



The end of austerity?

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In the wake of the 2017 general election, much commentary has focussed on the impact public spending cuts had on the result. Less attention has been paid to assessing by how much public spending has actually been reduced.

Despite some success in lowering the budget deficit from £152 billion in 2009-10 to £49 billion in 2016-17, targets have repeatedly been missed and fiscal rules broken. In 2011 the Office for Budget Responsibility forecast¹ that in 2016-17 public sector net debt would be 66 per cent of GDP. The actual figure ended up being 86 per cent.²

With the national debt now forecast to start accelerating sharply in 2031-32, reaching 234 per cent of GDP by 2066-67³, spending restraint remains crucial to the UK's fiscal credibility.

Key findings

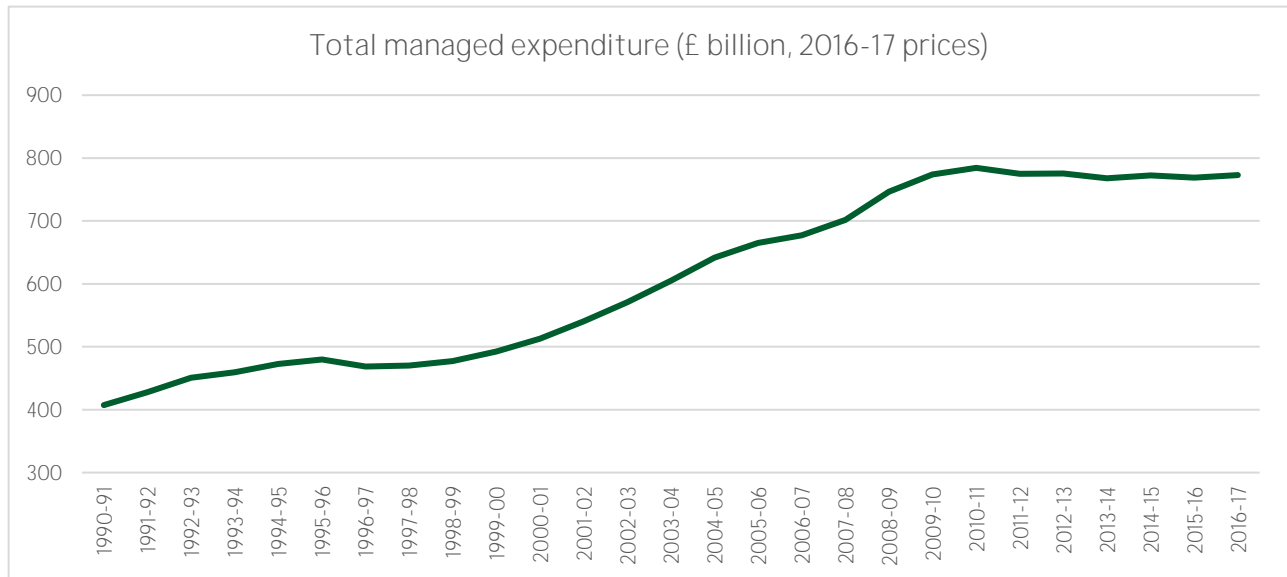
- In 2016-17 public spending was £1.3 billion lower than it was in 2009-10 (real terms). A fall of 0.2 per cent
- In 2016-17 day-to-day public spending was £14.3 billion higher than it was in 2009-10 (real terms). An increase of 2.1 per cent
- Per household, public spending in 2016-17 was £1,121 higher than it was in 2007-08 (real terms): £28,529
- In 2016-17 spending on welfare for people of working age and children was 3.9 per cent lower than it was in 2009-10 (real terms)
- In 2016-17 spending on welfare for pensioners was 12.1 per cent higher than it was in 2009-10 (real terms)
- Two departments experienced real-terms budget increases between 2010-11 and 2015-16: Health and International Development

¹ [OBR: Fiscal Sustainability report 2011](#)

² [OBR: Public finances databank](#)

³ [OBR: Fiscal sustainability report 2017](#)

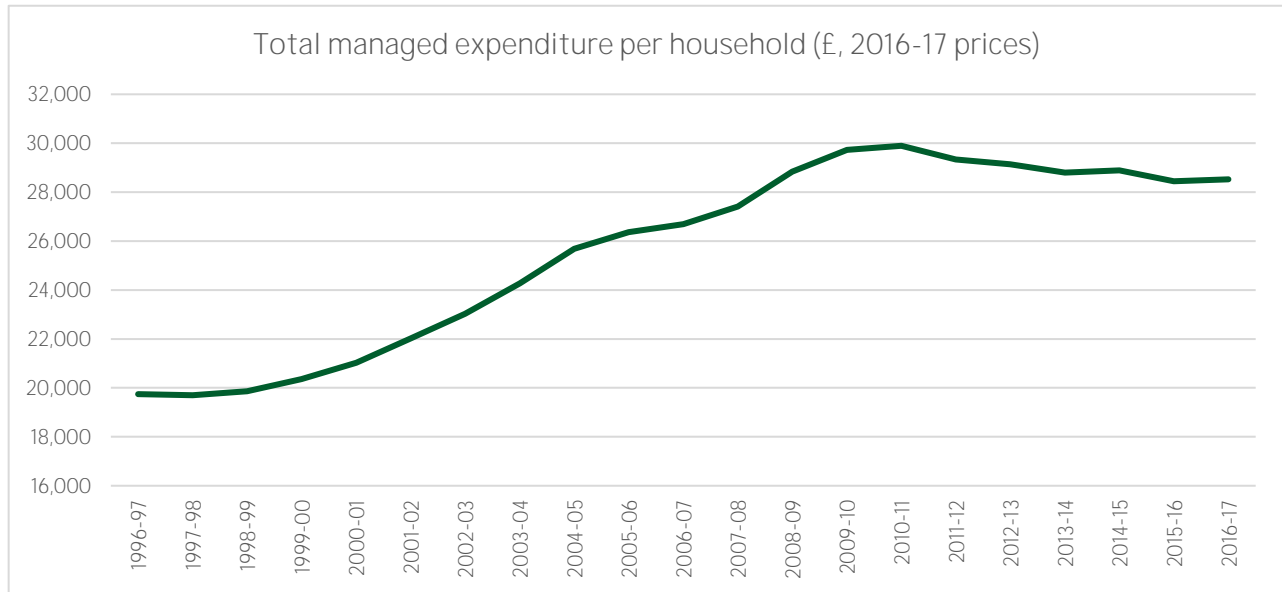
Total public spending



Year	Public sector current expenditure (£ billion, 2016-17 prices)	Public sector gross investment (£ billion, 2016-17 prices)	Total managed expenditure (£ billion, 2016-17 prices)
1990-91	360.5	46.7	407.3
1991-92	380.6	47.4	428.0
1992-93	403.7	47.0	450.7
1993-94	416.5	43.1	459.5
1994-95	429.5	43.2	472.7
1995-96	437.4	42.4	479.8
1996-97	434.5	34.1	468.6
1997-98	437.4	32.7	470.1
1998-99	443.2	34.3	477.5
1999-00	456.6	36.2	492.8
2000-01	477.0	36.1	513.1
2001-02	494.7	45.5	540.2
2002-03	520.9	50.0	570.9
2003-04	556.3	48.5	604.8
2004-05	583.7	58.1	641.8
2005-06	602.0	63.0	665.0
2006-07	612.3	65.2	677.5
2007-08	633.3	68.6	701.9
2008-09	653.6	92.7	746.3
2009-10	680.8	93.4	774.2
2010-11	699.5	85.0	784.5
2011-12	699.1	75.8	774.9

Year	Public sector current expenditure (£ billion, 2016-17 prices)	Public sector gross investment (£ billion, 2016-17 prices)	Total managed expenditure (£ billion, 2016-17 prices)
2012-13	695.5	80.0	775.6
2013-14	694.8	73.1	767.9
2014-15	694.7	77.8	772.5
2015-16	695.9	73.0	768.9
2016-17	695.1	77.7	772.8

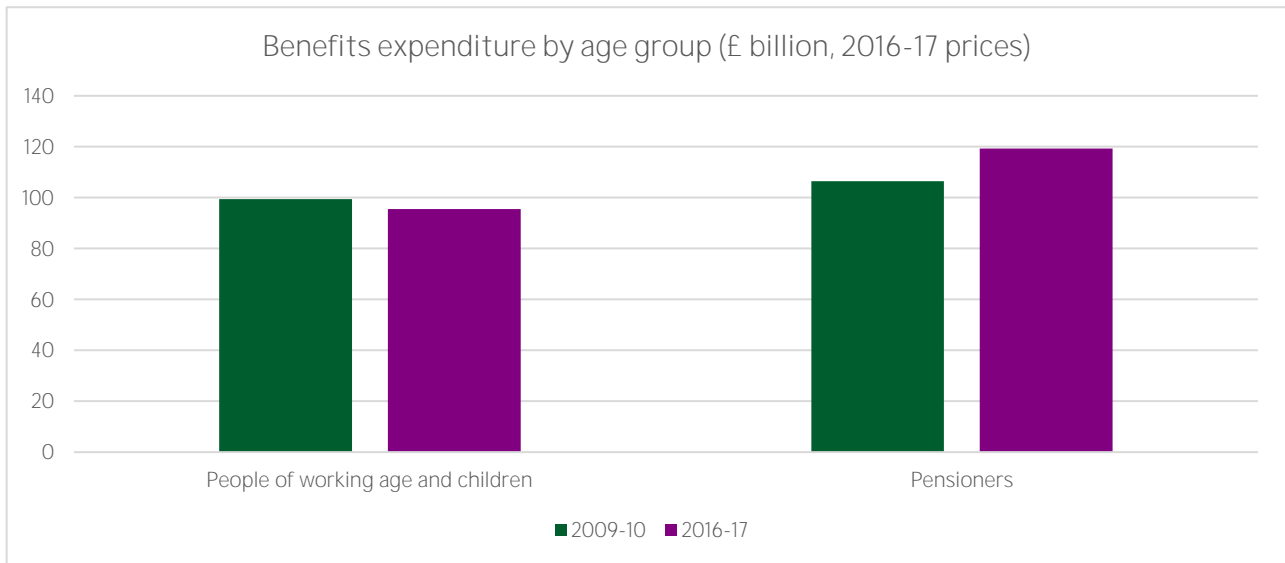
Public spending per household



Year	Households	Total managed expenditure (£ billion, 2016-17 prices)	Total managed expenditure per household (£, 2016-17 prices)
1996-97	23,738,500	468.6	19,742
1997-98	23,865,100	470.1	19,699
1998-99	24,035,700	477.5	19,865
1999-00	24,209,100	492.8	20,355
2000-01	24,396,200	513.1	21,031
2001-02	24,534,900	540.2	22,020
2002-03	24,791,600	570.9	23,028
2003-04	24,917,100	604.8	24,273
2004-05	24,993,300	641.8	25,681
2005-06	25,217,400	665.0	26,371
2006-07	25,378,900	677.5	26,694
2007-08	25,608,500	701.9	27,408
2008-09	25,875,400	746.3	28,841
2009-10	26,041,800	774.2	29,729

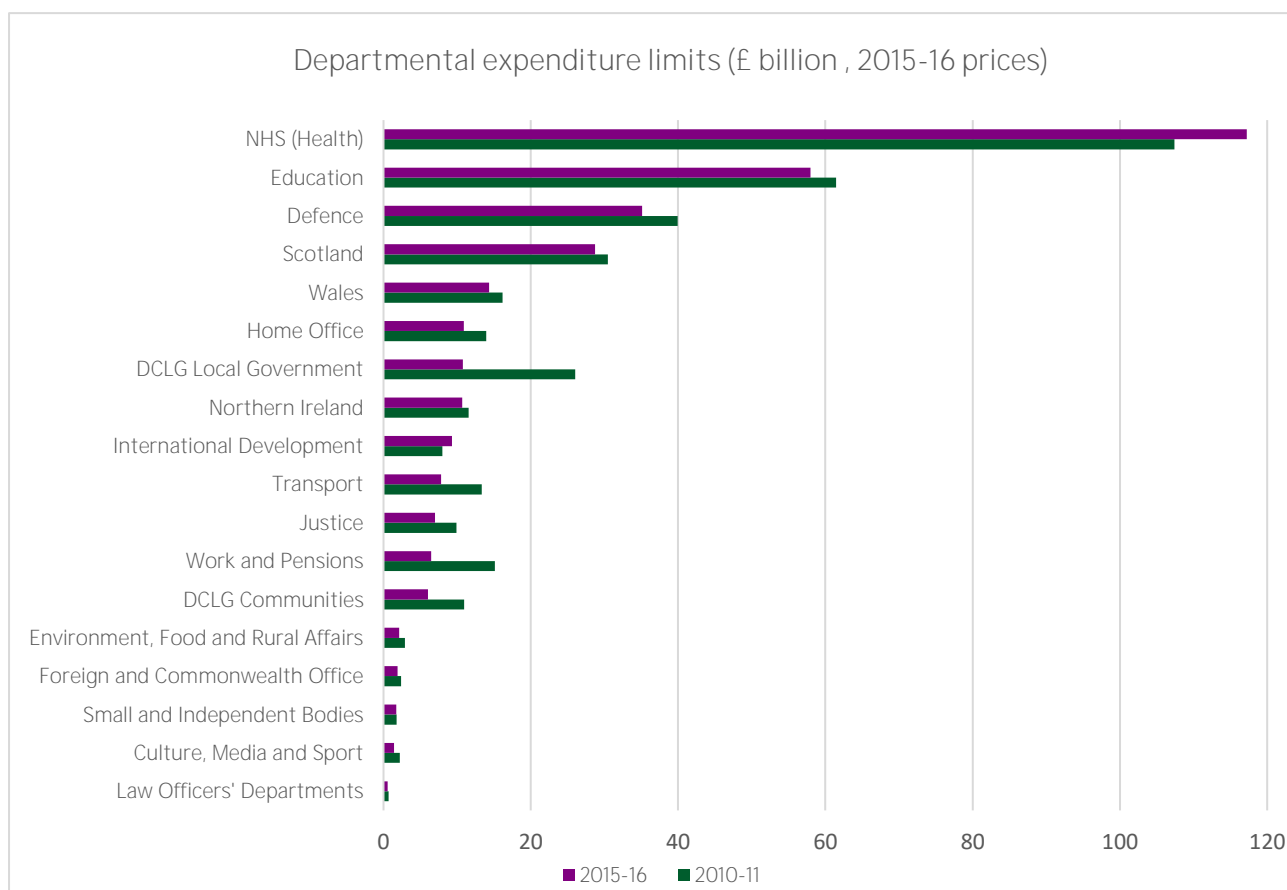
Year	Households	Total managed expenditure (£ billion, 2016-17 prices)	Total managed expenditure per household (£, 2016-17 prices)
2010-11	26,240,200	784.5	29,895
2011-12	26,408,600	774.9	29,342
2012-13	26,614,000	775.6	29,141
2013-14	26,663,400	767.9	28,800
2014-15	26,733,600	772.5	28,896
2015-16	27,037,400	768.9	28,440
2016-17	27,089,900	772.8	28,529

Welfare spending



Year	Welfare spending: people of working age and children (£ billion, 2016-17 prices)	Welfare spending: pensioners (£ billion, 2016-17 prices)
2009-10	99.4	106.4
2016-17	95.5	119.3
Change (%)	-3.9	+12.1

Departmental spending



Department	2010-11 departmental expenditure limit (£ billion, 2015-16 prices)	2015-16 departmental expenditure limit (£ billion, 2015-16 prices)	Change %
NHS (Health)	107.4	117.2	9.1
Education	61.5	58.0	-5.7
Defence	40.0	35.1	-12.1
Scotland	30.5	28.7	-5.7
Wales	16.2	14.4	-11.3
Home Office	13.9	10.9	-21.6
DCLG Local Government	26.0	10.8	-58.7
Northern Ireland	11.5	10.7	-7.6
International Development	8.0	9.3	16.2
Transport	13.3	7.8	-41.5
Justice	9.9	7.0	-29.4
Work and Pensions	15.1	6.5	-57.2
DCLG Communities	11.0	6.0	-44.9

Department	2010-11 departmental expenditure limit (£ billion, 2015-16 prices)	2015-16 departmental expenditure limit (£ billion, 2015-16 prices)	Change %
Environment, Food and Rural Affairs	2.9	2.1	-26.7
Foreign and Commonwealth Office	2.4	1.9	-21.3
Small and Independent Bodies	1.8	1.7	-1.8
Culture, Media and Sport	2.2	1.4	-34.2
Law Officers' Departments	0.7	0.5	-23.8

Sources and Methodology

Total public spending

- Office for Budget Responsibility: public finances databank

Public spending per person

- Office for Budget Responsibility: public finances databank
- Office for National Statistics: Families and households

Welfare spending

- DWP: Benefit expenditure and caseload tables 2017

Departmental spending

- HMT Public Expenditure Statistical Analyses 2015 and 2016
 - Some departments excluded due to lack of historic data.