

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 24 November 2008.

Public expenditure by budgetary category

Total Managed Expenditure (TME) for 2007-08 is now estimated at £582.7 billion, £1.4 billion lower than the November 2008 estimate. This is largely due to local government final outturn replacing provisional estimates. Resource DEL is £0.1bn lower than previously estimated while capital DEL is unchanged. Departmental AME is £3.7 billion lower than the November 2008 estimate, partially offset by a £2.5 billion increase in other AME. This reflects the fact that the reduction is largely in non-cash departmental AME and so is offset in the accounting adjustments within other AME.

Public expenditure by function

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

Total Expenditure on Services (TES) for 2007-08 is now estimated at £555.2 billion, £0.7 billion lower than the November 2008 estimate. Again this largely reflects the availability of local government 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 November 2008 estimates (£ billion):

| | Resource DEL ¹ | Capital DEL | Total DEL ² | Dept AME | Other AME ³ | TME ⁴ | TES ⁵ |
|------------------|---------------------------|-------------|------------------------|----------|------------------------|------------------|------------------|
| 22 April 2009 | 309.9 | 44.1 | 343.2 | 220.3 | 19.2 | 582.7 | 555.2 |
| 24 November 2008 | 310.0 | 44.1 | 343.5 | 223.9 | 16.7 | 584.1 | 555.9 |

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 | 229,070 | 244,538 | 259,795 | 272,328 | 288,366 |
| Non-cash | 16,024 | 13,955 | 17,926 | 18,945 | 21,565 |
| Total resource DEL | 245,094 | 258,493 | 277,721 | 291,274 | 309,931 |
| <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 | 5,474 |
| National lottery | 717 | 665 | 841 | 837 | 882 |
| BBC domestic services | 2,828 | 2,916 | 3,067 | 3,242 | 3,430 |
| Student loans | -237 | -313 | -402 | -467 | -869 |
| Non-cash items | 27,591 | 28,067 | 37,411 | 44,519 | 49,126 |
| Other departmental expenditure | 1,853 | 1,368 | 2,119 | 2,820 | 2,153 |
| Total resource departmental AME | 162,076 | 169,437 | 189,287 | 201,916 | 216,086 |
| <i>Resource other AME</i> | | | | | |
| Net expenditure transfers to the EC | 3,448 | 4,907 | 4,435 | 4,652 | 5,392 |
| Locally financed government expenditure | 19,778 | 20,858 | 22,827 | 23,458 | 24,317 |
| Central government gross debt interest | 22,280 | 23,933 | 25,807 | 27,579 | 29,960 |
| Accounting adjustments | -27,364 | -20,849 | -35,447 | -41,654 | -50,099 |
| Total resource other AME | 18,142 | 28,849 | 17,622 | 14,036 | 9,570 |
| Total resource AME | 180,217 | 198,285 | 206,910 | 215,951 | 225,656 |
| Public sector current expenditure | 425,311 | 456,778 | 484,631 | 507,225 | 535,587 |
| CAPITAL EXPENDITURE | | | | | |
| <i>Capital DEL</i> | | | | | |
| Total capital DEL | 30,547 | 32,785 | 35,199 | 38,786 | 44,095 |
| <i>Capital departmental AME</i> | | | | | |
| National lottery | 1,193 | 1,039 | 988 | 880 | 713 |
| BBC domestic services | -6 | 78 | 94 | 103 | 85 |
| Student loans | 2,314 | 2,261 | 2,419 | 3,207 | 4,481 |
| Other departmental expenditure | -788 | 158 | 417 | -395 | -1,095 |
| Total capital departmental AME | 2,714 | 3,536 | 3,918 | 3,796 | 4,184 |
| <i>Capital other AME</i> | | | | | |
| Locally-financed expenditure | 369 | 2,672 | 5,158 | 5,507 | 6,640 |
| Public corporations' own-financed capital expenditure | 2,460 | 2,842 | 5,203 | 5,340 | 5,424 |
| Accounting adjustments | -5,805 | -6,105 | -9,936 | -10,539 | -13,255 |
| Total capital other AME | -2,977 | -590 | 424 | 308 | -1,190 |
| Total capital AME | -263 | 2,946 | 4,343 | 4,105 | 2,994 |
| Public sector gross investment | 30,284 | 35,731 | 39,542 | 42,891 | 47,089 |
| less public sector depreciation | 14,577 | 15,156 | 16,081 | 16,922 | 17,774 |
| Public sector net investment | 15,707 | 20,575 | 23,461 | 25,969 | 29,315 |
| TOTAL MANAGED EXPENDITURE | 455,595 | 492,509 | 524,173 | 550,116 | 582,676 |
| <i>of which:</i> | | | | | |
| Total DEL ⁽⁴⁾ | 266,972 | 283,376 | 303,223 | 319,748 | 343,230 |
| Departmental AME | 164,789 | 172,973 | 193,205 | 205,712 | 220,270 |
| Other AME | 23,834 | 36,161 | 27,745 | 24,656 | 19,176 |

(1) Update of the November 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 are shown within social security benefits.

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

(4) 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 | 88,408 |
| <i>of which: NHS England</i> | 61,865 | 66,873 | 74,168 | 78,468 | 86,402 |
| Transport | 6,114 | 6,085 | 6,076 | 6,921 | 6,794 |
| Innovation, Universities and Skills | 12,169 | 12,603 | 13,595 | 14,088 | 15,459 |
| CLG Communities | 3,419 | 3,611 | 3,476 | 3,630 | 4,224 |
| CLG Local Government | 40,915 | 43,316 | 46,244 | 22,541 | 22,751 |
| Home Office | 7,913 | 7,969 | 8,296 | 8,334 | 8,552 |
| Justice | 7,487 | 7,577 | 7,993 | 8,366 | 8,840 |
| Law Officers' Departments | 575 | 646 | 688 | 698 | 723 |
| Defence | 31,390 | 31,330 | 33,494 | 33,490 | 35,723 |
| Foreign and Commonwealth Office | 1,511 | 1,710 | 1,877 | 1,827 | 1,896 |
| International Development | 3,447 | 3,645 | 4,107 | 4,247 | 4,478 |
| Energy and Climate Change | 383 | 643 | 708 | 1,030 | 649 |
| Business, Enterprise and Regulatory Reform | 1,498 | 1,560 | 1,384 | 1,374 | 1,798 |
| Environment, Food and Rural Affairs | 2,276 | 2,618 | 2,608 | 2,884 | 2,704 |
| Culture, Media and Sport | 1,218 | 1,268 | 1,494 | 1,527 | 1,590 |
| Work and Pensions | 7,832 | 8,017 | 8,022 | 7,876 | 8,086 |
| Scotland | 18,421 | 19,459 | 20,791 | 22,354 | 23,805 |
| Wales | 9,643 | 10,379 | 10,987 | 11,677 | 12,316 |
| Northern Ireland Executive | 6,058 | 6,445 | 6,799 | 7,210 | 7,596 |
| 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 | 1,577 | 1,724 | 1,795 |
| Independent Bodies ⁽²⁾ | 681 | 746 | 848 | 748 | 731 |
| Total resource DEL | 245,094 | 258,493 | 277,721 | 291,274 | 309,931 |

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

(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, 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 | 83,616 |
| <i>of which: NHS England</i> | 59,421 | 66,495 | 72,234 | 75,488 | 81,648 |
| Transport | 5,902 | 5,919 | 5,813 | 6,361 | 6,554 |
| Innovation, Universities and Skills | 11,352 | 11,952 | 12,772 | 13,394 | 14,367 |
| CLG Communities | 3,424 | 3,550 | 3,437 | 3,469 | 4,085 |
| CLG Local Government | 40,914 | 43,314 | 46,244 | 22,540 | 22,750 |
| Home Office | 7,816 | 7,884 | 8,177 | 8,215 | 8,413 |
| Justice | 7,234 | 7,812 | 7,815 | 8,042 | 8,549 |
| Law Officers' Departments | 571 | 636 | 679 | 691 | 704 |
| Defence | 21,373 | 21,860 | 22,714 | 23,450 | 24,684 |
| Foreign and Commonwealth Office | 1,404 | 1,601 | 1,706 | 1,680 | 1,755 |
| International Development | 3,423 | 3,541 | 4,041 | 4,139 | 4,447 |
| Energy and Climate Change | 421 | 620 | 667 | 913 | 672 |
| Business, Enterprise and Regulatory Reform | 1,493 | 1,398 | 1,206 | 1,282 | 1,540 |
| Environment, Food and Rural Affairs | 2,037 | 2,273 | 2,146 | 2,330 | 2,320 |
| Culture, Media and Sport | 1,083 | 1,158 | 1,263 | 1,358 | 1,397 |
| Work and Pensions | 7,727 | 7,903 | 7,799 | 7,596 | 7,846 |
| Scotland | 17,914 | 18,512 | 20,010 | 21,440 | 22,854 |
| Wales | 9,416 | 10,085 | 10,662 | 11,345 | 11,942 |
| Northern Ireland Executive | 5,841 | 6,202 | 6,503 | 6,830 | 7,262 |
| 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 | 621 |
| Total near-cash in resource DEL | 229,070 | 244,538 | 259,795 | 272,328 | 288,366 |

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

(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, 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 | 3,815 |
| <i>of which: NHS England</i> | 2,602 | 2,624 | 2,151 | 3,069 | 3,597 |
| 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 | 6,367 | 7,070 | 7,945 |
| Foreign and Commonwealth Office | 87 | 117 | 132 | 160 | 226 |
| International Development | 302 | 304 | 447 | 765 | 739 |
| Energy and Climate Change | 143 | 211 | 1,257 | 1,461 | 1,485 |
| Business, Enterprise and Regulatory Reform | 464 | 184 | 66 | 40 | 8 |
| Environment, Food and Rural Affairs | 403 | 314 | 639 | 569 | 559 |
| Culture, Media and Sport | 186 | 122 | 179 | 284 | 517 |
| 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 | 742 | 1,051 |
| 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 | 60 |
| Total capital DEL | 30,547 | 32,785 | 35,199 | 38,786 | 44,095 |

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

(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 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 | 39.4 | 42.9 | 46.1 | 48.0 | 50.5 |
| <i>of which: public and common services</i> | 11.2 | 12.4 | 13.1 | 13.0 | 12.5 |
| <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 | 29.8 | 30.9 | 32.1 | 33.6 |
| 3. Public order and safety | 26.1 | 28.2 | 28.9 | 30.0 | 31.2 |
| 4. Economic affairs | 33.1 | 33.7 | 35.5 | 37.8 | 39.2 |
| <i>of which: enterprise and economic development</i> | 6.0 | 6.6 | 6.6 | 6.6 | 6.9 |
| <i>of which: science and technology</i> | 2.3 | 2.5 | 2.9 | 2.8 | 3.2 |
| <i>of which: employment policies</i> | 3.2 | 3.2 | 3.3 | 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> | 16.3 | 16.0 | 17.0 | 20.0 | 20.7 |
| 5. Environment protection | 6.2 | 7.0 | 8.5 | 9.3 | 9.5 |
| 6. Housing and community amenities | 6.7 | 8.0 | 10.6 | 11.5 | 12.9 |
| 7. Health | 74.9 | 82.9 | 89.6 | 94.5 | 102.1 |
| 8. Recreation, culture and religion | 9.7 | 10.0 | 10.8 | 11.3 | 12.2 |
| 9. Education | 61.0 | 65.1 | 69.7 | 72.9 | 78.1 |
| 10. Social protection | 155.6 | 164.1 | 171.1 | 177.1 | 187.6 |
| EU transactions | -2.1 | -0.9 | -0.6 | -1.8 | -1.6 |
| Total Expenditure on Services | 439.5 | 470.7 | 501.0 | 522.9 | 555.2 |
| Other accounting adjustments | 16.1 | 21.8 | 23.2 | 27.2 | 27.5 |
| Total Managed Expenditure | 455.6 | 492.5 | 524.2 | 550.1 | 582.7 |

(1) Update of the November 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. Functional spending is based on the Total Expenditure on Services (TES) aggregate, 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 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 22 April 2009.
5. There is more information on the budgeting system and the definition of TES in appendices C 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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