



Public expenditure outturn update

This release provides new estimates of financial year outturn for some key public expenditure series that are compiled and published by HM Treasury as National Statistics. Updates are provided for 2007-08 and earlier years.

New estimates of outturn are being released for five series:

- Table 1 – Total Managed Expenditure, by budgetary category, 2003-04 to 2007-08;
- Table 2 – Resource Departmental Expenditure Limits, by departmental grouping, 2003-04 to 2007-08;
- Table 3 – Near-cash resource Departmental Expenditure Limits, by departmental grouping, 2003-04 to 2007-08;
- Table 4 – Capital Departmental Expenditure Limits, by departmental grouping, 2003-04 to 2007-08;
- Table 5 – Total Expenditure on Services (TES) by function, 2003-04 to 2007-08, with a link to the historical series 1987-88 to 2007-08.

The data included in this release update the National Statistics release published on 15 July 2008.

Public expenditure by budgetary category

Total Managed Expenditure (TME) for 2007-08 is now estimated at £584.1 billion, £0.8 billion higher than the July 2008 estimate. Resource DEL and capital DEL are both unchanged from the previous estimates. Departmental AME is £0.3 billion lower than the July 2008 estimate while other AME is £1.2 billion higher. Changes largely reflect the availability of final outturn.

Public expenditure by function

Public spending by function is based on the aggregate Total Expenditure on Services (TES), which includes spending by departments, the devolved administrations, local authorities and the capital spending of public corporations. The allocation of spending to function within TES is generally consistent with the UN Classification Of the Functions Of Government (COFOG).

Total Expenditure on Services for 2007-08 is now estimated at £555.9 billion, £1.6 billion lower than the July 2008 estimate. Changes reflect the availability of final outturn.

Historical data back to 1987-88 will be available to download tomorrow from the Treasury public website within the following page: http://www.hm-treasury.gov.uk/pes_function.htm

Comparison with July 2008 estimates (£ billion):

	Resource DEL ¹	Capital DEL	Total DEL ²	Dept AME	Other AME ³	TME ⁴	TES ⁵
24 November 2008	310.0	44.1	343.5	223.9	16.7	584.1	555.9
15 July 2008	310.0	44.1	343.6	224.2	15.5	583.3	557.5

¹ Including depreciation

² Total DEL = Resource DEL + Capital DEL – depreciation in DEL

³ Including accounting adjustments

⁴ TME = Total DEL + Departmental AME + Other AME

⁵ TES broadly represents the public expenditure within TME that can be allocated to functions on a consistent basis

Table I⁽¹⁾: Total Managed Expenditure, by budgetary category, 2003-04 to 2007-08

	National Statistics				
	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 outturn	2007-08 outturn
CURRENT EXPENDITURE					
<i>Resource DEL</i>					
Near-cash DEL	229,059	244,533	259,804	272,364	288,653
Non-cash	16,022	13,953	17,881	18,890	21,395
Total resource DEL	245,081	258,486	277,685	291,254	310,048
<i>Resource departmental AME</i>					
Social security benefits	117,801	124,781	129,600	133,463	140,487
Tax credits ⁽²⁾	9,727	11,601	12,972	14,189	15,404
Net public service pensions ⁽³⁾	1,796	352	3,681	3,312	9,722
National lottery	715	659	833	878	882
BBC domestic services	2,828	2,916	2,960	3,242	3,213
Student loans	-213	-284	-367	-426	-813
Non-cash items	27,191	27,840	37,411	44,507	48,763
Other departmental expenditure	1,827	1,333	2,077	2,777	2,103
Total resource departmental AME	161,671	169,198	189,165	201,942	219,761
<i>Resource other AME</i>					
Net expenditure transfers to the EC ⁽⁴⁾	3,448	4,907	4,435	4,652	5,392
Locally financed government expenditure	19,778	20,858	22,827	23,457	24,436
Central government gross debt interest	22,279	23,934	25,807	27,576	29,943
Accounting adjustments	-	-	-	-	-
Total resource other AME	-26,926	-20,505	-35,138	-41,663	-53,222
Total resource AME	18,578	29,194	17,932	14,022	6,549
Public sector current expenditure	180,250	198,392	207,097	215,965	226,309
CAPITAL EXPENDITURE					
<i>Capital DEL</i>					
Total capital DEL	30,547	32,785	35,242	38,847	44,100
<i>Capital departmental AME</i>					
National lottery	1,193	1,039	988	838	713
BBC domestic services	-6	78	94	103	85
Student loans	2,314	2,261	2,419	3,207	4,473
Other departmental expenditure	-388	385	417	-382	-1,097
Total capital departmental AME	3,113	3,764	3,918	3,767	4,175
<i>Capital other AME</i>					
Locally-financed expenditure	1,007	2,167	2,589	2,791	3,571
Public corporations' own-financed capital expenditure	2,459	2,975	5,391	5,232	5,873
Accounting adjustments	-6,848	-5,812	-7,313	-7,917	-10,011
Total capital other AME	-3,383	-669	666	106	-567
Total capital AME	-269	3,095	4,585	3,873	3,608
Public sector gross investment	30,278	35,880	39,827	42,720	47,708
less public sector depreciation	14,577	15,156	16,081	16,927	17,831
Public sector net investment	15,701	20,724	23,746	25,793	29,877
TOTAL MANAGED EXPENDITURE	455,609	492,758	524,609	549,939	584,065
<i>of which:</i>					
Total DEL ⁽⁵⁾	266,958	283,368	303,229	319,789	343,469
Departmental AME	164,785	172,962	193,083	205,709	223,936
Other AME	23,866	36,429	28,297	24,441	16,660

(1) Update of the July 2008 NS release Table 1

(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 in 2003-04 to 2007-08 are shown within social security benefits.

(3) The main pension schemes are reported under FRS17 accounting requirements.

(4) Net expenditure transfers to the EC are comprised of the GNI-based contribution to the EC less the UK's abatement. Latest estimates (in £ billion) are given below for net payments to EC institutions and the UK's net contribution to the EC budget as defined in appendix C of the Public Expenditure Statistical Analyses (PESA) National Statistics release.

	2006-07	2007-08
Net payments to EU institutions	2.9	3.5
UK's net contributions to the EU Budget	3.5	4.2

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

Table 2⁽¹⁾: Resource Departmental Expenditure Limits, by departmental grouping, 2003-04 to 2007-08

	£ million				
	National Statistics				
	2003-04	2004-05	2005-06	2006-07	2007-08
	outturn	outturn	outturn	outturn	outturn
Resource DEL					
Children, Schools and Families	11,933	12,593	14,326	42,098	44,904
Health	63,605	69,118	76,372	80,428	88,370
<i>of which: NHS England</i>	61,865	66,873	74,168	78,468	86,364
Transport	6,114	6,085	6,076	6,921	6,800
Innovation, Universities and Skills	12,169	12,603	13,595	14,165	15,459
CLG Communities	3,414	3,606	3,472	3,626	4,221
CLG Local Government	40,915	43,316	46,244	22,541	22,751
Home Office	7,914	7,977	8,298	8,343	8,534
Justice	7,487	7,577	7,986	8,360	8,788
Law Officers' Departments	575	646	688	698	723
Defence	31,376	31,316	33,462	33,491	35,787
Foreign and Commonwealth Office	1,511	1,710	1,877	1,827	1,896
International Development	3,447	3,645	4,107	4,206	4,478
Business, Enterprise and Regulatory Reform	1,709	2,005	1,886	2,195	2,243
Environment, Food and Rural Affairs	2,447	2,815	2,815	3,093	2,907
Culture, Media and Sport	1,218	1,268	1,494	1,527	1,590
Work and Pensions	7,837	8,022	8,027	7,880	8,088
Scotland	18,421	19,459	20,791	22,354	23,804
Wales	9,643	10,379	10,987	11,677	12,283
Northern Ireland Executive	6,058	6,445	6,799	7,150	7,684
Northern Ireland Office	1,044	1,150	1,176	1,252	1,343
Chancellor's Departments	4,279	4,600	4,782	4,951	4,766
Cabinet Office	1,282	1,406	1,576	1,724	1,796
Independent Bodies ⁽²⁾	681	746	848	748	831
Total Resource DEL	245,081	258,486	277,685	291,254	310,048

(1) Update of the July 2008 NS release Table 2

(2) Independent bodies within Departmental Expenditure Limits that are not settled as part of the Comprehensive Spending Review. 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, 2003-04 to 2007-08

	£ million				
	National Statistics				
	2003-04	2004-05	2005-06	2006-07	2007-08
	outturn	outturn	outturn	outturn	outturn
Near-cash in resource DEL					
Children, Schools and Families	11,916	12,571	14,279	42,089	44,889
Health	61,152	68,723	74,422	77,427	83,606
<i>of which: NHS England</i>	59,421	66,495	72,234	75,488	81,638
Transport	5,902	5,919	5,813	6,361	6,560
Innovation, Universities and Skills	11,352	11,952	12,772	13,466	14,367
CLG Communities	3,419	3,545	3,432	3,465	4,082
CLG Local Government	40,914	43,314	46,244	22,540	22,750
Home Office	7,818	7,892	8,179	8,224	8,395
Justice	7,234	7,812	7,809	8,035	8,547
Law Officers' Departments	571	636	679	691	704
Defence	21,360	21,847	22,726	23,452	24,750
Foreign and Commonwealth Office	1,404	1,601	1,706	1,680	1,755
International Development	3,423	3,541	4,041	4,098	4,447
Business, Enterprise and Regulatory Reform	1,746	1,824	1,672	1,991	2,016
Environment, Food and Rural Affairs	2,206	2,466	2,347	2,534	2,516
Culture, Media and Sport	1,083	1,158	1,263	1,358	1,398
Work and Pensions	7,732	7,908	7,804	7,600	7,849
Scotland	17,914	18,512	20,010	21,440	22,949
Wales	9,416	10,085	10,662	11,345	11,938
Northern Ireland Executive	5,841	6,202	6,503	6,830	7,348
Northern Ireland Office	935	905	974	970	979
Chancellor's Departments	4,135	4,351	4,531	4,686	4,534
Cabinet Office	1,072	1,210	1,344	1,485	1,588
Independent Bodies ⁽²⁾	517	557	590	596	687
Total near-cash in resource DEL	229,059	244,533	259,804	272,364	288,653

(1) Update of the July 2008 NS release Table 3

(2) Independent bodies within Departmental Expenditure Limits that are not settled as part of the Comprehensive Spending Review. 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, 2003-04 to 2007-08

	£ million				
	National Statistics				
	2003-04	2004-05	2005-06	2006-07	2007-08
	outturn	outturn	outturn	outturn	outturn
Capital DEL					
Children, Schools and Families	3,471	4,070	4,413	4,055	5,228
Health	2,689	2,708	2,245	3,194	3,809
<i>of which: NHS England</i>	2,602	2,624	2,151	3,069	3,591
Transport	5,233	5,223	4,999	6,505	7,053
Innovation, Universities and Skills	1,299	1,429	2,004	1,891	2,059
CLG Communities	4,597	4,984	5,531	5,431	6,070
CLG Local Government	214	257	316	223	32
Home Office	680	586	626	592	736
Justice	364	599	508	536	753
Law Officers' Departments	11	11	-23	11	11
Defence	6,002	6,701	6,410	7,070	7,945
Foreign and Commonwealth Office	87	117	132	160	226
International Development	302	304	447	765	739
Business, Enterprise and Regulatory Reform	444	220	1,127	1,146	1,112
Environment, Food and Rural Affairs	567	488	836	923	940
Culture, Media and Sport	186	122	179	284	529
Work and Pensions	254	292	355	219	102
Scotland	1,697	2,171	2,390	3,035	3,563
Wales	985	1,008	1,208	1,318	1,490
Northern Ireland Executive	618	765	831	803	1,022
Northern Ireland Office	50	71	59	72	9
Chancellor's Departments	229	380	369	302	260
Cabinet Office	538	176	238	254	322
Independent Bodies ⁽²⁾	33	102	43	56	89
Total Capital DEL	30,547	32,785	35,242	38,847	44,100

(1) Update of the July 2008 NS release Table 4

(2) Independent bodies within Departmental Expenditure Limits that are not settled as part of the Comprehensive Spending Review. 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 by function⁽²⁾, 2003-04 to 2007-08

	£billion				
	National Statistics				
	2003-04	2004-05	2005-06	2006-07	2007-08
	outturn	outturn	outturn	outturn	outturn
1. General public services	39.0	42.5	45.9	47.8	51.0
<i>of which: public and common services</i>	10.8	12.1	12.9	12.9	13.1
<i>of which: international services</i>	5.1	5.5	6.2	6.3	6.8
<i>of which: public sector debt interest</i>	23.0	24.9	26.8	28.6	31.2
2. Defence	28.8	29.7	30.9	32.2	33.6
3. Public order and safety	26.3	28.3	29.0	30.3	31.8
4. Economic affairs	33.0	33.7	35.5	38.0	39.6
<i>of which: enterprise and economic development</i>	6.0	6.6	6.6	6.5	7.5
<i>of which: science and technology</i>	2.3	2.5	2.9	2.8	3.0
<i>of which: employment policies</i>	3.2	3.2	3.4	3.4	3.3
<i>of which: agriculture, fisheries and forestry</i>	5.3	5.4	5.6	5.2	5.0
<i>of which: transport</i>	16.2	16.0	17.0	20.1	20.8
5. Environment protection	6.2	6.9	8.4	9.1	9.2
6. Housing and community amenities	6.6	7.9	10.5	11.5	13.0
7. Health	74.9	82.9	89.7	94.5	102.3
8. Recreation, culture and religion	9.7	10.0	10.7	11.5	12.1
9. Education	61.0	65.0	69.6	72.8	77.8
<i>of which: education excluding training</i>	58.9	62.8	67.4	70.7	75.4
<i>of which: training</i>	2.1	2.2	2.2	2.1	2.4
10. Social protection	155.4	164.0	170.9	177.1	187.3
EU transactions	-2.1	-0.9	-0.6	-1.8	-1.6
Total Expenditure on Services	438.8	470.0	500.6	523.1	555.9
Other accounting adjustments	16.8	22.7	24.1	26.9	28.1
Total Managed Expenditure	455.6	492.8	524.6	549.9	584.1

(1) Update of the July 2008 NS release Table 5

(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 National Statistics Code of Practice, and with the Treasury's statement of compliance with the Code's protocol on release practices, available at: http://www.hm-treasury.gov.uk/natstats_info.htm

Public expenditure by budgetary data (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 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. Data on public spending by function are published annually in the Public Expenditure Statistical Analyses NS release. The spending aggregate that forms the basis for this is Total Expenditure on Services (TES), which broadly represents the current and capital spending of the public sector and is therefore similar to Total Managed Expenditure (TME). The main divergence between the two aggregates is where certain transactions that score within TME cannot be allocated to functions on a consistent basis, so are excluded from TES (e.g. depreciation). The allocation of spending to function within TES is generally consistent with the UN Classification Of the Functions Of Government (COFOG). All data are for the whole of the UK, so include spending by devolved administrations and local government.

Sources and methodology

4. Treasury statistics on public expenditure are compiled from accounting data that are supplied by central government departments and the devolved administrations and held on the Treasury's public expenditure database. The Department for Children, Schools and Families supplies data on local authority spending on education in England. The Department for Work and Pensions supplies data on local authority spending on social protection. All other local authority 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 20 November 2008.
5. There is more information on the budgeting system and the definition of TES in appendices D and E respectively of the guidance and methodology note for the PESA 2008 National Statistics release. This is available alongside the PESA 2008 National Statistics release tables, at: http://www.hm-treasury.gov.uk/national_statistics_index.htm

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