, culture and religion	1,097	874	817	931	953
9. Education	5,693	4,703	3,913	3,647	3,315
10. Social protection	223	182	229	239	231
Total England	14,304	13,394	13,385	14,216	14,181
Scotland					
1. General public services	144	124	175	174	195
<i>of which: public and common services</i>	144	124	175	174	195
3. Public order and safety ⁽²⁾	94	75	0	0	0
4. Economic affairs	644	676	616	570	634
<i>of which: enterprise and economic development</i>	99	96	74	50	88
<i>of which: agriculture, fisheries and forestry</i>	52	58	69	85	74
<i>of which: transport</i>	493	522	473	435	472
5. Environment protection	59	76	130	56	56
6. Housing and community amenities	150	144	161	173	247
8. Recreation, culture and religion	253	265	155	128	164
9. Education	586	513	524	559	662
10. Social protection	46	74	81	74	66
Total Scotland	1,975	1,946	1,841	1,735	2,022
Wales					
1. General public services	47	68	50	44	67
<i>of which: public and common services</i>	47	68	50	44	67
3. Public order and safety	38	34	54	48	83
4. Economic affairs	236	247	198	189	125
<i>of which: enterprise and economic development</i>	18	15	22	25	22
<i>of which: agriculture, fisheries and forestry</i>	18	10	14	14	21
<i>of which: transport</i>	200	222	162	150	82
5. Environment protection	28	36	24	26	45
6. Housing and community amenities	185	192	201	194	164
8. Recreation, culture and religion	63	72	53	47	52
9. Education	259	267	274	246	436
10. Social protection	19	23	18	23	11
Total Wales	875	940	872	816	983
Total Great Britain	17,154	16,280	16,098	16,767	17,186
Northern Ireland					
4. Economic affairs	1	2	1	4	56
<i>of which: enterprise and economic development</i>	1	2	1	4	56
5. Environment protection	9	13	9	12	8
6. Housing and community amenities	25	22	21	25	35
7. Health	2	4	3	4	7
8. Recreation, culture and religion	53	59	57	100	116
Total Northern Ireland	89	99	91	145	222
Total United Kingdom	17,244	16,379	16,189	16,912	17,408
Memorandum					
United Kingdom gross capital expenditure, from above	17,244	16,379	16,189	16,912	17,408
United Kingdom capital receipts (see table 7.7)	-1,244	-1,431	-1,432	-1,746	-2,202
Total local government net capital expenditure on services	16,000	14,948	14,757	15,166	15,206
Accounting adjustments	2,469	2,164	1,919	1,796	1,636
Total local government net capital expenditure	18,469	17,112	16,676	16,962	16,842

⁽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, 2011-12 to 2015-16

	£ million				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
England					
1. General public services	365	380	477	574	526
<i>of which: public and common services</i>	365	380	477	574	526
3. Public order and safety	116	126	199	267	320
4. Economic affairs	285	261	256	324	370
<i>of which: enterprise and economic development</i>	216	189	179	262	284
<i>of which: employment policies</i>	–	–	–	–	–
<i>of which: agriculture, fisheries and forestry</i>	47	36	44	27	60
<i>of which: transport</i>	22	36	33	35	26
5. Environment protection	19	16	12	8	18
6. Housing and community amenities	130	124	97	147	530
8. Recreation, culture and religion	54	60	70	22	52
9. Education	81	265	89	120	132
10. Social protection	62	76	53	69	44
Total England	1,111	1,307	1,252	1,531	1,993
Scotland					
1. General public services	16	24	28	26	23
<i>of which: public and common services</i>	16	24	28	26	23
3. Public order and safety	5	7	0	0	0
4. Economic affairs	15	16	59	39	23
<i>of which: enterprise and economic development</i>	9	13	57	18	3
<i>of which: agriculture, fisheries and forestry</i>	0	0	0	0	0
<i>of which: transport</i>	6	3	2	21	20
5. Environment protection	1	0	1	1	2
6. Housing and community amenities	6	2	1	5	1
8. Recreation, culture and religion	1	1	4	2	1
9. Education	20	6	14	15	13
10. Social protection	3	3	3	6	6
Total Scotland	66	59	110	94	68
Wales					
1. General public services	12	14	12	20	20
<i>of which: public and common services</i>	12	14	12	20	20
3. Public order and safety	1	2	2	2	7
4. Economic affairs	9	6	8	11	10
<i>of which: enterprise and economic development</i>	9	6	7	10	10
<i>of which: agriculture, fisheries and forestry</i>	–	–	–	–	–
<i>of which: transport</i>	0	0	1	1	0
5. Environment protection	0	0	0	0	0
6. Housing and community amenities	10	4	12	15	15
8. Recreation, culture and religion	1	1	0	0	0
9. Education	7	1	5	15	18
10. Social protection	1	3	0	5	0
Total Wales	42	32	40	68	70
Total Great Britain	1,219	1,398	1,402	1,693	2,131
Northern Ireland					
4. Economic affairs	2	2	1	1	28
<i>of which: enterprise and economic development</i>	2	2	1	1	28
5. Environment protection	2	2	1	3	0
6. Housing and community amenities	5	7	3	13	10
7. Health	0	1	0	1	0
8. Recreation, culture and religion	16	20	25	35	33
Total Northern Ireland	25	33	30	53	71
Total United Kingdom capital receipts	1,244	1,431	1,432	1,746	2,202

Table 7.8 Local government expenditure on services in the United Kingdom by country and economic category, 2011-12 to 2015-16

	£ million				
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 plans
England					
Pay	60,369	56,080	53,607	52,876	52,904
Gross current procurement	62,821	62,564	65,594	66,558	67,004
Income from sales of goods and services	-29,007	-28,720	-28,713	-29,436	-29,526
Subsidies to private sector companies	1,794	1,438	1,477	1,357	1,641
Subsidies to public corporations	14	15	15	14	13
Current grants to persons and non-profit bodies	20,137	21,111	21,403	21,525	21,434
Gross capital procurement	13,137	11,263	11,374	12,003	12,622
Income from sales of capital assets	-1,111	-1,307	-1,252	-1,531	-1,993
Capital grants	1,167	2,130	2,011	2,213	1,559
Total England	129,321	124,574	125,516	125,579	125,660
Scotland					
Pay	7,134	7,180	5,994	6,045	6,164
Gross current procurement	6,341	6,326	6,162	6,250	6,444
Income from sales of goods and services	-2,005	-2,020	-1,938	-2,001	-1,945
Subsidies to public corporations	83	84	98	93	103
Current grants to persons and non-profit bodies	1,728	1,789	1,770	1,776	1,772
Gross capital procurement	1,775	1,777	1,642	1,536	1,756
Income from sales of capital assets	-66	-59	-110	-94	-68
Capital grants	200	169	200	198	266
Total Scotland	15,189	15,245	13,818	13,804	14,493
Wales					
Pay	4,029	4,012	4,355	3,951	3,853
Gross current procurement	3,671	3,795	3,555	3,946	3,882
Income from sales of goods and services	-1,340	-1,352	-1,350	-1,355	-1,389
Current grants to persons and non-profit bodies	956	991	1,004	1,011	1,025
Gross capital procurement	784	849	778	728	904
Income from sales of capital assets	-42	-32	-40	-68	-70
Capital grants	91	91	94	88	79
Total Wales	8,148	8,355	8,395	8,301	8,284
Great Britain					
Pay	71,531	67,272	63,956	62,873	62,921
Gross current procurement	72,833	72,685	75,312	76,754	77,330
Income from sales of goods and services	-32,353	-32,092	-32,001	-32,793	-32,859
Subsidies to private sector companies	1,794	1,438	1,477	1,357	1,641
Subsidies to public corporations	96	99	113	107	116
Current grants to persons and non-profit bodies	22,820	23,892	24,177	24,313	24,231
Gross capital procurement	15,696	13,889	13,793	14,267	15,282
Income from sales of capital assets	-1,218	-1,398	-1,402	-1,694	-2,131
Capital grants	1,459	2,390	2,305	2,500	1,904
Total Great Britain	152,659	148,174	147,730	147,684	148,436
Northern Ireland					
Pay	292	291	302	321	334
Gross current procurement	410	444	466	463	424
Income from sales of goods and services	-144	-177	-197	-209	-172
Gross capital procurement	89	99	91	145	222
Income from sales of capital assets	-25	-33	-30	-53	-71
Total Northern Ireland	622	624	632	668	738
United Kingdom					
Pay	71,823	67,563	64,258	63,194	63,255
Gross current procurement	73,243	73,129	75,778	77,217	77,754
Income from sales of goods and services	-32,497	-32,269	-32,199	-33,001	-33,031
Subsidies to private sector companies	1,794	1,438	1,477	1,357	1,641
Subsidies to public corporations	96	99	113	107	116
Current grants to persons and non-profit bodies	22,820	23,892	24,177	24,313	24,231
Local government debt interest ⁽¹⁾	561	515	548	772	712
Gross capital procurement	15,785	13,988	13,884	14,412	15,504
Income from sales of capital assets	-1,244	-1,431	-1,432	-1,746	-2,202
Capital grants	1,459	2,390	2,305	2,500	1,904
Total local government expenditure on services	153,840	149,314	148,909	149,125	149,884
Accounting adjustments	20,375	22,593	23,619	23,440	20,796
Total local government expenditure	174,215	171,907	172,528	172,565	170,680

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

8

Public corporations

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

8.2 Outturn data in this chapter up to 2015-16 are National Statistics.

What's new

8.3 There have been no significant changes to the presentation of data within this chapter since PESA 2015.

Definition of public corporations

8.4 Public corporations is a term from National Accounts, which are based on the European System of Accounts (ESA10). The Office for National Statistics (ONS) determines which bodies are public corporations. ONS will classify a body as a public corporation where:

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

Self financing public corporations (SFPCs)

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

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

Trading funds

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

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

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

The budgeting control framework

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

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

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

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

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

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

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

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* ownfinanced 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 *Public Sector Classification Guide*.

¹ <https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/datasets/publicsectorclassificationguide>

Table 8.1 Public corporations' contribution to budgets and Total Managed Expenditure⁽¹⁾, 2011-12 to 2019-20

	£ million								
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans
Resource DEL									
CG dividends from PCs (-)	-86	-70	-84	-115	-134	-93	-96	-74	-77
CG interest from PCs (-)	-102	-103	-103	-103	-126	-133	-135	-134	-131
Subsidies to PCs	1,138	1,707	1,094	886	766	677	633	599	589
Loans written off – mutual consent	–	–	–	–	–	–	–	–	–
Total resource DEL	950	1,534	907	668	506	451	402	391	381
Resource departmental AME									
CG dividends from PCs (-)	-66	-160	-132	-101	-181	-137	-54	-54	-54
CG interest from PCs (-)	-15	-100	-63	-12	-7	-4	-1	-1	-1
Subsidies to PCs	-776	-83	-70	-66	3	2	–	–	–
Loans written off - mutual consent	–	–	–	–	–	–	–	–	–
Total resource departmental AME	-857	-342	-265	-179	-185	-138	-55	-55	-55
Total public corporations' contribution to resource budget	92	1,192	642	489	321	313	347	336	326
Capital DEL									
CG investment grants to PCs	330	289	316	347	316	316	227	197	217
Net lending to PCs	-52	24	-377	-936	135	59	14	47	35
Market and overseas borrowing	-18	-16	-5	-9	-9	–	–	–	–
Total capital DEL	260	297	-66	-598	442	376	241	244	252
Capital departmental AME									
CG investment grants to PCs	–	–	0	0	–	–	–	–	–
Net lending to PCs	187	-198	-797	263	29	-14	–	–	–
Total capital departmental AME	187	-198	-797	263	29	-14	–	–	–
Total public corporations' contribution to capital budget	447	99	-863	-335	471	362	241	244	252
Other AME									
PC own-financed capital expenditure ⁽²⁾	13,129	13,519	14,951	16,503	16,850	14,668	13,510	12,798	11,871
Accounting adjustments	2,847	1,809	2,382	2,326	2,410	2,765	3,054	3,363	3,566
Public corporations' expenditure in TME ⁽³⁾	16,515	16,619	17,112	18,983	20,052	18,108	17,152	16,741	16,015
<i>of which:</i>									
PC current expenditure in TME	2,961	3,041	3,052	2,858	2,774	3,290	3,524	3,793	4,006
PC gross investment in TME	13,554	13,578	14,060	16,125	17,278	14,818	13,628	12,948	12,009

⁽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⁾, 2011-12 to 2019-20

	£ million								
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans
Resource DEL									
Defence	-35	-34	-51	-84	-67	–	–	–	–
Home Office	-5	0	–	-1	–	–	–	–	–
Foreign and Commonwealth Office	179	166	157	150	157	169	168	171	174
Health	10	70	92	82	84	65	65	65	65
Work and Pensions	206	141	120	111	16	13	13	13	11
Education	–	–	0	3	–	–	–	–	–
Business, Innovation and Skills	161	322	320	202	159	118	74	38	27
Transport	-1	12	6	25	-42	-46	-51	-29	-31
Culture, Media and Sport	75	523	9	50	16	–	–	–	–
DCLG Communities and DCLG Local Government	29	-2	-2	-2	-2	-2	-2	-3	-3
Scotland	21	48	31	42	68	42	42	42	42
Wales	–	–	-1	0	-1	–	–	–	–
Northern Ireland	275	260	210	81	100	74	75	75	75
Environment, Food and Rural Affairs	36	32	19	8	20	21	21	21	21
Cabinet Office	-2	-3	-3	-2	-2	-2	-2	-2	-2
Small and Independent Bodies	–	0	0	0	0	–	–	–	–
Total resource DEL	950	1,534	907	668	506	451	402	391	381
Resource departmental AME									
Business, Innovation and Skills	-29	-133	-46	-1	-2	-1	-1	-1	-1
Culture, Media and Sport	–	-58	-55	-5	-72	-83	–	–	–
DCLG Communities and DCLG Local Government	-704	-13	–	–	–	–	–	–	–
Wales	-74	-72	-73	-73	–	–	–	–	–
HM Treasury	-40	-59	-84	-97	-109	-54	-54	-54	-54
Small and Independent Bodies	-10	-7	-7	-4	-2	0	–	–	–
Total resource departmental AME	-857	-342	-265	-179	-185	-138	-55	-55	-55
Total public corporations' contribution to resource budget	92	1,192	642	489	321	313	347	336	326
Capital DEL									
Defence	-5	-6	-6	-57	-3	-4	16	16	-3
Home Office	0	–	–	–	–	–	–	–	–
Foreign and Commonwealth Office	23	6	5	5	5	–	–	–	–
Health	-10	7	-313	-469	33	34	34	34	34
Work and Pensions	1	–	–	–	67	76	88	86	75
Business, Innovation and Skills	-2	-1	119	90	170	143	23	-26	-25
Transport	-37	-28	-16	-378	-4	-5	-1	3	5
Culture, Media and Sport	-47	47	–	80	–	–	–	–	–
DCLG Communities and DCLG Local Government	14	-11	–	14	14	18	38	56	71
Scotland	84	158	57	99	73	82	84	88	92
Wales	-11	-9	-3	7	67	–	–	–	–
Northern Ireland	231	121	74	-7	0	32	-41	-13	4
Environment, Food and Rural Affairs	18	14	17	19	19	–	–	–	–
Total capital DEL	260	297	-66	-598	442	376	241	244	252
Capital departmental AME									
Business, Innovation and Skills	239	-157	-764	292	53	–	–	–	–
Culture, Media and Sport	–	–	0	0	–	–	–	–	–
Small and Independent Bodies	-52	-40	-34	-29	-24	-14	–	–	–
Total capital departmental AME	187	-198	-797	263	29	-14	–	–	–
Total public corporations' contribution to capital budget	447	99	-863	-335	471	362	241	244	252
Total public corporations' contribution to budgets	540	1,291	-221	155	792	675	588	580	578

⁽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, 2011-12 to 2019-20

	£ million								
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
Defence									
Defence Support Group	7	7	7	7	7	#	#	#	#
Defence Aviation Repair Agency ⁽¹⁾	–	–	–	–	–	#	#	#	#
Defence Science and Technology Laboratory ⁽¹⁾	41	41	41	41	41	#	#	#	#
Hydrographic Office ⁽¹⁾	8	8	8	8	8	#	#	#	#
Navy, Army and Air Force Institute	3	3	3	3	3	#	#	#	#
QinetiQ ⁽⁵⁾	–	–	–	–	–	#	#	#	#
Total Defence	59	59	59	59	59	#	#	#	#
Home Office									
Forensic Science Service ⁽¹⁾	1	#	#	#	#	#	#	#	#
Total Home Office	1	#	#	#	#	#	#	#	#
Foreign and Commonwealth Office									
British Council	7	23	17	16	#	#	#	#	#
Total Foreign and Commonwealth Office	7	23	17	16	#	#	#	#	#
International Development									
CDC Group ⁽⁵⁾	7	3	#	#	#	#	#	#	#
Actis ⁽⁵⁾	–	–	#	#	#	#	#	#	#
Total International Development	7	3	#	#	#	#	#	#	#
Health									
Medicines and Healthcare Products Regulatory Agency ⁽¹⁾	3	5	#	#	#	#	#	#	#
NHS Estates ⁽¹⁾	7	–	#	#	#	#	#	#	#
NHS Blood and Transplant	–	–	#	#	#	#	#	#	#
Total Health	11	5	#	#	#	#	#	#	#
Work and Pensions									
Reploy	1	1	#	#	#	#	#	#	#
Pension Protection Fund	0	0	#	#	#	#	#	#	#
National Employment Savings Trust	17	10	#	#	#	#	#	#	#
Total Work and Pensions	18	11	#	#	#	#	#	#	#
Business, Innovation and Skills									
UK Intellectual Property Office	2	1	2	1	#	#	#	#	#
British Nuclear Fuels Limited ⁽⁵⁾	–	–	–	–	#	#	#	#	#
Companies House ⁽¹⁾	3	5	-2	–	#	#	#	#	#
Royal Mail Holdings ⁽⁵⁾	198	243	–	–	#	#	#	#	#
Land Registry ⁽¹⁾	13	9	0	2	#	#	#	#	#
Ordnance Survey ⁽¹⁾	9	15	20	–	#	#	#	#	#
Meteorological Office ⁽¹⁾	27	27	21	38	#	#	#	#	#
Total Business, Innovation and Skills	252	300	41	41	#	#	#	#	#
Transport									
Civil Aviation Authority	1	2	#	#	#	#	#	#	#
Driving Standards Agency ⁽¹⁾	6	3	#	#	#	#	#	#	#
Vehicle and Operator Services Agency ⁽¹⁾	3	5	#	#	#	#	#	#	#
Total Transport	9	9	#	#	#	#	#	#	#
Culture Media and Sport									
Channel Four Television Corporation ⁽⁵⁾	15	9	#	#	#	#	#	#	#
Historic Royal Palaces Trust	0	0	#	#	#	#	#	#	#
Tote ⁽⁵⁾	–	–	#	#	#	#	#	#	#
Total Culture Media and Sport	15	9	#	#	#	#	#	#	#
DCLG Communities and DCLG Local Government									
Fire Service College ⁽¹⁾	2	2	–	–	–	#	#	#	#
QEII Conference Centre ⁽¹⁾	0	0	1	3	4	#	#	#	#
Total Department for Communities and Local Government	2	2	1	3	4	#	#	#	#
Scotland									
Caledonian MacBrayne	6	8	6	6	6	#	#	#	#
Forest Enterprise	3	11	5	2	2	#	#	#	#
Scottish Water	491	488	475	470	558	#	#	#	#
Total Scotland	500	507	485	477	565	#	#	#	#

Table 8.3 Public corporations' capital expenditure on services, 2011-12 to 2019-20 (continued)

	£ million								
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
Northern Ireland									
Northern Ireland Driver and Vehicle Testing Agency ⁽¹⁾	–	3	1	0	0	6	32	30	30
Northern Ireland Housing Executive	202	126	110	21	-6	-5	-43	-1	-1
Northern Ireland Public Trust Port Authority	34	42	10	22	23	70	78	47	38
Northern Ireland Transport Holding Company	110	60	29	37	36	105	140	196	185
Northern Ireland Water	–	–	–	–	–	–	–	–	–
Total Northern Ireland	345	232	151	79	54	177	208	271	252
Environment Food and Rural Affairs									
Covent Garden Market Authority	–	–	–	–	–	1	1	1	1
Total Environment Food and Rural Affairs	–	–	–	–	–	1	1	1	1
HM Treasury									
Crown Estate ⁽⁵⁾	-216	11	47	33	-321	*	*	*	*
Royal Mint ⁽⁶⁾	–	–	–	–	–	–	–	–	–
Total HM Treasury	-216	11	47	33	-321	*	*	*	*
Local Government									
London Underground Limited	948	944	1,037	1,468	*	*	*	*	*
England Housing Revenue Account	1,930	1,915	1,914	2,297	2,475	2,018	1,919	2,032	2,023
Scotland Housing Revenue Account	553	565	565	595	656	534	508	538	535
Wales Housing Revenue Account	140	136	147	169	265	149	142	150	149
Total Local Government	3,572	3,560	3,664	4,530	*	*	*	*	*
Total public corporations' capital expenditure on services	4,581	4,731	4,466	5,238	6,434	4,676	4,591	4,399	4,256
Accounting Adjustments	8,973	8,847	9,594	10,887	10,844	10,142	9,037	8,549	7,753
Total public corporations' capital expenditure ⁽¹⁾	13,554	13,578	14,060	16,125	17,278	14,818	13,628	12,948	12,009

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

⁽¹⁾ Denotes public corporation with trading fund status.

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

⁽¹⁾ 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, 2011-12 to 2019-20

	£ million								
	National Statistics								
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans
Public corporations' current expenditure on services									
1. General public services	2,961	3,041	3,052	2,858	2,774	3,290	3,524	3,793	4,006
<i>of which: public sector debt interest</i>	2,961	3,041	3,052	2,858	2,774	3,290	3,524	3,793	4,006
Total public corporations' current expenditure on services	2,961	3,041	3,052	2,858	2,774	3,290	3,524	3,793	4,006
Accounting adjustments	–	–	–	–	–	–	–	–	–
Total public corporations' current expenditure	2,961	3,041	3,052	2,858	2,774	3,290	3,524	3,793	4,006
Public corporations' capital expenditure on services									
1. General public services	-163	72	86	54	-317	–	–	–	–
<i>of which: public and common services</i>	-178	45	69	38	-317	–	–	–	–
<i>of which: international services</i>	14	27	17	16	–	–	–	–	–
2. Defence	86	86	59	59	59	–	–	–	–
3. Public order and safety	3	2	–	–	–	–	–	–	–
4. Economic affairs	1,313	1,327	1,109	1,573	1,827	1,980	2,065	1,681	1,550
<i>of which: enterprise and economic development</i>	203	249	22	39	–	–	–	–	–
<i>of which: employment policies</i>	1	1	–	–	–	–	–	–	–
<i>of which: agriculture, fisheries and forestry</i>	3	11	5	2	2	1	1	1	1
<i>of which: transport</i>	1,106	1,067	1,083	1,532	1,825	1,979	2,064	1,680	1,549
5. Environment protection	–	–	–	–	–	–	–	–	–
6. Housing and community amenities	3,316	3,229	3,212	3,552	3,947	2,696	2,526	2,718	2,706
7. Health	11	5	–	–	–	–	–	–	–
8. Recreation, culture and religion	15	9	–	–	–	–	–	–	–
10. Social protection	0	0	–	–	–	–	–	–	–
Total public corporations' capital expenditure on services	4,581	4,731	4,466	5,238	5,515	4,676	4,591	4,399	4,256
Accounting adjustments	8,973	8,847	9,594	10,887	11,763	10,142	9,037	8,549	7,753
Total public corporations' capital expenditure	13,554	13,578	14,060	16,125	17,278	14,818	13,628	12,948	12,009

Table 8.5 Public corporations' current and capital expenditure by economic category, 2011-12 to 2019-20

	£ million								
	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2015-16 outturn	2016-17 plans	2017-18 plans	2018-19 plans	2019-20 plans
Public corporations' current expenditure on services									
Public corporations' debt interest	2,961	3,041	3,052	2,858	2,774	3,290	3,524	3,793	4,006
Total public corporations' current expenditure on services	2,961	3,041	3,052	2,858	2,774	3,290	3,524	3,793	4,006
Accounting adjustments	0	0	0	0	0	0	0	0	0
Total public corporations' current expenditure	2,961	3,041	3,052	2,858	2,774	3,290	3,524	3,793	4,006
Public corporations' capital expenditure on services									
Gross capital procurement	6,101	5,818	6,100	6,931	8,399	4,717	4,649	4,416	4,273
Income from sales of assets	-1,684	-1,191	-1,724	-1,695	-1,966	-41	-58	-17	-17
Capital grants	164	104	90	2	2	-	-	-	-
Total public corporations' capital expenditure on services	4,581	4,731	4,466	5,238	6,434	4,676	4,591	4,399	4,256
Accounting adjustments	8,973	8,847	9,594	10,887	10,844	10,142	9,037	8,549	7,753
Total public corporations' capital expenditure	13,554	13,578	14,060	16,125	17,278	14,818	13,628	12,948	12,009
Total public corporations' expenditure on services	7,542	7,772	7,518	8,096	9,208	7,966	8,115	8,192	8,262
Accounting adjustments	8,973	8,847	9,594	10,887	10,844	10,142	9,037	8,549	7,753
Total public corporations' expenditure ⁽¹⁾	16,515	16,619	17,112	18,983	20,052	18,108	17,152	16,741	16,015

⁽¹⁾ This excludes the temporary effects 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 the following 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 2015. 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 2015.¹ The main differences since that publication being:

- GDP deflators (**Annex F**) as used throughout PESA 2016 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 2016 have also been included within the relevant **Chapter 9** tables. Once again there will be differences when compared with the CRA release.

Although the most recently available mid-year population estimates (see Annex F) have been used to produce the per-head data in Chapters 9 and 10, the differences since the November 2015 CRA release are so minor that users should not see any difference in the relevant tables between the two publications (differences between the real-terms per-head tables are explained in the first bullet point above).

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, Northern Ireland Executive, or with local government. This means that in several areas expenditure is planned on a UK-wide or GB-wide basis rather than by reference to a single country. For example, the Department for Work and Pensions (DWP) is responsible for the operation of the social security benefit system throughout Great Britain, but not Northern Ireland.

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 2010-11 to 2014-15. Information on methods and data quality is provided in the sections below.

¹ <https://www.gov.uk/government/publications/country-and-regional-analysis-2015>

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 average UK level.

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 2014-15 only.

9.12 A supplementary database and tables are available on GOV.UK alongside the November 2015 CRA release. This will include the information in **Table 9.21** for earlier years, while the interactive tables allow users to choose how they view the data.

Methods

The process of apportioning expenditure by country and region

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

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

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

Identifiable expenditure on services

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

- Around 89 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, constituting the remaining 11 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' locations 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 upon the characteristics of the expenditure itself. Receipts from the EU are treated as non-identifiable within TES. Consequently, regional expenditure includes the expenditure financed by EU receipts. Payments to the EU are attributed to 'outside UK' as these are transfer payments that the EU then spends.

How identifiable expenditure is attributed to countries and regions

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

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 2015.

9.23 Information on local government spending in the CRA is based on data supplied by the Departments for Communities and Local Government (DCLG), 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 DCLG.

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 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:

- **Home Office** – for this year’s CRA, Home Office have made changes to spending allocation for a couple of their areas of business;
 - firstly programmes grouped under the heading “Enablers”. They have determined that a proportion of Enablers resource expenditure relating to border and immigration is non-identifiable for 2013-14 and 2014-15;

- secondly, during 2013 the Home Office gained from the Department for Communities and Local Government, responsibility for their formula Police Grant and legacy Council Tax Grants. These additional grants have been integrated into the methodology for allocating Police Grant for all periods back to 2010-11.
- **Ministry of Defence (MoD)** – the MoD have raised concerns regarding the allocation methodology for the Armed Forces Retired Pay & Pensions scheme as the last UK regional proportions for this were obtained in 2007. We will look to obtain more up-to-date regional proportions for next year’s CRA.
- **Department for Transport (DfT)** – DfT have long-standing concerns on rail network and Highways regional allocation. In addition to this they are now providing a country and regional expenditure allocation for High Speed 2 (HS2) that was previously deemed to be non-identifiable. These are outlined below;
 - 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;
 - the methodology for allocating HS2 expenditure has two elements. Where circumstance allows, expenditure is allocated to specific regions, for example property purchase costs have been allocated according to where the property being purchased is located. The remaining balance of expenditure has been allocated in line with the regional benefits outlined in the “The Economic Case for HS2”² document.
- **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.

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/365065/S_A_1_Economic_case_0.pdf

Table 9.1 Total identifiable expenditure on services by country and region, 2010-11 to 2014-15

	£ million					as a per cent of identifiable expenditure				
	National Statistics					National Statistics				
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn
North East	24,135	23,849	24,123	24,320	24,478	4	4	4	4	4
North West	63,697	62,921	64,508	64,706	65,599	11	11	11	11	11
Yorkshire and the Humber	44,242	44,365	45,051	45,412	46,416	8	8	8	8	8
East Midlands	35,540	35,458	36,377	36,941	37,835	6	6	6	6	6
West Midlands	46,839	46,877	47,776	48,306	49,610	8	8	8	8	8
East	45,322	44,421	45,299	46,542	47,429	8	8	8	8	8
London	82,315	81,352	81,349	82,713	84,024	14	14	14	14	14
South East	65,011	64,011	65,909	68,100	68,821	11	11	11	12	11
South West	41,569	41,858	42,901	44,188	44,987	7	7	7	7	7
Total England	448,670	445,111	453,293	461,228	469,198	79	78	78	78	78
Scotland	52,352	52,757	54,178	54,191	55,475	9	9	9	9	9
Wales	29,327	29,692	29,600	30,021	30,624	5	5	5	5	5
Northern Ireland	19,123	19,372	19,808	19,942	20,440	3	3	3	3	3
UK identifiable expenditure	549,472	546,933	556,879	565,382	575,738	96	96	96	96	96
Outside UK	21,947	20,976	22,755	25,288	26,436	4	4	4	4	4
Total identifiable expenditure	571,418	567,909	579,634	590,669	602,174	100	100	100	100	100

	£ million					as a per cent of Total Managed Expenditure				
	National Statistics					National Statistics				
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn
Identifiable expenditure	571,418	567,909	579,634	590,669	602,174	80	79	79	80	81
Non-identifiable expenditure ⁽¹⁾	88,707	89,703	83,993	82,273	78,839	12	13	11	11	11
Public sector expenditure on services	660,126	657,612	663,627	672,942	681,013	92	92	91	91	91
Accounting adjustments	53,937	57,492	67,193	62,970	65,595	8	8	9	9	9
Total Managed Expenditure⁽²⁾	714,063	715,104	730,820	735,912	746,608	100	100	100	100	100

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

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

Table 9.2 Total identifiable expenditure on services by country and region, per head 2010-11 to 2014-15⁽¹⁾

	£ per head					Index (UK identifiable expenditure = 100)				
	National Statistics					National Statistics				
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn
North East	9,330	9,185	9,270	9,316	9,347	107	106	106	106	105
North West	9,074	8,917	9,106	9,109	9,197	104	103	104	103	103
Yorkshire and the Humber	8,419	8,389	8,473	8,508	8,660	96	97	97	96	97
East Midlands	7,885	7,815	7,964	8,033	8,159	90	90	91	91	92
West Midlands	8,415	8,358	8,467	8,513	8,683	96	97	97	97	97
East	7,804	7,577	7,668	7,817	7,881	89	88	88	89	88
London	10,211	9,916	9,791	9,827	9,840	117	115	112	111	110
South East	7,579	7,398	7,554	7,745	7,756	87	86	86	88	87
South West	7,901	7,896	8,034	8,217	8,295	90	91	92	93	93
England	8,523	8,381	8,474	8,563	8,638	97	97	97	97	97
Scotland	9,949	9,954	10,196	10,171	10,374	114	115	117	115	116
Wales	9,615	9,691	9,629	9,740	9,904	110	112	110	110	111
Northern Ireland	10,595	10,677	10,862	10,899	11,106	121	124	124	124	125
UK identifiable expenditure	8,755	8,642	8,742	8,820	8,913	100	100	100	100	100

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

Table 9.3 Total identifiable expenditure on services by country and region in real terms⁽¹⁾, 2010-11 to 2014-15

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	
North East	25,813	25,158	24,925	24,720	24,498	
North West	68,127	66,376	66,651	65,770	65,652	
Yorkshire and the Humber	47,320	46,801	46,547	46,158	46,453	
East Midlands	38,012	37,405	37,586	37,548	37,866	
West Midlands	50,097	49,451	49,363	49,100	49,650	
East	48,474	46,860	46,803	47,308	47,467	
London	88,040	85,819	84,051	84,073	84,092	
South East	69,532	67,526	68,098	69,220	68,877	
South West	44,461	44,156	44,326	44,915	45,023	
England	479,877	469,552	468,351	468,813	469,579	
Scotland	55,993	55,654	55,978	55,082	55,520	
Wales	31,367	31,323	30,583	30,515	30,649	
Northern Ireland	20,453	20,436	20,466	20,270	20,457	
UK identifiable expenditure	587,689	576,964	575,378	574,680	576,205	
Outside UK	23,473	22,128	23,511	25,704	26,458	
Total identifiable expenditure	611,162	599,092	598,888	600,384	602,662	
Non-identifiable expenditure ⁽²⁾	94,877	94,628	86,783	83,626	78,903	
Total Expenditure on Services	706,039	693,720	685,671	684,009	681,565	
Accounting adjustments	57,689	60,649	69,425	64,005	65,648	
Total Managed Expenditure⁽³⁾	763,728	754,369	755,096	748,015	747,213	

⁽¹⁾ Real terms figures are the nominal figures adjusted to 2015-16 price levels using GDP deflators from the Office for National Statistics (released 30 June 2016).

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

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

Table 9.4 Total identifiable expenditure on services by country and region per head⁽¹⁾ in real terms,⁽²⁾ 2010-11 to 2014-15

	National Statistics					£ per head
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	
North East	9,979	9,690	9,578	9,470	9,355	
North West	9,705	9,407	9,408	9,259	9,204	
Yorkshire and the Humber	9,005	8,850	8,755	8,648	8,667	
East Midlands	8,434	8,244	8,229	8,166	8,165	
West Midlands	9,001	8,817	8,748	8,653	8,690	
East	8,347	7,993	7,923	7,945	7,887	
London	10,921	10,460	10,116	9,989	9,848	
South East	8,106	7,804	7,805	7,872	7,762	
South West	8,451	8,330	8,301	8,352	8,302	
England	9,116	8,842	8,755	8,703	8,645	
Scotland	10,641	10,501	10,535	10,339	10,382	
Wales	10,284	10,223	9,949	9,900	9,912	
Northern Ireland	11,332	11,264	11,223	11,078	11,115	
UK identifiable expenditure	9,364	9,117	9,032	8,965	8,920	

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

⁽²⁾ Real terms figures are the nominal figures adjusted to 2015-16 price levels using GDP deflators from the Office for National Statistics (released 30 June 2016).

Table 9.5 Identifiable expenditure on general public services by country and region, 2010-11 to 2014-15

	General public services												of which: current						of which: capital								
	National Statistics						National Statistics						2010-11			2011-12			2012-13			2013-14			2014-15		
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn					
North East	301	232	285	237	265		230	196	248	190	221		71	36	37	47	44										
North West	840	616	664	607	690		722	564	536	513	608		118	51	128	94	83										
Yorkshire and the Humber	527	496	421	431	502		386	374	362	326	399		141	122	59	105	102										
East Midlands	709	537	488	454	522		611	482	418	357	425		99	54	70	98	97										
West Midlands	682	520	451	465	544		476	452	431	414	499		207	68	20	51	45										
East	615	562	562	546	645		527	503	494	476	583		88	59	68	70	62										
London	916	730	880	839	932		799	644	587	646	755		116	86	292	193	177										
South East	974	813	797	839	990		796	718	673	662	822		178	94	124	177	168										
South West	575	522	488	456	541		470	441	439	380	472		105	81	49	77	69										
England	6,139	5,027	5,036	4,874	5,631		5,017	4,373	4,188	3,963	4,785		1,123	653	848	911	846										
Scotland	1,301	1,096	954	1,134	1,105		1,091	967	829	960	950		210	129	125	174	156										
Wales	594	542	519	522	548		520	493	449	463	504		74	50	70	59	45										
Northern Ireland	465	393	389	428	476		407	362	364	386	401		58	31	25	41	75										
UK identifiable expenditure	8,499	7,058	6,898	6,958	7,761		7,035	6,195	5,830	5,773	6,639		1,464	863	1,069	1,185	1,121										
Outside the UK	6,425	6,461	6,483	8,498	9,518		5,811	5,964	5,979	8,000	7,546		613	497	504	498	1,972										
Total identifiable expenditure	14,924	13,519	13,381	15,456	17,279		12,846	12,159	11,809	13,773	14,185		2,078	1,360	1,572	1,683	3,093										
Non-identifiable expenditure	48,049	50,160	45,954	45,338	41,749		47,743	49,814	45,713	45,021	41,387		307	346	241	317	362										
Total Expenditure on Services	62,973	63,679	59,336	60,794	59,027		60,589	61,974	57,522	58,794	55,572		2,384	1,706	1,813	2,000	3,455										

£ million

Table 9.5a Identifiable expenditure on general public services (of which: public and common services) by country and region, 2010-11 to 2014-15

	Total public and common services						of which: current						of which: capital					
	National Statistics						National Statistics						National Statistics					
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	
North East	292	224	279	231	258		222	188	242	185	215		71	36	37	46	43	
North West	816	594	645	590	673		698	543	519	497	591		118	51	127	93	82	
Yorkshire and the Humber	510	480	407	419	488		368	358	349	314	387		141	122	58	105	102	
East Midlands	694	522	476	443	511		596	468	407	346	414		98	54	69	97	96	
West Midlands	663	502	437	451	530		457	434	417	401	485		206	68	19	50	44	
East	595	544	547	532	630		508	485	480	463	569		88	59	67	69	61	
London	888	704	858	819	911		773	618	567	627	735		116	86	291	192	176	
South East	945	786	774	818	968		767	692	652	643	802		177	94	123	176	167	
South West	557	505	475	444	528		453	424	426	368	459		105	81	48	76	68	
England	5,961	4,861	4,898	4,747	5,497		4,842	4,210	4,059	3,843	4,657		1,120	650	839	904	840	
Scotland	1,283	1,079	940	1,121	1,092		1,074	950	817	948	937		209	129	124	174	155	
Wales	584	533	511	515	541		510	483	441	457	496		74	50	70	58	44	
Northern Ireland	459	387	384	423	471		401	357	360	382	397		58	31	25	41	74	
UK identifiable expenditure	8,287	6,860	6,734	6,806	7,601		6,827	6,001	5,677	5,630	6,487		1,460	860	1,057	1,177	1,113	
Outside the UK	—	0	—	0	—		—	0	—	0	—		—	—	—	—	—	
Total identifiable expenditure	8,287	6,860	6,734	6,807	7,601		6,827	6,001	5,677	5,630	6,487		1,460	860	1,057	1,177	1,113	
Non-identifiable expenditure	4,329	4,390	4,295	4,189	4,130		4,148	4,137	4,084	3,986	3,922		181	253	210	202	208	
Total Expenditure on Services	12,617	11,250	11,028	10,996	11,731		10,975	10,137	9,761	9,617	10,410		1,641	1,113	1,267	1,379	1,321	

£ million

Table 9.5b Identifiable expenditure on general public services (of which: international services) by country and region, 2010-11 to 2014-15

	International services												of which: current												of which: capital											
	National Statistics						National Statistics						National Statistics						National Statistics																	
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn													
North East	9	8	7	6	6		9	8	6	6	6		0	0	0	0	0		0	0	0	0	0													
North West	24	22	18	17	18		23	22	17	16	17		0	0	0	0	0		0	0	0	0	0													
Yorkshire and the Humber	18	17	14	13	13		17	16	13	12	13		0	0	0	0	0		0	0	0	0	0													
East Midlands	15	14	12	11	11		15	14	11	10	11		0	0	0	0	0		0	0	0	0	0													
West Midlands	19	18	15	13	14		18	17	14	13	13		0	0	0	0	0		0	0	0	0	0													
East	20	18	15	14	15		19	18	14	13	14		0	0	0	0	0		0	0	0	0	0													
London	27	26	21	20	21		27	25	20	19	20		1	1	0	0	0		1	1	0	0	0													
South East	29	27	23	21	22		28	27	21	20	21		1	1	0	0	0		1	1	0	0	0													
South West	18	17	14	13	13		17	16	13	12	13		0	0	0	0	0		0	0	0	0	0													
England	178	166	138	127	134		175	163	129	120	128		3	3	10	7	7		3	3	10	7	7													
Scotland	18	17	14	13	13		17	16	13	12	13		0	0	0	0	0		0	0	0	0	0													
Wales	10	10	8	7	8		10	9	7	7	7		0	0	0	0	0		0	0	0	0	0													
Northern Ireland	6	6	5	4	5		6	6	4	4	4		0	0	0	0	0		0	0	0	0	0													
UK identifiable expenditure	212	198	165	152	160		208	194	153	143	152		4	4	12	8	8		4	4	12	8	8													
Outside the UK	6,424	6,461	6,483	8,498	9,518		5,811	5,964	5,979	8,000	7,546		613	497	504	498	1,972		613	497	504	498	1,972													
Total identifiable expenditure	6,637	6,659	6,648	8,649	9,678		6,020	6,158	6,132	8,143	7,698		617	500	515	506	1,980		617	500	515	506	1,980													
Non-identifiable expenditure	1,363	1,294	1,306	1,446	1,146		1,237	1,202	1,275	1,332	991		126	92	31	115	154		126	92	31	115	154													
Total Expenditure on Services	7,999	7,953	7,953	10,096	10,823		7,257	7,360	7,407	9,475	8,689		743	593	546	621	2,134		743	593	546	621	2,134													

Table 9.5c Identifiable expenditure on general public services (of which: public sector debt interest) by country and region, 2010-11 to 2014-15

	Public sector debt interest												of which: current												of which: capital												£ million
	National Statistics						National Statistics						National Statistics						National Statistics																		
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 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	42,357	44,476	40,354	39,703	36,473		42,357	44,476	40,354	39,703	36,473		42,357	44,476	40,354	39,703	36,473																				
Total Expenditure on Services	42,357	44,476	40,354	39,703	36,473		42,357	44,476	40,354	39,703	36,473		-	-	-	-	-																				

Table 9.6 Identifiable expenditure on defence by country and region, 2010-11 to 2014-15

	Defence						of which: current						of which: capital						£ million	
	National Statistics			National Statistics			National Statistics			National Statistics			National Statistics			National Statistics				
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn		2013-14 outturn
North East	3	2	3	2	3	3	3	3	2	2	0	0	0	0	0	0	0	0	0	0
North West	8	6	7	7	7	8	7	7	7	6	0	0	0	0	0	0	0	0	0	0
Yorkshire and the Humber	5	4	5	5	5	5	4	4	5	5	0	0	0	0	0	0	0	0	0	0
East Midlands	6	4	5	6	6	6	5	5	6	6	0	0	0	0	0	0	0	0	0	0
West Midlands	7	5	6	5	5	6	6	6	5	5	0	0	0	0	0	0	0	0	0	0
East	9	8	8	7	7	9	9	8	7	7	0	0	0	0	0	0	0	0	0	0
London	11	10	11	9	8	11	9	10	9	7	0	0	1	1	0	0	0	0	0	0
South East	11	7	11	10	11	11	11	10	11	10	0	0	-4	1	0	0	0	0	0	0
South West	7	5	6	6	7	6	6	5	6	7	0	0	-1	0	0	0	0	0	0	0
England	67	53	61	57	58	64	58	57	59	55	2	-5	4	-2	3					
Scotland	5	4	3	3	4	5	3	3	3	3	0	0	0	0	0	0	0	0	0	0
Wales	4	3	4	4	4	4	3	4	4	4	0	0	0	0	0	0	0	0	0	0
Northern Ireland	0	0	0	0	0	-	-	-	-	-	0	0	0	0	0	0	0	0	0	0
UK identifiable expenditure	75	60	67	64	66	73	65	64	66	62	2	-5	4	-2	3					
Outside the UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total identifiable expenditure	75	60	67	64	66	73	65	64	66	62	2	-5	4	-2	3					
Non-identifiable expenditure	39,212	38,601	36,286	36,346	36,418	34,909	34,990	32,834	33,095	33,192	4,303	3,611	3,452	3,251	3,226					
Total Expenditure on Services	39,287	38,661	36,354	36,410	36,484	34,982	35,055	32,898	33,161	33,255	4,305	3,606	3,456	3,249	3,229					

Table 9.7 Identifiable expenditure on public order and safety by country and region, 2010-11 to 2014-15

	Public order and safety						of which: current						of which: capital						£ million
	National Statistics						National Statistics						National Statistics						
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		
North East	1,333	1,296	1,260	1,222	1,227		1,262	1,240	1,199	1,151	1,153		71	57	61	71	74		
North West	3,699	3,522	3,441	3,332	3,242		3,464	3,377	3,325	3,202	3,117		235	145	116	130	125		
Yorkshire and the Humber	2,524	2,394	2,340	2,267	2,223		2,375	2,271	2,219	2,150	2,106		150	123	120	116	117		
East Midlands	1,794	1,724	1,724	1,658	1,682		1,696	1,630	1,635	1,572	1,588		98	93	89	86	93		
West Midlands	2,522	2,433	2,371	2,248	2,251		2,394	2,339	2,297	2,167	2,168		128	93	73	80	83		
East	2,122	2,079	1,964	1,963	2,009		2,024	2,004	1,913	1,881	1,913		98	75	51	82	95		
London	6,342	6,207	6,006	5,504	5,555		5,999	5,952	5,789	5,373	5,452		344	255	217	131	104		
South East	3,345	3,161	3,120	3,073	3,035		3,191	3,071	3,016	2,976	2,929		154	89	104	97	106		
South West	2,021	1,985	1,962	1,908	1,941		1,918	1,911	1,897	1,835	1,859		103	74	65	72	82		
England	25,702	24,800	24,187	23,173	23,165		24,322	23,796	23,291	22,307	22,286		1,381	1,004	896	866	879		
Scotland	2,691	2,743	2,744	2,455	2,686		2,450	2,544	2,555	2,324	2,574		241	199	189	131	112		
Wales	1,427	1,406	1,389	1,362	1,356		1,342	1,344	1,336	1,288	1,288		85	62	54	74	68		
Northern Ireland	1,448	1,441	1,399	1,378	1,286		1,375	1,358	1,326	1,312	1,218		73	83	73	66	68		
UK identifiable expenditure	31,269	30,390	29,719	28,369	28,492		29,489	29,042	28,508	27,232	27,366		1,781	1,349	1,211	1,137	1,127		
Outside the UK	—	—	—	—	—		—	—	—	—	—		—	—	—	—	—		
Total identifiable expenditure	31,269	30,390	29,719	28,369	28,492		29,489	29,042	28,508	27,232	27,366		1,781	1,349	1,211	1,137	1,127		
Non-identifiable expenditure	1,773	1,668	1,533	1,172	1,417		1,534	1,472	1,373	1,085	1,340		238	196	161	87	77		
Total Expenditure on Services	33,042	32,058	31,252	29,541	29,909		31,023	30,514	29,880	28,316	28,705		2,019	1,545	1,372	1,224	1,203		

Table 9.8 Identifiable expenditure on economic affairs by country and region, 2010-11 to 2014-15

	Economic affairs						of which: current						of which: capital							
	2010-11		2011-12		2012-13		2013-14		2014-15		2010-11		2011-12		2012-13		2013-14		2014-15	
	outturn	2010-11	outturn	2011-12	outturn	2012-13	outturn	2013-14	outturn	2014-15	outturn	2010-11	outturn	2011-12	outturn	2012-13	outturn	2013-14	outturn	2014-15
North East	1,498	1,399	1,197	1,369	1,356	1,356	1,356	1,041	921	852	919	849	457	477	345	449	506			
North West	3,936	3,544	3,136	3,320	3,396	3,396	3,396	2,414	2,084	1,935	2,095	1,971	1,522	1,460	1,201	1,225	1,426			
Yorkshire and the Humber	2,923	2,759	2,640	2,860	2,932	2,932	2,932	1,972	1,805	1,735	1,877	1,770	952	954	905	982	1,162			
East Midlands	2,386	2,181	1,839	2,048	2,171	2,171	2,171	1,657	1,472	1,294	1,346	1,298	729	709	545	701	873			
West Midlands	2,728	2,474	2,379	2,493	2,629	2,629	2,629	1,812	1,594	1,460	1,589	1,521	916	880	920	904	1,108			
East	3,510	3,105	2,632	2,738	2,727	2,727	2,727	1,991	1,762	1,654	1,689	1,577	1,518	1,343	978	1,050	1,151			
London	7,454	6,704	5,451	6,115	6,722	6,722	6,722	3,683	3,428	2,864	2,890	2,654	3,771	3,276	2,587	3,224	4,068			
South East	3,816	3,372	3,448	3,876	3,880	3,880	3,880	2,254	2,099	2,198	2,276	2,175	1,561	1,274	1,250	1,600	1,706			
South West	2,470	2,386	2,255	2,340	2,445	2,445	2,445	1,677	1,705	1,594	1,567	1,540	793	681	661	772	904			
England	30,721	27,924	24,977	27,157	28,258	28,258	28,258	18,503	16,869	15,586	16,249	15,355	12,218	11,055	9,391	10,909	12,903			
Scotland	5,278	5,197	5,362	5,538	5,367	5,367	5,367	3,646	3,507	3,521	3,732	3,479	1,632	1,690	1,841	1,805	1,888			
Wales	2,757	2,527	2,211	2,365	2,341	2,341	2,341	1,862	1,873	1,482	1,558	1,470	895	653	729	808	870			
Northern Ireland	1,779	1,620	1,582	1,623	1,660	1,660	1,660	1,268	1,222	1,243	1,273	1,238	510	398	339	351	422			
UK identifiable expenditure	40,534	37,268	34,132	36,684	37,625	37,625	37,625	25,280	23,471	21,832	22,811	21,542	15,255	13,797	12,300	13,872	16,083			
Outside the UK	668	509	322	403	513	513	513	477	274	200	243	302	191	234	122	160	211			
Total identifiable expenditure	41,202	37,776	34,453	37,087	38,139	38,139	38,139	25,756	23,745	22,032	23,054	21,844	15,446	14,031	12,422	14,032	16,294			
Non-identifiable expenditure ⁽¹⁾	-1,239	-323	884	981	527	527	527	-1,451	-540	549	921	504	212	217	335	60	22			
Total Expenditure on Services	39,963	37,453	35,337	38,068	38,665	38,665	38,665	24,306	23,205	22,581	23,976	22,349	15,658	14,248	12,756	14,092	16,316			

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

Table 9.8a Identifiable expenditure on economic affairs (of which: enterprise and economic development) by country and region, 2010-11 to 2014-15

	Enterprise and economic development						of which: current						of which: capital					
	National Statistics						National Statistics						National Statistics					
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	
North East	299	293	194	280	229		237	175	159	185	167		61	118	35	95	62	
North West	714	585	445	594	526		527	439	389	427	406		187	147	56	168	119	
Yorkshire and the Humber	478	445	318	363	333		350	293	264	270	261		128	151	55	93	72	
East Midlands	372	357	222	237	212		294	282	182	171	168		78	75	40	66	44	
West Midlands	472	412	334	359	326		351	301	279	274	269		121	111	55	84	57	
East	300	260	214	201	180		226	208	193	184	179		74	52	22	17	1	
London	898	775	357	480	397		560	535	366	391	412		337	239	-9	89	-16	
South East	521	379	352	363	296		315	287	305	278	267		206	91	47	85	28	
South West	320	303	235	259	238		254	250	231	222	213		66	54	4	37	24	
England	4,373	3,809	2,671	3,136	2,735		3,113	2,771	2,368	2,403	2,343		1,260	1,037	304	733	392	
Scotland	874	910	910	976	991		615	673	687	778	785		259	237	224	197	206	
Wales	774	460	426	524	526		538	396	349	365	342		236	64	77	159	184	
Northern Ireland	316	283	288	296	335		240	227	258	253	270		75	56	30	43	65	
UK identifiable expenditure	6,336	5,462	4,296	4,931	4,587		4,506	4,067	3,661	3,800	3,739		1,830	1,395	635	1,132	848	
Outside the UK	3	1	1	1	1		3	1	1	1	1		-	-	-	-	-	
Total identifiable expenditure	6,339	5,463	4,297	4,932	4,588		4,509	4,068	3,663	3,801	3,740		1,830	1,395	635	1,132	848	
Non-identifiable expenditure ⁽¹⁾	-1,473	-587	596	597	176		-1,678	-789	288	575	166		205	202	307	21	9	
Total Expenditure on Services	4,866	4,876	4,893	5,529	4,764		2,831	3,280	3,951	4,376	3,907		2,035	1,596	942	1,153	857	

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

Table 9.8b Identifiable expenditure on economic affairs (of which: science and technology) by country and region, 2010-11 to 2014-15

	Science and technology						of which: current						of which: capital					
	National Statistics						National Statistics						National Statistics					
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	
North East	113	121	118	155	169		98	106	104	116	135		15	15	14	39	35	
North West	266	264	294	392	437		227	230	257	291	323		38	34	37	102	114	
Yorkshire and the Humber	203	208	229	298	325		173	184	199	221	252		29	24	29	77	74	
East Midlands	191	193	196	257	307		166	169	172	191	233		25	24	24	65	74	
West Midlands	171	177	199	264	319		150	158	176	200	239		21	19	23	65	81	
East	355	401	408	474	499		291	327	335	347	373		64	73	73	127	127	
London	478	507	529	654	700		400	441	463	472	513		77	66	66	182	188	
South East	460	498	531	633	675		376	382	440	469	507		84	116	91	164	168	
South West	210	204	238	309	374		188	183	210	234	298		23	21	28	75	76	
England	2,446	2,572	2,742	3,437	3,807		2,070	2,179	2,357	2,541	2,872		376	393	385	895	935	
Scotland	294	327	327	385	446		265	285	289	296	341		29	42	38	89	106	
Wales	96	98	112	155	208		87	88	99	115	152		8	10	13	40	56	
Northern Ireland	82	74	80	94	98		77	69	76	79	84		4	4	4	14	14	
UK identifiable expenditure	2,917	3,071	3,260	4,070	4,559		2,499	2,621	2,821	3,032	3,449		418	449	439	1,039	1,110	
Outside the UK	389	378	226	263	263		288	228	188	196	197		101	150	38	67	65	
Total identifiable expenditure	3,307	3,448	3,487	4,333	4,822		2,787	2,849	3,009	3,227	3,646		519	599	477	1,105	1,176	
Non-identifiable expenditure	100	115	111	105	119		97	108	96	97	110		2	7	14	8	9	
Total Expenditure on Services	3,406	3,563	3,597	4,438	4,940		2,885	2,957	3,106	3,324	3,756		521	607	492	1,114	1,184	

£ million

Table 9.8c Identifiable expenditure on economic affairs (of which: employment policies) by country and region, 2010-11 to 2014-15

	Employment policies												of which: current												of which: capital												£ million
	National Statistics						National Statistics						National Statistics						National Statistics																		
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn														
North East	255	178	167	216	184		249	173	162	211	182		5	5	5	5	5		80	71	66	64	25														
North West	575	398	355	451	356		563	387	345	441	353		12	11	10	10	10		9	8	7	7	3														
Yorkshire and the Humber	466	324	297	391	335		456	316	288	382	331		10	9	9	9	8		5	4	4	4	2														
East Midlands	317	219	194	242	205		311	213	189	237	203		7	6	6	6	5		0	0	0	0	0														
West Midlands	512	341	296	390	327		502	332	287	381	324		11	9	8	8	8		7	6	6	6	2														
East	351	237	206	257	209		344	230	200	252	207		7	6	6	6	6		14	13	11	11	5														
London	693	475	406	516	438		679	462	394	505	434		14	13	11	11	11		9	8	7	7	3														
South East	439	291	252	306	260		430	283	245	299	258		9	8	7	7	7		5	5	4	4	2														
South West	266	182	159	196	165		261	177	154	192	164		5	5	4	4	4		80	71	66	64	25														
England	3,874	2,644	2,332	2,964	2,481		3,795	2,573	2,266	2,900	2,455		80	71	66	64	25		94	83	78	76	31														
Scotland	436	289	251	327	297		427	281	244	320	294		9	8	7	7	7		9	8	7	7	3														
Wales	228	162	145	191	178		224	157	141	187	177		5	4	4	4	4		5	4	4	4	2														
Northern Ireland	157	158	152	176	183		157	157	152	176	182		0	0	0	0	0		0	0	0	0	0														
UK identifiable expenditure	4,696	3,253	2,881	3,659	3,139		4,602	3,169	2,803	3,583	3,109		94	83	78	76	31		94	83	78	76	31														
Outside the UK	1	1	0	1	14		1	0	0	1	14		0	0	0	0	0		0	0	0	0	0														
Total identifiable expenditure	4,697	3,253	2,881	3,660	3,154		4,603	3,170	2,803	3,584	3,123		94	83	78	76	31		94	83	78	76	31														
Non-identifiable expenditure	—	—	—	—	—		—	—	—	—	—		—	—	—	—	—		—	—	—	—	—														
Total Expenditure on Services	4,697	3,253	2,881	3,660	3,154		4,603	3,170	2,803	3,584	3,123		94	83	78	76	31		94	83	78	76	31														

Table 9.8d Identifiable expenditure on economic affairs (of which: agriculture, fisheries and forestry) by country and region, 2010-11 to 2014-15

	Agriculture, fisheries and forestry												of which: current						of which: capital						£ million			
	National Statistics						National Statistics						2010-11			2011-12			2012-13			2013-14				2014-15		
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn					
North East	174	227	192	200	200		171	219	186	178	165		3	7	6	22	35		3	7	6	22	35					
North West	280	349	316	309	288		266	337	307	302	283		14	12	9	8	5		14	12	9	8	5					
Yorkshire and the Humber	382	411	375	365	350		373	405	369	361	341		9	6	6	4	9		9	6	6	4	9					
East Midlands	491	438	424	417	393		486	445	422	421	394		5	-7	2	-4	-1		5	-7	2	-4	-1					
West Midlands	345	357	333	334	306		328	347	329	327	301		17	11	4	7	5		17	11	4	7	5					
East	673	565	549	524	488		664	550	547	520	481		9	15	3	4	6		9	15	3	4	6					
London	52	48	90	73	66		50	47	86	55	43		1	1	4	18	23		1	1	4	18	23					
South East	363	456	506	495	480		347	452	495	474	455		16	4	11	20	25		16	4	11	20	25					
South West	559	700	637	647	621		533	699	631	624	586		25	1	6	23	35		25	1	6	23	35					
England	3,318	3,550	3,423	3,365	3,192		3,219	3,501	3,371	3,262	3,050		99	49	52	103	142		99	49	52	103	142					
Scotland	932	969	920	956	886		780	823	770	791	740		152	146	150	165	146		152	146	150	165	146					
Wales	549	753	451	478	437		495	712	406	425	380		54	41	45	53	58		54	41	45	53	58					
Northern Ireland	525	503	495	534	528		501	470	459	482	445		24	32	35	52	83		24	32	35	52	83					
UK identifiable expenditure	5,324	5,775	5,288	5,334	5,044		4,995	5,506	5,005	4,961	4,615		329	269	283	373	428		329	269	283	373	428					
Outside the UK	179	38	28	74	127		179	38	4	39	82		0	0	23	35	46		0	0	23	35	46					
Total identifiable expenditure	5,502	5,813	5,316	5,407	5,171		5,173	5,544	5,010	5,000	4,697		329	269	306	408	474		329	269	306	408	474					
Non-identifiable expenditure	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-					
Total Expenditure on Services	5,502	5,813	5,316	5,407	5,171		5,173	5,544	5,010	5,000	4,697		329	269	306	408	474		329	269	306	408	474					

Table 9.8e Identifiable expenditure on economic affairs (of which: transport) by country and region, 2010-11 to 2014-15

	Transport												of which: current												of which: capital												£ million
	National Statistics						National Statistics						National Statistics						National Statistics																		
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn														
North East	658	580	526	518	574		286	248	240	229	201		373	333	285	289	373		1,271	1,257	1,089	939	1,183														
North West	2,102	1,948	1,725	1,573	1,789		831	690	636	635	606		1,271	1,257	1,089	939	1,183		776	763	806	800	1,005														
Yorkshire and the Humber	1,395	1,371	1,420	1,442	1,589		619	608	614	642	584		614	612	473	568	754		746	730	829	740	962														
East Midlands	1,015	975	802	895	1,053		401	363	329	327	299		614	612	473	568	754		1,364	1,198	875	896	1,015														
West Midlands	1,227	1,186	1,218	1,146	1,350		481	456	389	406	388		746	730	829	740	962		3,341	2,957	2,514	2,924	3,869														
East	1,831	1,643	1,255	1,282	1,351		467	446	380	386	337		1,364	1,198	875	896	1,015		1,247	1,055	1,093	1,324	1,481														
London	5,334	4,900	4,069	4,392	5,121		1,993	1,943	1,555	1,468	1,252		3,341	2,957	2,514	2,924	3,869		673	601	619	633	767														
South East	2,033	1,749	1,806	2,079	2,170		787	695	713	755	688		1,247	1,055	1,093	1,324	1,481		10,404	9,504	8,584	9,113	11,408														
South West	1,115	997	987	928	1,047		442	396	368	295	279		673	601	619	633	767		1,182	1,257	1,422	1,347	1,428														
England	16,710	15,349	13,809	14,256	16,043		6,306	5,844	5,225	5,142	4,635		10,404	9,504	8,584	9,113	11,408		1,560	1,445	1,532	1,546	1,319														
Scotland	2,742	2,703	2,953	2,893	2,746		1,560	1,445	1,532	1,546	1,319		1,182	1,257	1,422	1,347	1,428		518	521	488	465	420														
Wales	1,110	1,054	1,077	1,017	990		293	297	297	283	257		406	306	270	241	260		293	297	297	283	257														
Northern Ireland	699	603	567	523	517		8,677	8,107	7,542	7,437	6,630		12,584	11,601	10,865	11,253	13,666		90	84	61	59	100														
UK identifiable expenditure	21,261	19,708	18,406	18,690	20,296		8,677	8,107	7,542	7,437	6,630		12,584	11,601	10,865	11,253	13,666		8,684	8,113	7,547	7,443	6,638														
Outside the UK	97	90	66	65	108		7	6	5	6	8		90	84	61	59	100		130	141	165	249	228														
Total identifiable expenditure	21,358	19,799	18,472	18,754	20,404		8,684	8,113	7,547	7,443	6,638		12,674	11,685	10,925	11,312	13,766		134	149	178	279	232														
Non-identifiable expenditure	134	149	178	279	232		8,814	8,254	7,712	7,692	6,866		12,679	11,693	10,938	11,342	13,770		21,492	19,947	18,650	19,034	20,636														
Total Expenditure on Services	21,492	19,947	18,650	19,034	20,636		8,814	8,254	7,712	7,692	6,866		12,679	11,693	10,938	11,342	13,770																				

Table 9.9 Identifiable expenditure on environment protection by country and region, 2010-11 to 2014-15

	Environment protection										of which: current										of which: capital									
	National Statistics					National Statistics					National Statistics					National Statistics					National Statistics									
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn										
North East	347	338	293	319	363	297	300	266	285	315	49	37	27	35	48															
North West	2,010	1,984	2,227	2,173	2,268	1,137	1,192	1,121	1,116	1,118	873	792	1,106	1,057	1,151															
Yorkshire and the Humber	638	653	592	608	659	550	575	516	525	570	88	78	76	83	88															
East Midlands	572	522	517	519	556	473	440	407	433	461	99	82	110	85	94															
West Midlands	615	624	557	562	624	531	558	501	504	557	84	66	56	59	67															
East	827	714	783	873	965	653	610	622	654	728	173	104	161	220	237															
London	1,086	1,137	1,042	1,053	1,209	989	1,030	962	958	1,080	97	107	80	96	128															
South East	1,357	1,219	1,172	1,264	1,401	1,015	993	897	928	1,016	342	226	274	336	385															
South West	1,007	937	931	928	1,015	721	701	646	655	693	287	236	284	272	322															
England	8,459	8,127	8,114	8,299	9,059	6,366	6,398	5,939	6,057	6,539	2,093	1,728	2,175	2,242	2,520															
Scotland	1,323	1,276	1,328	1,406	1,454	1,011	997	946	973	1,021	312	279	382	434	434															
Wales	621	608	654	675	680	503	511	522	552	535	118	97	131	123	146															
Northern Ireland	249	267	255	255	268	239	254	241	241	244	10	12	13	13	24															
UK identifiable expenditure	10,652	10,278	10,350	10,635	11,461	8,119	8,161	7,648	7,823	8,338	2,533	2,117	2,702	2,812	3,123															
Outside the UK	-3	16	7	9	2	17	10	7	8	2	-20	6	1	1	0															
Total identifiable expenditure	10,649	10,294	10,357	10,643	11,463	8,136	8,171	7,655	7,831	8,340	2,513	2,123	2,702	2,813	3,123															
Non-identifiable expenditure	289	151	228	348	218	14	18	38	24	15	275	133	189	325	203															
Total Expenditure on Services	10,938	10,446	10,585	10,992	11,681	8,150	8,190	7,693	7,854	8,355	2,788	2,256	2,892	3,137	3,326															

£ million

Table 9.10 Identifiable expenditure on housing and community amenities by country and region, 2010-11 to 2014-15

	Housing and community amenities										of which: current						of which: capital						£ million			
	National Statistics					National Statistics					2010-11			2011-12			2012-13			2013-14				2014-15		
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn		2012-13 outturn	2013-14 outturn	2014-15 outturn
North East	674	519	445	423	441	160	121	138	114	114	514	398	307	309	327	514	398	307	309	327	514	398	307	309	327	
North West	1,228	740	794	789	752	356	251	297	263	265	872	489	497	526	486	872	489	497	526	486	872	489	497	526	486	
Yorkshire and the Humber	916	605	563	582	627	239	179	229	220	223	677	426	334	362	404	677	426	334	362	404	677	426	334	362	404	
East Midlands	670	502	506	520	567	198	142	197	195	201	472	360	309	325	366	472	360	309	325	366	472	360	309	325	366	
West Midlands	869	600	550	611	673	190	165	215	227	229	679	436	335	384	444	679	436	335	384	444	679	436	335	384	444	
East	690	506	526	544	600	210	179	231	227	223	480	327	295	316	377	480	327	295	316	377	480	327	295	316	377	
London	3,192	2,071	2,308	2,074	2,454	489	384	507	490	486	2,703	1,686	1,801	1,584	1,968	2,703	1,686	1,801	1,584	1,968	2,703	1,686	1,801	1,584	1,968	
South East	1,184	779	749	756	838	336	296	392	367	362	848	482	357	389	476	848	482	357	389	476	848	482	357	389	476	
South West	676	539	449	475	508	217	178	223	234	239	460	361	226	241	268	460	361	226	241	268	460	361	226	241	268	
England	10,100	6,861	6,891	6,774	7,459	2,395	1,896	2,429	2,337	2,342	7,705	4,965	4,463	4,437	5,117	7,705	4,965	4,463	4,437	5,117	7,705	4,965	4,463	4,437	5,117	
Scotland	1,748	1,725	1,621	1,649	1,804	296	218	75	123	195	1,451	1,507	1,546	1,527	1,609	1,451	1,507	1,546	1,527	1,609	1,451	1,507	1,546	1,527	1,609	
Wales	570	605	631	608	593	130	125	140	132	124	440	480	491	475	468	440	480	491	475	468	440	480	491	475	468	
Northern Ireland	834	962	820	776	820	403	486	445	395	396	431	476	375	381	424	431	476	375	381	424	431	476	375	381	424	
UK identifiable expenditure	13,251	10,153	9,963	9,807	10,675	3,224	2,725	3,088	2,987	3,057	10,027	7,428	6,875	6,820	7,618	10,027	7,428	6,875	6,820	7,618	10,027	7,428	6,875	6,820	7,618	
Outside the UK	—	—	—	0	0	—	—	—	0	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total identifiable expenditure	13,251	10,153	9,963	9,807	10,675	3,224	2,725	3,088	2,987	3,057	10,027	7,428	6,875	6,820	7,618	10,027	7,428	6,875	6,820	7,618	10,027	7,428	6,875	6,820	7,618	
Non-identifiable expenditure	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total Expenditure on Services	13,251	10,153	9,963	9,807	10,675	3,224	2,725	3,088	2,987	3,057	10,027	7,428	6,875	6,820	7,618	10,027	7,428	6,875	6,820	7,618	10,027	7,428	6,875	6,820	7,618	

Table 9.11 Identifiable expenditure on health by country and region, 2010-11 to 2014-15

	Health												of which: current												of which: capital												£ million
	National Statistics						National Statistics						National Statistics						National Statistics																		
	2010-11 outrun	2011-12 outrun	2012-13 outrun	2013-14 outrun	2014-15 outrun		2010-11 outrun	2011-12 outrun	2012-13 outrun	2013-14 outrun	2014-15 outrun		2010-11 outrun	2011-12 outrun	2012-13 outrun	2013-14 outrun	2014-15 outrun		2010-11 outrun	2011-12 outrun	2012-13 outrun	2013-14 outrun	2014-15 outrun														
North East	5,257	5,396	5,545	5,619	5,636		5,026	5,220	5,347	5,364	5,439		231	176	199	255	197		231	176	199	255	197														
North West	13,459	13,980	14,673	14,600	15,303		12,891	13,537	14,151	13,953	14,781		568	443	522	647	522		568	443	522	647	522														
Yorkshire and the Humber	9,336	9,741	10,023	10,221	10,785		8,928	9,432	9,665	9,772	10,428		407	309	358	449	357		407	309	358	449	357														
East Midlands	7,261	7,563	7,838	8,110	8,575		6,974	7,325	7,560	7,763	8,306		286	237	278	347	269		286	237	278	347	269														
West Midlands	10,281	10,588	11,023	11,279	12,090		9,860	10,251	10,626	10,789	11,688		421	337	397	490	402		421	337	397	490	402														
East	9,820	9,269	9,499	10,379	10,989		9,398	8,968	9,161	9,927	10,643		422	301	338	452	346		422	301	338	452	346														
London	19,916	20,250	20,166	21,415	21,638		19,031	19,557	19,420	20,455	20,854		885	693	746	961	784		885	693	746	961	784														
South East	14,605	14,272	14,601	15,771	16,407		13,973	13,813	14,077	15,083	15,886		632	460	525	688	521		632	460	525	688	521														
South West	8,419	8,736	9,091	9,914	10,307		8,066	8,449	8,767	9,481	9,975		354	287	323	433	332		354	287	323	433	332														
England	98,353	99,795	102,458	107,309	111,730		94,147	96,552	98,774	102,588	108,000		4,206	3,243	3,685	4,721	3,731		4,206	3,243	3,685	4,721	3,731														
Scotland	10,877	11,057	11,283	11,456	11,551		10,287	10,543	10,714	10,943	11,231		591	514	569	513	319		591	514	569	513	319														
Wales	6,147	6,093	6,020	6,160	6,444		5,758	5,796	5,807	5,939	6,152		389	297	212	221	292		389	297	212	221	292														
Northern Ireland	3,595	3,639	3,844	3,871	3,912		3,393	3,444	3,529	3,630	3,687		203	195	315	240	225		203	195	315	240	225														
UK identifiable expenditure	118,973	120,584	123,605	128,796	133,637		113,584	116,335	118,824	123,101	129,070		5,389	4,249	4,782	5,695	4,567		5,389	4,249	4,782	5,695	4,567														
Outside the UK	881	670	672	535	489		881	670	672	532	486		0	—	—	3	3		0	—	—	3	3														
Total identifiable expenditure	119,854	121,254	124,278	129,330	134,125		114,465	117,005	119,496	123,632	129,556		5,389	4,249	4,782	5,698	4,569		5,389	4,249	4,782	5,698	4,569														
Non-identifiable expenditure	—	—	—	—	—		—	—	—	—	—		—	—	—	—	—		—	—	—	—	—														
Total Expenditure on Services	119,854	121,254	124,278	129,330	134,125		114,465	117,005	119,496	123,632	129,556		5,389	4,249	4,782	5,698	4,569		5,389	4,249	4,782	5,698	4,569														

Table 9.12 Identifiable expenditure on recreation, culture and religion by country and region, 2010-11 to 2014-15

	Recreation, culture and religion										of which: current										of which: capital										£ million
	National Statistics					National Statistics					National Statistics					National Statistics															
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn											
North East	368	297	312	304	315	291	232	258	242	234	78	65	54	62	80	172	191	128	138	168											
North West	769	716	674	679	705	597	525	546	540	537	124	136	130	103	120	103	84	169	146	170											
Yorkshire and the Humber	591	560	585	574	596	467	424	455	471	475	133	115	128	127	148	288	383	281	235	283											
East Midlands	458	392	417	412	402	355	309	323	310	283	150	213	204	145	173	147	155	120	101	110											
West Midlands	585	629	598	567	578	435	416	429	421	408	133	115	128	127	148	216	232	204	145	173											
East	544	483	504	503	486	411	368	376	376	338	288	383	281	235	283	147	155	120	101	110											
London	1,268	1,462	1,890	1,282	1,381	980	1,079	1,609	1,047	1,098	216	232	204	145	173	147	155	120	101	110											
South East	831	784	791	736	728	615	552	587	591	555	216	232	204	145	173	147	155	120	101	110											
South West	552	516	468	441	470	406	361	348	340	360	147	155	120	101	110	147	155	120	101	110											
England	5,967	5,840	6,240	5,499	5,661	4,556	4,267	4,931	4,338	4,289	1,411	1,573	1,309	1,160	1,372	1,411	1,573	1,309	1,160	1,372											
Scotland	1,120	1,199	1,308	1,132	1,270	866	889	982	908	1,104	254	310	326	224	167	254	310	326	224	167											
Wales	583	572	583	529	549	508	488	471	449	466	75	84	112	80	83	75	84	112	80	83											
Northern Ireland	466	417	463	461	498	367	350	372	386	343	99	67	91	75	155	99	67	91	75	155											
UK identifiable expenditure	8,135	8,028	8,594	7,620	7,978	6,297	5,994	6,755	6,081	6,202	1,838	2,034	1,839	1,539	1,776	1,838	2,034	1,839	1,539	1,776											
Outside the UK	217	234	226	241	232	186	162	185	212	209	31	72	41	29	23	31	72	41	29	23											
Total identifiable expenditure	8,353	8,262	8,820	7,861	8,210	6,483	6,156	6,940	6,293	6,411	1,869	2,106	1,879	1,568	1,799	1,869	2,106	1,879	1,568	1,799											
Non-identifiable expenditure	4,622	4,216	3,878	3,557	3,781	3,909	3,608	3,878	3,454	3,878	713	608	0	103	-96	713	608	0	103	-96											
Total Expenditure on Services	12,974	12,478	12,698	11,418	11,992	10,392	9,764	10,818	9,747	10,289	2,582	2,714	1,880	1,671	1,703	2,582	2,714	1,880	1,671	1,703											

Table 9.13 Identifiable expenditure on education by country and region, 2010-11 to 2014-15

	Education ⁽¹⁾												of which: current ⁽¹⁾												of which: capital												£ million
	National Statistics						National Statistics						National Statistics						National Statistics																		
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2014-15 forecast	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2014-15 forecast	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2014-15 forecast	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2014-15 forecast													
North East	3,888	3,558	3,527	3,578	3,340	3,340	3,474	3,245	3,287	3,390	3,176	3,176	414	313	240	188	164	164	414	313	240	188	164	164													
North West	10,588	9,718	9,729	10,109	9,365	9,365	9,460	8,898	9,053	9,363	8,768	8,768	1,128	820	676	746	597	597	1,128	820	676	746	597	597													
Yorkshire and the Humber	7,797	7,520	7,446	7,429	6,970	6,970	6,889	6,640	6,750	6,926	6,547	6,547	908	880	696	503	423	423	908	880	696	503	423	423													
East Midlands	6,251	5,800	6,028	6,130	5,664	5,664	5,638	5,349	5,612	5,631	5,240	5,240	613	451	415	498	424	424	613	451	415	498	424	424													
West Midlands	8,119	7,785	7,751	7,973	7,474	7,474	7,355	7,049	7,123	7,417	7,004	7,004	764	736	627	556	470	470	764	736	627	556	470	470													
East	7,881	7,417	7,530	7,664	7,150	7,150	7,012	6,733	6,912	7,067	6,664	6,664	869	683	618	596	486	486	869	683	618	596	486	486													
London	13,730	13,229	13,197	14,180	13,178	13,178	12,189	11,827	12,093	12,575	11,833	11,833	1,541	1,403	1,104	1,605	1,345	1,345	1,541	1,403	1,104	1,605	1,345	1,345													
South East	11,457	10,665	10,831	11,133	10,295	10,295	10,340	9,861	10,089	10,144	9,470	9,470	1,117	804	742	989	825	825	1,117	804	742	989	825	825													
South West	7,045	6,502	6,493	6,756	6,259	6,259	6,329	6,056	6,073	6,259	5,838	5,838	716	446	420	497	421	421	716	446	420	497	421	421													
England	76,756	72,195	72,531	74,951	69,695	69,695	68,685	65,657	66,993	68,772	64,540	64,540	8,071	6,537	5,538	6,178	5,155	5,155	8,071	6,537	5,538	6,178	5,155	5,155													
Scotland	7,683	7,462	7,651	7,573	7,700	7,700	7,082	6,774	6,995	6,937	7,090	7,090	601	688	656	636	611	611	601	688	656	636	611	611													
Wales	4,254	4,436	4,162	4,230	4,108	4,108	4,001	4,030	3,854	3,932	3,863	3,863	253	406	308	298	245	245	253	406	308	298	245	245													
Northern Ireland	2,827	2,794	2,849	2,744	2,900	2,900	2,603	2,635	2,719	2,612	2,669	2,669	224	158	130	132	231	231	224	158	130	132	231	231													
UK identifiable expenditure	91,520	86,886	87,194	89,497	84,403	84,403	82,371	79,097	80,562	82,254	78,162	78,162	9,149	7,789	6,633	7,244	6,242	6,242	9,149	7,789	6,633	7,244	6,242	6,242													
Outside the UK	1	1	1	2	2	2	1	1	1	1	1	1	—	—	—	—	0	0	—	—	—	—	—	—													
Total identifiable expenditure	91,521	86,887	87,196	89,499	84,405	84,405	82,372	79,098	80,563	82,255	78,163	78,163	9,149	7,789	6,633	7,244	6,242	6,242	9,149	7,789	6,633	7,244	6,242	6,242													
Non-identifiable expenditure	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—													
Total Expenditure on Services	91,521	86,887	87,196	89,499	84,405	84,405	82,372	79,098	80,563	82,255	78,163	78,163	9,149	7,789	6,633	7,244	6,242	6,242	9,149	7,789	6,633	7,244	6,242	6,242													

⁽¹⁾ The 2014-15 decrease in Education is mainly due to a decreased impact of student loan impairments within current expenditure. 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.

Table 9.14 Identifiable expenditure on social protection by country and region, 2010-11 to 2014-15

	Social protection												of which: current						of which: capital						£ million			
	National Statistics						National Statistics						2010-11			2011-12			2012-13			2013-14				2014-15		
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn		2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn					
North East	10,464	10,812	11,256	11,247	11,532		10,406	10,777	11,234	11,162	11,455		58	35	22	85	77		58	35	22	85	77					
North West	27,159	28,095	29,163	29,091	29,871		27,034	28,030	29,117	29,067	29,829		125	65	46	24	42		125	65	46	24	42					
Yorkshire and the Humber	18,984	19,632	20,436	20,435	21,118		18,897	19,584	20,399	20,418	21,087		87	48	37	17	31		87	48	37	17	31					
East Midlands	15,435	16,233	17,016	17,085	17,690		15,362	16,200	16,985	17,075	17,671		73	33	30	10	19		73	33	30	10	19					
West Midlands	20,432	21,219	22,091	22,104	22,743		20,354	21,176	22,056	22,101	22,728		79	43	35	3	15		79	43	35	3	15					
East	19,304	20,276	21,290	21,325	21,851		19,219	20,221	21,250	21,310	21,828		85	55	40	15	23		85	55	40	15	23					
London	28,400	29,552	30,399	30,243	30,948		28,274	29,484	30,369	30,238	30,925		127	68	29	5	22		127	68	29	5	22					
South East	27,431	28,941	30,389	30,642	31,235		27,293	28,854	30,324	30,610	31,192		138	87	65	32	43		138	87	65	32	43					
South West	18,797	19,729	20,758	20,964	21,494		18,706	19,676	20,732	20,953	21,476		91	53	26	11	19		91	53	26	11	19					
England	186,406	194,489	202,798	203,135	208,482		185,544	194,002	202,468	202,936	208,191		862	487	330	200	291		862	487	330	200	291					
Scotland	20,325	20,999	21,924	21,843	22,534		20,231	20,934	21,836	21,767	22,456		94	65	88	76	78		94	65	88	76	78					
Wales	12,369	12,899	13,427	13,566	14,002		12,320	12,868	13,398	13,550	13,978		50	32	30	16	24		50	32	30	16	24					
Northern Ireland	7,460	7,839	8,208	8,407	8,622		7,448	7,827	8,204	8,401	8,621		13	12	3	6	0		13	12	3	6	0					
UK identifiable expenditure	226,561	236,227	246,357	246,952	253,640		225,543	235,631	245,906	246,654	253,247		1,019	596	450	298	393		1,019	596	450	298	393					
Outside the UK	3,866	4,004	4,317	4,535	4,765		3,866	4,004	4,317	4,536	4,765		—	0	0	0	0		—	0	0	0	0					
Total identifiable expenditure	230,427	240,231	250,674	251,487	258,405		229,408	239,635	250,224	251,189	258,012		1,019	596	450	298	393		1,019	596	450	298	393					
Non-identifiable expenditure	—	—	—	-700	-500		—	—	—	—	—		—	—	—	-700	-500		—	—	—	-700	-500					
Total Expenditure on Services	230,427	240,231	250,674	250,787	257,905		229,408	239,635	250,224	251,189	258,012		1,019	596	450	-402	-107		1,019	596	450	-402	-107					

Table 9.15 UK identifiable expenditure on services by function, country and region, per head⁽¹⁾, 2010-11 to 2014-15

		Data in this table from 2010-11 to 2014-15 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
2010-11		116	113	3	1	515	579	116	44	98	67	254	134	261	2,032	142	1,503	4,045	9,330
North East		120	116	3	1	527	561	102	38	82	40	299	286	175	1,917	110	1,508	3,869	9,074
North West		100	97	3	1	480	556	91	39	89	73	266	121	174	1,777	112	1,484	3,613	8,419
Yorkshire and the Humber		157	154	3	1	398	529	82	42	70	109	225	127	149	1,611	102	1,387	3,425	7,885
East Midlands		123	119	3	1	453	490	85	31	92	62	220	110	156	1,847	105	1,459	3,671	8,415
West Midlands		106	103	3	2	365	604	52	61	60	116	315	142	119	1,691	94	1,357	3,324	7,804
East		114	110	3	1	787	925	111	59	86	6	662	135	396	2,470	157	1,703	3,523	10,211
London		113	110	3	1	390	445	61	54	51	42	237	158	138	1,703	97	1,336	3,198	7,579
South East		109	106	3	1	384	470	61	40	51	106	212	191	129	1,600	105	1,339	3,573	7,901
South West		117	113	3	1	488	584	83	46	74	63	317	161	192	1,868	113	1,458	3,541	8,523
England		247	244	3	1	511	1,003	166	56	83	177	521	251	332	2,067	213	1,460	3,863	9,949
Scotland		195	191	3	1	468	904	254	31	75	180	364	204	187	2,015	191	1,395	4,056	9,615
Wales		258	254	3	0	802	986	175	45	87	291	387	138	462	1,992	258	1,566	4,133	10,595
Northern Ireland		135	132	3	1	498	646	101	46	75	85	339	170	211	1,896	130	1,458	3,610	8,755
UK identifiable expenditure		89	86	3	1	499	539	113	47	69	87	223	130	200	2,078	114	1,370	4,164	9,185
2011-12		87	84	3	1	499	502	83	37	56	49	276	281	105	1,981	102	1,377	3,982	8,917
North East		94	91	3	1	453	522	84	39	61	78	259	123	114	1,842	106	1,422	3,712	8,389
North West		118	115	3	1	380	481	79	42	48	96	215	115	111	1,667	86	1,278	3,578	7,815
Yorkshire and the Humber		93	90	3	1	434	441	73	32	61	64	211	111	107	1,888	112	1,388	3,783	8,358
East Midlands		96	93	3	1	355	530	44	68	40	96	280	122	86	1,581	82	1,265	3,459	7,577
West Midlands		89	86	3	1	757	817	94	62	58	6	597	139	252	2,468	178	1,612	3,602	9,916
East		94	91	3	1	365	390	44	58	34	53	202	141	90	1,649	91	1,233	3,345	7,398
London		98	95	3	1	374	450	57	39	34	132	188	177	102	1,648	97	1,227	3,722	7,896
South East		95	92	3	1	467	526	72	48	50	67	289	153	129	1,879	110	1,359	3,662	8,381
South West		207	204	3	1	518	981	172	62	55	183	510	241	325	2,086	226	1,408	3,962	9,954
England		177	174	3	1	459	825	150	32	53	246	344	198	198	1,989	187	1,448	4,210	9,691
Scotland		217	214	3	0	794	893	156	41	87	277	332	147	530	2,006	230	1,540	4,321	10,677
Wales		112	108	3	1	480	589	86	49	51	91	311	162	160	1,905	127	1,373	3,733	8,642
Northern Ireland																			
UK identifiable expenditure																			

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

Table 9.15 UK identifiable expenditure on services by function, country and region, per head⁽¹⁾, 2010-11 to 2014-15 (continued)

Data in this table from 2010-11 to 2014-15 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	
2014-15																			
North East	101	99	2	1	469	518	87	65	70	76	219	139	169	2,152	120	1,275	4,404	9,347	
North West	97	94	2	1	455	476	74	61	50	40	251	318	105	2,145	99	1,313	4,188	9,197	
Yorkshire and the Humber	94	91	2	1	415	547	62	61	62	65	296	123	117	2,012	111	1,300	3,940	8,660	
East Midlands	113	110	2	1	363	468	46	66	44	85	227	120	122	1,849	87	1,221	3,815	8,159	
West Midlands	95	93	2	1	394	460	57	56	57	54	236	109	118	2,116	101	1,308	3,981	8,683	
East	107	105	2	1	334	453	30	83	35	81	225	160	100	1,826	81	1,188	3,631	7,881	
London	109	107	2	1	651	787	46	82	51	8	600	142	287	2,534	162	1,543	3,624	9,840	
South East	112	109	2	1	342	437	33	76	29	54	244	158	94	1,849	82	1,160	3,520	7,756	
South West	100	97	2	1	358	451	44	69	30	115	193	187	94	1,900	87	1,154	3,963	8,295	
England	104	101	2	1	426	520	50	70	46	59	295	167	137	2,057	104	1,283	3,838	8,638	
Scotland	207	204	2	1	502	1,004	185	83	56	166	514	272	337	2,160	238	1,440	4,214	10,374	
Wales	177	175	2	1	438	757	170	67	58	141	320	220	192	2,084	177	1,329	4,528	9,904	
Northern Ireland	258	256	2	0	699	902	182	53	99	287	281	145	445	2,125	270	1,576	4,684	11,106	
UK identifiable expenditure	120	118	2	1	441	582	71	71	49	78	314	177	165	2,069	124	1,307	3,927	8,913	

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

Table 9.16 UK identifiable expenditure on services by function, country and region, per head indexed, 2010-11 to 2014-15

		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	
2010-11																				
North East		86	100	109	103	90	114	94	132	79	75	79	123	107	110	103	112	107	107	
North West		88	100	94	106	87	101	81	109	47	88	169	83	101	85	103	107	104	104	
Yorkshire and the Humber		74	100	80	96	86	90	83	118	86	78	72	83	94	87	102	100	96	96	
East Midlands		116	100	106	80	82	82	91	94	128	66	75	70	85	78	95	95	90	90	
West Midlands		91	100	98	91	76	84	66	123	73	65	65	74	97	81	100	102	96	96	
East		78	100	132	73	94	51	131	81	137	93	84	56	89	72	93	92	89	89	
London		84	100	113	158	143	110	128	115	8	195	79	188	130	121	117	98	117	117	
South East		84	100	110	78	69	60	115	68	50	70	93	65	90	75	92	89	87	87	
South West		81	100	106	77	73	60	86	68	125	63	113	61	84	81	92	99	90	90	
England		86	100	106	98	90	82	100	98	74	94	95	91	99	87	100	98	97	97	
Scotland		183	99	75	103	155	164	120	111	209	154	148	157	109	164	100	107	114	114	
Wales		144	100	104	94	140	251	68	100	212	107	120	88	106	147	96	112	110	110	
Northern Ireland		190	100	1	161	153	173	97	117	343	114	81	219	105	199	107	115	121	121	
UK identifiable expenditure		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
2011-12																				
North East		80	100	96	104	91	131	96	133	96	72	80	125	109	90	100	112	106	106	
North West		78	100	96	104	85	96	77	110	54	89	173	65	104	80	100	107	103	103	
Yorkshire and the Humber		84	100	88	94	89	97	81	119	85	83	76	71	97	83	104	99	97	97	
East Midlands		106	100	104	79	82	91	87	94	106	69	71	69	87	68	93	96	90	90	
West Midlands		83	100	99	90	75	85	65	118	70	68	68	67	99	88	101	101	97	97	
East		86	100	148	74	90	51	141	78	106	90	75	54	83	65	92	93	88	88	
London		80	100	124	158	139	109	127	113	6	192	85	157	130	141	117	96	115	115	
South East		84	100	86	76	66	51	119	65	58	65	87	56	87	71	90	90	86	86	
South West		88	100	101	78	76	66	79	67	145	60	109	63	86	77	89	100	91	91	
England		85	100	105	97	89	83	100	97	73	93	94	81	99	87	99	98	97	97	
Scotland		185	100	71	108	167	199	127	106	200	164	148	203	109	178	103	106	115	115	
Wales		159	100	116	96	140	174	66	103	269	110	122	123	104	147	105	113	112	112	
Northern Ireland		194	100	4	165	152	181	84	169	304	107	90	331	105	181	112	116	124	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, 2010-11 to 2014-15 (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
2014-15																			
North East		84	84	100	97	106	89	123	92	144	98	70	78	102	104	97	98	112	105
North West		81	80	100	92	103	82	104	87	103	52	80	179	64	104	80	100	107	103
Yorkshire and the Humber		78	77	100	95	94	94	88	86	128	84	94	69	71	97	90	100	100	97
East Midlands		94	94	100	135	82	80	64	94	91	109	72	68	74	89	70	93	100	92
West Midlands		79	79	100	83	89	79	80	79	118	69	75	62	71	102	82	100	101	97
East		89	89	100	118	76	78	42	118	71	104	71	90	60	88	65	91	92	88
London		91	91	100	90	148	135	65	116	106	10	191	80	174	122	131	118	92	110
South East		93	93	100	117	78	75	47	108	60	69	78	89	57	89	66	89	90	87
South West		83	83	100	126	81	77	62	98	63	147	61	105	57	92	70	88	101	93
England		86	86	100	105	97	89	71	99	94	75	94	94	83	99	84	98	98	97
Scotland		172	174	100	67	114	172	261	118	114	212	163	153	204	104	192	110	107	116
Wales		148	149	100	119	99	130	240	95	119	181	102	124	116	101	144	102	115	111
Northern Ireland		215	217	100	3	158	155	256	75	204	367	89	82	269	103	219	121	119	125
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, 2010-11 to 2014-15

	£ million									
	National Statistics					National Statistics				
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn
North East	7,111	6,693	6,387	6,313	6,407	29	28	26	26	26
North West	18,684	17,579	16,989	16,842	17,056	29	28	26	26	26
Yorkshire and the Humber	12,746	12,358	11,920	11,570	11,783	29	28	26	25	25
East Midlands	9,913	9,398	9,069	8,772	8,931	28	27	25	24	24
West Midlands	13,489	12,997	12,569	12,257	12,446	29	28	26	25	25
East	12,911	12,193	11,661	11,542	11,785	28	27	26	25	25
London	28,358	27,836	27,329	28,065	28,413	34	34	34	34	34
South East	18,509	17,600	17,266	17,760	18,060	28	27	26	26	26
South West	11,724	10,858	10,442	10,494	10,738	28	26	24	24	24
Total England	133,445	127,511	123,632	123,615	125,617	30	29	27	27	27
Scotland	15,103	15,189	15,245	13,818	14,099	29	29	28	25	25
Wales	8,036	8,148	8,355	8,395	8,301	27	27	28	28	27
Northern Ireland ⁽¹⁾	480	622	624	632	732	3	3	3	3	4
UK local government identifiable expenditure	157,063	151,470	147,855	146,460	148,749	29	28	27	26	26
Non-identifiable expenditure	571	561	515	548	772	1	1	1	1	1
Total local government expenditure on services	157,634	152,031	148,370	147,008	149,521	24	23	22	22	22
Accounting adjustments	21,810	22,184	23,537	25,520	23,044	40	39	35	41	35
Total local government expenditure	179,444	174,215	171,907	172,528	172,565	25	24	24	23	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⁾ 2010-11 to 2014-15

	National Statistics					National Statistics				
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn
North East	2,749	2,578	2,455	2,418	2,446	110	108	106	106	106
North West	2,662	2,491	2,398	2,371	2,391	106	104	103	104	104
Yorkshire and the Humber	2,426	2,337	2,242	2,168	2,198	97	98	97	95	95
East Midlands	2,199	2,071	1,985	1,908	1,926	88	87	86	83	84
West Midlands	2,424	2,317	2,228	2,160	2,178	97	97	96	95	95
East	2,223	2,080	1,974	1,938	1,958	89	87	85	85	85
London	3,518	3,393	3,289	3,334	3,328	141	142	142	146	145
South East	2,158	2,034	1,979	2,020	2,035	86	85	85	88	88
South West	2,228	2,048	1,956	1,952	1,980	89	86	84	85	86
Total England	2,535	2,401	2,311	2,295	2,313	101	100	100	100	100
Scotland	2,870	2,866	2,869	2,594	2,637	115	120	124	114	114
Wales	2,635	2,660	2,718	2,724	2,685	105	111	117	119	117
Northern Ireland ⁽²⁾	266	343	342	345	398	11	14	15	15	17
UK local government identifiable expenditure	2,503	2,393	2,321	2,285	2,303	100	100	100	100	100

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

⁽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' identifiable expenditure on services by country and region, 2010-11 to 2014-15

	National Statistics					National Statistics				
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn
	as a per cent of total spending in that region from A.1									
	£ million									
North East	17,024	17,156	17,736	18,007	18,071	71	72	74	74	74
North West	45,013	45,342	47,520	47,864	48,543	71	72	74	74	74
Yorkshire and the Humber	31,496	32,006	33,131	33,842	34,633	71	72	74	75	75
East Midlands	25,628	26,060	27,309	28,169	28,904	72	73	75	76	76
West Midlands	33,350	33,880	35,207	36,049	37,164	71	72	74	75	75
East	32,411	32,228	33,637	35,000	35,644	72	73	74	75	75
London	53,957	53,517	54,020	54,648	55,611	66	66	66	66	66
South East	46,501	46,412	48,643	50,340	50,762	72	73	74	74	74
South West	29,845	31,000	32,459	33,693	34,249	72	74	76	76	76
Total England	315,225	317,600	329,662	337,613	343,581	70	71	73	73	73
Scotland	37,249	37,567	38,933	40,373	41,376	71	71	72	75	75
Wales	21,291	21,544	21,245	21,626	22,323	73	73	72	72	73
Northern Ireland ⁽¹⁾	18,643	18,750	19,185	19,310	19,708	97	97	97	97	96
UK central government and public corporations identifiable expenditure	392,409	395,462	409,024	418,922	426,989	71	72	73	74	74
Outside UK	21,947	20,976	22,755	25,288	26,436	100	100	100	100	100
Total central government and public corporations identifiable expenditure	414,355	416,439	431,779	444,210	453,425	73	73	74	75	75
Non-identifiable expenditure ⁽²⁾	95,856	97,892	95,536	94,290	90,465	108	109	114	115	115
Total central government and public corporations' expenditure on services	510,211	514,330	527,315	538,499	543,890	77	78	79	80	80
Accounting adjustments	32,108	35,287	43,616	37,422	42,508	60	61	65	59	65
Total central government and public corporations' expenditure ⁽³⁾	542,319	549,617	570,931	575,921	586,398	76	77	78	78	79

⁽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 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⁾, 2010-11 to 2014-15

	£ per head				
	National Statistics				
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn
North East	6,581	6,608	6,815	6,898	6,901
North West	6,412	6,426	6,708	6,738	6,805
Yorkshire and the Humber	5,994	6,052	6,232	6,340	6,461
East Midlands	5,686	5,743	5,979	6,126	6,233
West Midlands	5,992	6,041	6,240	6,353	6,505
East	5,581	5,497	5,694	5,878	5,923
London	6,693	6,523	6,502	6,493	6,513
South East	5,421	5,364	5,575	5,725	5,720
South West	5,673	5,848	6,079	6,266	6,315
Total England	5,988	5,980	6,163	6,268	6,326
Scotland	7,079	7,088	7,327	7,578	7,737
Wales	6,981	7,032	6,911	7,016	7,220
Northern Ireland ⁽²⁾	10,330	10,335	10,520	10,554	10,708
UK central government and public corporations' identifiable expenditure	6,253	6,249	6,421	6,535	6,610

	Index (UK identifiable expenditure = 100)				
	National Statistics				
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn
North East	105	106	106	106	104
North West	103	103	104	103	103
Yorkshire and the Humber	96	97	97	97	98
East Midlands	91	92	93	94	94
West Midlands	96	97	97	97	98
East	89	88	89	90	90
London	107	104	101	99	99
South East	87	86	87	88	87
South West	91	94	95	96	96
Total England	96	96	96	96	96
Scotland	113	113	114	116	117
Wales	112	113	108	107	109
Northern Ireland ⁽²⁾	165	165	164	161	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 PESA 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 2014-15

Departmental grouping		National Statistics										Total Expenditure on Services							
		1. General public services <i>of which: public and common services</i>	2. Defence <i>of which: international services</i>	3. Public order and safety	4. Economic affairs <i>of which: enterprise and economic development</i>	<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		407	407	–	–	2,568	3,012	493	3	–	816	1,699	262	863	11,442	405	2,465	523	21,946
Scottish Government ⁽¹⁾		19	19	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	19
Scotland Office		545	545	–	–	–	1,267	313	–	–	62	892	755	941	–	733	5,198	5,264	14,707
Local government public corporations		–	–	–	–	–	5	–	–	–	–	5	–	–	–	–	–	–	5
UK government departments		134	121	13	0	117	1,083	184	443	297	8	150	438	–	109	132	38	16,747	18,798
Total identifiable expenditure in Scotland		1,105	1,092	13	4	2,686	5,367	991	446	297	886	2,746	1,454	1,804	11,551	1,270	7,700	22,534	55,475
Wales		250	250	–	–	1	1,286	328	44	3	412	499	195	83	6,429	108	1,239	97	9,687
Welsh Assembly Government ⁽¹⁾		4	4	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	4
Wales Office		205	205	–	–	4	847	435	–	–	20	323	369	503	–	292	2,847	2,968	8,470
Local government public corporations		–	–	–	–	–	3	–	–	–	–	3	–	–	–	–	–	–	3
UK government departments		89	82	8	0	508	616	106	164	176	5	165	117	7	15	148	22	10,937	12,459
Total identifiable expenditure in Wales		548	541	8	4	1,356	2,341	526	208	178	437	990	680	593	6,444	549	4,108	14,002	30,624
Northern Ireland		396	396	–	–	1,264	1,512	265	41	181	512	512	48	659	3,851	169	2,888	7,151	17,938
Northern Ireland Executive		27	27	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	27
Northern Ireland Office		–	–	–	–	–	37	37	–	–	–	–	194	161	53	288	–	–	732
Northern Irish local government		53	48	5	0	22	111	33	57	2	15	4	26	0	7	41	13	1,470	1,743
UK government departments		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total identifiable expenditure in Northern Ireland		476	471	5	0	1,286	1,660	335	98	183	528	517	268	820	3,912	498	2,900	8,622	20,440

⁽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. 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 2015. Therefore, the figures in these chapters are not entirely consistent with the figures in earlier PESA chapters. The **Chapter 10** tables are the same as those published in the CRA National Statistics release from November 2015.¹ Using the most recently available mid-year population estimates (see **Annex F**) produced no differences in the **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 The interactive tables and database available on GOV.UK alongside the November 2015 CRA release will include information in **Table 10.9** for earlier years.

10.5 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;
- **Table 10.7** shows total identifiable expenditure on services for Wales by sub-function per head;

¹ <https://www.gov.uk/government/publications/country-and-regional-analysis-2015>

- **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 2014-15 and;
- **Table 10.10** shows total identifiable expenditure on services for each English region by sub-function per head for outturn period 2014-15.

Table 10.1 Total identifiable expenditure on services in England by sub-function, 2010-11 to 2014-15

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	3,573	2,696	2,636	2,761	3,306	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	828	768	743	543	469	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	7	5	5	5	5	
1.6 General public services n.e.c.	1,732	1,557	1,653	1,565	1,851	
Total general public services	6,139	5,027	5,036	4,874	5,631	
2. Defence						
2.1 Military defence	–	–	–	–	–	
2.2 Civil defence	66	51	59	55	56	
2.3 Foreign military aid	–	–	–	–	–	
2.4 R&D defence	–	–	–	–	–	
2.5 Defence n.e.c.	1	2	2	2	2	
Total defence	67	53	61	57	58	
3. Public order and safety						
3.1 Police services	13,718	13,391	12,905	12,405	12,595	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	13,718	13,391	12,905	12,405	12,595	
3.2 Fire-protection services	2,433	2,272	2,282	2,263	2,293	
3.3 Law courts	5,178	5,498	4,990	4,569	4,562	
3.4 Prisons	4,165	3,417	3,590	3,400	3,130	
3.5 R&D public order and safety	9	10	31	21	20	
3.6 Public order and safety n.e.c.	200	212	388	515	565	
Total public order and safety	25,702	24,800	24,187	23,173	23,165	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	6,388	5,107	4,102	4,978	4,328	
4.2 Agriculture, forestry, fishing and hunting	3,318	3,550	3,423	3,365	3,192	
<i>of which: market support under CAP</i>	2,459	2,773	1,882	1,863	1,740	
<i>of which: other agriculture, food and fisheries policy</i>	858	777	1,539	1,500	1,450	
<i>of which: forestry</i>	–	–	1	2	2	
4.3 Fuel and energy	724	446	385	353	328	
4.4 Mining, manufacturing and construction	228	136	–13	267	36	
4.5 Transport	16,710	15,349	13,809	14,256	16,043	
<i>of which: national roads</i>	2,727	2,426	2,019	2,336	2,846	
<i>of which: local roads</i>	4,334	3,747	3,425	3,675	4,287	
<i>of which: local public transport</i>	3,146	3,156	2,664	2,569	2,455	
<i>of which: railway</i>	6,047	5,629	5,332	5,202	6,113	
<i>of which: other transport</i>	456	390	369	473	342	
4.6 Communication	105	3	–	–	–	
4.7 Other industries	333	212	137	120	129	
4.8 R&D economic affairs	2,446	2,572	2,742	3,437	3,807	
4.9 Economic affairs n.e.c.	469	550	392	381	395	
Total economic affairs	30,721	27,924	24,977	27,157	28,258	
5. Environment protection						
5.1 Waste management	5,746	5,833	6,133	6,254	6,508	
5.2 Waste water management	12	20	–	–	–	
5.3 Pollution abatement	350	70	117	125	413	
5.4 Protection of biodiversity and landscape	337	326	245	288	338	
5.5 R&D environment protection	359	343	292	322	306	
5.6 Environment protection n.e.c.	1,655	1,535	1,327	1,309	1,494	
Total environment protection	8,459	8,127	8,114	8,299	9,059	
6. Housing and community amenities						
6.1 Housing development	6,707	3,897	3,907	3,558	4,257	
<i>of which: local authority housing</i>	3,472	2,034	3,251	3,036	3,652	
<i>of which: other social housing</i>	3,235	1,863	657	522	605	
6.2 Community development	2,616	2,198	2,190	2,384	2,266	
6.3 Water supply	5	8	9	7	7	
6.4 Street lighting	578	604	634	671	751	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	194	154	151	155	177	
Total housing and community amenities	10,100	6,861	6,891	6,774	7,459	

Table 10.1 Total identifiable expenditure on services in England 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
7. Health⁽¹⁾					
Medical services	94,528	95,915	97,936	102,722	107,333
Health research	1,581	1,083	1,124	659	764
Central and other health services	2,245	2,797	3,398	3,928	3,633
Total health	98,353	99,795	102,458	107,309	111,730
8. Recreation, culture and religion					
8.1 Recreational and sporting services	2,580	2,459	2,919	2,328	2,342
8.2 Cultural services	3,112	3,044	3,048	2,954	3,050
8.3 Broadcasting and publishing services	117	231	157	150	185
8.4 Religious and other community services	78	52	48	38	27
8.5 R&D recreation, culture and religion	27	3	23	2	25
8.6 Recreation, culture and religion n.e.c.	53	51	45	27	33
Total recreation, culture and religion	5,967	5,840	6,240	5,499	5,661
9. Education⁽²⁾					
9.1 Pre-primary and primary education	25,655	25,536	25,755	25,799	26,103
<i>of which: under fives</i>	4,412	4,151	4,610	4,799	4,663
<i>of which: primary education</i>	21,243	21,385	21,146	21,000	21,440
9.2 Secondary education ⁽³⁾	31,416	30,566	31,013	31,665	31,124
9.3 Post-secondary non-tertiary education	293	220	104	126	105
9.4 Tertiary education ⁽⁴⁾	13,126	10,680	10,962	13,001	7,900
9.5 Education not definable by level	481	215	231	224	392
9.6 Subsidiary services to education	3,366	3,065	2,950	2,445	2,361
9.7 R&D education	1	9	10	11	10
9.8 Education n.e.c.	2,418	1,904	1,506	1,680	1,700
Total education	76,756	72,195	72,531	74,951	69,695
10. Social protection					
<i>of which: personal social services</i>	22,178	23,079	22,972	22,887	23,518
10.1 Sickness and disability	31,748	34,486	36,341	37,403	39,712
<i>of which: personal social services</i>	6,862	8,331	8,142	7,663	7,567
<i>of which: incapacity, disability and injury benefits</i>	24,886	26,155	28,198	29,740	32,145
10.2 Old age	78,033	82,404	88,174	90,680	93,561
<i>of which: personal social services</i>	8,238	7,841	7,714	7,804	7,746
<i>of which: pensions</i>	69,795	74,563	80,460	82,875	85,814
10.3 Survivors	808	762	756	796	791
10.4 Family and children	24,425	23,526	22,151	20,464	20,786
<i>of which: personal social services</i>	6,543	6,460	6,644	6,919	7,781
<i>of which: family benefits, income support and tax credits</i>	17,882	17,066	15,506	13,545	13,005
10.5 Unemployment	4,303	4,645	4,888	4,033	2,770
<i>of which: personal social services</i>	–	–	–	–	–
<i>of which: other unemployment benefits</i>	4,303	4,645	4,888	4,033	2,770
10.6 Housing	20,880	21,719	22,521	22,753	22,781
10.7 Social exclusion n.e.c.	21,807	23,311	24,823	24,615	24,647
<i>of which: personal social services</i>	535	447	471	500	423
<i>of which: family benefits, income support and tax credits</i>	21,272	22,864	24,351	24,115	24,223
10.8 R&D social protection	–	–	–	–	–
10.9 Social protection n.e.c.	4,404	3,635	3,145	2,392	3,435
Total social protection	186,406	194,489	202,798	203,135	208,482
Total Expenditure on Services in England	448,670	445,111	453,293	461,228	469,198

⁽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.

⁽²⁾ 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.

⁽³⁾ The Department for Education is currently recording all central government academy expenditure as 'Secondary Education', across all years presented. While secondary schools currently account for the largest population in the academy sector, it is recognised that this will also cover some schools in primary and other functional categories. In future editions of PESA the Department for Education will look to improve apportionment of spending across the education categories.

⁽⁴⁾ 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.

Table 10.2 Total identifiable expenditure on services in Scotland by sub-function, 2010-11 to 2014-15

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	972	758	661	725	851	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	19	19	48	49	64	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	9	4	4	4	5	
1.6 General public services n.e.c.	301	314	242	355	186	
Total general public services	1,301	1,096	954	1,134	1,105	
2. Defence						
2.1 Military defence	–	–	–	–	–	
2.2 Civil defence	5	3	3	3	3	
2.3 Foreign military aid	–	–	–	–	–	
2.4 R&D defence	–	–	–	–	–	
2.5 Defence n.e.c.	0	0	0	0	0	
Total defence	5	4	3	3	4	
3. Public order and safety						
3.1 Police services	1,411	1,512	1,510	1,316	1,513	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	1,411	1,512	1,510	1,316	1,513	
3.2 Fire-protection services	344	389	380	310	365	
3.3 Law courts	491	477	462	480	445	
3.4 Prisons	405	323	345	317	328	
3.5 R&D public order and safety	0	1	2	1	1	
3.6 Public order and safety n.e.c.	41	41	44	31	34	
Total public order and safety	2,691	2,743	2,744	2,455	2,686	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	1,121	1,052	1,016	1,090	998	
4.2 Agriculture, forestry, fishing and hunting	932	969	920	956	886	
<i>of which: market support under CAP</i>	505	529	467	482	412	
<i>of which: other agriculture, food and fisheries policy</i>	342	339	354	368	362	
<i>of which: forestry</i>	85	101	99	106	111	
4.3 Fuel and energy	57	48	41	50	53	
4.4 Mining, manufacturing and construction	-2	0	0	1	0	
4.5 Transport	2,742	2,703	2,953	2,893	2,746	
<i>of which: national roads</i>	551	451	610	569	554	
<i>of which: local roads</i>	697	677	691	691	642	
<i>of which: local public transport</i>	258	263	275	260	272	
<i>of which: railway</i>	876	901	920	971	855	
<i>of which: other transport</i>	360	410	457	402	424	
4.6 Communication	14	11	9	16	79	
4.7 Other industries	66	69	73	75	81	
4.8 R&D economic affairs	294	327	327	385	446	
4.9 Economic affairs n.e.c.	54	19	22	71	76	
Total economic affairs	5,278	5,197	5,362	5,538	5,367	
5. Environment protection						
5.1 Waste management	855	847	931	1,016	1,010	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	29	21	29	10	36	
5.4 Protection of biodiversity and landscape	171	145	142	137	136	
5.5 R&D environment protection	36	34	29	32	30	
5.6 Environment protection n.e.c.	232	228	197	212	242	
Total environment protection	1,323	1,276	1,328	1,406	1,454	

Table 10.2 Total identifiable expenditure on services in Scotland 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	1,127	1,100	1,000	1,030	1,196	
<i>of which: local authority housing</i>	727	710	672	734	872	
<i>of which: other social housing</i>	401	390	327	296	324	
6.2 Community development	138	114	117	123	109	
6.3 Water supply	446	494	490	477	473	
6.4 Street lighting	8	5	3	6	10	
6.5 R&D housing and community amenities	4	3	2	3	3	
6.6 Housing and community amenities n.e.c.	25	9	8	10	12	
Total housing and community amenities	1,748	1,725	1,621	1,649	1,804	
7. Health⁽¹⁾						
Medical services	10,495	10,646	10,912	11,061	11,151	
Health research	151	203	168	169	171	
Central and other health services	231	208	203	227	229	
Total health	10,877	11,057	11,283	11,456	11,551	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	613	702	806	654	768	
8.2 Cultural services	466	437	451	440	465	
8.3 Broadcasting and publishing services	18	32	22	23	27	
8.4 Religious and other community services	21	26	27	14	9	
8.5 R&D recreation, culture and religion	1	0	1	–	1	
8.6 Recreation, culture and religion n.e.c.	1	1	1	1	1	
Total recreation, culture and religion	1,120	1,199	1,308	1,132	1,270	
9. Education						
9.1 Pre-primary and primary education	2,840	2,813	2,809	2,916	2,996	
<i>of which: under fives</i>	307	301	301	308	348	
<i>of which: primary education</i>	2,532	2,513	2,508	2,608	2,648	
9.2 Secondary education	2,768	2,778	2,685	2,575	2,588	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education	1,458	1,297	1,578	1,497	1,519	
9.5 Education not definable by level	212	168	168	149	156	
9.6 Subsidiary services to education	225	220	207	228	225	
9.7 R&D education	0	0	0	0	0	
9.8 Education n.e.c.	180	186	205	206	216	
Total education	7,683	7,462	7,651	7,573	7,700	
10. Social protection						
<i>of which: personal social services</i>	2,819	2,848	3,028	3,115	3,185	
10.1 Sickness and disability	3,901	4,094	4,463	4,582	4,850	
<i>of which: personal social services</i>	771	789	903	872	874	
<i>of which: incapacity, disability and injury benefits</i>	3,131	3,305	3,560	3,710	3,976	
10.2 Old age	8,715	9,281	9,857	10,121	10,434	
<i>of which: personal social services</i>	1,296	1,307	1,346	1,391	1,408	
<i>of which: pensions</i>	7,420	7,974	8,511	8,730	9,026	
10.3 Survivors	142	151	158	160	165	
10.4 Family and children	2,554	2,458	2,291	2,110	2,094	
<i>of which: personal social services</i>	753	753	779	852	902	
<i>of which: family benefits, income support and tax credits</i>	1,801	1,705	1,512	1,257	1,192	
10.5 Unemployment	487	507	518	443	330	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	487	507	518	443	330	
10.6 Housing	1,933	1,902	2,028	1,933	2,066	
10.7 Social exclusion n.e.c.	2,009	2,079	2,220	2,170	2,137	
<i>of which: personal social services</i>	-1	-1	–	–	–	
<i>of which: family benefits, income support and tax credits</i>	2,010	2,080	2,220	2,170	2,137	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	583	528	389	324	458	
Total social protection	20,325	20,999	21,924	21,843	22,534	
Total Expenditure on Services in Scotland	52,352	52,757	54,178	54,191	55,475	

⁽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, 2010-11 to 2014-15

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	461	436	410	428	457	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	26	27	20	20	18	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	0	0	0	0	–	
1.6 General public services n.e.c.	107	79	89	74	73	
Total general public services	594	542	519	522	548	
2. Defence						
2.1 Military defence	–	–	–	–	–	
2.2 Civil defence	4	3	4	4	4	
2.3 Foreign military aid	–	–	–	–	–	
2.4 R&D defence	–	–	–	–	–	
2.5 Defence n.e.c.	0	0	0	0	0	
Total defence	4	3	4	4	4	
3. Public order and safety						
3.1 Police services	738	723	717	721	748	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	738	723	717	721	748	
3.2 Fire-protection services	160	160	148	157	151	
3.3 Law courts	268	297	274	249	234	
3.4 Prisons	250	214	227	215	199	
3.5 R&D public order and safety	0	1	2	1	1	
3.6 Public order and safety n.e.c.	11	12	21	20	22	
Total public order and safety	1,427	1,406	1,389	1,362	1,356	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	546	436	429	528	481	
4.2 Agriculture, forestry, fishing and hunting	549	753	451	478	437	
<i>of which: market support under CAP</i>	280	274	261	258	225	
<i>of which: other agriculture, food and fisheries policy</i>	226	454	188	217	211	
<i>of which: forestry</i>	43	25	2	3	2	
4.3 Fuel and energy	33	30	33	37	37	
4.4 Mining, manufacturing and construction	16	4	0	4	2	
4.5 Transport	1,110	1,054	1,077	1,017	990	
<i>of which: national roads</i>	271	200	216	247	246	
<i>of which: local roads</i>	346	334	362	289	256	
<i>of which: local public transport</i>	104	86	70	52	47	
<i>of which: railway</i>	347	400	394	391	405	
<i>of which: other transport</i>	42	34	35	39	36	
4.6 Communication	33	27	43	65	103	
4.7 Other industries	43	37	37	37	36	
4.8 R&D economic affairs	96	98	112	155	208	
4.9 Economic affairs n.e.c.	331	88	30	44	46	
Total economic affairs	2,757	2,527	2,211	2,365	2,341	
5. Environment protection						
5.1 Waste management	382	381	409	394	390	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	3	1	1	2	17	
5.4 Protection of biodiversity and landscape	7	7	5	7	6	
5.5 R&D environment protection	21	20	17	18	17	
5.6 Environment protection n.e.c.	208	200	221	254	251	
Total environment protection	621	608	654	675	680	

Table 10.3 Total identifiable expenditure on services in Wales 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	302	326	339	304	327	
<i>of which: local authority housing</i>	302	326	339	304	327	
<i>of which: other social housing</i>	–	–	–	–	–	
6.2 Community development	230	236	246	254	212	
6.3 Water supply	0	0	1	0	0	
6.4 Street lighting	38	42	46	49	53	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	–	–	–	–	–	
Total housing and community amenities	570	605	631	608	593	
7. Health⁽¹⁾						
Medical services	5,982	5,936	5,873	6,006	6,299	
Health research	63	54	45	44	45	
Central and other health services	102	103	102	111	100	
Total health	6,147	6,093	6,020	6,160	6,444	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	250	252	255	234	231	
8.2 Cultural services	216	208	214	200	209	
8.3 Broadcasting and publishing services	81	74	64	78	84	
8.4 Religious and other community services	4	4	3	2	0	
8.5 R&D recreation, culture and religion	2	0	2	–	2	
8.6 Recreation, culture and religion n.e.c.	29	34	45	14	22	
Total recreation, culture and religion	583	572	583	529	549	
9. Education						
9.1 Pre-primary and primary education	1,453	1,490	1,531	1,560	1,555	
<i>of which: under fives</i>	70	79	78	52	46	
<i>of which: primary education</i>	1,383	1,411	1,453	1,508	1,508	
9.2 Secondary education	1,529	1,680	1,678	1,533	1,780	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education	725	647	483	845	470	
9.5 Education not definable by level	241	205	171	165	186	
9.6 Subsidiary services to education	280	395	241	90	89	
9.7 R&D education	–	–	–	–	–	
9.8 Education n.e.c.	26	19	58	37	29	
Total education	4,254	4,436	4,162	4,230	4,108	
10. Social protection						
<i>of which: personal social services</i>	1,594	1,636	1,658	1,754	1,787	
10.1 Sickness and disability	2,797	2,875	2,995	3,050	3,264	
<i>of which: personal social services</i>	529	528	535	548	545	
<i>of which: incapacity, disability and injury benefits</i>	2,268	2,347	2,460	2,502	2,720	
10.2 Old age	5,069	5,365	5,742	5,918	6,144	
<i>of which: personal social services</i>	579	586	605	629	643	
<i>of which: pensions</i>	4,490	4,779	5,137	5,290	5,500	
10.3 Survivors	58	61	60	68	73	
10.4 Family and children	1,514	1,494	1,409	1,351	1,330	
<i>of which: personal social services</i>	428	463	490	539	560	
<i>of which: family benefits, income support and tax credits</i>	1,086	1,031	918	812	770	
10.5 Unemployment	252	275	301	256	194	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	252	275	301	256	194	
10.6 Housing	990	1,090	1,142	1,181	1,206	
10.7 Social exclusion n.e.c.	1,409	1,488	1,553	1,536	1,534	
<i>of which: personal social services</i>	57	59	28	39	39	
<i>of which: family benefits, income support and tax credits</i>	1,351	1,429	1,525	1,497	1,495	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	281	252	225	206	257	
Total social protection	12,369	12,899	13,427	13,566	14,002	
Total Expenditure on Services in Wales	29,327	29,692	29,600	30,021	30,624	

⁽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, 2010-11 to 2014-15

	National Statistics					£ million
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	193	160	160	183	186	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	191	165	160	174	208	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	0	0	0	0	–	
1.6 General public services n.e.c.	81	68	69	70	81	
Total general public services	465	393	389	428	476	
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	0	0	0	
Total defence	0	0	0	0	0	
3. Public order and safety						
3.1 Police services	957	917	899	911	820	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	957	917	899	911	820	
3.2 Fire-protection services	84	80	76	87	81	
3.3 Law courts	254	259	253	246	250	
3.4 Prisons	150	180	163	131	132	
3.5 R&D public order and safety	0	0	1	0	0	
3.6 Public order and safety n.e.c.	3	5	7	3	3	
Total public order and safety	1,448	1,441	1,399	1,378	1,286	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	392	375	370	413	445	
4.2 Agriculture, forestry, fishing and hunting	525	503	495	534	528	
<i>of which: market support under CAP</i>	322	320	282	319	310	
<i>of which: other agriculture, food and fisheries policy</i>	198	177	207	208	208	
<i>of which: forestry</i>	5	6	6	8	10	
4.3 Fuel and energy	4	3	4	4	9	
4.4 Mining, manufacturing and construction	2	2	1	2	1	
4.5 Transport	699	603	567	523	517	
<i>of which: national roads</i>	36	20	22	14	13	
<i>of which: local roads</i>	490	337	335	369	349	
<i>of which: local public transport</i>	123	75	79	68	65	
<i>of which: railway</i>	35	131	82	54	61	
<i>of which: other transport</i>	16	40	49	17	29	
4.6 Communication	11	4	1	6	8	
4.7 Other industries	64	57	64	41	47	
4.8 R&D economic affairs	82	74	80	94	98	
4.9 Economic affairs n.e.c.	0	0	0	6	7	
Total economic affairs	1,779	1,620	1,582	1,623	1,660	
5. Environment protection						
5.1 Waste management	178	184	188	189	195	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	0	0	0	0	9	
5.4 Protection of biodiversity and landscape	–	–	0	0	–	
5.5 R&D environment protection	12	12	10	11	10	
5.6 Environment protection n.e.c.	58	71	56	55	53	
Total environment protection	249	267	255	255	268	

Table 10.4 Total identifiable expenditure on services in Northern Ireland 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	458	436	330	281	266	
<i>of which: local authority housing</i>	–	–	–	–	–	
<i>of which: other social housing</i>	458	436	330	281	266	
6.2 Community development	118	120	121	125	146	
6.3 Water supply	284	286	270	265	255	
6.4 Street lighting	21	25	23	24	25	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	-47	95	76	80	128	
Total housing and community amenities	834	962	820	776	820	
7. Health⁽¹⁾						
Medical services	3,436	3,401	3,595	3,608	3,632	
Health research	2	0	4	5	5	
Central and other health services	157	237	246	258	275	
Total health	3,595	3,639	3,844	3,871	3,912	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	228	209	239	233	275	
8.2 Cultural services	194	164	181	176	171	
8.3 Broadcasting and publishing services	7	10	7	10	10	
8.4 Religious and other community services	37	34	35	40	41	
8.5 R&D recreation, culture and religion	0	–	0	–	0	
8.6 Recreation, culture and religion n.e.c.	1	1	0	0	0	
Total recreation, culture and religion	466	417	463	461	498	
9. Education						
9.1 Pre-primary and primary education	709	711	715	737	788	
<i>of which: under fives</i>	61	112	63	66	67	
<i>of which: primary education</i>	647	599	652	671	721	
9.2 Secondary education	1,104	1,029	984	974	1,022	
9.3 Post-secondary non-tertiary education	–	–	–	–	–	
9.4 Tertiary education	471	471	597	477	527	
9.5 Education not definable by level	110	106	100	100	92	
9.6 Subsidiary services to education	204	197	197	212	209	
9.7 R&D education	–	–	–	–	–	
9.8 Education n.e.c.	230	279	257	245	263	
Total education	2,827	2,794	2,849	2,744	2,900	
10. Social protection						
<i>of which: personal social services</i>	1,273	853	854	901	932	
10.1 Sickness and disability	2,350	2,252	2,341	2,426	2,523	
<i>of which: personal social services</i>	355	255	255	265	273	
<i>of which: incapacity, disability and injury benefits</i>	1,995	1,997	2,086	2,161	2,250	
10.2 Old age	2,886	3,106	3,295	3,519	3,644	
<i>of which: personal social services</i>	869	429	431	449	467	
<i>of which: pensions</i>	2,016	2,677	2,864	3,069	3,177	
10.3 Survivors	66	67	71	73	76	
10.4 Family and children	545	658	660	658	672	
<i>of which: personal social services</i>	48	168	168	186	192	
<i>of which: family benefits, income support and tax credits</i>	497	490	491	472	481	
10.5 Unemployment	188	205	231	211	178	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	188	205	231	211	178	
10.6 Housing	596	631	662	564	577	
10.7 Social exclusion n.e.c.	809	889	946	946	943	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: family benefits, income support and tax credits</i>	809	889	946	946	943	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	20	31	2	11	9	
Total social protection	7,460	7,839	8,208	8,407	8,622	
Total Expenditure on Services in Northern Ireland	19,123	19,372	19,808	19,942	20,440	

⁽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, 2010-11 to 2014-15

	National Statistics					£ per head
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	68	51	49	51	61	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	16	14	14	10	9	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	0	0	0	0	0	
1.6 General public services n.e.c.	33	29	31	29	34	
Total general public services	117	95	94	90	104	
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	0	0	0	
Total defence	1	1	1	1	1	
3. Public order and safety						
3.1 Police services	261	252	241	230	232	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	261	252	241	230	232	
3.2 Fire-protection services	46	43	43	42	42	
3.3 Law courts	98	104	93	85	84	
3.4 Prisons	79	64	67	63	58	
3.5 R&D public order and safety	0	0	1	0	0	
3.6 Public order and safety n.e.c.	4	4	7	10	10	
Total public order and safety	488	467	452	430	426	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	121	96	77	92	80	
4.2 Agriculture, forestry, fishing and hunting	63	67	64	62	59	
<i>of which: market support under CAP</i>	47	52	35	35	32	
<i>of which: other agriculture, food and fisheries policy</i>	16	15	29	28	27	
<i>of which: forestry</i>	–	–	0	0	0	
4.3 Fuel and energy	14	8	7	7	6	
4.4 Mining, manufacturing and construction	4	3	0	5	1	
4.5 Transport	317	289	258	265	295	
<i>of which: national roads</i>	52	46	38	43	52	
<i>of which: local roads</i>	82	71	64	68	79	
<i>of which: local public transport</i>	60	59	50	48	45	
<i>of which: railway</i>	115	106	100	97	113	
<i>of which: other transport</i>	9	7	7	9	6	
4.6 Communication	2	0	–	–	–	
4.7 Other industries	6	4	3	2	2	
4.8 R&D economic affairs	46	48	51	64	70	
4.9 Economic affairs n.e.c.	9	10	7	7	7	
Total economic affairs	584	526	467	504	520	
5. Environment protection						
5.1 Waste management	109	110	115	116	120	
5.2 Waste water management	0	0	–	–	–	
5.3 Pollution abatement	7	1	2	2	8	
5.4 Protection of biodiversity and landscape	6	6	5	5	6	
5.5 R&D environment protection	7	6	5	6	6	
5.6 Environment protection n.e.c.	31	29	25	24	27	
Total environment protection	161	153	152	154	167	

Table 10.5 Total identifiable expenditure on services in England by sub-function, per head, 2010-11 to 2014-15 (continued)

	National Statistics					£ per head
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	
6. Housing and community amenities						
6.1 Housing development	127	73	73	66	78	
<i>of which: local authority housing</i>	66	38	61	56	67	
<i>of which: other social housing</i>	61	35	12	10	11	
6.2 Community development	50	41	41	44	42	
6.3 Water supply	0	0	0	0	0	
6.4 Street lighting	11	11	12	12	14	
6.5 R&D housing and community amenities	–	–	–	–	–	
6.6 Housing and community amenities n.e.c.	4	3	3	3	3	
Total housing and community amenities	192	129	129	126	137	
7. Health⁽¹⁾						
Medical services	1,796	1,806	1,831	1,907	1,976	
Health research	30	20	21	12	14	
Central and other health services	43	53	64	73	67	
Total health	1,868	1,879	1,915	1,992	2,057	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	49	46	55	43	43	
8.2 Cultural services	59	57	57	55	56	
8.3 Broadcasting and publishing services	2	4	3	3	3	
8.4 Religious and other community services	1	1	1	1	1	
8.5 R&D recreation, culture and religion	1	0	0	0	0	
8.6 Recreation, culture and religion n.e.c.	1	1	1	0	1	
Total recreation, culture and religion	113	110	117	102	104	
9. Education⁽²⁾						
9.1 Pre-primary and primary education	487	481	481	479	481	
<i>of which: under fives</i>	84	78	86	89	86	
<i>of which: primary education</i>	404	403	395	390	395	
9.2 Secondary education ⁽³⁾	597	576	580	588	573	
9.3 Post-secondary non-tertiary education	6	4	2	2	2	
9.4 Tertiary education ⁽⁴⁾	249	201	205	241	145	
9.5 Education not definable by level	9	4	4	4	7	
9.6 Subsidiary services to education	64	58	55	45	43	
9.7 R&D education	0	0	0	0	0	
9.8 Education n.e.c.	46	36	28	31	31	
Total education	1,458	1,359	1,356	1,391	1,283	
10. Social protection						
<i>of which: personal social services</i>	421	435	429	425	433	
10.1 Sickness and disability	603	649	679	694	731	
<i>of which: personal social services</i>	130	157	152	142	139	
<i>of which: incapacity, disability and injury benefits</i>	473	493	527	552	592	
10.2 Old age	1,482	1,552	1,648	1,683	1,723	
<i>of which: personal social services</i>	156	148	144	145	143	
<i>of which: pensions</i>	1,326	1,404	1,504	1,539	1,580	
10.3 Survivors	15	14	14	15	15	
10.4 Family and children	464	443	414	380	383	
<i>of which: personal social services</i>	124	122	124	128	143	
<i>of which: family benefits, income support and tax credits</i>	340	321	290	251	239	
10.5 Unemployment	82	87	91	75	51	
<i>of which: personal social services</i>	–	–	–	–	–	
<i>of which: other unemployment benefits</i>	82	87	91	75	51	
10.6 Housing	397	409	421	422	419	
10.7 Social exclusion n.e.c.	414	439	464	457	454	
<i>of which: personal social services</i>	10	8	9	9	8	
<i>of which: family benefits, income support and tax credits</i>	404	431	455	448	446	
10.8 R&D social protection	–	–	–	–	–	
10.9 Social protection n.e.c.	84	68	59	44	63	
Total social protection	3,541	3,662	3,791	3,771	3,838	
Total Expenditure on Services in England	8,523	8,381	8,474	8,563	8,638	

⁽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.

⁽²⁾ 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.

⁽³⁾ The Department for Education is currently recording all central government academy expenditure as 'Secondary Education', across all years presented. While secondary schools currently account for the largest population in the academy sector, it is recognised that this will also cover some schools in primary and other functional categories. In future editions of PESA the Department for Education will look to improve apportionment of spending across the education categories.

⁽⁴⁾ 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.

Table 10.6 Total identifiable expenditure on services in Scotland by sub-function, per head, 2010-11 to 2014-15

	National Statistics					£ per head
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	185	143	124	136	159	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	4	4	9	9	12	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	2	1	1	1	1	
1.6 General public services n.e.c.	57	59	45	67	35	
Total general public services	247	207	180	213	207	
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	0	0	0	
Total defence	1	1	1	1	1	
3. Public order and safety						
3.1 Police services	268	285	284	247	283	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	268	285	284	247	283	
3.2 Fire-protection services	65	73	72	58	68	
3.3 Law courts	93	90	87	90	83	
3.4 Prisons	77	61	65	59	61	
3.5 R&D public order and safety	0	0	0	0	0	
3.6 Public order and safety n.e.c.	8	8	8	6	6	
Total public order and safety	511	518	516	461	502	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	213	199	191	205	187	
4.2 Agriculture, forestry, fishing and hunting	177	183	173	179	166	
<i>of which: market support under CAP</i>	96	100	88	90	77	
<i>of which: other agriculture, food and fisheries policy</i>	65	64	67	69	68	
<i>of which: forestry</i>	16	19	19	20	21	
4.3 Fuel and energy	11	9	8	9	10	
4.4 Mining, manufacturing and construction	0	–	–	0	0	
4.5 Transport	521	510	556	543	514	
<i>of which: national roads</i>	105	85	115	107	104	
<i>of which: local roads</i>	133	128	130	130	120	
<i>of which: local public transport</i>	49	50	52	49	51	
<i>of which: railway</i>	166	170	173	182	160	
<i>of which: other transport</i>	68	77	86	75	79	
4.6 Communication	3	2	2	3	15	
4.7 Other industries	13	13	14	14	15	
4.8 R&D economic affairs	56	62	62	72	83	
4.9 Economic affairs n.e.c.	10	4	4	13	14	
Total economic affairs	1,003	981	1,009	1,039	1,004	
5. Environment protection						
5.1 Waste management	163	160	175	191	189	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	6	4	5	2	7	
5.4 Protection of biodiversity and landscape	32	27	27	26	25	
5.5 R&D environment protection	7	6	5	6	6	
5.6 Environment protection n.e.c.	44	43	37	40	45	
Total environment protection	251	241	250	264	272	

Table 10.6 Total identifiable expenditure on services in Scotland by sub-function, per head, 2010-11 to 2014-15 (continued)

	National Statistics					£ per head
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn	
6. Housing and community amenities						
6.1 Housing development	214	208	188	193	224	
<i>of which: local authority housing</i>	138	134	127	138	163	
<i>of which: other social housing</i>	76	74	62	56	61	
6.2 Community development	26	21	22	23	20	
6.3 Water supply	85	93	92	89	88	
6.4 Street lighting	1	1	1	1	2	
6.5 R&D housing and community amenities	1	1	0	1	1	
6.6 Housing and community amenities n.e.c.	5	2	2	2	2	
Total housing and community amenities	332	325	305	310	337	
7. Health⁽¹⁾						
Medical services	1,994	2,009	2,054	2,076	2,085	
Health research	29	38	32	32	32	
Central and other health services	44	39	38	43	43	
Total health	2,067	2,086	2,123	2,150	2,160	
8. Recreation, culture and religion						
8.1 Recreational and sporting services	116	132	152	123	144	
8.2 Cultural services	89	83	85	83	87	
8.3 Broadcasting and publishing services	3	6	4	4	5	
8.4 Religious and other community services	4	5	5	3	2	
8.5 R&D recreation, culture and religion	0	-	0	-	0	
8.6 Recreation, culture and religion n.e.c.	0	0	0	0	0	
Total recreation, culture and religion	213	226	246	213	238	
9. Education						
9.1 Pre-primary and primary education	540	531	529	547	560	
<i>of which: under fives</i>	58	57	57	58	65	
<i>of which: primary education</i>	481	474	472	490	495	
9.2 Secondary education	526	524	505	483	484	
9.3 Post-secondary non-tertiary education	-	-	-	-	-	
9.4 Tertiary education	277	245	297	281	284	
9.5 Education not definable by level	40	32	32	28	29	
9.6 Subsidiary services to education	43	42	39	43	42	
9.7 R&D education	0	0	0	0	0	
9.8 Education n.e.c.	34	35	39	39	40	
Total education	1,460	1,408	1,440	1,421	1,440	
10. Social protection						
<i>of which: personal social services</i>	536	537	570	585	596	
10.1 Sickness and disability	741	772	840	860	907	
<i>of which: personal social services</i>	146	149	170	164	163	
<i>of which: incapacity, disability and injury benefits</i>	595	624	670	696	743	
10.2 Old age	1,656	1,751	1,855	1,900	1,951	
<i>of which: personal social services</i>	246	247	253	261	263	
<i>of which: pensions</i>	1,410	1,504	1,602	1,639	1,688	
10.3 Survivors	27	29	30	30	31	
10.4 Family and children	485	464	431	396	392	
<i>of which: personal social services</i>	143	142	147	160	169	
<i>of which: family benefits, income support and tax credits</i>	342	322	285	236	223	
10.5 Unemployment	93	96	97	83	62	
<i>of which: personal social services</i>	-	-	-	-	-	
<i>of which: other unemployment benefits</i>	93	96	97	83	62	
10.6 Housing	367	359	382	363	386	
10.7 Social exclusion n.e.c.	382	392	418	407	400	
<i>of which: personal social services</i>	0	0	-	-	-	
<i>of which: family benefits, income support and tax credits</i>	382	392	418	407	400	
10.8 R&D social protection	-	-	-	-	-	
10.9 Social protection n.e.c.	111	100	73	61	86	
Total social protection	3,863	3,962	4,126	4,100	4,214	
Total Expenditure on Services in Scotland	9,949	9,954	10,196	10,171	10,374	

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

Table 10.7 Total identifiable expenditure on services in Wales by sub-function, per head, 2010–11 to 2014–15

	National Statistics					£ per head
	2010–11 outturn	2011–12 outturn	2012–13 outturn	2013–14 outturn	2014–15 outturn	
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	151	142	133	139	148	
1.2 Foreign economic aid	–	–	–	–	–	
1.3 General services	8	9	6	6	6	
1.4 Basic research	–	–	–	–	–	
1.5 R&D general public services	0	0	0	0	–	
1.6 General public services n.e.c.	35	26	29	24	24	
Total general public services	195	177	169	169	177	
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	0	0	0	
Total defence	1	1	1	1	1	
3. Public order and safety						
3.1 Police services	242	236	233	234	242	
<i>of which: immigration and citizenship</i>	–	–	–	–	–	
<i>of which: other police services</i>	242	236	233	234	242	
3.2 Fire-protection services	53	52	48	51	49	
3.3 Law courts	88	97	89	81	76	
3.4 Prisons	82	70	74	70	64	
3.5 R&D public order and safety	0	0	1	0	0	
3.6 Public order and safety n.e.c.	4	4	7	6	7	
Total public order and safety	468	459	452	442	438	
4. Economic affairs						
4.1 General economic, commercial and labour affairs	179	142	139	171	156	
4.2 Agriculture, forestry, fishing and hunting	180	246	147	155	141	
<i>of which: market support under CAP</i>	92	89	85	84	73	
<i>of which: other agriculture, food and fisheries policy</i>	74	148	61	70	68	
<i>of which: forestry</i>	14	8	1	1	1	
4.3 Fuel and energy	11	10	11	12	12	
4.4 Mining, manufacturing and construction	5	1	0	1	1	
4.5 Transport	364	344	350	330	320	
<i>of which: national roads</i>	89	65	70	80	80	
<i>of which: local roads</i>	114	109	118	94	83	
<i>of which: local public transport</i>	34	28	23	17	15	
<i>of which: railway</i>	114	131	128	127	131	
<i>of which: other transport</i>	14	11	11	13	12	
4.6 Communication	11	9	14	21	33	
4.7 Other industries	14	12	12	12	12	
4.8 R&D economic affairs	31	32	36	50	67	
4.9 Economic affairs n.e.c.	108	29	10	14	15	
Total economic affairs	904	825	719	767	757	
5. Environment protection						
5.1 Waste management	125	124	133	128	126	
5.2 Waste water management	–	–	–	–	–	
5.3 Pollution abatement	1	0	0	1	5	
5.4 Protection of biodiversity and landscape	2	2	2	2	2	
5.5 R&D environment protection	7	6	5	6	6	
5.6 Environment protection n.e.c.	68	65	72	82	81	
Total environment protection	204	198	213	219	220	

Table 10.7 Total identifiable expenditure on services in Wales by sub-function, per head, 2010-11 to 2014-15 (continued)

	£ per head				
	National Statistics				
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn
6. Housing and community amenities					
6.1 Housing development	99	107	110	99	106
<i>of which: local authority housing</i>	99	107	110	99	106
<i>of which: other social housing</i>	–	–	–	–	–
6.2 Community development	75	77	80	82	69
6.3 Water supply	0	0	0	0	0
6.4 Street lighting	13	14	15	16	17
6.5 R&D housing and community amenities	–	–	–	–	–
6.6 Housing and community amenities n.e.c.	–	–	–	–	–
Total housing and community amenities	187	198	205	197	192
7. Health⁽¹⁾					
Medical services	1,961	1,937	1,910	1,948	2,037
Health research	21	18	15	14	15
Central and other health services	34	34	33	36	32
Total health	2,015	1,989	1,958	1,998	2,084
8. Recreation, culture and religion					
8.1 Recreational and sporting services	82	82	83	76	75
8.2 Cultural services	71	68	70	65	68
8.3 Broadcasting and publishing services	27	24	21	25	27
8.4 Religious and other community services	1	1	1	1	0
8.5 R&D recreation, culture and religion	1	0	1	–	1
8.6 Recreation, culture and religion n.e.c.	10	11	15	5	7
Total recreation, culture and religion	191	187	190	171	177
9. Education					
9.1 Pre-primary and primary education	476	486	498	506	503
<i>of which: under fives</i>	23	26	25	17	15
<i>of which: primary education</i>	453	461	473	489	488
9.2 Secondary education	501	548	546	497	576
9.3 Post-secondary non-tertiary education	–	–	–	–	–
9.4 Tertiary education	238	211	157	274	152
9.5 Education not definable by level	79	67	56	54	60
9.6 Subsidiary services to education	92	129	78	29	29
9.7 R&D education	–	–	–	–	–
9.8 Education n.e.c.	8	6	19	12	9
Total education	1,395	1,448	1,354	1,372	1,329
10. Social protection					
<i>of which: personal social services</i>	523	534	539	569	578
10.1 Sickness and disability	917	938	974	989	1,056
<i>of which: personal social services</i>	173	172	174	178	176
<i>of which: incapacity, disability and injury benefits</i>	743	766	800	812	880
10.2 Old age	1,662	1,751	1,868	1,920	1,987
<i>of which: personal social services</i>	190	191	197	204	208
<i>of which: pensions</i>	1,472	1,560	1,671	1,716	1,779
10.3 Survivors	19	20	20	22	24
10.4 Family and children	497	488	458	438	430
<i>of which: personal social services</i>	140	151	159	175	181
<i>of which: family benefits, income support and tax credits</i>	356	336	299	263	249
10.5 Unemployment	83	90	98	83	63
<i>of which: personal social services</i>	–	–	–	–	–
<i>of which: other unemployment benefits</i>	83	90	98	83	63
10.6 Housing	325	356	372	383	390
10.7 Social exclusion n.e.c.	462	486	505	498	496
<i>of which: personal social services</i>	19	19	9	13	13
<i>of which: family benefits, income support and tax credits</i>	443	466	496	486	483
10.8 R&D social protection	–	–	–	–	–
10.9 Social protection n.e.c.	92	82	73	67	83
Total social protection	4,056	4,210	4,368	4,401	4,528
Total Expenditure on Services in Wales	9,615	9,691	9,629	9,740	9,904

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

Table 10.8 Total identifiable expenditure on services in Northern Ireland by sub-function, per head, 2010-11 to 2014-15

	£ per head				
	National Statistics				
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn
1. General public services					
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	107	88	88	100	101
1.2 Foreign economic aid	–	–	–	–	–
1.3 General services	106	91	87	95	113
1.4 Basic research	–	–	–	–	–
1.5 R&D general public services	0	0	0	0	–
1.6 General public services n.e.c.	45	37	38	38	44
Total general public services	258	217	213	234	258
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	0	0	0
Total defence	0	0	0	0	0
3. Public order and safety					
3.1 Police services	530	505	493	498	446
<i>of which: immigration and citizenship</i>	–	–	–	–	–
<i>of which: other police services</i>	530	505	493	498	446
3.2 Fire-protection services	46	44	42	48	44
3.3 Law courts	141	143	139	134	136
3.4 Prisons	83	99	89	72	72
3.5 R&D public order and safety	0	0	0	0	0
3.6 Public order and safety n.e.c.	2	3	4	1	2
Total public order and safety	802	794	767	753	699
4. Economic affairs					
4.1 General economic, commercial and labour affairs	217	207	203	226	242
4.2 Agriculture, forestry, fishing and hunting	291	277	271	292	287
<i>of which: market support under CAP</i>	179	176	155	174	168
<i>of which: other agriculture, food and fisheries policy</i>	109	98	113	114	113
<i>of which: forestry</i>	3	3	3	4	5
4.3 Fuel and energy	2	2	2	2	5
4.4 Mining, manufacturing and construction	1	1	1	1	1
4.5 Transport	387	332	311	286	281
<i>of which: national roads</i>	20	11	12	8	7
<i>of which: local roads</i>	272	186	184	202	189
<i>of which: local public transport</i>	68	41	43	37	35
<i>of which: railway</i>	19	72	45	30	33
<i>of which: other transport</i>	9	22	27	10	16
4.6 Communication	6	2	1	3	4
4.7 Other industries	35	31	35	23	26
4.8 R&D economic affairs	45	41	44	51	53
4.9 Economic affairs n.e.c.	0	0	0	3	4
Total economic affairs	986	893	867	887	902
5. Environment protection					
5.1 Waste management	99	101	103	103	106
5.2 Waste water management	–	–	–	–	–
5.3 Pollution abatement	0	0	0	0	5
5.4 Protection of biodiversity and landscape	–	–	0	0	–
5.5 R&D environment protection	7	6	5	6	6
5.6 Environment protection n.e.c.	32	39	31	30	29
Total environment protection	138	147	140	139	145

Table 10.8 Total identifiable expenditure on services in Northern Ireland by sub-function, per head, 2010-11 to 2014-15 (continued)

	£ per head				
	National Statistics				
	2010-11 outturn	2011-12 outturn	2012-13 outturn	2013-14 outturn	2014-15 outturn
6. Housing and community amenities					
6.1 Housing development	254	240	181	154	145
<i>of which: local authority housing</i>	–	–	–	–	–
<i>of which: other social housing</i>	254	240	181	154	145
6.2 Community development	65	66	67	68	79
6.3 Water supply	157	158	148	145	138
6.4 Street lighting	12	14	13	13	14
6.5 R&D housing and community amenities	–	–	–	–	–
6.6 Housing and community amenities n.e.c.	–26	52	41	44	70
Total housing and community amenities	462	530	450	424	445
7. Health⁽¹⁾					
Medical services	1,904	1,875	1,971	1,972	1,974
Health research	1	0	2	2	3
Central and other health services	87	131	135	141	149
Total health	1,992	2,006	2,108	2,115	2,125
8. Recreation, culture and religion					
8.1 Recreational and sporting services	126	115	131	128	150
8.2 Cultural services	107	90	99	96	93
8.3 Broadcasting and publishing services	4	6	4	6	5
8.4 Religious and other community services	20	18	19	22	23
8.5 R&D recreation, culture and religion	0	–	0	–	0
8.6 Recreation, culture and religion n.e.c.	0	0	0	0	0
Total recreation, culture and religion	258	230	254	252	270
9. Education					
9.1 Pre-primary and primary education	393	392	392	403	428
<i>of which: under fives</i>	34	62	35	36	36
<i>of which: primary education</i>	359	330	358	367	392
9.2 Secondary education	612	567	539	532	555
9.3 Post-secondary non-tertiary education	–	–	–	–	–
9.4 Tertiary education	261	260	327	260	286
9.5 Education not definable by level	61	58	55	54	50
9.6 Subsidiary services to education	113	109	108	116	114
9.7 R&D education	–	–	–	–	–
9.8 Education n.e.c.	127	154	141	134	143
Total education	1,566	1,540	1,562	1,500	1,576
10. Social protection					
<i>of which: personal social services</i>	705	470	468	492	506
10.1 Sickness and disability	1,302	1,241	1,284	1,326	1,371
<i>of which: personal social services</i>	197	141	140	145	148
<i>of which: incapacity, disability and injury benefits</i>	1,105	1,101	1,144	1,181	1,222
10.2 Old age	1,599	1,712	1,807	1,923	1,980
<i>of which: personal social services</i>	482	237	236	246	254
<i>of which: pensions</i>	1,117	1,476	1,571	1,678	1,726
10.3 Survivors	37	37	39	40	41
10.4 Family and children	302	363	362	359	365
<i>of which: personal social services</i>	27	93	92	102	104
<i>of which: family benefits, income support and tax credits</i>	275	270	269	258	261
10.5 Unemployment	104	113	126	115	97
<i>of which: personal social services</i>	–	–	–	–	–
<i>of which: other unemployment benefits</i>	104	113	126	115	97
10.6 Housing	330	348	363	308	313
10.7 Social exclusion n.e.c.	448	490	519	517	512
<i>of which: personal social services</i>	–	–	–	–	–
<i>of which: family benefits, income support and tax credits</i>	448	490	519	517	512
10.8 R&D social protection	–	–	–	–	–
10.9 Social protection n.e.c.	11	17	1	6	5
Total social protection	4,133	4,321	4,501	4,595	4,684
Total Expenditure on Services in Northern Ireland	10,595	10,677	10,862	10,899	11,106

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

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2014-15

	National Statistics										£ million
	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	173	396	293	265	351	374	613	530	312	3,306	
1.2 Foreign economic aid	—	—	—	—	—	—	—	—	—	—	
1.3 General services	27	89	35	57	45	43	90	52	30	469	
1.4 Basic research	—	—	—	—	—	—	—	—	—	—	
1.5 R&D general public services	0	1	1	0	1	1	1	1	1	5	
1.6 General public services n.e.c.	65	204	173	201	147	228	228	407	199	1,851	
Total general public services	265	690	502	522	544	645	932	990	541	5,631	
2. Defence											
2.1 Military defence	—	—	—	—	—	—	—	—	—	—	
2.2 Civil defence	2	6	5	6	5	7	8	10	7	56	
2.3 Foreign military aid	—	—	—	—	—	—	—	—	—	—	
2.4 R&D defence	—	—	—	—	—	—	—	—	—	—	
2.5 Defence n.e.c.	0	0	0	0	0	0	0	0	0	2	
Total defence	3	7	5	6	5	7	8	11	7	58	
3. Public order and safety											
3.1 Police services	614	1,678	1,179	899	1,146	1,098	3,249	1,682	1,051	12,595	
of which: immigration and citizenship	—	—	—	—	—	—	—	—	—	—	
of which: other police services	614	1,678	1,179	899	1,146	1,098	3,249	1,682	1,051	12,595	
3.2 Fire-protection services	150	310	210	167	210	232	437	352	225	2,293	
3.3 Law courts	248	652	399	337	487	374	1,136	541	389	4,562	
3.4 Prisons	185	521	378	236	348	252	600	381	229	3,130	
3.5 R&D public order and safety	1	3	2	1	2	2	5	3	2	20	
3.6 Public order and safety n.e.c.	30	79	55	42	58	51	129	76	47	565	
Total public order and safety	1,227	3,242	2,223	1,682	2,251	2,009	5,555	3,035	1,941	23,165	
4. Economic affairs											
4.1 General economic, commercial and labour affairs	348	653	585	343	573	338	725	444	318	4,328	
4.2 Agriculture, forestry, fishing and hunting	200	288	350	393	306	488	66	480	621	3,192	
of which: market support under CAP	92	148	199	239	180	269	27	242	343	1,740	
of which: other agriculture, food and fisheries policy	108	139	151	154	125	218	39	238	277	1,450	
of which: forestry	0	0	0	0	0	0	0	0	0	2	
4.3 Fuel and energy	35	61	42	35	32	24	30	39	30	328	
4.4 Mining, manufacturing and construction	8	56	-2	8	10	-16	-30	-1	2	36	

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2014-15 (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	574	1,789	1,589	1,053	1,350	1,351	5,121	2,170	1,047		16,043	
of which: national roads	147	271	418	396	350	287	42	718	217		2,846	
of which: local roads	193	569	460	360	438	509	574	675	509		4,287	
of which: local public transport	73	241	144	104	130	89	1,452	130	92		2,455	
of which: railway	136	663	528	160	386	428	3,012	612	188		6,113	
of which: other transport	25	46	38	34	46	39	40	34	41		342	
4.6 Communication	—	—	—	—	—	—	—	—	—		—	
4.7 Other industries	7	17	14	6	9	9	32	20	14		129	
4.8 R&D economic affairs	169	437	325	307	319	499	700	675	374		3,807	
4.9 Economic affairs n.e.c.	14	94	29	25	29	33	77	54	39		395	
Total economic affairs	1,356	3,396	2,932	2,171	2,629	2,727	6,722	3,880	2,445		28,258	
5. Environment protection												
5.1 Waste management	231	1,991	414	369	411	567	799	1,009	717		6,508	
5.2 Waste water management	—	—	—	—	—	—	—	—	—		—	
5.3 Pollution abatement	17	47	36	30	35	61	67	79	40		413	
5.4 Protection of biodiversity and landscape	16	28	42	40	32	70	12	54	43		338	
5.5 R&D environment protection	15	40	30	26	32	34	48	50	31		306	
5.6 Environment protection n.e.c.	84	162	137	91	114	233	282	208	183		1,494	
Total environment protection	363	2,268	659	556	624	965	1,209	1,401	1,015		9,059	
6. Housing and community amenities												
6.1 Housing development	258	328	373	323	358	357	1,546	424	291		4,257	
of which: local authority housing	240	270	337	285	316	306	1,324	334	240		3,652	
of which: other social housing	18	58	35	38	41	51	221	90	52		605	
6.2 Community development	114	299	152	166	209	159	771	255	141		2,266	
6.3 Water supply	0	1	1	1	1	1	1	1	1		7	
6.4 Street lighting	61	99	82	63	89	65	103	134	54		751	
6.5 R&D housing and community amenities	—	—	—	—	—	—	—	—	—		—	
6.6 Housing and community amenities n.e.c.	8	25	19	14	16	17	33	23	21		177	
Total housing and community amenities	441	752	627	567	673	600	2,454	838	508		7,459	
7. Health⁽¹⁾												
Medical services	5,439	14,769	10,385	8,225	11,672	10,519	20,734	15,685	9,905		107,333	
Health research	23	62	38	40	39	70	319	131	42		764	
Central and other health services	174	473	362	310	379	400	585	591	360		3,633	
Total health	5,636	15,303	10,785	8,575	12,090	10,989	21,638	16,407	10,307		111,730	

£ million

Table 10.9 Total identifiable expenditure on services in the English Regions by sub-function for 2014-15 (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	162	342	280	186	240	215	432	300	183		2,342	
8.2 Cultural services	141	333	292	198	313	241	881	390	261		3,050	
8.3 Broadcasting and publishing services	8	22	16	13	16	24	41	29	16		185	
8.4 Religious and other community services	2	3	4	2	4	3	3	3	5		27	
8.5 R&D recreation, culture and religion	1	2	2	1	2	2	10	3	2		25	
8.6 Recreation, culture and religion n.e.c.	1	3	2	2	3	2	14	3	3		33	
Total recreation, culture and religion	315	705	596	402	578	486	1,381	728	470		5,661	
9. Education												
9.1 Pre-primary and primary education	1,173	3,604	2,477	1,950	2,744	2,630	5,356	4,029	2,140		26,103	
of which: under fives	219	667	453	344	504	474	909	709	385		4,663	
of which: primary education	954	2,937	2,025	1,607	2,240	2,156	4,447	3,320	1,756		21,440	
9.2 Secondary education ⁽²⁾	1,582	4,149	3,281	2,753	3,529	3,324	5,108	4,391	3,007		31,124	
9.3 Post-secondary non-tertiary education	17	17	7	0	18	12	8	14	13		105	
9.4 Tertiary education	347	1,029	744	599	726	734	1,877	1,167	678		7,900	
9.5 Education not definable by level	19	51	41	33	41	43	64	63	38		392	
9.6 Subsidiary services to education	127	277	253	193	247	231	429	373	230		2,361	
9.7 R&D education	0	1	1	1	1	1	2	1	1		10	
9.8 Education n.e.c.	76	236	165	134	168	175	334	258	152		1,700	
Total education	3,340	9,365	6,970	5,664	7,474	7,150	13,178	10,295	6,259		69,695	
10. Social protection												
of which: personal social services												
10.1 Sickness and disability	1,303	3,137	2,275	1,770	2,473	2,480	4,293	3,536	2,251		23,518	
of which: personal social services	2,508	6,674	4,163	3,485	4,476	3,895	5,375	5,290	3,846		39,712	
of which: incapacity, disability and injury benefits	378	1,042	702	584	765	873	1,285	1,175	762		7,567	
10.2 Old age	2,129	5,632	3,461	2,901	3,711	3,022	4,090	4,115	3,084		32,145	
of which: personal social services	4,970	12,661	9,291	8,414	10,022	10,977	9,756	16,123	11,346		93,561	
of which: pensions	503	1,000	752	582	802	800	1,273	1,242	793		7,746	
10.3 Survivors	4,467	11,661	8,539	7,832	9,220	10,177	8,483	14,881	10,553		85,814	
10.4 Family and children	51	127	95	89	95	84	33	117	100		791	
of which: personal social services	1,080	2,901	2,147	1,686	2,352	2,138	3,656	2,962	1,864		20,786	
of which: family benefits, income support and tax credits	412	1,065	804	585	879	776	1,526	1,072	662		7,781	
10.5 Unemployment	668	1,837	1,343	1,100	1,472	1,362	2,130	1,890	1,202		13,005	
of which: personal social services	206	392	377	229	368	231	501	287	178		2,770	
of which: other unemployment benefits	—	—	—	—	—	—	—	—	—		—	
10.6 Housing	206	392	377	229	368	231	501	287	178		2,770	
	1,132	2,885	1,873	1,374	2,119	1,941	6,543	3,079	1,835		22,781	

£ 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			
10. Social protection continued												
10.7 Social exclusion n.e.c.	1,320	3,737	2,741	2,108	2,954	2,322	4,274	3,059	2,132		24,647	
of which: personal social services	10	30	16	18	26	31	209	49	34		423	
of which: family benefits, income support and tax credits	1,310	3,707	2,725	2,090	2,927	2,291	4,065	3,010	2,098		24,223	
10.8 R&D social protection	—	—	—	—	—	—	—	—	—		—	
10.9 Social protection n.e.c.	265	493	431	306	358	263	808	318	192		3,435	
Total social protection	11,532	29,871	21,118	17,690	22,743	21,851	30,948	31,235	21,494		208,482	
Total Expenditure on Services in the English Regions	24,478	65,599	46,416	37,835	49,610	47,429	84,024	68,821	44,987		469,198	

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

⁽²⁾The Department for Education is currently recording all central government academy expenditure as 'Secondary Education', across all years presented. While secondary schools currently account for the largest population in the academy sector, it is recognised that this will also cover some schools in primary and other functional categories. In future editions of PESA the Department for Education will look to improve apportionment of spending across the education categories.

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2014-15

	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	66	56	55	57	61	62	72	60	58	61	
1.2 Foreign economic aid	—	—	—	—	—	—	—	—	—	—	
1.3 General services	10	13	7	12	8	7	11	6	6	9	
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.	25	29	32	43	26	38	27	46	37	34	
Total general public services	101	97	94	113	95	107	109	112	100	104	
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.	0	0	0	0	0	0	0	0	0	0	
Total defence	1	1	1	1	1	1	1	1	1	1	
3. Public order and safety											
3.1 Police services	234	235	220	194	201	182	381	190	194	232	
of which: immigration and citizenship	—	—	—	—	—	—	—	—	—	—	
of which: other police services	234	235	220	194	201	182	381	190	194	232	
3.2 Fire-protection services	57	43	39	36	37	39	51	40	41	42	
3.3 Law courts	95	91	74	73	85	62	133	61	72	84	
3.4 Prisons	71	73	71	51	61	42	70	43	42	58	
3.5 R&D public order and safety	0	0	0	0	0	0	1	0	0	0	
3.6 Public order and safety n.e.c.	11	11	10	9	10	9	15	9	9	10	
Total public order and safety	469	455	415	363	394	334	651	342	358	426	
4. Economic affairs											
4.1 General economic, commercial and labour affairs	133	92	109	74	100	56	85	50	59	80	
4.2 Agriculture, forestry, fishing and hunting	76	40	65	85	54	81	8	54	115	59	
of which: market support under CAP	35	21	37	51	32	45	3	27	63	32	
of which: other agriculture, food and fisheries policy	41	20	28	33	22	36	5	27	51	27	
of which: forestry	0	0	0	0	0	0	—	0	0	0	
4.3 Fuel and energy	13	9	8	8	6	4	4	4	5	6	
4.4 Mining, manufacturing and construction	3	8	0	2	2	-3	-3	0	0	1	

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2014-15 (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	219	251	296	227	236	225	600	244	193	295	
of which: national roads	56	38	78	85	61	48	5	81	40	52	
of which: local roads	74	80	86	78	77	85	67	76	94	79	
of which: local public transport	28	34	27	22	23	15	170	15	17	45	
of which: railway	52	93	98	34	68	71	353	69	35	113	
of which: other transport	9	7	7	7	8	6	5	4	7	6	
4.6 Communication	—	—	—	—	—	—	—	—	—	—	
4.7 Other industries	3	2	3	1	2	2	4	2	3	2	
4.8 R&D economic affairs	65	61	61	66	56	83	82	76	69	70	
4.9 Economic affairs n.e.c.	5	13	5	5	5	6	9	6	7	7	
Total economic affairs	518	476	547	468	460	453	787	437	451	520	
5. Environment protection											
5.1 Waste management	88	279	77	80	72	94	94	114	132	120	
5.2 Waste water management	—	—	—	—	—	—	—	—	—	—	
5.3 Pollution abatement	7	7	7	6	6	10	8	9	7	8	
5.4 Protection of biodiversity and landscape	6	4	8	9	6	12	1	6	8	6	
5.5 R&D environment protection	6	6	6	6	6	6	6	6	6	6	
5.6 Environment protection n.e.c.	32	23	26	20	20	39	33	23	34	27	
Total environment protection	139	318	123	120	109	160	142	158	187	167	
6. Housing and community amenities											
6.1 Housing development	98	46	70	70	63	59	181	48	54	78	
of which: local authority housing	92	38	63	61	55	51	155	38	44	67	
of which: other social housing	7	8	7	8	7	9	26	10	10	11	
6.2 Community development	43	42	28	36	37	26	90	29	26	42	
6.3 Water supply	0	0	0	0	0	0	0	0	0	0	
6.4 Street lighting	23	14	15	13	16	11	12	15	10	14	
6.5 R&D housing and community amenities	—	—	—	—	—	—	—	—	—	—	
6.6 Housing and community amenities n.e.c.	3	3	4	3	3	3	4	3	4	3	
Total housing and community amenities	169	105	117	122	118	100	287	94	94	137	
7. Health⁽¹⁾											
Medical services	2,077	2,070	1,938	1,774	2,043	1,748	2,428	1,768	1,826	1,976	
Health research	9	9	7	9	7	12	37	15	8	14	
Central and other health services	66	66	67	67	66	66	69	67	66	67	
Total health	2,152	2,145	2,012	1,849	2,116	1,826	2,534	1,849	1,900	2,057	

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2014-15 (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	62	48	52	40	42	36	51	34	34	43	
8.2 Cultural services	54	47	54	43	55	40	103	44	48	56	
8.3 Broadcasting and publishing services	3	3	3	3	3	4	5	3	3	3	
8.4 Religious and other community services	1	0	1	0	1	0	0	0	1	1	
8.5 R&D recreation, culture and religion	0	0	0	0	0	0	1	0	0	0	
8.6 Recreation, culture and religion n.e.c.	0	0	0	0	0	0	2	0	1	1	
Total recreation, culture and religion	120	99	111	87	101	81	162	82	87	104	
9. Education											
9.1 Pre-primary and primary education	448	505	462	421	480	437	627	454	395	481	
of which: under fives	84	94	84	74	88	79	106	80	71	86	
of which: primary education	364	412	378	346	392	358	521	374	324	395	
9.2 Secondary education ⁽²⁾	604	582	612	594	618	552	598	495	554	573	
9.3 Post-secondary non-tertiary education	6	2	1	0	3	2	1	2	2	2	
9.4 Tertiary education	132	144	139	129	127	122	220	132	125	145	
9.5 Education not definable by level	7	7	8	7	7	7	8	7	7	7	
9.6 Subsidiary services to education	48	39	47	42	43	38	50	42	42	43	
9.7 R&D education	0	0	0	0	0	0	0	0	0	0	
9.8 Education n.e.c.	29	33	31	29	29	29	39	29	28	31	
Total education	1,275	1,313	1,300	1,221	1,308	1,188	1,543	1,160	1,154	1,283	
10. Social protection											
of which: personal social services	498	440	424	382	433	412	503	399	415	433	
10.1 Sickness and disability	958	936	777	751	783	647	629	596	709	731	
of which: personal social services	144	146	131	126	134	145	150	132	141	139	
of which: incapacity, disability and injury benefits	813	790	646	625	650	502	479	464	569	592	
10.2 Old age	1,898	1,775	1,733	1,814	1,754	1,824	1,143	1,817	2,092	1,723	
of which: personal social services	192	140	140	126	140	133	149	140	146	143	
of which: pensions	1,706	1,635	1,593	1,689	1,614	1,691	994	1,677	1,946	1,580	
10.3 Survivors	20	18	18	19	17	14	4	13	18	15	
10.4 Family and children	413	407	401	364	412	355	428	334	344	383	
of which: personal social services	157	149	150	126	154	129	179	121	122	143	
of which: family benefits, income support and tax credits	255	257	251	237	258	226	249	213	222	239	
10.5 Unemployment	79	55	70	49	64	38	59	32	33	51	
of which: personal social services	—	—	—	—	—	—	—	—	—	—	
of which: other unemployment benefits	79	55	70	49	64	38	59	32	33	51	
10.6 Housing	432	404	349	296	371	322	766	347	338	419	

Table 10.10 Total identifiable expenditure on services in the English Regions by sub-function, per head for 2014-15 (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.	504	524	511	455	517	386	501	345	393	454	
of which: personal social services	4	4	3	4	5	5	24	5	6	8	
of which: family benefits, income support and tax credits	500	520	508	451	512	381	476	339	387	446	
10.8 R&D social protection	—	—	—	—	—	—	—	—	—	—	
10.9 Social protection n.e.c.	101	69	80	66	63	44	95	36	35	63	
Total social protection	4,404	4,188	3,940	3,815	3,981	3,631	3,624	3,520	3,963	3,838	
Total Expenditure on Services in the English Regions	9,347	9,197	8,660	8,159	8,683	7,881	9,840	7,756	8,295	8,638	

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

⁽²⁾The Department for Education is currently recording all central government academy expenditure as 'Secondary Education', across all years presented. While secondary schools currently account for the largest population in the academy sector, it is recognised that this will also cover some schools in primary and other functional categories. In future editions of PESA the Department for Education will look to improve apportionment of spending across the education categories.

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 2016 departments maintained the years 2011-12 to 2019-20. 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 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 (DCLG). 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 directly 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 / November – 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 2015 is provided in chapter text.

A.15 Where we discover errors after the production of PESA 2016 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 2016 treatment differs from the ONS classification:

- The **Financial Services Compensation Scheme (FSCS)** and the **Financial Conduct Authority (FCA)** are classified by the ONS to the public sector but are not currently incorporated within the budgeting framework. While the spending of these bodies is not included within PESA, the Treasury loans to the FSCS are shown as payments to the private sector to reflect their ultimate destination;
- Banks 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 upon 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 2016 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 21 June 2016.

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 2015-16 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 Spending Review 2015 and Budget 2016 documents.

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

Title	Departments included
Small and Independent Bodies	Charity Commission Competition and Markets Authority Crown Estate Office Electoral Commission Export Credits Guarantee Department Food Standards Agency Government Actuary's Department House of Commons House of Lords Independent Parliamentary Standards Authority Local Government Boundary Commission for England National Audit Office National Savings and Investment Northern Ireland Office Northern Ireland Human Rights Commission Northern Ireland Parades Commission 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 From September 2014 the UK along with all other EU Member States have been moving to produce their National Accounts using the new European System of Accounts 2010 (ESA10). Departmental budgets in this chapter have been re-stated to take account of the requirement to record Research & Development (R&D) expenditure as capital spend where previously it counted as resource. The effect of the change is to move around £9 billion a year from resource to capital budgets.

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.16.

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. This 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.46 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;
- expenditure financed from the product of the Welsh 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 Northern Ireland Regional Rates (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 – Plans data from 2016-17 onwards are taken directly from the OBR's March 16 Forecast. The OBR were clear that their forecast was prepared in line with the UK remaining a member of the European Union. The OBR will revise their forecast at Autumn Statement 2016. 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;
- 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
- *Plus* VAT-based payments to the EU
- *less* the UK's abatement and
- *less* an amount in respect of the cost of collecting Traditional Own Resources.

Table C.1 Transactions with the institutions of the EU, 2011-12 to 2019-20

	£ million								
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans
GNI based contribution	11,218	12,303	13,845	14,154	12,570	15,082	12,720	13,419	14,071
UK abatement	-3,516	-3,172	-4,130	-4,811	-4,068	-5,499	-5,466	-4,544	-4,840
VAT-based payments to the EU ⁽¹⁾	2,276	2,398	2,163	2,316	2,751	2,818	2,826	2,936	3,051
Net expenditure transfers to the EU	9,978	11,529	11,879	11,658	11,253	12,401	10,080	11,811	12,282
Receipts to cover collection costs in respect of collecting Traditional Own Resources (TOR) ⁽¹⁾	-735	-720	-733	-743	-771	-598	-634	-649	-672
to give contribution to TME	9,244	10,809	11,146	10,915	10,482	11,802	9,447	11,162	11,610
TOR ⁽²⁾	2,940	2,891	2,933	3,006	3,085	3,323	3,168	3,243	3,358
Gross contribution to the EU budget	12,184	13,699	14,079	13,921	13,567	15,125	12,614	14,405	14,968
Public sector EU receipts ⁽³⁾	-4,771	-4,022	-3,856	-4,690	-2,811	-4,517	-4,667	-4,992	-5,281
Net contributions to the EU budget	7,413	9,678	10,223	9,231	10,756	10,608	7,948	9,413	9,687
less Other attributed costs ⁽⁴⁾	163	82	79	–	–	–	–	–	–
Net payments to EU institutions	7,250	9,595	10,143	9,231	10,756	10,608	7,948	9,413	9,687

⁽¹⁾ VAT-based payments to the EU are now included in the TME subtotal, reflecting changes in the European System of Accounts 2010.

⁽²⁾ TOR comprises customs duties (including those on agricultural products) and sugar levies.

⁽³⁾ Receipts are shown here on a cash basis. EU receipts in budgets are on an accruals basis.

⁽⁴⁾ The UK's contribution to the cost of EU aid to states outside the EU is attributed to departmental budgets.

C.55 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.56 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.57 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.58 Accounting adjustments are described in **Annex D**.

Total Managed Expenditure

C.59 Total Managed Expenditure (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.60 As in **Table 1.1**, TME can be shown to equal Total DEL + AME (including accounting adjustments).

C.61 In addition, TME may be expressed as the sum of:

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

C.62 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 the 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 Gilts as well as interest paid by departments.

Subsidy element of renewable obligation certificates and other environmental levies

D.8 Where there is a compulsory and unrequited payment imposed by Government, even if the payment is not to a public sector body, National Accounts sometimes require the payment to be imputed in the public finances as offsetting taxation and subsidy spending. This is the case with renewable obligation certificates (ROCs), where companies not meeting their renewable obligations have to purchase ROCs from companies who have exceeded their obligations. The Department of Energy and Climate Change (DECC) have already included estimates in their AME forecast for the subsidy elements, however ONS and the Office for Budget Responsibility (OBR) are currently using a different source for their estimates of the value of this subsidy so the DECC estimates are removed from AME. This also applies for other environmental levies such as Feed-in Tariffs and the Renewable Heat Initiative so these are also removed.

Other

D.9 The items deducted from both DEL and AME under this category include dividends and rent. In both cases ONS use sources other than the data reported by departments as part of their budgets.

Adjustment for different data used by OBR in PSCE forecast

D.10 The forecast data for departments' DEL and AME budgets for 2016-17 to 2019-20 used in this publication are taken from the data submitted by departments on OSCAR. The OBR used OSCAR data consistent with PESA 2015 and the Spending Review 2015 as a starting point for their forecast in the March 2016 Economic and Fiscal Outlook (EFO). These adjustments are to reconcile the data used by the OBR in their forecast 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 2015 and the Spending Review 2015 adjusted to reflect policy announcements made during the year. For 2016-17 to 2019-20, the OBR also included an estimate of the expected level of underspending by departments.

Remove data in budgets which do not form part of public sector current expenditure

Impairments

D.11 Impairments as defined in budgets, in both DEL and AME, can result from a number of factors which do not affect PSCE as defined in the National Accounts. Examples of these are impairments resulting from the revaluation of assets or from unexpected losses which are treated as balance sheet movements only in National Accounts. Impairments from wear and tear in the course of normal business are treated as part of PSCE capital consumption in the National Accounts and are accounted for as part of the PIM discussed in D.6 above. As a result all impairments as reported in budgets by departments are removed from both DEL and AME as they do not form part of public expenditure.

Fees, levies and charges, receipts treated as negative DEL but revenue in National Accounts, and miscellaneous current transfers

D.12 Some receipts included under these categories benefit resource budgets, in both DEL and AME, even where they are included on the revenue side of the National Accounts. The deduction of such receipts in budgets needs to be reversed in the calculation of TME.

D.13 The central government receipts that are removed in the adjustment are:

- certain taxes collected, including licences issued by the utility regulators;
- certain fines;
- current donations;
- current compensation;
- rent of land; and
- dividends and interest from the private sector and overseas.

Change in pension scheme liabilities, unwinding of discount rate on pension scheme liabilities and release of provisions covering payments of pension benefits

D.14 Pension costs are measured differently in resource accounts (and predominantly AME budgets) and National Accounts due to the different way these frameworks deal with provision liabilities.

D.15 In the National Accounts, the following transactions are included within TME:

- payments to pensioners, surviving spouses etc and transfers out to other schemes;
- less receipts of contributions by employees and employers, and transfers in from other schemes.

D.16 In resource accounts a provision liability is recognised on the balance sheet equal to the net present value of the expected future cash benefits to be paid. Broadly speaking, changes in this liability impact on the operating cost statement. The net public service pensions line in departmental AME presents expenditure on this basis. The line consists of the following:

- the gross change in the liability that scores in the operating statement of the schemes;
- plus payments of pensions or transfers out that are not covered by a previously recognised liability;

- less receipts of contributions by employees and employers, and transfers in from other schemes.

D.17 The unwinding of the discount rate that is applied to the future cash flows is also a cost in the operating statement in accounts. This cost is recorded separately in the non-cash items in departmental AME. See **Annex C** for further details.

D.18 Table D.1 reconciles pensions expenditure as presented in **Table 1.1**, in resource accounts and in TME. So the table presents:

- the three main contributions to the net public service pensions line in **Table 1.1** (as in D.17 above);
- the pensions element of the non-cash items line in **Table 1.1** (i.e. the unwinding of the discount on the liability);
- the sum of these elements, which is the contribution of pension schemes to departmental AME;
- the accounting adjustments required to reach the contribution to TME (see D.20 below); and
- the contribution of the main public service pensions schemes to TME.

D.19 The adjustments are as follows:

1. remove changes in liabilities scored in the net public service pensions line;
2. remove changes in liabilities arising from the unwinding of the discount rate that are scored in the non-cash items line in AME; and
3. add cash payments to pensioners, surviving spouses etc and transfers out to other schemes.

Table D.1 Pay as you go public service pension schemes in AME and in TME, 2009-10 to 2015-16

	£ million								
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	outturn	outturn	outturn	outturn	outturn	plans	plans	plans	plans
Departmental AME (GAAP basis)									
Change in liability	27,069	26,928	28,740	34,186	37,953	35,496	35,913	36,224	36,589
Contributions received*	-21,142	-22,028	-23,313	-24,676	-25,900	-26,728	-27,071	-27,348	-27,672
Cash payments in OCS not covered by release of provision*	85	58	13	95	121	129	129	128	128
Net public service pensions (GAAP basis)	6,012	4,958	5,441	9,605	12,174	8,896	8,971	9,004	9,045
Unwinding of discount rate (= contribution to non-cash items)	44,012	40,499	37,991	46,256	42,710	42,560	42,226	43,989	45,562
Total Departmental AME (GAAP basis)	50,024	45,457	43,432	55,860	54,883	51,456	51,198	52,993	54,607
Accounting adjustments									
Remove change in liability	-27,069	-26,928	-28,740	-34,186	-37,953	-35,496	-35,913	-36,224	-36,589
Remove increased liability due to unwinding of discount rate	-44,012	-40,499	-37,991	-46,256	-42,710	-42,560	-42,226	-43,989	-45,562
Add pensions in payment covered by release of provision*+	27,725	30,546	32,246	34,222	35,309	35,965	35,596	37,234	38,803
Accounting adjustments (Pensions)	-43,356	-36,881	-34,485	-46,219	-45,354	-42,091	-42,544	-42,979	-43,348
Contribution to TME (National Accounts basis)	6,668	8,577	8,947	9,641	9,530	9,366	8,654	10,014	11,259
<i>of which:</i>									
Pensions in payment*	27,810	30,604	32,260	34,318	35,430	36,094	35,725	37,362	38,931
Contributions received*	-21,142	-22,028	-23,313	-24,676	-25,900	-26,728	-27,071	-27,348	-27,672

* 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.

Fee income treated as capital in National Accounts

D.25 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.26 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.27 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.28 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.29 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.30 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.31 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.32 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.33 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.34 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.35 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.36 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 OSCAR data having been removed in the first section of the table).

Company tax credits outside departmental AME

D.37 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.38 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, expenditure financed by Welsh 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.39 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.40 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.41 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.42 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.43 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.44 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.45 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.46 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.47 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.48 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.49 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.50 As explained above for resource spending, the forecast data for departments' DEL and AME budgets for 2016-17 to 2019-20 used in this PESA publication differ from those used by the OBR in their March 2016 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 the purchase and sale of company securities

D.51 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.52 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.53 This is the capital equivalent of the transfers described in D.22 above.

Other

D.54 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.55 As mentioned in the section on resource accounting adjustments, in National Accounts the profit or loss on sales of 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.56 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.57 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.58 As also stated above, in the section on resource accounting adjustments a proportion of 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.59 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.60 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.61 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.62 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.63 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.64 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.65 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.66 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.67 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.

E.6 In previous editions of this publication, the time series on 'total expenditure on services' and specifically 'tertiary education' has been distorted by significant changes to the modelling methods/discount rates used to forecast the impairment costs of Student Loans. For this publication, HM Treasury has taken the decision to remove the impact of Student Loan impairments to ensure a time series can be presented that is less distorted by these Student Loan movements. This treatment also aligns with the fact that 'total managed expenditure' does not include impairments. The functional breakdown for local government and therefore TES does not currently include Crossrail expenditure. The intention is to include this in future publications.

E.7 Public sector expenditure on services is worth about 93% of TME.

EU transactions in expenditure on services

E.8 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.

Expenditure on services and budgets

E.9 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.10 Table E.1 shows the derivation of expenditure on services from departmental groups' budgets.

Classification changes

E.11 Classification changes since PESA 2015 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, 2015-16

	Defence	Single Intelligence Account	Home Office	Foreign and Commonwealth Office	International Development	NHS (Health)	Work and Pensions	Education	Business, Innovation and Skills	Transport	Energy and Climate Change	Culture, Media and Sport	Communities and Local Government	Scotland	Wales	Northern Ireland	Justice	Law Officers' Departments	Environment, Food and Rural Affairs	HM Revenue and Customs	HM Treasury	Cabinet Office	Small and Independent Bodies	Total for all departments	
Departmental Budgets																									
Resource DEL	34,424	2,159	10,690	1,956	6,859	113,661	6,472	54,419	10,986	3,019	1,404	1,259	12,947	26,391	13,335	10,164	7,171	546	1,747	3,576	137	577	1707	325,608	
Capital DEL	8,402	574	477	131	2,433	4,668	188	4,776	8,305	5,885	2,289	327	3,851	3,126	1,536	766	266	3	570	228	-660	-31	98	48,208	
Resource Departmental AME	12,020	135	1,536	39	171	48,649	173,400	12,880	-7,556	7,543	101,581	4,561	12,219	3,936	-309	8,395	543	-9	366	43,194	-13,781	10,346	-333	419,528	
Capital Departmental AME	29	-	440	-	450	9	-148	-	9,948	6,598	-99	500	207	744	388	629	-	-	-	-	-29,066	-	34	-9,336	
Remove																									
Grants to local government	-	-	-11,242	-	-	-3,324	-24,085	-34,123	-337	-4,243	-52	-127	-16,245	-8,122	-4,924	-193	-	-	-269	-	-	-30	-	-107,316	
Capital grants to public corporations	-	-	-	-5	-	-38	-	-155	-	-	-	-	-14	-12	-1	-71	-	-	-19	-	-	-	-	-316	
Depreciation	-7,991	-545	-249	-203	-12	-1,931	-184	-1,209	3,351	-7,093	-10,193	-337	-68	-838	-217	-493	-577	-6	-180	-273	6,296	-22	-81	-23,055	
Provisions	-10,308	4	612	-8	-92	-48,279	-2,337	-9,416	-220	-20	-91,176	2	-7	-3,035	-29	-2,091	-381	12	-227	-1	61	-6,436	350	-173,022	
Financial transactions	3	-	-	-	-687	-170	45	-10,720	341	92	-	-	-1,398	-821	-610	-317	-	-	-	-	29,728	1	-34	15,453	
Interest and dividends	-128	-31	-39	-	-	106	18	-	1,776	-1,131	-	-3	20	140	66	-44	-	-	-	-1	2,216	14	22	3,001	
Items classified as revenue in National Accounts	99	-	908	15	-519	-1,779	-142	29	1,032	4,256	204	118	122	-15	69	-7	1,079	65	99	-1,783	435	5	140	4,432	
EU receipts	18	-	-	-	-	-	348	-	224	40	-	-	313	480	525	356	-	-	1,657	-	-	-	-	3,961	
Other items not in TME	-28	6	-88	1	-40	-253	-963	-2,007	119	1,647	-178	642	-11,119	3	-79	12	-	-	42	-53	5,824	-1	-334,337	-6,848	
Add																									
Local government current expenditure	-	-	11,938	-	-	17,562	24,949	42,609	367	4,852	-	1,856	7,658	10,510	5,449	586	236	-	5,352	-	-	45	-	133,968	
Local government capital expenditure	-	-	398	-	-	182	-	3,202	86	4,411	-	775	2,498	1,870	836	151	-	-	796	-	-	-	-	15,206	
Northern Ireland locally financed expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	652	-	-	-	-	-	-	-	652	
Public corporations' capital expenditure	59	-	-	-	-	-	-	-	-	-	-	-	2,479	1,221	1,184	54	-	-	-	-	-321	-	-	4,676	
Public sector debt interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,724	-	-	36,724	
EU transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,671	-	-	7,671	
Loans written off by mutual consent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
Public sector expenditure on services	36,599	2,302	15,381	1,926	8,563	129,063	177,561	71,160	17,206	26,105	3,872	9,573	13,463	35,578	17,219	18,549	8,337	611	9,934	44,887	45,264	4,468	1,570	699,190	

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 2010 to financial data for 2010-11).

Table F.1 Population numbers by country and region

	mid-2010	mid-2011	mid-2012	mid-2013	Thousands mid-2014
North East	2,587	2,596	2,602	2,611	2,619
North West	7,020	7,056	7,084	7,103	7,133
Yorkshire and the Humber	5,255	5,288	5,317	5,338	5,360
East Midlands	4,507	4,537	4,568	4,598	4,637
West Midlands	5,566	5,609	5,643	5,675	5,713
East	5,807	5,862	5,907	5,954	6,018
London	8,062	8,204	8,308	8,417	8,539
South East	8,578	8,653	8,725	8,793	8,874
South West	5,261	5,301	5,340	5,378	5,423
England	52,643	53,107	53,494	53,866	54,317
Scotland	5,262	5,300	5,314	5,328	5,348
Wales	3,050	3,064	3,074	3,082	3,092
Northern Ireland	1,805	1,814	1,824	1,830	1,841
United Kingdom	62,760	63,285	63,705	64,106	64,597

Source: 2015 Mid-Year Population Estimates from the ONS for the Countries of the UK and the English Regions (2011 Population Census based) mid-2010 to mid-2014: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland>

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 2015-16 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 2016 National Accounts figures from ONS

Forecast data are consistent with the 2016 Budget

Financial year	GDP deflator at market prices		Money GDP
	2015-16 = 100	Per cent change on previous year	
1976-77	17.819	13.88	141,190
1977-78	20.270	13.75	165,041
1978-79	22.539	11.19	191,058
1979-80	26.346	16.89	231,150
1980-81	31.388	19.14	265,818
1981-82	34.644	10.38	295,767
1982-83	37.145	7.22	324,512
1983-84	38.908	4.75	354,960
1984-85	41.145	5.75	382,846
1985-86	43.474	5.66	421,215
1986-87	45.263	4.12	452,590
1987-88	47.747	5.49	507,412
1988-89	50.828	6.45	565,947
1989-90	54.731	7.68	623,092
1990-91	59.174	8.12	672,128
1991-92	62.514	5.64	706,916
1992-93	64.042	2.45	727,530
1993-94	65.510	2.29	769,653
1994-95	66.248	1.13	806,312
1995-96	68.260	3.04	849,808
1996-97	70.870	3.82	905,541
1997-98	71.992	1.58	949,821
1998-99	72.971	1.36	991,717
1999-00	73.362	0.54	1,035,717
2000-01	74.867	2.05	1,091,489
2001-02	75.826	1.28	1,131,360
2002-03	77.541	2.26	1,190,819
2003-04	79.281	2.24	1,259,266
2004-05	81.385	2.65	1,320,209
2005-06	83.557	2.67	1,402,471
2006-07	86.091	3.03	1,476,941
2007-08	88.175	2.42	1,547,272
2008-09	90.571	2.72	1,546,968
2009-10	91.817	1.38	1,531,330
2010-11	93.497	1.83	1,592,057
2011-12	94.795	1.39	1,634,025
2012-13	96.785	2.10	1,690,042
2013-14	98.382	1.65	1,759,560
2014-15	99.919	1.56	1,836,159
2015-16	100.000	0.08	1,879,653
2016-17	-	1.5	1,942,800
2017-18	-	1.8	2,020,900
2018-19	-	2.1	2,106,300
2019-20	-	1.9	2,189,300

GDP Deflator: Financial years 1976-77 to 2015-16 taken from ONS series L8GG.

For 2016-17 to 2019-20: derived from Office for Budget Responsibility (OBR) forecasts for GDP deflator increases from Economic and Fiscal Outlook (EFO) 2016

Money GDP: For years 1976-77 to 2015-16: ONS data for money GDP (not seasonally adjusted, BKTL)

For 2016-17 to 2019-20: OBR forecasts for money GDP in EFO 2016

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 inhouse capital formation is also recorded as capital expenditure, not as pay. **Public sector net investment** is given by capital expenditure as defined above (also known as public sector gross investment) less **depreciation**;
- under **resource accounting**, capital expenditure also includes loans that are given and the net acquisition of shares. In other words, it includes the net acquisition of financial assets that are acquired for policy reasons rather than for managing the government’s funds. Such policy lending also generally scores in **DEL**, in the **capital budget**, but is removed by the **accounting adjustments**, as it does not score in **TME**; and
- some presentations of central government capital expenditure include **Supported Capital Expenditure** (Revenue) allocations given to local authorities in England and Wales (the equivalent in Scotland is supported borrowing). Northern Ireland does not have an equivalent concept as their local government sector is much smaller.

Capital formation is expenditure, net of sales, on fixed assets (such as buildings, vehicles and machinery) and net stock building, and can be measured gross or net of **depreciation**. Fixed assets are assets that can be used repeatedly to produce goods and services and generally last more than one year. Sometimes a minimum cost threshold (say £1,000) is applied to further define capital assets.

Capital grants (also called investment grants) are payments made by government on the condition that the recipient uses the funds for **capital formation** (for example building a school or factory or buying a machine). Capital grants are also used in **National Accounts** to record debt writeoffs made by government for policy reasons, and some other transfers of accumulated wealth. In the case of debt write-offs, two transactions are recorded: a capital grant from government to the debtor; and the repayment of debt by the debtor. Capital grants are treated as resource expenditure in resource accounts and **Estimates** but are included in the **capital budget**.

Central government is a sector in **National Accounts**. It comprises Parliament; government departments and their executive agencies; the devolved assemblies of Scotland, Wales and Northern Ireland; government funds such as the **National Loans Fund**; the foreign exchange official reserves; most **NDPBs**; and various other non-market public bodies that are controlled by central government. Central government does not include **public corporations**, nor those non-profit institutions that receive significant government funding but are not controlled by government and so belong in the private sector (for example universities, further education colleges, and housing associations).

Central government own expenditure is expenditure that central government makes to the private sector plus subsidies to **public corporations**. It excludes central government support to **local government** and capital support to public corporations.

Classification changes are changes in the way public expenditure is recorded, rather than an actual change in the amount of cash spent or resources consumed. Classification changes can increase or decrease the recorded level of public expenditure. When there is a classification change the data are normally restated for all years in order to provide a consistent series.

Classification Of the Functions Of Government (COFOG) – a UN-defined system for functional analysis of government spending. The PESA analysis is consistent with UN COFOG at level 2, with the exception of the health function, which continues to be presented against the HM Treasury's own sub-functional classification. Further information on COFOG is available on the UN 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 quasicorporation in **National Accounts**. The surplus of income (which includes rent rebates and subsidies paid by other parts of government) over expenditure is treated as being paid over to local authorities as a notional dividend. This net amount is then included as revenue rather than spending in the **National Accounts**, which means that the current expenditure of local authority housing departments is not included in **TME**. The cost of rent rebates and subsidies is included in TME; these items are within the **AME** lines for social security benefits and other departmental expenditure in AME. Local authority **capital expenditure** on housing associated with the HRA scores as capital spending in the **public corporation** sector, following the implementation of **ONS's** reclassification decision in June 2006. PESA had previously shown this spending in the local government sector. Payments of interest on housing related debt will continue to be treated as part of local government expenditure.

Identifiable expenditure is expenditure that can be recognised as having been incurred for the benefit of individuals, enterprises or communities within a particular country or region.

Examples are most health and education services, and spending on social security and pensions. See Chapter 9 of PESA for further details.

Impairments are recorded where there is the permanent loss or write-off of the recoverable value of a fixed or current asset below the value recorded on the balance sheet in accounts. Impairments are a non-cash charge in the **resource budget** alongside the **depreciation** charge, but are separately identified. In order to provide support for departments' management decisions, impairments are split into six different categories, some of which are scored in **AME** and others in **DEL**. See Annex C for further details. In the Public Spending Statistics budgeting-based presentations impairments are included in the depreciation line, and it is the combined total that is used in the calculation of **Total DEL**. In the **National Accounts**, impairments resulting from accidental damage are included alongside depreciation; other sorts of impairment are not counted in the main expenditure measures.

International Financial Reporting Standards (IFRS) have been implemented by **public sector** bodies to replace **GAAP**-based **resource accounting**. Departments have reported 2009-10 resource accounts against IFRS, whilst local authorities moved onto this basis in 2010-11.

Local Authority Self-Financed Expenditure (LASFE) is aggregate **local government** expenditure *less* its receipts of **central government** current and capital support including distribution of **National Non-Domestic Rates** in England and Wales. It represents local government expenditure financed from local resources such as council tax, trading surpluses, investment income, capital receipts, self-financed borrowing, and use of reserves. LASFE does not include **depreciation**.

Locally Financed Expenditure (LFE) is LASFE plus expenditure financed by non-domestic rates in Scotland and Northern Ireland Regional Rates (NIRR).

Local government is a sector in **National Accounts**. It comprises all local authorities in the UK including county councils, metropolitan districts, parish councils, police and fire authorities, residuary bodies, passenger transport authorities, Transport for London, London boroughs, and the Greater London Assembly.

National Accounts – this is a statistical system that represents the UK's economic transactions. The system provides a number of key economic statistics including **Gross Domestic Product (GDP)**, consumers' expenditure, the balance of payments with the rest of the world, and the public sector balances. The National Accounts is presented by the ONS in the Blue Book.

National Loans Fund (NLF) – the NLF is a government account with the Bank of England set up under the National Loans Fund Act 1968. All government borrowing transactions are handled through this fund.

National Lottery Distribution Fund (NLDF) – the NLDF is a central government fund, administered by the Department for Culture, Media and Sport (DCMS). The Fund receives a proportion of the proceeds from national lottery ticket sales (receipt of that proportion is treated as a tax in **National Accounts**). The Fund passes it to the Lottery Distributors, independent public sector bodies responsible for awarding national lottery grants to good causes. Payments by the Distributors are treated in the National Accounts as **central government** expenditure in **AME**.

National Non-Domestic Rates (NNDR) in England is a tax paid by the occupiers of nondomestic property, principally businesses. Most NNDR is collected from businesses by local authorities and then paid into a **central government** pool. Some large businesses with national activity (such as utility companies) pay directly into the pool (the Central List). The pool is distributed back to local authorities in the form of central government grants. Similar systems apply in Wales and Scotland. The grant is in **DEL** for England and Wales, but in the **AME** line

for **Locally Financed Expenditure** in Scotland. NNDR payments by **central government** or **local government** in respect of the occupation of property are consolidated out through the **accounting adjustments** to arrive at **TME**.

Net lending has two meanings:

- in **National Accounts** it is the balance of the current and capital accounts and is often quoted with sign reversed as “net borrowing”, which is sometimes called the government deficit; and
- in this publication net lending is more likely to mean lending by government net of any repayments of previous lending. It includes transactions in shares – so, for example, privatisation receipts count as negative net lending. Government lends to students, some industries, **public corporations**, **local government**, some overseas governments and some international bodies that supply foreign aid.

Non-budget income and expenditure normally refers to income and expenditure that pass through a government department’s books and that are not included in **DEL** or departmental **AME**. For example, the grant-in-aid paid to **NDPBs** is normally a nonbudget transfer – it is the NDPB’s income and expenditure that scores in budgets.

Non-cash refers to various transactions that appear in the **operating cost statement** under **resource accounting**, but are not directly included in the **National Accounts** measure of Surplus on the Current Budget. The major non-cash transactions are **depreciation**, **impairments** and the taking and release of **provisions**. Most depreciation and impairments are in **DEL** but following changes to the budgeting framework as part of the **alignment project**, most other non-cash items are in **AME**.

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 ownaccount **capital formation** is treated as **capital expenditure**.

Prepayments are assets on the balance sheet. They are recognised where cash payments are made to suppliers of services in advance of those services being delivered. In resource accounts

these are cash movements on the balance sheet and do not score as expenditure in **TME**. The reduction in cash held by the public sector increases **PSND**. Where a department or its **ALB** makes a large (over £20m) prepayment that is long term (over 12 months) this is included in the **capital budget** on the same basis as **net lending**. When the service is delivered this is scored as appropriate, e.g. as the consumption of goods and services in **resource DEL** within **TME**.

Private Finance Initiative (PFI) is a system for purchasing capital intensive services for the public sector. Typically, the private sector designs, finances, builds, and maintains infrastructure, and other fixed capital **assets**, and then operates those assets to sell services to the **public sector**. In a proportion of cases the capital assets are accounted for on the balance sheet of the private sector operator; in other cases they are on the public sector's books. Annex A has more information on the treatment of PFI in Public Spending Statistics.

Privatisation receipts are the receipts from the sale of shares, other securities and debt in **public corporations** that were sold as part of the privatisation programme. The proceeds are recorded as negative **net lending**. A corporation is said to be privatised when it is no longer controlled by government.

Procurement spending is now shown gross throughout Public Spending Statistics, rather than net of sales as was previously the case within certain tables. It is shown as current or capital procurement as follows:

- current procurement is expenditure on goods and services, including hire and rentals under PFI and non-PFI operating leases, payments for contract and agency staff and payments for consultancy and audit services. It also includes the purchase of services from GPs. Purchase of minor maintenance and minor pieces of equipment and IT systems that are not treated as capital would be counted as current procurement;
- capital procurement is expenditure on the purchase of fixed **assets** such as buildings, machinery and large-scale IT projects.

Provider Trusts sell health services in England and Wales. In England they can either be classified as NHS or Foundation Trusts, the latter having more financial and operational independence. In Wales they are known as Health Trusts. In Scotland trusts have been reabsorbed back into Health Boards. All Provider Trusts throughout the UK are in the **central government** sector.

Provisions – departments take provisions in accounts and budgets when a past event means that they should recognise a future liability of uncertain amount or timing. Budgets also score the release of the provision and the expenditure that the release finances. Provisions score as part of the resource budget, usually in **AME** unless they relate to pensions or are scored by independent bodies exceptionally allowed to score provisions in **DEL**.

Public corporations are publicly controlled **trading bodies** with substantial financial and operational independence from **central** and **local government** – they are legally separate institutional units responsible for their own day-to-day operations and producing their own accounts. To be classed as trading they must receive the majority of their income from sales into a market, rather than grant funding from government. They include Royal Mail Holdings, and most **trading funds** such as the Meteorological Office and Companies House.

Public Corporations' Own-Financed Capital Expenditure (PCOFCE) is aggregate **public corporation capital expenditure** less its receipts of **central government** capital support in budgets.

Public Dividend Capital (PDC) is a form of long-term government finance for some **public corporations**. The government receives a return in the form of dividends rather than fixed interest payments.

Public expenditure is spending by public bodies. The definition of aggregate public expenditure most frequently used in this publication is **Total Managed Expenditure (TME)**.

Public sector – the public sector comprises **central government, local government** and **public corporations**.

Public sector current expenditure (PSCE):

- is the sum of the **current expenditure** of **central government** and **local government**, plus certain transactions (interest and rent) paid by **public corporations** to the private sector and abroad;
- does not include expenditure incurred in producing goods and services for sale where undertaken by **public corporations** – rather the surplus of sale receipts over operating costs for public corporations is scored as a public sector receipt and does not affect expenditure measures;
- is net of certain receipts such as: receipts of contributions to public sector occupational pension schemes; receipts of grants from abroad including the EU abatement; sales of goods and services; and income from rent of buildings; and
- includes non-trading capital consumption. This is the **depreciation** of the fixed **assets** held by **central government** and **local government**. It excludes depreciation on assets used to produce goods and services for sale including the assets of **public corporations** and local authority housing.

Within Public Spending Statistics, PSCE is presented consistent with a measure of **public sector net borrowing** excluding the temporary effects of the financial sector interventions (PSNBex).

Public sector net borrowing (PSNB) is the difference between **public sector** receipts and expenditure as measured by **National Accounts**. It also equals the net balance of the public sector's net acquisition of financial liabilities *less* its acquisition of financial assets. Data imprecision means that the different ways of measuring net borrowing never give exactly the same answer – the difference is called the statistical discrepancy in **ESA95**. In December 2009 the ONS defined an alternative measure of PSNB excluding the temporary effects of the financial sector interventions (PSNBex). Spending aggregates consistent with PSNBex are used throughout this release.

Public sector net debt (PSND) is the sum of the public sector's financial liabilities at nominal value, *less* its liquid financial assets.

Public sector net investment (PSNI) is all **capital expenditure** by the **public sector** *less* an amount representing public sector **depreciation**. Broadly, the amount of capital expenditure that equals the depreciation charge could be seen as keeping the stock of assets stable. Net investment therefore represents the increase in the asset base after allowing for depreciation. For this release, PSNI is presented consistent with a measure of **public sector net borrowing** excluding the temporary effects of the financial sector interventions (PSNBex).

Public sector gross investment (PSGI) – see **capital expenditure**.

Quasi-corporations are entities that meet the economic definition of a public corporation (i.e. trading income covers at least half their costs) but that do not take a separate legal form. Examples are Export Credits Guarantee Department and local authority housing. They score in

the **National Accounts** like public corporations (although interest on housing related debt is treated as local authority expenditure).

RAB – see **resource accounting** and **resource budgeting**.

Real terms figures are amounts adjusted for the effect of general price inflation as measured by the **GDP** market price deflator.

Reserve – an amount within **DEL** not allocated to departmental programmes, which provides a margin to cover emergencies and genuinely unforeseen contingencies.

Resource accounting is the accounting system used to record expenditure in departmental accounts. It applies **International Financial Reporting Standards** (IFRS) to departmental transactions.

Resource budget is the budget for **current expenditure** on an accruals basis. It is divided into resource **DEL** (which is a **control total**) and resource **departmental AME** (a planning total).

Resource budgeting is the budgeting regime based on **resource accounting** introduced for the spending plans set in the 2000 Spending Review and which has been used for in-year spending control from 2001-02. Under RAB Stage I (2001-02 to 2002-03) resource **DEL** included **near-cash** transactions measured on an **accruals** basis while **non-cash** transactions were in Departmental **AME**. Under RAB Stage II (from 2003-04) most non-cash transactions were included in resource DEL. Near-cash controls were introduced in 2003-04 and clarified in 2005-06 such that near-cash in resource DEL was a control total. However, under the 2011-12 framework on which this release is based, the near-cash control within resource DEL has been removed as part of the **alignment project**. Resource budgeting is largely derived from resource accounting rules, but there are a number of differences in treatment between resource accounts and resource budgets. For example, **capital grants** are capital in budgets (and in the **National Accounts**), but current in departmental resource accounts. See Annex C for further information.

Revenue Support Grant is an unhypothecated (i.e. non ring-fenced) current grant from **central government** to local authorities, paid by Communities and Local Government (CLG).

Social benefits include social security, tax credits and similar payments to individuals. They also include unrequited grants to not-for-profit nonmarket bodies such as charities (although purchases of services from charities count as **procurement**). Public service pension payments are included in social benefits.

Special reserve is **reserve** specifically set aside to cover military operations.

Spending Reviews set **DELs** for the following three or four years. The first was the Comprehensive Spending Review in 1998 with further SRs held every two years until 2004. A second Comprehensive Spending Review reported in autumn 2007 and set budgets for 2008-09 to 2010-11. A further Spending Review in autumn 2010 set budgets for 2011-12 to 2014-15. A Spending Round in June 2013 set budgets for 2015-16.

Spending sectors are the part of the **public sector** that are making the expenditure, either **central government**, **local government** or **public corporations**.

Statement of Comprehensive Net Expenditure (SoCNE) – this is the statement in departmental resource accounts that shows the current income and expenditure of the department on an accruals basis. It is similar to the profit and loss statement in commercial accounts.

Stock building (also known as the net acquisition of inventories) is the value of the physical increase in stocks. In government accounts it relates mainly to buildings within urban regeneration areas.

Subsidies are payments by government and the EU to trading businesses to help pay for current costs. These include payments to farmers under the EU's Common Agricultural Policy. Subsidies may be paid to **public corporations** as well as to private sector firms.

Supply expenditure is expenditure that is voted by Parliament either in the annual Main Estimates (at the start of the year) or in Supplementary Estimates in-year.

Supported borrowing – this is the equivalent of **Supported Capital Expenditure (Revenue)** in Scotland.

Supported Capital Expenditure (SCE) – Supported Capital Expenditure (Revenue) (SCE[R]) is the amount of borrowing by a local authority in England and Wales (to fund capital expenditure) towards which central government is prepared to provide revenue grant. This support is provided either through **Revenue Support Grant (RSG)** or **Housing Revenue Account (HRA)** subsidy. It is known as **supported borrowing** in Scotland but there is no equivalent in Northern Ireland as their local government sector is much smaller. Supported Capital Expenditure (Capital) (SCE[C]) is sometimes used to refer to central government **capital grants** paid to local authorities, although capital grants remains the more commonly used terminology.

Tax credits are the Working Tax Credit and Child Tax Credit. They replaced former personal tax credits in 2003/04. In budgets tax credits score in departmental AME including negative tax, this is aligned with resource accounts. Tax credits score in **TME** (within departmental **AME**) when the amount paid exceeds the tax liability of the household but as negative tax when the amount paid is less than or equal to the tax liability of the household.

Total DEL is the sum of the **resource budget DEL** and the **capital budget DEL**, less **depreciation**. Depreciation is excluded from Total DEL as scoring both **capital expenditure** and depreciation may be seen as double counting. In the calculation of Total DEL, depreciation includes **impairments**, release from donated asset reserve and release from government grant reserve. Total DEL is not a **control total**: it is purely used for presentation.

Total Expenditure on Services (TES) – see **Expenditure on services**.

Total Managed Expenditure (TME) is a definition of aggregate public spending derived from **National Accounts**. It is the consolidated sum of **current** and **capital expenditure** of **central** and **local government**, and **public corporations**. TME can also be presented as the sum of **DEL** and **AME**. For Public Spending Statistics, TME and its components are presented consistent with **public sector net borrowing** excluding the temporary effects of the financial sector interventions (PSNBex).

Trading bodies are publicly owned or controlled trading businesses. **Public corporations** and **quasi-corporations** are trading bodies. There may also be some trading activities that are closely integrated within **central government** or **local government** and do not have enough independence to be classified as a public corporation or quasicorporation. **Capital expenditure** of trading bodies is included in public expenditure measures, but the surplus of current income over **current expenditure** is included as a revenue item called gross trading surplus. There are examples in the **local government** sector such as some theatres and sports facilities.

Trading Funds are government departments or parts of government departments. They have financing frameworks that allow them to meet outgoings without the cash flows passing through **Supply Estimates**. Generally they cover their costs from trading receipts. In **National Accounts** they are normally treated as **public corporations**.

Traditional Own Resources (TOR) – the European Union’s Traditional Own Resources are customs duties, including those on agricultural products and sugar levies.

VAT refunds are given to departments in relation to payments for contracted out services to remove a disincentive to contracting out services that might otherwise have been performed in-house.

