

5

Public sector expenditure by function, sub-function and economic category

5.1 The analyses in this chapter present public sector expenditure over recent years, adjusted as far as possible so that figures for outturn years are based on current definitions. All outturn data (to 2007-08) are National Statistics.

What's new

5.2 **Table 5.1** no longer includes the departmental grouping of 'Public corporations accountable to local government'. This spending, by London Underground, is now contained within the Transport departmental group. This aligns the treatment with that of local government spending, which is assigned to the departmental group most closely associated with the spending. The new Energy and Climate Change departmental group has also been added.

5.3 The capital expenditure row within **Table 5.3** has been renamed as net capital procurement to distinguish it from all capital expenditure and indicate that it is net of sales of assets. For clarity, current procurement is renamed as net current procurement (which is net of sales of goods and services). Current transfers abroad are renamed as current grants abroad to align with the presentation in **Table 2.1**;

5.4 As part of the changes to simplify PESA, the sectoral elements shown in **Chapter 5** in PESA 2008 have been moved into the relevant sectoral chapters, leaving this chapter to show only public sector aggregates. Specifically, **Table 5.4** now shows public sector current and capital expenditure by function and is no longer split by sector. The figures for each sector are available in **Chapters 6, 7 and 8**.

5.5 Local government current procurement spending by function has previously been included in **Table 5.5** net of income from sales of goods and services. For PESA 2009 this is now shown gross in all years.

5.6 **Table 5.6** now shows public sector gross capital procurement by function as well as the previously published public sector receipts from sales of assets. This is a breakdown of net capital procurement shown in **Table 5.3**. Together with gross current procurement shown in **Table 5.5** this enables users to view total public sector gross procurement.

Classification changes

5.7 There have been a number of classification changes since PESA 2008. These reclassifications ensure that data are consistent with the UN Classification Of the Functions Of Government (COFOG) and the definition of expenditure on services. The largest of these are:

- the reclassification of Department for Environment, Food and Rural Affairs spending on Bovine Spongiform Encephalopathy (BSE) from **environment protection n.e.c.** to **agriculture, food and fisheries policy** and on Environment Agency from **environment protection n.e.c.** to **protection of biodiversity and landscape**, affecting functional and sub-functional tables in **Chapters 4, 5, 6, 9 and 10**;
- the reclassification of spending on urban regeneration from **social housing** to **community development**, resulting in changes from 2003-04 in **Chapters 5 and 6**; and
- the reclassification of expenditure and income from investment properties moving the data into expenditure on services, resulting in changes in 2005-06 in all tables on an expenditure on services basis.

Relationship between functional series and departments

5.8 **Table 5.1** shows public sector expenditure on services by function split across the different government departmental groups for 2007-08. Departmental spending can be spread across a variety of functions, particularly in the case of the devolved administrations. This presentation allocates local government expenditure to the departmental group most closely associated with a particular function. For example, spending on schools by local government in Scotland is allocated to Scotland, while equivalent spending in England is allocated to Children, Schools and Families.

Public sector expenditure on services by sub-function

5.9 **Table 5.2** provides the most detailed functional analysis of public sector expenditure on services for the years 2003-04 onwards. The tables are presented in a format generally consistent with the level 2 breakdown of the United Nations' Classification Of the Functions Of Government (UN COFOG). The table also shows, in italics, additional Treasury-defined sub-functional divisions that were used in PESA 2006, prior to the introduction of UN COFOG, but which do not map directly to COFOG level 2. Further information on UN COFOG is available from the Treasury website¹.

5.10 The sub-function analysis of health is presented against HM Treasury's own sub-functional classification. This is because the NHS is neither financed nor organised along the lines of COFOG level 2, so capturing the required additional information is not currently possible.

Public sector expenditure on services by economic category

5.11 The economic significance of public spending depends on its nature; firstly whether it is current or capital, but also whether it is, for example, a transfer payment or expenditure on goods and services. **Table 5.3** breaks down expenditure on services into its component economic categories.

5.12 The presentation of economic categories in **Table 5.3** is broadly consistent with the economic categories used by the Office for National Statistics for the National Accounts. Brief descriptions of each category within expenditure on services are given below, including the main differences from the corresponding economic categories presented against the budgeting framework in **Table 2.1**:

- as in the budgeting presentation, **pay** includes wages and salaries, employers' social contributions, payments of accruing superannuation liability charges for UK staff and locally engaged staff overseas, and amounts that finance employee contributions to pension schemes. It also includes income from the recovery of secondee costs, but does not include payments for contract and agency staff that are treated as procurement;
- **net current procurement** includes expenditure and receipts from purchasing and selling goods and services, including hire and rentals under PFI and non-PFI operating leases, payments for contract and agency staff, and payments for consultancy and audit services. It also includes spending on Single Use Military Equipment (SUME) following the treatment in the National Accounts. SUME is part of capital procurement in the budgeting presentation;

¹ http://www.hm-treasury.gov.uk/pes_function.htm

- **subsidies** are payments by government to trading businesses to provide support for current costs, including payments to farmers under the EC's Common Agriculture Policy as well as subsidies to rail and bus operators. Subsidies within **Table 2.1** are split between private sector and public corporation, and do not include payments to central and local government units with market based activities that are included within subsidies in **Table 5.3**;
- **social benefits and other grants to the private sector** are payments to individuals and non-profit bodies to help pay for current costs. This includes benefits, public service and state pensions, and the grant element of student loans (the grant implied by loans being issued at the inflation rate rather than the market interest rate). The public service pensions and grant element of student loans are shown as separate categories within **Table 2.1**;
- **current grants abroad** are mainly foreign aid, such as programmes to reduce poverty. This also includes the EU transactions set out in **Table 5.2**;
- **public sector debt interest** reflects the debt interest payments to the private sector, so it excludes intra-public sector payments. These payments do not form part of departmental budgets so are not included within **Table 2.1**;
- **net capital procurement** includes the spending and income from buying and selling fixed assets (such as land, buildings, machinery, etc) except SUME, which is part of the above net current procurement category under National Accounts definitions. This category also includes the pay of civil servants engaged in in-house capital formation. **Table 2.1** follows this definition except it additionally includes SUME;
- **stock building** is the value of increasing or decreasing stocks, for example of buildings in urban regeneration areas prior to sales. It is not shown separately from other capital expenditure in the budgeting presentation; and
- **capital grants** are grants to the private sector that are usually made on the condition that the recipient uses the funds for capital projects. **Table 2.1** analyses these grants by the nature of the recipient; persons and non-profit bodies, private sector companies and public corporations.

Public sector expenditure on services split by current and capital spending

5.13 **Table 5.4** gives a functional (COFOG level 1) breakdown of the current and capital expenditure of the public sector for the years from 2003-04. A functional split by sector is available in **Chapter 6** (central government), **Chapter 7** (local government), and **Chapter 8** (public corporations). The split between capital and current is on a National Accounts basis.

Public sector gross procurement by function

5.14 **Table 5.5** shows public sector gross current procurement by COFOG level 1 function, and income from sales of goods and services. This is a breakdown of the net current procurement figure shown in **Table 5.3** and is defined on a National Accounts basis, as described above. Procurement of goods and services by one public sector body from another, which offset within net current procurement, are included in this table.

5.15 **Table 5.6** shows public sector gross capital procurement by COFOG level 1 function, and receipts from sales of fixed assets. This is a breakdown of the net capital procurement figure shown in **Table 5.3** and is defined on a National Accounts basis, as described above. Figures for asset sales are shown separately for central government, local government and public corporations, as well as for general government, which comprises central government and local government. Receipts, which are at sales value, are split between land and building and other asset classes, and exclude receipts from sales of financial assets, which are not included within expenditure on services. Sales of assets between public sector bodies are included in this table.

Table 5.1 Public sector expenditure on services by departmental group⁽¹⁾ and function, 2007–08

Departmental group \ Function		National Statistics																£ million		
		1. General public services of which: public and common services	of which: international services	of which: public sector debt interest	2. Defence	3. Public order and safety	4. Economic affairs of which: enterprise and economic development	of which: science and technology	of which: employment policies	of which: agriculture, fisheries and forestry	of which: transport	5. Environment protection	6. Housing and community amenities	7. Health	8. Recreation, culture and religion	9. Education	10. Social protection	EU transactions	Public sector expenditure on services for each department	
Children, Schools and Families	-5	-5	-	-	-	109	-	-	-	-	-	-	-	10	-	50,591	6,986	-	57,691	
Health	-	-	-	-	-	-	254	110	-	-	144	-	-	83,515	-	-	11,619	-	95,389	
Transport	0	0	-	-	2	178	16,732	-	38	-	16,694	-	513	-	-	-	872	-	18,297	
Innovation, Universities and Skills	-	-	-	-	-	-	2,766	22	2,726	18	-	-	368	495	127	13,728	-406	-	17,079	
Communities and Local Government	3,867	3,863	4	-	21	2,495	2,671	2,671	-	-	-	69	8,696	-	-	-	1,937	-	19,756	
Home Office	-	-	-	-	-	15,482	74	-	-	-	-	74	-	299	-	11	-	1	15,867	
Justice	258	258	-	-	-	9,068	-	-	-	-	-	-	-	-	-	-	95	-	9,420	
Law Officers' Departments	-	-	-	-	-	731	-	-	-	-	-	-	-	-	-	-	2	-	733	
Defence	44	-	44	-	31,978	-	34	34	-	-	-	-	-	-	20	-	2,769	-	34,845	
Foreign and Commonwealth Office	1,969	-	1,969	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,969	
International Development	4,643	-	4,643	-	-	-	-	-	-	-	-	-	-	-	-	-	112	-	4,755	
Energy and Climate Change	58	-	58	-	-	1	1,237	1,226	-	0	11	-	1,746	-	-	-	0	-	3,043	
Business, Enterprise and Regulatory Reform	0	0	0	-	-	-	1,389	1,289	39	61	0	1	9	1	-	-	297	-	1,697	
Environment, Food and Rural Affairs	-	-	-	-	-	-	3,387	107	12	-	3,268	-	5,652	-8	-	960	1	0	9,991	
Culture, Media and Sport	72	45	26	-	-	-	176	176	-	-	-	-	113	40	113	9,147	113	-332	9,443	
Work and Pensions	356	356	-	-	-	-	2,983	12	-1	2,972	-	-	2	-	-	-	126,098	-	129,438	
Scotland	904	904	-	-	7	2,165	4,334	717	195	1	734	2,688	808	1,746	9,689	1,005	7,330	3,325	31,315	
Wales	637	637	-	-	-	36	1,620	380	5	67	386	783	446	486	5,243	557	3,906	1,611	14,541	
Northern Ireland Executive	355	355	-	-	-	79	1,382	210	46	163	461	502	226	1,132	2,950	354	2,428	5,501	14,407	
Northern Ireland Office	29	29	-	-	-	1,042	-	-	-	-	-	-	-	-	-	-	60	-	1,130	
Chancellor's Departments	36,205	4,956	-	31,249	-	-	144	-3	147	-	-	-	1	-	-	-	26,271	-1,505	61,117	
Cabinet Office	386	386	-	-	1,577	-	-	-	-	-	-	-	-	-	-	1	726	-	2,689	
Independent Bodies	693	693	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	695	
Public sector expenditure on services for each function	50,469	12,475	6,745	31,249	33,585	31,386	39,184	6,950	3,207	3,282	5,003	20,742	9,439	12,906	102,015	12,181	78,098	187,546	-1,505	555,304

(1) Includes local government spending, which is allocated to the most relevant departmental group.

Table 5.2 Public sector expenditure on services by sub-function, 2003–04 to 2008–09

	National Statistics					£ million
	2003–04 outturn	2004–05 outturn	2005–06 outturn	2006–07 outturn	2007–08 outturn	2008–09 estimated outturn
1. General public services						
1.1 Executive and legislative organs, financial and fiscal affairs, external affairs	10,062	11,027	11,447	11,494	11,300	12,400
1.2 Foreign economic aid	3,496	3,581	4,227	4,338	4,638	4,973
1.3 General services	975	1,094	1,060	1,244	1,052	1,327
1.4 Basic research	73	119	127	122	54	90
1.5 R&D general public services	30	28	30	30	21	22
1.6 General public services n.e.c.	1,704	2,134	2,413	2,106	2,156	3,180
1.7 Public debt transactions ⁽¹⁾	23,044	24,918	26,752	28,641	31,249	31,530
<i>of which: central government debt interest</i>	22,280	23,933	25,807	27,579	29,960	30,466
<i>of which: local government debt interest</i>	236	385	440	520	692	627
<i>of which: public corporation debt interest</i>	528	600	505	542	597	437
Total general public services	39,384	42,902	46,056	47,975	50,469	53,521
2. Defence						
2.1 Military defence	24,708	24,929	26,411	27,465	27,620	30,746
2.2 Civil defence	122	78	77	90	81	85
2.3 Foreign military aid	1,281	903	1,155	1,689	2,704	3,599
2.4 R&D defence	474	588	566	621	637	554
2.5 Defence n.e.c.	2,234	3,256	2,710	2,284	2,543	2,124
Total defence	28,818	29,754	30,918	32,149	33,585	37,108
3. Public order and safety						
3.1 Police services	14,306	15,312	16,186	16,864	17,206	18,830
<i>of which: immigration and citizenship</i>	1,695	1,848	1,649	1,714	1,767	1,898
<i>of which: other police services</i>	12,611	13,464	14,537	15,150	15,439	16,932
3.2 Fire-protection services	2,365	2,511	2,675	2,701	2,887	3,240
3.3 Law courts	6,122	6,764	6,111	6,274	6,541	6,824
3.4 Prisons	2,898	3,156	3,577	3,812	4,240	4,520
3.5 R&D public order and safety	30	48	23	14	26	27
3.6 Public order and safety n.e.c.	420	400	421	489	485	479
Total public order and safety	26,141	28,192	28,993	30,154	31,386	33,919
4. Economic affairs						
4.1 General economic, commercial and labour affairs	6,410	6,453	6,971	6,873	7,216	5,776
4.2 Agriculture, forestry, fishing and hunting	5,263	5,428	5,586	5,156	5,003	5,539
<i>of which: market support under CAP</i>	3,756	3,978	3,950	3,526	3,271	3,752
<i>of which: other agriculture, food and fisheries policy</i>	1,381	1,328	1,481	1,441	1,569	1,617
<i>of which: forestry</i>	126	122	156	189	162	170
4.3 Fuel and energy	1,221	1,568	1,359	1,443	1,177	909
4.4 Mining, manufacturing and construction	12	–4	136	12	–98	209
4.5 Transport	16,278	16,022	17,039	19,972	20,742	22,267
<i>of which: national roads</i>	2,268	2,352	2,705	3,286	3,201	3,516
<i>of which: local roads</i>	4,259	4,599	4,963	4,946	5,120	5,954
<i>of which: local public transport</i>	3,111	2,223	2,567	2,909	3,205	3,926
<i>of which: railway</i>	5,916	6,055	5,921	7,945	8,181	7,859
<i>of which: other transport</i>	725	794	882	886	1,035	1,012
4.6 Communication	425	560	426	467	858	829
4.7 Other industries	291	308	295	315	300	306
4.8 R&D economic affairs	2,302	2,454	2,925	2,775	3,207	3,237
4.9 Economic affairs n.e.c.	881	883	762	816	779	791
Total economic affairs	33,083	33,673	35,499	37,829	39,184	39,862

Table 5.2 Public sector expenditure on services by sub-function, 2003–04 to 2008–09 (continued)

	National Statistics						£ million
	2003–04	2004–05	2005–06	2006–07	2007–08	2008–09	
	outturn	outturn	outturn	outturn	outturn	estimated outturn	
5. Environment protection							
5.1 Waste management	3,564	3,984	5,077	5,636	5,789	6,453	
5.2 Waste water management	36	58	70	71	35	51	
5.3 Pollution abatement	244	230	227	176	154	316	
5.4 Protection of biodiversity and landscape	326	352	348	490	447	482	
5.5 R&D environment protection	307	304	332	342	370	410	
5.6 Environment protection n.e.c.	1,747	2,062	2,401	2,547	2,645	2,749	
Total environment protection	6,223	6,991	8,456	9,262	9,439	10,461	
6. Housing and community amenities							
6.1 Housing development	3,567	4,225	6,017	6,828	7,660	9,312	
<i>of which: local authority housing</i>	1,089	1,948	3,783	4,040	4,732	5,996	
<i>of which: other social housing</i>	2,478	2,277	2,235	2,787	2,928	3,317	
6.2 Community development	2,090	2,680	2,983	3,006	3,434	3,938	
6.3 Water supply	487	485	880	968	983	1,101	
6.4 Street lighting	396	415	482	521	573	627	
6.5 R&D housing and community amenities	11	15	14	9	8	7	
6.6 Housing and community amenities n.e.c.	152	161	175	191	248	201	
Total housing and community amenities	6,702	7,981	10,552	11,521	12,906	15,186	
7. Health⁽²⁾							
Medical services	72,940	80,791	87,609	92,195	99,526	107,686	
Medical research	471	475	482	609	582	836	
Central and other health services	1,503	1,671	1,492	1,704	1,907	1,974	
Total health	74,915	82,936	89,583	94,509	102,015	110,497	
8. Recreation, culture and religion							
8.1 Recreational and sporting services	2,802	2,944	3,130	3,478	3,999	5,122	
8.2 Cultural services	3,594	3,574	3,984	3,988	4,162	4,218	
8.3 Broadcasting and publishing services	3,084	3,270	3,431	3,566	3,662	3,654	
8.4 Religious and other community services	107	107	105	107	116	102	
8.5 R&D recreation, culture and religion	2	1	81	109	130	149	
8.6 Recreation, culture and religion n.e.c.	62	74	82	110	111	114	
Total recreation, culture and religion	9,652	9,969	10,813	11,359	12,181	13,358	
9. Education							
9.1 Pre-primary and primary education	20,747	21,911	23,448	24,190	25,807	27,129	
<i>of which: under fives</i>	3,738	4,113	4,305	4,107	4,425	4,708	
<i>of which: primary education</i>	17,009	17,798	19,143	20,084	21,381	22,421	
9.2 Secondary education	18,094	19,666	21,144	22,156	23,459	24,224	
9.3 Post-secondary non-tertiary education ⁽³⁾	7,134	7,315	7,669	8,281	8,547	8,827	
9.4 Tertiary education	8,319	8,841	9,793	10,308	11,675	12,342	
9.5 Education not definable by level	2,055	2,210	2,229	2,150	2,413	2,888	
9.6 Subsidiary services to education	2,861	3,119	3,360	3,469	3,703	4,358	
9.7 R&D education	39	42	33	37	31	19	
9.8 Education n.e.c.	1,778	2,022	2,035	2,346	2,464	3,000	
Total education	61,027	65,125	69,710	72,937	78,098	82,787	

Table 5.2 Public sector expenditure on services by sub-function, 2003–04 to 2008–09 (continued)

	£ million					
	National Statistics					
	2003–04 outturn	2004–05 outturn	2005–06 outturn	2006–07 outturn	2007–08 outturn	2008–09 estimated outturn
10. Social protection						
<i>of which: personal social services</i>	21,078	23,245	24,673	26,153	27,726	29,278
10.1 Sickness and disability	29,289	30,909	32,274	33,332	35,048	38,376
<i>of which: personal social services</i>	5,822	6,536	7,094	7,389	8,046	8,432
<i>of which: incapacity, disability and injury benefits</i>	23,466	24,373	25,180	25,943	27,003	29,944
10.2 Old age	63,233	67,547	70,851	73,762	79,602	87,404
<i>of which: personal social services</i>	7,194	8,040	8,629	8,905	9,381	9,984
<i>of which: pensions</i>	56,039	59,507	62,222	64,857	70,222	77,420
10.3 Survivors	1,840	1,852	1,846	1,811	1,808	1,807
10.4 Family and children	26,336	26,748	27,137	27,405	28,713	28,102
<i>of which: personal social services</i>	4,983	5,579	6,217	6,558	6,966	7,253
<i>of which: family benefits, income support and tax credits</i>	21,354	21,169	20,920	20,847	21,747	20,849
10.5 Unemployment	4,070	3,755	3,589	4,282	4,007	4,958
<i>of which: personal social services</i>	1,170	1,261	949	1,533	1,519	1,565
<i>of which: other unemployment benefits</i>	2,900	2,494	2,640	2,749	2,488	3,393
10.6 Housing	14,810	15,559	16,349	17,355	18,293	20,064
10.7 Social exclusion n.e.c.	11,765	13,566	14,927	16,128	17,397	20,815
<i>of which: personal social services</i>	1,908	1,829	1,784	1,769	1,814	2,043
<i>of which: family benefits, income support and tax credits⁽⁴⁾</i>	9,857	11,737	13,143	14,360	15,583	18,772
10.8 R&D social protection	0	2	1	0	0	0
10.9 Social protection n.e.c.	4,270	4,192	4,124	3,076	2,677	2,382
Total social protection	155,614	164,130	171,097	177,151	187,546	203,909
EU transactions⁽⁵⁾						
GNI-based contribution (net of abatement and collection costs)	2,957	4,361	3,856	4,071	4,785	2,378
<i>derived as:</i>						
<i>EC gross contribution pre-abatement and after deduction of collection costs</i>	11,371	12,183	11,780	12,245	13,746	13,155
<i>Traditional Own Resources (without deduction of collection costs) and VAT contributions</i>	-4,539	-4,100	-4,283	-4,614	-5,001	-5,183
<i>UK abatement</i>	-3,874	-3,722	-3,641	-3,560	-3,960	-5,595
<i>EC receipts</i>	-4,237	-4,555	-3,750	-5,164	-5,585	-4,524
<i>Attributed aid and Common Foreign and Security Policy</i>	-799	-697	-704	-709	-705	-781
Total EU transactions	-2,079	-892	-598	-1,802	-1,505	-2,927
Unallocated						
Departmental unallocated provision	-	-	-	-	-	-3
Allowance for shortfall	-	-	-	-	-	-800
Total unallocated	-	-	-	-	-	-803
Public sector expenditure on services	439,479	470,761	501,078	523,043	555,304	596,880
Accounting adjustments	16,116	21,748	23,095	27,073	27,372	23,805
Total Managed Expenditure	455,595	492,509	524,173	550,116	582,676	620,685

(1) Debt interest figures show gross payments to the private sector and overseas.

(2) The level of detail required for COFOG level 2 is not yet available. Health spending is therefore presented using HM Treasury's own sub-functional classification.

(3) Post-secondary non-tertiary education includes Further Education.

(4) Social exclusion n.e.c. includes Child and Working Tax Credits.

(5) An explanation of why the EU transactions are defined in TES in this way is given in Annex E. Complete transactions with the institutions of the EC are shown in Table C.1.

Table 5.3 Public sector expenditure on services by economic category, 2003–04 to 2008–09

	£ million					
	National Statistics					
	2003–04 outturn	2004–05 outturn	2005–06 outturn	2006–07 outturn	2007–08 outturn	2008–09 estimated outturn
Public sector current expenditure on services						
Pay	122,078	133,124	141,816	147,018	151,002	157,695
Net current procurement ⁽¹⁾	101,169	106,540	113,354	119,182	127,334	137,720
Subsidies	9,605	8,889	9,022	9,014	9,483	9,433
Social benefits and other grants to the private sector	153,894	161,553	168,781	175,436	186,983	202,602
Current grants abroad	1,943	3,403	3,755	2,587	3,284	2,339
Public sector debt interest	23,044	24,918	26,752	28,641	31,249	31,530
Unallocated provision	–	–	–	–	–	–590
Total public sector current expenditure on services	411,733	438,427	463,480	481,880	509,335	540,728
Accounting adjustments	13,578	18,351	21,151	25,345	26,252	23,733
Total public sector current expenditure	425,311	456,778	484,631	507,225	535,587	564,461
Public sector capital expenditure on services						
Net capital procurement ⁽²⁾	17,802	21,911	25,542	27,128	31,154	39,552
Stock building	189	392	488	59	151	181
Capital grants	9,754	10,032	11,569	13,977	14,664	16,617
Unallocated provision	–	–	–	–	–	–198
Total public sector capital expenditure on services	27,745	32,334	37,599	41,164	45,969	56,151
Accounting adjustments	2,539	3,397	1,943	1,727	1,120	73
Total public sector capital expenditure	30,284	35,731	39,542	42,891	47,089	56,224
Total public sector expenditure on services	439,479	470,761	501,078	523,043	555,304	596,880
Accounting adjustments	16,116	21,748	23,095	27,073	27,372	23,805
Total Managed Expenditure	455,595	492,509	524,173	550,116	582,676	620,685

(1) Net of income from sales of goods and services

(2) Net of income from sales of capital assets and before depreciation

**Table 5.4 Public sector current and capital expenditure on services by function⁽¹⁾,
2003–04 to 2008–09**

	£ million					
	National Statistics					
	2003–04	2004–05	2005–06	2006–07	2007–08	2008–09
	outturn	outturn	outturn	outturn	outturn	estimated outturn
Public sector current expenditure on services						
1. General public services	38,145	41,046	44,030	46,335	48,721	50,922
<i>of which: public and common services</i>	10,160	10,775	11,413	11,769	11,169	12,626
<i>of which: international services</i>	4,941	5,353	5,865	5,925	6,303	6,766
<i>of which: public sector debt interest</i>	23,044	24,918	26,752	28,641	31,249	31,530
2. Defence	27,387	28,119	29,846	31,250	31,046	33,607
3. Public order and safety	24,747	26,492	27,390	28,347	29,337	30,945
4. Economic affairs	23,127	23,295	24,031	24,331	25,411	24,309
<i>of which: enterprise and economic development</i>	4,768	5,110	5,247	4,990	5,509	3,628
<i>of which: science and technology</i>	1,797	1,940	2,242	2,146	2,409	2,629
<i>of which: employment policies</i>	2,883	3,027	2,987	3,156	3,211	3,118
<i>of which: agriculture, fisheries and forestry</i>	5,003	5,189	5,302	4,835	4,714	5,137
<i>of which: transport</i>	8,675	8,029	8,253	9,205	9,568	9,797
5. Environment protection	5,492	6,108	6,286	7,086	7,194	7,907
6. Housing and community amenities	3,808	3,256	3,533	3,554	3,859	4,228
7. Health	71,598	79,218	86,467	90,623	97,433	104,931
8. Recreation, culture and religion	8,151	8,502	9,114	9,536	9,900	10,014
9. Education	56,224	59,626	63,260	66,272	71,169	74,236
10. Social protection	155,134	163,655	170,121	176,347	186,771	203,108
EU transactions	-2,079	-892	-598	-1,802	-1,505	-2,927
Unallocated provision	-	-	-	-	-	-551
Total public sector current expenditure on services	411,733	438,427	463,480	481,880	509,335	540,728
Accounting adjustments	13,578	18,351	21,151	25,345	26,252	23,733
Public sector current expenditure	425,311	456,778	484,631	507,225	535,587	564,461
Public sector capital expenditure on services						
1. General public services	1,239	1,856	2,026	1,640	1,748	2,599
<i>of which: public and common services</i>	1,034	1,662	1,685	1,252	1,306	2,148
<i>of which: international services</i>	205	194	341	388	443	452
2. Defence	1,431	1,635	1,072	899	2,539	3,502
3. Public order and safety	1,394	1,699	1,603	1,807	2,049	2,974
4. Economic affairs	9,957	10,377	11,468	13,497	13,773	15,553
<i>of which: enterprise and economic development</i>	1,275	1,474	1,360	1,585	1,441	1,990
<i>of which: science and technology</i>	505	514	683	630	798	608
<i>of which: employment policies</i>	313	157	355	195	72	85
<i>of which: agriculture, fisheries and forestry</i>	260	239	283	321	289	402
<i>of which: transport</i>	7,603	7,993	8,786	10,766	11,174	12,469
5. Environment protection	731	882	2,170	2,176	2,245	2,554
6. Housing and community amenities	2,894	4,724	7,019	7,967	9,047	10,959
7. Health	3,318	3,718	3,116	3,885	4,582	5,566
8. Recreation, culture and religion	1,500	1,467	1,699	1,823	2,281	3,345
9. Education	4,802	5,500	6,450	6,665	6,929	8,551
10. Social protection	479	475	976	804	775	801
Unallocated provision	-	-	-	-	-	-253
Total public sector capital expenditure on services	27,745	32,334	37,599	41,164	45,969	56,151
Accounting adjustments	2,539	3,397	1,943	1,727	1,120	73
Public sector capital expenditure	30,284	35,731	39,542	42,891	47,089	56,224
Total public sector expenditure on services	439,479	470,761	501,078	523,043	555,304	596,880
Accounting adjustments	16,116	21,748	23,095	27,073	27,372	23,805
Total Managed Expenditure	455,595	492,509	524,173	550,116	582,676	620,685

(1) Expenditure on services by function and sector is available in the appropriate sectoral chapter: for central government see Table 6.6; for local government see Table 7.4; for public corporations see Table 8.4.

Table 5.5 Public sector current procurement⁽¹⁾ expenditure on services by function, 2003–04 to 2008–09

	£ million					
	National Statistics					2008–09 estimated outturn
	2003–04 outturn	2004–05 outturn	2005–06 outturn	2006–07 outturn	2007–08 outturn	
Public sector gross current procurement expenditure on services						
1. General public services	11,940	13,042	13,739	13,526	12,524	14,473
<i>of which: public and common services</i>	11,184	12,107	12,375	12,159	11,221	12,672
<i>of which: international services</i>	757	935	1,364	1,367	1,303	1,801
2. Defence	17,635	18,039	19,450	20,751	19,802	22,594
3. Public order and safety	10,281	11,205	11,382	12,074	12,519	12,684
4. Economic affairs	10,172	10,658	11,163	11,392	12,117	12,216
<i>of which: enterprise and economic development</i>	2,243	2,621	2,718	2,468	2,884	2,455
<i>of which: science and technology</i>	556	568	597	637	588	402
<i>of which: employment policies</i>	986	1,094	1,192	1,274	1,358	1,576
<i>of which: agriculture, fisheries and forestry</i>	1,024	1,015	1,079	1,104	1,076	1,239
<i>of which: transport</i>	5,363	5,360	5,577	5,909	6,212	6,543
5. Environment protection	5,053	5,271	6,866	7,311	7,407	7,987
6. Housing and community amenities	2,421	2,520	2,835	2,871	3,078	4,239
7. Health	44,614	48,267	52,946	54,990	61,899	64,983
8. Recreation, culture and religion	6,032	6,102	6,459	6,759	6,915	6,933
9. Education	8,557	9,166	9,652	10,141	11,155	12,190
10. Social protection	20,912	22,371	24,155	24,777	26,141	27,563
Total public sector gross current procurement expenditure on services	137,618	146,640	158,647	164,591	173,557	185,862
Plus income from goods and services	–36,449	–40,100	–45,293	–45,408	–46,223	–48,142
Total public sector net current procurement expenditure on services	101,169	106,540	113,354	119,182	127,334	137,720

(1) National Accounts definition of current procurement, so includes Defence spending on Single Use Military Equipment (SUME). Chapter 2 presents spending according to departmental budgeting definitions, where SUME is classified as capital procurement.

Table 5.6 Public sector capital procurement⁽¹⁾ expenditure on services by function, 2003–04 to 2008–09

	National Statistics					£ million
	2003–04 outturn	2004–05 outturn	2005–06 outturn	2006–07 outturn	2007–08 outturn	2008–09 estimated outturn
Public sector gross capital procurement expenditure on services						
1. General public services	1,789	2,545	2,622	2,609	2,467	2,713
<i>of which: public and common services</i>	1,611	2,376	2,309	2,285	2,133	2,330
<i>of which: international services</i>	179	169	313	324	335	382
2. Defence	1,769	2,003	1,414	1,391	3,939	3,596
3. Public order and safety	1,526	1,684	1,667	1,918	2,218	2,974
4. Economic affairs	6,925	7,296	8,204	8,300	8,908	9,284
<i>of which: enterprise and economic development</i>	942	1,102	1,024	988	1,183	1,386
<i>of which: science and technology</i>	72	141	110	121	218	172
<i>of which: employment policies</i>	249	106	298	119	26	28
<i>of which: agriculture, fisheries and forestry</i>	281	263	313	308	303	305
<i>of which: transport</i>	5,380	5,685	6,458	6,765	7,177	7,393
5. Environment protection	440	613	1,658	1,597	1,692	1,887
6. Housing and community amenities	4,376	5,117	6,291	6,508	6,610	6,475
7. Health	3,580	3,991	4,184	4,664	4,884	5,700
8. Recreation, culture and religion	919	1,076	1,426	1,595	2,029	3,125
9. Education	3,707	4,218	4,690	4,910	5,077	6,252
10. Social protection	336	416	510	446	487	400
Total public sector gross capital procurement expenditure on services	25,368	28,959	32,668	33,937	38,311	42,407
Plus public sector receipts from sales of assets						
Central government						
Receipts from sale of land and existing buildings	-847	-955	-1,553	-1,573	-2,180	-534
Other	-664	-476	-783	-605	-380	-304
Total central government receipts	-1,511	-1,431	-2,336	-2,178	-2,560	-839
Local government						
Receipts from sale of land and existing buildings	-1,752	-1,637	-1,732	-2,108	-2,404	-1,199
Other	-15	-19	-29	-47	-15	-13
Total local government receipts	-1,766	-1,656	-1,762	-2,154	-2,419	-1,212
Total general government receipts	-3,277	-3,088	-4,098	-4,332	-4,979	-2,050
Public corporations						
Receipts from sale of land and existing buildings	-4,103	-3,946	-2,881	-2,698	-2,281	-801
Other	-204	-39	-319	82	-28	-7
Total public corporations receipts	-4,307	-3,985	-3,201	-2,616	-2,309	-808
Total public sector receipts from sales of assets	-7,584	-7,073	-7,299	-6,949	-7,288	-2,858
Less receipts from sales of assets classified as changes in stocks	18	24	173	140	130	3
Total public sector net capital procurement expenditure on services	17,802	21,911	25,542	27,128	31,154	39,552

(1) National Accounts definition of capital procurement so excludes Defence spending on Single Use Military Equipment (SUME). Chapter 2 presents spending according to departmental budgeting definitions, where SUME is classified as capital procurement.