

BERR

Department for Business
Enterprise & Regulatory Reform

**THE PUBLIC SERVICES INDUSTRY
IN THE UK**

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OXFORD
ECONOMICS

The public services industry in the UK

July 2008

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Executive Summary

- As part of the Public Services Industry Review Oxford Economics has been commissioned by Department for Business, Enterprise and Regulatory Reform (BERR) to look at the current size of the UK Public Services Industry along with recent historic trends.
- The public services industry (PSI) is defined in this study as those organisations (private and ‘third sector’ enterprises) that are contracted to provide services to the public on behalf of Government or to the Government itself.
- In order to help measure the size, and recent growth, of the PSI there are two key data sources. The first is Her Majesty’s Treasury (HMT) publication titled Public Expenditure Statistical Analyses (PESA) and the second is the Input-Output Supply and Use Tables published by the Office for National Statistics (ONS).
- We estimate that sales by the public services industry (PSI) amounted to £79.4 million in 2007/08 with health followed by social protection, defence and education the largest categories.
- We estimate that the PSI has grown in real terms on average by 5.4% each year since 1995/6. This strong growth means that the share the PSI is of total GDP has risen from 4.2% in 1995/6 to 5.7% in 2007/8.
- Looking forward, we expect the PSI to grow 3.4% each year to 2010/11 in real terms in our central scenario.
- The £79.4 billion of purchases by the public sector on services from the private and third sector in 2007/08 generated a value added contribution to GDP of £44.8 billion in meeting this demand and supported over 1.2 million jobs.
- Our multiplier analysis suggests that the indirect and induced impacts associated with the activities of the PSI would make a further value added contribution to GDP of around £43 billion and support another 1.1 million jobs. Therefore in total, including direct, indirect and induced impacts, the public services industry made a value added contribution to GDP of around £88 billion and supported over 2.3 million jobs in 2007/08.
- Given the timeframes for this study we have inevitably based the analysis on readily available statistics (either published or provided to us by HMT). Despite this, we believe that these estimates provide a reasonable picture of the size and growth of the Public Service Industry in the UK. However, given the importance of the PSI (both in terms of value added contribution to GDP and the jobs it supports) it seems sensible that resources are devoted to improving the most uncertain area of the analysis – the estimates of the split between goods and services procured by Government.

1. Introduction

Analysis (such as carried out for the Comprehensive Spending Review) has highlighted likely future growth in demand for public services, particularly health, in order to meet the needs of an ageing population and in education as the UK invests in the skills to compete successfully in the global economy. This coupled with the 'choice' agenda and increasing use of private suppliers means that the size of the 'public service industry' is likely to increase, although this may be due to the service provision moving from the public to the private sector.

Given the importance of this area SoS John Hutton announced the Public Services Industry Review on Wednesday 5th December at the CBI conference on public services.

The review will seek to:

- Understand more about the dynamics of this emerging industry;
- Define the contribution to the UK economy of companies working in public services; and
- Identify where the opportunities are to support competitiveness of businesses in this industry in the UK and overseas.

As part of this review Oxford Economics has been commissioned by Department for Business, Enterprise and Regulatory Reform (BERR) to look at the current size of the UK Public Services Industry along with recent historic trends.

The report is structured as follows:

- Section 2 presents the approach to the study;
- Section 3 discusses the current size of the public services industry and how it has changed over the last ten years;
- Section 4 present projections for the future size and shape of the public services industry;
- Section 5 discusses the economic contribution made by the public services industry; and
- Section 6 has some recommendations for future work.

2. Approach

Key Points

- The public services industry (PSI) is defined in this study as those organisations (private and 'third sector' enterprises) that provide services to the public on behalf of Government or to the Government itself.
- In order to help measure the size, and recent growth, of the PSI there are two key data sources. The first is Her Majesty's Treasury (HMT) publication titled Public Expenditure Statistical Analyses (PESA) and the second is the Input-Output Supply and Use Tables published by the Office for National Statistics.

2.1. Introduction

This section of the report sets out the definition of the public services industry used in this study and the data sources that can be used to help quantify it.

2.2. Definition of Public Services Industry

It would be possible to define the Public Services Industry (PSI) in a number of ways. For example, one definition could simply be services provided by the public sector. However, the growth of contracting-out and the development of public private partnership models can sometimes mean that from the public's perspective there is no real distinction between a service provided by the public sector, and one provided on behalf of the public sector by another organisation. In practice, for the purposes of the Public Services Industry Review it is the market for public services, rather than just public services *per se*, that is of importance and so the analysis focuses on public services which are paid for by the public sector, rather than those provided directly by the public sector. Specifically, the Public Services Industry Review defines the PSI as:

'The Public Services Industry includes those private and 'third sector' enterprises that provide services to the public on behalf of Government or to the Government itself. These enterprises depend in whole or in part on revenues contracted through Government and deriving from taxes. Thus the Government, as policy-maker and purchaser, plays a central role in shaping the market for the Public Services Industry.'

'The Review will analyse the PSI across the whole of the UK and will include purchases by local, as well as national Government and by wider public sector bodies such as NHS trusts.'

There are inevitably grey areas around the PSI definition used for this Review. For example, we exclude regulated industries such as water utilities which mostly operate in the private sector without Government subsidy, although their prices and investment strategies are largely determined by the Government's

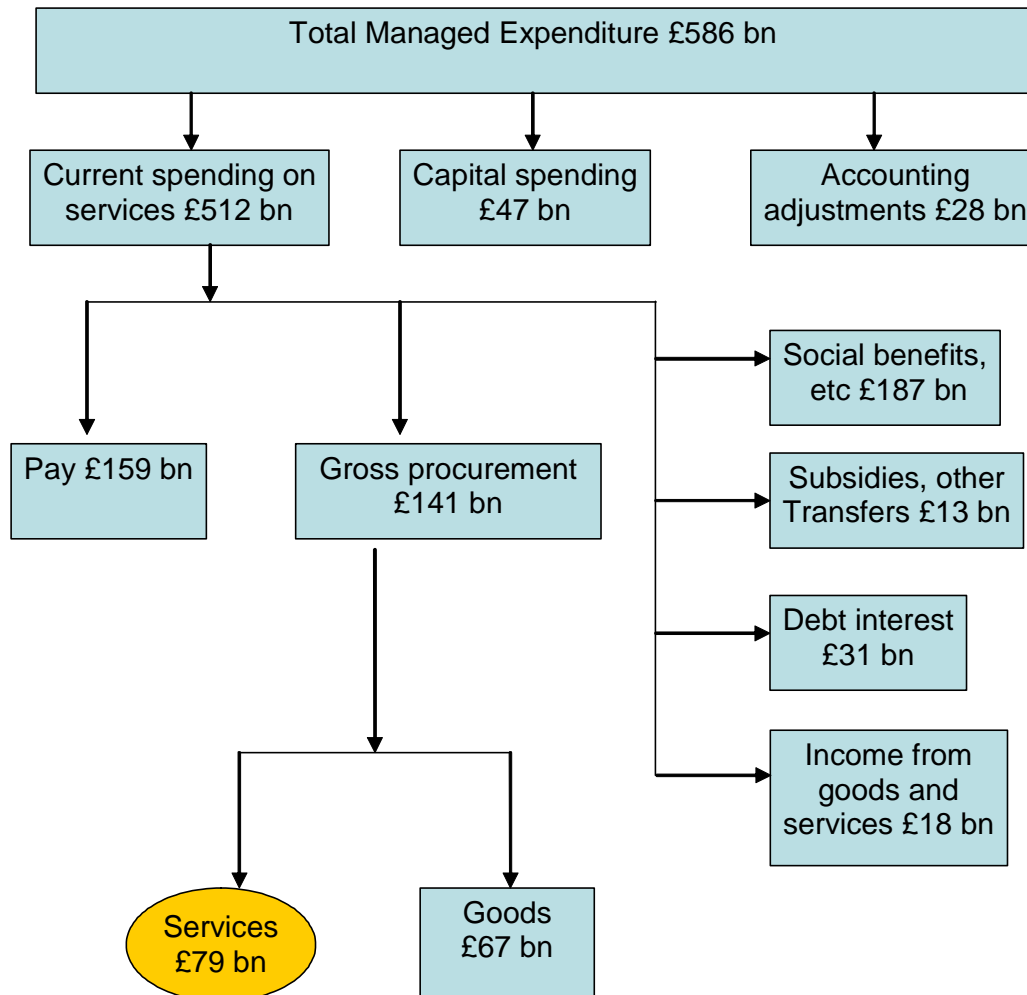
regulatory policy. We also exclude transfer payments, such as state pensions, although they are tax-financed and may be used by the recipient to procure services which are thus indirectly paid for by Government.

To see clearly which elements of government expenditure form part of the PSI, Figure 2-1 shows (in orange) which part of Government Total Managed Expenditure in 2007/08 forms part of the PSI and which parts do not (in blue). Therefore, the PSI excludes:

- Capital expenditure by the public sector;
- Accounting adjustments¹;
- Social benefits and other grants to the private sector;
- Subsidies and current transfers abroad;
- Debt interest;
- Public sector pay; and
- Sales of goods to the public sector.

¹ These are certain items of expenditure that account for the difference between national accounting and resource budgeting definitions

Figure 2-1: Total government expenditure by economic category (2007/08)



Source: PESA Table 5.3

Notes: Pay & procurement totals adjusted for estimated of GPs' pay, which is included in PESA as procurement (estimated at around £5 billion in 2007/08). Figures may not sum due to rounding.

It is not always straight forward to follow what is and is not included under certain headings. Therefore, for clarity we have provided further details and examples below.

2.2.1. Details of procurement of services - included in the PSI

As discussed, within procurement current expenditure on goods will be excluded from the definition of PSI and services included. For example, the following would be part of the PSI:

- Hire and rentals under PFI and non-PFI operating leases;
- Payments for contract and agency staff;

- Purchases of contracted out cleaning;
- Payments for IT services;
- Purchases of services from charities (as opposed to unrequited grants to them) or other not for profit organizations;
- Payments for consultancy and audit services;
- Purchase of minor maintenance services; and
- Payments from the Department of Health to NHS Trusts in respect of services provided by Trusts.

It should also be noted that procurement expenditure is normally shown net of income from sales of goods and services and therefore some work is required to estimate the gross figures that are of importance in defining the size of the PSI. Further, it is worth noting that procurement spending in PESA is shown exclusive of VAT.

2.2.2. Details of public sector pay and capital expenditure - excluded from the PSI

Pay of public sector employees is excluded from the definition of PSI, namely 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. However, payments for contract and agency staff are treated as procurement expenditure and may be part of the PSI.

Capital Expenditure is also excluded from the definition of PSI. National accounts definition of capital are used. Therefore fixed assets that can be used repeatedly to produce goods and services and generally last more than one year are counted as capital. Sometimes a minimum cost threshold (say £1,000) is applied to further define capital assets. There are some borderline cases: for example in national accounts Single Use Military Equipment is defined as current; but assets that can be used for civil and military purposes count as capital. Certain types of significant computer software development are treated as capital expenditure.

2.3. Data sources

2.3.1. Her Majesty's Treasury (HMT)

The key source for any analysis of UK public spending is the annual Her Majesty's Treasury (HMT) publication on Public Expenditure Statistical Analysis (PESA). The latest of these is PESA 2008. It covers analyses for a number of years – typically from 2002/03 up to 2007/08. The last year, however, is an estimated outturn rather than actual public spending data.

The PESA public spending data are presented using a UN classification known as COFOG (Classification of function of government). At its broadest level, this splits government functions into:

- 01 - General public services
- 02 - Defence
- 03 - Public order and safety
- 04 - Economic affairs
- 05 - Environmental protection
- 06 - Housing and community amenities
- 07 - Health
- 08 - Recreation, culture and religion
- 09 - Education
- 10 - Social protection

PESA also contains information on public spending split up according to the type of spending involved, ie whether it is on pay, procurement, capital spending, social security benefits, etc. This is the basis for the summary presented in Figure 2-1. The latest published PESA tables also analyse public spending split by both function and economic category.

There are, however, two significant limitations to PESA from the point of view of the analysis we are looking at here:

- There is no split of procurement between goods and services; and
- There is no consistent time series data published further back than the last 5 years.

2.3.2. Office for National Statistics (ONS)

The ONS publish Input-Output Supply and Use Tables every year (albeit with the most recent year being 2004). These tables are designed to show the flow of goods and services through the economy between sectors, providing information on total intermediate purchases by organisations classified by 'industrial' sector. Although for our purposes there is only a limited breakdown of relevant sectors purchasing goods and services, the information on which sectors they are buying from gives enough detail to give a good idea of how much is being spent on goods as opposed to services.

3. Public sector spending on services

Key Points

- Sales by the public services industry (PSI) amounted to £79.4 billion in 2007/08. The largest area for procurement of services is health, with an estimated £24.2 billion spent in 2007/08. The next largest categories are social protection (£17.9 billion), defence (£10.1 billion) and education (£7.3 billion).
- The PSI has grown in real terms on average by 5.4% each year since 1995/6 although growth has been slower in recent years.
- This strong growth means that the share the PSI is of total GDP has risen from 4.2% in 1995/6 to 5.7% in 2007/8.

3.1. Introduction

This section of the report discusses the current size and structure of the public services industry (PSI) in the UK along with key trends in how it has developed over the past 10 years.

3.2. Methodology

In order to develop estimates of the size of the PSI in the UK it is necessary to draw information from two main data sources.

(1) The 2007 Public Expenditure Statistical Analyses (PESA) published by HMT

This provides data on procurement by both departments and also classified to COFOG² categories. This data provides complete outturn data for the years 2002/03 to 2006/07 and estimated outturn data for 2007/08. However, this procurement includes both goods and services (see Section 2.3.1 for further details).

In order to create a consistent series for Government procurement prior to 2002/03 we have made use of older PESA data. However there are a number of issues which we have had to overcome in order to make use of these data:

- It is not possible to simply splice older PESA data onto the newer data as, although earlier years data exist, they are not adjusted for machinery of government and classification changes. Therefore, following consultation with HMT we have adjusted the older PESA data for major definitional changes such as the treatment of the BBC, NHS Trusts and the Nuclear

² An standard international classification of Government expenditure

Decommissioning Authority before splicing the series together³.

- Older PESA publications do not include data covering procurement by COFOG categories, but instead has just total procurement and the only data with of COFOG categories individually identified is total expenditure (ie including pay, subsidies etc). We have therefore estimated procurement by COFOG categories in earlier years by making use of the total procurement data, the splits by COFOG categories from the most recent PESA publication, and information from the older PESA publications on growth in total expenditure by each COFOG category.
- Adjusting historical data for procurement of goods and services to a gross basis by deducting an estimate for income from goods and services.

(2) Input-Output Supply and Use Tables published by the ONS

In order to estimate the proportion of this procurement (in each COFOG category) which is procurement of services we can make use of Input-Output Supply and Use Tables published every year by the ONS (see Annex, Table A9). However, the data from this source is not directly comparable with the PESA statistics and therefore we have had to make a number of assumptions.

- First, we have had to assign an appropriate ratio of services to total procurement from the Input-Output Supply and Use Tables' categories to each COFOG category. Details of which ONS series has been used for each COFOG are contained in Table A8 in appendix A.
- The latest Input-Output Supply and Use Tables are for 2004 and therefore we have assumed that the ratio of services out of total procurement remains constant for subsequent years.

Given this methodology it should be noted that the most robust figures are for the years 2002/03 to 2007/08 and also that more care should be made when interpreting the detailed numbers by COFOG.

3.3. Results

The results of our research suggest that sales by the public services industry (PSI) amounted to £79.4 billion in 2007/08. The largest area for procurement of services is health with an estimated £24.2 billion spent in 2007/08. The next largest categories are social protection (£17.9 billion), defence (£10.1 billion) and education (£7.3 billion) (Figure 3-1).

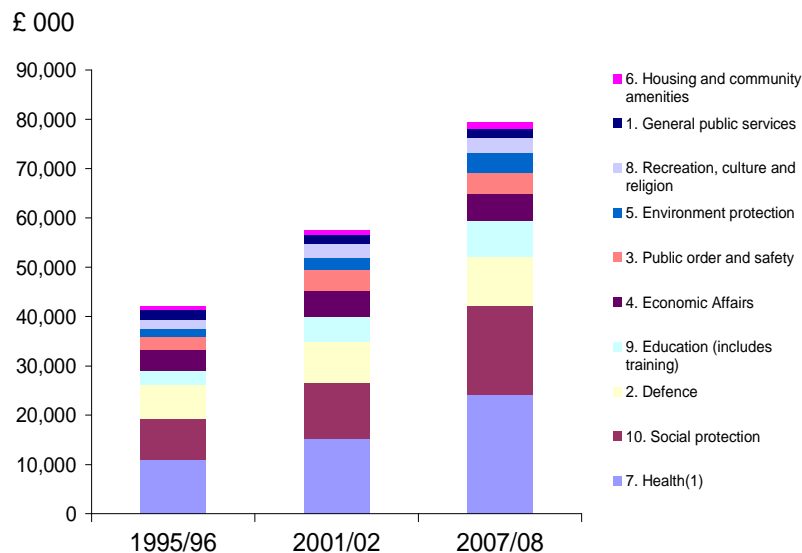
Whilst we do not know exactly which services are being purchased under each of the COFOG headings, for illustrative purposes, below we present some examples of particular services that are likely to be

³ For example, NHS trusts were treated as Central government in PESA 2005 which resulted in a drop of about £20bn in procurement and corresponding increase in salaries. The status of the BBC also changed and from 2006 was no longer part of Central government, resulting in a small increase in Procurement of about £2bn per year. Furthermore, BNFL status changed between 2004/05 and 2005/06 resulting in an increase in Procurement of about £2bn per year.

included under the largest spending categories we have identified⁴:

- **Health** – for example, purchases of services from hospitals, dental & ophthalmic services (excluding pay).
- **Social protection** – purchases of services from organisation that, for example,
 - provide training and work opportunities for people who are disadvantaged in the labour market due to disability, ill health or other social circumstances,
 - assistance provided to elderly persons to help them with daily task,
 - vocational training provided to persons without a job or retraining provided to persons at risk of losing their job etc.
- **Defence** – for example, research and development services and services to manage the Atomic Weapons Establishment
- **Education** – for example, supply teachers, exam fees and training and development services
- **Economic affairs** – for example, transport (including roads maintenance), General economic, commercial and labour affairs

Figure 3-1: Public Services Industry – split by COFOG



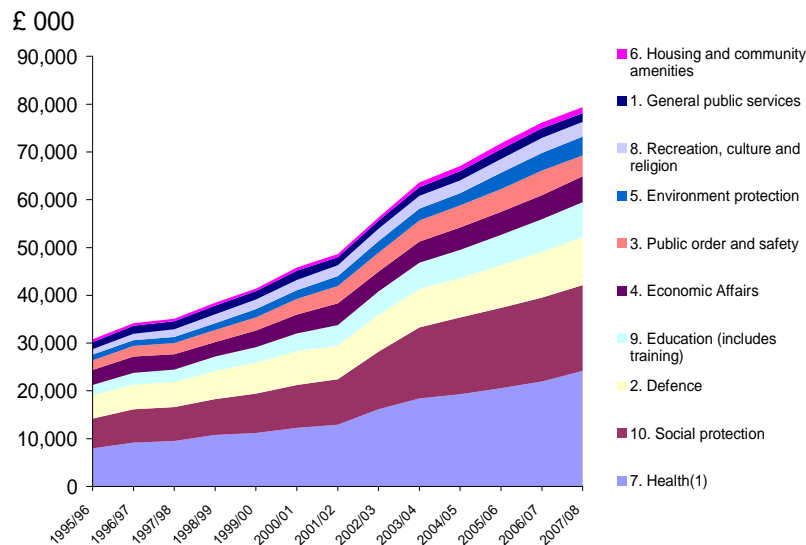
Source : Oxford Economics, PESA

In total, we estimate that the PSI has grown in nominal terms on average by over 8% each year since 1995/6 (Figure 3-2). And in real terms (allowing for price rises using a GDP deflator) the PSI have grown on average by 5.4% each year over that period (Figure 3-3).

⁴ Note – these examples are illustrative and not comprehensive

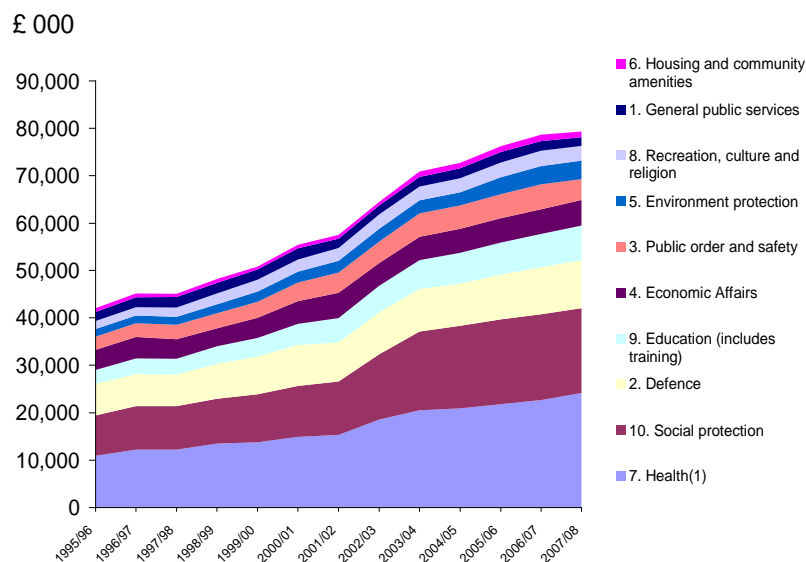
The three fastest growing areas have been education (10.8% nominal compound annual average growth rate (CAGR)), environment protection (10.4%) and health (9.7%). The slowest growing areas have been general public services (1.9%) followed by economic affairs (4.7%). See Figure 3-2 and Table A1 in appendix A for further details.

Figure 3-2: Public Services Industry Growth (nominal) – split by COFOG



Source : Oxford Economics, PESA

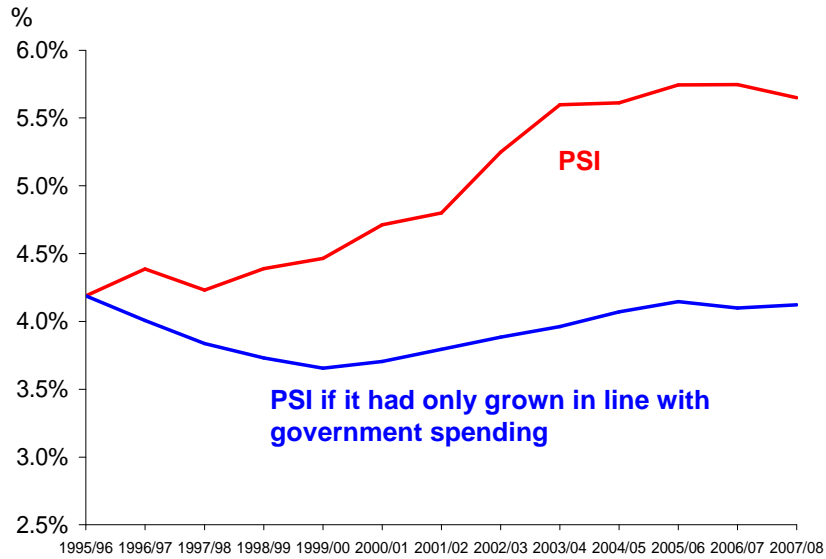
Figure 3-3: Public Services Industry Growth (real) – split by COFOG



Source : Oxford Economics, PESA

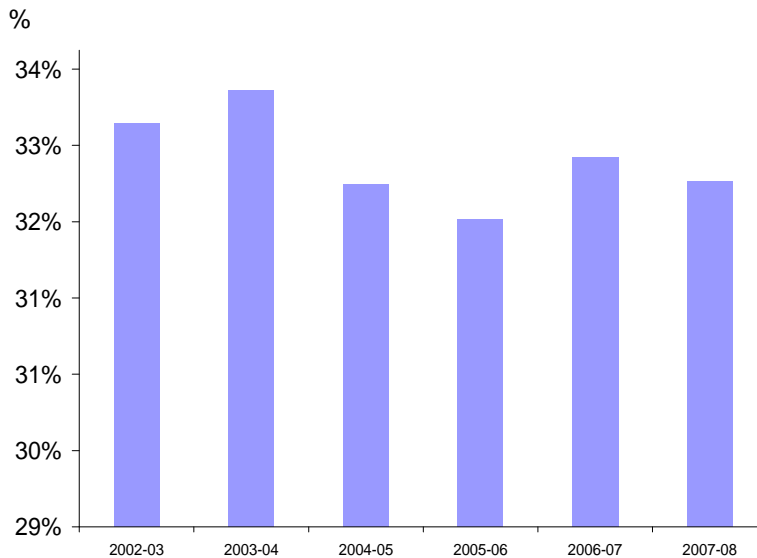
These high real growth rates mean that the share of PSI as a total of GDP has increased from 4.2% in 1995/6 to 5.7% in 2007/8. If the PSI had instead grown in line with government spending it would have remained at around 4.2% of GDP (Figure 3-4).

Figure 3-4: Public Services Industry as a percentage of GDP



Source: Oxford Economics, PESA, ONS

Figure 3-5: Public Services Industry as a percentage of public sector pay and procurement of services



Source : Oxford Economics, PESA

Figure 3-5 presents the percentage that the PSI is of itself plus public sector pay. This can be seen as an indication of the percentage the PSI is of its theoretical maximum. (This only provides an indication as clearly not all the work undertaken by public sector employees could be externally sourced). This analysis reveals that the percentage has remained relatively stable at between 33% and 34%.

4. Projections of public sector spending on services

Key Points

- The central projection for the growth of the public services industry by COFOG categories are based on planned procurement spending for each Government department published by HMT. We have also prepared two alternative scenarios. The low case assumes a constant percentage of procurement spend going on services in the future. The high case scenario is based on additional growth in COFOG categories in which procurement is relatively lower than in the other countries identified in our international comparisons study.
- We estimate that the total public services industry will grow from £79.4 billion in 2007/08 to between £87.7 billion by 2010/11 in constant prices (adjusted for inflation) in the central case.
- This means that, in the central case, in real terms the PSI is projected to grow by 3.4% each year to 2010/11. This is slower than the past where the industry has grown by 5.4% each year in real terms since 1995/6.
- In the low case scenario we project real growth of 1.9% each year to 2010/11 compared to 5.9% in the high case scenario.
- The areas which are expected to be the fastest growing are public order and safety, recreation, culture and religion and health.

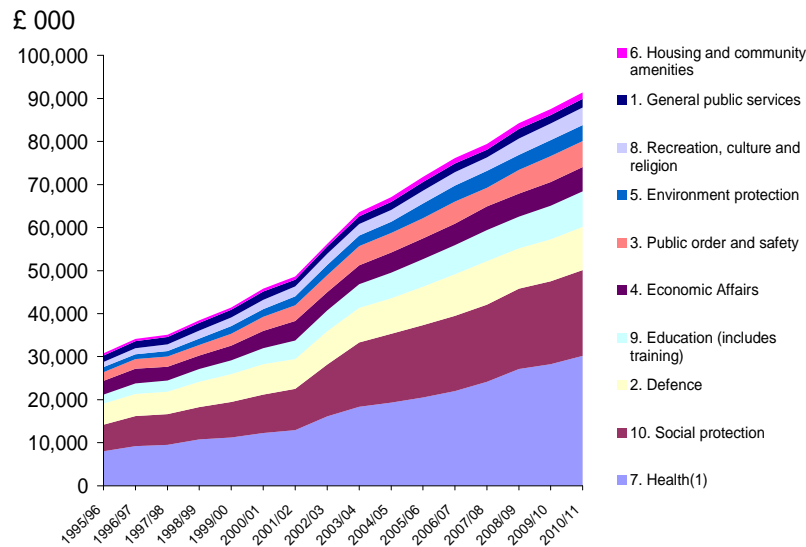
4.1. Introduction

This section of the report discusses our projections for how the public services industry is likely to grow over the next few years.

4.2. Results

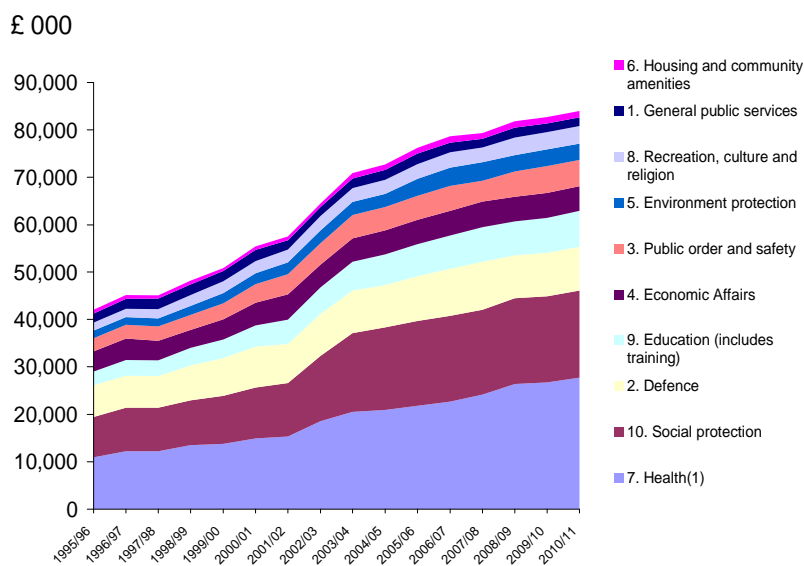
The projections for the growth of the public services industry by COFOG categories are based on planned procurement spending data for each Government department published by HMT. These data were then converted from departments to COFOG categories using PESA data for 2007/08 detailing the mapping between departmental spend and COFOG categories for that year. The percentage of procurement that went on services was estimated using historical trends for the goods/services split. On this basis, we estimate that the total public services industry will grow from £79.4 billion in 2007/08 to £95.4 billion by 2010/11 (Figure 4-1). However, in constant 2007/08 prices we estimate that the 2010/11 value will be £87.7 billion (Figure 4-2).

Figure 4-1: Public Services Industry Growth (nominal) – split by COFOG



Source : Oxford Economics, PESA

Figure 4-2: Public Services Industry Growth (real) – split by COFOG



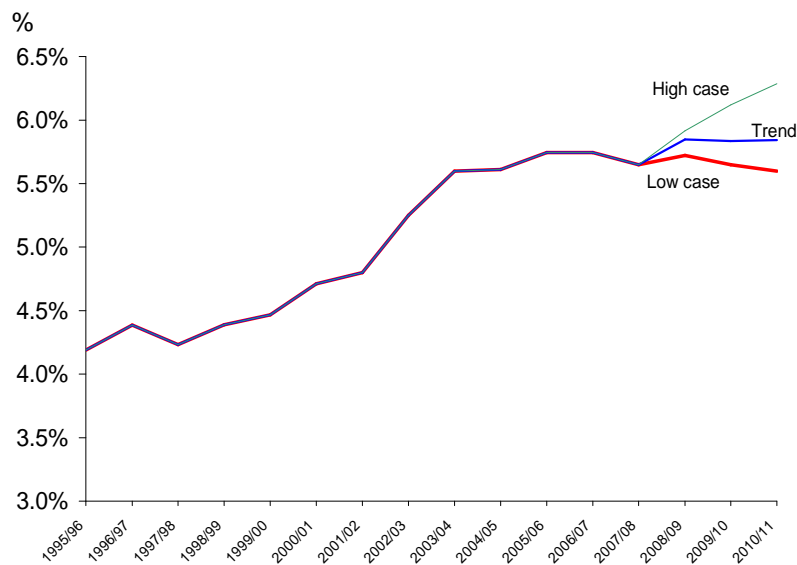
Source : Oxford Economics, PESA

This means that in nominal terms the PSI is projected to grow by 6.3% each year to 2010/11 or 3.4% in real terms. This growth rates is slower than the recent past where the industry has grown by 5.4% each year in real terms since 1995/6. The areas which are expected to be the fastest growing are public order and safety (10.5% CAGR in real terms); recreation, culture and religion (8.9%) followed by health (6.3%) (Figures 4-1 and 4-2). Further details are in appendix A.

We have also prepared two alternative scenarios. The low case assumes a constant percentage of

procurement spend going on services in the future. The high case scenario is based on additional growth in COFOG categories in which procurement is currently relatively lower than in the other countries identified in our international comparisons study⁵. In this trend case the share that the PSI is of GDP continues to rise to 5.8% by 2010/11, this compares to the low case scenario where it falls to 5.6% and the high case where it rises to 6.3% (Figure 4-3).

Figure 4-3: Public Services Industry as a percentage of GDP



Source : Oxford Economics, PESA, ONS

⁵ These countries included US (highest for defence, public order, education), France (housing and community amenities), Sweden (general public services, health, social protection, economic affairs), Australia and Spain (recreation, culture and religion, environmental protection). A maximum growth rate of 15% per annum was applied.

5. The economic contribution of the public services industry

Key Points

- The £79.4 billion of purchases by the public sector on services from the private and third sector in 2007/08 generated a value added contribution to GDP of £44.8 billion in meeting this demand.
- In generating this value added contribution to GDP the PSI supported some 1.24 million jobs in 2007/08.
- The number of jobs supported by the PSI has grown by nearly half a million since 1995/96.
- Looking forward, the PSI is expected to support more jobs in 2010/11 (1.29 million) than it does today (1.24 million in 2006/07).
- Our multiplier analysis suggests that the indirect and induced impacts associated with the activities of the PSI would make a further value added contribution to GDP of around £43 billion and support another 1.1 million jobs.
- Therefore in total, including direct, indirect and induced impacts, the public services industry made a value added contribution to GDP of around £88 billion and supported over 2.3 million jobs in 2007/08.

The analysis in this report shows that gross public sector procurement totalled £146 billion in 2007/08. Over half of this was on services (£79.4 billion) with the rest being on goods.

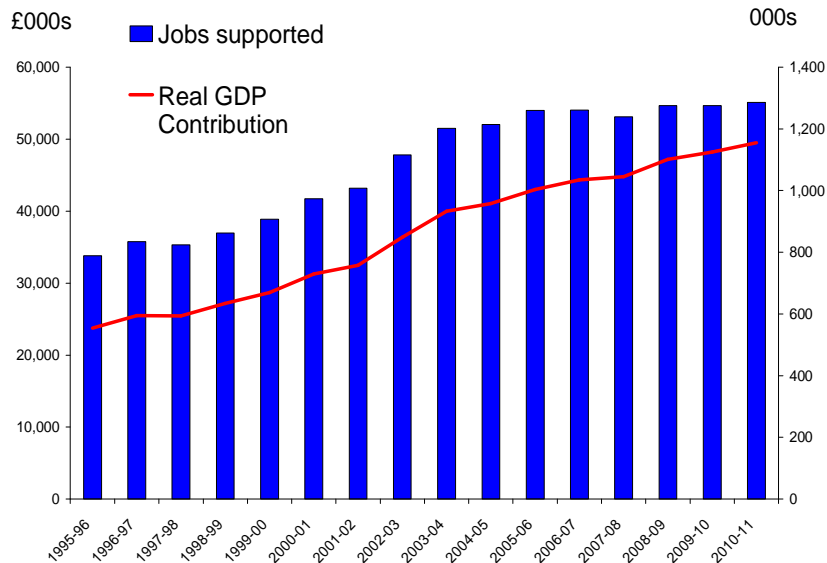
The £79.4 billion of purchases by the public sector on services from the private and third sector in 2007/08 generated a value added contribution to GDP of £44.8 billion in meeting this demand. Value added is a measure of output. The value added by an organisation or industry is in principle their revenue minus the non-labour costs of inputs. In generating this value added contribution to GDP the PSI supported some 1.24 million jobs in 2007/08⁶.

The value added contribution to GDP by the public services industry has risen substantially over the last decade. As the real level of public sector expenditure has nearly doubled over the period 1995/96 to 2007/08 so the value added contribution to GDP has also risen from £23.7 billion in 1995/96 to its present value of £44.8 billion. Productivity growth means that number of jobs supported by the PSI have grown at a slightly slower rate, although we estimate this figure has still risen by nearly half a million since 1995/96 (Figure 5-1).

⁶ Calculation based on using the value added to employment ratio for the service sector as a whole.

Looking ahead, the value added contribution to GDP is projected to rise to £49.5 billion by 2010/11 in real terms. The projections for continued productivity improvements in the service sector imply that the PSI will only support slightly more jobs in 2010/11 (1.29 million) than it does today (1.24 million in 2007/08) (Figure 5-1).

Figure 5-1: Value Added contribution to GDP and jobs supported by the PSI



Source : Oxford Economics

These impacts would be wider if we considered the multiplier effects – the knock-on impact in other areas on the economy through the activities of the businesses and consumers directly involved in the PSI.

These multiplier effects would include:

- **Indirect impacts** – employment and activity supported down the supply chain to the public services industry, as a result of public service industry purchasing goods and services from UK suppliers.
- **Induced impacts** – employment and activity supported by those directly or indirectly employed in the public services industry spending their incomes on goods and services in the wider UK economy. This helps to support jobs in the industries that supply these purchases, and includes jobs in retail outlets, companies producing consumer goods and in a range of service industries.

In order to provide an estimate of magnitude of these impacts we have made use of our UK input-output model to derive some appropriate multipliers. These results suggest that the indirect and induced impacts would make a further value added contribution to GDP of around £43 billion and support another 1.1 million jobs in 2007/08. Therefore in total, including direct, indirect and induced impacts, the public services industry made a value added contribution to GDP of around £88 billion and support over 2.3 million jobs in 2007/08.

6. Future developments and recommendations

Given the timeframes for this study we have inevitably based the analysis on readily available statistics (either published or provided to us by HMT). Despite this we believe that these estimates provide a reasonably accurate picture of the size and growth of the Public Service Industry in the UK. However, given the importance of the PSI (both in terms of value added contribution to GDP and the jobs it supports) there would be benefits in improving the most uncertain areas of the analysis. These include:

- **Producing more accurate estimates of the split between goods and service procured by Government.** The Office for Government Commerce (OGC) undertook a survey of Government departments seeking information on their procurement of goods and services although the data were not comprehensive. However, it is planned that the survey will be repeated in September 2008 and greater efforts will be made to pressure departments to respond. OGC are currently working individually with 16 departments to identify steps they can undertake to improve the required detailed collection and provision of data in the longer term. We welcome these proposed developments, but would caution that work might be needed to reconcile estimates produced by the OGC with other published data (eg PESA, National Accounts).
- **More detailed COFOG analysis** – again welcome developments suggested by HMT for future PESA publications to include two digit COFOG analyses.
- **Data on the efficiency and cost savings** that Government may/may not derive from working with the private and third sectors.
- **HMT maintain consistent time series for procurement** and other key PESA data, rather than the existing practice of revising data for 5 years

Appendix A – Detailed data tables

The Public Services Industry in the UK
June 2008

Table A1 – Low case scenario (current prices)

Procurement Current Expenditure on Services (Excl. goods, current price (£mn)) LOW CASE	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	CAGR	95/06-07/08	02/03-07/08	07/08-10/11
1. General public services	1,439	1,619	1,711	1,833	1,771	1,917	1,593	1,699	1,805	1,897	2,063	2,007	1,809	2,170	1,886	1,991		1.9	1.3	3.2
<i>of which: domestic general public services</i>	1,038	1,168	1,234	1,322	1,278	1,383	1,149	1,270	1,295	1,274	1,134	1,053	1,070	1,182	1,183	1,279		0.2	-3.4	6.1
<i>of which: international services</i>	403	454	480	514	496	537	447	429	510	623	929	954	739	988	703	711		5.2	11.5	-1.3
2. Defence	4,898	5,133	5,187	5,904	6,529	7,095	6,959	7,727	8,055	8,248	8,904	9,656	10,108	9,332	9,747	10,050		6.2	5.5	-0.2
3. Public order and safety	2,006	2,208	2,371	2,517	2,763	3,256	3,605	3,936	4,424	4,585	4,729	5,153	4,351	5,514	5,985	6,028		6.7	2.0	11.5
4. Economic Affairs	3,137	3,402	3,190	3,053	3,470	3,976	4,557	4,204	4,395	4,661	4,852	4,986	5,463	5,310	5,554	5,647		4.7	5.4	1.1
<i>of which: enterprise and economic development</i>	589	639	599	574	652	747	856	995	990	1,234	1,214	1,151	1,241	1,244	1,306	1,321		6.4	4.5	2.1
<i>of which: science and technology</i>	181	196	184	176	200	229	262	304	303	306	327	348	301	257	277	287		4.3	-0.2	-1.5
<i>of which: employment policies</i>	450	488	457	438	497	570	653	494	592	662	727	784	948	912	933	929		6.4	13.9	-0.7
<i>of which: agriculture, fisheries and forestry</i>	657	712	668	639	726	832	954	518	563	570	616	634	885	785	819	841		2.5	11.3	-1.7
<i>of which: transport</i>	1,247	1,353	1,269	1,214	1,380	1,581	1,812	1,893	1,947	1,888	1,968	2,068	2,087	2,112	2,220	2,268		4.4	2.0	2.8
5. Environment protection	1,208	1,187	1,304	1,472	1,738	1,873	2,073	2,390	2,465	2,551	3,415	3,723	3,959	3,558	3,715	3,748		10.4	10.6	-1.8
6. Housing and community amenities	552	576	505	595	523	634	716	642	999	1,108	1,171	1,233	1,281	1,378	1,439	1,477		7.3	14.8	4.8
7. Health⁽¹⁾	7,975	9,188	9,484	10,771	11,202	12,272	12,923	16,136	18,384	19,303	20,534	21,954	24,164	27,158	28,281	30,141		9.7	8.4	7.6
8. Recreation, culture and religion	1,205	1,360	1,552	1,832	2,031	2,129	2,332	2,617	2,662	2,741	2,912	3,106	3,074	3,793	3,916	4,070		8.1	3.3	9.8
9. Education (includes training)	2,117	2,503	2,621	2,959	3,170	3,704	4,322	4,858	5,512	5,950	6,373	6,799	7,255	7,398	7,780	8,229		10.8	8.4	4.3
<i>of which: education</i>	1,979	2,339	2,450	2,766	2,963	3,462	4,040	4,544	5,196	5,717	6,139	6,580	6,955	7,125	7,488	7,922		11.0	8.9	4.4
<i>of which: training</i>	139	164	172	194	208	242	283	314	316	233	233	220	300	273	291	307		6.6	-0.9	0.8
10. Social protection	6,221	6,976	7,157	7,514	8,215	8,915	9,551	12,040	14,900	16,034	16,822	17,529	17,922	18,662	19,248	19,997		9.2	8.3	3.7
Total Procurement Current Expenditure on Services (Excl Goods)	30,758	34,152	35,082	38,451	41,412	45,770	48,633	56,248	63,601	67,078	71,774	76,146	79,385	84,275	87,550	91,377		8.2	7.1	4.8

(1) An estimate for GPs salaries has been removed from these figures.

Table A2 –Low case scenario (constant prices)

Procurement Current Expenditure on Services (Excl. goods, 2007/08 prices (£mn)) LOW CASE	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	CAGR	95/06-07/08	02/03-07/08	07/08-10/11
1. General public services	1,967	2,141	2,198	2,296	2,175	2,321	1,884	1,948	2,012	2,057	2,191	2,072	1,809	2,107	1,782	1,831		-0.7	-1.5	0.4
<i>of which: domestic general public services</i>	1,419	1,545	1,586	1,657	1,569	1,674	1,359	1,456	1,443	1,382	1,205	1,087	1,070	1,148	1,118	1,177		-2.3	-6.0	3.2
<i>of which: international services</i>	551	600	616	644	610	651	528	493	569	676	987	985	739	960	664	654		2.5	8.5	-4.0
2. Defence	6,696	6,788	6,664	7,398	8,019	8,592	8,231	8,861	8,977	8,946	9,457	9,970	10,108	9,060	9,209	9,242		3.5	2.7	-2.9
3. Public order and safety	2,742	2,920	3,045	3,154	3,393	3,943	4,264	4,514	4,931	4,973	5,022	5,321	4,351	5,353	5,655	5,543		3.9	-0.7	8.4
4. Economic Affairs	4,288	4,499	4,098	3,825	4,262	4,815	5,390	4,821	4,899	5,055	5,153	5,148	5,463	5,156	5,248	5,193		2.0	2.5	-1.7
<i>of which: enterprise and economic development</i>	806	845	770	719	801	905	1,013	1,141	1,103	1,338	1,289	1,189	1,241	1,208	1,234	1,215		3.7	1.7	-0.7
<i>of which: science and technology</i>	247	259	236	220	245	277	310	348	338	332	347	360	301	250	261	264		1.7	-2.9	-4.2
<i>of which: employment policies</i>	615	645	588	548	611	690	773	567	660	718	772	810	948	886	881	854		3.7	10.8	-3.4
<i>of which: agriculture, fisheries and forestry</i>	897	942	858	801	892	1,008	1,128	594	628	619	654	655	885	762	773	774		-0.1	8.3	-4.4
<i>of which: transport</i>	1,705	1,789	1,630	1,521	1,695	1,915	2,143	2,171	2,170	2,048	2,090	2,135	2,087	2,051	2,098	2,085		1.7	-0.8	0.0
5. Environment protection	1,651	1,570	1,676	1,844	2,135	2,268	2,452	2,741	2,747	2,766	3,627	3,844	3,959	3,454	3,510	3,447		7.6	7.6	-4.5
6. Housing and community amenities	755	762	649	745	642	767	847	736	1,114	1,202	1,243	1,273	1,281	1,338	1,359	1,358		4.5	11.7	2.0
7. Health⁽¹⁾	10,901	12,149	12,184	13,496	13,758	14,861	15,284	18,505	20,488	20,935	21,810	22,668	24,164	26,367	26,722	27,718		6.9	5.5	4.7
8. Recreation, culture and religion	1,647	1,798	1,993	2,296	2,494	2,578	2,758	3,002	2,967	2,973	3,093	3,207	3,074	3,683	3,700	3,742		5.3	0.5	6.8
9. Education (includes training)	2,894	3,309	3,367	3,707	3,893	4,485	5,112	5,571	6,143	6,453	6,768	7,020	7,255	7,183	7,351	7,567		8.0	5.4	1.4
<i>of which: education</i>	2,705	3,093	3,148	3,465	3,639	4,193	4,778	5,211	5,791	6,200	6,521	6,793	6,955	6,918	7,076	7,285		8.2	5.9	1.6
<i>of which: training</i>	189	217	220	243	255	294	335	360	352	253	248	227	300	265	275	282		3.9	-3.6	-2.0
10. Social protection	8,503	9,224	9,194	9,415	10,090	10,795	11,296	13,807	16,606	17,390	17,867	18,099	17,922	18,119	18,188	18,389		6.4	5.4	0.9
Total Procurement Current Expenditure on Services (Excl Goods)	42,042	45,159	45,069	48,178	50,860	55,426	57,518	64,506	70,882	72,749	76,233	78,621	79,385	81,820	82,725	84,031		5.4	4.2	1.9

(1) An estimate for GPs salaries has been removed from these figures.

Table A3 – Low case scenario (% of GDP)

Procurement Current Expenditure on Services (Excl. goods, % of GDP) LOW CASE	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	CAGR	95/06-07/08	02/03-07/08	07/08-10/11
1. General public services	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%		-3.4	-4.1	-1.8
<i>of which: domestic general public services</i>	0.1%	0.2%	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%		-5.0	-8.5	1.0
<i>of which: international services</i>	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%		-0.4	5.6	-6.1
2. Defence	0.7%	0.7%	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%		0.6	0.0	-5.1
3. Public order and safety	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%	0.4%	0.4%	0.4%		1.1	-3.4	6.0
4. Economic Affairs	0.4%	0.4%	0.4%	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%		-0.8	-0.2	-3.8
<i>of which: enterprise and economic development</i>	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%		0.8	-1.0	-2.9
<i>of which: science and technology</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		-1.1	-5.5	-6.3
<i>of which: employment policies</i>	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%		0.8	7.9	-5.5
<i>of which: agriculture, fisheries and forestry</i>	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%		-2.9	5.4	-6.5
<i>of which: transport</i>	0.2%	0.2%	0.2%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%		-1.1	-3.4	-2.2
5. Environment protection	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%		4.6	4.8	-6.6
6. Housing and community amenities	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%		1.6	8.8	-0.3
7. Health⁽¹⁾	1.1%	1.2%	1.1%	1.2%	1.2%	1.3%	1.3%	1.5%	1.6%	1.6%	1.6%	1.7%	1.7%	1.8%	1.8%	1.8%		3.9	2.7	2.4
8. Recreation, culture and religion	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.2%		2.4	-2.2	4.5
9. Education (includes training)	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%		5.0	2.6	-0.8
<i>of which: education</i>	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%		5.2	3.1	-0.6
<i>of which: training</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		1.0	-6.1	-4.2
10. Social protection	0.8%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	1.1%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.2%	1.2%		3.5	2.6	-1.3
Total Procurement Current Expenditure on Services (Excl Goods)	4.2%	4.4%	4.2%	4.4%	4.5%	4.7%	4.8%	5.2%	5.6%	5.6%	5.7%	5.7%	5.7%	5.7%	5.6%	5.6%		2.5	1.5	-0.3

(1) An estimate for GPs salaries has been removed from these figures.

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Table A4 – Trend case (current prices)

Procurement Current Expenditure on Services (Excl. goods, current price (£mn)) TREND CASE	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	CAGR	95/06-07/08	02/03-07/08	07/08-10/11
1. General public services	1,439	1,619	1,711	1,833	1,771	1,917	1,593	1,699	1,805	1,897	2,063	2,007	1,809	2,237	1,972	2,113		1.9	1.3	5.3
<i>of which: domestic general public services</i>	1,038	1,168	1,234	1,322	1,278	1,383	1,149	1,270	1,295	1,274	1,134	1,053	1,070	1,218	1,237	1,358		0.2	-3.4	8.3
<i>of which: international services</i>	403	454	480	514	496	537	447	429	510	623	929	954	739	1,019	735	755		5.2	11.5	0.7
2. Defence	4,898	5,133	5,187	5,904	6,529	7,095	6,959	7,727	8,055	8,248	8,904	9,656	10,108	9,611	10,183	10,650		6.2	5.5	1.8
3. Public order and safety	2,006	2,208	2,371	2,517	2,763	3,256	3,605	3,936	4,424	4,585	4,729	5,153	4,351	5,678	6,252	6,388		6.7	2.0	13.6
4. Economic Affairs	3,137	3,402	3,190	3,053	3,470	3,976	4,557	4,204	4,395	4,661	4,852	4,986	5,463	5,474	5,810	5,994		4.7	5.4	3.1
<i>of which: enterprise and economic development</i>	589	639	599	574	652	747	856	995	990	1,234	1,214	1,151	1,241	1,282	1,366	1,403		6.4	4.5	4.2
<i>of which: science and technology</i>	181	196	184	176	200	229	262	304	303	306	327	348	301	265	289	305		4.3	-0.2	0.5
<i>of which: employment policies</i>	450	488	457	438	497	570	653	494	592	662	727	784	948	940	976	986		6.4	13.9	1.3
<i>of which: agriculture, fisheries and forestry</i>	657	712	668	639	726	832	954	518	563	570	616	634	885	809	856	893		2.5	11.3	0.3
<i>of which: transport</i>	1,247	1,353	1,269	1,214	1,380	1,581	1,812	1,893	1,947	1,888	1,968	2,068	2,087	2,177	2,323	2,407		4.4	2.0	4.9
5. Environment protection	1,208	1,187	1,304	1,472	1,738	1,873	2,073	2,390	2,465	2,551	3,415	3,723	3,959	3,667	3,886	3,978		10.4	10.6	0.2
6. Housing and community amenities	552	576	505	595	523	634	716	642	999	1,108	1,171	1,233	1,281	1,413	1,494	1,552		7.3	14.8	6.6
7. Health⁽¹⁾	7,975	9,188	9,484	10,771	11,202	12,272	12,923	16,136	18,384	19,303	20,534	21,954	24,164	27,801	29,291	31,581		9.7	8.4	9.3
8. Recreation, culture and religion	1,205	1,360	1,552	1,832	2,031	2,129	2,332	2,617	2,662	2,741	2,912	3,106	3,074	3,910	4,097	4,320		8.1	3.3	12.0
9. Education (includes training)	2,117	2,503	2,621	2,959	3,170	3,704	4,322	4,858	5,512	5,950	6,373	6,799	7,255	7,610	8,114	8,701		10.8	8.4	6.2
<i>of which: education</i>	1,979	2,339	2,450	2,766	2,963	3,462	4,040	4,544	5,196	5,717	6,139	6,580	6,955	7,329	7,810	8,377		11.0	8.9	6.4
<i>of which: training</i>	139	164	172	194	208	242	283	314	316	233	233	220	300	281	304	324		6.6	-0.9	2.6
10. Social protection	6,221	6,976	7,157	7,514	8,215	8,915	9,551	12,040	14,900	16,034	16,822	17,529	17,922	18,746	19,335	20,087		9.2	8.3	3.9
Total Procurement Current Expenditure on Services (Excl Goods)	30,758	34,152	35,082	38,451	41,412	45,770	48,633	56,248	63,601	67,078	71,774	76,146	79,385	86,148	90,435	95,364		8.2	7.1	6.3

(1) An estimate for GPs salaries has been removed from these figures.

Table A5 – Trend case (constant prices)

Procurement Current Expenditure on Services (Excl. goods, 2007/08 prices (£mn)) TREND CASE	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	CAGR	95/06-07/08	02/03-07/08	07/08-10/11
1. General public services	1,967	2,141	2,198	2,296	2,175	2,321	1,884	1,948	2,012	2,057	2,191	2,072	1,809	2,172	1,864	1,943		-0.7	-1.5	2.4
<i>of which: domestic general public services</i>	1,419	1,545	1,586	1,657	1,569	1,674	1,359	1,456	1,443	1,382	1,205	1,087	1,070	1,183	1,169	1,249		-2.3	-6.0	5.3
<i>of which: international services</i>	551	600	616	644	610	651	528	493	569	676	987	985	739	989	695	694		2.5	8.5	-2.1
2. Defence	6,696	6,788	6,664	7,398	8,019	8,592	8,231	8,861	8,977	8,946	9,457	9,970	10,108	9,331	9,622	9,793		3.5	2.7	-1.0
3. Public order and safety	2,742	2,920	3,045	3,154	3,393	3,943	4,264	4,514	4,931	4,973	5,022	5,321	4,351	5,513	5,908	5,874		3.9	-0.7	10.5
4. Economic Affairs	4,288	4,499	4,098	3,825	4,262	4,815	5,390	4,821	4,899	5,055	5,153	5,148	5,463	5,314	5,490	5,512		2.0	2.5	0.3
<i>of which: enterprise and economic development</i>	806	845	770	719	801	905	1,013	1,141	1,103	1,338	1,289	1,189	1,241	1,245	1,291	1,290		3.7	1.7	1.3
<i>of which: science and technology</i>	247	259	236	220	245	277	310	348	338	332	347	360	301	257	274	281		1.7	-2.9	-2.3
<i>of which: employment policies</i>	615	645	588	548	611	690	773	567	660	718	772	810	948	913	922	907		3.7	10.8	-1.5
<i>of which: agriculture, fisheries and forestry</i>	897	942	858	801	892	1,008	1,128	594	628	619	654	655	885	785	809	821		-0.1	8.3	-2.5
<i>of which: transport</i>	1,705	1,789	1,630	1,521	1,695	1,915	2,143	2,171	2,170	2,048	2,090	2,135	2,087	2,114	2,195	2,214		1.7	-0.8	2.0
5. Environment protection	1,651	1,570	1,676	1,844	2,135	2,268	2,452	2,741	2,747	2,766	3,627	3,844	3,959	3,561	3,672	3,659		7.6	7.6	-2.6
6. Housing and community amenities	755	762	649	745	642	767	847	736	1,114	1,202	1,243	1,273	1,281	1,372	1,411	1,427		4.5	11.7	3.7
7. Health⁽¹⁾	10,901	12,149	12,184	13,496	13,758	14,861	15,284	18,505	20,488	20,935	21,810	22,668	24,164	26,991	27,677	29,042		6.9	5.5	6.3
8. Recreation, culture and religion	1,647	1,798	1,993	2,296	2,494	2,578	2,758	3,002	2,967	2,973	3,093	3,207	3,074	3,796	3,871	3,972		5.3	0.5	8.9
9. Education (includes training)	2,894	3,309	3,367	3,707	3,893	4,485	5,112	5,571	6,143	6,453	6,768	7,020	7,255	7,388	7,667	8,001		8.0	5.4	3.3
<i>of which: education</i>	2,705	3,093	3,148	3,465	3,639	4,193	4,778	5,211	5,791	6,200	6,521	6,793	6,955	7,116	7,380	7,703		8.2	5.9	3.5
<i>of which: training</i>	189	217	220	243	255	294	335	360	352	253	248	227	300	272	287	298		3.9	-3.6	-0.2
10. Social protection	8,503	9,224	9,194	9,415	10,090	10,795	11,296	13,807	16,606	17,390	17,867	18,099	17,922	18,200	18,270	18,472		6.4	5.4	1.0
Total Procurement Current Expenditure on Services (Excl Goods)	42,042	45,159	45,069	48,178	50,860	55,426	57,518	64,506	70,882	72,749	76,233	78,621	79,385	83,638	85,451	87,697		5.4	4.2	3.4

(1) An estimate for GPs salaries has been removed from these figures.

Table A6 – High case scenario (current prices)

Procurement Current Expenditure on Services (Excl. goods, current price (£mn)) HIGH CASE	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	CAGR	95/06-07/08	02/03-07/08	07/08-10/11
1. General public services	1,439	1,619	1,711	1,833	1,771	1,917	1,593	1,699	1,805	1,897	2,063	2,007	1,809	2,117	2,424	2,732		1.9	1.3	14.7
2. Defence	4,898	5,133	5,187	5,904	6,529	7,095	6,959	7,727	8,055	8,248	8,904	9,656	10,108	11,826	13,544	15,263		6.2	5.5	14.7
3. Public order and safety	2,006	2,208	2,371	2,517	2,763	3,256	3,605	3,936	4,424	4,585	4,729	5,153	4,351	4,586	4,820	5,054		6.7	2.0	5.1
4. Economic Affairs	3,137	3,402	3,190	3,053	3,470	3,976	4,557	4,204	4,395	4,661	4,852	4,986	5,463	6,391	7,320	8,249		4.7	5.4	14.7
5. Environment protection	1,208	1,187	1,304	1,472	1,738	1,873	2,073	2,390	2,465	2,551	3,415	3,723	3,959	4,271	4,584	4,896		10.4	10.6	7.3
6. Housing and community amenities	552	576	505	595	523	634	716	642	999	1,108	1,171	1,233	1,281	1,499	1,717	1,935		7.3	14.8	14.7
7. Health ⁽¹⁾	7,975	9,188	9,484	10,771	11,202	12,272	12,923	16,136	18,384	19,303	20,534	21,954	24,164	25,466	26,767	28,068		9.7	8.4	5.1
8. Recreation, culture and religion	1,205	1,360	1,552	1,832	2,031	2,129	2,332	2,617	2,662	2,741	2,912	3,106	3,074	3,596	4,119	4,641		8.1	3.3	14.7
9. Education (includes training)	2,117	2,503	2,621	2,959	3,170	3,704	4,322	4,858	5,512	5,950	6,373	6,799	7,255	8,488	9,722	10,955		10.8	8.4	14.7
10. Social protection	6,221	6,976	7,157	7,514	8,215	8,915	9,551	12,040	14,900	16,034	16,822	17,529	17,922	18,887	19,852	20,817		9.2	8.3	5.1
Total Procurement Current Expenditure on Services (Excl Goods)	30,758	34,152	35,082	38,451	41,412	45,770	48,633	56,248	63,601	67,078	71,774	76,146	79,385	87,127	94,869	102,610		8.2	7.1	8.9

(1) An estimate for GPs salaries has been removed from these figures.

Table A7 – High case scenario (constant prices)

Procurement Current Expenditure on Services (Excl. goods, 2007/08 prices (£mn)) HIGH CASE	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	CAGR	95/06-07/08	02/03-07/08	07/08-10/11
1. General public services	1,967	2,141	2,198	2,296	2,175	2,321	1,884	1,948	2,012	2,057	2,191	2,072	1,809	2,055	2,291	2,512		-0.7	-1.5	11.6
2. Defence	6,696	6,788	6,664	7,398	8,019	8,592	8,231	8,861	8,977	8,946	9,457	9,970	10,108	11,482	12,798	14,036		3.5	2.7	11.6
3. Public order and safety	2,742	2,920	3,045	3,154	3,393	3,943	4,264	4,514	4,931	4,973	5,022	5,321	4,351	4,452	4,554	4,648		3.9	-0.7	2.2
4. Economic Affairs	4,288	4,499	4,098	3,825	4,262	4,815	5,390	4,821	4,899	5,055	5,153	5,148	5,463	6,205	6,917	7,586		2.0	2.5	11.6
5. Environment protection	1,651	1,570	1,676	1,844	2,135	2,268	2,452	2,741	2,747	2,766	3,627	3,844	3,959	4,147	4,331	4,502		7.6	7.6	4.4
6. Housing and community amenities	755	762	649	745	642	767	847	736	1,114	1,202	1,243	1,273	1,281	1,455	1,622	1,779		4.5	11.7	11.6
7. Health ⁽¹⁾	10,901	12,149	12,184	13,496	13,758	14,861	15,284	18,505	20,488	20,935	21,810	22,668	24,164	24,724	25,292	25,812		6.9	5.5	2.2
8. Recreation, culture and religion	1,647	1,798	1,993	2,296	2,494	2,578	2,758	3,002	2,967	2,973	3,093	3,207	3,074	3,491	3,892	4,268		5.3	0.5	11.6
9. Education (includes training)	2,894	3,309	3,367	3,707	3,893	4,485	5,112	5,571	6,143	6,453	6,768	7,020	7,255	8,241	9,186	10,074		8.0	5.4	11.6
10. Social protection	8,503	9,224	9,194	9,415	10,090	10,795	11,296	13,807	16,606	17,390	17,867	18,099	17,922	18,337	18,758	19,144		6.4	5.4	2.2
Total Procurement Current Expenditure on Services (Excl Goods)	42,042	45,159	45,069	48,178	50,860	55,426	57,518	64,506	70,882	72,749	76,233	78,621	79,385	84,589	89,640	94,361		5.4	4.2	5.9

(1) An estimate for GPs salaries has been removed from these figures.

Table A8 – Input-output categories used to estimate split between goods and services for each COFOG

COFOG category	I-O category
1. General public services	Central Government public administration
<i>of which: domestic general public services</i>	Central Government public administration
<i>of which: international services</i>	Central Government public administration
2. Defence	Defence
3. Public order and safety	Central Government public administration
4. Economic Affairs	Central Government public administration
<i>of which: enterprise and economic development</i>	Central Government public administration
<i>of which: science and technology</i>	Central Government public administration
<i>of which: employment policies</i>	Central Government public administration
<i>of which: agriculture, fisheries and forestry</i>	Central Government public administration
<i>of which: transport</i>	Central Government public administration
5. Environment protection	Central Government public administration
6. Housing and community amenities	Local Government
7. Health ⁽¹⁾	Government health
8. Recreation, culture and religion	Central Government public administration
9. Education (includes training)	Government education
<i>of which: education</i>	Government education
<i>of which: training</i>	Government education
10. Social protection	Government social work activities

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Table A9 – Input-output percentages used to estimate split between goods and services for each COFOG

Services share (I-O data)	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
1. General public services	49.6%	50.8%	51.2%	53.2%	54.9%	55.6%	56.9%	58.0%	58.8%	58.9%
<i>of which: domestic general public services</i>	49.6%	50.8%	51.2%	53.2%	54.9%	55.6%	56.9%	58.0%	58.8%	58.9%
<i>of which: international services</i>	49.6%	50.8%	51.2%	53.2%	54.9%	55.6%	56.9%	58.0%	58.8%	58.9%
2. Defence	38.3%	38.4%	39.2%	39.1%	42.1%	43.7%	45.0%	45.4%	45.6%	45.2%
3. Public order and safety	38.3%	38.4%	39.2%	39.1%	42.1%	43.7%	45.0%	45.4%	45.6%	45.2%
4. Economic Affairs	49.6%	50.8%	51.2%	53.2%	54.9%	55.6%	56.9%	58.0%	58.8%	58.9%
<i>of which: enterprise and economic development</i>	49.6%	50.8%	51.2%	53.2%	54.9%	55.6%	56.9%	58.0%	58.8%	58.9%
<i>of which: science and technology</i>	49.6%	50.8%	51.2%	53.2%	54.9%	55.6%	56.9%	58.0%	58.8%	58.9%
<i>of which: employment policies</i>	49.6%	50.8%	51.2%	53.2%	54.9%	55.6%	56.9%	58.0%	58.8%	58.9%
<i>of which: agriculture, fisheries and forestry</i>	49.6%	50.8%	51.2%	53.2%	54.9%	55.6%	56.9%	58.0%	58.8%	58.9%
<i>of which: transport</i>	49.6%	50.8%	51.2%	53.2%	54.9%	55.6%	56.9%	58.0%	58.8%	58.9%
5. Environment protection	49.6%	50.8%	51.2%	53.2%	54.9%	55.6%	56.9%	58.0%	58.8%	58.9%
6. Housing and community amenities	64.3%	66.5%	67.1%	69.9%	71.5%	72.4%	74.2%	75.8%	76.5%	76.3%
7. Health	42.4%	44.0%	43.4%	45.9%	45.7%	44.9%	44.6%	45.6%	46.6%	47.2%
8. Recreation, culture and religion	49.6%	50.8%	51.2%	53.2%	54.9%	55.6%	56.9%	58.0%	58.8%	58.9%
9. Education (includes training)	44.0%	48.1%	48.7%	52.5%	53.2%	55.7%	59.8%	64.4%	66.6%	67.8%
<i>of which: education</i>	44.0%	48.1%	48.7%	52.5%	53.2%	55.7%	59.8%	64.4%	66.6%	67.8%
<i>of which: training</i>	44.0%	48.1%	48.7%	52.5%	53.2%	55.7%	59.8%	64.4%	66.6%	67.8%
10. Social protection	85.6%	86.2%	86.3%	89.3%	91.1%	92.5%	93.1%	93.8%	93.6%	93.1%

Note: Input-output tables details the products being purchased. We have used the ONS definition of services. This would include services provided by the public sector to other public sector bodies, resulting in a top end estimate for the share of PSI services.

