

3.1 The analyses in this chapter give a picture of changes in government expenditure over recent years, adjusted as far as possible so that figures for outturn years are based on current allocations of responsibilities between departments and on current definitions for the aggregate spending measures.

3.2 Data in this chapter are a mix of cash and accruals. All outturn data up until 1997-1998 are on a cash basis. Outturn for 1998-99 to 2003-04 are on an accruals basis, as are estimated outturn data for 2004-05 and plans data, where shown, for 2005-06, 2006-07 and 2007-08. All outturn data (to 2003-04) in the tables in this chapter are National Statistics.

Public expenditure aggregates

3.3 Table 3.1 shows trends in public expenditure over the years 1967-68 to 2007-08 in nominal and in real terms and as a percentage of Gross Domestic Product (GDP). The table shows three spending aggregates in this detail: 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 2003-04 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 get updated monthly. Public sector current expenditure plus public sector net investment plus public sector depreciation is equal to TME – which is a measure of total public sector spending drawn from national accounts. Figures for 2004-05 are estimated outturn and for 2005-06 onwards are projections produced by the Treasury.

Total Expenditure on Services by function

3.4 Table 3.6 gives a detailed analysis of the level of spending in the different functional areas of government for the years 1999-2000 to 2004-05. The functional categories are based on the UN Classification of the Functions of Government (COFOG), the international standard. The classification system used is entirely consistent with the top-level functional breakdown of UN COFOG. At the more detailed sub-function level, although not the same, there is considerable overlap with UN COFOG. Further information on the classification and relationship to UN COFOG is available from the Treasury website: http://www.hm-treasury.gov.uk/economic_data_and_tools/finance_spending_statistics/pes_function/function.cfm.

3.5 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.

3.6 TES includes central government spending but excludes the part of this that is finance to local authorities and public corporations. This central government 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' DELs are available in appendix E.

3.7 ONS announced on 2nd July 2003 (<http://www.statistics.gov.uk/pdfdir/fou0703.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. In TES expenditure on health care is adjusted to exclude the elements of health authorities' payments for services that cover the depreciation of NHS trusts' capital and their payments of interest and dividends. The change from the public corporation sector to the central government sector has also been implemented in TES. This differs from presentation in PESA 2004 but is consistent with ONS classification in TME.

3.8 Table 3.2 shows a longer time series, from 1987-88 to 2004-05, for TES by function, at a higher level of aggregation. Tables 3.3 and 3.4 present the material in Table 3.2 in real terms and as a percentage of GDP. These tables cover outturn years and give estimated outturns for 2004-05.

Relationship between functional series and departments

3.9 Table 3.5 shows TES by function split across the different government departments for 2003-04. Departmental spending can be spread across a variety of functions, particularly in the case of the devolved administrations.

Total Expenditure on Services by economic category

3.10 The economic significance of components of public spending depends on their nature, for example whether they are transfer payments or expenditure on goods and services, current or capital. Table 3.7 breaks down TES into its component economic categories.

Total Managed Expenditure split by spending sector and current and capital spending

3.11 Tables 3.8 and 3.9 give a functional breakdown of the current and capital expenditure of central and local government and public corporations for outturn years (1999-2000 to 2004-05), and for central government and public corporation spending for the plans years (2005-06, 2006-07 and 2007-08). The figures for central government and public corporation capital spending for 2005-06 onwards reflect departments' capital budgets and detailed decisions on the allocation of expenditure. A functional split of local authority capital spending is not available for future years as the allocation of spending between services is a matter for individual local authorities, and there is no aggregate information of their plans at this level of detail.

Asset Sales

3.12 Table 3.10 shows actual and planned general government receipts from asset sales from 1999-2000 through to 2004-05. Figures are shown separately for each spending sector, distinguishing between receipts from sale of land and buildings and other receipts.

Table 3.1 Public expenditure aggregates, 1967–68 to 2007–08

Outturn data in this table up to 2003–04 fall within the scope of National Statistics

	Public sector current expenditure			Depreciation		Public sector net investment			Total Managed Expenditure		
	Cash £ billion	Real terms ⁽¹⁾ £ billion	Percentage of GDP	Cash £ billion	Percentage of GDP	Cash £ billion	Real terms ⁽¹⁾ £ billion	Percentage of GDP	Cash £ billion	Real terms ⁽¹⁾ £ billion	Percentage of GDP
1967–68	13.7	162.3	33.6	1.5		2.9	34.4	7.1	18.2	214.7	44.5
1968–69	14.7	166.1	33.2	1.7		2.8	31.8	6.4	19.2	216.7	43.3
1969–70	15.6	166.8	32.7	1.8		2.8	29.7	5.8	20.2	215.9	42.4
1970–71	17.3	170.5	32.6	2.1		3.2	32.0	6.1	22.6	222.9	42.7
1971–72	19.7	178.5	33.3	2.3		3.1	28.2	5.3	25.1	227.7	42.5
1972–73	22.2	186.1	33.1	2.6		3.2	27.1	4.8	28.1	235.1	41.9
1973–74	26.2	204.7	35.1	3.1		3.9	30.5	5.2	33.2	259.7	44.5
1974–75	34.6	226.5	38.8	4.0		4.9	32.2	5.5	43.6	285.1	48.9
1975–76	44.3	231.3	39.9	5.1		6.1	31.6	5.5	55.5	289.5	49.9
1976–77	51.8	238.2	39.9	6.0		5.6	25.9	4.3	63.3	291.5	48.8
1977–78	58.0	234.8	38.4	6.8		4.3	17.6	2.9	69.1	279.9	45.8
1978–79	66.3	241.8	38.4	7.7		4.2	15.3	2.4	78.2	285.2	45.3
1979–80	79.4	248.0	38.2	9.1		4.5	14.2	2.2	93.1	290.7	44.8
1980–81	96.6	255.4	40.8	10.9		4.3	11.4	1.8	111.8	295.6	47.3
1981–82	110.6	266.8	42.6	11.9		2.4	5.8	0.9	124.9	301.3	48.1
1982–83	120.9	272.5	42.7	12.3		4.2	9.6	1.5	137.5	309.9	48.5
1983–84	130.4	281.1	42.3	12.8		5.5	11.8	1.8	148.7	320.6	48.2
1984–85	141.0	288.8	42.6	12.8		5.1	10.4	1.5	158.9	325.5	48.0
1985–86	148.7	289.0	41.0	12.1		4.5	8.8	1.2	165.3	321.2	45.6
1986–87	155.8	293.4	40.1	12.6		2.8	5.2	0.7	171.2	322.5	44.1
1987–88	166.4	296.8	38.6	12.3		2.8	5.1	0.7	181.5	323.8	42.1
1988–89	173.7	289.6	36.2	13.6		1.7	2.9	0.4	189.0	315.1	39.4
1989–90	187.4	291.9	35.7	14.7		6.3	9.8	1.2	208.4	324.6	39.7
1990–91	203.3	293.5	36.1	13.8		8.2	11.8	1.4	225.3	325.2	40.0
1991–92	228.4	310.9	38.4	12.4		10.9	14.9	1.8	251.7	342.7	42.3
1992–93	247.3	326.1	40.2	12.0		12.3	16.2	2.0	271.6	358.1	44.2
1993–94	261.2	335.5	40.0	12.1		10.2	13.1	1.6	283.5	364.2	43.4
1994–95	273.6	346.4	39.7	12.8		10.1	12.7	1.5	296.5	375.4	43.0
1995–96	285.7	351.5	39.2	13.3		9.9	12.2	1.4	308.9	380.0	42.4
1996–97	296.2	352.7	38.3	12.3		5.5	6.6	0.7	314.1	373.9	40.6
1997–98	303.5	352.3	36.9	12.3		5.2	6.0	0.6	321.0	372.6	39.0
1998–99	311.4	351.3	35.9	12.0		6.8	7.7	0.8	330.2	372.5	38.0
1999–00	323.8	357.5	35.2	12.2		4.8	5.3	0.5	340.9	376.3	37.1
2000–01	346.0	377.6	36.0	12.6		5.5	6.0	0.6	364.1	397.4	37.9
2001–02	364.4	387.8	36.3	13.0		10.3	10.9	1.0	387.6	412.5	38.6
2002–03	392.6	403.9	37.1	13.9		11.6	11.9	1.1	418.0	430.1	39.5
2003–04	426.6	426.6	38.2	14.0		14.6	14.6	1.3	455.2	455.2	40.8
2004–05	451.1	442.4	38.4	14.6		18.3	18.0	1.6	484.1	474.7	41.2
2005–06	476.9	456.2	38.4	15.5		26.2	25.1	2.1	518.6	496.1	41.8
2006–07	503.4	468.9	38.4	16.4		29.4	27.4	2.2	549.2	511.6	41.9
2007–08	531.5	482.0	38.5	17.4		31.2	28.3	2.3	580.0	526.1	42.1

(1) Real terms figures are the cash figures adjusted to 2003–04 price levels using GDP deflators. For years 1967–68 to 2003–04 deflators are calculated from the latest data from the Office for National Statistics (released 23rd March 2005). From 2004–05 deflators are consistent with the March 2005 Financial Statement and Budget Report.

Table 3.2 Total Expenditure on Services by function, 1987–88 to 2004–05

	National Statistics																			
	cash, £ billion										accruals, £ 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		
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	estimated		
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn		
General public services	3.9	4.3	5.4	5.8	6.6	7.4	7.5	7.6	7.7	7.7	7.6	8.6	9.5	9.3	10.7	11.2	12.3	13.9		
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	-0.3		
International services	1.8	2.0	2.2	2.4	2.7	3.0	3.1	3.2	3.3	2.9	2.9	3.0	3.6	4.1	4.4	4.7	5.3	5.6		
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	26.5	22.6	21.5	22.8	24.4		
Defence	19.0	19.3	20.9	21.8	23.0	23.0	22.5	22.4	21.7	21.3	20.9	23.7	24.1	24.9	24.6	26.1	27.4	28.1		
Public order and safety	8.0	8.9	10.1	11.5	13.0	14.3	14.8	15.4	15.8	16.3	17.0	17.9	18.3	20.2	22.9	24.7	26.8	29.1		
Enterprise and economic development	6.4	6.6	6.9	6.7	5.1	5.1	5.4	4.6	4.4	4.4	4.4	3.4	4.7	4.9	5.3	5.9	6.4	7.1		
Science and technology	1.0	1.1	1.1	1.2	1.3	1.4	1.5	1.1	1.2	1.3	1.3	1.3	1.3	1.3	1.5	1.9	2.1	2.3		
Employment policies	2.8	2.6	2.2	2.3	2.6	2.7	2.9	3.0	2.9	2.8	2.5	2.8	3.2	3.4	3.4	3.0	3.2	3.2		
Agriculture, fisheries and forestry	2.2	2.0	1.9	2.6	2.6	2.7	3.6	3.2	3.7	5.4	4.6	4.5	4.4	4.8	6.6	4.9	5.5	5.9		
Transport	6.8	6.7	7.8	8.9	9.8	11.4	10.6	12.1	11.5	10.1	9.2	8.5	8.8	9.0	11.3	13.6	16.6	18.2		
Environment protection	2.4	2.7	2.9	3.4	3.6	3.7	3.6	4.0	4.4	4.1	4.6	4.7	5.4	5.6	6.1	6.5	6.7	7.6		
Housing and community amenities	4.4	3.3	5.0	5.8	6.7	6.9	5.8	5.8	5.6	4.9	4.1	4.4	3.7	4.6	5.5	4.9	5.9	7.3		
Health	20.4	22.5	24.3	27.2	31.1	34.4	36.8	39.6	41.6	42.8	44.7	47.1	49.6	54.3	59.9	66.3	74.9	82.6		
Recreation, culture and religion	2.6	2.8	3.2	3.6	3.7	3.7	3.7	3.9	4.2	4.4	5.0	5.8	6.2	6.3	6.1	6.7	6.7	7.3		
Education and training	21.2	23.1	25.9	28.0	30.7	33.1	34.6	36.2	37.0	37.8	38.6	40.1	42.3	45.9	51.1	54.9	61.0	65.8		
of which: Education	20.4	22.0	24.6	27.0	29.8	32.1	33.4	35.0	35.8	36.4	37.4	38.8	40.8	44.3	49.8	53.3	59.3	63.9		
Social protection	54.9	56.6	60.9	67.8	79.8	90.7	97.8	101.5	107.1	111.9	113.6	114.4	122.1	127.5	136.2	144.8	155.0	162.9		
Unallocated ⁽¹⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	-4.2		
Total Expenditure on Services	176.0	182.2	200.1	217.3	236.4	259.2	270.4	282.9	294.5	301.0	307.0	316.8	329.8	350.0	373.2	399.8	436.5	466.7		
Accounting adjustments	5.5	6.8	8.2	8.0	15.3	12.4	13.2	13.6	14.3	13.1	14.0	13.4	11.1	14.1	14.4	18.2	18.7	17.4		
Total Managed Expenditure	181.5	189.0	208.4	225.3	251.7	271.6	283.5	296.5	308.9	314.1	321.0	330.2	340.9	364.1	387.6	418.0	455.2	484.1		

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

Table 3.3 Total Expenditure on Services by function in real terms⁽¹⁾, 1987–88 to 2004–05

	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	
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	estimated outturn
General public services	7.0	7.3	8.5	8.4	8.9	9.8	9.6	9.6	9.5	9.2	8.8	9.6	10.5	10.2	11.4	11.5	12.3	13.6	
EU transactions	-2.8	-4.2	-2.4	-3.3	-5.6	-4.4	-6.0	-5.4	-5.0	-6.2	-4.3	-3.0	-3.0	-2.8	-5.2	-1.9	-2.1	-0.3	
International services	3.2	3.3	3.4	3.5	3.7	3.9	3.9	4.0	4.0	3.5	3.3	3.4	4.0	4.5	4.7	4.9	5.3	5.5	
Public sector debt interest	35.2	33.6	32.6	29.5	24.9	25.1	26.7	29.7	32.9	33.5	34.5	33.1	28.0	28.9	24.0	22.1	22.8	24.0	
Defence	33.9	32.2	32.5	31.5	31.3	30.3	28.9	28.4	26.7	25.4	24.3	26.8	26.7	27.2	26.1	26.9	27.4	27.6	
Public order and safety	14.3	14.8	15.8	16.7	17.8	18.8	19.1	19.5	19.5	19.4	19.7	20.2	20.2	22.1	24.3	25.4	26.8	28.5	
Enterprise and economic development	11.4	11.0	10.8	9.7	7.0	6.8	6.9	5.8	5.4	5.2	5.1	3.9	5.2	5.4	5.6	6.1	6.4	7.0	
Science and technology	1.8	1.8	1.8	1.8	1.7	1.9	1.9	1.4	1.4	1.5	1.5	1.4	1.4	1.4	1.6	2.0	2.1	2.2	
Employment policies	5.0	4.3	3.4	3.3	3.5	3.6	3.7	3.8	3.5	3.3	2.9	3.1	3.5	3.7	3.6	3.1	3.2	3.1	
Agriculture, fisheries and forestry	3.9	3.3	3.0	3.7	3.6	3.6	4.6	4.1	4.5	6.5	5.4	5.1	4.8	5.2	7.0	5.1	5.5	5.8	
Transport	12.1	11.1	12.1	12.8	13.3	15.0	13.6	15.3	14.1	12.0	10.7	9.6	9.7	9.8	12.0	14.0	16.6	17.9	
Environment protection	4.3	4.4	4.5	4.9	4.8	4.9	4.7	5.1	5.4	4.9	5.4	5.3	5.9	6.1	6.5	6.7	6.7	7.4	
Housing and community amenities	7.9	5.5	7.9	8.4	9.1	9.1	7.5	7.4	6.9	5.9	4.7	4.9	4.1	5.0	5.8	5.0	5.9	7.1	
Health	36.3	37.6	37.9	39.3	42.3	45.3	47.2	50.1	51.1	50.9	51.9	53.1	54.7	59.3	63.7	68.2	74.9	81.0	
Recreation, culture and religion	4.7	4.7	5.0	5.2	5.0	4.9	4.8	5.0	5.1	5.3	5.8	6.5	6.8	6.8	6.5	6.9	6.7	7.1	
Education and training	37.8	38.6	40.3	40.5	41.8	43.6	44.5	45.8	45.5	44.9	44.8	45.2	46.7	50.0	54.4	56.5	61.0	64.5	
of which: Education	36.4	36.7	38.2	39.0	40.5	42.4	42.9	44.3	44.1	43.4	43.4	43.8	45.1	48.4	53.0	54.9	59.3	62.7	
Social protection	97.9	94.4	94.9	97.9	108.7	119.6	125.7	128.5	131.7	133.2	131.8	129.1	134.8	139.1	145.0	149.0	155.0	159.8	
Unallocated ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	-4.1
Total Expenditure on Services	313.9	303.7	311.7	313.6	321.9	341.7	347.3	358.1	362.4	358.3	356.3	357.4	364.1	382.0	397.2	411.4	436.5	457.6	
Accounting adjustments	9.9	11.4	12.8	11.5	20.8	16.4	16.9	17.2	17.7	15.6	16.3	15.1	12.3	15.4	15.3	18.7	18.7	17.1	
Total Managed Expenditure	323.8	315.1	324.6	325.2	342.7	358.1	364.2	375.4	380.0	373.9	372.6	372.5	376.3	397.4	412.5	430.1	455.2	474.7	

(1) Real terms figures are the cash figures adjusted to 2003-04 price levels using GDP deflators. For 2004-05 deflator is consistent with the March 2005 Financial Statement and Budget Report. For years 1987-88 to 2003-04 deflators are calculated from latest ONS data (released 23rd March 2005).

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

Table 3.4 Total Expenditure on Services by function as a percentage of GDP⁽¹⁾, 1987–88 to 2004–05

	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
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	estimated
General public services	0.9	0.9	1.0	1.0	1.1	1.2	1.1	1.1	1.1	1.0	0.9	1.0	1.0	1.0	1.1	1.1	1.1	1.2
EU transactions	-0.4	-0.5	-0.3	-0.4	-0.7	-0.5	-0.7	-0.6	-0.6	-0.7	-0.5	-0.3	-0.3	-0.3	-0.5	-0.2	-0.2	0.0
International services	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.5
Public sector debt interest	4.6	4.2	4.0	3.6	3.1	3.1	3.2	3.4	3.7	3.6	3.6	3.4	2.8	2.8	2.2	2.0	2.0	2.1
Defence	4.4	4.0	4.0	3.9	3.9	3.7	3.5	3.3	3.0	2.8	2.5	2.7	2.6	2.6	2.4	2.5	2.5	2.4
Public order and safety	1.9	1.9	1.9	2.0	2.2	2.3	2.3	2.2	2.2	2.1	2.1	2.1	2.0	2.1	2.3	2.3	2.4	2.5
Enterprise and economic development	1.5	1.4	1.3	1.2	0.9	0.8	0.8	0.7	0.6	0.6	0.5	0.4	0.5	0.5	0.5	0.6	0.6	0.6
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	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Employment policies	0.7	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3
Agriculture, fisheries and forestry	0.5	0.4	0.4	0.5	0.4	0.4	0.5	0.5	0.5	0.7	0.6	0.5	0.5	0.5	0.7	0.5	0.5	0.5
Transport	1.6	1.4	1.5	1.6	1.6	1.8	1.6	1.8	1.6	1.3	1.1	1.0	1.0	0.9	1.1	1.3	1.5	1.6
Environment protection	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.5	0.6	0.6	0.6	0.6	0.6	0.6
Housing and community amenities	1.0	0.7	1.0	1.0	1.1	1.1	0.9	0.8	0.8	0.6	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.6
Health	4.7	4.7	4.6	4.8	5.2	5.6	5.6	5.7	5.7	5.5	5.4	5.4	5.4	5.6	6.0	6.3	6.7	7.0
Recreation, culture and religion	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.6	0.6	0.6	0.6
Education and training	4.9	4.8	4.9	5.0	5.2	5.4	5.3	5.2	5.1	4.9	4.7	4.6	4.6	4.8	5.1	5.2	5.5	5.6
of which: Education	4.7	4.6	4.7	4.8	5.0	5.2	5.1	5.1	4.9	4.7	4.5	4.5	4.4	4.6	5.0	5.0	5.3	5.4
Social protection	12.7	11.8	11.6	12.0	13.4	14.7	15.0	14.7	14.7	14.5	13.8	13.2	13.3	13.3	13.6	13.7	13.9	13.9
Unallocated ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	-0.4
Total Expenditure on Services	40.8	38.0	38.1	38.5	39.7	42.1	41.4	41.0	40.4	38.9	37.3	36.5	35.9	36.4	37.2	37.8	39.1	39.8
Accounting adjustments	1.3	1.4	1.6	1.4	2.6	2.0	2.0	2.0	2.0	1.7	1.7	1.5	1.2	1.5	1.4	1.7	1.7	1.5
Total Managed Expenditure	42.1	39.4	39.7	40.0	42.3	44.2	43.4	43.0	42.4	40.6	39.0	38.0	37.1	37.9	38.6	39.5	40.8	41.2

(1) For years 1987-88 to 2003-04 using GDP consistent with the latest figures from the Office for National Statistics (published 23rd March 2005). For 2004-05, GDP is consistent with the March 2005 Financial Statement and Budget Report.

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

Table 3.6 Total Expenditure on Services by sub-function, 1999–00 to 2004–05

	accruals, £ million					
	National Statistics					
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05
	outturn	outturn	outturn	outturn	outturn	estimated outturn
General public services						
Public and common services	9,489	9,314	10,692	11,167	12,256	13,877
Total general public services	9,489	9,314	10,692	11,167	12,256	13,877
EU transactions						
GNI-based contribution (net of abatement and collection costs) <i>derived as:</i>	1,471	2,104	-898	2,276	2,957	4,378
<i>EC gross contribution pre-abatement and after deduction of collection costs</i>	9,207	10,640	9,213	9,737	11,371	12,116
<i>Traditional Own Resources (without deduction of collection costs) and VAT contribution</i>	-5,530	-6,314	-5,685	-4,229	-4,539	-4,015
<i>UK abatement</i>	-2,206	-2,223	-4,427	-3,233	-3,874	-3,722
EC receipts	-3,676	-4,099	-3,309	-3,424	-4,234	-4,084
Attributed aid and CFSP	-518	-584	-635	-736	-868	-603
Total EU transactions	-2,723	-2,579	-4,842	-1,884	-2,145	-309
International Services						
Other international services	992	1,207	1,350	1,439	1,522	1,773
International development assistance	2,606	2,905	3,068	3,281	3,782	3,798
Total international services	3,598	4,111	4,419	4,721	5,304	5,571
Public sector debt interest⁽¹⁾⁽²⁾						
Central government debt interest	25,012	25,986	22,095	20,943	22,316	23,839
Local authority debt interest	313	385	350	305	276	412
Public corporation debt interest	53	82	120	240	184	184
Total public sector debt interest	25,378	26,453	22,565	21,488	22,776	24,435
Defence						
National defence	24,143	24,875	24,553	26,132	27,390	28,058
Civil defence	6	6	2	3	16	43
Total defence	24,148	24,881	24,555	26,135	27,405	28,100
Public order and safety						
Police	9,270	9,675	11,216	12,046	13,324	14,561
Fire	1,943	1,999	2,086	2,287	2,282	2,632
Administration of justice	2,987	3,576	4,476	4,925	5,380	5,724
Immigration and citizenship	796	1,398	1,729	1,797	1,942	1,731
Prisons and offender programmes	2,774	2,942	2,591	2,888	2,982	3,387
Other public order and safety	555	641	777	779	845	1,057
Total public order and safety	18,325	20,231	22,877	24,722	26,755	29,092
Enterprise and economic development						
Economic development and trade	679	778	981	1,023	1,022	1,176
Support for business	2,087	2,088	2,100	2,169	2,461	2,693
Regional policy	1,931	2,069	2,184	2,720	2,934	3,247
Total enterprise and economic development	4,697	4,935	5,266	5,912	6,417	7,117
Science and technology						
Science and technology	1,264	1,306	1,529	1,943	2,149	2,265
Total science and technology	1,264	1,306	1,529	1,943	2,149	2,265
Employment policies						
Employment policies	3,204	3,409	3,377	2,989	3,240	3,168
Total employment policies	3,204	3,409	3,377	2,989	3,240	3,168
Agriculture, fisheries and forestry						
Market support under CAP	3,245	2,928	2,693	2,906	3,300	3,630
Other agriculture, food and fisheries policy	1,059	1,770	3,783	1,906	2,072	2,165
Forestry	72	102	116	133	131	130
Total agriculture, fisheries and forestry	4,376	4,800	6,592	4,945	5,502	5,926

Table 3.6 Total Expenditure on Services by sub-function, 1999–00 to 2004–05 (continued)

	accruals, £ million					
	National Statistics					
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05
	outturn	outturn	outturn	outturn	outturn	estimated outturn
Transport						
National roads	1,943	2,106	2,312	2,614	2,501	2,720
Local roads	2,854	3,180	3,829	4,353	4,382	5,401
Local public transport	2,073	2,102	2,670	3,569	5,473	5,358
Railways	1,212	1,044	1,792	2,437	3,348	3,802
Other transport	681	555	646	593	846	927
Total transport	8,764	8,987	11,250	13,566	16,551	18,208
Environment protection						
Environmental protection	5,200	5,441	5,933	6,306	6,394	7,267
Environmental research	183	190	209	236	308	287
Total environment protection	5,383	5,630	6,142	6,542	6,701	7,554
Housing and community amenities						
Local authority housing	1,045	1,334	1,852	945	713	2,092
Other social housing	1,296	1,334	1,490	1,639	2,267	2,184
Other community services	1,331	1,900	2,141	2,284	2,954	3,015
Total housing and community amenities	3,672	4,568	5,483	4,868	5,934	7,290
Health⁽³⁾						
Medical services	48,256	52,947	58,353	64,761	72,986	80,370
Medical research	321	339	371	346	399	431
Central health and other services	995	1,042	1,155	1,207	1,543	1,833
Total health	49,573	54,327	59,880	66,314	74,928	82,634
Recreation, culture and religion						
Heritage, arts, libraries and films	2,412	2,471	2,488	2,715	3,053	3,305
Sport and recreation	1,973	2,025	2,084	2,292	2,393	2,856
Broadcasting	214	224	187	202	210	210
Lottery	1,577	1,514	1,313	1,473	1,025	830
Other recreation, culture and religion	28	31	37	42	51	65
Total recreation, culture and religion	6,203	6,264	6,110	6,723	6,732	7,265
Education and training⁽³⁾						
Under fives	2,289	2,466	3,045	3,196	3,724	4,118
Primary schools	11,369	12,471	13,703	14,667	16,455	17,313
Secondary schools	12,203	13,343	14,981	16,026	18,098	19,304
Higher education	5,421	5,801	6,279	6,651	7,088	7,702
Further education	4,230	4,741	5,719	6,430	7,211	7,384
Student support	1,978	1,799	1,509	1,209	1,155	1,838
Training	1,420	1,517	1,257	1,552	1,658	1,845
Other education and training	3,352	3,717	4,583	5,142	5,592	6,265
Total education and training	42,263	45,856	51,076	54,873	60,980	65,770

Table 3.6 Total Expenditure on Services by sub-function, 1999–00 to 2004–05 (continued)

	accruals, £ million					
	National Statistics					
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05
	outturn	outturn	outturn	outturn	outturn	estimated outturn
Social protection						
Incapacity, disability and injury benefits	18,727	19,140	20,725	20,779	21,804	22,658
State pensions	40,877	43,262	46,619	49,142	51,520	54,537
Public service occupational pensions ⁽⁴⁾	5,221	4,932	5,138	4,133	2,090	1,337
Widows' benefits	1,030	1,019	1,131	1,124	1,039	943
Family benefits, income support and tax credits	24,967	27,126	29,181	31,021	36,705	39,964
Unemployment benefits ⁽⁵⁾	3,756	3,428	3,192	4,853	4,476	4,101
Housing benefits	11,550	11,534	11,910	12,980	12,720	13,434
Personal social services	12,168	12,997	14,031	16,337	20,287	21,544
Administration and miscellaneous services	3,843	4,035	4,291	4,400	4,402	4,429
Total social protection	122,139	127,473	136,219	144,768	155,041	162,926
Unallocated						
Departmental unallocated provision	—	—	—	—	—	134
Reserve and other funds	—	—	—	—	—	—
Allowance for Shortfall	—	—	—	—	—	–4,340
Total unallocated	—	—	—	—	—	–4,206
Total Expenditure on Services	329,752	349,966	373,189	399,790	436,527	466,682
Accounting adjustments	11,100	14,116	14,416	18,180	18,706	17,423
Total Managed Expenditure	340,852	364,082	387,605	417,970	455,233	484,105

(1) Debt interest figures are gross.

(2) Debt interest payments to the private sector and overseas that exclude all intra-public sector payments of debt interest.

(3) From 2003–04, these figures include employers' contributions for costs of pensions increases that score within DEL.

(4) Lower figures from 2003–04 reflect receipts of employers' contributions for costs of pensions increases – see footnote (3).

(5) From 2002–03, the Unemployment benefits line includes the relevant pay costs of Jobcentre Plus staff.

Table 3.7 Total Expenditure on Services by economic category, 1999-00 to 2004-05

	National Statistics						accruals, £ million
	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 estimated outturn	
Public sector current expenditure							
Pay ⁽¹⁾	89,822	95,784	102,346	112,393	118,772	} 230,607	
Procurement	67,597	73,993	80,860	87,295	100,209		
Subsidies	6,556	6,640	7,854	7,406	9,110		9,587
Social benefits and other grants to private sector	122,013	128,731	137,831	145,533	156,576		163,820
Current transfers abroad	1,849	2,492	544	2,409	2,546		6,392
Public sector debt interest	25,378	26,453	22,565	21,488	22,776		24,435
Total public sector current expenditure on services	313,214	334,093	351,999	376,524	409,989		434,841
Accounting adjustments	10,614	11,878	12,351	16,026	16,618		16,286
Total public sector current expenditure	323,828	345,971	364,350	392,550	426,607		451,127
Public sector capital expenditure							
Capital expenditure	12,288	11,324	14,891	15,962	17,516		20,809
Stock building	152	119	13	20	26		347
Capital grants	4,099	4,430	6,285	7,284	8,997		10,685
Total public sector capital expenditure on services	16,538	15,874	21,189	23,266	26,539		31,841
Accounting adjustments	486	2,237	2,066	2,154	2,087		1,136
Total public sector capital expenditure	17,024	18,111	23,255	25,420	28,626		32,977
Total Managed Expenditure	340,852	364,082	387,605	417,970	455,233		484,105

(1) Following the ONS's re-classification of NHS trusts to the central government sector, the pay costs of the staff of NHS trusts are now included in the Pay line; they used to be largely covered by health authorities' purchases from NHS trusts, included in the Procurement line. Figures for the outturn years, provided by the ONS, are set out below. Figures for forward years are not available and so Pay and Procurement have not been separated.

£million	1999-00	2000-01	2001-02	2002-03	2003-04
	23,131	25,030	26,145	27,360	26,691

Table 3.8 Public sector current expenditure by spending sector and function, 1999–00 to 2007–08

accruals, £ 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
Central government own									
General public services	5,775	5,950	6,631	6,859	7,492	8,241	8,800	9,168	9,368
EU transactions	-2,723	-2,579	-4,842	-1,884	-2,145	-309	-739	-1,261	503
International services	3,490	3,964	4,288	4,595	5,165	5,418	5,883	6,088	6,139
Debt interest	25,012	25,986	22,095	20,943	22,316	23,839	25,563	26,988	28,378
Defence	21,736	23,843	23,396	25,147	26,549	26,675	26,713	27,497	28,861
Public order and safety	6,973	8,448	10,136	11,398	12,258	12,929	13,706	14,306	14,965
Enterprise and economic development	2,188	2,410	2,685	3,784	4,021	4,254	4,432	4,663	4,252
Science and technology	1,186	1,205	1,372	1,671	1,703	1,814	2,024	1,884	1,952
Employment policies	3,136	3,350	3,295	2,915	2,985	3,007	2,463	2,480	2,472
Agriculture, fisheries and forestry	4,239	4,643	6,345	4,710	5,194	5,581	5,503	5,411	5,413
Transport	3,467	3,268	3,162	3,601	4,349	3,831	4,338	5,058	4,926
Environment protection	1,606	1,628	1,717	1,995	1,725	2,102	2,709	3,024	3,073
Housing and community amenities	1,123	1,125	1,121	1,002	1,259	644	841	841	797
Health	47,895	52,273	57,313	63,054	71,334	78,034	83,804	91,530	99,628
Recreation, culture and religion	1,297	1,837	1,910	1,864	1,968	2,143	2,445	2,068	2,124
Education and training	14,072	15,369	17,019	18,349	20,494	22,304	24,223	26,749	27,833
Social protection	98,634	103,126	110,395	115,627	122,819	128,851	132,338	135,259	141,135
Unallocated provision	—	—	—	—	—	-1,771	3,100	2,300	3,600
Total central government own current expenditure on services	239,105	255,844	268,037	285,631	309,483	327,588	348,100	364,000	385,500
Accounting adjustments	3,772	4,558	5,048	7,786	10,169	9,300	8,100	12,400	11,700
Total central government own current expenditure	242,877	260,402	273,085	293,417	319,652	336,888	356,200	376,400	397,200
Local authorities									
General public services	2,994	2,999	3,143	3,259	3,188	3,787	—	—	—
Public sector debt interest	313	385	350	305	276	412	—	—	—
Defence	4	4	—	—	—	—	—	—	—
Public order and safety	10,731	11,132	11,541	12,042	13,128	14,120	—	—	—
Enterprise and economic development	390	354	376	392	430	451	—	—	—
Employment policies	53	46	47	53	69	61	—	—	—
Agriculture, fisheries and forestry	68	74	82	87	96	132	—	—	—
Transport	2,860	3,166	3,570	4,068	5,104	6,055	—	—	—
Environment protection	2,864	3,049	3,268	3,530	3,867	4,116	—	—	—
Housing and community amenities	1,065	1,471	1,677	1,690	2,175	2,273	—	—	—
Health	403	442	449	449	391	337	—	—	—
Recreation, culture and religion	2,618	2,734	2,879	3,138	3,344	3,396	—	—	—
Education and training	26,333	28,119	30,934	32,908	36,362	38,293	—	—	—
Social protection	23,361	24,192	25,527	28,732	31,891	33,638	—	—	—
Total local authorities' current expenditure on services	74,056	78,167	83,842	90,653	100,321	107,069	—	—	—
Accounting adjustments	6,842	7,320	7,303	8,240	6,450	6,986	—	—	—
Total local authorities' current expenditure	80,898	85,487	91,145	98,893	106,771	114,055	120,500	126,700	134,000
Public corporations									
Debt interest	53	82	120	240	184	184	200	300	300
Total public corporations' current expenditure	53	82	120	240	184	184	200	300	300
Public sector current expenditure	323,828	345,971	364,350	392,550	426,607	451,127	476,900	503,400	531,500

Table 3.9 Public sector capital expenditure by spending sector and function, 1999–00 to 2007–08

	accruals, £ million								
	National Statistics					2004–05	2005–06	2006–07	2007–08
	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
Central government own									
General public services	444	114	566	629	1,071	935	400	776	1,037
International services	88	116	108	119	97	113	150	138	136
Defence	2,336	985	1,106	897	796	1,329	961	1,169	1,088
Public order and safety	331	362	780	768	738	1,211	1,011	1,092	1,063
Enterprise and economic development	435	682	1,311	986	1,187	1,721	1,753	1,892	2,081
Science and technology	77	101	158	271	446	451	471	490	479
Employment policies	8	7	30	14	180	94	131	65	64
Agriculture, fisheries and forestry	112	111	188	173	249	260	268	250	230
Transport	640	690	1,838	2,370	3,547	3,989	4,627	5,745	4,693
Environment protection	379	360	517	419	378	336	675	731	654
Housing and community amenities	936	962	1,132	1,411	1,981	2,128	2,050	2,162	2,487
Health	1,269	1,605	2,113	2,808	3,140	4,151	4,938	5,863	7,023
Recreation, culture and religion	1,542	928	525	928	637	503	833	1,096	912
Education and training	373	558	972	1,317	1,272	1,798	1,796	1,868	1,985
Social protection	36	39	177	256	160	219	1,136	416	306
Unallocated provision	—	—	—	—	—	–2,435	1,000	1,300	1,900
Total central government own capital expenditure on services	9,007	7,618	11,521	13,366	15,880	16,803	22,200	25,000	26,200
Accounting adjustments	–179	1,524	356	–717	340	1,978	1,100	800	1,600
Total central government own capital expenditure	8,828	9,142	11,877	12,649	16,220	18,781	23,200	25,900	27,800
Local authorities									
General public services	271	200	288	361	442	802	—	—	—
Public order and safety	289	289	405	512	618	813	—	—	—
Enterprise and economic development	89	41	52	–6	12	71	—	—	—
Employment policies	3	5	3	1	0	1	—	—	—
Agriculture, fisheries and forestry	–36	–33	–30	–38	–40	–45	—	—	—
Transport	1,165	1,552	2,070	2,681	2,817	3,370	—	—	—
Environment protection	157	134	166	220	329	436	—	—	—
Housing and community amenities	488	978	1,528	776	520	2,168	—	—	—
Health	—	—	—	—	58	112	—	—	—
Recreation, culture and religion	585	609	680	664	662	1,115	—	—	—
Education and training	1,485	1,810	2,151	2,298	2,852	3,374	—	—	—
Social protection	108	116	120	153	171	219	—	—	—
Total local authorities' capital expenditure on services	4,605	5,703	7,433	7,622	8,442	12,437	—	—	—
Accounting adjustments	865	–110	684	912	622	–1,277	—	—	—
Total local authorities' capital expenditure	5,470	5,593	8,117	8,534	9,064	11,160	15,100	17,000	17,600
Public corporations									
General public services	4	50	64	58	63	111	104	92	77
International services	20	31	23	7	42	39	39	39	39
Defence	73	50	53	91	61	96	70	103	99
Public order and safety	1	1	15	2	13	20	11	11	11
Enterprise and economic development	1,595	1,448	842	756	767	619	711	720	707
Employment policies	5	1	2	6	5	5	5	5	5
Agriculture, fisheries and forestry	–7	4	6	14	3	–2	–3	–3	–3
Transport	632	311	610	846	734	963	1,067	1,011	1,069
Environment protection	377	459	475	377	402	564	585	580	580
Housing and community amenities	59	33	25	–11	–1	78	87	83	80
Health	6	7	5	3	5	—	—	—	—
Recreation, culture and religion	161	156	115	129	122	108	93	5	5
Total public corporations' capital expenditure on services	2,927	2,553	2,235	2,279	2,216	2,601	2,770	2,646	2,669
Accounting adjustments	–201	824	1,026	1,958	1,126	436	500	300	600
Total public corporations' capital expenditure	2,726	3,376	3,261	4,237	3,342	3,037	3,300	3,000	3,200
Public sector capital expenditure	17,024	18,111	23,255	25,420	28,626	32,977	41,700	45,800	48,600

Table 3.10 Public sector receipts from sales of assets⁽¹⁾, 1999–00 to 2004–05

	accruals, £ million					
	National Statistics					
	1999–00 outturn	2000–01 outturn	2001–02 outturn	2002–03 outturn	2003–04 outturn	2004–05 estimated outturn
Central government						
Receipts from sale of land and existing buildings	-1,061	769	574	778	850	952
Other	314	228	248	136	237	217
Total central government	-747	997	821	914	1,088	1,169
Local authorities⁽²⁾						
Receipts from sale of land and existing buildings	3,652	3,598	3,533	5,121	5,557	5,458
Other	18	20	10	10	11	12
Total local authorities	3,670	3,618	3,543	5,131	5,569	5,470
General government	2,923	4,614	4,364	6,045	6,656	6,639
Public corporations						
Receipts from sale of land and existing buildings	254	210	145	199	164	132
Other	389	233	39	30	21	25
Total public corporations	644	443	184	229	186	156
Total public sector	3,566	5,058	4,549	6,274	6,842	6,795

(1) National accounts definition of capital. Excludes single use military equipment (SUME) by Ministry of Defence, which is treated as capital under resource accounting. Therefore, expenditure on and sales of SUME are included in the capital budget under resource budgeting.

(2) The local authority figures for 2004–05 reflect local authority budgets data, as set at the beginning of 2004–05. This differs from latest figures for local authority estimated outturn, as forecast in the public finances section of the Financial Statement and Budget Report in March 2005.