

# PUBLIC EXPENDITURE OVERVIEW

**1.1** This chapter brings together information on public expenditure within the current budgeting and control framework. It shows reconciliations to the national accounts measures used for the fiscal framework. It also includes information on Voted and non-Voted components of total public spending, and a breakdown of public expenditure by spending sector.

**1.2** Outturn data on the budgeting and control aggregates in Tables 1.1 to 1.8 and 1.10 to 1.13 fall within the scope of National Statistics, as do outturn data in Table 1.15 (spending sectors). Data in Tables 1.9, 1.14 and 1.16 are not National Statistics. All the tables in this chapter are in resource terms on a RAB stage 2 basis.

**1.3** Data on administration budgets previously shown in chapter 5 has now been incorporated into this chapter as Table 1.9.

## The Budgeting and Reporting Framework

**1.4** **Table 1.1** summarises public expenditure both in terms of the budgeting and control framework, and in terms of the national accounts based reporting aggregate Total Managed Expenditure (TME) and its components. **Table 1.2** presents the same information as **Table 1.1** in real terms.

**1.5** There is a fuller description of the budgeting and control framework in Appendix D. This chapter gives a brief explanation.

**1.6** In accordance with the fiscal rules, a clear distinction is made for budgeting between current and capital spending, with departments' having separate resource and capital budgets.

**1.7** For part of their resource and capital budgets, departments are given firm three year spending limits called Departmental Expenditure Limits (DELs) within which they prioritise resources and plan ahead.

**1.8** Spending that cannot reasonably be subject to firm multi-year limits 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, and the various other items of departmental expenditure set out in **Table 1.1**. 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 and other adjustments.

**1.9** **Table 1.14** presents a breakdown of the accounting and other adjustments line in **Table 1.1**. Appendix B gives further details of these accounting and other adjustments.

**1.10** 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 net investment plus public sector capital expenditure (see **Table 1.1**). Note that depreciation in TME in the *of which* lines in the table is total public sector depreciation measured on a national accounts basis, while the depreciation line in the DEL section at the top of the table is depreciation in Resource Budget DEL, measured on the basis of Generally Accepted Accounting Practice (GAAP).

## Reconciliations of Budgeting and National Accounts Aggregates

**1.11** The fiscal framework is defined by reference to national accounts measures:

- achievement against the Golden Rule is measured by the Surplus on the Current Budget (SOCB). That is the difference between the public sector national accounts aggregates current expenditure plus depreciation less receipts;
- the Sustainable Investment Rule is measured by reference to the stock measure Public Sector Net Debt (PSND). The flow measure Public Sector Net Borrowing (PSNB) contributes to the accumulation of PSND. The change in PSNB is also used to assess the overall macroeconomic impact of fiscal policy on aggregate demand. The difference between the SOCB and PSNB is given by Public Sector Net Investment.

**1.12** Table C4 in Budget 2006 brings together information on expenditure, receipts and balances.

**1.13** Public expenditure budgeting uses Treasury-defined aggregates, which are mainly based on GAAP components. **Tables 1.3** and **1.4** show the reconciliations between the national accounts spending measures and the budgeting expenditure measures:

- **Table 1.3** shows the reconciliation from the Resource Budget to the national accounts measure Public Sector Current Expenditure. It also now shows total Near-Cash expenditure in Resource budgets.
- **Table 1.4** shows the reconciliation from the Capital Budget to the national accounts measure of Public Sector Gross Investment (measured net of sales). With the deduction of depreciation, that figure reconciles to Public Sector Net Investment.

## Resource Budgets and Capital Budgets

**1.14** **Table 1.5** shows the Resource Budget for each departmental group, with **Table 1.6** presenting the same information in real terms. Full details of departmental groups are set out in Appendix C. In addition to Departmental allocations, these tables – as with other tables showing DEL – show unallocated amounts remaining in the central funds and in the DEL Reserve.

**1.15** Resource budgets are divided into nearcash and noncash elements – these terms are explained in Appendix D. **Table 1.7** shows the near cash components in aggregate of departmental Resource Budgets for each departmental group. Nearcash in Resource Budget DEL is a control total. **Table 1.8** shows the non-cash components in aggregate of departmental Resource Budgets, also by departmental group.

**1.16** **Table 1.10** shows the Capital Budget for each departmental group, with **Table 1.11** presenting the same information in real terms.

**1.17** All tables reflect recent changes to the budgeting system that are discussed further in Chapter 2 and Appendix D. Major changes include the movement of capital grants from Resource Budgets into Capital Budgets and the reclassification of EU receipts from AME expenditure into DEL Expenditure, including receipts and the expenditure they finance on the Common Agricultural Policy (CAP). Consequently the CAP line has disappeared from the AME section of **Table 1.1**.

## Total DEL

**I.18** Table 1.12 shows Total DEL by departmental group. Total DEL is made up of Resource Budget DEL plus Capital Budget DEL less depreciation in DEL. Total DEL is not a control total. Table 1.13 presents the same information as Table 1.12 in real terms.

## Public Expenditure by Spending Sector

**I.19** Table 1.15 shows a breakdown of TME, and within it DEL and AME, as between the national accounts spending sectors, which are used in many of the analyses in this publication. In this table, capital and current expenditure are added together.

**I.20** Central government own expenditure excludes central government spending in support of local authorities. Loans and capital grants in support of public corporations are also excluded. However, subsidies to public corporations are included here, as they are not consolidated out in the calculation of TME. Central government expenditure includes the spending of non-departmental public bodies classified to central government, as well as central government departments' own spending, and the spending of the devolved administrations in Scotland, Wales and Northern Ireland. Central government own expenditure is shown split into DEL, departmental AME, and the other AME elements, including locally financed expenditure. This latter category is in respect of spending of the devolved administrations that is financed locally rather than from Westminster; at present it only includes expenditure of the Northern Ireland departments financed from regional rates. Further analyses of central government own expenditure are presented in Chapter 4.

**I.21** Local authority 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 (the proceeds of non-domestic rates in Scotland which are collected and distributed to local authorities by the devolved administration); and self-financed expenditure. Further analyses of local authority expenditure are presented in Chapter 5.

**I.22** The impact of public corporations on the parent department can be either in DEL or Departmental AME. For most public corporations, departments' DELs include the subsidies and capital grants paid to, interest and dividends received from, loans and public dividend capital invested in and a capital charge on the department's investments in public corporations. For self-financing public corporations, grants and subsidies score in DEL and the other items are contained in departmental AME. In this table, however, 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 shows their contribution to TME: i.e. capital expenditure and interest and dividends paid to the private sector. Further analyses for public corporations, including information on subsidies, are presented in Chapter 6.

## Supply Expenditure

**I.23** Table 1.16 shows the split of DEL and AME between money voted in Estimates, which accounts for about two-thirds of the total, and expenditure financed by other means. The relationship between the budgetary aggregates (DEL and AME) and Supply Expenditure is explained in more detail in the introductory sections of the Supply Estimates 2005-06: Supplementary Budgeting Information. Because of data quality issues caused by the transition to COINS, as described in the Overview, the voted/non-voted split should be treated as indicative.

## Administration Budgets

**1.24** Table 1.9 sets out details of administrative expenditure by those central government departments that are subject to Administration Budgets. The data cover a period of eight years, from 2000-01 to 2007-08, and are on resource basis. Data in this table do not fall within the scope of National Statistics.

**1.25** Administration Budgets are set for most civil service departments. These budgets help to drive economy and efficiency in the running of Government itself. Around 50% of administration costs is accounted for by civil service pay. A further 40% is accounted for by procurement of goods and services (e.g. accommodation, equipment, travel) and the remainder by other items (e.g. capital charges on assets used by civil servants such as buildings and IT equipment).

**1.26** Table 1.9 shows, for Administration Budgets, final outturn for 2000-01 to 2004-05, estimated outturn for 2005-06 and plans for 2006-07 to 2007-08. There are no figures for the Ministry of Defence, which is not subject to an Administration Budget, nor for the devolved administrations, which operate their own controls. Administration Budgets for 2006-07 were announced in Central Government Supply Estimates 2006-07, Supplementary Budgetary Information (Cm xxx).

Table I.1 Total Managed Expenditure, 2000–01 to 2007–08

	National Statistics							
	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans
<b>£ million</b>								
<b>Departmental Expenditure Limits</b>								
Resource DEL	196,219	210,289	228,324	243,478	257,327	277,981	294,400	309,600
Capital DEL	18,057	22,756	26,883	30,780	33,592	37,338	42,500	45,700
Less depreciation	8,972	9,377	15,845	9,020	8,403	11,937	11,900	11,600
<b>Total Departmental Expenditure Limits</b>	<b>205,303</b>	<b>223,668</b>	<b>239,362</b>	<b>265,238</b>	<b>282,515</b>	<b>303,382</b>	<b>325,100</b>	<b>343,700</b>
<b>Annually Managed Expenditure</b>								
<i>Departmental AME</i>								
Social security benefits	101,798	109,185	113,850	118,080	125,292	130,148	133,345	138,506
Tax credits <sup>(1)</sup>	3,903	5,189	5,829	9,779	11,735	12,862	14,125	15,138
Net public service pensions <sup>(2)</sup>	1,692	3,354	4,570	1,797	440	5,321	5,557	5,855
National Lottery	1,855	1,710	1,810	1,910	1,800	1,775	1,732	1,535
BBC domestic services	2,282	2,649	2,958	2,784	2,927	3,054	3,216	3,304
Student loans England and Wales	1,720	1,886	1,997	2,042	2,015	2,151	2,770	3,400
Non-cash items	21,226	23,063	28,421	27,567	26,136	30,181	31,765	34,779
Other departmental expenditure	2,807	3,584	1,949	1,755	2,470	4,227	3,415	2,931
<b>Total Departmental AME</b>	<b>137,284</b>	<b>150,619</b>	<b>161,383</b>	<b>165,714</b>	<b>172,815</b>	<b>189,719</b>	<b>195,925</b>	<b>205,448</b>
<i>Other AME</i>								
Net expenditure transfers to the EU <sup>(3)</sup>	2,318	–690	2,782	3,448	4,907	4,435	5,432	6,509
Locally financed expenditure	18,384	21,121	19,528	21,477	24,252	26,566	27,523	28,922
Central government gross debt interest	25,995	22,095	20,943	22,327	23,987	25,747	26,277	27,953
Public corporations' own-financed capital expenditure	2,865	3,015	4,297	3,895	3,357	2,882	3,373	3,484
<b>Total Other AME</b>	<b>49,561</b>	<b>45,541</b>	<b>47,551</b>	<b>51,146</b>	<b>56,502</b>	<b>59,630</b>	<b>62,605</b>	<b>66,867</b>
<b>Total AME before accounting adjustments</b>	<b>186,845</b>	<b>196,160</b>	<b>208,933</b>	<b>216,860</b>	<b>229,317</b>	<b>249,349</b>	<b>258,530</b>	<b>272,315</b>
AME Margin	—	—	—	—	—	—	1,000	2,000
Accounting adjustments	–25,820	–30,271	–27,030	–24,545	–20,840	–29,579	–32,292	–35,281
<b>Total Annually Managed Expenditure</b>	<b>161,025</b>	<b>165,889</b>	<b>181,903</b>	<b>192,315</b>	<b>208,477</b>	<b>219,770</b>	<b>227,200</b>	<b>239,000</b>
<b>Total Managed Expenditure</b>	<b>366,328</b>	<b>389,557</b>	<b>421,265</b>	<b>457,553</b>	<b>490,992</b>	<b>523,152</b>	<b>552,300</b>	<b>582,800</b>
<i>of which:</i>								
Current expenditure	347,981	366,154	395,063	428,757	455,355	481,852	506,700	534,200
Public Sector Gross Investment	18,347	23,403	26,202	28,796	35,637	41,299	45,600	48,600
Public Sector Gross Investment	18,347	23,403	26,202	28,796	35,637	41,299	45,600	48,600
less Depreciation	12,676	13,112	14,044	14,309	14,967	15,619	16,800	17,700
Net investment	5,671	10,291	12,158	14,487	20,670	25,680	28,800	30,900

(1) Tax credits include working tax credits, stakeholder pension credits, and from 2003–04, Child Tax Credits previously included as child allowances in Income Support and Jobseekers' Allowance.

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

(3) Net expenditure transfers to the EU are comprised of GNI-based contribution to the EU less the UK's abatement. Latest estimates (in £ billion) are given below for net payments to EU institutions, and the UK's net contribution to the EU budget as defined in annex D of this publication.

	2004–05	2005–06	2006–07	2007–08
Net payments to EU institutions	3.2	3.9	1.3	4.8
UK's net contributions to the EU Budget	3.9	4.5	2	5.5

Table I.2 Total Managed Expenditure in real terms<sup>(1)</sup>, 2000–01 to 2007–08

	£ million								
	National Statistics								
	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08	
	outturn	outturn	outturn	outturn	outturn	estimated	plans	plans	
						outturn			
<b>Departmental Expenditure Limits</b>									
Resource DEL	217,571	227,553	239,459	248,823	257,327	272,287	281,500	288,400	
Capital DEL	20,022	24,624	28,194	31,456	33,592	36,573	40,700	42,600	
Less depreciation	9,948	10,147	16,618	9,218	8,403	11,693	11,400	10,800	
<b>Total Departmental Expenditure Limits</b>	<b>227,644</b>	<b>242,031</b>	<b>251,035</b>	<b>271,060</b>	<b>282,515</b>	<b>297,168</b>	<b>310,800</b>	<b>320,200</b>	
<b>Annually Managed Expenditure</b>									
<i>Departmental AME</i>									
Social security benefits	112,876	118,149	119,402	120,672	125,292	127,482	127,499	129,006	
Tax credits <sup>(1)</sup>	4,328	5,615	6,113	9,994	11,735	12,599	13,506	14,100	
Net public service pensions <sup>(2)</sup>	1,876	3,629	4,793	1,836	440	5,212	5,313	5,453	
National Lottery	2,057	1,850	1,898	1,952	1,800	1,739	1,656	1,430	
BBC domestic services	2,530	2,866	3,102	2,845	2,927	2,991	3,075	3,077	
Student loans England and Wales	1,907	2,041	2,094	2,087	2,015	2,107	2,649	3,167	
Non-cash items	23,536	24,956	29,807	28,172	26,136	29,563	30,372	32,394	
Other departmental expenditure	3,112	3,878	2,044	1,794	2,470	4,140	3,265	2,730	
<b>Total Departmental AME</b>	<b>152,223</b>	<b>162,985</b>	<b>169,253</b>	<b>169,352</b>	<b>172,815</b>	<b>185,833</b>	<b>187,336</b>	<b>191,357</b>	
<i>Other AME</i>									
Net expenditure transfers to the EU <sup>(3)</sup>	2,570	-747	2,918	3,524	4,907	4,344	5,194	6,063	
Locally financed expenditure	20,385	22,855	20,480	21,948	24,252	26,022	26,316	26,938	
Central government gross debt interest	28,824	23,909	21,964	22,817	23,987	25,220	25,125	26,036	
Public corporations' own-financed capital expenditure	3,177	3,263	4,507	3,981	3,357	2,823	3,225	3,245	
<b>Total Other AME</b>	<b>54,954</b>	<b>49,280</b>	<b>49,870</b>	<b>52,269</b>	<b>56,502</b>	<b>58,409</b>	<b>59,860</b>	<b>62,281</b>	
<b>Total AME before accounting adjustments</b>	<b>207,177</b>	<b>212,265</b>	<b>219,122</b>	<b>221,620</b>	<b>229,317</b>	<b>244,242</b>	<b>247,196</b>	<b>253,637</b>	
AME Margin	—	—	—	—	—	—	1,000	1,900	
Accounting adjustments	-28,630	-32,756	-28,348	-25,084	-20,840	-28,973	-30,876	-32,861	
<b>Total Annually Managed Expenditure</b>	<b>178,548</b>	<b>179,508</b>	<b>190,774</b>	<b>196,537</b>	<b>208,477</b>	<b>215,269</b>	<b>217,300</b>	<b>222,600</b>	
<b>Total Managed Expenditure</b>	<b>406,192</b>	<b>421,539</b>	<b>441,809</b>	<b>467,597</b>	<b>490,992</b>	<b>512,437</b>	<b>528,100</b>	<b>542,800</b>	
<i>of which:</i>									
Current expenditure	385,848	396,215	414,329	438,169	455,355	471,983	484,500	497,600	
Capital expenditure	20,344	25,324	27,480	29,428	35,637	40,453	43,600	45,300	
Capital expenditure	20,344	25,324	27,480	29,428	35,637	40,453	43,600	45,300	
less Depreciation	14,055	14,188	14,729	14,623	14,967	15,299	16,100	16,500	
Net investment	6,288	11,136	12,751	14,805	20,670	25,154	27,500	28,800	

(1) Tax credits include working tax credits, stakeholder pension credits, and from 2003–04, Child Tax Credits previously included as child allowances in Income Support and Jobseekers' Allowance.

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

(3) Net expenditure transfers to the EU are comprised of GNI-based contribution to the EU less the UK's abatement. Latest estimates (in £ billion) are given below for net payments to EU institutions, and the UK's net contribution to the EU budget as defined in annex D of this publication.

	2004–05	2005–06	2006–07	2007–08
Net payments to EU institutions	3.2	3.8	1.2	4.5
UK's net contributions to the EU Budget	3.9	4.4	1.9	5.1

(4) Real terms figures are the cash figures adjusted to 2004–05 price levels using GDP deflators. For years 2000–01 to 2004–05 deflators are calculated from the latest data from the Office for National Statistics (released 29 March 2006). From 2005–06, deflators are consistent with the March 2006 Financial Statement and Budget Report.

Table I.3 Public Sector Current Expenditure, 2000–01 to 2007–08

	National Statistics							
	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans
<b>£ million</b>								
<b>Resource Budget</b>								
Resource DEL	196,219	210,289	228,324	243,478	257,327	277,981	294,400	309,600
Resource Departmental AME	133,074	146,908	156,994	161,630	168,930	184,453	192,141	200,811
<b>Total Resource Budget</b>	<b>329,293</b>	<b>357,197</b>	<b>385,318</b>	<b>405,108</b>	<b>426,257</b>	<b>462,434</b>	<b>486,600</b>	<b>510,500</b>
less non-cash in Resource DEL	22,218	22,815	24,597	16,451	14,405	18,614	21,154	21,385
less unallocated funds in Resource DEL	—	—	—	—	—	–960	1,789	2,127
less non-cash in Resource AME	20,603	23,974	30,698	29,142	28,739	38,645	39,602	43,152
<b>Total Near-Cash in resource budgets</b>	<b>286,473</b>	<b>310,408</b>	<b>330,022</b>	<b>359,514</b>	<b>383,113</b>	<b>406,135</b>	<b>424,042</b>	<b>443,787</b>
<i>of which:</i>								
Near-cash in Resource DEL	174,001	187,474	203,727	227,026	242,922	260,327	271,502	286,128
Near-cash in Resource AME	112,472	122,934	126,296	132,488	140,191	145,808	152,540	157,659
<b>Total Near-Cash in resource budgets</b>	<b>286,473</b>	<b>310,408</b>	<b>330,022</b>	<b>359,514</b>	<b>383,113</b>	<b>406,135</b>	<b>424,042</b>	<b>443,787</b>
<b>Current spending in other AME</b>								
Net expenditure transfers to the EU <sup>(1)</sup>	2,318	–690	2,782	3,448	4,907	4,435	5,432	6,509
Locally financed current expenditure	19,897	20,372	21,730	23,196	23,475	24,768	25,510	26,821
Central government gross debt interest	25,995	22,095	20,943	22,327	23,987	25,747	26,277	27,953
AME margin (current)	—	—	—	—	—	—	900	1,800
<b>Other adjustments</b>								
Add spending classified as current								
in national accounts	5,235	4,960	5,118	5,156	5,271	5,016	5,501	6,260
Remove near cash items classified as capital								
in national accounts	—	—	—	—	—	—	—	—
Accounting and other adjustments	8,063	9,009	14,468	15,116	14,602	15,751	19,043	21,060
<b>Public Sector Current Expenditure</b>	<b>347,981</b>	<b>366,154</b>	<b>395,063</b>	<b>428,757</b>	<b>455,355</b>	<b>481,852</b>	<b>506,700</b>	<b>534,200</b>

(1) see footnote 3 to Table I.1.

Table I.4 Public Sector Net Investment, 2000–01 to 2007–08

	National Statistics							
	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans
<b>£ million</b>								
<b>Capital Budget</b>								
Capital DEL	18,057	22,756	26,883	30,780	33,592	37,338	42,500	45,700
Capital Departmental AME	4,209	3,711	4,388	4,084	3,885	5,266	3,783	4,636
<b>Total Capital Budget</b>	<b>22,266</b>	<b>26,468</b>	<b>31,272</b>	<b>34,864</b>	<b>37,477</b>	<b>42,604</b>	<b>46,300</b>	<b>50,300</b>
<b>Capital spending in other AME</b>								
Public corporations' own-financed expenditure	2,865	3,015	4,297	3,895	3,357	2,882	3,373	3,484
Locally financed capital expenditure	–1,513	749	–2,202	–1,719	777	1,798	2,013	2,101
AME margin (capital)	—	—	—	—	—	—	100	200
Remove items classified as current								
in national accounts	–5,235	–4,960	–5,118	–5,156	–5,271	–5,016	–5,501	–6,260
Add resource budget classified as capital								
in national accounts	363	53	–24	–44	–198	–239	87	32
Accounting and other adjustments	–399	–1,921	–2,023	–3,044	–504	–730	–791	–1,300
<b>Public sector gross investment</b>	<b>18,347</b>	<b>23,403</b>	<b>26,202</b>	<b>28,796</b>	<b>35,637</b>	<b>41,299</b>	<b>45,600</b>	<b>48,600</b>
<b>Less depreciation (national accounts)</b>	<b>12,676</b>	<b>13,112</b>	<b>14,044</b>	<b>14,309</b>	<b>14,967</b>	<b>15,619</b>	<b>16,800</b>	<b>17,700</b>
<b>Public Sector Net Investment</b>	<b>5,671</b>	<b>10,291</b>	<b>12,158</b>	<b>14,487</b>	<b>20,670</b>	<b>25,680</b>	<b>28,800</b>	<b>30,900</b>

Table I.5 Resource Budgets, 2000–01 to 2007–08

	£ million							
	National Statistics					2005–06 estimated outturn	2006–07 plans	2007–08 plans
	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn			
<b>Resource DEL by departmental group</b>								
Education and Skills	14,111	16,695	20,197	22,086	23,044	24,809	53,449	56,772
Health	45,584	52,907	57,212	63,706	69,206	76,945	81,986	89,092
<i>of which: NHS England</i>	45,020	52,070	55,501	61,965	66,943	74,667	79,997	87,062
Transport	2,983	2,872	3,877	5,009	5,258	5,755	6,893	6,743
Office of the Deputy Prime Minister	1,184	1,200	1,591	3,319	3,531	3,283	3,511	3,653
Local Government	35,270	36,921	37,396	40,915	43,316	46,200	22,492	23,336
Home Office	8,814	10,401	10,933	11,694	11,991	12,714	13,004	13,624
Constitutional Affairs	2,927	3,133	3,490	3,371	3,288	3,752	3,949	3,993
Law Officers' Departments	392	465	514	576	643	691	686	718
Defence	33,394	32,341	36,451	31,330	31,287	33,281	32,610	32,779
Foreign and Commonwealth Office	1,473	1,404	1,535	1,548	1,715	1,967	1,818	1,681
International Development	2,981	3,049	3,418	3,705	3,803	4,413	4,961	5,278
Trade and Industry	5,577	4,819	3,445	3,608	4,274	5,381	5,589	5,808
Environment Food and Rural Affairs	2,509	2,338	2,355	2,415	2,776	3,022	3,001	3,081
Culture Media and Sport	1,041	1,004	1,210	1,223	1,343	1,434	1,536	1,572
Work and Pensions	5,743	6,057	6,858	7,651	7,746	7,929	7,765	7,699
Scotland	13,847	15,031	16,110	18,329	19,336	20,791	22,204	23,426
Wales	7,015	7,827	8,824	9,576	10,324	11,487	11,660	12,295
Northern Ireland Executive	5,290	5,144	5,764	6,006	6,301	6,808	7,132	7,565
Northern Ireland Office	973	1,073	1,096	1,044	1,172	1,015	1,185	1,144
Chancellor's Departments	3,741	3,996	4,344	4,517	4,906	5,120	5,108	5,093
Cabinet Office	1,371	1,612	1,703	1,851	2,067	2,143	2,117	2,160
Invest to Save Budget	—	—	—	—	—	—	14	15
DEL Reserve	—	—	—	—	—	—	1,000	2,100
Unallocated Special Reserve	—	—	—	—	—	—	800	—
Allowance for Shortfall	—	—	—	—	—	-960	—	—
<b>Total Resource DEL</b>	<b>196,219</b>	<b>210,289</b>	<b>228,324</b>	<b>243,478</b>	<b>257,327</b>	<b>277,981</b>	<b>294,400</b>	<b>309,600</b>
<b>Resource Departmental AME</b>								
<b>by departmental group</b>								
Education and Skills	6,468	6,942	7,286	6,842	6,744	8,591	9,164	9,623
Health	3,783	3,950	4,569	6,194	6,398	8,894	10,178	11,072
<i>of which: NHS England</i>	0	0	0	0	2	2	-4	0
Transport	1,725	2,107	2,089	2,117	2,085	1,960	1,878	2,846
Office of the Deputy Prime Minister	449	355	241	208	82	246	347	305
Local Government	61	498	170	304	461	524	720	375
Home Office	1	173	2,013	40	1	5	291	306
Constitutional Affairs	92	96	101	58	62	80	88	96
Defence	4,420	4,482	6,151	4,493	4,130	5,164	5,491	5,615
International Development	81	114	102	129	132	140	336	351
Trade and Industry	751	1,149	3,550	1,300	-506	835	73	77
Environment Food and Rural Affairs	1,847	1,766	51	73	72	126	51	51
Culture Media and Sport	3,188	3,540	3,597	4,088	3,620	3,846	3,960	3,970
Work and Pensions	88,439	95,558	99,974	103,939	110,791	115,178	117,874	122,718
Scotland	1,466	1,866	1,856	1,469	1,775	2,217	2,393	2,564
Wales	-84	150	181	532	233	280	303	322
Northern Ireland Executive	4,510	5,287	5,325	5,259	5,807	7,729	7,878	7,907
Northern Ireland Office	—	—	—	—	—	222	236	252
Chancellor's Departments	12,624	14,177	15,156	19,568	21,661	22,589	24,943	26,094
Cabinet Office	3,255	4,699	4,581	5,017	5,383	5,827	5,937	6,267
<b>Total Resource Departmental AME</b>	<b>133,074</b>	<b>146,908</b>	<b>156,994</b>	<b>161,630</b>	<b>168,930</b>	<b>184,453</b>	<b>192,141</b>	<b>200,811</b>
<b>Total Resource Budget</b>	<b>329,293</b>	<b>357,197</b>	<b>385,318</b>	<b>405,108</b>	<b>426,257</b>	<b>462,434</b>	<b>486,600</b>	<b>510,500</b>

Table I.6 Resource Budgets in real terms<sup>(1)</sup>, 2000–01 to 2007–08

	£ million							
	National Statistics					2005–06 estimated outturn	2006–07 plans	2007–08 plans
	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn			
<b>Resource DEL by departmental group</b>								
Education and Skills	15,647	18,066	21,182	22,571	23,044	24,301	51,106	52,878
Health	50,544	57,251	60,002	65,104	69,206	75,369	78,392	82,981
<i>of which: NHS England</i>	49,919	56,345	58,208	63,325	66,943	73,138	76,490	81,090
Transport	3,308	3,108	4,066	5,119	5,258	5,637	6,591	6,281
Office of the Deputy Prime Minister	1,313	1,299	1,669	3,392	3,531	3,216	3,357	3,402
Local Government	39,108	39,952	39,220	41,813	43,316	45,254	21,506	21,735
Home Office	9,773	11,255	11,466	11,951	11,991	12,454	12,434	12,690
Constitutional Affairs	3,246	3,390	3,660	3,445	3,288	3,675	3,776	3,719
Law Officers' Departments	435	503	539	589	643	677	656	669
Defence	37,028	34,996	38,229	32,018	31,287	32,599	31,180	30,531
Foreign and Commonwealth Office	1,633	1,519	1,610	1,582	1,715	1,927	1,738	1,566
International Development	3,305	3,299	3,585	3,786	3,803	4,323	4,744	4,916
Trade and Industry	6,184	5,215	3,613	3,687	4,274	5,271	5,344	5,410
Environment Food and Rural Affairs	2,782	2,530	2,470	2,468	2,776	2,960	2,869	2,870
Culture Media and Sport	1,154	1,086	1,269	1,250	1,343	1,405	1,469	1,464
Work and Pensions	6,368	6,554	7,192	7,819	7,746	7,767	7,425	7,171
Scotland	15,354	16,265	16,896	18,731	19,336	20,365	21,231	21,819
Wales	7,778	8,470	9,254	9,786	10,324	11,252	11,149	11,452
Northern Ireland Executive	5,866	5,566	6,045	6,138	6,301	6,669	6,819	7,046
Northern Ireland Office	1,079	1,161	1,149	1,067	1,172	994	1,133	1,066
Chancellor's Departments	4,148	4,324	4,556	4,616	4,906	5,015	4,884	4,744
Cabinet Office	1,520	1,744	1,786	1,892	2,067	2,099	2,024	2,012
Invest to Save Budget	—	—	—	—	—	—	13	14
DEL Reserve	—	—	—	—	—	—	900	2,000
Unallocated Special Reserve	—	—	—	—	—	—	800	—
Allowance for Shortfall	—	—	—	—	—	-940	—	—
<b>Total Resource DEL</b>	<b>217,571</b>	<b>227,553</b>	<b>239,459</b>	<b>248,823</b>	<b>257,327</b>	<b>272,287</b>	<b>281,500</b>	<b>288,400</b>
<b>Resource Departmental AME by departmental group</b>								
Education and Skills	7,172	7,512	7,641	6,992	6,744	8,415	8,762	8,963
Health	4,195	4,274	4,792	6,330	6,398	8,712	9,732	10,313
<i>of which: NHS England</i>	0	0	0	0	2	2	-4	0
Transport	1,913	2,280	2,191	2,163	2,085	1,920	1,796	2,651
Office of the Deputy Prime Minister	498	384	253	213	82	241	332	284
Local Government	68	539	178	311	461	513	688	349
Home Office	1	187	2,111	41	1	5	278	285
Constitutional Affairs	102	104	106	59	62	78	84	89
Defence	4,901	4,850	6,451	4,592	4,130	5,058	5,250	5,230
International Development	90	123	107	132	132	137	321	327
Trade and Industry	833	1,243	3,723	1,329	-506	818	70	72
Environment Food and Rural Affairs	2,048	1,911	53	75	72	123	49	48
Culture Media and Sport	3,535	3,831	3,772	4,178	3,620	3,767	3,786	3,698
Work and Pensions	98,063	103,403	104,850	106,221	110,791	112,819	112,706	114,301
Scotland	1,626	2,019	1,947	1,501	1,775	2,172	2,288	2,388
Wales	-93	162	190	544	233	274	290	300
Northern Ireland Executive	5,001	5,721	5,585	5,374	5,807	7,571	7,533	7,365
Northern Ireland Office	—	—	—	—	—	217	226	235
Chancellor's Departments	13,998	15,341	15,895	19,998	21,661	22,126	23,850	24,304
Cabinet Office	3,609	5,085	4,804	5,127	5,383	5,708	5,677	5,837
<b>Total Resource Departmental AME</b>	<b>147,555</b>	<b>158,969</b>	<b>164,650</b>	<b>165,178</b>	<b>168,930</b>	<b>180,675</b>	<b>183,718</b>	<b>187,038</b>
<b>Total Resource Budget</b>	<b>365,127</b>	<b>386,522</b>	<b>404,109</b>	<b>414,001</b>	<b>426,257</b>	<b>452,963</b>	<b>465,300</b>	<b>475,400</b>

(1) Real terms figures are the cash figures adjusted to 2004–05 price levels using GDP deflators. For years 2000–01 to 2004–05 deflators are calculated from the latest data from the Office for National Statistics (released 29 March 2006). From 2005–06, deflators are consistent with the March 2006 Financial Statement and Budget Report.

Table 1.7 Near-cash elements of Resource Budgets, 2001–01 to 2007–08

	£ million							
	National Statistics							
	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans
<b>Resource DEL by departmental group<sup>(1)</sup></b>								
Education and Skills	13,362	15,987	19,363	21,095	22,338	24,180	52,669	55,757
Health	44,327	49,133	54,578	61,300	68,934	74,415	78,170	84,964
<i>of which: NHS England</i>	43,764	48,298	52,878	59,569	66,688	72,154	76,200	82,954
Transport	3,188	2,950	3,449	4,564	4,636	5,210	5,657	5,559
Office of the Deputy Prime Minister	1,162	1,208	1,569	3,321	3,522	3,424	3,396	3,542
Local Government	35,269	36,921	37,395	40,914	43,314	46,200	22,492	23,336
Home Office	8,482	9,753	10,439	11,347	11,531	12,311	12,481	13,074
Constitutional Affairs	2,743	2,861	3,304	3,488	3,990	3,613	3,850	3,918
Law Officers' Departments	385	428	510	571	632	685	676	707
Defence	18,913	18,296	19,574	21,169	21,615	22,224	21,474	22,189
Foreign and Commonwealth Office	1,175	1,260	1,330	1,402	1,599	1,767	1,626	1,474
International Development	2,868	3,027	3,260	3,682	3,722	4,355	4,899	5,210
Trade and Industry	2,867	3,319	3,296	3,530	3,917	5,143	5,273	5,491
Environment Food and Rural Affairs	1,760	2,594	2,087	2,202	2,466	2,870	2,684	2,764
Culture Media and Sport	933	871	1,078	1,084	1,210	1,297	1,350	1,381
Work and Pensions	5,694	5,998	6,690	7,538	7,658	7,733	7,588	7,535
Scotland	13,341	14,388	15,592	17,894	18,506	19,963	21,444	22,626
Wales	6,950	7,558	8,484	9,380	10,014	11,019	11,230	11,848
Northern Ireland Executive	5,046	4,900	5,508	5,847	6,137	6,611	6,901	7,297
Northern Ireland Office	955	960	917	935	918	819	994	953
Chancellor's Departments	3,463	3,794	3,949	4,351	4,590	4,792	4,817	4,742
Cabinet Office	1,118	1,268	1,354	1,415	1,674	1,695	1,831	1,761
<b>Total near-cash Resource DEL<sup>(1)</sup></b>	<b>174,001</b>	<b>187,474</b>	<b>203,727</b>	<b>227,026</b>	<b>242,922</b>	<b>260,327</b>	<b>271,502</b>	<b>286,128</b>
<b>Resource Departmental AME by departmental group</b>								
Education and Skills	1,659	1,718	1,685	920	1,265	1,656	1,993	2,173
Health	523	-144	-108	-2,144	-2,345	-2,851	-3,160	-3,462
<i>of which: NHS England</i>	0	0	0	2	0	-5	-4	0
Transport	—	7	-2	—	31	-766	—	—
Office of the Deputy Prime Minister	447	367	246	209	83	246	348	305
Local Government	61	498	170	304	461	524	720	375
Home Office	1	-1	1,690	40	1	4	308	323
Constitutional Affairs	32	33	37	-11	88	43	-7	-1
Defence	382	237	24	-409	-958	-403	-585	-696
International Development	123	121	116	119	117	104	114	112
Trade and Industry	254	288	1,198	1,166	1,076	1,500	1,278	862
Environment Food and Rural Affairs	513	1,969	131	63	61	75	51	51
Culture Media and Sport	3,123	3,475	3,531	4,021	3,553	3,776	3,868	3,878
Work and Pensions	88,310	95,470	99,828	103,854	110,464	114,732	117,806	122,663
Scotland	128	144	206	-48	-94	-103	-86	-87
Wales	-80	-79	-72	190	-86	-50	-40	-31
Northern Ireland Executive	3,328	3,694	3,814	3,646	3,736	4,065	4,242	4,433
Northern Ireland Office	83	125	120	94	120	130	179	150
Chancellor's Departments	12,518	14,072	15,049	19,437	21,569	23,083	24,847	25,996
Cabinet Office	1,068	940	-1,365	1,036	1,049	43	664	615
<b>Total near-cash Resource Departmental AME</b>	<b>112,472</b>	<b>122,934</b>	<b>126,296</b>	<b>132,488</b>	<b>140,191</b>	<b>145,808</b>	<b>152,540</b>	<b>157,659</b>
<b>Total near-cash Resource Budget<sup>(1)</sup></b>	<b>286,473</b>	<b>310,408</b>	<b>330,022</b>	<b>359,514</b>	<b>383,113</b>	<b>406,135</b>	<b>424,042</b>	<b>443,787</b>

(1) The near-cash Resource DEL figures shown above exclude the allowance for shortfall in 2005–06 and exclude the unallocated Special Reserve in 2006–07. The DEL Reserve and unallocated amounts for the Invest to Save Budget are also excluded in 2005–06, 2006–07, and 2007–08. These items are part of Resource DEL, as shown in Table 1.5, but are not specified as cash or non-cash at this planning stage.

Table I.8 Non-cash elements of Resource Budgets, 2001–01 to 2007–08

	£ million							
	National Statistics					2005–06 estimated outturn	2006–07 plans	2007–08 plans
	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn			
<b>Resource DEL by departmental group<sup>(1)</sup></b>								
Education and Skills	748	708	835	992	707	629	780	1,015
Health	1,257	3,774	2,633	2,406	273	2,530	3,817	4,129
<i>of which: NHS England</i>	<i>1,256</i>	<i>3,772</i>	<i>2,622</i>	<i>2,396</i>	<i>255</i>	<i>2,513</i>	<i>3,797</i>	<i>4,109</i>
Transport	–205	–78	428	445	622	545	1,236	1,184
Office of the Deputy Prime Minister	22	–9	22	–2	10	–141	115	110
Local Government	0	0	0	0	1	1	—	—
Home Office	332	649	494	347	460	403	523	550
Constitutional Affairs	184	272	186	–117	–702	139	98	75
Law Officers' Departments	7	37	4	5	11	7	11	11
Defence	14,481	14,045	16,876	10,161	9,672	11,057	11,137	10,590
Foreign and Commonwealth Office	297	144	205	147	116	200	192	207
International Development	113	22	159	23	81	58	62	68
Trade and Industry	2,710	1,500	149	78	357	238	315	317
Environment Food and Rural Affairs	749	–257	269	213	311	152	317	317
Culture Media and Sport	108	133	132	139	132	137	186	191
Work and Pensions	49	59	168	114	88	196	177	164
Scotland	506	643	518	435	830	828	759	800
Wales	65	269	340	196	311	467	430	447
Northern Ireland Executive	244	244	256	159	164	197	231	268
Northern Ireland Office	18	113	179	109	254	196	191	191
Chancellor's Departments	279	202	395	166	316	328	291	351
Cabinet Office	254	344	348	435	394	448	286	399
<b>Total non-cash Resource DEL<sup>(1)</sup></b>	<b>22,218</b>	<b>22,815</b>	<b>24,597</b>	<b>16,451</b>	<b>14,405</b>	<b>18,614</b>	<b>21,154</b>	<b>21,385</b>
<b>Resource Departmental AME by departmental group</b>								
Education and Skills	4,809	5,225	5,601	5,921	5,479	6,935	7,170	7,450
Health	3,260	4,094	4,677	8,338	8,743	11,745	13,338	14,534
<i>of which: NHS England</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>–1</i>	<i>2</i>	<i>7</i>	<i>0</i>	<i>—</i>
Transport	1,725	2,100	2,091	2,117	2,054	2,727	1,878	2,846
Office of the Deputy Prime Minister	2	–12	–5	0	0	0	0	0
Home Office	—	173	324	—	—	1	–17	–17
Constitutional Affairs	60	63	65	69	–27	37	94	97
Defence	4,038	4,245	6,127	4,902	5,087	5,567	6,076	6,311
International Development	–42	–8	–14	10	15	36	222	239
Trade and Industry	498	861	2,352	134	–1,583	–665	–1,205	–785
Environment Food and Rural Affairs	1,334	–203	–79	10	11	50	—	—
Culture Media and Sport	65	65	66	67	67	70	92	92
Work and Pensions	129	88	146	85	327	446	68	55
Scotland	1,338	1,723	1,650	1,517	1,869	2,320	2,480	2,651
Wales	–4	229	253	341	318	331	343	354
Northern Ireland Executive	1,182	1,593	1,511	1,613	2,071	3,663	3,636	3,474
Northern Ireland Office	–83	–125	–120	–94	–120	92	58	102
Chancellor's Departments	106	105	107	130	92	–494	96	98
Cabinet Office	2,187	3,759	5,945	3,981	4,335	5,784	5,273	5,651
<b>Total non-cash Resource Departmental AME</b>	<b>20,603</b>	<b>23,974</b>	<b>30,698</b>	<b>29,142</b>	<b>28,739</b>	<b>38,645</b>	<b>39,602</b>	<b>43,152</b>
<b>Total non-cash Resource Budget<sup>(1)</sup></b>	<b>42,820</b>	<b>46,789</b>	<b>55,295</b>	<b>45,593</b>	<b>43,144</b>	<b>57,259</b>	<b>60,756</b>	<b>64,537</b>

(1) The non-cash Resource DEL figures shown above exclude the allowance for shortfall in 2006–07 and exclude the unallocated Special Reserve in 2006–07. The DEL Reserve and unallocated amounts for the Invest to Save Budget are also excluded in 2005–06, 2006–07, and 2007–08. These items are part of Resource DEL, as shown in Table I.5, but are not specified as cash or non-cash at this planning stage.

**Table I.9 Administration Budgets by departmental group, 2000–01 to 2007–08**

	accruals, £ million							
	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans
Education and Skills	247	256	250	267	275	259	272	265
Health	284	309	329	323	314	292	279	277
Transport	263	252	331	350	212	258	265	231
Office of the Deputy Prime Minister	227	257	226	289	312	296	287	285
Home Office	516	772	659	654	664	703	664	664
Constitutional Affairs	356	198	265	353	524	480	579	575
Law Officers' Departments	64	74	79	90	104	108	111	110
Foreign and Commonwealth Office	764	700	763	746	753	858	877	900
Department for International Development	73	82	94	197	216	343	236	232
Trade and Industry	321	335	374	416	398	413	405	396
Environment, Food and Rural Affairs	244	232	378	287	315	329	285	275
Culture, Media and Sport	28	32	36	39	40	49	48	47
Work and Pensions	4,347	4,830	5,607	5,949	5,988	5,930	5,831	5,794
Northern Ireland Office	57	61	136	78	82	95	92	86
Chancellor's Departments	3,625	3,906	4,152	4,397	4,755	4,848	4,988	4,973
Cabinet Office	584	633	659	706	870	882	939	954
<i>of which: Security and Intelligence Agencies</i>	459	452	490	544	709	663	707	750
<b>Departmental Totals</b>	<b>12,001</b>	<b>12,929</b>	<b>14,337</b>	<b>15,141</b>	<b>15,820</b>	<b>16,142</b>	<b>16,157</b>	<b>16,065</b>
<i>of which: administration costs paybill</i>	6,678	7,286	7,991	8,656	8,776	9,023	8,832	8,729
Ministry of Defence civilian paybill	2,305	2,422	2,365	2,461	2,948	2,902	2,863	2,825
<b>Administration Budgets as percentage of</b>								
<b>Total Managed Expenditure</b>	<b>3.3%</b>	<b>3.3%</b>	<b>3.4%</b>	<b>3.3%</b>	<b>3.2%</b>	<b>3.1%</b>	<b>2.9%</b>	<b>2.8%</b>

Table I.10 Capital Budgets, 2000–01 to 2007–08

	National Statistics							
	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans
<b>£ million</b>								
<b>Capital DEL by departmental group</b>								
Education and Skills	2,290	2,643	3,429	4,219	4,905	5,756	6,254	6,995
Health	1,293	1,814	2,145	2,689	2,690	3,022	5,329	6,321
<i>of which: NHS England</i>	1,238	1,719	2,073	2,602	2,606	2,934	5,227	6,199
Transport	1,669	3,860	5,253	5,720	5,980	6,558	7,379	6,699
Office of the Deputy Prime Minister	3,354	2,495	3,052	4,713	5,135	5,758	5,723	6,171
Local Government	56	84	202	214	257	230	249	249
Home Office	407	696	926	940	1,059	1,131	1,187	1,272
Constitutional Affairs	41	85	88	131	194	176	140	148
Law Officers' Departments	14	23	8	11	11	9	15	15
Defence	5,391	5,836	6,149	6,073	6,754	6,788	6,927	7,589
Foreign and Commonwealth Office	130	77	102	87	112	152	150	148
International Development	–1	38	31	42	32	32	20	22
Trade and Industry	311	595	702	977	792	1,251	1,187	1,145
Environment, Food and Rural Affairs	307	452	432	567	489	661	772	807
Culture, Media and Sport	24	33	44	123	122	261	278	232
Work and Pensions	37	161	253	174	298	400	178	63
Scotland	1,284	1,879	1,897	1,673	2,170	2,444	2,942	3,124
Wales	820	920	1,004	985	1,055	1,262	1,429	1,614
Northern Ireland Executive	624	604	665	618	799	1,029	946	994
Northern Ireland Office	35	41	53	50	71	55	72	72
Chancellor's Departments	–231	205	262	253	429	404	315	310
Cabinet Office	200	214	183	522	238	258	263	263
Invest to Save budget	—	—	—	—	—	—	5	6
DEL reserve	—	—	—	—	—	—	800	1,400
Allowance for shortfall	—	—	—	—	—	–299	—	—
<b>Total Capital DEL</b>	<b>18,057</b>	<b>22,756</b>	<b>26,883</b>	<b>30,780</b>	<b>33,592</b>	<b>37,338</b>	<b>42,500</b>	<b>45,700</b>
<b>Capital Departmental AME</b>								
<b>by departmental group</b>								
Education and Skills	1,722	1,889	2,002	2,046	2,018	2,155	2,773	3,403
Health	—	—	—	—	229	877	84	—
<i>of which: NHS</i>	—	—	—	—	229	877	84	—
Transport	—	—	966	970	65	—	—	—
Local Government	—	50	56	125	—	—	—	—
Defence	—	111	–50	–4	—	–64	–7	–15
International Development	—	—	—	—	—	—	—	—
Trade and Industry	1,260	389	–228	–1,092	–342	–258	–1,045	–573
Environment, Food and Rural Affairs	1	1	1	1	1	—	—	—
Culture, Media and Sport	1,030	911	1,251	1,197	1,186	1,063	1,046	926
Work and Pensions	22	75	77	90	80	101	207	141
Scotland	173	196	216	191	172	170	168	168
Wales	—	—	7	10	—	—	—	—
Northern Ireland Executive	—	90	90	149	248	342	316	346
Chancellor's Departments	0	—	—	400	228	880	240	240
<b>Total Capital Departmental AME</b>	<b>4,209</b>	<b>3,711</b>	<b>4,388</b>	<b>4,084</b>	<b>3,885</b>	<b>5,266</b>	<b>3,783</b>	<b>4,636</b>
<b>Total Capital Budget</b>	<b>22,266</b>	<b>26,468</b>	<b>31,272</b>	<b>34,864</b>	<b>37,477</b>	<b>42,604</b>	<b>46,300</b>	<b>50,300</b>

Table I.11 Capital Budgets in real terms<sup>(1)</sup>, 2000–01 to 2007–08

	National Statistics							
	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans
<b>£ million</b>								
<b>Capital DEL by departmental group</b>								
Education and Skills	2,539	2,860	3,596	4,312	4,905	5,638	5,980	6,515
Health	1,434	1,963	2,250	2,748	2,690	2,960	5,095	5,887
<i>of which: NHS England</i>	1,373	1,860	2,174	2,659	2,606	2,874	4,998	5,774
Transport	1,851	4,177	5,509	5,846	5,980	6,424	7,056	6,240
Office of the Deputy Prime Minister	3,719	2,700	3,201	4,816	5,135	5,640	5,472	5,748
Local Government	62	91	212	219	257	225	238	232
Home Office	451	753	971	961	1,059	1,108	1,135	1,185
Constitutional Affairs	45	92	92	134	194	172	134	138
Law Officers' Departments	16	25	8	11	11	9	14	14
Defence	5,978	6,315	6,449	6,206	6,754	6,649	6,623	7,068
Foreign and Commonwealth Office	144	83	107	89	112	149	143	138
International Development	–1	41	33	43	32	31	19	20
Trade and Industry	345	644	736	998	792	1,225	1,135	1,066
Environment Food and Rural Affairs	340	489	453	579	489	647	738	752
Culture Media and Sport	27	36	46	126	122	256	266	216
Work and Pensions	41	174	265	178	298	392	170	59
Scotland	1,424	2,033	1,990	1,710	2,170	2,394	2,813	2,910
Wales	909	996	1,053	1,007	1,055	1,236	1,366	1,503
Northern Ireland Executive	692	654	697	632	799	1,008	905	926
Northern Ireland Office	39	44	56	51	71	54	69	67
Chancellor's Departments	–256	222	275	259	429	396	301	289
Cabinet Office	222	232	192	533	238	253	251	245
Invest to Save Budget	—	—	—	—	—	—	5	6
DEL Reserve	—	—	—	—	—	—	700	1,300
Allowance for Shortfall	—	—	—	—	—	–293	—	—
<b>Total Capital DEL</b>	<b>20,022</b>	<b>24,624</b>	<b>28,194</b>	<b>31,456</b>	<b>33,592</b>	<b>36,573</b>	<b>40,700</b>	<b>42,600</b>
<b>Capital Departmental AME by departmental group</b>								
Education and Skills	1,909	2,044	2,100	2,091	2,018	2,111	2,651	3,170
Health	—	—	—	—	229	859	80	—
<i>of which: NHS</i>	—	—	—	—	229	859	80	—
Transport	—	—	1,013	991	65	—	—	—
Local Government	—	54	59	128	—	—	—	—
Defence	—	120	–52	–4	—	–63	–7	–14
Trade and Industry	1,397	421	–239	–1,116	–342	–253	–999	–534
Environment Food and Rural Affairs	1	1	1	1	1	—	—	—
Culture Media and Sport	1,142	986	1,312	1,223	1,186	1,041	1,000	862
Work and Pensions	24	81	81	92	80	99	198	131
Scotland	192	212	227	195	172	167	161	156
Wales	—	—	7	10	—	—	—	—
Northern Ireland Executive	—	97	94	152	248	335	302	322
Chancellor's Departments	0	—	—	409	228	862	229	224
<b>Total Capital Departmental AME</b>	<b>4,667</b>	<b>4,016</b>	<b>4,602</b>	<b>4,174</b>	<b>3,885</b>	<b>5,158</b>	<b>3,617</b>	<b>4,318</b>
<b>Total Capital Budget</b>	<b>24,689</b>	<b>28,641</b>	<b>32,797</b>	<b>35,629</b>	<b>37,477</b>	<b>41,731</b>	<b>44,300</b>	<b>46,900</b>

(1) Real terms figures are the cash figures adjusted to 2004–05 price levels using GDP deflators. For years 2000–01 to 2004–05 deflators are calculated from the latest data from the Office for National Statistics (released 29 March 2006). From 2005–06, deflators are consistent with the March 2006 Financial Statement and Budget Report.

Table I.12 Total Departmental Expenditure Limits<sup>(1)</sup>, 2000–01 to 2007–08

	National Statistics							
	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans
<b>£ million</b>								
<b>Resource and Net Capital DEL by departmental group</b>								
Education and Skills	16,386	19,313	23,593	26,270	27,909	30,530	59,663	63,732
Health	46,585	54,416	58,925	66,002	71,411	79,303	86,461	94,307
<i>of which: NHS England</i>	45,967	53,486	57,152	64,183	69,078	76,955	84,386	92,173
Transport	4,621	6,688	8,857	10,147	10,596	11,543	13,052	12,295
Office of the Deputy Prime Minister	4,528	3,681	4,635	8,013	8,631	9,015	9,199	9,787
Local Government	35,325	37,005	37,598	41,128	43,571	46,430	22,741	23,584
Home Office	9,076	10,908	11,598	12,411	12,824	13,564	14,088	14,767
Constitutional Affairs	2,916	3,163	3,521	3,433	3,385	3,808	3,953	4,000
Law Officers' Departments	400	457	519	582	646	695	693	724
Defence	31,473	30,755	29,341	31,102	33,002	31,963	31,986	33,367
Foreign and Commonwealth Office	1,347	1,385	1,510	1,531	1,757	1,981	1,817	1,662
International Development	2,975	3,077	3,434	3,716	3,810	4,423	4,959	5,277
Trade and Industry	5,797	5,289	4,054	4,407	4,946	6,501	6,636	6,811
Environment, Food and Rural Affairs	2,698	2,663	2,630	2,839	3,065	3,517	3,567	3,682
Culture, Media and Sport	1,003	963	1,185	1,279	1,410	1,597	1,717	1,702
Work and Pensions	5,727	6,171	7,017	7,724	7,912	8,186	7,786	7,608
Scotland <sup>(2)</sup>	15,023	16,740	17,886	19,806	21,090	22,866	24,806	26,194
Wales <sup>(2)</sup>	7,814	8,555	9,591	10,465	11,182	12,436	12,832	13,649
Northern Ireland Executive <sup>(2)</sup>	5,854	5,689	6,374	6,566	7,050	7,750	7,992	8,483
Northern Ireland Office	978	1,083	1,093	1,053	1,204	1,024	1,207	1,163
Chancellor's Departments	3,344	4,020	4,284	4,606	5,027	5,332	5,196	5,177
Cabinet Office	1,432	1,648	1,720	2,159	2,089	2,178	2,145	2,201
Invest to Save Budget	—	—	—	—	—	—	19	20
DEL Reserve	—	—	—	—	—	—	1,700	3,500
Unallocated Special Reserve <sup>(3)</sup>	—	—	—	—	—	—	800	—
Allowance for Shortfall	—	—	—	—	—	-1,259	—	—
<b>Total DEL</b>	<b>205,303</b>	<b>223,668</b>	<b>239,362</b>	<b>265,238</b>	<b>282,515</b>	<b>303,382</b>	<b>325,100</b>	<b>343,700</b>
<b>Total Education Spending<sup>(4)</sup> (£ billion)</b>	<b>44.5</b>	<b>49.8</b>	<b>53.3</b>	<b>59.2</b>	<b>63.7</b>	<b>67.9</b>	<b>73.2</b>	<b>77.8</b>

(1) Full resource budgeting basis, excluding depreciation.

(2) Allocations within DEL totals may be subject to final decisions in allocation by devolved administrations.

(3) This represents provision for the costs of the military conflict in Iraq and other international obligations.

(4) Includes spending by local authorities.

**Table I.13 Total Departmental Expenditure Limits<sup>(1)</sup> in real terms<sup>(2)</sup>, 2000–01 to 2007–08**

	£ million							
	National Statistics					2005–06 estimated outturn	2006–07 plans	2007–08 plans
	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn			
<b>Resource and Net Capital DEL by departmental group</b>								
Education and Skills	18,169	20,899	24,744	26,847	27,909	29,905	57,047	59,361
Health	51,654	58,883	61,799	67,451	71,411	77,679	82,671	87,839
<i>of which: NHS England</i>	50,969	57,877	59,939	65,592	69,078	75,379	80,687	85,851
Transport	5,124	7,237	9,289	10,370	10,596	11,307	12,480	11,452
Office of the Deputy Prime Minister	5,021	3,983	4,861	8,189	8,631	8,830	8,796	9,116
Local Government	39,169	40,043	39,432	42,031	43,571	45,479	21,744	21,966
Home Office	10,064	11,804	12,164	12,683	12,824	13,286	13,470	13,754
Constitutional Affairs	3,233	3,423	3,693	3,508	3,385	3,730	3,780	3,726
Law Officers' Departments	444	495	544	595	646	681	663	674
Defence	34,898	33,280	30,772	31,785	33,002	31,308	30,584	31,078
Foreign and Commonwealth Office	1,494	1,499	1,584	1,565	1,757	1,940	1,737	1,548
International Development	3,299	3,330	3,601	3,798	3,810	4,332	4,742	4,915
Trade and Industry	6,428	5,723	4,252	4,504	4,946	6,368	6,345	6,344
Environment, Food and Rural Affairs	2,992	2,882	2,758	2,901	3,065	3,445	3,411	3,429
Culture, Media and Sport	1,112	1,042	1,243	1,307	1,410	1,564	1,642	1,585
Work and Pensions	6,350	6,678	7,359	7,894	7,912	8,018	7,445	7,086
Scotland <sup>(3)</sup>	16,658	18,114	18,758	20,241	21,090	22,398	23,719	24,397
Wales <sup>(3)</sup>	8,664	9,257	10,059	10,695	11,182	12,181	12,269	12,713
Northern Ireland Executive <sup>(3)</sup>	6,491	6,156	6,685	6,710	7,050	7,591	7,642	7,901
Northern Ireland Office	1,084	1,172	1,146	1,076	1,204	1,003	1,154	1,083
Chancellor's Departments	3,708	4,350	4,493	4,707	5,027	5,223	4,968	4,822
Cabinet Office	1,588	1,783	1,804	2,206	2,089	2,133	2,051	2,050
Invest to Save Budget	—	—	—	—	—	—	18	19
DEL Reserve	—	—	—	—	—	—	1,700	3,300
Unallocated Special Reserve <sup>(4)</sup>	—	—	—	—	—	—	800	—
Allowance for Shortfall	—	—	—	—	—	-1,233	—	—
<b>Total DEL</b>	<b>227,644</b>	<b>242,031</b>	<b>251,035</b>	<b>271,060</b>	<b>282,515</b>	<b>297,168</b>	<b>310,800</b>	<b>320,200</b>
<b>Total Education Spending<sup>(5)</sup> (£ billion)</b>	<b>49.3</b>	<b>53.9</b>	<b>55.9</b>	<b>60.5</b>	<b>63.7</b>	<b>66.5</b>	<b>70.0</b>	<b>72.5</b>

(1) Full resource budgeting basis, excluding depreciation.

(2) Real terms figures are the cash figures adjusted to 2004–05 price levels using GDP deflators. For years 2000–01 to 2004–05 deflators are calculated from the latest data from the Office for National Statistics (released 29 March 2006). From 2005–06, deflators are consistent with the March 2006 Financial Statement and Budget Report.

(3) Allocations within DEL totals may be subject to final decisions in allocation by devolved administrations.

(4) This represents provision for the costs of the military conflict in Iraq and other international obligations.

(5) Includes spending by local authorities and devolved administrations.

**Table I.14 Accounting adjustments, 2000–01 to 2007–08**

	£ billion							
	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans
Tax credits for individuals	0.9	0.8	0.9	0.1	0.0	0.0	0.0	0.0
Pensions	-13.1	-17.0	-20.1	-22.3	-23.3	-32.2	-33.4	-35.6
Other central government programmes	-0.7	-0.7	-0.2	0.1	0.2	0.1	0.0	0.0
VAT refunds	5.9	6.6	7.6	8.7	9.6	10.5	11.4	12.2
Central government capital consumption	5.1	5.2	5.3	5.5	5.7	5.9	6.6	7.0
Non-cash items not in TME, and stocks	-17.7	-17.5	-17.2	-12.4	-8.9	-10.6	-12.1	-14.3
Expenditure financed by revenue receipts	0.2	0.2	0.3	0.2	0.1	0.2	0.1	0.1
Local authorities	4.7	2.6	5.9	4.4	3.3	4.0	4.8	5.4
General government consolidation	-6.4	-6.5	-7.0	-7.0	-6.2	-6.3	-6.6	-6.8
Public corporations	0.4	0.5	0.8	0.6	0.6	0.5	0.6	0.6
Financial transactions	-3.7	-2.3	-2.3	-1.3	-1.1	-1.6	-2.0	-2.6
Data adjustment	-0.2	-0.2	-0.2	0.0	0.2	1.5	-0.5	-0.5
Balancing reconciliation	-1.3	-1.8	-0.8	-0.9	-1.1	-1.7	-1.2	-0.7
<b>Total accounting adjustments</b>	<b>-25.8</b>	<b>-30.3</b>	<b>-27.0</b>	<b>-24.5</b>	<b>-20.8</b>	<b>-29.6</b>	<b>-32.3</b>	<b>-35.3</b>

The accounting adjustments are described in Appendix B.

**Table I.15 Total Managed Expenditure by spending sector, 2000–01 to 2007–08**

	£ million							
	National Statistics							
	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans
<b>Central government own expenditure</b>								
DEL <sup>(1)(2)</sup>	147,185	161,942	171,507	189,037	200,713	215,890	229,706	242,583
Departmental AME <sup>(1)</sup>	125,416	136,045	146,285	150,107	154,136	171,173	176,662	185,718
Locally financed support in Northern Ireland	307	348	361	384	410	457	506	544
Net expenditure transfers to the EU	2,318	-690	2,782	3,448	4,907	4,435	5,432	6,509
Central government debt interest	25,995	22,095	20,943	22,327	23,987	25,747	26,277	27,953
Accounting and other adjustments <sup>(2)</sup>	-35,288	-35,253	-36,366	-31,521	-27,758	-37,154	-35,600	-38,300
<b>Total central government own expenditure</b>	<b>265,932</b>	<b>284,487</b>	<b>305,513</b>	<b>333,782</b>	<b>356,395</b>	<b>380,548</b>	<b>403,000</b>	<b>425,000</b>
<b>Local authority expenditure</b>								
Central government support in DEL <sup>(1)(2)</sup>	57,288	60,909	66,871	76,003	81,704	87,124	92,341	97,207
Central government support in departmental AME <sup>(1)</sup>	11,627	14,251	14,771	15,314	17,752	17,999	19,053	19,644
Locally financed support in Scotland	1,511	1,554	1,718	1,804	1,896	1,897	1,884	1,779
Local authority self-financed expenditure	16,566	19,219	17,449	19,288	21,946	24,212	25,133	26,599
Accounting and other adjustments <sup>(2)</sup>	9,642	5,058	9,116	6,830	6,861	7,332	6,600	8,200
<b>Total local authority expenditure</b>	<b>96,633</b>	<b>100,991</b>	<b>109,925</b>	<b>119,240</b>	<b>130,160</b>	<b>138,564</b>	<b>145,000</b>	<b>153,400</b>
<b>Public corporation expenditure</b>								
DEL <sup>(1)(2)</sup>	831	818	984	197	98	368	449	385
Departmental AME <sup>(1)</sup>	36	107	86	185	637	465	183	191
Public corporations' own-financed capital expenditure	2,865	3,015	4,297	3,895	3,357	2,882	3,373	3,484
Accounting and other adjustments <sup>(2)</sup>	31	140	461	254	345	325	300	300
<b>Total public corporation expenditure</b>	<b>3,763</b>	<b>4,079</b>	<b>5,827</b>	<b>4,531</b>	<b>4,437</b>	<b>4,040</b>	<b>4,300</b>	<b>4,300</b>
<b>Total Managed Expenditure</b>	<b>366,328</b>	<b>389,557</b>	<b>421,265</b>	<b>457,553</b>	<b>490,992</b>	<b>523,152</b>	<b>552,300</b>	<b>582,800</b>

(1) Full resource budgeting basis, excluding depreciation.

(2) The sectoral DEL figures shown above exclude the £800 million unallocated Special Reserve in 2006–07. The DEL Reserve and unallocated amounts for the Invest to Save Budget are also excluded in 2006–07 and 2007–08. AME figures for 2006–07 and 2007–08 exclude the AME margin. Amounts for the unallocated Special Reserve, DEL Reserve and Invest to Save Budget can be found in Table I.12. The amounts for the AME Margin can be found in Table I.1. The accounting and other adjustments in this table differ from those shown in Table I.1 and I.12 by these amounts, and an amount for depreciation in AME.

**Table I.16 Voted and non-voted expenditure in Total Managed Expenditure, 2000–01 to 2007–08**

	£ million							
	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated	plans	plans
						outturn		
<b>Voted expenditure in TME:</b>								
<b>DEL</b>								
Central government own spending, excluding depreciation	112,306	119,774	123,113	132,575	141,033	149,306	158,829	165,379
Support for local authorities	45,967	49,271	52,540	59,965	64,215	68,446	72,837	76,579
Support for public corporations	588	588	876	166	–2	62	94	99
Depreciation	8,531	8,691	15,097	8,217	7,346	10,700	10,272	10,180
<b>Departmental AME</b>								
Central government own spending	61,806	66,580	76,141	72,591	72,284	79,992	83,075	85,099
Support for local authorities	11,286	13,802	14,370	14,104	16,791	17,803	18,870	19,471
Support for public corporations	104	149	120	216	676	511	228	231
<b>Total voted expenditure in TME</b>	<b>240,586</b>	<b>258,855</b>	<b>282,258</b>	<b>287,833</b>	<b>302,342</b>	<b>326,819</b>	<b>344,205</b>	<b>357,038</b>
<b>Non-voted expenditure in TME:</b>								
<b>DEL</b>								
Central government own spending, excluding depreciation	34,878	42,167	48,395	56,463	59,680	67,843	70,877	77,204
Support for local authorities	11,321	11,638	14,330	16,038	17,489	18,677	19,504	20,628
Support for public corporations	244	229	107	32	100	306	355	286
Depreciation	441	687	747	802	1,057	1,236	1,642	1,410
DEL not allocated by spending sector	—	—	—	—	—	–1,259	2,600	3,600
<b>AME</b>								
Central government own spending	63,815	69,681	70,386	77,624	82,141	91,263	93,614	100,514
Support for local authorities	341	449	400	1,210	962	196	183	173
Public corporations	–68	–42	–34	–31	–38	–46	–45	–40
<b>Other AME and AME margin</b>								
Central government debt interest, AME margin, locally financed expenditure, net expenditure transfers to the EU, and accounting and other adjustments	14,769	5,892	4,676	17,582	27,258	18,114	19,399	21,996
<b>Total non-voted expenditure in TME</b>	<b>125,742</b>	<b>130,702</b>	<b>139,007</b>	<b>169,720</b>	<b>188,650</b>	<b>196,332</b>	<b>208,100</b>	<b>225,700</b>
<b>Total Managed Expenditure</b>	<b>366,328</b>	<b>389,557</b>	<b>421,265</b>	<b>457,553</b>	<b>490,992</b>	<b>523,152</b>	<b>552,300</b>	<b>582,800</b>
<b>Memorandum:</b>								
<b>Voted expenditure not in TME</b>								
<i>(included within "Non-Budget" in Estimates):</i>								
Grants to NDPBs to finance their expenditure	15,539	20,886	25,084	30,535	31,710	36,340	33,882	—
Grants to devolved administrations to finance their expenditure	26,999	31,369	35,089	35,079	38,050	42,106	45,031	—
Other non-public expenditure	–659	–2,856	–1,632	–2,307	–7,725	1,223	–8,070	—
<b>Total voted expenditure not in TME</b>	<b>41,879</b>	<b>49,379</b>	<b>58,541</b>	<b>63,308</b>	<b>62,036</b>	<b>79,668</b>	<b>70,782</b>	<b>—</b>
<b>Total voted expenditure</b>	<b>282,465</b>	<b>308,234</b>	<b>340,799</b>	<b>351,141</b>	<b>364,378</b>	<b>406,488</b>	<b>414,987</b>	<b>—</b>

Memorandum:

Total voted expenditure

Grants to Devolved Administrations<sup>(1)</sup>

Balancing reconciliation

Voted amounts published in Main Estimates 2006–07<sup>(2)</sup>

	2004–05	2005–06	2006–07
Total voted expenditure	364,378	406,488	414,987
Grants to Devolved Administrations <sup>(1)</sup>	—	–31,782	—
Balancing reconciliation	2,485	–5,048	–1,128
Voted amounts published in Main Estimates 2006–07 <sup>(2)</sup>	366,863	369,658	413,859

(1) Certain amounts for estimated outturn were not shown in HC1035 and are included in the voted numbers in the main table above.

(2) HC1035: amount for Net resource requirement plus capital less Non-operating appropriations in aid.