



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 Public Expenditure Statistical Analyses (PESA) National Statistics release published on 21 April 2008.

Public expenditure by budgetary category

Total Managed Expenditure (TME) for 2007-08 is now estimated at £583.3 billion, £3.0 billion lower than the April 2008 estimate. Resource DEL and capital DEL are respectively £3.1 billion lower and £0.2 billion higher than the previous estimates. Departmental AME is £3.0 billion higher than the April 2008 estimate while other AME is £4.4 billion lower. Changes reflect the availability of provisional outturn.

Public expenditure by function

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

Total Expenditure on Services for 2007-08 is now estimated at £557.5 billion, £1.6 billion lower than the April 2008 estimate. Changes reflect the availability of provisional outturn.

An historical public expenditure by function series was published in table 4.2 of the PESA 2008 National Statistics release, including data from 1987-88 onwards. Latest estimates of public expenditure by function and the historical data will be available to download tomorrow from the Treasury public website within the following page: http://www.hm-treasury.gov.uk/economic_data_and_tools/finance_spending_statistics/pes_function/function.cfm.

Comparison with April 2008 estimates (£ billion):

	Resource DEL ¹	Capital DEL	Total DEL ²	Dept AME	Other AME ³	TME ⁴	TES ⁵
15 July 2008	310.0	44.1	343.6	224.2	15.5	583.3	557.5
21 April 2008	313.1	43.9	345.2	221.2	19.9	586.4	559.1

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

	£ million				
	National Statistics				
	2003-04	2004-05	2005-06	2006-07	2007-08
	outturn	outturn	outturn	outturn	outturn
CURRENT EXPENDITURE					
Resource Departmental Expenditure Limits	245,081	258,486	277,664	291,235	310,025
Near-cash Departmental Expenditure Limits	229,035	244,503	259,752	272,277	288,773
Non-cash	16,046	13,983	17,912	18,958	21,252
Resource Annually Managed Expenditure	180,263	198,388	206,965	215,886	227,910
<i>Resource departmental AME</i>					
Social security benefits	117,801	124,781	129,600	133,463	140,555
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	10,067
National lottery	715	659	833	701	864
BBC domestic services	2,828	2,916	2,960	3,242	3,213
Student loans	-213	-284	-367	-426	-813
Non-cash items	27,167	27,811	37,376	44,464	48,764
Other departmental expenditure	1,855	1,373	2,127	2,829	2,172
Resource departmental AME	161,676	169,209	189,180	201,775	220,225
<i>Resource other AME</i>					
Net expenditure transfers to EU institutions ⁴	3,448	4,907	4,435	4,652	5,392
Locally-financed expenditure	19,778	20,852	22,813	23,414	24,682
Central government gross debt interest	22,280	23,934	25,807	27,576	29,951
Accounting adjustments	-26,919	-20,514	-35,271	-41,531	-52,342
Resource other AME	18,587	29,179	17,785	14,111	7,685
Public sector current expenditure	425,344	456,874	484,629	507,121	537,935
CAPITAL EXPENDITURE					
Capital Departmental Expenditure Limits	30,547	32,785	35,243	38,872	44,124
Capital Annually Managed Expenditure	-393	2,979	4,376	3,801	1,255
<i>Capital departmental AME</i>					
National lottery	1,193	1,039	988	701	755
BBC domestic services	-6	78	94	103	85
Student loans	2,314	2,261	2,419	3,207	4,476
Other departmental expenditure	-388	385	417	-382	-1,364
Capital departmental AME	3,113	3,764	3,918	3,630	3,952
<i>Capital other AME</i>					
Locally-financed expenditure	746	2,407	4,278	4,743	4,178
Public corporations' own-financed capital expenditure	2,448	2,946	5,261	5,354	4,683
Accounting adjustments	-6,701	-6,137	-9,082	-9,926	-11,557
Capital other AME	-3,507	-785	458	171	-2,696
Public sector gross investment	30,154	35,764	39,619	42,673	45,379
less public sector depreciation	14,564	15,148	16,069	16,915	17,724
Public sector net investment	15,590	20,616	23,550	25,758	27,655
Total Managed Expenditure	455,498	492,638	524,248	549,794	583,314
of which:					
Departmental Expenditure Limits	266,958	283,367	303,210	319,819	343,599
Departmental Annually Managed Expenditure	164,789	172,973	193,098	205,405	224,176
Other Annually Managed Expenditure	23,750	36,298	27,940	24,569	15,522

(1) Update of PESA 2008 NS release Table 1.1

(2) Tax credits include working tax credits, stakeholder pension credits and Child Tax Credits. Child Tax Credits do not include those child allowances that were still paid as part of Income Support and Jobseekers' Allowance, within Social Security benefits.

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

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

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

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	42,099	44,904
Health	63,605	69,118	76,372	80,428	88,305
<i>of which: NHS England</i>	61,865	66,873	74,168	78,468	86,313
Transport	6,114	6,085	6,076	6,920	6,800
Innovation, Universities and Skills	12,169	12,603	13,594	14,155	15,456
CLG Communities	3,414	3,606	3,467	3,626	4,198
CLG Local Government	40,915	43,316	46,244	22,541	22,755
Home Office	7,914	7,977	8,298	8,343	8,579
Justice	7,487	7,577	7,987	8,360	8,906
Law Officers' Departments	575	646	688	698	715
Defence	31,376	31,316	33,462	33,491	35,730
Foreign and Commonwealth Office	1,511	1,710	1,877	1,827	1,896
International Development	3,447	3,645	4,107	4,206	4,478
Business, Enterprise and Regulatory Reform	1,709	2,005	1,886	2,195	2,298
Environment, Food and Rural Affairs	2,443	2,814	2,817	3,103	2,894
Culture, Media and Sport	1,218	1,268	1,494	1,527	1,601
Work and Pensions	7,809	7,981	8,008	7,870	8,089
Scotland	18,421	19,459	20,791	22,354	23,804
Wales	9,643	10,379	10,986	11,678	12,283
Northern Ireland Executive	6,058	6,445	6,799	7,150	7,684
Northern Ireland Office	1,044	1,150	1,176	1,252	1,345
Chancellor's Departments	4,279	4,600	4,782	4,952	4,766
Cabinet Office	1,314	1,448	1,594	1,725	1,805
Independent Bodies ⁽²⁾	681	746	832	737	733
Total Resource DEL	245,081	258,486	277,664	291,235	310,025

(1) Update of PESA 2008 NS release Table 1.5

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

Table 3⁽¹⁾: Near-cash elements of resource Departmental Expenditure Limits, by departmental grouping, 2003-04 to 2007-08

	£ million				
	National Statistics				
	2003-04	2004-05	2005-06	2006-07	2007-08
	outturn	outturn	outturn	outturn	outturn
Near-cash in resource DEL					
Children, Schools and Families	11,916	12,571	14,279	42,089	44,908
Health	61,152	68,723	74,422	77,427	83,624
<i>of which: NHS England</i>	59,421	66,495	72,234	75,488	81,657
Transport	5,902	5,919	5,813	6,360	6,557
Innovation, Universities and Skills	11,352	11,952	12,772	13,465	14,357
CLG Communities	3,419	3,545	3,432	3,465	4,075
CLG Local Government	40,914	43,314	46,244	22,540	22,754
Home Office	7,818	7,892	8,179	8,184	8,441
Justice	7,234	7,812	7,809	8,035	8,664
Law Officers' Departments	571	636	679	691	703
Defence	21,360	21,847	22,726	23,452	24,780
Foreign and Commonwealth Office	1,404	1,601	1,706	1,680	1,755
International Development	3,423	3,541	4,041	4,098	4,447
Business, Enterprise and Regulatory Reform	1,746	1,824	1,672	1,991	2,066
Environment, Food and Rural Affairs	2,201	2,466	2,349	2,542	2,516
Culture, Media and Sport	1,083	1,158	1,263	1,358	1,413
Work and Pensions	7,730	7,893	7,796	7,591	7,852
Scotland	17,890	18,482	19,976	21,399	22,893
Wales	9,416	10,085	10,662	11,345	11,938
Northern Ireland Executive	5,841	6,202	6,503	6,830	7,348
Northern Ireland Office	935	905	974	970	979
Chancellor's Departments	4,135	4,351	4,531	4,686	4,534
Cabinet Office	1,079	1,225	1,351	1,486	1,543
Independent Bodies ⁽²⁾	517	557	572	592	627
Total near-cash in resource DEL	229,035	244,503	259,752	272,277	288,773

(1) Update of PESA 2008 NS release Table 1.7

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

Table 4⁽¹⁾: Capital Departmental Expenditure Limits, by departmental grouping, 2003-04 to 2007-08

	£ million				
	National Statistics				
	2003-04	2004-05	2005-06	2006-07	2007-08
	outturn	outturn	outturn	outturn	outturn
Capital DEL					
Children, Schools and Families	3,471	4,070	4,413	4,055	5,228
Health	2,689	2,708	2,245	3,194	3,818
<i>of which: NHS England</i>	2,602	2,624	2,151	3,069	3,599
Transport	5,233	5,223	4,999	6,505	7,053
Innovation, Universities and Skills	1,299	1,429	2,004	1,891	2,054
CLG Communities	4,597	4,984	5,531	5,431	6,069
CLG Local Government	214	257	316	223	34
Home Office	680	586	626	592	716
Justice	364	599	508	536	823
Law Officers' Departments	11	11	-23	11	11
Defence	6,002	6,701	6,410	7,070	7,945
Foreign and Commonwealth Office	87	117	132	160	228
International Development	302	304	447	765	739
Business, Enterprise and Regulatory Reform	444	220	1,127	1,146	1,111
Environment, Food and Rural Affairs	567	489	836	922	941
Culture, Media and Sport	186	122	179	284	498
Work and Pensions	222	290	354	215	100
Scotland	1,697	2,171	2,390	3,035	3,563
Wales	985	1,008	1,208	1,318	1,490
Northern Ireland Executive	618	765	831	803	1,022
Northern Ireland Office	50	71	59	72	9
Chancellor's Departments	229	380	369	302	260
Cabinet Office	570	178	239	285	353
Independent Bodies ⁽²⁾	33	102	44	56	60
Total Capital DEL	30,547	32,785	35,243	38,872	44,124

(1) Update of PESA 2008 NS release Table 1.10

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

Table 5⁽¹⁾ Public expenditure by function, 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	39.1	42.7	45.9	48.1	51.8
<i>of which: public and common services</i>	10.9	12.2	12.9	13.2	13.9
<i>of which: international services</i>	5.1	5.5	6.2	6.3	6.8
<i>of which: public sector debt interest</i>	23.0	24.9	26.8	28.6	31.2
2. Defence	28.8	29.7	30.9	32.2	33.6
3. Public order and safety	26.3	28.3	29.0	30.2	32.1
4. Economic affairs	33.0	33.7	35.5	37.9	39.7
<i>of which: enterprise and economic development</i>	6.0	6.6	6.6	6.5	7.1
<i>of which: science and technology</i>	2.3	2.5	2.9	2.8	3.0
<i>of which: employment policies</i>	3.2	3.2	3.4	3.4	3.3
<i>of which: agriculture, fisheries and forestry</i>	5.2	5.4	5.6	5.1	5.0
<i>of which: transport</i>	16.2	16.0	17.0	20.1	21.2
5. Environment protection	6.3	7.0	8.4	9.2	9.5
6. Housing and community amenities	6.6	7.9	10.5	11.5	12.7
7. Health	74.9	82.9	89.7	94.4	102.5
8. Recreation, culture and religion	9.7	10.0	10.7	11.3	12.2
9. Education (includes training)	61.0	65.0	69.6	72.8	78.2
<i>of which: education</i>	59.0	62.8	67.4	70.7	75.8
<i>of which: training</i>	2.1	2.2	2.2	2.1	2.4
10. Social protection	155.4	164.0	170.9	177.1	186.7
EU transactions	-2.1	-0.9	-0.6	-1.8	-1.5
Total Expenditure on Services	438.9	470.2	500.6	523.1	557.5
Other accounting adjustments	16.6	22.4	23.6	26.7	25.9
Total Managed Expenditure	455.5	492.6	524.2	549.8	583.3

(1) Update of PESA 2008 NS release Table 4.2

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/economic_data_and_tools/finance_spending_statistics/finexp_natstats/natstats_info.cfm

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 capital expenditure.

Public expenditure by function (Table 5)

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

Sources and methodology

4. Treasury statistics on public expenditure are compiled from accounting data that are supplied by central government departments and the devolved administrations and held on the Treasury's public expenditure database. The Department for Children, Schools and Families supplies data on local authority spending on education in England. The Department for Work and Pensions supplies data on local authority spending on social protection. All other local authority spending data are supplied by Communities and Local Government and the Devolved Administrations. The spending aggregate, TME, was supplied by the Office for National Statistics (ONS) and is consistent with the joint ONS/HMT Public Sector Finance Statistics release of 19 June 2008.
5. There is more information on the budgeting system and the definition of TES in Appendices D and E respectively of the guidance and methodology note for the PESA 2008 National Statistics release. This is available alongside the PESA 2008 National Statistics release tables, at: http://www.hm-treasury.gov.uk/economic_data_and_tools/national_statistics/econ_natstats_index.cfm.

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Enquiries

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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

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