

PUBLIC EXPENDITURE OVERVIEW

1.1 This chapter brings together information on public expenditure within the current budgeting and control framework. It shows reconciliations to the national accounts measures used for the fiscal framework. It also includes information on Voted and non-Voted components of total public spending, and a breakdown of public expenditure by spending sector.

1.2 Outturn data on the budgeting and control aggregates in Tables 1.1 to 1.12 fall within the scope of National Statistics, as do outturn data in Table 1.14 (spending sectors). Data in Tables 1.13 and 1.15 are not National Statistics. All the tables in this chapter are in resource terms on a RAB stage 2 basis.

The Budgeting and Reporting Framework

1.3 **Table 1.1** summarises public expenditure both in terms of the budgeting and control framework, and in terms of the national accounts based reporting aggregate Total Managed Expenditure (TME) and its components. **Table 1.2** presents the same information as **Table 1.1** in real terms.

1.4 There is a fuller description of the budgeting and control framework in Appendix D. This chapter gives a brief explanation.

1.5 In accordance with the fiscal rules, a clear distinction is made for budgeting between current and capital spending, with departments' having separate resource and capital budgets.

1.6 For part of their resource and capital budgets, departments are given firm three year spending limits called Departmental Expenditure Limits (DELs) within which they prioritise resources and plan ahead.

1.7 Spending that cannot reasonably be subject to firm multi-year limits is included in Annually Managed Expenditure (AME). **Table 1.1** sets out the main elements of AME. Departmental AME (which is contained in departments' budgets) includes social security spending, payments under the Common Agricultural Policy, and the various other items of departmental expenditure set out in **Table 1.1**. Outside departments' budgets, other AME consists of net payments to the EC, locally financed expenditure, debt interest, public corporations own-financed capital expenditure, and accounting and other adjustments.

1.8 **Table 1.13** presents a breakdown of the accounting and other adjustments line in **Table 1.1**. Appendix B gives further details of these accounting and other adjustments.

1.9 DEL and AME together make up TME, an aggregate that is drawn from the national accounts, and is defined in national accounts terms as public sector current expenditure plus net investment plus depreciation (see **Table 1.1**). Note that depreciation in TME in the *of which* lines in the table is total public sector depreciation measured on a national accounts basis, while the depreciation line in the DEL section at the top of the table is depreciation in Resource Budget DEL, measured on the basis of Generally Accepted Accounting Practice (GAAP).

Reconciliations of Budgeting and National Accounts Aggregates

I.10 The fiscal framework is defined by reference to national accounts measures:

- achievement against the Golden Rule is measured by the Surplus on the Current Budget (SOCB). That is the difference between the public sector national accounts aggregates current expenditure plus depreciation less receipts;
- the Sustainable Investment Rule is measured by reference to the stock measure Public Sector Net Debt (PSND). The flow measure Public Sector Net Borrowing (PSNB) contributes to the accumulation of PSND. The change in PSNB is also used to assess the overall macroeconomic impact of fiscal policy on aggregate demand. The difference between the SOCB and PSNB is given by Public Sector Net Investment.

I.11 Table C4 in Budget 2005 brings together information on expenditure, receipts and balances.

I.12 Public expenditure budgeting uses Treasury-defined aggregates, which are mainly based on GAAP components. **Tables 1.3** and **1.4** show the reconciliations between the national accounts spending measures and the budgeting expenditure measures:

- **Table 1.3** shows the reconciliation from the Resource Budget to the national accounts measure Public Sector Current Expenditure.
- **Table 1.4** shows the reconciliation from the Capital Budget to the national accounts measure of Public Sector Gross Investment (measured net of sales). With the deduction of depreciation, that figure reconciles to Public Sector Net Investment.

Resource Budgets and Capital Budgets

I.13 **Table 1.5** shows the Resource Budget for each departmental group, with **Table 1.6** (new for PESA 2005) presenting the same information in real terms. Full details of departmental groups are set out in Appendix C. In addition to Departmental allocations, these tables – as with other tables showing DEL – show unallocated amounts remaining in the central funds and in the DEL Reserve.

I.14 **Table 1.7** shows the near cash components in aggregate of departmental Resource Budgets (that is, the total Resource Budget net of non-cash elements) for each departmental group. **Table 1.8** shows the non-cash components in aggregate of the departmental Resource Budgets, also by each departmental group.

I.15 **Table 1.9** shows the Capital Budget for each departmental group, with **Table 1.10** (new for PESA 2005) presenting the same information in real terms.

Total DEL

I.16 **Table 1.11** shows Total DEL by departmental group. Total DEL is made up of Resource Budget DEL plus Capital Budget DEL *less* depreciation in DEL. Total DEL is not a control total. **Table 1.12** presents the same information as **Table 1.11** in real terms.

Public Expenditure by Spending Sector

I.17 Table 1.14 shows a breakdown of TME, and within it DEL and AME, as between the national accounts spending sectors, which are used in many of the analyses in this publication. In this table, capital and current expenditure are added together.

I.18 Central government own expenditure excludes central government spending in support of local authorities. Loans and capital grants in support of public corporations are also excluded. However, subsidies to public corporations are included here, as they are not consolidated out in the calculation of TME (see Appendix B for further explanation of consolidation in TME). Central government expenditure includes the spending of non-departmental public bodies classified to central government, as well as central government departments' own spending, and the spending of the devolved administrations in Scotland, Wales and Northern Ireland. Central government own expenditure is shown split into DEL, departmental AME, and the other AME elements, including locally financed expenditure. This latter category is in respect of spending of the devolved administrations that is financed locally rather than from Westminster; at present it only includes expenditure of the Northern Ireland departments financed from regional rates. Further analyses of central government own expenditure are presented in Chapter 4.

I.19 Local authority expenditure is split according to how it is financed: central government support (which can be in either DEL or AME); locally financed support in Scotland (the proceeds of non-domestic rates in Scotland which are collected and distributed to local authorities by the devolved administration); and self-financed expenditure. Further analyses of local authority expenditure are presented in Chapter 6.

I.20 The impact of public corporations on the parent department can be either in DEL or Departmental AME. For most public corporations, departments' DELs include the subsidies and capital grants paid to, interest and dividends received from, loans and public dividend capital invested in and a capital charge on the department's investments in public corporations. For self-financing public corporations, grants and subsidies score in DEL and the other items are contained in departmental AME. In this table, however, subsidies to public corporations are included in central government own expenditure as they impact on central government current expenditure in TME. The total public corporations expenditure line shows their contribution to TME: i.e. capital expenditure and interest and dividends paid to the private sector. Further analyses for public corporations, including information on subsidies, are presented in Chapter 7.

I.21 ONS announced on 2 July 2003 (<http://www.statistics.gov.uk/pdfdir/folio703.pdf>) the intention to reclassify NHS trusts from the public corporation sector to the central government sector. The change was effected by ONS on 30 June 2004 and covered all years back to 1991. The presentation of spending sectors in Tables 1.14 and 1.15 is consistent with this.

Supply Expenditure

I.22 Table 1.15 shows the split of DEL and AME between money voted in Estimates, which accounts for about two-thirds of the total, and expenditure financed by other means. The relationship between the budgetary aggregates (DEL and AME) and Supply Expenditure is explained in more detail in the introductory sections of the Supply Estimates 2005-06: Supplementary Budgeting Information.

Discontinued Tables from PESA 2004

I.23 Three tables included in PESA 2004 have been discontinued- PESA 2004 tables 1.11 Invest to Save Budget, 1.15 Total Managed Expenditure, 1998-99 to 2002-03 (RAB Stage 1 basis) and 1.16 Departmental Expenditure Limits, 1998-99 to 2002-03 (RAB Stage 1 basis). Information on Invest to Save allocations is available at the following site [<http://www.isb.gov.uk/hmt.isb.application.2/index.asp>]. The RAB Stage 1 tables have been discontinued as data previously published are consistent with audited accounts, and further associated changes are not anticipated.

Table I.1 Total Managed Expenditure, 1999–00 to 2007–08

	£ million								
	National Statistics								
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Departmental Expenditure Limits									
Resource Budget	183,803	199,427	214,990	234,845	251,881	268,687	286,900	304,800	320,500
Capital Budget	12,390	15,638	18,869	21,296	23,464	23,824	28,800	32,000	35,200
Less depreciation	7,230	9,109	9,381	15,401	9,018	11,326	11,800	12,100	11,800
Total Departmental Expenditure Limits	188,963	205,955	224,479	240,740	266,327	281,186	303,900	324,700	344,000
Annually Managed Expenditure									
<i>Departmental AME</i>									
Social security benefits	99,819	101,799	109,185	113,850	118,115	125,176	130,071	131,562	138,578
Tax credits ⁽¹⁾	1,268	3,903	5,189	5,829	9,779	11,728	11,783	13,931	13,907
Common Agricultural Policy	2,742	2,898	3,680	2,475	2,905	3,206	3,288	3,239	3,246
Net public service pensions ⁽²⁾	1,713	1,690	3,354	4,570	2,049	2,214	3,897	3,890	4,075
National Lottery	1,908	1,855	1,710	1,810	1,910	1,800	1,700	1,500	1,300
Non-cash items	19,348	21,185	23,031	28,388	27,565	27,801	27,998	30,483	33,645
Other departmental expenditure	2,236	2,253	1,845	2,171	1,535	4,060	5,334	3,704	3,350
Total Departmental AME	129,034	135,583	147,995	159,092	163,859	175,984	184,070	188,309	198,100
<i>Other AME</i>									
Net payments to EC institutions ⁽³⁾	2,807	3,734	842	2,345	2,394	3,707	3,145	2,770	4,518
Locally financed expenditure	18,648	18,443	21,098	20,569	21,867	24,545	25,628	27,409	29,115
Central government gross debt interest	25,012	25,986	22,095	20,943	22,316	23,839	25,563	26,988	28,378
Public corporations' own-financed capital expenditure	1,208	2,584	2,410	3,279	3,111	1,752	2,926	2,574	2,868
Total Other AME	47,674	50,747	46,446	47,136	49,688	53,844	57,262	59,742	64,880
Total AME before Accounting Adjustments									
AME Margin	—	—	—	—	—	—	1,000	2,000	3,000
Accounting adjustments ⁽⁴⁾	-24,819	-28,204	-31,315	-28,999	-24,640	-26,908	-27,655	-25,527	-29,960
Total Annually Managed Expenditure	151,889	158,127	163,126	177,230	188,906	202,919	214,700	224,500	236,000
Total Managed Expenditure	340,852	364,082	387,605	417,970	455,233	484,105	518,600	549,200	580,000
<i>of which:</i>									
Current expenditure	323,828	345,971	364,350	392,550	426,607	451,127	476,900	503,400	531,500
Net investment	4,815	5,512	10,272	11,567	14,606	18,331	26,200	29,400	31,200
Depreciation	12,209	12,599	12,983	13,853	14,020	14,647	15,500	16,400	17,400

(1) Tax credits include working tax credits, stakeholder pension credits, and from 2003-04, Child Tax Credits previously included as child allowances in Income Support and Jobseekers' Allowance.

(2) The main pension schemes are reported under FRS17 accounting requirements. A few schemes have yet to move to an FRS17 basis and are reported on a non-FRS17 basis.

(3) Net payments to EC institutions exclude the UK's contribution to the cost of EC aid to non-Member States (which is attributed to the aid programme). Net payments therefore differ from the UK's net contribution to the EC Budget, latest estimates for which are (in £ billion):

	2003-04	2004-05	2005-06	2006-07	2007-08
	3.3	4.3	3.8	3.4	5.2

(4) Excludes depreciation.

Table I.2 Total Managed Expenditure in real terms⁽¹⁾, 1999–00 to 2007–08

	National Statistics									
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08	
	outturn	outturn	outturn	outturn	outturn	estimated	plans	plans	plans	£ million
						outturn				
Departmental Expenditure Limits										
Resource Budget	202,929	217,653	228,813	241,650	251,881	263,470	274,500	283,900	290,700	
Capital Budget	13,680	17,067	20,083	21,913	23,464	23,362	27,500	29,800	31,900	
Less depreciation	7,983	9,942	9,984	15,847	9,018	11,106	11,300	11,300	10,700	
Total Departmental Expenditure Limits	208,626	224,778	238,912	247,716	266,327	275,726	290,700	302,400	312,000	
Annually Managed Expenditure										
<i>Departmental AME</i>										
Social security benefits	110,206	111,103	116,205	117,149	118,115	122,745	124,434	122,552	125,693	
Tax credits ⁽²⁾	1,400	4,260	5,523	5,998	9,779	11,500	11,272	12,977	12,614	
Common Agricultural Policy	3,028	3,163	3,917	2,546	2,905	3,144	3,145	3,017	2,944	
Net public service pensions ⁽³⁾	1,891	1,844	3,570	4,703	2,049	2,171	3,728	3,624	3,696	
National Lottery	2,107	2,025	1,820	1,862	1,910	1,765	1,626	1,397	1,179	
Non-cash items	21,361	23,121	24,512	29,210	27,565	27,261	26,784	28,396	30,517	
Other departmental expenditure	2,468	2,459	1,964	2,233	1,535	3,981	5,103	3,450	3,038	
Total Departmental AME	142,460	147,975	157,511	163,702	163,859	172,567	176,093	175,413	179,681	
<i>Other AME</i>										
Net payments to EC institutions ⁽⁴⁾	3,099	4,076	897	2,413	2,394	3,635	3,009	2,581	4,098	
Locally financed expenditure	20,588	20,128	22,455	21,165	21,867	24,069	24,518	25,532	26,408	
Central government gross debt interest	27,615	28,361	23,516	21,550	22,316	23,376	24,455	25,140	25,739	
Public corporations' own-financed capital	1,334	2,820	2,565	3,374	3,111	1,718	2,799	2,398	2,602	
Total Other AME	52,635	55,385	49,432	48,502	49,688	52,798	54,781	55,651	58,847	
Total AME before Accounting Adjustments	195,096	203,360	206,943	212,204	213,546	225,365	230,874	231,064	238,528	
AME Margin	—	—	—	—	—	—	1,000	1,900	2,700	
Accounting adjustments ⁽⁵⁾	-27,401	-30,782	-33,329	-29,839	-24,640	-26,386	-26,457	-23,779	-27,175	
Total Annually Managed Expenditure	167,694	172,578	173,614	182,365	188,906	198,979	205,400	209,100	214,100	
Total Managed Expenditure	376,320	397,357	412,526	430,081	455,233	474,705	496,100	511,600	526,100	
<i>of which:</i>										
Current expenditure	357,525	377,590	387,776	403,925	426,607	442,368	456,200	468,900	482,000	
Net investment	5,316	6,016	10,932	11,902	14,606	17,975	25,100	27,400	28,300	
Depreciation	13,479	13,750	13,818	14,254	14,020	14,363	14,800	15,300	15,800	

(1) Real terms figures are cash figures adjusted to 2003-04 price levels, using GDP deflators. For 2004-05 onwards deflators are consistent with the March 2005 Financial Statement and Budget Report. For years 1999-2000 to 2003-04, deflators are calculated from the latest data from the Office for National Statistics (released 23 March 2005).

(2) Tax credits include working tax credits, stakeholder pension credits, and from 2003-04, Child Tax Credits previously included as child allowances in Income Support and Jobseekers' Allowance.

(3) The main pension schemes are reported under FRS17 accounting requirements. A few schemes have yet to move to an FRS17 basis and are reported on a non-FRS17 basis.

(4) Net payments to EC institutions exclude the UK's contribution to the cost of EC non-Member States (which is attributed to the aid programme). Net payments therefore differ from the UK's net contribution to the EC Budget, latest estimates for which are (in £ billion):

	2003-04	2004-05	2005-06	2006-07	2007-08
	3.3	4.2	3.6	3.2	4.7

(5) Excludes depreciation.

Table I.3 Public Sector Current Expenditure, 1999–00 to 2007–08

	National Statistics								
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
£ million									
Resource Budget									
Resource DEL	183,803	199,427	214,990	234,845	251,881	268,687	286,900	304,800	320,500
Resource Departmental AME	127,318	133,574	146,989	157,955	163,338	172,977	182,160	187,553	197,303
Total Resource Budget	311,121	333,001	361,979	392,800	415,220	441,664	469,100	492,400	517,900
<i>Current spending in other AME:</i>									
Net payments to EC institutions ⁽¹⁾	2,807	3,734	842	2,345	2,394	3,707	3,145	2,770	4,518
Locally financed current expenditure	17,817	18,815	19,405	19,971	22,501	22,425	23,439	25,061	26,748
Central government gross debt interest	25,012	25,986	22,095	20,943	22,316	23,839	25,563	26,988	28,378
AME Margin (current)	—	—	—	—	—	—	900	1,800	2,700
Accounting and other adjustments	–30,372	–36,555	–39,805	–41,943	–33,269	–36,833	–40,479	–39,788	–44,134
Add spending classified as current in national accounts	3,620	4,965	5,636	5,201	5,282	5,563	6,129	5,999	6,700
Remove spending classified as capital in national accounts	–6,176	–3,975	–5,803	–6,768	–7,836	–9,238	–10,880	–11,804	–11,306
Public Sector Current Expenditure	323,828	345,971	364,350	392,550	426,607	451,127	476,900	503,400	531,500

(1) Net payments to EC institutions exclude the UK's contribution to the cost of EC non-Member States (which is attributed to the aid programme). Net payments therefore differ from the UK's net contribution to the EC Budget, latest estimates for which are (in £ billion):

	2003-04	2004-05	2005-06	2006-07	2007-08
	3.3	4.3	3.8	3.4	5.2

Table I.4 Public Sector Net Investment, 1999–00 to 2007–08

	National Statistics								
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
£ million									
Capital Budget									
Capital DEL	12,390	15,638	18,869	21,296	23,464	23,824	28,800	32,000	35,200
Capital Departmental AME	1,716	2,009	1,006	1,137	520	3,007	1,910	756	797
Total Capital Budget	14,106	17,647	19,876	22,433	23,984	26,831	30,700	32,700	36,000
<i>Capital spending in other AME:</i>									
Public corporations' own-financed expenditure	1,208	2,584	2,410	3,279	3,111	1,752	2,926	2,574	2,868
Locally financed capital expenditure	831	–372	1,693	598	–634	2,120	2,189	2,348	2,367
AME Margin (capital)	—	—	—	—	—	—	100	200	300
Accounting and other adjustments	–1,677	–758	–891	–2,457	–389	–1,401	1,041	2,143	2,405
Remove items classified as current in national accounts	–3,620	–4,965	–5,636	–5,201	–5,282	–5,563	–6,129	–5,999	–6,700
Add items classified as capital in national accounts	6,176	3,975	5,803	6,768	7,836	9,238	10,880	11,804	11,306
Public sector gross investment	17,024	18,111	23,255	25,420	28,626	32,977	41,700	45,800	48,600
Less depreciation (national accounts)	12,209	12,599	12,983	13,853	14,020	14,647	15,500	16,400	17,400
Public Sector Net Investment	4,815	5,512	10,272	11,567	14,606	18,331	26,200	29,400	31,200

Table I.5 Resource Budgets, 1999–00 to 2007–08

	National Statistics								
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
£ million									
Resource DEL									
Education and Skills	12,907	14,744	17,237	20,898	23,136	24,613	26,321	28,016	29,577
Health	41,294	44,564	51,987	56,312	62,679	69,118	75,090	81,860	89,324
<i>of which: NHS</i>	40,755	44,000	51,150	54,601	60,930	66,855	72,797	79,873	87,297
Transport	4,027	3,378	4,444	6,197	7,830	8,277	8,820	10,760	9,862
Office of the Deputy Prime Minister	2,366	2,461	2,181	3,381	6,000	6,241	6,261	6,615	7,215
Local Government	33,922	35,270	36,922	37,397	40,915	43,351	46,273	48,701	51,156
Home Office	7,446	8,832	10,551	11,136	11,721	12,293	12,788	13,353	14,034
Constitutional Affairs	2,319	2,801	2,998	3,343	3,200	3,416	3,688	3,802	3,849
Law Officers' Departments	361	392	465	514	576	652	651	688	717
Defence	31,329	33,394	32,334	36,422	31,316	32,591	32,506	32,707	33,026
Foreign and Commonwealth Office	1,138	1,504	1,427	1,541	1,585	1,787	1,813	1,684	1,721
International Development	2,743	3,000	3,057	3,447	3,793	3,868	4,473	4,995	5,289
Trade and Industry	3,987	6,055	5,506	4,085	4,379	5,263	5,925	6,278	6,435
Environment, Food and Rural Affairs	2,213	2,750	2,593	2,723	2,691	3,172	3,100	3,304	3,410
Culture, Media and Sport	1,039	1,086	1,049	1,247	1,279	1,542	1,539	1,619	1,669
Work and Pensions	5,798	6,115	6,478	7,361	8,287	8,391	8,387	8,209	8,208
Scotland	13,219	14,077	15,353	16,539	18,826	19,961	21,405	22,796	24,059
Wales	6,787	7,232	8,248	9,145	9,834	10,689	11,307	12,059	12,765
Northern Ireland Executive	4,818	5,687	5,479	6,012	6,421	6,977	7,289	7,705	8,025
Northern Ireland Office	1,135	973	1,073	1,096	1,043	1,207	1,199	1,149	1,139
Chancellor's Departments	3,515	3,741	3,996	4,343	4,516	5,040	5,204	5,158	5,193
Cabinet Office	1,439	1,372	1,613	1,708	1,854	1,994	2,010	2,049	2,109
Invest to Save Budget	—	—	—	—	—	—	24	24	24
DEL Reserve	—	—	—	—	—	—	600	1,300	1,700
Unallocated Special Reserve	—	—	—	—	—	—	300	—	—
Allowance for Shortfall	—	—	—	—	—	-1,759	—	—	—
Total Resource DEL	183,803	199,427	214,990	234,845	251,881	268,687	286,900	304,800	320,500
Resource Departmental AME									
Education and Skills	6,272	6,469	6,942	7,286	6,842	7,293	8,445	8,954	9,381
Health	3,521	3,782	3,949	4,569	6,328	7,792	8,827	9,610	10,482
<i>of which: NHS</i>	—	—	—	—	0	4	11	—	—
Transport	1,771	1,725	2,107	3,055	3,088	2,150	1,800	1,878	2,846
Office of the Deputy Prime Minister	472	449	355	241	203	83	243	199	144
Local Government	200	61	498	170	304	465	590	320	375
Home Office	312	1	173	2,013	40	1	2	1	1
Constitutional Affairs	87	92	96	101	58	62	80	89	96
Defence	4,154	4,420	4,482	6,151	4,609	4,734	5,322	5,446	5,562
International Development	58	81	114	102	128	132	132	136	142
Trade and Industry	688	751	1,149	3,125	902	-22	251	225	343
Environment, Food and Rural Affairs	2,193	3,633	3,358	1,817	2,173	2,451	2,357	2,373	2,381
Culture, Media and Sport	1,169	1,403	1,359	1,517	1,592	960	1,258	1,322	1,122
Work and Pensions	87,030	88,439	95,558	99,975	103,940	110,575	115,173	116,338	122,950
Scotland	1,732	1,793	2,208	2,217	1,868	2,071	2,395	2,546	2,691
Wales	94	88	310	366	726	439	500	522	541
Northern Ireland Executive	3,732	4,510	5,455	5,513	5,389	6,234	6,487	6,666	6,909
Northern Ireland Office	—	—	—	—	165	208	222	236	252
Chancellor's Departments	9,639	12,622	14,176	15,155	19,967	21,925	22,430	24,932	25,078
Cabinet Office	4,194	3,255	4,699	4,581	5,017	5,424	5,647	5,760	6,007
Total Resource Departmental AME	127,318	133,574	146,989	157,955	163,338	172,977	182,160	187,553	197,303
Total Resource Budget	311,121	333,001	361,979	392,800	415,220	441,664	469,100	492,400	517,900

Table I.6 Resource Budgets in real terms⁽¹⁾, 1999–00 to 2007–08

	£ million								
	National Statistics								
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Resource DEL									
Education and Skills	14,250	16,092	18,345	21,504	23,136	24,135	25,180	26,097	26,827
Health	45,591	48,637	55,329	57,944	62,679	67,776	71,836	76,254	81,019
of which: NHS	44,996	48,021	54,439	56,183	60,930	65,557	69,642	74,403	79,180
Transport	4,446	3,687	4,730	6,377	7,830	8,116	8,438	10,023	8,945
Office of the Deputy Prime Minister	2,612	2,686	2,321	3,479	6,000	6,120	5,990	6,162	6,544
Local Government	37,452	38,493	39,296	38,481	40,915	42,509	44,268	45,366	46,400
Home Office	8,221	9,639	11,229	11,459	11,721	12,054	12,234	12,439	12,729
Constitutional Affairs	2,560	3,057	3,191	3,440	3,200	3,350	3,528	3,542	3,491
Law Officers' Departments	399	428	495	529	576	639	623	641	650
Defence	34,589	36,446	34,413	37,477	31,316	31,958	31,097	30,467	29,955
Foreign and Commonwealth Office	1,256	1,641	1,519	1,586	1,585	1,752	1,734	1,569	1,561
International Development	3,028	3,274	3,254	3,547	3,793	3,793	4,279	4,653	4,797
Trade and Industry	4,402	6,608	5,860	4,203	4,379	5,161	5,669	5,848	5,837
Environment Food and Rural Affairs	2,443	3,001	2,760	2,802	2,691	3,110	2,966	3,078	3,093
Culture Media and Sport	1,147	1,185	1,116	1,283	1,279	1,512	1,472	1,508	1,514
Work and Pensions	6,401	6,674	6,894	7,574	8,287	8,228	8,024	7,647	7,445
Scotland	14,595	15,364	16,340	17,018	18,826	19,573	20,477	21,235	21,822
Wales	7,493	7,893	8,778	9,410	9,834	10,481	10,817	11,233	11,578
Northern Ireland Executive	5,319	6,207	5,831	6,186	6,421	6,842	6,973	7,177	7,279
Northern Ireland Office	1,253	1,062	1,142	1,128	1,043	1,184	1,147	1,070	1,033
Chancellor's Departments	3,881	4,083	4,253	4,469	4,516	4,942	4,978	4,805	4,710
Cabinet Office	1,589	1,497	1,717	1,757	1,854	1,955	1,923	1,909	1,913
Invest to Save budget	—	—	—	—	—	—	23	22	22
DEL reserve	—	—	—	—	—	—	600	1,200	1,600
Unallocated special reserve	—	—	—	—	—	—	200	—	—
Allowance for shortfall	—	—	—	—	—	-1,725	—	—	—
Total Resource DEL	202,929	217,653	228,813	241,650	251,881	263,470	274,500	283,900	290,700
Resource Departmental AME									
Education and Skills	6,925	7,060	7,388	7,497	6,842	7,151	8,079	8,341	8,509
Health	3,887	4,128	4,203	4,701	6,328	7,641	8,444	8,952	9,507
of which: NHS	—	—	—	—	0	4	11	—	—
Transport	1,955	1,883	2,242	3,144	3,088	2,108	1,722	1,749	2,581
Office of the Deputy Prime Minister	521	490	378	248	203	81	232	185	131
Local Government	221	67	530	175	304	456	564	298	340
Home Office	344	1	184	2,071	40	1	2	1	1
Constitutional Affairs	96	100	102	104	58	61	77	83	87
Defence	4,586	4,824	4,770	6,329	4,609	4,642	5,091	5,073	5,045
International Development	64	88	121	105	128	129	126	127	129
Trade and Industry	760	820	1,223	3,216	902	-22	240	210	311
Environment Food and Rural Affairs	2,421	3,965	3,574	1,870	2,173	2,403	2,255	2,210	2,160
Culture Media and Sport	1,291	1,531	1,446	1,561	1,592	941	1,203	1,231	1,018
Work and Pensions	96,086	96,522	101,702	102,872	103,940	108,428	110,182	108,371	111,518
Scotland	1,912	1,957	2,350	2,281	1,868	2,031	2,291	2,372	2,441
Wales	104	96	330	377	726	430	478	486	491
Northern Ireland Executive	4,120	4,922	5,806	5,673	5,389	6,113	6,206	6,209	6,267
Northern Ireland Office	—	—	—	—	165	204	212	220	229
Chancellor's Departments	10,642	13,776	15,087	15,594	19,967	21,499	21,458	23,225	22,746
Cabinet Office	4,630	3,552	5,001	4,714	5,017	5,319	5,402	5,366	5,448
Total Resource									
Departmental AME	140,566	145,782	156,440	162,532	163,338	169,619	174,266	174,708	178,958
Total Resource Budget	343,495	363,435	385,252	404,182	415,220	433,089	448,800	458,600	469,700

(1) Real terms figures are the cash figures adjusted to 2003-04 price levels, using GDP deflators. For 2004-05 onwards deflators consistent with the March 2005 Financial Statement and Budget Report. For years 1999-2000 to 2004-04, deflators are calculated from the latest data from the Office for National Statistics (released 23 March 2005).

Table I.7 Near-cash elements of Resource Budgets, 1999–00 to 2007–08

	£ million								
	National Statistics								
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Resource DEL⁽¹⁾									
Education and Skills	12,546	14,790	17,131	20,374	22,362	24,579	26,277	27,968	29,530
Health	39,874	43,307	48,213	53,678	60,274	66,410	71,572	78,043	85,195
of which: NHS	39,335	42,744	47,378	51,978	58,537	64,159	69,297	76,069	83,181
Transport	4,093	3,583	4,523	5,735	7,338	7,640	8,567	9,515	8,662
Office of the Deputy Prime Minister	2,378	2,439	2,202	3,383	6,090	6,254	6,228	6,540	7,140
Local Government	33,922	35,269	36,922	37,397	40,915	43,349	46,273	48,701	51,156
Home Office	7,143	8,496	9,892	10,631	11,373	11,917	12,260	12,755	13,397
Constitutional Affairs	2,053	2,620	2,728	3,159	3,328	3,494	3,483	3,701	3,777
Law Officers' Departments	354	385	428	510	571	639	639	677	705
Defence	18,177	19,127	18,543	19,976	21,368	21,480	20,787	21,703	22,381
Foreign and Commonwealth Office	1,043	1,206	1,283	1,336	1,438	1,620	1,617	1,472	1,494
International Development	2,600	2,886	3,035	3,288	3,770	3,807	4,415	4,932	5,225
Trade and Industry	2,953	3,344	4,004	3,935	4,299	4,987	5,599	5,942	6,097
Environment, Food and Rural Affairs	1,965	2,026	2,872	2,475	2,491	2,850	2,778	2,982	3,088
Culture, Media and Sport	943	978	918	1,117	1,128	1,351	1,355	1,433	1,478
Work and Pensions	5,745	6,065	6,418	7,635	8,173	8,262	8,247	8,026	8,027
Scotland	12,851	13,637	14,811	16,117	18,449	19,424	20,816	22,154	23,378
Wales	6,710	7,168	7,979	8,805	9,638	10,268	10,937	11,636	12,324
Northern Ireland Executive	4,725	5,021	5,230	5,824	6,265	6,844	7,114	7,519	7,840
Northern Ireland Office	902	956	961	917	934	985	1,025	966	964
Chancellor's Departments	3,270	3,463	3,794	3,947	4,350	4,701	4,944	4,867	4,842
Cabinet Office	1,212	1,117	1,268	1,358	1,419	1,598	1,604	1,661	1,713
Total near-cash Resource DEL⁽¹⁾	165,460	177,882	193,153	211,597	235,972	252,459	266,537	283,192	298,415
Resource departmental AME									
Education and Skills	1,652	1,659	1,718	1,685	920	1,305	1,699	1,845	1,903
Health	446	522	-144	-108	-2,144	-2,778	-3,079	-3,526	-4,008
of which: NHS	—	—	—	—	1	—	—	—	—
Transport	92	—	7	-2	—	31	30	—	—
Office of the Deputy Prime Minister	476	447	367	246	203	83	244	200	144
Local Government	200	61	498	170	304	465	590	320	375
Home Office	312	1	-1	1,690	40	26	26	25	—
Constitutional Affairs	30	32	33	37	-11	-12	-7	-2	-1
Defence	2,484	2,664	2,641	2,493	2,558	2,560	2,599	2,650	2,780
International Development	130	123	121	116	118	118	116	114	113
Trade and Industry	200	253	288	773	768	862	1,330	1,371	1,010
Environment, Food and Rural Affairs	2,157	2,275	3,539	1,876	2,151	2,440	2,331	2,358	2,366
Culture, Media and Sport	1,169	1,403	1,359	1,516	1,593	960	1,258	1,322	1,122
Work and Pensions	86,803	88,311	95,471	99,829	103,855	110,242	114,979	116,157	122,762
Scotland	528	455	485	567	350	308	339	363	376
Wales	98	92	81	113	385	121	170	179	187
Northern Ireland Executive	3,247	3,325	3,861	4,012	3,884	4,097	4,342	4,364	4,589
Northern Ireland Office	59	83	125	120	94	120	130	143	150
Chancellor's Departments	9,533	12,517	14,071	15,049	19,436	21,589	22,976	24,836	24,980
Cabinet Office	1,377	1,068	940	-1,365	1,036	1,197	836	767	926
Total near-cash Resource Departmental AME	110,994	115,291	125,461	128,814	135,541	143,733	150,909	153,485	159,773
Total near-cash Resource Budget⁽¹⁾	276,455	293,173	318,614	340,411	371,513	396,192	417,446	436,677	458,188

(1) The near-cash Resource DEL figures shown above exclude the Allowance for Shortfall in 2004-05 and exclude the £300 million unallocated Special Reserve in 2005-06. The DEL Reserve and unallocated amounts for the Invest to Save Budget are also excluded in 2005-06, 2006-07, and 2007-08. These items are part of Resource DEL, as shown in Table I.5, but are not specified as cash or non-cash at this planning stage.

Table I.8 Non-cash elements of Resource Budgets, 1999–00 to 2007–08

	National Statistics								
	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 estimated outturn	2005–06 plans	2006–07 plans	2007–08 plans
£ million									
Resource DEL⁽¹⁾									
Education and Skills	361	–46	106	524	774	34	44	48	46
Health	1,420	1,257	3,774	2,633	2,406	2,709	3,518	3,817	4,129
of which: NHS	1,420	1,256	3,772	2,622	2,393	2,696	3,499	3,804	4,116
Transport	–67	–205	–79	462	492	637	253	1,246	1,200
Office of the Deputy Prime Minister	–12	22	–21	–2	–90	–13	33	76	75
Local Government	0	0	0	0	0	2	—	—	—
Home Office	303	336	658	504	347	376	529	598	637
Constitutional Affairs	266	182	270	184	–127	–78	204	100	72
Law Officers' Departments	7	7	37	4	5	13	11	11	11
Defence	13,151	14,267	13,791	16,446	9,948	11,111	11,718	11,004	10,645
Foreign and Commonwealth Office	95	297	144	205	147	167	197	212	227
International Development	143	113	22	159	23	61	58	63	64
Trade and Industry	1,035	2,711	1,502	150	80	276	327	336	338
Environment, Food and Rural Affairs	248	725	–279	248	200	322	322	322	322
Culture, Media and Sport	96	108	131	130	150	191	184	186	191
Work and Pensions	53	50	60	–274	114	128	140	183	181
Scotland	368	440	542	422	378	537	589	642	681
Wales	77	65	269	340	196	422	371	423	441
Northern Ireland Executive	92	666	249	188	155	134	175	186	185
Northern Ireland Office	233	17	112	179	109	223	175	183	176
Chancellor's Departments	245	279	202	395	166	339	261	291	351
Cabinet Office	228	255	345	350	436	396	406	388	396
Total non-cash Resource DEL⁽¹⁾	18,343	21,545	21,837	23,248	15,909	17,987	19,516	20,315	20,367
Resource departmental AME									
Education and Skills	4,620	4,809	5,225	5,601	5,921	5,988	6,746	7,109	7,478
Health	3,075	3,260	4,094	4,677	8,472	10,571	11,906	13,136	14,490
of which: NHS	—	—	—	—	–1	4	11	—	—
Transport	1,678	1,725	2,100	3,058	3,088	2,119	1,769	1,878	2,846
Office of the Deputy Prime Minister	–3	2	–12	–5	0	0	0	0	0
Home Office	—	—	173	324	—	–25	–24	–24	1
Constitutional Affairs	57	60	63	65	69	74	87	91	97
Defence	1,669	1,756	1,841	3,658	2,051	2,174	2,723	2,797	2,782
International Development	–72	–42	–8	–14	10	14	16	22	29
Trade and Industry	488	498	861	2,352	134	–884	–1,079	–1,146	–666
Environment, Food and Rural Affairs	36	1,358	–181	–58	23	11	26	15	15
Culture, Media and Sport	—	—	—	1	–1	—	—	—	—
Work and Pensions	227	129	88	146	85	333	193	181	188
Scotland	1,204	1,338	1,723	1,650	1,517	1,763	2,056	2,182	2,315
Wales	–4	–4	229	253	341	318	331	343	354
Northern Ireland Executive	485	1,181	1,594	1,502	1,505	2,137	2,145	2,302	2,320
Northern Ireland Office	–59	–83	–125	–120	71	88	92	94	102
Chancellor's Departments	106	106	105	107	530	336	–547	96	98
Cabinet Office	2,817	2,187	3,759	5,945	3,981	4,227	4,811	4,993	5,081
Total non-cash Resource Departmental AME	16,323	18,279	21,527	29,142	27,797	29,244	31,251	34,069	37,530
Total non-cash Resource Budget⁽¹⁾	34,666	39,828	43,365	52,389	43,706	47,231	50,767	54,383	57,896

(1) The near-cash Resource DEL figures shown above exclude the Allowance for Shortfall in 2004–05 and exclude the £300 million unallocated Special Reserve in 2005–06. The DEL Reserve and unallocated amounts for the Invest to Save Budget are also excluded in 2005–06, 2006–07 and 2007–08. These items are part of Resource DEL, as shown in Table I.5, but are not specified as cash or non-cash at this planning stage.

Table I.9 Capital Budgets, 1999–00 to 2007–08

	£ million								
	National Statistics								
	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 estimated outturn	2005–06 plans	2006–07 plans	2007–08 plans
Capital DEL									
Education and Skills	1,113	1,944	2,110	2,729	3,242	3,730	4,445	4,870	5,570
Health	899	1,227	1,717	1,975	2,539	3,131	3,819	5,265	6,255
<i>of which: NHS</i>	850	1,173	1,623	1,903	2,451	3,046	3,737	5,163	6,133
Transport	1,115	1,405	2,430	3,103	3,034	3,322	3,300	4,083	4,160
Office of the Deputy Prime Minister	1,907	2,732	2,194	1,975	2,552	2,870	2,976	2,944	2,890
Local Government	272	56	84	202	214	295	349	249	249
Home Office	395	403	576	743	929	1,068	1,163	1,226	1,296
Constitutional Affairs	37	38	84	88	130	198	138	138	146
Law Officers' Departments	4	14	23	8	11	18	15	15	15
Defence	4,051	5,391	5,836	6,149	6,073	6,593	6,880	6,970	7,600
Foreign and Commonwealth Office	82	99	55	96	50	78	123	111	109
International Development	25	-16	24	17	27	41	30	20	22
Trade and Industry	5	49	171	349	578	242	304	480	475
Environment, Food and Rural Affairs	189	170	253	260	355	332	339	339	339
Culture, Media and Sport	57	34	37	43	147	198	97	117	132
Work and Pensions	47	41	162	264	186	299	346	155	50
Scotland	1,041	1,173	1,761	1,594	1,401	1,960	1,901	2,099	2,209
Wales	591	559	544	684	807	865	935	1,099	1,202
Northern Ireland Executive	246	304	348	518	360	421	410	477	534
Northern Ireland Office	26	35	41	53	54	78	66	72	72
Chancellor's Departments	87	-223	205	262	253	416	309	415	510
Cabinet Office	202	202	215	182	522	252	250	249	264
Invest to Save Budget	—	—	—	—	—	—	6	6	6
DEL Reserve	—	—	—	—	—	—	500	600	1,100
Allowance for shortfall	—	—	—	—	—	-2,581	—	—	—
Total Capital DEL	12,390	15,638	18,869	21,296	23,464	23,824	28,800	32,000	35,200
Capital Departmental AME									
Education and Skills	3	2	3	5	4	3	5	3	3
Health	—	—	—	—	—	678	857	—	—
<i>of which: NHS</i>	—	—	—	—	—	678	857	—	—
Office of the Deputy Prime Minister	21	255	—	548	91	629	616	616	616
Local Government	—	—	50	56	125	—	—	—	—
Defence	—	—	111	-50	-4	-28	-16	-7	-15
International Development	—	—	—	—	—	-2	—	—	—
Trade and Industry	919	1,260	389	184	-701	630	-299	-341	-294
Environment, Food and Rural Affairs	2	1	1	1	1	1	1	—	—
Culture, Media and Sport	741	468	377	308	841	850	452	188	188
Work and Pensions	29	22	75	77	90	46	94	96	99
Wales	—	—	—	7	10	—	—	—	—
Northern Ireland Executive	—	—	—	—	63	200	200	200	200
Chancellor's Departments	0	0	—	—	0	—	—	—	—
Total Capital Departmental AME	1,716	2,009	1,006	1,137	520	3,007	1,910	756	797
Total Capital Budget	14,106	17,647	19,876	22,433	23,984	26,831	30,700	32,700	36,000

Table I.10 Capital Budgets in real terms⁽¹⁾, 1999–00 to 2007–08

	National Statistics								
	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 estimated outturn	2005–06 plans	2006–07 plans	2007–08 plans
£ million									
Capital DEL									
Education and Skills	1,229	2,122	2,246	2,808	3,242	3,658	4,252	4,536	5,052
Health	993	1,339	1,827	2,032	2,539	3,070	3,653	4,904	5,673
of which: NHS	938	1,280	1,727	1,958	2,451	2,987	3,575	4,809	5,563
Transport	1,231	1,533	2,586	3,193	3,034	3,258	3,157	3,803	3,773
Office of the Deputy Prime Minister	2,105	2,982	2,335	2,032	2,552	2,814	2,847	2,742	2,621
Local Government	300	61	89	208	214	289	334	232	226
Home Office	436	440	613	765	929	1,047	1,113	1,142	1,175
Constitutional Affairs	41	41	89	91	130	194	132	129	132
Law Officers' Departments	4	15	24	8	11	18	14	14	14
Defence	4,473	5,884	6,211	6,327	6,073	6,465	6,582	6,493	6,893
Foreign and Commonwealth Office	91	108	59	99	50	76	118	103	99
International Development	28	-17	26	17	27	40	29	19	20
Trade and Industry	6	53	182	359	578	237	291	447	431
Environment Food and Rural Affairs	209	186	269	268	355	326	324	316	307
Culture Media and Sport	63	37	39	44	147	194	93	109	120
Work and Pensions	52	45	172	272	186	293	331	144	45
Scotland	1,149	1,280	1,874	1,640	1,401	1,922	1,819	1,955	2,004
Wales	652	610	579	704	807	848	894	1,024	1,090
Northern Ireland Executive	272	332	370	533	360	413	392	444	484
Northern Ireland Office	29	38	44	55	54	76	63	67	65
Chancellor's Departments	96	-243	218	270	253	408	296	387	463
Cabinet Office	223	220	229	187	522	247	239	232	239
Invest to Save budget	—	—	—	—	—	—	6	6	5
DEL reserve	—	—	—	—	—	—	500	500	1,000
Allowance for Shortfall	—	—	—	—	—	-2,531	—	—	—
Total Capital DEL	13,679	17,067	20,082	21,913	23,464	23,361	27,500	29,800	31,900
Capital departmental AME									
Education and Skills	3	2	3	5	4	3	5	3	3
Health	—	—	—	—	—	665	820	—	—
of which: NHS	0	—	—	—	—	665	820	—	—
Office of the Deputy Prime Minister	23	278	—	564	91	617	589	574	559
Local Government	—	—	53	58	125	—	—	—	—
Defence	—	—	118	-51	-4	-27	-15	-7	-14
International Development	—	—	—	—	—	-2	—	—	—
Trade and Industry	1,015	1,375	414	189	-701	618	-286	-318	-267
Environment Food and Rural Affairs	2	1	1	1	1	1	1	—	—
Culture Media and Sport	818	511	401	317	841	833	432	175	171
Work and Pensions	32	24	80	79	90	45	90	89	90
Wales	—	—	—	7	10	—	—	—	—
Northern Ireland Executive	—	—	—	—	63	196	191	186	181
Chancellor's Departments	0	0	—	—	0	—	—	—	—
Total Capital Departmental AME	1,895	2,193	1,071	1,170	520	2,949	1,827	704	723
Total Capital Budget	15,574	19,260	21,154	23,083	23,984	26,310	29,300	30,500	32,700

(1) Real terms figures are cash figures adjusted to 2003-04 price levels, using GDP deflators. For 2004-05 onwards deflators consistent with the March 2005 Financial Statement and Budget Report. For years 1999-2000 to 2003-04, deflators are calculated from the latest data from the Office for National Statistics (released 23 March 2005).

Table I.11 Total Departmental Expenditure Limits⁽¹⁾, 1999–00 to 2007–08

	National Statistics								
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
£ million									
Resource and Net Capital DEL									
Education and Skills	14,007	16,673	19,322	23,594	26,344	28,305	30,719	32,840	35,101
Health	41,829	45,499	53,399	57,856	64,825	71,693	78,245	86,402	94,781
of which: NHS	41,241	44,881	52,469	56,083	63,001	69,356	75,887	84,324	92,643
Transport	5,122	4,753	6,830	9,028	10,284	10,989	11,745	13,612	12,859
Office of the Deputy Prime Minister	4,266	5,182	4,361	5,346	8,538	9,087	9,224	9,529	10,068
Local Government	34,194	35,325	37,006	37,599	41,129	43,644	46,622	48,949	51,405
Home Office	7,705	9,090	10,937	11,617	12,427	13,128	13,617	14,177	14,896
Constitutional Affairs	2,427	2,789	3,028	3,376	3,264	3,539	3,697	3,806	3,856
Law Officers' Departments	360	400	457	519	582	661	658	695	724
Defence	29,482	31,466	30,748	29,312	31,088	31,310	30,945	32,076	33,455
Foreign and Commonwealth Office	1,166	1,347	1,385	1,510	1,531	1,753	1,803	1,625	1,645
International Development	2,764	2,979	3,070	3,448	3,790	3,884	4,481	4,993	5,288
Trade and Industry	3,893	6,011	5,551	4,340	4,780	5,374	6,103	6,618	6,765
Environment, Food and Rural Affairs	2,306	2,802	2,720	2,825	2,903	3,303	3,233	3,437	3,543
Culture, Media and Sport	1,041	1,059	1,012	1,221	1,351	1,642	1,539	1,638	1,699
Work and Pensions	5,786	6,101	6,593	7,972	8,371	8,553	8,624	8,211	8,107
Scotland ⁽²⁾	14,147	15,143	16,944	18,014	20,033	21,657	22,991	24,559	25,916
Wales ⁽²⁾	7,348	7,771	8,601	9,591	10,545	11,257	12,026	12,902	13,708
Northern Ireland Executive ⁽²⁾	5,053	5,801	5,764	6,474	6,721	7,343	7,620	8,113	8,497
Northern Ireland Office	1,133	978	1,083	1,093	1,056	1,236	1,218	1,173	1,168
Chancellor's Departments	3,412	3,352	4,020	4,283	4,606	5,144	5,315	5,346	5,477
Cabinet Office	1,521	1,433	1,649	1,723	2,161	2,024	2,041	2,082	2,154
Invest to Save Budget	—	—	—	—	—	—	30	30	30
DEL Reserve	—	—	—	—	—	—	1,200	1,900	2,900
Unallocated Special Reserve ⁽³⁾	—	—	—	—	—	—	300	—	—
Allowance for Shortfall	—	—	—	—	—	-4,340	—	—	—
Total DEL	188,963	205,955	224,479	240,740	266,327	281,186	303,900	324,700	344,000
Total Education Spending⁽⁴⁾ (£ billion)	40.8	44.3	49.8	53.3	59.3	63.9	68.2	72.6	77.2

(1) Full resource budgeting basis, excluding depreciation.

(2) Allocations within DEL totals may be subject to final decisions in allocation by the devolved administrations.

(3) This represents provision for the costs of the military conflict in Iraq and other international obligations.

(4) Includes spending by local authorities.

Table I.12 Total Departmental Expenditure Limits⁽¹⁾ in real terms,⁽²⁾ 1999–00 to 2007–08

	£ million								
	National Statistics								
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Resource and Net Capital DEL									
Education and Skills	15,464	18,197	20,565	24,277	26,344	27,756	29,387	30,591	31,837
Health	46,181	49,658	56,832	59,532	64,825	70,301	74,855	80,484	85,968
of which: NHS	45,532	48,983	55,842	57,708	63,001	68,009	72,598	78,549	84,030
Transport	5,655	5,188	7,269	9,289	10,284	10,776	11,236	12,679	11,663
Office of the Deputy Prime Minister	4,710	5,656	4,642	5,501	8,538	8,910	8,824	8,876	9,132
Local Government	37,752	38,553	39,385	38,688	41,129	42,796	44,601	45,597	46,626
Home Office	8,507	9,920	11,640	11,954	12,427	12,873	13,026	13,206	13,511
Constitutional Affairs	2,680	3,044	3,223	3,474	3,264	3,470	3,537	3,548	3,498
Law Officers' Departments	398	437	486	534	582	648	630	648	657
Defence	32,550	34,341	32,725	30,162	31,088	30,702	29,604	29,879	30,344
Foreign and Commonwealth Office	1,288	1,470	1,474	1,554	1,531	1,719	1,725	1,514	1,492
International Development	3,051	3,251	3,268	3,548	3,790	3,808	4,287	4,651	4,796
Trade and Industry	4,298	6,561	5,908	4,466	4,780	5,269	5,839	6,164	6,136
Environment, Food and Rural Affairs	2,546	3,058	2,895	2,907	2,903	3,239	3,093	3,201	3,213
Culture, Media and Sport	1,150	1,156	1,077	1,257	1,351	1,610	1,473	1,526	1,541
Work and Pensions	6,388	6,658	7,017	8,203	8,371	8,387	8,250	7,649	7,353
Scotland ⁽³⁾	15,619	16,527	18,033	18,536	20,033	21,237	21,994	22,877	23,507
Wales ⁽³⁾	8,113	8,481	9,154	9,868	10,545	11,038	11,505	12,018	12,433
Northern Ireland Executive ⁽³⁾	5,579	6,332	6,134	6,662	6,721	7,200	7,290	7,557	7,707
Northern Ireland Office	1,250	1,068	1,153	1,125	1,056	1,212	1,166	1,093	1,060
Chancellor's Departments	3,767	3,659	4,278	4,407	4,606	5,044	5,085	4,980	4,968
Cabinet Office	1,679	1,564	1,755	1,773	2,161	1,985	1,953	1,940	1,954
Invest to Save Budget	—	—	—	—	—	—	29	28	27
DEL Reserve	—	—	—	—	—	—	1,100	1,700	2,600
Unallocated Special Reserve ⁽⁴⁾	—	—	—	—	—	—	200	—	—
Allowance for Shortfall	—	—	—	—	—	-4,256	—	—	—
Total DEL	208,626	224,778	238,912	247,716	266,327	275,726	290,700	302,400	312,000
Total Education Spending⁽⁵⁾ (£ billion)	45.1	48.4	53.0	54.9	59.3	62.7	65.2	67.6	70.0

(1) Full resource budgeting basis, excluding depreciation.

(2) Real terms figures are cash figures adjusted to 2003-04 price levels, using GDP deflators. For 2004-05 onwards deflators consistent with the March 2005 Financial Statement and Budget Report. For years 1999-2000 to 2004-04, deflators are calculated from the latest data from the Office for National Statistics (released 23 March 2005).

(3) Allocations within DEL totals may be subject to final decisions in allocation by the devolved administrations.

(4) This represents provision for the costs of the military conflict in Iraq and other international obligations.

(5) Includes spending by local authorities and devolved administrations.

Table I.13 Accounting adjustments, 1999–00 to 2007–08

	£ billion								
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Tax credits for individuals	1.8	1.0	0.8	0.9	0.1	0.0	0.0	0.0	0.0
Pensions	-13.4	-13.3	-16.8	-20.1	-22.6	-25.7	-29.1	-31.0	-33.0
European Community contributions	-5.5	-6.3	-5.7	-4.2	-4.5	-4.0	-3.9	-4.0	-4.0
Other central government programmes	-0.2	0.1	0.1	0.5	0.9	0.9	0.8	0.8	0.7
VAT refunds	5.4	6.2	7.1	8.1	9.1	10.0	10.7	11.8	12.6
Central government capital consumption	4.9	5.0	5.0	5.1	5.3	5.5	5.9	6.3	6.7
Non-cash items not in TME	-12.8	-18.0	-17.6	-17.1	-12.3	-10.5	-10.1	-12.6	-14.3
Expenditure financed by revenue receipts	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Local authorities	3.9	3.9	4.1	4.4	4.5	3.1	5.0	6.3	6.3
General government consolidation	-5.3	-5.2	-5.1	-6.1	-5.2	-5.0	-5.0	-5.1	-5.3
Public corporations	0.1	-0.1	0.2	0.3	0.3	0.3	0.4	0.4	0.5
Financial transactions	-0.9	-1.3	-0.3	-0.2	0.8	0.0	0.2	0.5	0.4
Data adjustment	0.0	0.0	-0.2	-0.2	-0.1	-0.7	-1.7	0.9	-0.2
Balancing reconciliation	-2.9	-0.4	-3.0	-0.6	-1.0	-1.2	-1.1	0.2	-0.7
Total accounting adjustments	-24.8	-28.2	-31.3	-29.0	-24.6	-26.9	-27.7	-25.5	-30.0

The accounting adjustments are described in Appendix B.

Table I.14 Total Managed Expenditure by spending sector, 1999–00 to 2007–08

	National Statistics								
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
£ million									
Central government own expenditure									
DEL ⁽¹⁾⁽²⁾	134,330	147,019	162,168	172,429	189,974	199,029	216,206	233,316	247,198
Departmental AME	117,417	123,658	133,631	143,681	148,262	156,735	165,535	168,918	177,635
Locally financed support in									
Northern Ireland	276	307	348	361	384	415	457	498	536
Net payments to EC institutions	2,807	3,734	842	2,345	2,394	3,707	3,145	2,770	4,518
Central government debt interest	25,012	25,986	22,095	20,943	22,316	23,839	25,563	26,988	28,378
Accounting and other adjustments ⁽²⁾	-28,137	-31,159	-34,123	-33,693	-27,459	-28,056	-31,400	-30,200	-33,300
Total central government own expenditure	251,705	269,544	284,962	306,066	335,872	355,669	379,500	402,300	425,000
Local authority expenditure									
Central government support in DEL ⁽¹⁾⁽²⁾	53,057	57,903	61,423	67,340	76,200	81,857	85,926	89,041	93,551
Central government support in departmental AME	11,614	11,890	14,257	15,326	15,412	18,152	18,376	19,218	20,285
Locally financed support in									
Scotland	1,441	1,511	1,554	1,718	1,804	1,896	2,009	2,002	1,982
Local authority self-financed expenditure	16,931	16,625	19,196	18,490	19,678	22,234	23,163	24,909	26,597
Accounting and other adjustments ⁽²⁾	3,326	3,152	2,832	4,553	2,741	1,076	6,100	8,500	9,100
Total local authority expenditure	86,368	91,080	99,262	107,427	115,835	125,215	135,600	143,600	151,500
Public corporation expenditure									
DEL ⁽¹⁾⁽²⁾	1,576	1,034	888	972	153	301	334	426	364
Departmental AME	3	36	107	86	184	1,096	159	173	180
Public corporations' own-financed capital expenditure	1,208	2,584	2,410	3,279	3,111	1,752	2,926	2,574	2,868
Accounting and other adjustments ⁽²⁾	-8	-197	-25	141	77	71	100	100	200
Total public corporation expenditure	2,779	3,458	3,381	4,477	3,526	3,221	3,500	3,300	3,600
Total Managed Expenditure	340,852	364,082	387,605	417,970	455,233	484,105	518,600	549,200	580,000

(1) Full resource budgeting basis, excluding depreciation.

(2) The sectoral DEL figures shown above exclude the £300 million unallocated Special Reserve in 2005-06. The DEL Reserve and unallocated amounts for the Invest to Save Budget are also excluded in 2005-06, 2006-07 and 2007-08. AME figures for 2005-06, 2006-07 and 2007-08 exclude the AME margin. Amounts for the unallocated Special Reserve, DEL Reserve and Invest to Save Budget can be found in Table I.11. The amounts for the AME Margin can be found in Table I.1. The accounting and other adjustments in this table differ from those shown in Table I.1 and I.11 by these amounts.

Table I.15 Voted and non-voted expenditure in Total Managed Expenditure, 1999–00 to 2007–08

	£ million								
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
Voted expenditure in TME:									
DEL⁽¹⁾									
Central government excluding depreciation spending ⁽¹⁾	101,122	109,913	117,978	121,631	130,581	138,484	145,306	157,641	167,747
Support for local authorities	42,575	46,178	49,262	52,520	59,849	64,358	67,497	69,884	73,704
Support for public corporations	1,119	588	588	876	167	102	39	71	78
Depreciation	6,848	8,538	8,691	14,655	8,208	10,084	9,754	10,436	10,325
Departmental AME									
Central government own spending	60,995	61,863	66,280	75,890	72,885	75,952	80,446	79,925	83,818
Support for local authorities	11,282	11,549	13,808	14,925	14,202	17,182	18,100	18,898	19,954
Support for public corporations	53	104	149	120	216	1,138	202	218	220
Other AME									
Central government spending (EU receipts)	-3,647	-3,496	-3,468	-3,912	-4,424	-4,645	-1,859	-4,471	-4,414
Total voted expenditure in TME	220,347	235,236	253,289	276,706	281,684	302,654	319,484	332,600	351,432
Non-voted expenditure in TME:									
DEL⁽¹⁾									
Central government own spending, excluding depreciation ⁽¹⁾⁽²⁾	33,207	37,106	44,190	50,798	59,394	60,544	70,900	75,675	79,451
Support for local authorities	10,482	11,725	12,161	14,820	16,350	17,498	18,430	19,157	19,847
Public corporations	457	447	300	95	-13	199	296	356	286
Depreciation	382	571	690	746	810	1,242	2,029	1,682	1,444
DEL not allocated by spending sector ⁽²⁾	—	—	—	—	—	-4,340	1,400	1,900	2,900
AME									
Central government own spending	56,423	61,795	67,351	67,791	75,377	80,784	85,089	88,994	93,817
Support for local authorities	331	341	449	400	1,210	970	276	320	331
Public corporations	-50	-68	-42	-34	-32	-41	-42	-45	-40
Other AME and AME margin									
Central government debt interest, AME margin, locally financed expenditure, non-voted net payments to EU, and accounting and other adjustments	19,273	16,930	9,218	6,648	20,454	24,595	20,683	28,568	30,565
Total non-voted expenditure in TME	120,505	128,846	134,316	141,264	173,549	181,451	199,100	216,600	228,600
Total Managed Expenditure	340,852	364,082	387,605	417,970	455,233	484,105	518,600	549,200	580,000
Memorandum:									
Voted expenditure not in TME (included within "Non-Budget" in Estimates):									
Grants to NDPBs to finance their expenditure	13,452	15,539	20,866	25,084	30,541	32,821	35,122	—	—
Grants to devolved administrations to finance their expenditure	18,209	26,999	31,369	35,089	35,079	41,229	41,819	—	—
Other non-public expenditure	1,102	2,759	1,149	2,029	2,437	-2,949	53,918	—	—
Total voted expenditure not in TME	32,763	45,297	53,384	62,202	68,058	71,101	130,860	—	—
Total voted expenditure	253,110	280,534	306,673	338,908	349,742	373,754	450,344	—	—

(1) Total DEL is shown excluding depreciation.

(2) Central government non-voted own spending by the devolved administrations and Non-Departmental Public Bodies.