



## 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. Provisional outturn figures for 2008-09 are being released for the first time as National Statistics. Figures for earlier years update those published in the Public Expenditure Statistical Analyses (PESA) National Statistics release on 29 May 2009.

Updated estimates are being released for five series:

- Table 1 – Total Managed Expenditure, by budgetary 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.

### Public expenditure by budgetary category

Total Managed Expenditure (TME) is a measure of total public expenditure drawn from the National Accounts. For 2008-09 TME is estimated at £618.6 billion. In this release TME is presented against the Treasury's budgetary framework. Resource and capital DEL are, respectively, £321.2 billion and £48.1 billion. Departmental AME is £359.4 billion.

### Public expenditure by function

Functional spending is based on the expenditure on services framework, 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 United Nations' Classification Of the Functions Of Government (UN COFOG).

Public sector (or total) expenditure on services (TES) for 2008-09 is estimated at £592.6 billion. 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](http://www.hm-treasury.gov.uk/pes_function.htm)

**Table 1<sup>(1)</sup> Total Managed Expenditure, by budgetary category, 2004-05 to 2008-09**

f million

	National Statistics				
	2004-05 outturn	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn
<b>CURRENT EXPENDITURE</b>					
<i>Resource DEL</i>					
Near-cash DEL	244,551	259,826	272,277	288,406	301,660
Non-cash	13,950	17,867	18,963	21,646	19,590
<b>Total resource DEL</b>	<b>258,501</b>	<b>277,693</b>	<b>291,240</b>	<b>310,053</b>	<b>321,250</b>
<i>Resource departmental AME</i>					
Social security benefits	124,781	129,600	133,463	140,474	151,198
Tax credits <sup>(2)</sup>	11,601	12,972	14,189	15,404	18,374
Net public service pensions <sup>(3)</sup>	352	3,656	3,312	5,388	5,492
National lottery	665	841	837	882	898
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	91,271
Other departmental expenditure	1,368	2,119	2,820	2,152	-516
<b>Total resource departmental AME</b>	<b>169,437</b>	<b>189,262</b>	<b>201,916</b>	<b>216,074</b>	<b>269,058</b>
<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	27,410
Central government gross debt interest	23,936	25,808	27,580	29,961	30,270
Accounting adjustments	-21,025	-35,622	-41,672	-50,081	-87,239
<b>Total resource other AME</b>	<b>28,675</b>	<b>17,449</b>	<b>14,018</b>	<b>9,589</b>	<b>-26,499</b>
<b>Total resource AME</b>	<b>198,112</b>	<b>206,711</b>	<b>215,934</b>	<b>225,663</b>	<b>242,559</b>
<b>Public sector current expenditure</b>	<b>456,613</b>	<b>484,404</b>	<b>507,174</b>	<b>535,716</b>	<b>563,809</b>
<b>CAPITAL EXPENDITURE</b>					
<i>Capital DEL</i>					
<b>Total capital DEL</b>	<b>32,785</b>	<b>35,199</b>	<b>38,787</b>	<b>44,085</b>	<b>48,095</b>
<i>Capital departmental AME</i>					
National lottery	1,039	988	880	713	647
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	85,147
<b>Total capital departmental AME</b>	<b>3,486</b>	<b>3,918</b>	<b>3,796</b>	<b>4,110</b>	<b>90,350</b>
<i>Capital other AME</i>					
Locally-financed expenditure	2,470	3,290	3,195	3,982	4,532
Public corporations' own-financed capital expenditure	2,842	5,203	5,340	5,424	7,157
Accounting adjustments	-5,853	-8,064	-8,269	-10,516	-95,329
<b>Total capital other AME</b>	<b>-540</b>	<b>428</b>	<b>266</b>	<b>-1,110</b>	<b>-83,640</b>
<b>Total capital AME</b>	<b>2,946</b>	<b>4,347</b>	<b>4,062</b>	<b>3,000</b>	<b>6,710</b>
<b>Public sector gross investment</b>	<b>35,731</b>	<b>39,546</b>	<b>42,849</b>	<b>47,085</b>	<b>54,805</b>
less public sector depreciation	15,156	16,081	16,922	17,774	18,595
<b>Public sector net investment</b>	<b>20,575</b>	<b>23,465</b>	<b>25,927</b>	<b>29,311</b>	<b>36,210</b>
<b>TOTAL MANAGED EXPENDITURE</b>	<b>492,344</b>	<b>523,950</b>	<b>550,023</b>	<b>582,801</b>	<b>618,614</b>
<i>of which:</i>					
Total DEL <sup>(4)</sup>	283,387	303,254	319,700	343,192	357,698
Departmental AME	172,923	193,180	205,712	220,184	359,408
Other AME	36,034	27,515	24,611	19,425	-98,492

(1) Update of Table 2.1 from the PESA NS release on May 29 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.

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

**Table 2<sup>(1)</sup> 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
<b>Resource DEL</b>					
Children, Schools and Families	12,593	14,326	42,098	44,935	46,833
Health	69,118	76,372	80,428	88,408	92,315
<i>of which: NHS England</i>	66,873	74,168	78,468	86,402	90,791
Transport	6,085	6,076	6,921	6,794	5,704
Innovation, Universities and Skills	12,603	13,595	14,088	15,471	16,461
CLG Communities	3,611	3,476	3,630	4,224	4,187
CLG Local Government	43,316	46,244	22,541	22,751	24,651
Home Office	7,969	8,296	8,334	8,552	8,942
Justice	7,577	8,018	8,348	8,950	9,132
Law Officers' Departments	646	688	696	723	735
Defence	31,330	33,494	33,490	35,723	36,734
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	362
Business, Enterprise and Regulatory Reform	1,271	1,384	1,373	1,792	1,543
Environment, Food and Rural Affairs	2,618	2,608	2,884	2,704	2,590
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	7,979
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	7,210	7,596	8,036
Northern Ireland Office	1,150	1,176	1,252	1,343	1,331
Chancellor's Departments	4,600	4,782	4,951	4,716	4,814
Cabinet Office	1,406	1,578	1,724	1,796	2,057
Independent Bodies <sup>(2)</sup>	746	848	748	761	833
<b>Total resource DEL</b>	<b>258,501</b>	<b>277,693</b>	<b>291,240</b>	<b>310,053</b>	<b>321,250</b>

(1) Update of Table 2.5 from the PESA NS release on May 29 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<sup>(1)</sup> 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
<b>Near-cash in resource DEL</b>					
Children, Schools and Families	12,571	14,279	42,089	44,917	46,829
Health	68,723	74,422	77,427	83,616	89,279
<i>of which: NHS England</i>	66,495	72,234	75,488	81,648	87,785
Transport	5,919	5,813	6,361	6,554	5,845
Innovation, Universities and Skills	11,952	12,772	13,394	14,359	15,136
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
Home Office	7,884	8,177	8,215	8,413	8,735
Justice	7,812	7,840	8,024	8,658	8,790
Law Officers' Departments	636	679	687	705	714
Defence	21,860	22,714	23,450	24,684	26,192
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	295
Business, Enterprise and Regulatory Reform	1,104	1,206	1,282	1,533	1,396
Environment, Food and Rural Affairs	2,273	2,146	2,330	2,320	2,224
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	6,830	7,262	7,702
Northern Ireland Office	905	974	970	979	950
Chancellor's Departments	4,351	4,531	4,686	4,484	4,547
Cabinet Office	1,210	1,345	1,485	1,588	1,734
Independent Bodies <sup>(2)</sup>	557	590	596	625	725
<b>Total near-cash in resource DEL</b>	<b>244,551</b>	<b>259,826</b>	<b>272,277</b>	<b>288,406</b>	<b>301,660</b>

(1) Update of Table 2.7 from the PESA NS release on May 29 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<sup>(1)</sup> 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
<b>Capital DEL</b>					
Children, Schools and Families	4,070	4,413	4,055	5,229	5,518
Health	2,708	2,245	3,194	3,815	4,367
<i>of which: NHS England</i>	2,624	2,151	3,069	3,597	4,225
Transport	5,223	4,999	6,505	7,053	7,182
Innovation, Universities and Skills	1,429	2,004	1,891	2,066	2,116
CLG Communities	4,984	5,531	5,431	6,070	7,091
CLG Local Government	257	316	223	32	122
Home Office	586	626	592	736	828
Justice	599	508	536	753	927
Law Officers' Departments	11	-23	11	11	6
Defence	6,701	6,367	7,070	7,945	8,642
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	1,670
Business, Enterprise and Regulatory Reform	183	66	39	8	12
Environment, Food and Rural Affairs	314	639	569	559	613
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	381	370	304	256	302
Cabinet Office	176	238	254	322	397
Independent Bodies <sup>(2)</sup>	102	43	56	61	38
<b>Total capital DEL</b>	<b>32,785</b>	<b>35,199</b>	<b>38,787</b>	<b>44,085</b>	<b>48,095</b>

(1) Update of Table 2.10 from the PESA NS release on May 29 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<sup>(1)</sup> Public expenditure on services by function<sup>(2)</sup>, 2004-05 to 2008-09**

	£billion				
	National Statistics				
	2004-05	2004-05	2005-06	2006-07	2008-09
	outturn	outturn	outturn	outturn	outturn
1. General public services	42.9	46.1	48.0	50.5	52.9
<i>of which: public and common services</i>	12.4	13.1	13.0	12.5	14.7
<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	31.3	31.1
2. Defence	29.8	30.9	32.1	33.6	36.6
3. Public order and safety	28.2	29.0	30.1	31.4	33.9
4. Economic affairs	33.6	35.4	37.8	39.2	39.0
<i>of which: enterprise and economic development</i>	6.5	6.5	6.5	6.9	5.5
<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	3.4	3.3	3.1
<i>of which: agriculture, fisheries and forestry</i>	5.4	5.6	5.2	5.0	5.5
<i>of which: transport</i>	16.0	17.0	20.0	20.8	21.8
5. Environment protection	7.0	8.5	9.3	9.5	9.7
6. Housing and community amenities	8.0	10.6	11.5	12.9	15.2
7. Health	82.9	89.6	94.5	102.0	110.0
8. Recreation, culture and religion	10.0	10.8	11.4	12.2	13.4
9. Education	65.1	69.7	72.9	78.1	81.7
10. Social protection	164.1	171.1	177.2	187.5	203.2
EU transactions	-0.9	-0.6	-1.8	-1.5	-2.9
<b>Public sector expenditure on services</b>	<b>470.7</b>	<b>501.1</b>	<b>523.1</b>	<b>555.5</b>	<b>592.6</b>
Accounting adjustments	21.6	22.9	26.9	27.4	25.1
<b>Total Managed Expenditure</b>	<b>492.3</b>	<b>524.0</b>	<b>550.0</b>	<b>582.8</b>	<b>617.8</b>

(1) Update of Table 4.2 from the PESA NS release on May 29 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.

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## 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](http://www.hm-treasury.gov.uk/natstats_info.htm)

### Public expenditure by budgetary 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.

### Sources and methodology

4. 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 18 June 2009.
5. 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](http://www.hm-treasury.gov.uk/national_statistics_index.htm)

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8. 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](mailto:public.enquiries@hm-treasury.gov.uk)

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