



Public expenditure outturn update

This release provides updated information on key public expenditure series that are compiled and published by HM Treasury as National Statistics. Updated estimates are being released for five series:

- Table 1 – Total Managed Expenditure, by budgeting category, 2004-05 to 2008-09;
- Table 2 – Resource Departmental Expenditure Limits (DEL), by departmental grouping, 2004-05 to 2008-09;
- Table 3 – Near-cash resource DEL, by departmental grouping, 2004-05 to 2008-09;
- Table 4 – Capital DEL, by departmental grouping, 2004-05 to 2008-09;
- Table 5 – Public sector expenditure on services by function, 2004-05 to 2008-09, with a link to the historical series 1987-88 to 2008-09.

Revisions to 2008-09 figures since the July 2009 release are largely due to the availability of additional final outturn data. All years have been adjusted for Machinery of Government and other classification changes to provide consistent series. The main Machinery of Government changes reflected in this release are the creation of Business, Innovation and Skills, and the transfer of border control functions from HM Revenue and Customs to the Home Office.

Public expenditure by budgeting category

Total Managed Expenditure (TME) is a measure of total public expenditure drawn from the National Accounts. In this release TME is taken from the latest Public Sector Finance Statistics release¹ and presented against the Treasury's budgeting framework. Further information about the budgeting framework is provided in the notes to this release. For 2008-09 TME is estimated

¹ Published as a joint release by the Office of National Statistics and HM Treasury on 19 November and available at <http://www.hm-treasury.gov.uk/d/psf.pdf>

at £617.9 billion. Resource and capital DEL are, respectively, £321.2 billion and £48.1 billion. Departmental AME is £359.7 billion.

Public expenditure by function

Functional spending is based on the expenditure on services framework, which broadly represents the total current and capital spending of the public sector. It therefore includes spending by departments, the devolved administrations, local government and the capital spending of public corporations. Further information about the expenditure on services framework is provided in the notes to this release. The allocation of public spending to function is generally consistent with the United Nations' Classification Of the Functions Of Government (UN COFOG).

Public sector (or total) expenditure on services (TES) for 2008-09 is estimated at £592.0 billion. Historical data back to 1987-88 is available to download from the Treasury website within the following page: http://www.hm-treasury.gov.uk/national_statistics.htm.

Changes to future releases

As part of the Government's Alignment project, announced in the Green Paper 'The Governance of Britain', changes are being made to the budgeting framework in order to more closely align budgets, Resource Accounts and Estimates. One of these changes is the removal of the near-cash/non-cash boundary within resource DEL, so the next 'public expenditure outturn update' release will not contain a near-cash DEL table. The Treasury is currently in the process of putting together proposals to use this opportunity to make further changes to the release. These proposals will be published in advance of the next release for consultation.

Table I⁽¹⁾ Total Managed Expenditure, by budgeting category, 2004-05 to 2008-09

£ million

	National Statistics				
	2004-05 outturn	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn
CURRENT EXPENDITURE					
<i>Resource DEL</i>					
Near-cash DEL	244,551	259,826	272,298	288,406	301,645
Non-cash	13,950	17,867	18,963	21,646	19,533
Total resource DEL	258,501	277,693	291,261	310,053	321,178
<i>Resource departmental AME</i>					
Social security benefits	124,781	129,600	133,463	140,474	151,198
Tax credits ⁽²⁾	11,601	12,972	14,189	15,404	18,374
Net public service pensions ⁽³⁾	352	3,656	3,312	5,388	5,646
National lottery	665	841	837	882	1,011
BBC domestic services	2,916	3,067	3,242	3,430	3,316
Student loans	-313	-402	-467	-869	-975
Non-cash items	28,067	37,411	44,519	49,213	91,449
Other departmental expenditure	1,368	2,119	2,799	2,152	-548
Total resource departmental AME	169,437	189,262	201,895	216,074	269,470
<i>Resource other AME</i>					
Net expenditure transfers to the EC	4,907	4,435	4,652	5,392	3,060
Locally financed government expenditure	20,858	22,827	23,458	24,317	26,779
Central government gross debt interest	23,936	25,808	27,580	29,961	30,517
Accounting adjustments	-20,991	-35,581	-41,690	-50,073	-87,168
Total resource other AME	28,709	17,490	14,000	9,597	-26,813
Total resource AME	198,146	206,752	215,895	225,671	242,658
Public sector current expenditure	456,647	484,445	507,156	535,724	563,836
CAPITAL EXPENDITURE					
<i>Capital DEL</i>					
Total capital DEL	32,785	35,199	38,787	44,224	48,132
<i>Capital departmental AME</i>					
National lottery	1,039	988	880	713	536
BBC domestic services	78	94	103	85	81
Student loans	2,261	2,419	3,207	4,481	4,475
Other departmental expenditure	108	417	-395	-1,169	85,178
Total capital departmental AME	3,486	3,918	3,796	4,110	90,269
<i>Capital other AME</i>					
Locally-financed expenditure	2,373	3,207	3,090	4,199	7,197
Public corporations' own-financed capital expenditure	2,892	5,203	5,340	5,343	6,804
Accounting adjustments	-5,807	-7,981	-8,174	-10,940	-98,324
Total capital other AME	-541	429	257	-1,398	-84,323
Total capital AME	2,945	4,348	4,053	2,712	5,946
Public sector gross investment	35,730	39,547	42,840	46,936	54,078
less public sector depreciation	15,156	16,081	16,922	17,780	18,667
Public sector net investment	20,574	23,466	25,918	29,156	35,411
TOTAL MANAGED EXPENDITURE	492,377	523,992	549,996	582,660	617,914
<i>of which:</i>					
Total DEL ⁽⁴⁾	283,388	303,254	319,721	343,332	357,684
Departmental AME	172,923	193,180	205,691	220,184	359,739
Other AME	36,066	27,557	24,584	19,144	-99,510

(1) Update of Table 1 from the NS release on July 16 2009.

(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) The main pension schemes are reported under FRS17 accounting requirements. The contribution to TME is given below. The reconciliation between the two is explained in Annex D of the PESA09 NS release.

	2004-05	2005-06	2006-07	2007-08	2008-09
Net public service pensions (NA basis)	1,258	274	1,147	2,200	3,330

(4) Total DEL is given by resource DEL plus capital DEL less depreciation.

Table 2⁽¹⁾ Resource Departmental Expenditure Limits, by departmental grouping, 2004-05 to 2008-09

	£ million				
	National Statistics				
	2004-05	2005-06	2006-07	2007-08	2008-09
	outturn	outturn	outturn	outturn	outturn
Resource DEL					
Children, Schools and Families	12,593	14,326	42,098	44,935	46,833
Health	69,118	76,372	80,428	88,408	92,271
<i>of which: NHS England</i>	<i>66,873</i>	<i>74,168</i>	<i>78,468</i>	<i>86,402</i>	<i>90,744</i>
Transport	6,085	6,076	6,921	6,794	5,704
CLG Communities	3,611	3,476	3,630	4,224	4,191
CLG Local Government	43,316	46,244	22,541	22,751	24,651
Business, Innovation and Skills	13,873	14,979	15,461	17,263	18,016
Home Office	8,239	8,572	8,618	8,844	9,234
Justice	7,577	8,018	8,348	8,950	9,111
Law Officers' Departments	646	688	696	723	735
Defence	31,330	33,494	33,490	35,723	36,711
Foreign and Commonwealth Office	1,718	1,879	1,837	1,878	2,085
International Development	3,645	4,107	4,206	4,478	4,783
Energy and Climate Change	932	709	1,031	649	356
Environment, Food and Rural Affairs	2,618	2,608	2,884	2,704	2,606
Culture, Media and Sport	1,268	1,438	1,544	1,587	1,626
Work and Pensions	8,017	8,022	7,876	8,086	7,978
Scotland	19,459	20,791	22,354	23,805	24,611
Wales	10,379	10,987	11,677	12,331	12,903
Northern Ireland Executive	6,445	6,799	7,231	7,596	8,036
Northern Ireland Office	1,150	1,176	1,252	1,343	1,331
Chancellor's Departments	4,330	4,507	4,667	4,423	4,515
Cabinet Office	1,406	1,578	1,724	1,796	2,057
Independent Bodies ⁽²⁾	746	848	748	761	832
Total resource DEL	258,501	277,693	291,261	310,053	321,178

(1) Update of Table 2 from the NS release on July 16 2009.

(2) Independent bodies within Departmental Expenditure Limits that are not settled as part of Spending Reviews. Includes the Statistics Board, House of Commons, House of Lords, National Audit Office and the Office of the Parliamentary Commissioner.

Table 3⁽¹⁾ Near-cash elements of resource Departmental Expenditure Limits, by departmental grouping, 2004-05 to 2008-09

£ million

	National Statistics				
	2004-05	2005-06	2006-07	2007-08	2008-09
	outturn	outturn	outturn	outturn	outturn
Near-cash in resource DEL					
Children, Schools and Families	12,571	14,279	42,089	44,917	46,829
Health	68,723	74,422	77,427	83,616	89,289
<i>of which: NHS England</i>	66,495	72,234	75,488	81,648	87,796
Transport	5,919	5,813	6,361	6,554	5,845
CLG Communities	3,550	3,437	3,469	4,085	4,073
CLG Local Government	43,314	46,244	22,540	22,750	24,650
Business, Innovation and Skills	13,056	13,978	14,676	15,892	16,536
Home Office	8,155	8,453	8,499	8,705	9,012
Justice	7,812	7,840	8,024	8,658	8,798
Law Officers' Departments	636	679	687	705	714
Defence	21,860	22,714	23,450	24,684	26,152
Foreign and Commonwealth Office	1,609	1,708	1,690	1,736	1,943
International Development	3,541	4,041	4,098	4,447	4,741
Energy and Climate Change	914	667	913	672	288
Environment, Food and Rural Affairs	2,273	2,146	2,330	2,320	2,254
Culture, Media and Sport	1,158	1,263	1,358	1,389	1,423
Work and Pensions	7,907	7,802	7,598	7,846	7,800
Scotland	18,512	20,010	21,440	22,854	23,511
Wales	10,085	10,662	11,345	11,932	12,426
Northern Ireland Executive	6,202	6,503	6,851	7,262	7,702
Northern Ireland Office	905	974	970	979	951
Chancellor's Departments	4,080	4,255	4,402	4,192	4,248
Cabinet Office	1,210	1,345	1,485	1,588	1,733
Independent Bodies ⁽²⁾	557	590	596	625	725
Total near-cash in resource DEL	244,551	259,826	272,298	288,406	301,645

(1) Update of Table 3 from the NS release on July 16 2009.

(2) Independent bodies within Departmental Expenditure Limits that are not settled as part of Spending Reviews. Includes the Statistics Board, House of Commons, House of Lords, National Audit Office and the Office of the Parliamentary Commissioner.

Table 4⁽¹⁾ Capital Departmental Expenditure Limits, by departmental grouping, 2004-05 to 2008-09

	£ million				
	National Statistics				
	2004-05	2005-06	2006-07	2007-08	2008-09
	outturn	outturn	outturn	outturn	outturn
Capital DEL					
Children, Schools and Families	4,070	4,413	4,055	5,229	5,518
Health	2,708	2,245	3,194	3,955	4,370
<i>of which: NHS England</i>	2,624	2,151	3,069	3,736	4,225
Transport	5,223	4,999	6,505	7,053	7,182
CLG Communities	4,984	5,531	5,431	6,070	7,096
CLG Local Government	257	316	223	32	122
Business, Innovation and Skills	1,612	2,070	1,929	2,074	2,128
Home Office	594	634	600	744	836
Justice	599	508	536	753	918
Law Officers' Departments	11	-23	11	11	6
Defence	6,701	6,367	7,070	7,945	8,687
Foreign and Commonwealth Office	117	132	160	226	229
International Development	304	447	765	739	876
Energy and Climate Change	212	1,258	1,462	1,486	1,667
Environment, Food and Rural Affairs	314	639	569	559	610
Culture, Media and Sport	122	179	284	532	862
Work and Pensions	291	354	218	101	74
Scotland	2,171	2,390	3,035	3,563	3,333
Wales	1,008	1,208	1,318	1,461	1,621
Northern Ireland Executive	765	831	742	1,051	1,198
Northern Ireland Office	71	59	72	9	68
Chancellor's Departments	374	363	296	248	294
Cabinet Office	176	238	254	322	397
Independent Bodies ⁽²⁾	102	43	56	61	38
Total capital DEL	32,785	35,199	38,787	44,224	48,132

(1) Update of Table 4 from the NS release on July 16 2009.

(2) Independent bodies within Departmental Expenditure Limits that are not settled as part of Spending Reviews. Includes the Statistics Board, House of Commons, House of Lords, National Audit Office and the Office of the Parliamentary Commissioner.

Table 5⁽¹⁾ Public expenditure on services by function⁽²⁾, 2004-05 to 2008-09

	£billion				
	National Statistics				
	2004-05 outturn	2004-05 outturn	2005-06 outturn	2006-07 outturn	2008-09 outturn
1. General public services	42.6	45.8	47.7	50.3	52.7
<i>of which: public and common services</i>	12.2	12.8	12.7	12.2	13.9
<i>of which: international services</i>	5.5	6.2	6.3	6.7	7.2
<i>of which: public sector debt interest</i>	24.9	26.7	28.7	31.4	31.6
2. Defence	29.8	30.9	32.1	33.6	36.6
3. Public order and safety	28.5	29.3	30.4	31.7	34.1
4. Economic affairs	33.6	35.4	37.8	39.2	38.4
<i>of which: enterprise and economic development</i>	6.5	6.5	6.5	6.9	6.5
<i>of which: science and technology</i>	2.5	2.9	2.8	3.2	3.2
<i>of which: employment policies</i>	3.2	3.3	3.3	3.3	3.1
<i>of which: agriculture, fisheries and forestry</i>	5.4	5.6	5.2	5.0	5.4
<i>of which: transport</i>	16.0	17.0	20.0	20.8	20.2
5. Environment protection	7.0	8.5	9.3	9.5	9.6
6. Housing and community amenities	8.0	10.6	11.5	12.9	15.4
7. Health	82.9	89.6	94.5	102.2	109.9
8. Recreation, culture and religion	10.0	10.8	11.4	12.2	13.1
9. Education	65.1	69.7	72.9	78.1	81.4
10. Social protection	164.1	171.1	177.2	187.5	203.6
EU transactions	-0.9	-0.6	-1.8	-1.5	-2.9
Public sector expenditure on services	470.8	501.1	523.1	555.6	592.0
Accounting adjustments	21.6	22.9	26.9	27.1	25.9
Total Managed Expenditure	492.4	524.0	550.0	582.7	617.9

(1) Update of Table 5 from the NS release on July 16 2009.

(2) Numbered rows are consistent with the level 1 functions defined as part of the UN's Classification Of the Functions Of Government (COFOG). The 'of which' lines are additional HMT-defined aggregates.

Notes for Editors

Background

1. These data are being released in accordance with the UK Statistics Authority Code of Practice for Official Statistics.

Public expenditure by budgeting category (Tables 1, 2, 3, and 4)

2. Presentation of public expenditure in Tables 1, 2, 3 and 4 follows the Treasury's budgeting and control framework, which splits spending into resource and capital budgets. These budgets are further split into Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME). DELs are firm three-year spending limits set for departments. Spending that cannot reasonably be subject to firm multi-year limits is included in AME. DEL and AME together make up Total Managed Expenditure (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.

Public expenditure by function (Table 5)

3. Functional spending is based on the expenditure on services framework, which broadly represents the current and capital spending of the public sector and is therefore similar to Total Managed Expenditure (TME). The main divergence is where certain transactions that score within TME cannot be allocated to functions on a consistent basis, so are excluded from the expenditure on services framework (e.g. depreciation). The allocation of spending to function is generally consistent with the UN Classification Of the Functions Of Government (COFOG). All data are for the whole of the UK public sector, so include spending by devolved administrations and local government.

Further information on public expenditure frameworks

4. There is more information on the budgeting system and expenditure on services framework in annexes C and E respectively of the guidance and methodology note for the PESA 2009 National Statistics release. This is available alongside the PESA 2009 National Statistics release tables, at: http://www.hm-treasury.gov.uk/national_statistics_index.htm.

Sources and methodology

5. Treasury statistics on public expenditure are compiled from accounting data. Central government spending is reported by Whitehall departments and the devolved administrations. The Department for Children, Schools and Families supplies data on local government spending on education in England. The Department for Work and Pensions supplies data on local government spending on social protection. All other local government spending data are supplied by Communities and Local Government and the Devolved Administrations. The spending aggregate, TME, was supplied by the Office for National Statistics (ONS) and is consistent with the joint ONS/HMT Public Sector Finance Statistics release of 19 November 2009.

A National Statistics publication

6. National Statistics is the official source for authoritative, accurate and relevant information on the economy and society. It brings together a vast range of statistical information overseen by the National Statistician. The National Statistics logo is your assurance of statistics produced to the highest professional standards. For more information about National Statistics visit www.statistics.gov.uk. The release of data in this press notice has followed the UK Statistics Authority Code of Practice for Official Statistics.

National Statistics Public Enquiry Service

7. For general enquiries about National Statistics, contact the National Statistics Public Enquiry Service on 0845 601 3034 or by email to info@statistics.gov.uk.

Enquiries

Non-media enquiries should be addressed to the Treasury Correspondence and Enquiry Unit on 020 7270 4558 or by e-mail to public.enquiries@hm-treasury.gov.uk.

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