

Table 2.4: Fiscal balances compared with Budget 2005 and the 2005 Pre-Budget Report

	Outturn ¹	Estimate ²	Projections				
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Surplus on current budget (£ billion)							
Budget 2005	-16.1	-5.7	1	4	9	12	
<i>Effect of revisions and forecasting changes</i>	-3.8	-4.2	-6 1/2	-6 1/2	-5	-3 1/2	
<i>Effect of discretionary changes</i>	0.0	-0.8	2	2 1/2	2 1/2	2	
PBR 2005	-19.9	-10.6	-4	0	7	11	13
<i>Effect of revisions and forecasting changes</i>	0.9	-0.8	-2 1/2	1/2	0	-1	-1 1/2
<i>Effect of discretionary changes</i>	0.0	0.0	- 1/2	1/2	1	1/2	1/2
Budget 2006	-19.0	-11.4	-7	1	7	10	12
Net borrowing (£ billion)							
Budget 2005	34.4	31.9	29	27	24	22	
<i>Changes to current budget</i>	3.8	4.9	5	4	2 1/2	1 1/2	
<i>Changes to net investment</i>	0.6	0.1	0	0	0	0	
PBR 2005	38.8	37.0	34	31	26	23	22
<i>Changes to current budget</i>	-0.9	0.8	3	-1	- 1/2	1/2	1
<i>Changes to net investment</i>	1.7	-0.6	- 1/2	- 1/2	0	0	0
Budget 2006	39.7	37.1	36	30	25	24	23
Cyclically-adjusted surplus on current budget (per cent of GDP)							
Budget 2005	-0.8	-0.3	0.1	0.3	0.6	0.8	
PBR 2005	-1.3	-0.1	0.7	0.7	0.7	0.7	0.8
Budget 2006	-1.3	-0.3	0.4	0.7	0.7	0.7	0.8
Cyclically-adjusted net borrowing (per cent of GDP)							
Budget 2005	2.4	2.4	2.2	2.0	1.6	1.5	
PBR 2005	2.9	2.2	1.6	1.6	1.6	1.5	1.4
Budget 2006	3.0	2.4	1.9	1.6	1.6	1.6	1.5
Net debt (per cent of GDP)							
Budget 2005	34.4	35.5	36.2	36.8	37.1	37.1	
PBR 2005	34.7	36.5	37.4	37.9	38.2	38.2	38.2
Budget 2006	35.0	36.4	37.5	38.1	38.3	38.4	38.4

¹ The 2004-05 figures were estimates in Budget 2005.² The 2005-06 figures were projections in Budget 2005.

Table C11: Total Managed Expenditure 2004-05 to 2007-08

	£ billion			
	Outturn	Estimate	Projections	
	2004-05	2005-06	2006-07	2007-08
Departmental Expenditure Limits				
Resource Budget	257.2	277.6	294.5	309.7
Capital Budget	33.6	37.4	42.5	45.6
Less depreciation	-8.3	-11.9	-11.8	-11.5
Total Departmental Expenditure Limits	282.5	303.0	325.2	343.8
Annually Managed Expenditure				
Social security benefits ¹	121.5	127.4	131.5	138.3
Tax credits ¹	15.0	15.4	15.6	15.1
Net public service pensions ²	1.1	0.3	0.4	0.3
National Lottery	1.8	1.9	1.7	1.5
BBC domestic services	2.9	3.1	3.3	3.4
Other departmental expenditure	2.9	4.3	3.6	3.2
Net expenditure transfers to EU institutions ³	4.8	4.4	5.4	6.5
Locally-financed expenditure ⁴	24.3	26.6	27.7	29.3
Central government gross debt interest	24.0	25.7	26.3	28.0
Public corporations' own-financed capital expenditure	2.2	2.8	2.9	2.9
AME margin	0.0	0.0	1.0	2.0
Accounting adjustments ⁵	8.0	8.2	7.7	8.5
Annually Managed Expenditure	208.5	220.2	227.1	238.9
Total Managed Expenditure	491.0	523.2	552.3	582.8
<i>of which:</i>				
Public sector current expenditure	455.4	481.9	506.7	534.2
Public sector net investment	20.7	25.7	28.8	30.9
Public sector depreciation	15.0	15.6	16.8	17.7

¹ For 2004-05 to 2006-07, child allowances in Income Support and Jobseekers' Allowance, which, from 2003-04, are paid as part of the Child Tax Credit, have been included in the tax credits line and excluded from the social security benefits line. This is in order to give figures on a consistent definition over the forecast period.

² Net public service pensions expenditure is reported on a national accounts basis.

³ AME spending component only. Total net payments to EU institutions also include receipts scored in DEL, VAT based contributions which score as negative receipts and some payments which have no effect on the UK public sector in the national accounts. Latest estimates for total net payments, which exclude the UK's contribution to the cost of EU aid to non-Member States (which is attributed to the aid programme), and the UK's net contribution to the EU Budget, which includes this aid, are (in £ billion):

	2004-05	2005-06	2006-07	2007-08
Net payments to EU institutions	3.2	3.9	1.3	4.8
Net contribution to EU Budget	3.8	4.5	2.0	5.5

⁴ This expenditure is mainly financed by council tax revenues. See footnote to table C8 for an explanation of how the council tax projections are derived.

⁵ Excludes depreciation.