
HM Treasury

Public Expenditure System

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Secretariat: 020 7270 5525

PES (2006) 15 ANNEX F CODES TO DESCRIBE METHODS OF ALLOCATION BY REGION OF DEPARTMENTAL SPENDING

The forms for the 2007 CRA data collection ask departments, for each data series, to select from a list of codes that one which best describes the method of allocation used to compile the data. It is important that departments complete this column in the form so we can analyse the data by method code.

There are five codes. Descriptions are given below:

The A's: Actual data refers to where actual accounting expenditure record data is available.

'AF' = Actual data: spending originally distributed by formula, and can be summed by region. So this is where expenditure is based on a formula allocation approach (eg the Barnett allocation method, where Devolved Administration budgets have been allocated based on mathematical formulae).

'AD' = Actual data: demand-driven regional distribution of spending. This is where expenditure is driven by demand - benefits would be a good example.

'AO' = Actual data: other actual regional allocation. So anything that is a mixture of the two above or doesn't fit into the above categories. For example expenditure that is policy driven rather than demand driven.

The S's: Statistical methods refer to where the actual accounting expenditure data is not available and where proxies or estimates are used, (for example: administration costs incurred centrally in support of the regional spending are attributed to regions in the same proportions as the spending that they support).

'SS' = Statistical based on strong, rigorous method: using proxy data sources that are highly relevant indicators and which should give a highly accurate picture of the regional distribution of spending in the absence of the actual expenditure data.

'SO' = Statistical based on other estimates. On occasions where a good proxy will not be available a less relevant indicator will need to be used to allocate spending by region. This may not give as accurate reflection of the spending as by SS.