

Extra £750m set aside for strike

By David Smith, Economics Correspondent

The Treasury published its winter supplementary estimates for public expenditure yesterday, providing details of overrun on spending during the current financial year.

The estimates, which are consistent with the autumn statement planning total for public expenditure in 1984/85 of £128 billion, show that £2,999 billion of additional provision has been sought for the first half of the year, of which £2,207 million counts as public expenditure.

Around £750 million of additional provision is directly related to the coal strike. The deficit grant to the National Coal Board has been increased by £607 million, while the police grant has been boosted by £155 million, in respect of the policing costs of the strike.

Of the £2,207 million of additional provision which is classified as public expenditure (the NCB deficit grant does not show up directly but only through any change in the NCB's external financing limit).

£1,260 million is to be met from the reserve and £947 million from existing programmes.

The major increases in voted expenditure are for housing benefits, £389 million, mainly because of a higher number of beneficiaries; export credit services, £380 million, because of higher than expected claims; the EEC Budget, £280 million; and defence procurement, £251 million.

Two separate votes, of £152 million and £143 million, increase the provision for health and personal social services, mainly because of pay rises for medical staff. Additional provision of £147 million is sought for supplementary benefits.

Overall, the Treasury says, supply expenditure is running at slightly less than five per cent above its level in the first half of 1983/84, which is a more optimistic picture than that presented in the monthly public sector borrowing requirement figures.

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