

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 a breakdown of public expenditure by spending sector.

1.2 Outturn data on the budgeting and control aggregates in **Tables 1.1 to 1.13** fall within the scope of National Statistics, as do outturn data in **Table 1.15** (spending sectors). Data in **Table 1.14** are not National Statistics.

What's new

1.3 **Table 1.1** now includes net lending to students by the Scottish and Northern Ireland Executives within the student loans line. Previously these scored within other departmental expenditure. It also includes Department for Education and Skills' interest receivable on student loans that were part of resource DEL in PESA 2006 following a budget regime change for 2007-08.

1.4 There have been a number of budget regime changes effected from 2007-08. These are outlined in paragraph 1.20 below and described more fully in **Chapter 3** and **Appendix C**.

1.5 Outturn data in **Table 1.9** are now within the scope of National Statistics.

1.6 **Table 1.16** from PESA 2006, which showed voted and non-voted expenditure in Total Managed Expenditure, is now included as **Table 2.4** in **Chapter 2**.

The budgeting and reporting framework

1.7 **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.

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

1.9 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.

1.10 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.

1.11 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 EC, locally financed expenditure, debt interest, public corporations' own-financed capital expenditure, and accounting and other adjustments.

1.12 **Table 1.14** presents a breakdown of the accounting and other adjustments line in

Table 1.1. Appendix D gives further details of these accounting and other adjustments.

I.13 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 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

I.14 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.

I.15 Table C4 in Budget 2007 (HC 342) brings together information on expenditure, receipts and balances.

I.16 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 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

I.17 **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 B**. 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.

1.18 Resource budgets are divided into near-cash and non-cash elements – these terms are explained in **Appendix C**. **Table 1.7** shows the near-cash components in aggregate of departmental resource budgets for each departmental group. Near-cash 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.

1.19 **Table 1.10** shows the capital budget for each departmental group, with **Table 1.11** presenting the same information in real terms.

1.20 All tables reflect recent changes to the budgeting system that are discussed further in **Chapter 3** and **Appendix C**. Major changes include the movement of profit or loss on the disposal of assets into capital budgets; the movement of certain impairments and revaluations of tangible and intangible fixed assets from DEL into Departmental AME; the movement of Education Maintenance Allowances from Departmental AME to DEL; the movement of Department for Education and Skills' interest receivable on student loans from DEL to Departmental AME; and the movement of contributions to international development organisations that are treated as financial transactions in the National Accounts from resource to capital budget DEL.

Total DEL

1.21 **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

1.22 **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.

1.23 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 6**.

1.24 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 7**.

1.25 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 8**.

1.26 TME is a consolidated measure of expenditure. As described above the sectoral split of TME presented in PESA records only the 'own' expenditure components that relate to an individual sector. That is payments from one sector which are used to finance the expenditure of another sector are excluded from the paying sector's own expenditure breakdown, as are the corresponding receipts in the counterparty sector. This is consistent with TME being a consolidated measure of public sector expenditure. As such the imputed capital spending of BNFL in 2005/06 (see Chapter 8 text for further details) adds to the PC contribution to TME as presented in this table. Likewise the counterparty reduction in central government expenditure (again see text in Chapter 8) reduces the CG contribution to TME. These contributions to TME are scored in the accounting adjustments lines in **table 1.15**.

Administration budgets

1.27 **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 seven years, from 2001-02 to 2007-08, and are on resource basis. Outturn data in this table are from this year within the scope of National Statistics.

1.28 Administration budgets are set for most civil service departments. These budgets help to drive economy and efficiency in the running of government itself. Around 55% 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). An analysis of administration budgets by economic category is shown in **Table 2.1**.

1.29 **Table 1.9** shows, for administration budgets, final outturn for 2001-02 to 2005-06, estimated outturn for 2006-07 and plans for 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. From PESA 2007 administration budgets no longer include profit or loss on the disposal of assets, as these have moved from resource to capital budgets as part of the budget regime changes detailed in **Appendix C**. Administration budgets for 2007-08 were announced in Central Government Supply Estimates 2007-08, Supplementary Budgetary Information (Cm 7079).

Table I.1 Total Managed Expenditure, 2001–02 to 2007–08

	National Statistics						
	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans
£ million							
Departmental Expenditure Limits							
Resource DEL	210,691	229,758	244,856	258,517	278,008	293,443	310,600
Capital DEL	23,191	27,029	30,443	32,813	34,547	38,657	44,300
Less depreciation	9,250	15,529	8,633	7,827	9,540	10,561	10,800
Total Departmental Expenditure Limits	224,632	241,258	266,667	283,504	303,014	321,539	344,100
Annually Managed Expenditure							
<i>Departmental AME</i>							
Social security benefits	109,185	113,850	118,060	125,237	129,849	134,463	140,900
Tax credits ⁽¹⁾	5,048	5,741	9,727	11,601	12,972	14,069	14,758
Net public service pensions ⁽²⁾	3,913	4,150	1,796	344	3,706	3,582	9,789
National Lottery	1,710	1,802	1,910	1,704	1,829	1,710	1,513
BBC domestic services	2,284	2,576	2,377	2,496	2,596	2,736	2,811
Student loans	2,038	2,188	2,111	1,989	2,067	2,974	3,710
Non-cash items	22,394	27,760	26,939	27,358	31,470	39,406	37,262
Other departmental expenditure	3,439	1,724	1,838	2,138	3,027	2,656	3,000
Total departmental AME	150,011	159,791	164,758	172,868	187,515	201,595	213,743
<i>Other AME</i>							
Net expenditure transfers to the EC ⁽³⁾	–690	2,782	3,448	4,907	4,435	4,652	5,010
Locally financed government expenditure	19,214	19,574	20,298	23,765	26,387	25,927	27,813
Central government gross debt interest	22,099	20,942	22,333	23,971	25,804	27,424	29,100
Public corporations' own-financed capital expenditure	2,340	3,504	2,375	3,091	5,323	4,266	4,508
Total other AME	42,963	46,802	48,454	55,733	61,950	62,269	66,431
Total AME before accounting adjustments	192,975	206,593	213,212	228,601	249,465	263,864	280,174
AME margin	—	—	—	—	—	—	1,000
Accounting adjustments	–28,282	–27,091	–24,048	–20,904	–29,093	–33,202	–38,598
Total Annually Managed Expenditure	164,693	179,502	189,164	207,696	220,372	230,663	242,600
Total Managed Expenditure	389,325	420,760	455,831	491,200	523,386	552,202	586,600
<i>of which:</i>							
Public sector current expenditure	365,068	393,378	425,795	455,514	484,213	509,011	538,600
Public sector gross investment	24,257	27,382	30,036	35,686	39,173	43,191	48,000
Public sector gross investment less Depreciation	13,204	14,068	14,576	15,415	16,476	17,683	18,700
Public sector net investment	11,053	13,314	15,460	20,271	22,697	25,507	29,400

(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 Jobseeker's Allowance.

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

(3) Net expenditure transfers to the EC are comprised of the GNI-based contribution to the EC less the UK's abatement. Further information on EC transactions is given in Appendix C, which includes details of transactions with the institutions of the European Community in Table C.1.

Table I.2 Total Managed Expenditure in real terms⁽¹⁾, 2001–02 to 2007–08

	National Statistics						
	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans
£ million							
Departmental Expenditure Limits							
Resource DEL	234,413	247,956	256,620	263,666	278,008	286,347	295,100
Capital DEL	25,803	29,169	31,906	33,467	34,547	37,722	42,100
Less depreciation	10,291	16,759	9,047	7,982	9,540	10,305	10,300
Total Departmental Expenditure Limits	249,925	260,366	279,478	289,151	303,014	313,764	326,900
Annually Managed Expenditure							
<i>Departmental AME</i>							
Social security benefits	121,478	122,867	123,732	127,732	129,849	131,212	133,882
Tax credits ⁽²⁾	5,616	6,195	10,194	11,832	12,972	13,729	14,023
Net public service pensions ⁽³⁾	4,354	4,479	1,883	351	3,706	3,495	9,302
National Lottery	1,903	1,945	2,002	1,738	1,829	1,669	1,438
BBC domestic services	2,541	2,780	2,491	2,546	2,596	2,670	2,671
Student loans	2,267	2,361	2,212	2,029	2,067	2,902	3,525
Non-cash items	24,915	29,959	28,233	27,903	31,470	38,453	35,406
Other departmental expenditure	3,827	1,860	1,927	2,181	3,027	2,592	2,850
Total departmental AME	166,902	172,447	172,674	176,311	187,515	196,721	203,096
<i>Other AME</i>							
Net expenditure transfers to the EC ⁽⁴⁾	-768	3,002	3,613	5,004	4,435	4,540	4,761
Locally financed expenditure	21,378	21,125	21,273	24,238	26,387	25,300	26,427
Central government gross debt interest	24,587	22,601	23,406	24,448	25,804	26,761	27,650
Public corporations' own-financed capital expenditure	2,604	3,781	2,489	3,152	5,323	4,163	4,284
Total other AME	47,801	50,509	50,781	56,843	61,950	60,763	63,122
Total AME before accounting adjustments	214,703	222,956	223,455	233,154	249,465	257,484	266,218
AME margin	—	—	—	—	—	—	1,000
Accounting adjustments	-31,466	-29,237	-25,203	-21,321	-29,093	-32,399	-36,676
Total Annually Managed Expenditure	183,236	193,719	198,252	211,834	220,372	225,085	230,500
Total Managed Expenditure	433,161	454,085	477,730	500,984	523,386	538,849	557,400
<i>of which:</i>							
Public sector current expenditure	406,173	424,535	446,251	464,587	484,213	496,703	511,800
Public sector capital expenditure	26,988	29,551	31,479	36,397	39,173	42,146	45,600
Public sector gross investment	26,988	29,551	31,479	36,397	39,173	42,146	45,600
less Depreciation	14,691	15,182	15,276	15,722	16,476	17,256	17,700
Public sector net investment	12,298	14,369	16,203	20,675	22,697	24,890	27,900

(1) Real terms figures are the cash figures adjusted to 2005–06 price levels using GDP deflators. For years 2001–02 to 2005–06 deflators are calculated from the latest data from the Office for National Statistics (released 28 March 2007). From 2006–07, deflators are consistent with the March 2007 Financial Statement and Budget Report.

(2) 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 Jobseeker's Allowance.

(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. Further information on EC transactions is given in Appendix C, which includes details of transactions with the institutions of the European Community in Table C.1.

Table I.3 Public sector current expenditure, 2001–02 to 2007–08

	National Statistics						
	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans
	£ million						
Resource budget							
Resource DEL	210,691	229,758	244,856	258,517	278,008	293,443	310,600
Resource departmental AME	146,300	156,377	161,645	169,108	183,905	197,668	208,419
Total resource budget	356,990	386,135	406,501	427,625	461,913	491,111	519,000
less non-cash in resource DEL	22,748	25,170	16,190	14,221	18,280	19,474	21,101
less unallocated funds in resource DEL	—	—	—	—	—	–700	1,000
less non-cash in resource AME	21,461	28,118	26,988	26,759	35,061	42,323	45,070
Total near-cash in resource budgets	312,781	332,847	363,323	386,645	408,572	430,014	451,800
<i>of which:</i>							
Near-cash in resource DEL	187,942	204,588	228,667	244,296	259,728	274,669	288,500
Near-cash in resource AME	124,839	128,259	134,657	142,349	148,844	155,345	163,349
Total near-cash in resource budgets	312,781	332,847	363,323	386,645	408,572	430,014	451,800
Current spending in other AME							
Net expenditure transfers to the EC ⁽¹⁾	–690	2,782	3,448	4,907	4,435	4,652	5,010
Locally financed current expenditure	18,706	20,538	20,843	22,290	24,716	23,898	25,898
Central government gross debt interest	22,099	20,942	22,333	23,971	25,804	27,424	29,100
AME margin (current)	—	—	—	—	—	—	900
<i>Other adjustments</i>							
Add spending classified as current							
in National Accounts	4,903	5,212	5,221	5,409	6,007	6,517	6,395
Remove near-cash items classified as capital							
in National Accounts	—	—	—	—	—	—	—
Accounting and other adjustments	7,269	11,056	10,628	12,292	14,679	16,506	19,507
Public Sector Current Expenditure	365,068	393,378	425,795	455,514	484,213	509,011	538,600

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

Table I.4 Public sector net investment, 2001–02 to 2007–08

	National Statistics						
	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans
	£ million						
Capital budget							
Capital DEL	23,191	27,029	30,443	32,813	34,547	38,657	44,300
Capital departmental AME	3,711	3,414	3,113	3,760	3,610	3,928	5,324
Total capital budget	26,903	30,443	33,557	36,573	38,157	42,584	49,700
Capital spending in other AME							
Public corporations' own-financed expenditure	2,340	3,504	2,375	3,091	5,323	4,266	4,508
Locally financed capital expenditure	508	–964	–545	1,475	1,671	2,029	1,915
AME margin (capital)	—	—	—	—	—	—	100
<i>Other adjustments</i>							
Remove items classified as current							
in National Accounts	–4,903	–5,212	–5,221	–5,409	–6,007	–6,517	–6,395
Add resource budget classified as capital							
in National Accounts	—	—	—	—	7	—	—
Accounting and other adjustments	–591	–389	–130	–43	21	829	–1,766
Public sector gross investment	24,257	27,382	30,036	35,686	39,173	43,191	48,000
Less depreciation (national accounts)	13,204	14,068	14,576	15,415	16,476	17,683	18,700
Public sector net investment	11,053	13,314	15,460	20,271	22,697	25,507	29,400

Table I.5 Resource budgets, 2001–02 to 2007–08

	£ million						
	National Statistics					2006–07 estimated outturn	2007–08 plans
	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 outturn	2005–06 outturn		
Resource DEL by departmental group							
Education and Skills	16,786	20,276	22,380	23,159	25,467	54,118	57,876
Health	52,830	57,115	63,605	69,118	76,372	80,840	89,673
<i>of which: NHS England</i>	51,994	55,405	61,865	66,873	74,168	78,869	87,598
Transport	3,586	4,781	6,114	6,085	6,076	6,891	6,704
CLG Communities	1,246	1,646	3,446	3,649	3,507	3,697	4,325
CLG Local Government	36,921	37,396	40,915	43,316	46,244	22,531	22,813
Home Office	10,423	11,910	12,004	12,232	12,703	13,218	13,571
Constitutional Affairs	3,140	3,499	3,408	3,310	3,631	3,708	3,984
Law Officers' Departments	465	514	576	646	689	696	718
Defence	32,329	36,495	31,402	31,327	33,388	33,695	32,831
Foreign and Commonwealth Office	1,366	1,476	1,509	1,708	1,874	1,930	1,809
International Development	2,819	3,048	3,488	3,700	4,114	4,303	4,637
Trade and Industry	4,769	3,408	3,532	4,234	5,237	5,776	6,158
Environment, Food and Rural Affairs	2,342	2,384	2,443	2,814	2,817	3,276	2,987
Culture, Media and Sport	1,006	1,227	1,225	1,319	1,423	1,624	1,564
Work and Pensions	6,027	6,817	7,590	7,731	7,732	7,685	7,726
Scotland	15,018	16,101	18,310	19,345	20,662	22,236	23,510
Wales	7,885	8,887	9,642	10,379	10,986	11,854	12,456
Northern Ireland Executive	5,138	5,767	5,971	6,312	6,722	7,186	7,597
Northern Ireland Office	1,073	1,096	1,044	1,150	1,183	1,270	1,141
Chancellor's Departments	3,885	4,170	4,416	4,756	4,947	5,182	5,028
Cabinet Office	1,638	1,745	1,836	2,228	2,734	2,426	2,460
Invest to Save Budget	—	—	—	—	—	—	—
DEL Reserve	—	—	—	—	—	—	600
Unallocated Special Reserve ⁽¹⁾	—	—	—	—	—	—	400
Allowance for Shortfall	—	—	—	—	—	-700	—
Total Resource DEL	210,691	229,758	244,856	258,517	278,008	293,443	310,600
Resource departmental AME							
by departmental group							
Education and Skills	6,797	7,160	6,495	6,198	7,836	8,835	10,184
Health	4,026	4,665	6,294	6,451	9,409	10,484	14,548
<i>of which: NHS England</i>	76	96	100	55	129	217	243
Transport	2,107	2,166	2,326	2,741	3,076	3,412	3,446
CLG Communities	355	241	256	179	322	326	239
CLG Local Government	498	170	304	461	524	1,119	809
Home Office	173	2,013	40	1	5	291	306
Constitutional Affairs	96	101	58	62	81	88	102
Defence	4,482	6,151	4,798	4,468	5,325	5,439	6,155
Foreign and Commonwealth Office	38	60	40	3	-22	12	50
International Development	114	102	129	132	140	450	135
Trade and Industry	1,184	3,585	1,335	-536	231	425	-143
Environment, Food and Rural Affairs	1,766	51	73	72	126	112	112
Culture, Media and Sport	3,175	3,215	3,681	3,152	3,378	3,480	3,478
Work and Pensions	95,568	99,983	103,948	110,800	115,327	119,125	125,006
Scotland	1,860	1,846	1,449	1,737	2,211	2,392	2,959
Wales	150	181	532	224	292	343	329
Northern Ireland Executive	5,024	4,869	5,293	5,799	6,439	10,363	7,070
Northern Ireland Office	—	—	—	208	212	214	229
Chancellor's Departments	14,190	15,237	19,578	21,574	23,268	24,681	25,774
Cabinet Office	4,699	4,581	5,017	5,383	5,726	6,078	7,630
Total resource departmental AME	146,300	156,377	161,645	169,108	183,905	197,668	208,419
Total resource budget	356,990	386,135	406,501	427,625	461,913	491,111	519,000

⁽¹⁾ This represents provision for the costs of military operations in Iraq and Afghanistan, as well as the UK's other international obligations.

Table I.6 Resource budgets in real terms⁽¹⁾, 2001–02 to 2007–08

	National Statistics						
	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans
£ million							
Resource DEL by departmental group							
Education and Skills	18,676	21,882	23,455	23,621	25,467	52,809	54,993
Health	58,778	61,639	66,661	70,495	76,372	78,885	85,206
<i>of which: NHS England</i>	57,848	59,793	64,837	68,205	74,168	76,962	83,235
Transport	3,990	5,160	6,408	6,206	6,076	6,725	6,370
CLG Communities	1,386	1,777	3,611	3,722	3,507	3,607	4,110
CLG Local Government	41,078	40,358	42,880	44,179	46,244	21,986	21,677
Home Office	11,597	12,853	12,581	12,476	12,703	12,898	12,895
Constitutional Affairs	3,494	3,776	3,571	3,376	3,631	3,619	3,785
Law Officers' Departments	517	555	603	659	689	679	683
Defence	35,969	39,386	32,910	31,951	33,388	32,881	31,196
Foreign and Commonwealth Office	1,520	1,592	1,581	1,742	1,874	1,883	1,719
International Development	3,137	3,290	3,656	3,774	4,114	4,199	4,406
Trade and Industry	5,306	3,678	3,702	4,318	5,237	5,637	5,852
Environment, Food and Rural Affairs	2,605	2,573	2,561	2,870	2,817	3,196	2,838
Culture, Media and Sport	1,119	1,325	1,283	1,345	1,423	1,585	1,486
Work and Pensions	6,706	7,357	7,955	7,884	7,732	7,499	7,341
Scotland	16,709	17,376	19,190	19,731	20,662	21,699	22,339
Wales	8,773	9,590	10,105	10,586	10,986	11,568	11,836
Northern Ireland Executive	5,716	6,224	6,258	6,437	6,722	7,012	7,219
Northern Ireland Office	1,193	1,183	1,094	1,172	1,183	1,239	1,084
Chancellor's Departments	4,322	4,500	4,628	4,851	4,947	5,056	4,778
Cabinet Office	1,823	1,883	1,924	2,272	2,234	2,367	2,338
Invest to Save Budget	—	—	—	—	—	—	—
DEL Reserve	—	—	—	—	—	—	600
Unallocated Special Reserve ⁽²⁾	—	—	—	—	—	—	400
Allowance for Shortfall	—	—	—	—	—	–683	—
Total resource DEL	234,413	247,956	256,620	263,666	278,008	286,347	295,100
Resource Departmental AME by departmental group							
Education and Skills	7,562	7,727	6,807	6,321	7,836	8,621	9,677
Health	4,479	5,034	6,597	6,579	9,409	10,230	13,823
<i>of which: NHS England</i>	85	103	105	56	129	212	231
Transport	2,344	2,337	2,438	2,796	3,076	3,329	3,274
CLG Communities	394	260	269	183	322	318	227
CLG Local Government	554	183	319	470	524	1,092	769
Home Office	192	2,173	42	1	5	284	291
Constitutional Affairs	107	109	61	63	81	86	97
Defence	4,987	6,638	5,028	4,557	5,325	5,308	5,849
Foreign and Commonwealth Office	43	64	41	3	–22	12	48
International Development	126	110	135	135	140	439	129
Trade and Industry	1,317	3,869	1,399	–547	231	414	–136
Environment, Food and Rural Affairs	1,965	56	76	73	126	110	107
Culture, Media and Sport	3,532	3,470	3,857	3,215	3,378	3,396	3,305
Work and Pensions	106,328	107,902	108,942	113,007	115,327	116,244	118,780
Scotland	2,069	1,992	1,519	1,772	2,211	2,334	2,812
Wales	167	196	557	229	292	335	312
Northern Ireland Executive	5,589	5,254	5,548	5,914	6,439	10,113	6,718
Northern Ireland Office	0	—	—	212	212	209	218
Chancellor's Departments	15,787	16,444	20,518	22,004	23,268	24,084	24,490
Cabinet Office	5,228	4,944	5,258	5,491	5,726	5,931	7,250
Total resource departmental AME	162,772	168,762	169,411	172,477	183,905	192,888	198,038
Total resource budget	397,186	416,718	426,030	436,143	461,913	479,235	493,100

(1) Real terms figures are the cash figures adjusted to 2005–06 price levels using GDP deflators. For years 2001–02 to 2005–06 deflators are calculated from the latest data from the Office for National Statistics (released 28 March 2007). From 2006–07, deflators are consistent with the March 2007 Financial Statement and Budget Report.

(2) This represents provision for the costs of military operations in Iraq and Afghanistan, as well as the UK's other international obligations.

Table I.7 Near-cash elements of resource budgets, 2001–02 to 2007–08

	National Statistics						
	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans
£ million							
Resource DEL by departmental group⁽¹⁾							
Education and Skills	15,960	19,475	21,447	22,408	24,488	53,000	56,463
Health	49,132	54,577	61,299	68,916	74,320	78,147	85,794
<i>of which: NHS England</i>	48,298	52,878	59,568	66,688	72,132	76,195	83,737
Transport	3,674	4,453	5,902	5,919	5,812	6,414	6,207
CLG Communities	1,266	1,644	3,450	3,587	3,487	3,560	4,196
CLG Local Government	36,921	37,395	40,914	43,314	46,244	22,530	22,813
Home Office	9,775	10,483	11,396	11,522	12,185	12,679	12,979
Constitutional Affairs	2,871	3,314	3,498	4,008	3,860	3,769	3,908
Law Officers' Departments	428	510	571	636	680	687	707
Defence	18,284	19,619	21,245	21,660	22,335	23,177	21,971
Foreign and Commonwealth Office	1,260	1,330	1,402	1,599	1,704	1,805	1,652
International Development	2,797	2,890	3,464	3,595	4,047	4,205	4,568
Trade and Industry	3,308	3,288	3,518	3,903	4,867	5,502	5,912
Environment, Food and Rural Affairs	2,594	2,087	2,201	2,466	2,349	2,628	2,670
Culture, Media and Sport	871	1,078	1,084	1,190	1,270	1,448	1,375
Work and Pensions	5,985	6,667	7,512	7,643	7,474	7,446	7,563
Scotland	14,375	15,583	17,889	18,481	19,975	21,359	22,727
Wales	7,588	8,517	9,415	10,085	10,661	11,367	11,957
Northern Ireland Executive	4,895	5,504	5,805	6,135	6,519	6,932	7,300
Northern Ireland Office	960	917	935	905	983	1,056	949
Chancellor's Departments	3,702	3,861	4,259	4,491	4,676	4,879	4,686
Cabinet Office	1,295	1,397	1,460	1,832	1,792	2,078	2,069
Total near-cash resource DEL⁽¹⁾	187,942	204,588	228,667	244,296	259,728	274,669	288,468
Resource departmental AME by departmental group							
Education and Skills	1,572	1,559	573	728	901	958	1,208
Health	-144	-108	-2,144	-2,345	-2,628	-2,638	-2,688
<i>of which: NHS England</i>	0	0	2	0	-2	-22	-24
Transport	7	-2	—	31	35	44	45
CLG Communities	367	246	209	83	253	275	227
CLG Local Government	498	170	304	461	524	1,119	809
Home Office	-1	1,690	40	1	29	291	323
Constitutional Affairs	33	37	-11	-12	-5	-7	1
Defence	2,641	2,493	2,443	2,562	2,635	2,585	2,658
International Development	121	116	119	117	104	114	115
Trade and Industry	288	1,198	1,166	1,011	1,366	1,052	744
Environment, Food and Rural Affairs	1,969	131	63	61	70	57	57
Culture, Media and Sport	3,110	3,149	3,614	3,085	3,343	3,410	3,408
Work and Pensions	95,470	99,828	103,854	110,464	115,065	118,569	124,809
Scotland	137	195	-68	-135	-172	-122	250
Wales	-79	-72	190	-94	-73	-18	-47
Northern Ireland Executive	3,700	3,818	3,681	3,727	3,809	4,178	4,560
Northern Ireland Office	125	120	94	125	141	140	142
Chancellor's Departments	14,083	15,057	19,447	21,431	23,405	24,707	25,693
Cabinet Office	940	-1,365	1,083	1,049	43	631	1,035
Total near-cash resource departmental AME	124,839	128,259	134,657	142,349	148,844	155,345	163,349
Total near-cash resource budget⁽¹⁾	312,781	332,847	363,323	386,645	408,572	430,013	451,817

(1) The near-cash resource DEL figures shown above exclude the allowance for shortfall in 2006–07 and exclude the DEL Reserve, Unallocated Special Reserve and unallocated amounts for the Invest to Save Budget in 2007–08.

Table I.8 Non-cash elements of resource budgets, 2001–02 to 2007–08

	National Statistics						
	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans
£ million							
Resource DEL by departmental group							
Education and Skills	825	802	933	752	979	1,118	1,412
Health	3,698	2,538	2,306	202	2,052	2,693	3,879
<i>of which: NHS England</i>	3,696	2,526	2,296	185	2,036	2,674	3,862
Transport	-88	328	213	165	264	477	498
CLG Communities	-21	3	-5	62	20	136	129
CLG Local Government	0	0	0	1	1	1	—
Home Office	648	1,427	608	711	518	539	592
Constitutional Affairs	269	185	-90	-698	-229	-61	76
Law Officers' Departments	37	4	5	10	9	9	11
Defence	14,045	16,876	10,156	9,667	11,053	10,519	10,860
Foreign and Commonwealth Office	106	145	107	109	171	124	157
International Development	22	159	24	105	66	98	69
Trade and Industry	1,461	120	14	331	370	274	247
Environment, Food and Rural Affairs	-253	297	242	349	468	648	317
Culture, Media and Sport	134	149	140	129	153	176	189
Work and Pensions	42	149	79	87	258	239	163
Scotland	643	518	421	864	687	877	782
Wales	296	370	227	294	324	487	499
Northern Ireland Executive	243	263	167	176	202	254	297
Northern Ireland Office	112	179	109	244	200	213	192
Chancellor's Departments	183	309	157	265	271	303	342
Cabinet Office	344	348	376	396	442	347	391
Total non-cash resource DEL⁽¹⁾	22,748	25,170	16,190	14,221	18,280	19,474	21,101
Resource departmental AME by departmental group							
Education and Skills	5,225	5,601	5,921	5,470	6,935	7,877	8,976
Health	4,170	4,773	8,438	8,796	12,037	13,121	17,236
<i>of which: NHS England</i>	76	95	99	55	131	239	267
Transport	2,100	2,168	2,326	2,710	3,041	3,368	3,401
CLG Communities	-12	-5	48	96	70	51	12
Home Office	173	324	—	—	-24	—	-17
Constitutional Affairs	63	65	69	74	86	94	101
Defence	1,841	3,658	2,355	1,906	2,689	2,855	3,497
Foreign and Commonwealth Office	38	60	40	3	-22	12	50
International Development	-8	-14	10	15	36	336	21
Trade and Industry	896	2,387	169	-1,548	-1,135	-627	-887
Environment, Food and Rural Affairs	-203	-79	10	11	56	56	56
Culture, Media and Sport	65	66	67	67	35	70	70
Work and Pensions	98	155	94	336	262	555	197
Scotland	1,723	1,650	1,517	1,872	2,384	2,513	2,709
Wales	229	253	341	318	365	361	376
Northern Ireland Executive	1,324	1,051	1,613	2,072	2,629	6,185	2,510
Northern Ireland Office	-125	-120	-94	83	72	74	87
Chancellor's Departments	107	181	131	143	-137	-26	81
Cabinet Office	3,759	5,945	3,934	4,335	5,683	5,447	6,595
Total non-cash resource departmental AME	21,461	28,118	26,988	26,759	35,061	42,323	45,070
Total non-cash resource budget⁽¹⁾	44,209	53,288	43,178	40,980	53,341	61,796	66,171

(1) The non-cash resource DEL figures shown above exclude the allowance for shortfall in 2006–07 and exclude the DEL Reserve, Unallocated Special Reserve and unallocated amounts for the Invest to Save Budget in 2007–08.

Table I.9 Administration budgets by departmental group, 2001–02 to 2007–08

	National Statistics							£ million
	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08	
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	
Education and Skills	254	248	267	283	263	270	266	
Health	309	329	323	314	290	287	277	
Transport	258	337	356	222	262	251	259	
CLG Communities	263	232	297	318	314	314	293	
Home Office	832	722	718	662	693	665	653	
Constitutional Affairs	199	265	354	530	534	572	570	
Law Officers' Departments	75	80	90	107	108	98	112	
Foreign and Commonwealth Office	662	703	706	746	815	840	870	
International Development	82	94	197	215	222	265	232	
Trade and Industry	331	370	381	394	370	391	391	
Environment, Food and Rural Affairs	223	378	287	315	334	335	286	
Culture, Media and Sport	32	36	39	40	47	51	50	
Work and Pensions	4,812	5,584	5,910	5,980	5,848	5,943	5,798	
Northern Ireland Office	61	136	78	82	78	92	79	
Chancellor's Departments	3,805	4,059	4,309	4,620	4,742	5,032	4,871	
Cabinet Office	636	662	709	979	826	982	1,068	
<i>of which: Security and Intelligence Agencies</i>	452	490	544	815	658	802	824	
Total administration budgets	12,833	14,236	15,023	15,806	15,744	16,387	16,077	
<i>of which: administration costs paybill</i>	7,268	7,973	8,616	8,882	9,445	9,160	8,761	
Ministry of Defence civilian paybill	2,422	2,365	2,461	2,948	3,013	2,714	2,668	
Administration budgets as a percentage of								
Total Managed Expenditure	3.3%	3.4%	3.3%	3.2%	3.0%	3.0%	2.7%	

Table I.10 Capital budgets, 2001–02 to 2007–08

	National Statistics						
	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans
£ million							
Capital DEL by departmental group							
Education and Skills	2,652	3,410	4,209	4,937	5,706	5,249	6,995
Health	1,814	2,146	2,689	2,708	2,245	3,667	4,321
<i>of which: NHS England</i>	1,719	2,073	2,602	2,624	2,151	3,544	4,177
Transport	3,980	5,059	5,233	5,223	4,999	6,539	6,561
CLG Communities	2,500	3,057	4,597	4,985	5,532	5,384	5,937
CLG Local Government	84	202	214	257	316	214	143
Home Office	700	929	941	998	1,034	1,261	1,329
Constitutional Affairs	88	89	104	190	128	167	148
Law Officers' Departments	23	8	11	11	-23	12	15
Defence	5,847	6,115	6,002	6,701	6,410	7,061	7,548
Foreign and Commonwealth Office	77	102	87	117	132	139	148
International Development	268	401	261	249	397	676	643
Trade and Industry	599	696	1,005	782	1,198	1,233	1,157
Environment, Food and Rural Affairs	461	432	567	489	836	903	907
Culture, Media and Sport	33	28	124	154	145	244	402
Work and Pensions	175	280	222	289	354	220	65
Scotland	1,893	1,906	1,697	2,171	2,390	3,032	3,118
Wales	920	1,004	985	1,008	1,208	1,374	1,617
Northern Ireland Executive	611	663	618	797	847	852	1,015
Northern Ireland Office	42	53	50	71	55	80	72
Chancellor's Departments	208	260	246	414	393	349	303
Cabinet Office	218	188	585	263	243	445	371
Invest to Save budget	—	—	—	—	—	—	—
DEL Reserve	—	—	—	—	—	—	1,500
Allowance for Shortfall	—	—	—	—	—	-444	—
Total capital DEL	23,191	27,029	30,443	32,813	34,547	38,657	44,300
Capital departmental AME by departmental group							
Education and Skills	1,766	1,869	1,910	1,883	2,067	3,025	3,708
Health	—	—	—	229	649	96	52
<i>of which: NHS England</i>	—	—	—	229	649	96	52
CLG Local Government	50	56	125	—	—	—	—
Defence	111	-50	-4	—	—	-5	—
Trade and Industry	389	-228	-1,092	-342	-958	-1,123	-544
Environment, Food and Rural Affairs	1	1	1	1	0	1	1
Culture, Media and Sport	911	1,243	1,197	1,127	1,082	1,046	926
Work and Pensions	75	77	90	80	17	123	134
Scotland	196	216	191	170	150	138	160
Wales	123	141	146	135	121	169	211
Northern Ireland Executive	90	90	149	248	247	131	437
Chancellor's Departments	0	—	400	228	235	327	240
Total capital departmental AME	3,711	3,414	3,113	3,760	3,610	3,928	5,324
Total capital budget	26,903	30,443	33,557	36,573	38,157	42,584	49,700

Table I.11 Capital budgets in real terms⁽¹⁾, 2001–02 to 2007–08

	National Statistics						
	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans
£ million							
Capital DEL by departmental group							
Education and Skills	2,951	3,680	4,411	5,036	5,706	5,123	6,647
Health	2,018	2,316	2,818	2,762	2,245	3,578	4,105
<i>of which: NHS England</i>	1,913	2,237	2,726	2,676	2,151	3,458	3,969
Transport	4,428	5,459	5,484	5,327	4,999	6,381	6,234
CLG Communities	2,781	3,299	4,818	5,084	5,532	5,254	5,641
CLG Local Government	93	218	224	262	316	208	136
Home Office	778	1,003	986	1,017	1,034	1,230	1,263
Constitutional Affairs	97	96	109	194	128	163	141
Law Officers' Departments	25	8	11	12	-23	12	14
Defence	6,506	6,599	6,290	6,834	6,410	6,891	7,172
Foreign and Commonwealth Office	86	110	91	119	132	136	140
International Development	298	433	273	254	397	659	611
Trade and Industry	666	751	1,053	798	1,198	1,203	1,099
Environment, Food and Rural Affairs	513	466	594	498	836	881	862
Culture, Media and Sport	37	30	129	157	145	238	382
Work and Pensions	194	303	232	295	354	214	62
Scotland	2,106	2,057	1,779	2,214	2,390	2,958	2,963
Wales	1,023	1,084	1,032	1,028	1,208	1,341	1,536
Northern Ireland Executive	680	715	647	813	847	832	965
Northern Ireland Office	47	58	52	72	55	78	68
Chancellor's Departments	232	281	258	422	393	340	288
Cabinet Office	243	203	613	269	243	434	352
Invest to Save budget	—	—	—	—	—	—	—
DEL Reserve	—	—	—	—	—	—	1,400
Allowance for Shortfall	—	—	—	—	—	-433	—
Total capital DEL	25,803	29,169	31,906	33,467	34,547	37,722	42,100
Capital departmental AME by departmental group							
Education and Skills	1,965	2,017	2,001	1,920	2,067	2,952	3,523
Health	—	—	—	234	649	94	49
<i>of which: NHS England</i>	—	—	—	234	649	94	49
CLG Local Government	56	60	131	—	—	—	—
Defence	123	-54	-4	—	—	-5	—
Trade and Industry	433	-246	-1,144	-349	-958	-1,096	-517
Environment, Food and Rural Affairs	1	1	1	1	0	1	1
Culture, Media and Sport	1,013	1,342	1,255	1,150	1,082	1,021	880
Work and Pensions	83	83	95	82	17	120	127
Scotland	218	233	200	173	150	135	152
Wales	136	152	153	137	121	165	200
Northern Ireland Executive	100	97	156	253	247	128	415
Chancellor's Departments	0	—	419	232	235	319	228
Total capital departmental AME	4,129	3,685	3,263	3,834	3,610	3,833	5,059
Total capital budget	29,932	32,854	35,169	37,301	38,157	41,555	47,200

(1) Real terms figures are the cash figures adjusted to 2005–06 price levels using GDP deflators. For years 2001–02 to 2005–06 deflators are calculated from the latest data from the Office for National Statistics (released 28 March 2007). From 2006–07, deflators are consistent with the March 2007 Financial Statement and Budget Report.

Table I.12 Total Departmental Expenditure Limits⁽¹⁾, 2001–02 to 2007–08

	National Statistics						
	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans
<i>£ million</i>							
Resource and net capital DEL by departmental group							
Education and Skills	19,413	23,651	26,550	28,052	31,126	59,334	64,835
Health	54,415	58,924	66,001	71,393	78,115	83,750	92,905
<i>of which: NHS England</i>	53,486	57,152	64,183	69,078	75,829	81,673	90,702
Transport	7,521	9,643	10,974	11,053	10,794	13,120	12,907
CLG Communities	3,731	4,694	8,023	8,599	9,012	9,048	10,214
CLG Local Government	37,005	37,598	41,128	43,571	46,560	22,744	22,956
Home Office	10,929	12,575	12,719	13,001	13,424	14,147	14,513
Constitutional Affairs	3,173	3,531	3,444	3,403	3,627	3,712	3,986
Law Officers' Departments	457	519	582	649	657	701	724
Defence	30,755	29,350	31,102	32,989	33,212	33,869	33,561
Foreign and Commonwealth Office	1,385	1,510	1,531	1,757	1,897	1,985	1,840
International Development	3,077	3,434	3,718	3,924	4,489	4,958	5,259
Trade and Industry	5,243	4,011	4,394	4,896	6,302	6,899	7,204
Environment, Food and Rural Affairs	2,676	2,658	2,867	3,103	3,512	3,994	3,688
Culture, Media and Sport	965	1,187	1,281	1,420	1,487	1,770	1,864
Work and Pensions	6,165	7,011	7,719	7,897	7,976	7,702	7,637
Scotland ⁽²⁾	16,740	17,886	19,805	21,098	22,722	24,806	26,271
Wales ⁽²⁾	8,613	9,653	10,532	11,239	11,999	12,949	13,790
Northern Ireland Executive ⁽²⁾	5,689	6,374	6,531	7,058	7,494	7,981	8,535
Northern Ireland Office	1,083	1,093	1,053	1,176	1,191	1,283	1,164
Chancellor's Departments	3,921	4,188	4,506	4,920	5,161	5,305	5,113
Cabinet Office	1,679	1,767	2,207	2,305	2,257	2,624	2,596
Invest to Save budget	—	—	—	—	—	—	—
DEL reserve	—	—	—	—	—	—	2,100
Unallocated Special Reserve ⁽³⁾	—	—	—	—	—	—	400
Allowance for shortfall	—	—	—	—	—	-1,144	—
Total DEL	224,632	241,258	266,667	283,504	303,014	321,539	344,100
Total education spending⁽⁴⁾ (£ billion)	49.6	52.5	58.4	62.5	67.1	71.5	77.8

(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 military operations in Iraq and Afghanistan, as well as the UK's other international obligations.

(4) Includes spending by local authorities.

Table I.13 Total Departmental Expenditure Limits⁽¹⁾ in real terms⁽²⁾, 2001–02 to 2007–08

	National Statistics						
	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans
<i>£ million</i>							
Resource and net capital DEL by departmental group							
Education and Skills	21,598	25,524	27,826	28,610	31,126	57,900	61,606
Health	60,541	63,591	69,172	72,815	78,115	81,725	88,278
<i>of which: NHS England</i>	59,508	61,679	67,266	70,454	75,829	79,698	86,184
Transport	8,368	10,407	11,501	11,273	10,794	12,802	12,264
CLG Communities	4,151	5,066	8,408	8,770	9,012	8,829	9,705
CLG Local Government	41,171	40,575	43,104	44,439	46,560	22,194	21,813
Home Office	12,160	13,571	13,330	13,260	13,424	13,805	13,790
Constitutional Affairs	3,530	3,811	3,609	3,471	3,627	3,623	3,787
Law Officers' Departments	508	560	610	662	657	684	688
Defence	34,218	31,675	32,596	33,646	33,212	33,050	31,890
Foreign and Commonwealth Office	1,541	1,630	1,605	1,792	1,897	1,937	1,749
International Development	3,423	3,705	3,897	4,002	4,489	4,838	4,997
Trade and Industry	5,833	4,329	4,605	4,994	6,302	6,733	6,846
Environment, Food and Rural Affairs	2,978	2,869	3,005	3,165	3,512	3,898	3,504
Culture, Media and Sport	1,073	1,281	1,342	1,448	1,487	1,728	1,771
Work and Pensions	6,859	7,567	8,089	8,055	7,976	7,516	7,256
Scotland ⁽³⁾	18,625	19,302	20,756	21,519	22,722	24,207	24,962
Wales ⁽³⁾	9,583	10,418	11,037	11,463	11,999	12,636	13,103
Northern Ireland Executive ⁽³⁾	6,329	6,879	6,845	7,199	7,494	7,788	8,110
Northern Ireland Office	1,205	1,179	1,104	1,200	1,191	1,252	1,106
Chancellor's Departments	4,362	4,520	4,722	5,018	5,161	5,177	4,859
Cabinet Office	1,868	1,907	2,313	2,351	2,257	2,561	2,467
Invest to Save budget	—	—	—	—	—	—	—
DEL Reserve	—	—	—	—	—	—	2,000
Unallocated Special Reserve ⁽⁴⁾	—	—	—	—	—	—	400
Allowance for Shortfall	—	—	—	—	—	-1,116	—
Total DEL	249,925	260,366	279,478	289,151	303,014	313,764	326,900
Total education spending⁽⁵⁾ (£ billion)	55.2	56.6	61.2	63.7	67.1	69.8	73.9

(1) Full resource budgeting basis, excluding depreciation.

(2) Real terms figures are the cash figures adjusted to 2005–06 price levels using GDP deflators. For years 2001–02 to 2005–06 deflators are calculated from the latest data from the Office for National Statistics (released 28 March 2007). From 2006–07, deflators are consistent with the March 2007 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 military operations in Iraq and Afghanistan, as well as the UK's other international obligations.

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

Table I.14 Accounting adjustments, 2001–02 to 2007–08

	£ billion						
	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans
Tax credits for individuals	0.8	0.9	0.1	0.0	0.0	0.0	0.0
Pensions	-17.6	-19.7	-22.3	-23.2	-30.9	-32.0	-40.1
Other central government programmes	-0.8	-0.3	0.0	0.1	0.0	0.4	0.5
VAT refunds	6.6	7.6	8.7	9.6	10.2	10.9	12.5
Central government capital consumption	5.1	5.3	5.5	5.8	6.1	6.5	6.7
Non-cash items not in TME, and stocks	-16.8	-16.6	-11.9	-9.6	-12.2	-18.2	-14.4
Expenditure financed by revenue receipts	0.2	0.5	0.4	0.6	0.6	0.6	0.5
Local authorities	3.9	4.5	4.7	3.2	4.6	5.0	5.7
General government consolidation	-2.4	-2.4	-2.6	-2.7	-5.8	-6.0	-6.3
Public corporations	0.4	0.8	0.6	0.6	0.5	0.4	0.5
Financial transactions	-2.3	-2.3	-2.2	-1.9	-2.3	-3.5	-4.1
Data adjustment	-3.4	-3.8	-4.3	-1.9	0.3	2.0	0.3
Balancing reconciliation	-2.0	-1.5	-0.7	-1.6	-0.2	0.7	-0.4
Total accounting adjustments	-28.3	-27.1	-24.0	-20.9	-29.1	-33.2	-38.6

The accounting adjustments are described in Appendix C.

Table I.15 Total Managed Expenditure by spending sector, 2001–02 to 2007–08

	£ million						
	National Statistics						2007–08
	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	plans
	outturn	outturn	outturn	outturn	outturn	estimated outturn	
Central government own expenditure							
DEL ⁽¹⁾⁽²⁾	161,483	171,569	188,156	199,528	213,450	229,350	241,936
Departmental AME	135,958	145,133	150,120	155,346	169,659	181,236	192,989
Locally financed support in Northern Ireland	348	361	384	410	457	506	544
Net expenditure transfers to EC	-690	2,782	3,448	4,907	4,435	4,652	5,010
Central government debt interest	22,099	20,942	22,333	23,971	25,804	27,424	29,100
Accounting and other adjustments ⁽²⁾	-34,649	-36,387	-31,717	-28,599	-51,714	-42,216	-46,600
Total central government own expenditure	284,549	304,400	332,724	355,563	362,090	400,952	423,000
Local authority expenditure							
Central government support in DEL ⁽¹⁾⁽²⁾	61,116	67,489	77,101	82,850	88,465	92,490	98,808
Central government support in departmental AME	13,946	14,573	14,454	16,885	17,875	19,840	20,572
Locally financed support in Scotland	1,554	1,718	1,804	1,896	1,897	1,884	1,860
Local authority self-financed expenditure	17,312	17,495	18,109	21,459	24,033	23,537	25,409
Accounting and other adjustments ⁽²⁾	6,452	9,080	7,763	7,772	7,051	7,819	11,400
Total local authority expenditure	100,381	110,355	119,231	130,862	139,321	145,569	158,000
Public corporation expenditure							
DEL ⁽¹⁾⁽²⁾	2,033	2,200	1,410	1,125	1,100	843	819
Departmental AME	107	86	185	637	-18	519	182
Public corporations' own-financed capital expenditure	2,340	3,504	2,375	3,091	5,323	4,266	4,508
Accounting and other adjustments ⁽²⁾	-85	215	-94	-78	15,570	52	100
Total public corporation expenditure	4,395	6,005	3,876	4,775	21,975	5,680	5,600
Total Managed Expenditure	389,325	420,760	455,831	491,200	523,386	552,202	586,600

(1) Full resource budgeting basis, excluding depreciation.

(2) The sectoral DEL figures shown above exclude the Allowance for Shortfall in 2006–07. The DEL Reserve, Unallocated Special Reserve and unallocated amounts for the Invest to Save Budget are also excluded in 2007–08. AME figures for 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.11. 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.11 by these amounts.

