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From the Private Secretary

22 April 1988

Dee Geoffrey

PUBLIC EXPENDITURE PER FAMILY

I spoke to Terry Ewington this morning about the point raised in Paul Gray's letter to you of 21 April. We agreed that it would be helpful if I were to circulate a note setting out the figures, as I have most recently calculated them, on public expenditure per family for health, education and social security, with a view to agreeing a common set for the future. My figures are as follows:

	<u>£ million</u> <u>UK</u>	<u>£ per week</u> <u>per family</u>
Health (1)	23,500	32
Education & Science (2)	21,891	30
Social Security (2)	49,987	67.50

- (1) A gross figure, estimated most recently by DHSS and reflecting the increase of £1,952 million (gross) in the NHS Budget this year.
- (2) From the 1988 PEWP.

All the above calculations are based on a UK mid-year population estimate for 1988 of 57.006 million, equivalent to 14.251 million families of four.

You will note that the £32 (equating to £1650 per family per year in the briefing) is the same as the figure the Prime Minister has used in the past (before the recently announced increase in NHS resources this year) which was calculated on a

different basis. The recent increase in NHS resources of £852 million gross amounts to an increase per family of about £1. We have agreed, however, that the £32 figure should continue to be used now as the overall figure.

It is worth noting that the NHS expenditure figure is gross and not net. The justification for this is that NHS charges are also met, in the end, by the families using the service. The other figures above are of course net and taken straight from the Public Expenditure White Paper.

You will no doubt spot that the social security figure is rather higher than the one we have been using to date, of £64 a week. That was based on an estimate for Great Britain, and I suggest we now adopt the United Kingdom figure in the table.

I should be glad if you and copy recipients would confirm that they are content with this approach.

I am copying this letter to Tom Jeffery (Department of Education and Science) and Jill Rutter (Chief Secretary's Office).

Y L e

Mark Addison

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Geoffrey Podger, Esq.,
Department of Health and Social Security.

PUBLIC EXPENDITURE PER FAMILY

Public expenditure in GB in 1986-87 ⁽¹⁾	£ million GB	£ per week per family ⁽²⁾
Health & Personal social services	21,516	28.52
Education & Science	18,472	24.48
Social Security	44,416	<u>58.87</u>
TOTAL OF ABOVE	84,404	<u>111.87</u>
Food		£39.02 ⁽³⁾

(1) Figures are consistent with Table 2.7 of the 1988 public expenditure White Paper.

(2) Assuming no. of families in GB is 14,509,000.
(Note: 1981 Census figure).

(3) 1983 Family Expenditure Survey.

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GEP3
21 January 1988

UK PER CAPITA EXPENDITURE IN REAL TERMS (1)

	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
Defence	259	273	279	285	304	313	332	327	320
Industry, Energy									
Trade & Employment	154	138	144	167	140	137	172	127	126
Roads & Transport	111	115	117	115	111	107	107	102	101
Housing	156	168	142	96	80	88	85	74	67
Other Environmental Services	98	100	97	91	94	97	95	89	87
Law Order & Protective Services	85	91	95	101	105	110	118	115	122
Education	328	323	331	328	329	331	328	319	338
Health & Personal Social Services	320	327	353	359	365	370	379	377	392
Social Security	587	592	602	668	708	734	760	778	807
Other Expenditure	179	168	149	149	166	147	133	126	93
Public expenditure planning total	2,277	2,296	2,310	2,358	2,403	2,434	2,509	2,432	2,453
UK population estimates (millions)	56.2	56.2	56.3	56.4	56.3	56.4	56.5	56.6	56.8

Note

(1) Real term figures are the cash figures adjusted to 1986-87 price levels by excluding the effect of general inflation as measured by the GDP deflator.

Figures are consistent with Table 2.7 of the 1988 public expenditure White Paper.

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GROSS DOMESTIC FIXED CAPITAL FORMATION BY GENERAL GOVERNMENT (CENTRAL GOVERNMENT AND LOCAL AUTHORITIES) PER HEAD OF POPULATION

	1978	1979	1980	1981	1982	1983	1984	1985
<u>English Regions</u>								
North	78	96	104	80	64	95	124	114
Yorks and Humberside	73	71	79	70	72	94	104	104
East Midlands	67	67	74	62	47	69	95	91
East Anglia	71	78	83	72	71	82	99	105
South East	94	102	109	87	71	92	108	104
South West	62	64	71	57	48	78	88	90
West Midlands	64	70	73	57	44	85	110	112
North West	72	86	94	79	81	101	115	125
England	78	85	92	75	65	89	106	106
Wales	86	102	108	98	116	152	144	149
Scotland	120	141	144	130	132	166	174	178
Northern Ireland	85	110	123	104	111	116	130	130

Source:

Economic Trends published by CSO

Regional Trends published by CSO

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