

# 4

## TRENDS IN PUBLIC SECTOR EXPENDITURE

**4.1** The analyses in this chapter show trends in government expenditure over a longer span of years than presented elsewhere in PESA, adjusted as far as possible so that figures for historical outturn years are based on current definitions.

**4.2** Data in this chapter are a mix of cash and accruals. All outturn data for Total Expenditure on Services up until 1997-98 are on a cash basis. Outturn for 1998-99 to 2005-06 are on an accruals basis, as are estimated outturn data for 2006-07. All outturn data (to 2005-06) in the tables in this chapter are National Statistics.

### What's new

**4.3** As pre-announced in PESA 2006 the analysis of Total Expenditure on Services (TES) in PESA 2007 by the UN Classification of Functions of Government (COFOG) has been moved into conformity with the UN COFOG definitions at level 2. The Treasury has published a document detailing these changes in full on its website.<sup>(1)</sup>

The main impacts of this change are shown in the analyses by sub-function presented in Tables 5.2 and 6.5. There are also some minor changes to the UN COFOG level 1 presentation in this chapter:

- **general public services** is larger than presented previously, as it includes international services and public sector debt interest that were shown separately in PESA 2006. These sub categories, along with public and common services (which equates to the PESA 2006 presentation of general public services), are shown in italics under the heading of general public services; and
- the PESA 2006 functions enterprise and economic development, science and technology, employment policies, transport, and agriculture, fisheries and forestry, are all part of a larger **economic affairs** category. These PESA 2006 functions are shown in italics under the heading of economic affairs.

### Public expenditure aggregates

**4.4** Table 4.1 shows trends in public expenditure over the years 1967-68 to 2007-08 in nominal and in real terms and as a percentage of Gross Domestic Product (GDP). The table shows three spending aggregates in these ways: public sector current expenditure, public sector net investment and Total Managed Expenditure (TME). Data for a fourth aggregate, public sector depreciation, are shown in nominal terms only. Data for all these aggregates for the years up to 2005-06 are taken from the public sector accounts compiled by the Office for National Statistics (ONS). The public sector accounts are a part of the National Accounts that are updated monthly. Public sector capital expenditure (or gross investment) *less* public sector depreciation equals public sector net investment. Public sector capital expenditure *plus* public sector current expenditure is equal to TME – which is a measure of total public sector spending drawn from National Accounts. Figures for 2006-07 are estimated outturn and for 2007-08 are projections produced by the Treasury.

<sup>1</sup> [http://www.hm-treasury.gov.uk/economic\\_data\\_and\\_tools/finance\\_spending\\_statistics/PES\\_function/function.cfm](http://www.hm-treasury.gov.uk/economic_data_and_tools/finance_spending_statistics/PES_function/function.cfm)

## Total Expenditure on Services by function

**4.5** The key concept to understand in the derivation of the public expenditure by function series is Total Expenditure on Services (TES). This is the spending aggregate that is allocated to function and covers most expenditure by the public sector that is included in TME.

**4.6** TES includes central government spending but excludes the part that is finance to local authorities and capital finance to public corporations. This central government own expenditure is then combined with actual spending by local authorities and public corporations to give total public sector expenditure. TES is a near-cash measure of spending in that it excludes non-cash items such as depreciation and cost of capital charges. Full details of the definition of TES and the relationship to departments' budgets are available in **Appendix E**.

**4.7** **Table 4.2** shows TES by UN COFOG level 1 from 1987-88 to 2006-07. **Tables 4.3 and 4.4** present this in real terms and as a percentage of GDP respectively. These tables cover outturn years and give estimated outturns for 2006-07.

## Methods and data quality for long run TES series

**4.8** Our aim is that the attribution of spending to functions should be broadly consistent over the entire table.

**4.9** Data for the long run TES series for years before 2001-02 are not taken directly from the live public expenditure database that is maintained by government departments (see **Appendix A**). Summary data from the database are archived at the point at which the database ceases to be live.

**4.10** Normally, distant outturn data are no longer subject to adjustment. However, sometimes reclassifications affect the long run functional series. These include ONS decisions for the National Accounts (e.g. the decision to reclassify London Continental Railways to the public corporation sector – see **Appendix A**) and decisions taken by the Treasury in conjunction with departments to improve the allocation of spending to functions.

**4.11** Only the larger classification changes are taken back to the historical years, based on the change in expenditure relative to the size of the function or functions concerned. Reclassifications are taken back to the historical series based on archived data. It is not always possible to identify the relevant data within the archives because of changes in recording practices over time, and if data series need to be split across functions it is not always possible to ascertain the right split to apply. The decision taken on the procedure used to implement classification changes in historical years is made by Treasury officials after discussions with other government departments, and can sometimes entail a simple percentage split based on the best information available.

**4.12** These factors mean that the attribution of spending to functions in the historical years is less accurate than in the live years. TES functional numbers in the long run series are presented as accurate to within £100m. That may, in some cases, overstate the accuracy of the figures due to rounding and so small differences in figures or rates of change should be disregarded.

**Table 4.1 Public expenditure aggregates, 1967–68 to 2007–08**

Outturn data in this table up to 2005–06 fall within the scope of National Statistics

	Public sector current expenditure			Depreciation		Public sector net investment			Total Managed Expenditure		
	Nominal £ billion	Real terms <sup>(1)</sup> £ billion	Percentage of GDP	Nominal £ billion		Nominal £ billion	Real terms <sup>(1)</sup> £ billion	Percentage of GDP	Nominal £ billion	Real terms <sup>(1)</sup> £ billion	Percentage of GDP
1967–68	13.8	172.2	33.8	1.5		3.0	37.2	7.3	18.3	227.5	44.7
1968–69	14.8	176.2	33.4	1.6		2.9	34.3	6.5	19.3	229.6	43.5
1969–70	15.7	177.0	33.0	1.7		2.9	32.2	6.0	20.3	228.9	42.6
1970–71	17.4	180.9	32.8	2.0		3.3	34.5	6.3	22.7	236.2	42.8
1971–72	19.8	189.6	33.5	2.3		3.1	30.0	5.3	25.2	241.4	42.7
1972–73	22.4	197.4	33.4	2.6		3.3	28.9	4.9	28.3	249.1	42.1
1973–74	26.4	217.4	35.3	3.1		3.9	32.5	5.3	33.4	275.3	44.7
1974–75	34.8	239.7	39.0	3.9		5.1	34.8	5.7	43.7	301.3	49.0
1975–76	44.6	244.8	40.1	4.9		6.2	34.2	5.6	55.7	306.0	50.1
1976–77	52.0	251.8	40.1	5.8		5.8	28.1	4.5	63.6	307.8	49.0
1977–78	58.3	248.3	38.6	6.6		4.5	19.2	3.0	69.5	295.7	46.0
1978–79	66.7	255.6	38.6	7.5		4.4	16.7	2.5	78.6	301.2	45.5
1979–80	79.9	262.1	38.5	8.9		4.8	15.6	2.3	93.6	306.9	45.1
1980–81	97.2	269.9	41.1	10.7		4.5	12.5	1.9	112.5	312.1	47.5
1981–82	111.3	281.9	42.9	11.7		2.6	6.7	1.0	125.6	318.1	48.4
1982–83	121.7	288.0	42.9	12.1		4.5	10.6	1.6	138.3	327.2	48.8
1983–84	131.4	297.0	42.6	12.6		5.7	12.9	1.9	149.7	338.4	48.5
1984–85	142.0	305.0	42.9	12.6		5.3	11.3	1.6	159.9	343.5	48.3
1985–86	150.0	305.5	41.3	12.3		4.3	8.8	1.2	166.6	339.3	45.9
1986–87	157.3	310.3	40.5	12.7		2.7	5.3	0.7	172.7	340.7	44.4
1987–88	168.0	313.8	38.9	12.7		2.6	4.8	0.6	183.3	342.3	42.4
1988–89	175.4	306.3	36.5	13.6		1.7	2.9	0.3	190.7	332.9	39.7
1989–90	189.3	308.4	36.0	14.3		6.6	10.8	1.3	210.2	342.5	40.0
1990–91	205.6	310.6	36.4	14.1		7.8	11.7	1.4	227.5	343.7	40.3
1991–92	230.8	328.7	38.7	12.6		10.8	15.3	1.8	254.2	361.9	42.6
1992–93	249.9	344.7	40.5	12.7		11.6	15.9	1.9	274.1	378.2	44.5
1993–94	263.9	354.8	40.4	12.9		9.4	12.6	1.4	286.2	384.8	43.8
1994–95	276.3	365.9	40.0	13.1		9.8	13.0	1.4	299.1	396.2	43.3
1995–96	288.1	370.3	39.4	13.1		10.1	13.0	1.4	311.3	400.2	42.6
1996–97	298.0	370.5	38.5	12.4		5.4	6.8	0.7	315.8	392.7	40.8
1997–98	305.2	368.8	37.0	12.3		5.2	6.3	0.6	322.7	389.9	39.2
1998–99	313.3	369.2	36.0	12.1		6.5	7.6	0.7	331.9	391.1	38.1
1999–00	324.9	375.3	35.2	12.4		5.3	6.2	0.6	342.6	395.7	37.2
2000–01	345.5	393.5	35.8	12.8		4.0	4.6	0.4	362.3	412.6	37.5
2001–02	365.1	406.2	36.3	13.2		11.1	12.3	1.1	389.3	433.2	38.7
2002–03	393.4	424.5	37.0	14.1		13.3	14.4	1.3	420.8	454.1	39.5
2003–04	425.8	446.3	37.7	14.6		15.5	16.2	1.4	455.8	477.7	40.4
2004–05	455.5	464.6	38.4	15.4		20.3	20.7	1.7	491.2	501.0	41.4
2005–06	484.2	484.2	39.0	16.5		22.7	22.7	1.8	523.4	523.4	42.2
2006–07	509.0	496.7	39.0	17.7		25.5	24.9	2.0	552.2	538.8	42.3
2007–08	538.6	511.8	39.1	18.7		29.4	27.9	2.1	586.6	557.4	42.6

(1) Real terms figures are the accrual figures adjusted to 2005–06 price levels using GDP deflators. For years 1967–68 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 4.2 Total Expenditure on Services by COFOG, 1987–88 to 2006–07

	National Statistics																			
	cash, £ billion										accruals, £ billion									
	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
1. General public services	25.2	26.2	28.2	28.3	27.1	28.2	30.0	33.0	36.5	37.7	39.2	40.0	37.3	39.0	36.4	36.4	39.1	42.6	45.7	48.2
of which: public and common services	3.6	3.9	4.9	5.3	5.9	6.0	6.0	6.2	6.3	6.5	6.4	7.5	8.2	8.2	9.4	10.1	11.1	12.4	13.0	13.7
of which: international services	1.9	2.1	2.3	2.5	2.9	3.1	3.2	3.3	3.4	3.1	3.1	3.2	3.7	4.2	4.3	4.5	5.1	5.5	6.0	6.3
of which: public sector debt interest	19.7	20.2	20.9	20.5	18.3	19.0	20.8	23.5	26.8	28.1	29.7	29.4	25.4	26.6	22.7	21.8	23.0	24.7	26.6	28.3
2. Defence	19.1	19.4	21.0	22.0	23.2	23.8	23.5	23.3	22.5	22.1	21.7	24.5	25.1	25.7	25.4	27.1	28.8	30.0	30.7	32.3
3. Public order and safety	8.0	8.8	10.1	11.5	13.0	14.2	14.8	15.4	15.7	16.2	16.9	17.8	18.1	20.1	22.8	24.4	26.5	28.4	29.3	30.5
4. Economic affairs	19.0	18.7	19.6	21.6	21.4	23.3	23.8	23.9	23.4	23.3	21.5	19.6	21.5	23.8	27.7	30.7	33.4	33.8	35.3	38.1
of which: enterprise and economic development	6.5	6.7	7.0	6.9	5.4	5.4	5.5	4.7	4.5	4.3	4.3	3.1	4.4	4.9	5.0	6.0	6.4	6.8	6.4	6.6
of which: science and technology	1.0	1.1	1.1	1.2	1.3	1.4	1.5	1.1	1.2	1.4	1.4	1.4	1.4	1.4	1.7	2.1	2.3	2.5	2.9	2.9
of which: employment policies	3.0	2.7	2.3	2.4	2.7	2.9	3.1	3.2	3.1	2.8	2.5	2.9	3.5	3.8	3.3	3.0	3.2	3.2	3.4	3.6
of which: agriculture, fisheries and forestry	2.2	2.0	1.9	2.7	2.8	2.9	3.8	3.4	3.9	5.4	4.7	4.4	4.3	4.7	6.3	4.7	5.3	5.4	5.6	5.4
of which: transport	6.4	6.3	7.3	8.3	9.2	10.8	10.0	11.5	10.9	9.5	8.7	7.8	7.9	9.0	11.3	14.8	16.2	15.9	16.9	19.6
5. Environment protection	2.4	2.6	2.9	3.2	3.4	3.6	3.4	3.8	4.1	3.7	4.0	4.3	4.9	5.1	5.5	6.1	6.2	7.0	8.4	9.7
6. Housing and community amenities	4.6	3.6	5.3	6.0	6.8	7.1	6.2	6.2	6.0	5.7	4.9	5.5	4.7	5.5	6.4	5.6	6.8	8.2	10.9	11.3
7. Health	20.4	22.5	24.3	27.2	31.1	34.4	36.8	39.6	41.6	42.9	44.7	47.1	49.6	54.4	59.9	66.4	74.9	82.7	88.7	95.1
8. Recreation, culture and religion	3.5	3.8	4.3	4.8	5.0	5.1	5.1	5.2	5.5	5.7	6.4	7.2	7.7	7.8	8.6	9.3	9.6	10.0	10.6	11.3
9. Education (includes training)	21.2	23.1	25.8	28.0	31.2	33.0	34.5	36.1	36.9	37.6	38.5	40.0	42.1	45.9	51.1	54.3	60.4	64.5	69.3	73.9
of which: education	20.2	21.8	24.4	26.8	29.5	31.9	33.3	34.9	35.7	36.3	37.3	38.6	40.7	44.3	49.6	52.5	58.4	62.5	67.1	71.5
of which: training	0.9	1.2	1.4	1.2	1.7	1.1	1.2	1.2	1.2	1.3	1.2	1.3	1.4	1.5	1.5	1.9	2.0	2.0	2.2	2.4
10. Social protection	55.1	56.8	61.3	68.2	80.2	91.1	98.3	102.0	107.6	112.8	114.5	115.2	123.0	128.5	137.2	145.1	155.6	164.1	171.1	177.2
EU transactions	-1.6	-2.5	-1.5	-2.3	-4.1	-3.4	-4.7	-4.3	-4.1	-5.2	-3.7	-2.6	-2.7	-2.6	-4.8	-1.9	-2.1	-0.9	-0.6	-2.0
Unallocated <sup>(1)</sup>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	-0.9
<b>Total Expenditure on Services</b>	<b>176.8</b>	<b>183.1</b>	<b>201.2</b>	<b>218.4</b>	<b>238.2</b>	<b>260.5</b>	<b>271.6</b>	<b>284.1</b>	<b>295.9</b>	<b>302.5</b>	<b>308.6</b>	<b>318.5</b>	<b>331.3</b>	<b>353.2</b>	<b>376.2</b>	<b>403.4</b>	<b>439.4</b>	<b>470.4</b>	<b>499.4</b>	<b>524.8</b>
Accounting adjustments	6.4	7.6	9.0	9.1	15.9	13.7	14.6	15.0	15.5	13.3	14.1	13.4	11.4	9.1	13.1	17.4	16.4	20.8	24.0	27.4
<b>Total Managed Expenditure</b>	<b>183.3</b>	<b>190.7</b>	<b>210.2</b>	<b>227.5</b>	<b>254.2</b>	<b>274.1</b>	<b>286.2</b>	<b>299.1</b>	<b>311.3</b>	<b>315.8</b>	<b>322.7</b>	<b>331.9</b>	<b>342.6</b>	<b>362.3</b>	<b>389.3</b>	<b>420.8</b>	<b>455.8</b>	<b>491.2</b>	<b>523.4</b>	<b>552.2</b>

(1) Includes allowance for shortfall and departmental unallocated provision.

Table 4.3 Total Expenditure on Services by COFOG in real terms<sup>(1)</sup>, 1987–88 to 2006–07

	National Statistics																	accruals, £ billion			
	cash, £ billion																	2005–06		2006–07	
	1987–88	1988–89	1989–90	1990–91	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn
1. General public services	47.1	45.7	45.9	42.7	38.6	38.9	40.3	43.7	46.9	46.9	47.3	47.2	43.1	44.4	40.5	39.2	41.0	43.5	45.7	47.1	47.1
of which: public and common services	6.7	6.9	8.0	8.0	8.4	8.3	8.1	8.1	8.1	8.0	7.7	8.8	9.5	9.3	10.5	10.9	11.6	12.6	13.0	13.4	13.4
of which: international services	3.5	3.7	3.8	3.8	4.2	4.3	4.3	4.4	4.4	3.9	3.7	3.8	4.3	4.8	4.8	4.8	5.4	5.6	6.0	6.1	6.1
of which: public sector debt interest	36.9	35.2	34.1	30.9	26.1	26.3	27.9	31.1	34.4	35.0	35.9	34.6	29.3	30.3	25.2	23.5	24.1	25.2	26.6	27.6	27.6
2. Defence	35.7	33.9	34.2	33.2	33.0	32.9	31.6	30.9	28.9	27.5	26.2	28.8	29.0	29.3	28.3	29.2	30.2	30.6	30.7	31.6	31.6
3. Public order and safety	14.9	15.4	16.4	17.4	18.5	19.6	19.9	20.3	20.2	20.2	20.4	20.9	21.0	22.9	25.4	26.4	27.8	28.9	29.3	29.8	29.8
4. Economic affairs	35.5	32.6	32.0	32.7	30.5	32.2	32.1	31.6	30.1	29.0	26.0	23.1	24.8	27.1	30.8	33.1	35.0	34.5	35.3	37.1	37.1
of which: enterprise and economic development	12.1	11.7	11.4	10.5	7.7	7.4	7.4	6.2	5.7	5.4	5.2	3.6	5.1	5.6	5.6	6.4	6.7	6.9	6.4	6.4	6.4
of which: science and technology	1.9	1.8	1.8	1.8	1.8	2.0	2.0	1.5	1.5	1.7	1.7	1.6	1.6	1.6	1.9	2.3	2.4	2.5	2.9	2.8	2.8
of which: employment policies	5.5	4.7	3.8	3.6	3.9	4.0	4.1	4.2	3.9	3.4	3.0	3.4	4.0	4.3	3.7	3.3	3.4	3.3	3.4	3.4	3.5
of which: agriculture, fisheries and forestry	4.1	3.5	3.1	4.1	4.0	4.0	5.1	4.5	5.0	6.7	5.7	5.2	4.9	5.3	7.0	5.1	5.5	5.5	5.6	5.2	5.2
of which: transport	11.9	10.9	11.8	12.6	13.1	14.9	13.5	15.2	14.0	11.8	10.5	9.2	9.1	10.3	12.6	16.0	17.0	16.3	16.9	19.2	19.2
5. Environment protection	4.5	4.6	4.7	4.8	4.9	4.9	4.5	5.0	5.3	4.5	4.9	5.1	5.7	5.8	6.1	6.5	6.5	7.1	8.4	9.4	9.4
6. Housing and community amenities	8.6	6.2	8.6	9.0	9.6	9.8	8.4	8.2	7.8	7.1	6.0	6.5	5.4	6.2	7.2	6.1	7.1	8.3	10.9	11.0	11.0
7. Health	38.0	39.3	39.6	41.1	44.2	47.4	49.4	52.4	53.4	53.4	54.0	55.5	57.3	62.0	66.7	71.6	78.5	84.4	88.7	92.8	92.8
8. Recreation, culture and religion	6.6	6.7	7.0	7.3	7.1	7.1	6.8	7.0	7.1	7.1	7.7	8.5	8.9	8.9	9.5	10.0	10.0	10.2	10.6	11.1	11.1
9. Education (includes training)	39.5	40.3	42.0	42.2	44.4	45.5	46.4	47.8	47.4	46.8	46.5	47.1	48.6	52.2	56.9	58.6	63.3	65.8	69.3	72.2	72.2
of which: education	37.8	38.1	39.7	40.5	42.1	44.0	44.8	46.2	45.9	45.1	45.1	45.5	47.0	50.5	55.2	56.6	61.2	63.7	67.1	69.8	69.8
of which: training	1.8	2.2	2.3	1.8	2.4	1.6	1.6	1.6	1.5	1.7	1.5	1.6	1.6	1.7	1.7	2.0	2.1	2.1	2.2	2.3	2.3
10. Social protection	102.9	99.2	99.8	103.0	114.2	125.7	132.1	135.1	138.3	140.2	138.3	135.7	142.1	146.4	152.7	156.6	163.1	167.4	171.1	172.9	172.9
EU transactions	-2.9	-4.4	-2.5	-3.4	-5.8	-4.6	-6.3	-5.7	-5.3	-6.4	-4.5	-3.1	-3.1	-2.9	-5.4	-2.0	-2.2	-0.9	-0.6	-2.0	-2.0
Unallocated <sup>(2)</sup>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	-0.9
<b>Total Expenditure on Services</b>	<b>330.3</b>	<b>319.7</b>	<b>327.8</b>	<b>330.0</b>	<b>339.2</b>	<b>359.3</b>	<b>365.2</b>	<b>376.3</b>	<b>380.3</b>	<b>376.2</b>	<b>372.9</b>	<b>375.3</b>	<b>382.6</b>	<b>402.3</b>	<b>418.6</b>	<b>435.4</b>	<b>460.5</b>	<b>479.8</b>	<b>499.4</b>	<b>512.1</b>	<b>512.1</b>
Accounting adjustments	12.0	13.2	14.7	13.7	22.7	18.9	19.6	19.9	19.9	16.5	17.1	15.7	13.1	10.3	14.6	18.7	17.2	21.2	24.0	26.8	26.8
<b>Total Managed Expenditure</b>	<b>342.3</b>	<b>332.9</b>	<b>342.5</b>	<b>343.7</b>	<b>361.9</b>	<b>378.2</b>	<b>384.8</b>	<b>396.2</b>	<b>400.2</b>	<b>392.7</b>	<b>389.9</b>	<b>391.1</b>	<b>395.7</b>	<b>412.6</b>	<b>433.2</b>	<b>454.1</b>	<b>477.7</b>	<b>501.0</b>	<b>523.4</b>	<b>538.8</b>	<b>538.8</b>

(1) Real terms figures are the cash figures adjusted to 2005–06 price levels using GDP deflators. For years 1987–88 to 2005–06 deflators are calculated from the latest data from the Office for National Statistics (released 28th March 2007). From 2006–07, GDP is consistent with the March 2007 Financial Statement and Budget Report.

(2) Includes allowance for shortfall and departmental unallocated provision.

Table 4.4 Total Expenditure on Services by COFOG<sup>(1)</sup>, 1987–88 to 2006–07

	based on cash												based on accruals							
	National Statistics																			
	1987–88	1988–89	1989–90	1990–91	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07
1. General public services	5.8	5.5	5.4	5.0	4.6	4.6	4.6	4.8	5.0	4.9	4.8	4.6	4.0	4.0	3.6	3.4	3.5	3.6	3.7	3.7
of which: public and common services	0.8	0.8	0.9	0.9	1.0	1.0	0.9	0.9	0.9	0.8	0.8	0.9	0.9	0.8	1.0	0.9	1.0	1.0	1.1	1.1
of which: international services	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5
of which: public sector debt interest	4.6	4.2	4.0	3.6	3.1	3.1	3.2	3.4	3.7	3.6	3.6	3.4	2.8	2.8	2.3	2.0	2.0	2.1	2.1	2.2
2. Defence	4.4	4.0	4.0	3.9	3.9	3.9	3.6	3.4	3.1	2.9	2.6	2.8	2.7	2.7	2.5	2.5	2.6	2.5	2.5	2.5
3. Public order and safety	1.8	1.8	1.9	2.0	2.2	2.3	2.3	2.2	2.2	2.1	2.0	2.0	2.0	2.1	2.3	2.3	2.4	2.4	2.4	2.3
4. Economic affairs	4.4	3.9	3.7	3.8	3.6	3.8	3.6	3.5	3.2	3.0	2.6	2.2	2.3	2.5	2.8	2.9	3.0	2.8	2.8	2.9
of which: enterprise and economic development	1.5	1.4	1.3	1.2	0.9	0.9	0.8	0.7	0.6	0.6	0.5	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.5	0.5
of which: science and technology	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2
of which: employment policies	0.7	0.6	0.4	0.4	0.5	0.5	0.5	0.5	0.4	0.4	0.3	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3
of which: agriculture, fisheries and forestry	0.5	0.4	0.4	0.5	0.5	0.5	0.6	0.5	0.5	0.7	0.6	0.5	0.5	0.5	0.6	0.4	0.5	0.5	0.5	0.4
of which: transport	1.5	1.3	1.4	1.5	1.5	1.7	1.5	1.7	1.5	1.2	1.1	0.9	0.9	0.9	1.1	1.4	1.4	1.3	1.4	1.5
5. Environment protection	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.7	0.7
6. Housing and community amenities	1.1	0.7	1.0	1.1	1.1	1.1	1.0	0.9	0.8	0.7	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.7	0.9	0.9
7. Health	4.7	4.7	4.6	4.8	5.2	5.6	5.6	5.7	5.7	5.5	5.4	5.4	5.4	5.6	6.0	6.2	6.6	7.0	7.1	7.3
8. Recreation, culture and religion	0.8	0.8	0.8	0.9	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.9	0.9	0.8	0.8	0.9	0.9
9. Education (includes training)	4.9	4.8	4.9	5.0	5.2	5.4	5.3	5.2	5.0	4.9	4.7	4.6	4.6	4.7	5.1	5.1	5.4	5.4	5.6	5.7
of which: education	4.7	4.5	4.6	4.7	5.0	5.2	5.1	5.0	4.9	4.7	4.5	4.4	4.4	4.6	4.9	4.9	5.2	5.3	5.4	5.5
of which: training	0.2	0.3	0.3	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
10. Social protection	12.8	11.8	11.6	12.1	13.5	14.8	15.0	14.8	14.7	14.6	13.9	13.2	13.3	13.3	13.6	13.6	13.8	13.8	13.8	13.6
EU transactions	-0.4	-0.5	-0.3	-0.4	-0.7	-0.5	-0.7	-0.6	-0.6	-0.7	-0.5	-0.3	-0.3	-0.3	-0.5	-0.2	-0.2	-0.1	0.0	-0.2
Unallocated <sup>(2)</sup>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	-0.1
<b>Total Expenditure on Services</b>	<b>40.9</b>	<b>38.1</b>	<b>38.2</b>	<b>38.7</b>	<b>40.0</b>	<b>42.2</b>	<b>41.6</b>	<b>41.2</b>	<b>40.5</b>	<b>39.1</b>	<b>37.4</b>	<b>36.6</b>	<b>35.9</b>	<b>36.6</b>	<b>37.4</b>	<b>37.9</b>	<b>38.9</b>	<b>39.6</b>	<b>40.2</b>	<b>40.2</b>
Accounting adjustments	1.5	1.6	1.7	1.6	2.7	2.2	2.2	2.2	2.1	1.7	1.7	1.5	1.2	0.9	1.3	1.6	1.5	1.8	1.9	2.1
<b>Total Managed Expenditure</b>	<b>42.4</b>	<b>39.7</b>	<b>40.0</b>	<b>40.3</b>	<b>42.6</b>	<b>44.5</b>	<b>43.8</b>	<b>43.3</b>	<b>42.6</b>	<b>40.8</b>	<b>39.2</b>	<b>38.1</b>	<b>37.2</b>	<b>37.5</b>	<b>38.7</b>	<b>39.5</b>	<b>40.4</b>	<b>41.4</b>	<b>42.2</b>	<b>42.3</b>

(1) For years 1987–88 to 2005–06 using GDP consistent with the latest figures from the Office for National Statistics (published 28th March 2007). From 2006–07, GDP is consistent with the March 2007 Financial Statement and Budget Report.

(2) Includes allowance for shortfall and departmental unallocated provision