

DIFFERENCES FROM PREVIOUS PLANS

3.1 This chapter compares the latest plans for DEL and AME with the plans set out in PESA last year (Cm 6811), which were consistent with Budget 2006. The tables in this chapter do not fall within the scope of National Statistics.

Types of changes

3.2 The comparisons distinguish between:

- Transfers of financing responsibility between departments and spending sectors; classification changes, i.e. changes in the way public expenditure is measured or the re-allocation of functions between departments (i.e. machinery of government (MOG) changes); and
- other changes, which are due to policy decisions or changes in forecasts of expenditure to bring them into line with latest estimates of spending.

The tables

3.3 Data in the tables taken from last year's PESA are adjusted for the effects of machinery of government changes. The main machinery of government changes are the transfer of student loans provision in Wales from Education and Skills to the National Assembly for Wales; the transfer of the childcare element of the Council for Social Care Inspection (CSCI) from Health to Education and Skills; the Office of the Third Sector from Home Office and Trade and Industry to Cabinet Office; the Serious and Organised Crime Agency from Revenue and Customs to Home Office; and the Equal Opportunities Commission from Trade and Industry to Communities and Local Government.

3.4 Tables 3.1, 3.2 and 3.3 are for 2005-06, and compare the latest outturns with the estimated outturns in last year's PESA, and with the provisional outturns published in July in the Public Expenditure Outturn White Paper (PEOWP). The DEL tables also show final provision as at the end of the year (PEOWP).

3.5 Tables 3.4, 3.5 and 3.6 are for 2006-07, and compare the current estimated outturns with the plans in last year's PESA. The DEL tables also show final provision following updates provided by departments as part of the Spring Supplementary Estimates.

3.6 Tables 3.7, 3.8 and 3.9 are for 2007-08 and compare the current plans (consistent with the Budget and as presented elsewhere in PESA) with the plans in last year's PESA.

Main classification and transfer changes affecting plans

3.7 There are a number of changes to the budgeting framework to more closely align that framework with the objectives of the fiscal framework and improve incentives on departments. These have been effected as classification changes, that is current and future years budgets have been restated so as to leave departments no better or worse off, and outturns adjusted so that numbers are presented on a consistent basis. The first year of the new regime for control purposes is 2007-08.

3.8 The following major changes have been made to the framework:

- Impairments for certain classes of asset are now split between DEL and AME, to provide support for sound management decisions and to remove the disincentive for worthwhile impairments.
- Proceeds from sales of assets are split between the book value and profit or loss on disposal. Receipts relating to book value have always scored in capital budgets. Profit or loss on disposal has moved from non-cash resource budgets to capital budgets. Profit or loss on disposal forms part of the aggregate public sector net investment (PSNI), which is mostly budgeted for in capital budgets.
- Large acquisitions of stock are now treated as capital in budgets.
- Grant in Aid no longer attracts a benefit from the government grants reserve.
- The treatment of underperforming self-financing public corporations (SFPCs) has been revised.

Other classification changes affecting individual departments

- Education Maintenance Allowances (EMAs) have moved from AME to DEL within Education and Skills' and the devolved administrations' resource budgets.
- Interest receivable on student loans (England) has moved from DEL to AME within Education and Skills' resource budget.
- In Scotland and Northern Ireland, net lending to students transactions have moved from non-budget into capital departmental AME. This change was effected for England and Wales in PESA 2006 so from PESA 2007 the student loans line in Table 1.1 has UK coverage.
- London and Continental Railways (LCR) is now included within Transport's budget on a consolidated public corporation basis, reflecting the reclassification of LCR to the public corporation sector by ONS in February 2006.
- Contributions to international development agencies (IDAs) have moved from resource budget DEL to capital budget DEL. This affects International Development's budget only, and reflects the October 2006 reclassification by ONS from current transfers abroad to equity. This means that IDAs are now treated as financial transactions in the National Accounts and are not included in Total Managed Expenditure.
- Receipts of payments from Work and Pensions to Culture, Media and Sport for the provision of TV licences to over 75s have moved from non-budget to resource departmental AME.
- The subsidy of Post Office Limited has been transferred from Royal Mail, which scores on the receipts side through its Gross Operating Surplus, to Trade and Industry resource budget.

3.9 On 19 April 2006 the ONS announced the reclassification of the Housing Revenue Account from the local government sector to public corporations. That has led to an increase to public corporations' capital expenditure in TME, and a decrease to local authority capital expenditure. The change is reflected in PESA as an increase to public corporations' own-

financed capital expenditure and corresponding decrease to locally financed expenditure (capital).

3.10 The treatment of the write-off of Nigerian debt has changed in the National Accounts, and is now included as an imputed capital grant in Total Managed Expenditure. This is reflected as an increase to Total Managed Expenditure and an increase to the National Accounts adjustments, and is split between 2005-06 and 2006-07.

3.11 Tables 3.1 and 3.2 show the effects of transfers and classification changes in DEL at the departmental group level for 2005-06 outturns, with 3.4 and 3.5 showing the same for 2006-07 estimated outturns and 3.7 and 3.8 for plans. The main transfer and classification changes in departmental DELs are:

- Increases to Education and Skills resource DEL reflecting the movement of EMAs from AME to DEL and interest receivable on student loans (England) from DEL to AME. Expenditure on EMAs totalled £0.4bn in 2005-06 outturn, £0.5bn in 2006-07 estimated outturn and £0.6bn in 2007-08 plans. Income from interest receivable that now scores in departmental AME totalled £0.4bn in 2005-06, £0.5bn in 2006-07 and £0.5bn in 2007-08.
- Health resource DEL has decreased in all years reflecting the movement of certain types of impairments from DEL to AME. These totalled £0.1bn in 2005-06, £0.2bn in 2006-07 and £0.2bn in 2007-08.
- Transfers and classification changes to Transport are mainly due to Highways Agency impairments and the inclusion of LCR in Transport's budget. The value of impairments that moved from DEL to AME within Transport's budget were £0.5bn in 2005-06, £0.5bn in 2006-07 and £0.6bn in 2007-08, and show as a reduction to resource DEL. The new budgeting treatment of LCR has led to an increase in resource DEL of £0.2bn in 2005-06 and 2006-07, and £0.1bn in 2007-08. Capital DEL has decreased by £0.8bn and £0.5bn in 2005-06 and 2006-07 respectively, and increased by £0.1bn in 2007-08 due to LCR. Other classification changes in 2006-07 and 2007-08 are due to uplifts to resource DEL to ensure the department is no better or worse off following the removal of certain receipts that previously scored as negative DEL.
- Defence resource DEL has increased by £0.4bn and capital DEL decreased by a corresponding amount in 2005-06 due to the movement of profit or loss on disposal of assets from resource to capital budgets. There is no equivalent change to 2006-07 and 2007-08 DELs since departments' planned asset disposals are at book value. Changes in these years for Defence are due to transfers of budgetary cover between departments, which have no effect on aggregate resource and capital budget DELs.
- The change to the budgeting treatment of contributions to international development agencies from resource to capital budgets has reduced International Development's resource DEL and increased capital DEL by £0.4 in 2005-06, £0.7bn in 2006-07 and £0.6bn in 2007-08.
- The transfer of Post Office Limited subsidies from Royal Mail to Trade and Industry, increasing resource DEL by £0.1bn in 2006-07 and £0.4bn in 2007-08.
- Transfers and classification changes for other departments reflect the new budgeting regime and transfers of budgetary cover between departments.

3.12 Tables 3.3, 3.6 and 3.9 show the effect of transfers and classification changes in TME by budgetary aggregate. Changes to aggregate resource and capital DELs are due to the departmental changes listed above. Depreciation in DEL is lower in all years due to the movement of some types of impairments from DEL to AME, which increase the non-cash items line in departmental AME by the same amount. There is a further increase to non-cash departmental AME in 2005-06 due to the new budgeting treatment for LCR. The BBC domestic services line is lower in all years due to the inclusion of receipts of payments from Work and Pensions to Culture, Media and Sport in respect of over 75's TV licences within departmental AME. The student loans line has changed in all years, reflecting the inclusion of Scotland and Northern Ireland student lending and the budgeting change of interest receivable on student loans (England).

3.13 In other AME, locally financed expenditure has reduced in all years due to the reclassification of the HRA from the local government sector to public corporations. Public corporations' own financed capital expenditure (PCOFCE) has increased by the same amount in all years, whilst the inclusion of LCR in Transport's budget has also decreased PCOFCE in all years. Neither of these changes affect Total Managed Expenditure; HRA has been reclassified between sub-sectors within the public sector, while LCR has been included in TME in the National Accounts since February 2006. Classification changes to TME are largely due to the revised treatment of Nigerian debt write-off and contributions to IDAs discussed above.

Policy and estimating changes

3.14 Tables 3.1, 3.2 and 3.3 show changes to final outturn from 2005-06 since PEOWP 2006. Revisions to outturns after stripping out the effects of transfers and classification changes are due to the availability of more up-to-date information in audited departmental resource accounts.

3.15 Tables 3.4, 3.5 and 3.6 show changes to plans for 2006-07 financed by allocations from the Reserve, draw down of End Year Flexibility (EYF) and changes to forecasts. Departmental plans in 2006-07 increased by just under £2.4bn due to Reserve allocations and EYF draw down for resource DEL, and decreased by just over £0.1bn for capital DEL, largely because of DfT transfers from capital to resource DEL. Departmental estimated outturns are provisional. They are likely to be revised further as numbers improve after the year end. Better information will be published in the Public Expenditure Outturn White Paper in July and in the National Statistics update on the day of the Pre Budget Report (normally in November) after accounts have been audited. The main increases to plans are given below:

- Education and Skills drew down £0.1bn EYF from previous years' under spending.
- Transport resource DEL increased by £0.7bn, of which £0.4bn was draw down of EYF from under spends from previous years, and £0.3bn was switched from capital DEL in respect of the Greater London Authority transport grant.
- Home Office resource DEL increased by £0.3bn, of which £0.1bn was take up of measures announced in Budget 2006, £0.1bn draw down of EYF from under spends from previous years, and £0.1bn financed from the Reserve to meet in-year spending pressures on prisons. Capital DEL increased by £0.1bn financed from the Reserve.
- Defence resource DEL increased by £1.4bn and capital DEL by £0.5bn, of which £1.3bn resource and £0.5bn capital were from the Reserves for on-going costs of military operations.

- Foreign and Commonwealth Office were allocated £0.2bn from the Reserve to finance peacekeeping activities.
- Trade and Industry drew down £0.2bn resource DEL EYF and £0.1bn capital DEL EYF financed from under spends in previous years.
- Chancellor's departments resource DEL increased by £0.2bn, of which £0.1bn was draw down of EYF by Revenue and Customs, £27m was an agreed Reserve claim for the Office of National Statistics to meet additional non-cash costs due to the disposal of the London estate, and £30m a Reserve claim by Revenue and Customs to increase contact centre capacity.
- Cabinet Office resource DEL increased by £0.2bn, largely due to spending measures announced at PBR 2006 and EYF draw down by Security and Intelligence Agencies.

3.16 Changes to expenditure items in Annually Managed Expenditure are due to changes in forecasts and other changes announced in the Budget 2007 (HC 342). Figures for social security benefits in 2006-07 have been updated since Budget 2007 reflecting the latest estimated outturns including the Financial Assistance Scheme provision.

3.17 Policy and estimating changes for 2007-08 are shown in tables 3.7, 3.8 and 3.9. The main changes are:

- The updating of Local Government and Health capital plans to a level consistent with the latest estimates of outturn spending, excluding exceptional items, as announced at Budget 2007. Table 1.10 sets out capital DEL outturn and latest plans from 2001-02 to 2007-08.
- Increased Health resource spending following the reprofiling of Department of Health's resource budget announced at Budget 2006 and other changes.
- Transport capital to resource switching for the GLA transport grant as per 2006-07.
- Allocations from the Reserve for Foreign and Commonwealth Office peacekeeping.
- Spending measures for Security and Intelligence Agencies announced in the Pre-Budget Report 2006 and Budget 2007.
- An additional £400m unallocated special reserve to meet the ongoing costs of military conflict, as announced at Budget 2007.
- A change in the rate used for discounting long-term future pension liabilities, from 2.8% real to 1.8% real, has led to increased forecasts of net public service pensions liabilities in 2007-08. More information on pensions is given in Appendix D.

3.18 As for 2006-07, changes to Annually Managed Expenditure were outlined in the Budget 2007 (HC 342).

Table 3.1 Resource DEL 2005–06; changes since PESA May 2006 and PEOWP July 2006

£ million

	Final provision adjusted for MOG	Estimated outturn in PESA 2006 adjusted for MOG	Provisional outturn in PEOWP 2006 adjusted for MOG	Transfers and classification changes since PEOWP 2006	Other changes since PEOWP 2006	Outturn
Education and Skills	24,888	24,735	24,712	749	6	25,467
Health	76,349	76,929	76,531	-142	-17	76,372
Transport	6,045	5,762	5,623	-246	699	6,076
CLG Communities	3,464	3,337	3,397	106	3	3,507
CLG Local Government	46,293	46,200	46,244	—	—	46,244
Home Office	12,717	12,664	12,681	32	-10	12,703
Constitutional Affairs	3,787	3,763	3,746	5	-120	3,631
Law Officers' Departments	709	691	665	6	18	689
Defence	33,727	33,281	32,452	377	560	33,388
Foreign and Commonwealth Office	2,006	1,967	1,876	24	-26	1,874
International Development	4,498	4,413	4,488	-374	0	4,114
Trade and Industry	5,533	5,363	5,235	-29	30	5,237
Environment, Food and Rural Affairs	2,951	3,022	2,745	4	68	2,817
Culture, Media and Sport	1,495	1,434	1,447	0	-23	1,423
Work and Pensions	8,014	7,923	7,868	-41	-95	7,732
Scotland	20,879	20,791	20,793	4	-134	20,662
Wales	11,209	11,569	10,927	22	36	10,986
Northern Ireland Executive	6,835	6,808	6,695	27	—	6,722
Northern Ireland Office	1,236	1,015	1,182	0	1	1,183
Chancellor's Departments	5,195	5,029	4,980	-34	1	4,947
Cabinet Office	2,310	2,243	2,234	0	0	2,234
Allowance for Shortfall	—	-960	—	—	—	—
Total resource DEL	280,139	277,981	276,522	488	998	278,008

Table 3.2 Capital DEL 2005–06; changes since PESA May 2006 and PEOWP July 2006

£ million

	Final provision adjusted for MOG	Estimated outturn in PESA 2006 adjusted for MOG	Provisional outturn in PEOWP 2006 adjusted for MOG	Transfers and classification changes since PEOWP 2006	Other changes since PEOWP 2006	Outturn
Education and Skills	6,069	5,756	5,705	0	1	5,706
Health	3,999	3,022	2,253	19	-27	2,245
Transport	6,568	6,558	6,499	-786	-715	4,999
CLG Communities	5,860	5,758	5,767	-177	-58	5,532
CLG Local Government	388	230	316	—	—	316
Home Office	1,230	1,131	1,045	—	-10	1,034
Constitutional Affairs	180	176	138	-5	-5	128
Law Officers' Departments	16	9	9	-6	-27	-23
Defence	6,798	6,788	6,676	-377	111	6,410
Foreign and Commonwealth Office	137	152	96	-1	37	132
International Development	42	32	23	374	0	397
Trade and Industry	1,270	1,251	1,209	-6	-5	1,198
Environment, Food and Rural Affairs	653	661	854	-4	-14	836
Culture, Media and Sport	225	261	130	0	14	145
Work and Pensions	476	400	386	16	-49	354
Scotland	2,445	2,444	2,332	25	33	2,390
Wales	1,262	1,262	1,221	—	-13	1,208
Northern Ireland Executive	1,022	1,029	857	-10	—	847
Northern Ireland Office	65	55	59	0	-3	55
Chancellor's Departments	408	404	393	19	-19	393
Cabinet Office	331	258	277	0	-34	243
Allowance for Shortfall	—	-299	—	—	—	—
Total capital DEL	39,444	37,338	36,245	-918	-781	34,547

Table 3.3 Total Managed Expenditure 2005–06; changes since PESA May 2006 and PEOWP July 2006

	£ million				
	Estimated outturn in PESA 2006	Provisional outturn in PEOWP 2006	Transfers and classification changes since PEOWP 2006	Other changes since PEOWP 2006	Outturn
Departmental Expenditure Limits					
Resource DEL	277,981	276,522	488	998	278,008
Capital DEL	37,338	36,245	-918	-781	34,547
Less depreciation	11,937	12,248	-618	-2,089	9,540
Total Departmental Expenditure Limits	303,382	300,518	189	2,307	303,014
Annually Managed Expenditure					
<i>Departmental AME</i>					
Social security benefits	130,148	129,912	—	-63	129,849
Tax credits	12,862	12,860	-2	114	12,972
Net public service pensions	5,321	3,694	-19	31	3,706
National Lottery	1,775	1,844	—	-15	1,829
BBC domestic services	3,054	3,054	-458	—	2,596
Student loans	2,151	2,206	-121	-18	2,067
Non-cash items	30,181	31,378	1,174	-1,082	31,470
Other departmental expenditure	4,227	2,351	-400	1,076	3,027
Total departmental AME	189,719	187,300	173	43	187,515
<i>Other AME</i>					
Net expenditure transfers to the EC	4,435	4,435	—	0	4,435
Locally financed government expenditure	26,566	26,566	-1,871	1,692	26,387
Central government gross debt interest	25,747	25,909	—	-105	25,804
Public corporations' own financed capital expenditure	2,882	4,931	1,270	-878	5,323
Total other AME	59,630	61,841	-601	710	61,950
Total AME before accounting adjustments	249,349	249,141	-428	753	249,465
Accounting adjustments	-29,579	-24,765	-135	-4,194	-29,093
Total Annually Managed Expenditure	219,770	224,376	-562	-3,441	220,372
Total Managed Expenditure	523,152	524,894	-374	-1,134	523,386

Table 3.4 Resource DEL 2006–07; changes since PESA 2006

	£ million				
	Plans in PESA 2006 adjusted for MOG	Other transfers and classification changes	Reserve allocation and other policy changes	Final provision	Estimated outturn
Education and Skills	53,357	998	117	54,472	54,118
Health	81,973	-213	1	81,761	80,840
Transport	6,899	-481	719	7,137	6,891
CLG Communities	3,583	113	72	3,767	3,697
CLG Local Government	22,492	1	73	22,566	22,531
Home Office	12,945	-14	292	13,223	13,218
Constitutional Affairs	3,960	-21	135	4,074	3,708
Law Officers' Departments	686	14	18	718	696
Defence	32,610	58	1,433	34,102	33,695
Foreign and Commonwealth Office	1,818	-79	195	1,934	1,930
International Development	4,961	-686	77	4,352	4,303
Trade and Industry	5,568	44	246	5,858	5,776
Environment, Food and Rural Affairs	3,001	-115	357	3,243	3,276
Culture, Media and Sport	1,536	-8	59	1,586	1,624
Work and Pensions	7,760	1	234	7,995	7,685
Scotland	22,204	30	144	22,378	22,236
Wales	11,758	35	138	11,931	11,854
Northern Ireland Executive	7,132	68	71	7,271	7,186
Northern Ireland Office	1,185	6	90	1,282	1,270
Chancellor's Departments	5,013	11	199	5,222	5,182
Cabinet Office	2,217	-9	209	2,416	2,426
Invest to Save Budget	14	—	-14	—	—
DEL Reserve	975	—	-975	—	—
Unallocated Special Reserve	800	—	-800	—	—
Allowance for Shortfall	—	—	-700	-700	-700
Total resource DEL	294,445	-248	2,389	296,588	293,443

Table 3.5 Capital DEL 2006–07; changes since PESA 2006

	£ million				
	Plans in PESA 2006 adjusted for MOG	Other transfers and classification changes	Reserve allocation and other policy changes	Final provision	Estimated outturn
Education and Skills	6,254	18	7	6,279	5,249
Health	5,329	-13	0	5,316	3,667
Transport	7,379	-479	-215	6,685	6,539
CLG Communities	5,723	-114	73	5,682	5,384
CLG Local Government	249	—	17	265	214
Home Office	1,154	75	110	1,339	1,261
Constitutional Affairs	140	-35	87	192	167
Law Officers' Departments	15	—	1	15	12
Defence	6,927	2	521	7,449	7,061
Foreign and Commonwealth Office	150	—	9	159	139
International Development	20	665	—	685	676
Trade and Industry	1,187	-40	150	1,297	1,233
Environment, Food and Rural Affairs	772	99	26	897	903
Culture, Media and Sport	278	37	65	380	244
Work and Pensions	178	-1	44	222	220
Scotland	2,942	12	78	3,032	3,032
Wales	1,429	—	-23	1,405	1,374
Northern Ireland Executive	946	-16	0	930	852
Northern Ireland Office	72	0	13	85	80
Chancellor's Departments	308	—	66	374	349
Cabinet Office	303	0	76	379	445
Invest to Save Budget	5	—	-5	—	—
DEL Reserve	768	—	-768	—	—
Allowance for Shortfall	—	—	-444	-444	-444
Total capital DEL	42,528	210	-112	42,625	38,657

Table 3.6 Total Managed Expenditure 2006–07; changes since PESA 2006

	Plans in PESA 2006	Transfers and classification changes	Other changes	Estimated outturn
<i>£ million</i>				
Departmental Expenditure Limits				
Resource DEL	294,445	-248	-755	293,443
Capital DEL	42,528	210	-4,081	38,657
Less depreciation	11,914	-886	-467	10,561
Total Departmental Expenditure Limits	325,059	848	-4,368	321,539
Annually Managed Expenditure				
<i>Departmental AME</i>				
Social security benefits	133,345	—	1,118	134,463
Tax credits	14,125	—	-56	14,069
Net public service pensions	5,557	206	-2,181	3,582
National Lottery	1,732	—	-22	1,710
BBC domestic services	3,216	-480	—	2,736
Student loans	2,770	-210	413	2,974
Non-cash items	31,765	965	6,676	39,406
Other departmental expenditure	3,415	-399	-360	2,656
Total departmental AME	195,925	83	5,588	201,595
<i>Other AME</i>				
Net expenditure transfers to the EC	5,432	—	-780	4,652
Locally financed government expenditure	27,523	-2,000	404	25,927
Central government gross debt interest	26,277	—	1,147	27,424
Public corporations' own-financed capital expenditure	3,373	1,496	-604	4,266
Total other AME	62,605	-504	167	62,269
Total AME before accounting adjustments	258,530	-421	5,755	263,864
AME margin	1,000	—	-1,000	—
Accounting adjustments	-32,292	-1,093	183	-33,202
Total Annually Managed Expenditure	227,238	-1,513	4,938	230,663
Total Managed Expenditure	552,298	-665	569	552,202

Table 3.7 Resource DEL 2007–08; changes since PESA 2006

				£ million
	Plans in PESA 2006 adjusted for MOG	Other transfers and classification changes	Reserve allocation and other policy changes	New plans
Education and Skills	56,654	1,074	149	57,876
Health	89,079	-238	831	89,673
Transport	6,749	-341	297	6,704
CLG Communities	3,738	561	26	4,325
CLG Local Government	23,336	-515	-8	22,813
Home Office	13,559	-7	19	13,571
Constitutional Affairs	4,005	-24	4	3,984
Law Officers' Departments	718	—	0	718
Defence	32,779	53	-1	32,831
Foreign and Commonwealth Office	1,681	-71	200	1,809
International Development	5,278	-641	—	4,637
Trade and Industry	5,778	316	64	6,158
Environment, Food and Rural Affairs	3,081	-100	7	2,987
Culture, Media and Sport	1,572	-11	3	1,564
Work and Pensions	7,694	-5	37	7,726
Scotland	23,426	49	35	23,510
Wales	12,420	21	15	12,456
Northern Ireland Executive	7,565	25	6	7,597
Northern Ireland Office	1,144	-3	—	1,141
Chancellor's Departments	4,997	29	2	5,028
Cabinet Office	2,260	16	184	2,460
Invest to Save Budget	15	—	-15	—
DEL Reserve	2,100	—	-1,500	600
Unallocated Special Reserve	—	—	400	400
Total resource DEL	309,600	187	700	310,600

Table 3.8 Capital DEL 2007–08; changes since PESA 2006⁽¹⁾

	£ million			
	Plans in PESA 2006 adjusted for MOG	Other transfers and classification changes	Reserve allocation and other policy changes	New plans
Education and Skills	6,995	—	—	6,995
Health	6,321	0	–2,000	4,321
Transport	6,699	139	–277	6,561
CLG Communities	6,171	–234	—	5,937
CLG Local Government	249	—	–106	143
Home Office	1,239	40	50	1,329
Constitutional Affairs	148	—	—	148
Law Officers' Departments	15	—	—	15
Defence	7,589	–7	–34	7,548
Foreign and Commonwealth Office	148	0	—	148
International Development	22	621	—	643
Trade and Industry	1,145	—	12	1,157
Environment, Food and Rural Affairs	807	99	0	907
Culture, Media and Sport	232	175	–5	402
Work and Pensions	63	—	2	65
Scotland	3,124	4	–9	3,118
Wales	1,614	—	3	1,617
Northern Ireland Executive	994	21	0	1,015
Northern Ireland Office	72	0	—	72
Chancellor's Departments	303	—	—	303
Cabinet Office	303	0	67	371
Invest to Save Budget	6	—	–6	—
DEL Reserve	1,400	—	100	1,500
Total capital DEL	45,700	858	–2,200	44,300

(1) These figures include the updating of Department of Health and local authority DEL capital plans to a level consistent with latest estimates of outturn spending, as set out in paragraph C.75 of the Financial Statement and Budget Report 2007. Capital underspends will be rolled forward in end-year flexibility and the NHS and local authorities spending plans will be unaffected. Table 1.10 sets out capital DEL outturn and latest plans from 2001-02 to 2007-08.

Table 3.9 Total Managed Expenditure 2007–08; changes since PESA 2006

				£ million
	Plans in PESA 2006	Transfers and classification changes	Other changes	New Plans
Departmental Expenditure Limits				
Resource DEL	309,600	187	700	310,600
Capital DEL	45,700	858	-2,200	44,300
Less depreciation	11,600	-840	70	10,800
Total DEL	343,700	1,884	-1,600	344,100
Annually Managed Expenditure				
<i>Departmental AME</i>				
Social security benefits	138,506	—	2,394	140,900
Tax credits	15,138	—	-380	14,758
Net public service pensions	5,855	18	3,917	9,789
National Lottery	1,535	—	-22	1,513
BBC domestic services	3,304	-492	-1	2,811
Student loans	3,400	-205	515	3,710
Non-cash items	34,779	990	1,493	37,262
Other departmental expenditure	2,931	-671	740	3,000
Total departmental AME	205,448	-361	8,656	213,743
<i>Other AME</i>				
Net expenditure transfers to the EC	6,509	—	-1,499	5,010
Locally financed government expenditure	28,922	-2,000	891	27,813
Central government gross debt interest	27,953	—	1,147	29,100
Public corporations' own financed capital expenditure	3,484	1,725	-701	4,508
Total other AME	66,867	-275	-162	66,431
Total AME before accounting adjustments	272,315	-636	8,494	280,174
AME margin	2,000	—	-1,000	1,000
Accounting adjustments	-35,281	-1,862	-1,454	-38,598
Total Annually Managed Expenditure	239,000	-2,498	6,040	242,600
Total Managed Expenditure	582,800	-614	4,479	586,600