

8

PUBLIC CORPORATIONS

8.1 This chapter sets out what public corporations are, recent developments affecting them, how they are controlled, and how they are scored in public expenditure.

What's new

8.2 Outturn data in this chapter up to 2005-06 are National Statistics following the extension of scope of National Statistics in PESA 2007.

Definition of public corporations

8.3 Public corporation is a term from national accounts – which are produced based on the European System of Accounts (ESA95). So it is the Office for National Statistics (ONS) that determines which bodies are public corporations. A body will be classified as a public corporation where:

- it is classified as a *market body*, that is a body that derives 50% of production cost from the sale of goods or services at economically significant prices. Some charge for regulatory activities, where these provide a significant benefit to the person paying the fee, for example through quality testing;
- it is controlled by central government, local authorities or other public corporations; and
- they have substantial day to day operating independence so that they should be seen as institutional units separate from their parent departments.

Recent developments

8.4 In June 2006, ONS announced the reclassification of the capital assets of Housing Revenue Accounts (HRA) from the Local Government (LG) sector to the PC sector. Previously the assets had been viewed as being owned by the LG sector with just the current transactions of the HRA scoring to the PC sector. This change is effective from the HRA's inception.

8.5 The treatment of underperforming Self-Financing Public Corporations (SFPCs) has been revised. SFPCs should cover the cost of capital through their payments of interest and dividends. When returns from the SFPC fall short of the department's cost of capital charge, a near-cash underperformance charge equal to the shortfall will be charged to the departmental DEL. This underperformance charge reflects the budgeting guidelines for standard PCs in DEL and is intended to incentivise departments to manage SFPCs appropriately as well as providing visibility of underperformance to Parliament and the wider public.

8.6 British Nuclear Fuel Limited (BNFL), a public corporation, has transferred the bulk of its assets and liabilities to the Nuclear Decommissioning Authority (NDA), part of central government. In the national accounts these assets were shown as having a large (circa £15.6bn) negative value due to the decommissioning and clean-up liabilities being far in excess of their remaining productive value. The transfer from the PC sector to the CG sector has no impact on TME, or the public finances overall, as this is an intra public sector set of transactions. However, the components of the public sector finances are affected as follows:

- Increase to public corporations gross fixed capital formation (GFCF)
- Corresponding reduction to central government GFCF
- Increase to central government payments of capital grants to public corporations, which finances the increased PC GFCF
- Corresponding increase in receipts of capital grants by public corporations.

8.7 Both the expenditure and receipt imputed to the PC sector are included in the Public Corporations Own Financed Capital Expenditure (PCOFCE) line in non-departmental AME. This means that PCOFCE is not distorted by this set of transactions, and is in line with other PC capital spending where that is financed from central government departmental budgets.

8.8 TME is a consolidated measure of expenditure, and in PESA the sectoral split of TME 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.

8.9 As such the imputed capital spending of BNFL described above adds to the total PC contribution to TME as presented in this chapter, and in Table 1.15. Likewise the reduction in central government capital expenditure reduces the CG contribution to TME as presented elsewhere in PESA (see Chapter 6 and Table 1.15). The PC expenditure component of TME split by spending relating to the imputed BNFL capital spending is recorded as part of the accounting adjustments in Table 8.1.

The corporate control framework

8.10 The controls on public corporations operate at a number of levels:

- **Strategic objectives** are agreed with each individual corporation and provide the framework within which the financial controls and the body's control procedures are set. Corporations' corporate plans are discussed with sponsor departments.
- **Financial targets and performance aims.** Financial targets should be set and reviewed regularly. They vary in form, according to the circumstances of the body. The financial targets should be backed up by performance metrics, again to be reviewed on a regular basis. The nature of the metrics will depend on the nature of the business, but could include costs and standards of service.
- **Investment appraisal and pricing principles.** Public corporations are required to include a suitable rate of return in their corporate plan. This requirement is intended to ensure that resources are used effectively, that consumers experience appropriate prices, and that markets are not distorted.

The required rate will vary between corporations and is set individually by the sponsoring department with, where appropriate, the agreement of the Treasury. The process for assessing the rate of return is described in Chapter 11 of the Consolidated Budgeting Guidance.

- **Monitoring** plays an important role in controlling public corporations' performance in the interests of the taxpayer and the consumer. Sponsor Ministers, departments and the Shareholder Executive, where appropriate, will monitor bodies' performance on a regular basis against all aspects of the controls described.

Self-financing public corporations

8.11 The Treasury has designated some public corporations SFPCs. To be classified as an SFPC, the public corporation must normally trade mainly with non-government customers and not perform regulatory functions. In other words, its income must be from selling goods and services into a competitive market rather than from regulatory fees. It must trade profitably and not require subsidies or other financial support from its parent department.

8.12 SFPCs normally score in Departmental AME rather than in DEL – though any subsidies and grants exceptionally paid to them would score in DEL. They also have greater and more individually tailored financial flexibilities. Some SFPCs are also trading funds.

Trading funds

8.13 Where activities of a government department generate income from the supply of goods and services those parts of the department may be designated trading funds by Parliament on the application of the Government. Trading funds may keep unspent funds from one year to the next without having to surrender surpluses to the Exchequer at the end of each year.

8.14 Most trading funds are classified by ONS as public corporations in the national accounts. DVLA is the only trading fund that is treated as a central government body in the national accounts and so in PESA.

8.15 Trading funds are not directly subject to central government administration costs controls. The budgeting treatment of trading funds that are public corporations is normally the same as that of other public corporations.

Public expenditure measurement and control

8.16 The following transactions with and in respect of public corporations accountable to Ministers are normally included in departmental budgets:

- subsidies paid to the public corporation by the Department (in resource DEL);
- capital grants paid to the public corporation by the Department (in capital DEL);
- interest and dividends received from the public corporation (resource DEL, or resource AME if an SFPC);
- equity withdrawals from public corporations (capital DEL, or capital AME if an SFPC) – included with net lending in table 8.1;

- loans and public dividend capital (PDC) invested in the public corporation (capital DEL, or capital AME if an SFPC);
- public corporations' market and overseas borrowing (PCMOB) where, exceptionally, it is permitted (capital DEL, or capital AME if an SFPC); and
- a capital charge in respect of the public corporation (in resource DEL, or resource AME if an SFPC). This is normally the same figure as is recorded in the department's resource accounts. However, budgets normally include capital charges for those public corporations where the department has no investment in the public corporation (whether by way of loan or PDC) even though there would then be none in the accounts.

8.17 Forest Enterprises and London and Continental Railways (LCR) have a different budgeting treatment:

- resource DEL includes: subsidies given to the public corporations; the public corporations' profit(-)/loss(+); and a capital charge / credit on the public corporations' net assets / liabilities;
- capital DEL includes the public corporations' capital expenditure, any loans given by the public corporations to the private sector, and any shares that the public corporations buy in a private sector company.

8.18 The Crown Estate is an SFPC. Uniquely the routine subsidy that is paid to it to cover administration costs is in AME rather than DEL, and the dividends that the Treasury receives from it are recorded outside budgets.

8.19 When PCs are government departments in their own right as is the case for some trading funds, they will normally be assigned a parent department for budgeting purposes, and the budgetary scoring described above will apply, including the cost of capital charge.

8.20 Public corporations controlled by local authorities include the businesses reporting to Transport for London and local authority airports such as Manchester. DEL and Departmental AME include central government support to local authorities, some of which may be used by them to support public corporations, and none of which is identified in PESA as relating to public corporations. The expenditure of these public corporations is not within DEL or departmental AME. The whole of their capital expenditure is included in the public corporations' own financed capital expenditure line in AME. They are included in the bottom line of tables 8.1 and 8.3 which show the total contribution of all public corporations' own expenditure to Total Managed Expenditure (TME).

8.21 Table 8.1 shows the impact on departmental budgets – DEL and Departmental AME – of public corporations accountable to Ministers. It also shows a reconciliation to the impact of all public corporations, including those accountable to local authorities, on TME. PC gross investment in TME is the sum of PC capital expenditure in budgets (Forest Enterprises & LCR only), government capital support in budgets (CG investment grants, net lending to PCs), PCMOB in budgets, and public corporations' own financed capital expenditure. Grants and subsidies in budgets also include those paid to public corporations under schemes that are generally available to the private sector. Any loans between departments and their PCs which are written off by mutual consent will also be shown here. The table covers outturn and plan years. See also the section on BNFL above.

8.22 Table 8.2 shows the contributions of public corporations accountable to Ministers to departmental budgets, by department, for outturn and plan years. PESA 2007 shows a new line of expenditure for Northern Ireland Executive which relates to expenditure incurred in 2003/04 relating to a pilot housing scheme under the Supporting People Programme. This expenditure was originally placed in AME due to the unpredictability of the exact amount of initial outlay. This programme expenditure has subsequently been taken into the Northern Ireland Executive's DEL.

Public corporations in Total Managed Expenditure

8.23 TME measures the current and capital expenditure of the public sector as a whole. It is taken from national accounts compiled by the ONS. TME includes:

- subsidies paid to public corporations;
- the capital expenditure of public corporations, net of sales of assets;
- changes in public corporations' stocks; and
- interest and dividends paid by public corporations to the private sector and abroad.

8.24 TME is a consolidated measure of expenditure. So capital grants and net lending to public corporations, and interest and dividend flows between general government and public corporations are consolidated out. Payments of subsidies to public corporations (like general government's purchases of goods and services from them) are not consolidated out. Instead, these flows contribute to public corporations' gross trading surplus, an income item in the public sector's accounts.

8.25 Grants and subsidies given by public corporations to the private sector and overseas, including debt write-offs by mutual consent, are imputed to general government expenditure in national accounts, as grant-giving is not held to be a normal function of a commercial body.

8.26 Note that the impact of public corporations on departmental budgets differs from their impact on TME. Accounting adjustments are used to move from DEL *plus* Departmental AME *plus* Own financed capital expenditure (Other AME) to TME (see Appendix D for a full explanation of the accounting adjustments).

8.27 Table 8.3 shows the capital expenditure of each major public corporation sponsored by a central government department and of the biggest public corporations accountable to local authorities. It also identifies those that are self-financing public corporations or trading funds. The table does not identify separately small public corporations controlled by central government departments and most public corporations under local authority control – their capital expenditure is included in the accounting adjustments. It also gives for each department the sum of capital expenditure of the public corporations listed. The total figure for the table includes all public corporations. Capital expenditure is recorded net of any asset sales. In this table, apart from the total line, it includes any capital grants paid by a public corporation net of any received from the private sector or abroad. The table gives individual figures for public corporations for outturn years and for public corporations that are not self-financing for estimated outturn and plan years. Table 8.3 contains a new line showing the expenditure incurred by Forest Enterprise, Scotland. This expenditure had previously been recorded together with that of the Scottish Executive.

Sources of data and data quality

8.28 Information on public corporations' contribution to budgets in **Tables 8.1** and **8.2** is supplied by departments. Most of the data reflect voted income and expenditure and should be of good quality. **Appendix A** has more information.

8.29 Information on public corporations' capital expenditure is sourced from public corporations by departments who in turn supply the data to the Treasury via the COINS database. So there is a 100% survey of public corporations accountable to Ministers – completeness tends to high quality. However, information is provided by departments primarily for PESA: it does not form part of a control total (apart from Forest Enterprises and LCR); and the only appearance in a departmental publication will normally be within the regional expenditure tables in departmental reports. Information in **Table 8.3** may therefore not be as up to date as the information in the other tables in this chapter.

Further Information

8.30 More information is available in the departmental reports of government departments and in the annual reports and accounts of individual public corporations. A fuller list of public corporations is available on the ONS website at http://www.statistics.gov.uk/downloads/theme_economy/MA23.xls. *Sector classification for the national accounts*.

Table 8.1 Public corporations' contribution to budgets⁽¹⁾ and Total Managed Expenditure, 2001–02 to 2007–08

	accruals, £ million						
	National Statistics						
	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans
Resource DEL							
CG dividends from PCs (–)	–16	–13	–25	–32	–44	–48	–38
CG interest from PCs (–)	–34	–50	–50	–60	–66	–85	–97
Subsidies to PCs	701	754	1,617	748	769	823	1,377
Loan write off – mutual consent	—	—	—	—	5	—	—
Cost of capital charge	16	–2	58	30	32	3	18
Profit(–)/loss(+) of FE and LCR ⁽²⁾	221	275	362	401	330	319	239
Total resource DEL	887	964	1,962	1,088	1,026	1,013	1,499
Resource AME							
CG dividends from SFPCs (–)	–42	–34	–30	–44	–53	–83	–45
CG interest from SFPCs (–)	—	–12	–2	–1	–1	—	—
Subsidies to SFPCs	2	2	37	2	2	2	70
Cost of capital charge of SFPCs	199	182	170	162	156	176	176
Total resource AME	159	137	176	119	104	95	202
Total public corporations' contribution to resource budget⁽¹⁾	1,046	1,101	2,138	1,207	1,130	1,109	1,702
Capital DEL							
CG investment grants to PCs	765	1,061	309	335	340	292	295
Capital expenditure by FE and LCR ⁽²⁾⁽³⁾	1,006	979	900	676	607	506	276
Net lending to PCs	76	–50	–144	–225	–108	–161	126
Market and overseas borrowing	—	—	—	—	4	17	—
Total capital DEL	1,847	1,990	1,065	785	843	653	697
Capital AME							
Net lending to SFPCs	–50	–50	46	520	–120	426	50
Total capital AME	–50	–50	46	520	–120	426	50
Total public corporations' contribution to capital budget	1,797	1,940	1,111	1,305	723	1,079	747
Other AME:							
PC own-financed capital expenditure ⁽⁴⁾	2,340	3,504	2,375	3,091	5,323	4,266	4,508
Accounting adjustments	–1,838	–1,494	–4,026	–3,382	12,198	–3,682	–4,100
Public corporations' expenditure in TME	4,395	6,005	3,876	4,775	21,975	5,680	5,600
<i>of which:</i>							
PC current expenditure in TME	258	561	390	379	345	335	300
PC gross investment in TME	4,137	5,444	3,486	4,396	21,630	5,345	5,300

(1) Data in this table differ from those shown for public corporations in Tables 1.15 and 2.4. Central government subsidies to public corporations are classified as central government own spending in national accounts, and are shown as such in Tables 1.15 and 2.4. In Table 8.1 subsidies are shown as part of public corporations' contribution to resource budget. Subsidies are removed in the accounting adjustments and do not form part of public corporations' expenditure in TME.

(2) Forest Enterprises and LCR have different budgeting rules such that the profit/loss scores in resource DEL and capital expenditure scores in capital DEL.

(3) Includes NIE NHS trust capital expenditure. Amounts are less than £3m a year.

(4) Includes capital expenditure by local authority public corporations.

Table 8.2 Public corporations' contribution to budgets⁽¹⁾ by departmental group, 2001–02 to 2007–08

	accruals, £ million						
	National Statistics						
	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans
Resource DEL							
Health	0	3	3	—	—	—	0
Transport	183	221	1,186	336	260	238	143
Communities and Local Government	41	39	37	40	22	1	18
Home Office	–1	–3	–2	—	—	—	–4
Defence	18	14	14	–4	–7	–49	–14
Foreign and Commonwealth Office	139	146	157	164	181	180	185
Trade and Industry	–5	–1	–8	–2	5	4	395
Environment, Food and Rural Affairs	85	104	75	76	74	77	69
Work and Pensions	143	113	108	108	108	131	92
Scotland	42	44	108	89	80	75	89
Wales	16	17	19	21	21	62	58
Northern Ireland Executive	226	266	267	259	280	295	471
Chancellor's Departments	—	—	—	—	1	—	–1
Total resource DEL	887	964	1,962	1,088	1,026	1,013	1,499
Resource AME							
Defence	36	14	10	1	–7	—	–5
International Development	54	50	51	56	71	89	87
Trade and Industry	—	–6	–2	—	—	—	68
Northern Ireland Executive	—	—	35	—	—	—	—
Chancellor's Departments	69	79	81	62	39	6	52
Total resource AME	159	137	176	119	104	95	202
Total public corporations' contribution to resource budget	1,046	1,101	2,138	1,207	1,130	1,109	1,702
Capital DEL							
Health	0	0	3	—	—	—	—
Transport	1,477	1,740	933	686	637	558	304
Communities and Local Government	68	75	63	51	19	11	5
Home Office	–6	–2	0	—	—	—	—
Defence	–2	5	–5	–74	–76	–4	–51
Foreign and Commonwealth Office	23	6	37	39	39	39	39
International Development	19	17	17	19	16	17	—
Trade and Industry	–1	–1	5	–48	–58	22	–1
Environment, Food and Rural Affairs	7	14	4	–2	–3	6	8
Culture, Media and Sport	—	—	0	0	—	—	0
Work and Pensions	5	6	7	7	3	6	6
Scotland	262	144	50	44	213	36	193
Wales	—	—	—	—	—	—	—
Northern Ireland Executive	–5	–16	–52	55	55	–36	193
Chancellor's Departments	—	—	—	8	–2	—	—
Cabinet Office	1	2	1	—	—	—	—
Total capital DEL	1,847	1,990	1,065	785	843	653	697
Capital AME							
Defence	–50	–50	–4	—	—	–5	—
Trade and Industry	—	—	50	520	–120	430	50
Total capital AME	–50	–50	46	520	–120	426	50
Total public corporations' contribution to capital budget	1,797	1,940	1,111	1,305	723	1,079	747
Total public corporations' contribution to budgets	2,843	3,041	3,249	2,512	1,853	2,188	2,448

(1) Data in this table differ from those shown for public corporations in Tables 1.15 and 2.4. Central government subsidies to public corporations are classified as central government own spending in national accounts, and are shown as such in Table 1.15 and 2.4. In Table 8.2 subsidies are shown as part of public corporations' contribution to resource budget.

Table 8.3 Public corporations' capital expenditure, 2001–02 to 2007–08

	accruals, £ 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		
Health							
Medicines and Healthcare Products Regulatory Agency ^{(T)(1)}	4	3	5	#	#	#	#
NHS Estates ^(T)	1	0	0	#	#	#	#
Total Health	5	3	5	—	—	—	—
Transport							
Civil Aviation Authority	1	1	2	12	8	#	#
Driving Standards Agency ^(T)	3	6	11	7	2	#	#
London Continental Railways	994	963	897	674	601	504	275
London Regional Transport ⁽²⁾	700	439	635	—	—	—	—
National Air Traffic Services ⁽³⁾	25	—	—	—	—	—	—
Network Rail ⁽⁴⁾	—	1,822	—	—	—	—	—
Vehicle and Operator Services Agency ^(T)	30	11	11	15	15	#	#
Total Transport	1,753	3,242	1,557	708	627	504	275
Communities and Local Government							
Audit Commission	1	—	—	—	—	—	—
Fire Service College ^(T)	4	2	4	—	1	1	2
Housing Action Trusts ⁽⁵⁾	66	34	26	15	4	0	17
Housing Revenue Account	662	40	–53	813	2,341	2,410	1,808
Ordnance Survey ^(T)	—	—	—	14	15	25	—
QEll Conference Centre ^(T)	1	0	2	1	1	1	1
Total Communities and Local Government	734	76	–20	843	2,361	2,435	1,828
Home Office							
Forensic Science Service ^(T)	11	—	9	—	9	9	9
Total Home Office	11	—	9	—	9	9	9
Constitutional Affairs							
Land Registry ^(T)	28	21	24	29	43	38	77
Total Constitutional Affairs	28	21	24	29	43	38	77
Defence							
Army Base Repair Organisation ^(T)	—	3	—	5	4	4	4
Defence Aviation Repair Agency ^(T)	6	7	8	12	3	3	3
Defence Science and Technology Laboratory ^{(T)(6)}	10	10	9	12	12	45	41
Hydrographic Office ^(T)	5	4	7	7	13	14	8
Meteorological Office ^(T)	48	49	31	21	25	34	26
Navy, Army and Air Force Institute	1	4	3	3	3	3	3
QinetiQ ⁽⁵⁾⁽⁶⁾	36	67	41	64	48	*	*
Total Defence	105	143	99	124	109	*	*
Foreign and Commonwealth Office							
BBC World Service	17	—	31	31	31	31	31
British Council	6	11	16	16	16	8	14
Total Foreign and Commonwealth Office	23	11	47	47	47	39	45
International Development							
Commonwealth Development Corporation ⁽⁵⁾	—	–2	4	–25	—	*	*
Total International Development	—	–2	4	–25	—	*	*
Trade and Industry							
British Energy	—	230	429	433	283	*	*
British Nuclear Fuels Limited ⁽⁵⁾	514	463	307	289	–260	*	*
Companies House ^(T)	1	10	7	8	12	13	1
Patent Office ^(T)	0	1	2	2	2	—	—
Royal Mail Holdings ⁽⁵⁾	155	163	56	132	170	*	*
Total Trade and Industry	670	867	800	864	207	*	*

Table 8.3 Public corporations' capital expenditure, 2001–02 to 2007–08 (continued)

	accruals, £ 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		
Environment, Food and Rural Affairs							
British Waterways	1	18	5	5	—	#	#
Forest Enterprise	5	13	3	–2	1	–1	–1
Total Environment, Food and Rural Affairs	6	31	8	3	1	–1	–1
Culture, Media and Sport							
Channel Four Television Corporation ⁽⁵⁾	16	3	3	7	5	*	*
Historic Royal Palaces Trust	1	1	—	—	0	*	*
Tote ⁽⁵⁾	15	20	20	20	24	*	*
Total Culture, Media and Sport	31	24	23	27	30	*	*
Work and Pensions							
Remploy	10	7	7	11	3	4	12
Total Work and Pensions	10	7	7	11	3	4	12
Scotland							
Caledonian MacBrayne	2	9	4	8	9	6	6
Forest Enterprise	7	3	–1	2	3	2	1
Highlands and Islands Airports	9	9	7	4	10	4	4
Housing Revenue Account	207	179	119	42	96	203	152
Scottish Water	474	241	205	167	541	580	580
Total Scotland	699	441	336	223	658	794	743
Wales							
Housing Revenue Account	34	10	–66	–13	65	53	40
Total Wales	34	10	–66	–13	65	53	40
Northern Ireland Executive							
Northern Ireland Driver and Vehicle Testing Agency ⁽¹⁾	1	1	1	1	1	2	2
Northern Ireland Housing Executive	25	–49	–1	83	84	68	92
Northern Ireland Public Trust Port Authority	—	—	—	—	17	—	11
Northern Ireland Transport Holding Company	35	39	28	4	4	45	122
Northern Ireland other ⁽⁷⁾	—	—	1	1	3	1	—
Total Northern Ireland Executive	61	–8	29	89	109	115	227
Chancellor's Departments							
Crown Estate ⁽⁵⁾	30	32	33	60	50	*	*
OGCbuying.solutions ⁽¹⁾	0	0	1	12	—	#	#
Royal Mint ⁽⁵⁾⁽¹⁾	5	4	4	4	—	*	*
Total Chancellor's Departments	35	37	37	76	50	*	*
Local Government							
London Underground Limited ⁽³⁾	—	—	—	847	1,009	1,080	1,100
Total Local Government	—	—	—	847	1,009	1,080	1,100
Accounting adjustments	–69	541	589	546	16,305	–586	54
Total public corporations' capital expenditure	4,137	5,444	3,486	4,396	21,630	5,345	5,255

Data unavailable. Capital expenditure by public corporations in years where data are unavailable form part of the accounting adjustments.

(1) Denotes public corporation with trading fund status.

(5) Denotes self-financing public corporation (SFPC). The estimated outturn and plans for capital expenditure by SFPCs are not shown individually in this table but are represented by *. The figures are included in the overall total.

(1) From 1 April 2003, the Medicines and Healthcare products Regulatory Agency (MHRA) replaced the Medical Devices Agency (MDA) and the Medicines Control Agency (MCA).

(2) In July 2000, Transport for London (TfL) was established and all subordinate parts of London Regional Transport (LRT), except London Underground, were transferred to TfL. In July 2003 LRT was wound up and London Underground transferred to TfL. TfL is part of the Greater London Authority.

(3) National Air Traffic Services was transferred to the private sector as a Public/Private Partnership in 2001.

(4) In the national accounts Network Rail was classified as a public corporation from October 2002 to March 2003. From April 2003, it is a private sector company. Number provided by ONS.

(5) Housing Action Trusts are central government bodies in national accounts and treated as public corporations in PESA.

(6) From July 2001 certain activities of the Defence Evaluation and Research Agency (DERA) were transferred to the publicly owned company QinetiQ, with the remaining activities undertaken by the reduced trading fund which was renamed the Defence Science and Technology Laboratory.

(7) NIE NHS trust capital expenditure.