

# 4

## TRENDS IN PUBLIC SECTOR EXPENDITURE

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**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 1997-1998 are on a cash basis and subsequent years' data are on an accruals basis. All outturn data (to 2006-07) in the tables in this chapter are National Statistics.

### Public expenditure aggregates

**4.3** Table 4.1 shows trends in public expenditure since 1967-68 in nominal and in real terms and as a per cent 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 2006-07 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 2007-08 are estimated outturn and 2008-09 to 2010-11 are projections produced by the Treasury.

### Total Expenditure on Services by function

**4.4** 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.

**4.5** 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 all 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.

**4.6** Table 4.2 shows TES by UN COFOG (Classification Of the Functions Of Government) level 1 from 1987-88. Tables 4.3 and 4.4 present this in real terms and as a per cent of GDP, respectively. These tables cover outturn years and give estimated outturns for 2007-08. They also show in italics the sub-functional divisions used prior to the introduction of UN COFOG in PESA 2007.

## Methods and data quality for long run TES series

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

**4.8** Data in Tables 4.2, 4.3 and 4.4 for years before 2002-03 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 data cease to be live.

**4.9** Normally, historical outturn data are not subject to adjustment. However, sometimes reclassifications affect the long run functional series. These include ONS decisions for the National Accounts and decisions taken by the Treasury in conjunction with departments to improve the allocation of spending to functions.

**4.10** 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 that are taken back to the historical series are 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 correct split to apply. The decision as to the procedure used to implement reclassifications for historical years is taken by Treasury officials after discussions with the relevant government departments, and can sometimes entail a simple percentage split based on the best information available.

**4.11** 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. This 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.

**4.12** The reclassifications and corrections since PESA 2007 that affect the historical functional series are as follows:

- the reclassification of Local Authority expenditure on reducing homelessness from **housing and community amenities** to **social protection** in all years back to 2001-02;
- the reclassification of administrative expenditure by Scottish Enterprise and Highlands and Islands Enterprise from **public and common services** to **enterprise and economic development** in all years back to 2001-02;
- corrections to the reporting of NHS Trusts in Scotland have resulted in revisions to **health** expenditure from 1987-88 to 2002-03;
- the correction to include the capital spending of Voluntary Aided schools as part of local government spending has increased **education** for all years back to 1987-88; and
- corrections to the reporting of student loans in Scotland and England have partly offset the above increase in **education** spending in each year from 1997-98 to 2006-07.

**Table 4.1 Public expenditure aggregates, 1967–68 to 2010–11**

Outturn data in this table up to 2006–07 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	Per cent of GDP	Nominal £ billion		Nominal £ billion	Real terms <sup>(1)</sup> £ billion	Per cent of GDP	Nominal £ billion	Real terms <sup>(1)</sup> £ billion	Per cent of GDP
1967-68	13.8	177.5	33.8	1.5		3.0	38.3	7.3	18.3	234.4	44.7
1968-69	14.8	181.6	33.4	1.6		2.9	35.3	6.5	19.3	236.5	43.5
1969-70	15.7	182.4	33.0	1.7		2.9	33.2	6.0	20.3	235.8	42.6
1970-71	17.4	186.3	32.8	2.0		3.3	35.6	6.3	22.7	243.1	42.8
1971-72	19.8	195.2	33.5	2.3		3.1	30.9	5.3	25.2	248.5	42.7
1972-73	22.4	203.3	33.3	2.6		3.3	29.7	4.9	28.3	256.4	42.1
1973-74	26.4	223.8	35.3	3.1		3.9	33.5	5.3	33.4	283.5	44.7
1974-75	34.8	246.8	39.0	3.9		5.1	35.9	5.7	43.7	310.3	49.0
1975-76	44.6	252.1	40.1	4.9		6.2	35.2	5.6	55.7	315.0	50.1
1976-77	52.0	259.2	40.1	5.8		5.8	28.9	4.5	63.6	316.9	49.0
1977-78	58.3	255.7	38.6	6.6		4.5	19.8	3.0	69.5	304.4	45.9
1978-79	66.7	263.2	38.6	7.5		4.4	17.2	2.5	78.6	310.1	45.4
1979-80	79.9	269.8	38.4	8.9		4.8	16.1	2.3	93.6	315.9	45.0
1980-81	97.2	277.8	41.0	10.7		4.5	12.9	1.9	112.5	321.4	47.5
1981-82	111.3	290.2	42.8	11.7		2.6	6.9	1.0	125.6	327.5	48.3
1982-83	121.7	296.5	42.8	12.1		4.5	10.9	1.6	138.3	336.9	48.7
1983-84	131.4	305.8	42.5	12.6		5.7	13.3	1.8	149.7	348.4	48.4
1984-85	142.0	314.0	42.8	12.6		5.3	11.7	1.6	159.9	353.7	48.2
1985-86	150.0	314.5	41.2	12.3		4.3	9.1	1.2	166.6	349.3	45.8
1986-87	157.3	319.4	40.4	12.7		2.7	5.5	0.7	172.7	350.8	44.3
1987-88	168.0	323.1	38.8	12.7		2.6	4.9	0.6	183.3	352.4	42.3
1988-89	175.4	315.3	36.4	13.6		1.7	3.0	0.3	190.7	342.6	39.5
1989-90	189.3	317.4	35.8	14.1		6.6	11.1	1.3	210.2	352.5	39.8
1990-91	205.6	319.6	36.2	14.3		7.8	12.1	1.4	227.5	353.7	40.1
1991-92	230.8	338.3	38.6	12.6		10.8	15.8	1.8	254.2	372.5	42.5
1992-93	249.9	354.7	40.3	12.7		11.6	16.4	1.9	274.1	389.2	44.3
1993-94	263.9	365.1	40.2	12.9		9.4	13.0	1.4	286.2	396.0	43.6
1994-95	276.3	376.5	39.8	13.1		9.8	13.3	1.4	299.1	407.7	43.1
1995-96	288.1	381.1	39.2	13.1		10.1	13.4	1.4	311.3	411.8	42.4
1996-97	298.0	381.3	38.3	12.4		5.4	7.0	0.7	315.8	404.2	40.6
1997-98	305.0	379.2	36.8	12.2		4.8	5.9	0.6	321.9	400.3	38.8
1998-99	312.8	379.4	35.7	12.0		5.9	7.2	0.7	330.8	401.1	37.7
1999-00	325.1	386.5	35.1	12.3		5.4	6.4	0.6	342.9	407.5	37.0
2000-01	346.3	405.8	35.7	12.6		5.2	6.1	0.5	364.1	426.7	37.5
2001-02	364.2	416.8	35.9	13.1		11.8	13.5	1.2	389.1	445.3	38.4
2002-03	393.4	436.6	36.7	14.0		13.7	15.2	1.3	421.0	467.3	39.3
2003-04	425.3	458.8	37.4	14.6		15.6	16.8	1.4	455.5	491.3	40.1
2004-05	456.9	479.5	38.2	15.1		20.6	21.6	1.7	492.6	517.1	41.2
2005-06	484.6	497.9	38.8	16.1		23.6	24.2	1.9	524.3	538.6	42.0
2006-07	507.0	507.0	38.3	16.9		25.8	25.8	1.9	549.7	549.7	41.5
2007-08	540.1	523.4	38.4	17.7		28.5	27.6	2.0	586.3	568.2	41.7
2008-09	566.2	532.2	38.4	18.6		32.9	30.9	2.2	617.8	580.6	41.9
2009-10	592.3	542.0	38.2	19.6		34.7	31.7	2.2	646.5	591.7	41.7
2010-11	622.4	554.6	38.1	20.7		36.7	32.7	2.3	679.8	605.8	41.6

(1) Real terms figures are the nominal figures adjusted to 2006–07 price levels using GDP deflators. For years 1967–68 to 2006–07 deflators are calculated from the latest data from the Office for National Statistics (released 28 March 2008). The deflators for 2007–08 are consistent with the March 2008 Financial Statement and Budget Report.

Table 4.2 Total Expenditure on Services by function, 1987–88 to 2007–08

	National Statistics																	accruals, £ billion						
	cash, £ 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	2007–08			
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	36.2	39.1	42.7	45.9	48.1	52.1			
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	10.0	10.9	12.2	12.9	13.2	14.0			
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	6.2	6.3	6.9			
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	21.7	23.0	24.9	26.8	28.6	31.2			
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	27.0	28.8	30.0	30.9	32.2	33.8			
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	24.2	26.3	28.3	29.0	30.3	32.5			
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	27.8	30.8	33.0	33.7	35.5	37.9	40.2			
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	5.1	5.9	6.0	6.6	6.6	6.5	7.2			
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	2.8	3.2			
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	3.4	3.3			
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	4.9	5.2	5.4	5.6	5.1	5.3			
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	16.0	17.0	20.1	21.3			
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	6.3	7.0	8.4	9.2	10.0			
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	6.2	5.4	6.6	7.9	10.5	11.5	12.5			
7. Health	20.3	22.4	24.2	27.1	30.9	34.2	36.6	39.4	41.4	42.8	44.5	46.9	49.4	54.2	59.8	66.2	74.9	82.9	89.7	94.5	102.6			
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	10.7	11.3	12.4			
9. Education (includes training)	21.2	23.1	25.9	28.1	31.3	33.2	34.7	36.2	37.0	37.8	38.6	40.0	42.2	45.9	51.2	54.7	61.0	65.0	69.6	72.8	78.8			
of which: education	20.3	21.9	24.4	26.9	29.7	32.0	33.5	35.0	35.8	36.4	37.4	38.7	40.8	44.4	49.7	52.9	59.0	62.9	67.5	70.7	76.2			
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	2.2	2.5			
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	137.4	145.3	155.4	164.0	170.9	177.1	186.6			
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	-1.8	-1.6			
Unallocated <sup>(1)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.9			
<b>Total Expenditure on Services</b>	<b>176.8</b>	<b>183.0</b>	<b>201.1</b>	<b>218.4</b>	<b>238.2</b>	<b>260.5</b>	<b>271.6</b>	<b>284.1</b>	<b>295.8</b>	<b>302.5</b>	<b>308.5</b>	<b>318.5</b>	<b>331.2</b>	<b>353.1</b>	<b>376.2</b>	<b>403.4</b>	<b>438.9</b>	<b>470.5</b>	<b>500.6</b>	<b>523.2</b>	<b>559.1</b>			
Accounting adjustments	6.5	7.6	9.1	9.1	16.0	13.7	14.6	15.1	15.5	13.3	13.4	12.3	11.7	11.0	12.9	17.7	16.6	22.1	23.7	26.5	27.3			
<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>321.9</b>	<b>330.8</b>	<b>342.9</b>	<b>364.1</b>	<b>389.1</b>	<b>421.0</b>	<b>455.5</b>	<b>492.6</b>	<b>524.3</b>	<b>549.7</b>	<b>586.3</b>			

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

Table 4.3 Total Expenditure on Services by function in real terms<sup>(1)</sup>, 1987–88 to 2007–08

	National Statistics																				
	cash, £ 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	2007–08
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	estimated
1. General public services	48.4	47.1	47.2	44.0	39.8	40.0	41.5	44.9	48.3	48.2	48.7	48.5	44.4	45.7	41.6	40.2	42.2	44.8	47.1	48.1	50.5
of which: public and common services	6.9	7.1	8.2	8.2	8.7	8.5	8.3	8.4	8.4	8.3	7.9	9.0	9.8	9.6	10.8	11.1	11.8	12.8	13.3	13.2	13.6
of which: international services	3.6	3.8	3.9	3.9	4.3	4.5	4.5	4.5	4.6	4.0	3.8	3.9	4.4	4.9	4.9	4.9	5.5	5.8	6.4	6.3	6.7
of which: public sector debt interest	38.0	36.2	35.1	31.8	26.8	27.0	28.7	32.0	35.4	36.0	36.9	35.6	30.2	31.2	25.9	24.1	24.9	26.2	27.5	28.6	30.2
2. Defence	36.7	34.9	35.2	34.1	34.0	33.9	32.5	31.8	29.7	28.3	26.9	29.7	29.8	30.1	29.1	30.0	31.1	31.4	31.8	32.2	32.8
3. Public order and safety	15.3	15.9	16.9	17.9	19.0	20.2	20.4	20.9	20.8	20.8	21.0	21.6	21.6	23.6	26.1	26.8	28.4	29.7	29.8	30.3	31.5
4. Economic affairs	36.6	33.6	32.9	33.6	31.4	33.1	33.0	32.5	31.0	29.9	26.8	23.8	25.5	27.9	31.8	34.1	35.6	35.3	36.5	37.9	39.0
of which: enterprise and economic development	12.5	12.0	11.7	10.8	7.9	7.6	7.6	6.4	5.9	5.5	5.4	3.7	5.3	5.7	5.9	6.6	6.5	6.9	6.8	6.5	7.0
of which: science and technology	1.9	1.9	1.9	1.9	1.9	2.0	2.1	1.5	1.6	1.8	1.7	1.7	1.6	1.7	2.0	2.4	2.5	2.6	3.0	2.8	3.1
of which: employment policies	5.7	4.8	3.9	3.7	4.0	4.1	4.2	4.3	4.0	3.5	3.1	3.5	4.2	4.4	3.8	3.3	3.5	3.4	3.5	3.4	3.2
of which: agriculture, fisheries and forestry	4.3	3.6	3.2	4.2	4.1	4.1	5.2	4.6	5.1	6.9	5.9	5.4	5.1	5.5	7.2	5.4	5.6	5.7	5.8	5.1	5.1
of which: transport	12.2	11.2	12.2	13.0	13.5	15.3	13.9	15.7	14.4	12.1	10.8	9.5	9.4	10.6	13.0	16.5	17.5	16.8	17.5	20.1	20.6
5. Environment protection	4.6	4.8	4.9	5.0	5.0	5.1	4.6	5.2	5.5	4.7	5.0	5.2	5.8	6.0	6.3	6.7	6.8	7.3	8.6	9.2	9.7
6. Housing and community amenities	8.8	6.4	8.8	9.3	9.9	10.0	8.6	8.5	8.0	7.3	6.1	6.7	5.5	6.4	7.1	6.0	7.1	8.3	10.8	11.5	12.1
7. Health	38.9	40.3	40.5	42.1	45.3	48.6	50.6	53.7	54.8	54.7	55.4	56.9	58.7	63.6	68.4	73.5	80.8	87.0	92.1	94.5	99.4
8. Recreation, culture and religion	6.7	6.9	7.2	7.5	7.3	7.3	7.0	7.2	7.3	7.3	7.9	8.7	9.2	9.1	9.8	10.4	10.4	10.5	11.0	11.3	12.0
9. Education (includes training)	40.8	41.6	43.4	43.6	45.9	47.1	48.0	49.4	48.9	48.3	48.0	48.6	50.1	53.8	58.6	60.8	65.8	68.2	71.5	72.8	76.3
of which: education	39.0	39.4	41.0	41.8	43.5	45.5	46.3	47.7	47.4	46.6	46.5	46.9	48.4	52.1	56.8	58.7	63.7	66.1	69.3	70.7	73.9
of which: training	1.8	2.2	2.4	1.8	2.4	1.6	1.7	1.7	1.5	1.7	1.5	1.6	1.7	1.8	1.8	2.1	2.1	2.1	2.2	2.2	2.5
10. Social protection	105.9	102.1	102.7	106.0	117.5	129.3	136.0	139.0	142.4	144.3	142.3	139.7	146.2	150.6	157.3	161.2	167.6	172.1	175.6	177.1	180.9
EU transactions	-3.0	-4.5	-2.6	-3.5	-6.0	-4.8	-6.4	-5.8	-5.4	-6.6	-4.6	-3.2	-3.2	-3.0	-5.5	-2.1	-2.2	-0.9	-0.6	-1.8	-1.6
Unallocated <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.9
<b>Total Expenditure on Services</b>	<b>339.9</b>	<b>328.9</b>	<b>337.2</b>	<b>339.5</b>	<b>349.1</b>	<b>369.8</b>	<b>375.8</b>	<b>387.2</b>	<b>391.3</b>	<b>387.1</b>	<b>383.5</b>	<b>386.2</b>	<b>393.7</b>	<b>413.8</b>	<b>430.6</b>	<b>447.7</b>	<b>473.4</b>	<b>493.8</b>	<b>514.3</b>	<b>523.2</b>	<b>541.8</b>
Accounting adjustments	12.5	13.7	15.2	14.1	23.4	19.4	20.2	20.5	20.6	17.1	16.7	15.0	13.9	12.9	14.7	19.6	17.9	23.2	24.3	26.5	26.4
<b>Total Managed Expenditure</b>	<b>352.4</b>	<b>342.6</b>	<b>352.5</b>	<b>353.7</b>	<b>372.5</b>	<b>389.2</b>	<b>396.0</b>	<b>407.7</b>	<b>411.8</b>	<b>404.2</b>	<b>400.3</b>	<b>401.1</b>	<b>407.5</b>	<b>426.7</b>	<b>445.3</b>	<b>467.3</b>	<b>491.3</b>	<b>517.1</b>	<b>538.6</b>	<b>549.7</b>	<b>568.2</b>

(1) Real terms figures are the nominal figures adjusted to 2006–07 price levels using GDP deflators. For years 1987–88 to 2006–07 deflators are calculated from the latest data from the Office for National Statistics (released 28 March 2008). GDP for 2007–08 is consistent with the March 2008 Financial Statement and Budget Report.

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

Table 4.4 Total Expenditure on Services by function as a percent of GDP<sup>(1)</sup>, 1987–88 to 2007–08

	National Statistics																	based on accruals					
	based on cash																						
	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	2007–08		
1. General public services	5.8	5.4	5.3	5.0	4.5	4.5	4.6	4.8	5.0	4.8	4.7	4.6	4.0	4.0	3.6	3.4	3.4	3.6	3.7	3.6	3.7	3.6	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	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0
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	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	3.6	3.6	3.6	3.4	2.7	2.7	2.2	2.0	2.0	2.1	2.1	2.2	2.2	2.2	2.2
2. Defence	4.4	4.0	4.0	3.9	3.9	3.8	3.6	3.4	3.1	2.8	2.6	2.8	2.7	2.6	2.5	2.5	2.5	2.5	2.5	2.4	2.4	2.4	2.4
3. Public order and safety	1.8	1.8	1.9	2.0	2.2	2.3	2.2	2.2	2.1	2.1	2.0	2.0	2.0	2.1	2.3	2.3	2.3	2.4	2.3	2.3	2.3	2.3	2.3
4. Economic affairs	4.4	3.9	3.7	3.8	3.6	3.8	3.6	3.4	3.2	3.0	2.6	2.2	2.3	2.5	2.7	2.9	2.9	2.8	2.8	2.9	2.9	2.9	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	0.5	0.5	0.5	0.5	0.5	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	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	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	0.5	0.5	0.5	0.5	0.4	0.4	0.4	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	1.0	0.9	0.8	0.9	1.1	1.4	1.4	1.3	1.4	1.5	1.5	1.5	1.5
5. Environment protection	0.6	0.5	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	0.7	0.7	0.7
6. Housing and community amenities	1.1	0.7	1.0	1.1	1.1	1.1	0.9	0.8	0.7	0.6	0.6	0.6	0.5	0.6	0.6	0.5	0.6	0.7	0.8	0.9	0.9	0.9	0.9
7. Health	4.7	4.6	4.6	4.8	5.2	5.5	5.6	5.7	5.6	5.5	5.4	5.4	5.3	5.6	5.9	6.2	6.6	6.9	7.2	7.1	7.3	7.1	7.3
8. Recreation, culture and religion	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.9	0.9	0.9	0.9	0.9
9. Education (includes training)	4.9	4.8	4.9	4.9	5.2	5.4	5.3	5.2	5.0	4.8	4.7	4.6	4.5	4.7	5.1	5.1	5.4	5.4	5.6	5.5	5.6	5.6	5.6
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	5.3	5.4	5.4	5.4
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	0.2	0.2	0.2
10. Social protection	12.7	11.8	11.6	12.0	13.4	14.7	15.0	14.7	14.7	14.5	13.8	13.1	13.3	13.2	13.6	13.6	13.7	13.7	13.7	13.4	13.3	13.4	13.3
EU transactions	-0.4	-0.5	-0.3	-0.4	-0.7	-0.5	-0.7	-0.6	-0.6	-0.7	-0.4	-0.3	-0.3	-0.3	-0.5	-0.2	-0.2	-0.1	0.0	-0.1	-0.1	-0.1	-0.1
Unallocated <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1
<b>Total Expenditure on Services</b>	<b>40.8</b>	<b>37.9</b>	<b>38.1</b>	<b>38.5</b>	<b>39.8</b>	<b>42.0</b>	<b>41.4</b>	<b>41.0</b>	<b>40.3</b>	<b>38.8</b>	<b>37.2</b>	<b>36.3</b>	<b>35.7</b>	<b>36.4</b>	<b>37.1</b>	<b>37.6</b>	<b>38.6</b>	<b>39.4</b>	<b>40.1</b>	<b>39.5</b>	<b>39.8</b>	<b>39.5</b>	<b>39.8</b>
Accounting adjustments	1.5	1.6	1.7	1.6	2.7	2.2	2.2	2.2	2.1	1.7	1.6	1.4	1.3	1.1	1.3	1.6	1.5	1.9	1.9	2.0	1.9	2.0	1.9
<b>Total Managed Expenditure</b>	<b>42.3</b>	<b>39.5</b>	<b>39.8</b>	<b>40.1</b>	<b>42.5</b>	<b>44.3</b>	<b>43.6</b>	<b>43.1</b>	<b>42.4</b>	<b>40.6</b>	<b>38.8</b>	<b>37.7</b>	<b>37.0</b>	<b>37.5</b>	<b>38.4</b>	<b>39.3</b>	<b>40.1</b>	<b>41.2</b>	<b>42.0</b>	<b>41.5</b>	<b>41.7</b>	<b>41.5</b>	<b>41.7</b>

(1) For years 1987–88 to 2006–07 using GDP consistent with the latest figures from the Office for National Statistics (published 28 March 2008). GDP for 2007–08 is consistent with the March 2008 Financial Statement and Budget Report.

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