Budget Proposal made for the IEA Budget Challenge

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Section 1: An outline analysis of the macroeconomic conditions and likely outlook for the next two years

The real value of GDP in the UK has risen in the last 6 years from £2,434 billion in 2018 to £2,535 billion in 2023 (ONS, 2023), seeing growth of 4.2% in a 5 year period. This is relatively weak growth compared to the previous 6 year period between 2013 and 2018, which saw a 11.9% increase in real GDP value (ONS, 2023).This can be explained by the effect of the COVID-19 pandemic which caused real GDP to fall to £2,219 billion in 2020 (ONS, 2023). Slower GDP growth may also be attributed to the high levels of inflation in the UK in 2022, and by the related interest rate increases, consumers had reduced purchasing power and spent less on goods and services.This additionally saw the cost of borrowing rise to a 10 year high in the UK. Due to this, consumer spending may have decreased on high value products such as homes which ordinarily would have been financed via borrowing. These factors may have lead to a decrease in the level of aggregate demand in the UK economy which would lead to a relatively lower increase in real GDP.

However, GDP per capita has not reflected the changes in GDP in the UK, with real GDP per capita having decreased since pre-pandemic levels in 2019 from £37,134 to £37,089 in 2023. This can be explained by a variety of factors, including the COVID-19 pandemic, ageing populations, weak labour productivity growth and high inflation rates (Harari, 2024).

GDP growth rate (% quarter-on-quarter) has also returned to normal levels post-pandemic. Since 2022 Q1, the quarterly growth rate has not exceeded 1% and is currently (2024 Q3) at 0.1% (ONS, 2024), which has been standard since 2009, with growth rates rarely exceeding a range between 0-1%. GDP growth is expected to rise from 1.8% in 2024 to 1.7% in 2025 (KPMG, 2024). This is mainly due to increases in government spending and consumer spending, which is forecasted to increase from 1% in 2024 to 1.8% in 2025 (KPMG, 2024). Despite the short-term growth in GDP over the next two years, growing geopolitical tensions, reduced labour supply and a fall in net migration in the coming years are unlikely to lead to pre-financial crisis levels of growth.

Interest rates in the UK steadily rose from 0.1% in December 2021 to a peak of 5.3% in August 2023 (Bank of England, 2024). This hawkish increase was done in order to combat rising inflation in the UK by increasing borrowing costs and encouraging saving, thereby reducing aggregate spending in the economy. The primary drivers of inflation were the Russia-Ukraine war and a surge in global demand for oil and gas following the COVID-19 pandemic. Leading to higher energy prices, contributing to cost-push inflation (BBC, 2024). The strategy appears to have worked, as inflation has fallen significantly from a peak of 9.6% in October 2022 to 2.6% in September 2024 (ONS, 2024). Interest rates have also fallen to 4.75% in November 2024 to support economic growth now as the Bank of England inflation rate goal of 2%±1% has been reached (ONS, 2024). The increase of National Insurance contributions paid by employers (NICs) and National Living Wage (NLW), are expected to raise the costs of employing workers for UK businesses (KPMG, 2024). The combination of limited overall supply and temporary boosts to overall demand could lead to short-term demand-pull inflation

(KPMG, 2024). Forecasts estimate inflation being roughly 2%-3% during 2025-2026 (KPMG, 2024).

Unemployment rates in the UK have been relatively stable in the last 6 year period, with seasonally adjusted unemployment percentages going from 4.2% in 2018 to 4.0% in 2023, peaking at 4.7% in 2020 (ONS, 2024). This relatively low unemployment figure in the midst of the a global recession could have been due to the UK Government Furlough scheme which subsidised the wages for firms (GOV.UK, 2020) and reduced the amount of mass layoffs by firms. This is better than the previous 6 year period (2013-2018) , even with the effects of the pandemic, which saw values between 6.2 % (2013) and 4.2% (2018) (ONS, 2024). This suggests the unemployment rate in the UK is currently around it's natural level of around 4.5% (pearsonblog.campaignserver.co.uk, 2017) and therefore is not a major concern. However, natural unemployment rates are all estimates and should be taken as such. Unemployment rates are projected to rise slightly over the next year to 4.3% and are expected to plateau at this level between 2025 and 2027 (KPMG, 2024).

The Current Account (CA) balance measures the total balance of money flowing in and out of a country in the global economy. The UK is generally in a deficit and has been in one for the last 6 years. In 2018 the deficit was 3.9% of GDP (£-84,521 million) and was at its lowest deficit in 2021 during the COVID-19 pandemic at 0.4% of GDP (£-9,986 million). The CA balance was relatively stable between 2022 and 2023 at approximately -2% of GDP (approx. -53,000 million) (ONS, 2024). Trade of services surplus has been steadily increasing since 1966, while there has been a deficit in trade of goods since 1983 (Balance of Payments, 2019). This may be attributed to the decreasing competitiveness of the UK's manufacturing sector and its shrinking size, currently at 9.2% of UK economic output which is an unprecedented low (Bruce, 2024). According to the projections from KPMG's economic outlook, net trade is likely to be negative and exports are expected to fall due to the EU's current economic issues and the incoming US administration planning to use tariffs as economic weapon (KPMG, 2024). This trend is expected to continue into 2025 and 2026 (KPMG, 2024).

Section 2: An outline of the main economic goals to be pursued and the broad strategy used to realise them.

The UK is aiming for a GDP growth rate of 2.5% (UK Government, 2022) however as of Q3 2024 there was 0.9% increase in GDP compared to Q3 2023 (Harari, 2024), which is significantly below the 2.5% objective. Therefore, we are proposing certain schemes and policies which aim to improve processes such as regulation, increase retained profit for firms and provide increase labour productivity and skills in certain fields. Along with this, we aim to implement expansionary fiscal policy which will facilitate GDP growth. These initiatives will also provide support to achieve other economic objectives such as low unemployment and long term economic sustainability.

The unemployment rate in the UK is currently not of concern as it is close to the natural rate of unemployment however the government currently targets an 80% employment rate (Department for Work and Pensions, 2024). The employment rate is currently 74.9% in Dec 2024, which is far from the goal and has decreased year on year (LM ONS Team, 2024). We are implementing increased access to higher education and providing a more favourable investment climate via deregulation in order to improve the employment rate, which we will explain the effects of in due course.

The Bank of England's current inflation target is 2.0% is close to being met with inflation at 2.6% (Bank of England, 2024). In order to keep this inflation rate stable, we will keep bank rates the same at 4.75% in order to maintain the current cost of borrowing. This should limit an increase in inflation while not hampering economic growth.

The UK has a current account deficit of -2% of GDP (ONS,2024) which is projected to stay negative and possibly increase due to global conditions. The causes of these deficits are due to structural issues in the UK economy such as lack of productivity in certain sectors which the we plan to help boost through our higher education scheme. We are also implementing schemes for smaller businesses in order to make them more internationally competitive and domestically appealing.

Section 3: A proposed budget, setting out taxes and other sources of revenue, expected levels of spending by department, and details of expected borrowing

For our schemes to be viable, we need to restructure the budget by increasing government revenue and decreasing spending. One scheme is reducing universal credit spending. In 2023, £88 billion was allocated for unemployment benefits (OBR, 2024). As shown in Fig. 1 (UK Government, 2024), 38% of universal credit recipients are employed, with a median age of 38. Our scheme introduces a new credit bracket for claimants over 35 with no employment requirements.

Unemployment is projected to increase slightly as vacancies fall to their lowest since 2021 (KPMG, 2024). Maintaining current unemployment benefits would increase costs. To mitigate this and reduce the budget deficit, we propose reducing benefits for over-35s with no work requirements from £393.45 per week (UK Government, 2024) to £311.68, matching the under-25s bracket. Using the median age and Fig. 1, this could save £5.12 billion. Government job guarantee schemes are cheaper and disrupt labor market cycles (Tcherneva, 2018). In 2021, the 'Restart' scheme, created to help long-term unemployed find work, estimated returns of £2.44 per £1 invested from the original £1.68 billion (NAO, 2022). We plan to increase funding by £1 billion and diversify job prospects to include construction roles.

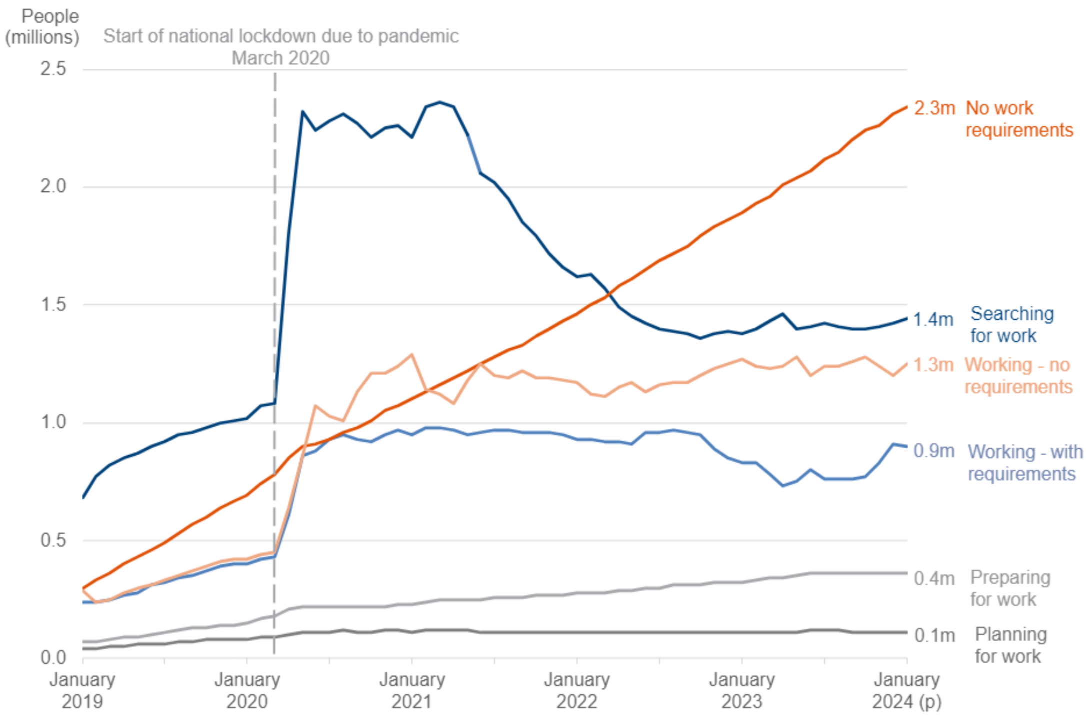

Fig. 1 Employment Conditionality (UK Government, 2024)

Another way to reduce the deficit is increasing excise duty on demerit goods. A new £2.20 tax per 10ml of e-cigarette liquid is planned for October 2026, with an equivalent tobacco duty rise (BBC, 2024). Our budget moves this date to October 2025. Using Fig. 2 and OBR inflation forecasts (OBR, 2024), advancing the date could generate £5.12 million in revenue.

E-cigarette excise duties have not reduced adult smoking in the US (Friedman AS, Pesko MF, 2022). Therefore, we propose increasing the duty to £3.80 for vapes, alongside a cigarette tax hike, to maximise revenue. A key budget goal is reducing e-cigarette promotion to young people by removing targeted advertising.

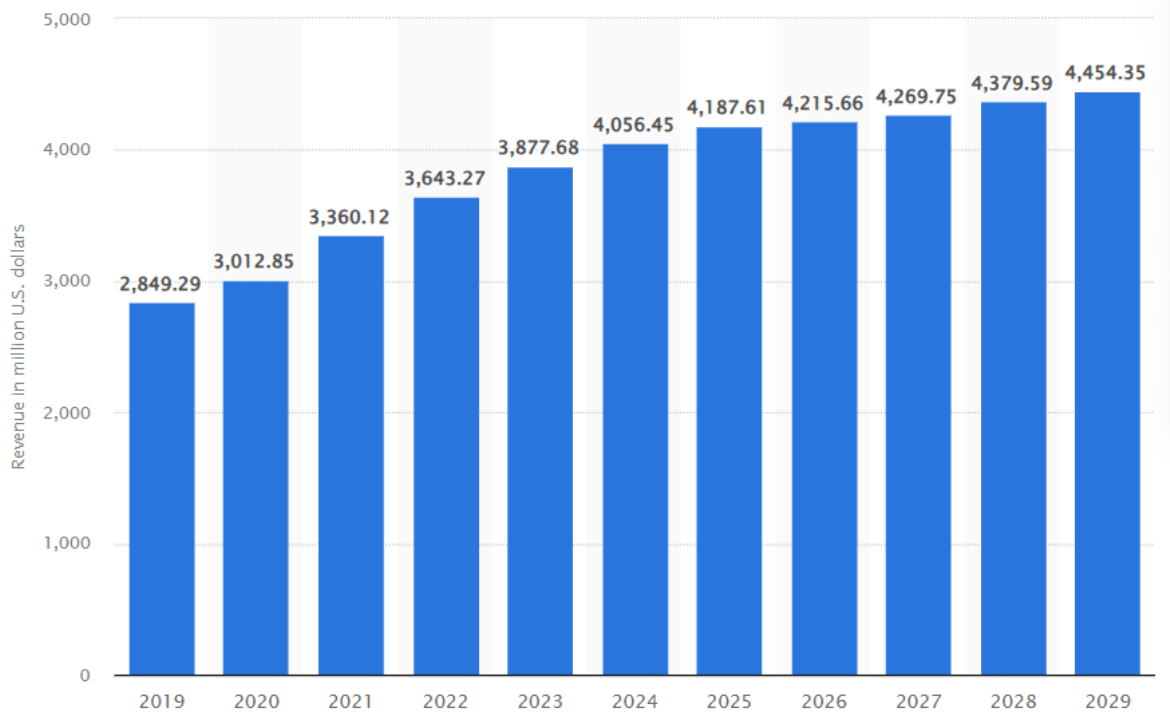

Fig 2 Revenue of E-Cigarette Market Forecast (Statista, 2024)

Tightening regulations has been more effective in discouraging youth smoking, as shown in a survey of 34 US states (Choi et al., 2021). Increased duties are expected to decrease youth smoking, generating £8.63 million.

The 2016 Business Perceptions Survey found that 49% of surveyed businesses agreed that the level of regulation in the United Kingdom is an obstacle to business success (National Audit Office, 2017). There are roughly 90 regulatory bodies in the UK. These regulators had a total of £4 billion of total expenditure in 2015-16 (National Audit Office). The UK government introduced a scheme, the Business Impact Target (BIT), to reduce cumulative costs of regulation on business. However, in the recent past the BIT has not reduced regulatory costs. The 2017-2019 parliament aimed to reduce costs by £9 billion (Gibson S, 2023) but costs rose by £7.8 billion (Gibson S, 2023). This trend is also supported by the parliament of 2019-2024 where the target was for there to be no increase in regulatory costs, however costs rose by £14.3 billion (Gibson S, 2023) in the first 3 years. The estimated increase in regulatory costs on businesses in the duration of the 2019-2024 up till the removal of the BIT is approximately £17.2 billion (Gibson S, 2023) despite the original target of no increase.

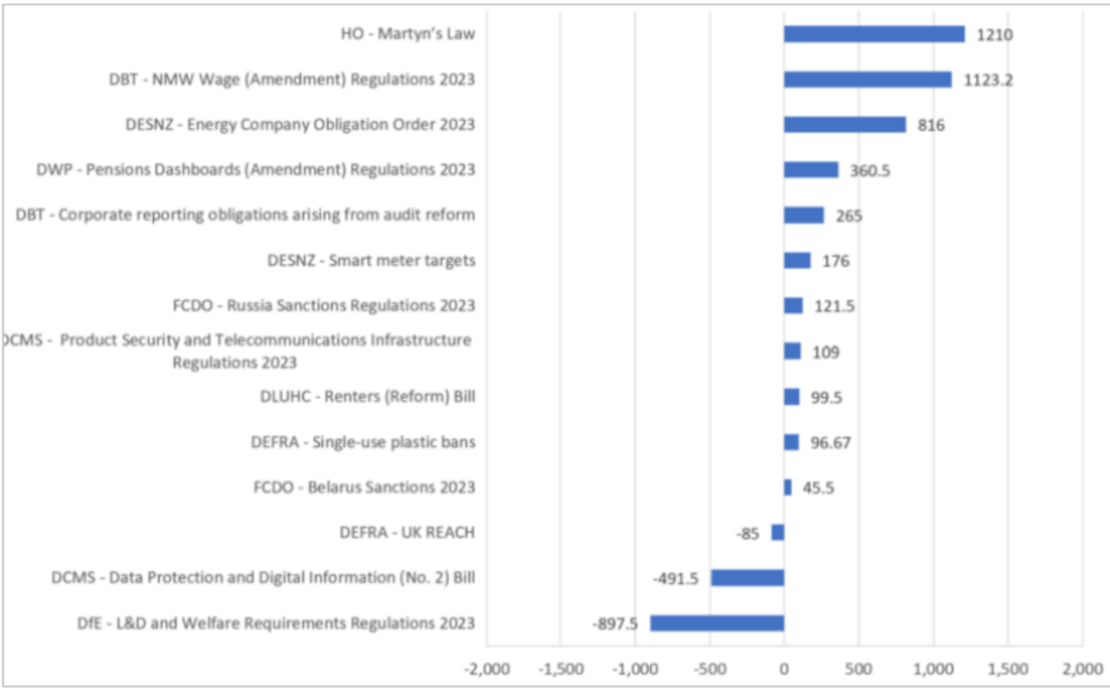

Fig 3. Verified BIT scores (£m) of qualifying regulatory provisions on which the RPC has published opinions since the 2021-22 BIT report

The Department for Business, Energy & Industrial strategy published a research report (Gov.uk, 2020) on the Challenges businesses face when complying with regulation. In this research report they provided information about the negative and positive impacts of regulation.

The participants suggested a wide variety of regulatory objectives they wanted the government to focus on:

- Provide one destination for information about regulations
- New regulations with clear and simple information

- Consult businesses on new changes
- Provide stability as well as notice in advance of change
- Incorporate flexibilities into regulations that allow businesses to grow and develop
- Address user feedback on regulations perceived as “illogical”

According to The Organisation for Economic Co-operation and Development (OECD), the UK had the most deregulated network sectors of all 47 member nations as of 2013. However, the main reason why regulations are such a burden on UK businesses is that the regulations are comparatively complex relative to other nations. This indicates that to resolve the UK’s regulation issues we do not need deregulation but processes that make the regulatory system easier and more business-friendly.

This is why we have chosen to introduce our own scheme, using the business feedback from the Department for Business, Energy & Industrial strategy research report, our scheme will try to improve the processes or regulations in order to reduce time and money spent by businesses. As well as providing a more positive perception of these regulations.

Our targets for our scheme are:

- Provide a user interface for all businesses, to provide information and updates on regulations.
- Provide educational incentives for students to study regulations, so businesses have a larger pool of labour to hire from for regulation tasks.
- Create an annual survey for business feedback on regulations.
- Cut corporation tax on small businesses in order to help them with regulations.

The first part of our scheme is to provide a website for businesses to obtain all information about regulations and updates. The 90 regulators will work along with the government to make the website. The website will also contain a survey for businesses to fill out, to confirm which regulations apply to them. The survey will compile information on the types of markets the company operates in, the size of the company, capital equipment used. The answers from the business will then determine which regulations apply to them.

We estimate the website will take roughly 3-4 months to make, to ensure that the website works as intended as well as all information being proofed and accurate. The cost of maintenance will be £30,000 annually since businesses will not need to check information regarding regulation frequently. We will also create another survey for business to report feedback on the regulation process, specific regulations and general criticism or comments. We feel both these aspects will help make the regulation system more beneficial, efficient and cost effective. In order for there to be workers who understand and can provide help with regulations, for students studying business law there will be no tuition fees. However, there will be certain eligibility criteria depending on individual student background. We feel this will incentivise students to pursue this field as well as a minimal impact on government finances. In terms of regulations having an impact on competition in markets, smaller businesses generally perceive regulations to be inhibiting for their economic output and activity. As a result, we suggest cutting corporation tax by 5%-10% depending as to the market of the business and total revenue for small businesses. This particular proposal will only be for businesses with less than 1000 employees and annual revenue below £15 million although this may vary across industries.

We anticipate this scheme will lead to a more efficient deregulation system, as well as providing an environment for businesses to thrive. This will have numerous benefits on unemployment and economic growth.

Domestic investment into the UK is a major concern with investment levels being the lowest out of all the G7 countries for the third year in a row (IPPR, 2024). It is also ranked 28/31 for business investment in the OECD (IPPR, 2024). Therefore, we have decided that increasing business investment is a priority for the UK economy. One factor to increase business investment is providing businesses with favourable capital gains tax rates.

Before October 2024, capital gains tax for BADR (Business Asset Disposal Relief) was at 10%, and the same rate was present for businesses that qualified for Investor's Relief (If they had held ownership for at least 3 years and were not connected to the company). However, as of October 2024, businesses will have to pay a rate of 14% on any assists sold on or after April 2025, and 18% on sales completed after April 2026 (gov.uk, 2024). These new rates apply to businesses that create contracts between October 2024 and April 2025 as well (gov.uk, 2024). This can be an obstacle to productivity due to an increased cost of production.

In 2012, the UK government introduced the SEIS (Seed Enterprise Investment Schemes),aimed at reducing start-up difficulty. To be eligible, businesses had to have a gross asset of below £200,000 (gov.uk, 2021). Eligible businesses would be exempt from tax if they invested part of the gain in shares qualifying under the SEIS, which proved as successful for many businesses.

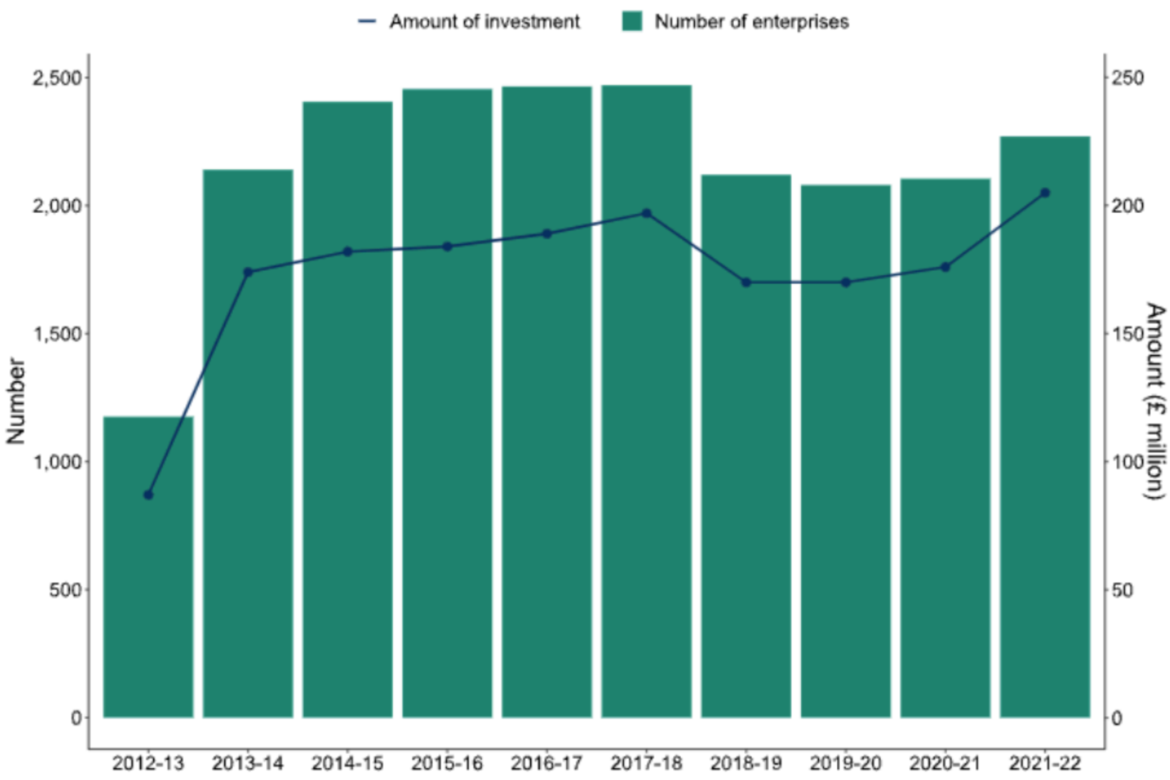

Fig. 4 Amount spent by enterprises in SEIS scheme (2021/2022)

In 2021-2022, the amount invested by SEIS businesses increased to £205 million (compared to £175 million in the previous tax year), and this raise was higher in proportion to the increase in new businesses under the SEIS. And, in the figure we can see that the overall amount invested has been rising since the SEIS was adjusted in 2018 due to a need for growth of the schemes (gov.uk, 2023).

Another factor we want to focus on is providing small-scale loans to start-ups in high growth sectors.

The UK government provided 15,000 loans worth more than £100 million to young entrepreneurs aged 18-24 since the Start Up Loan Scheme launched in 2012 (gov.uk, 2023). These schemes provide smaller businesses with an initial low-interest loan that has proved useful, as over a third of the 15,000 loan recipients have left unemployment due to the scheme. In addition, the government provided these loans diversely and sustainably, as 40% of loans went to females and 24% went to entrepreneurs from ethnic minorities (gov.uk, 2023).

The Bank of England also provided loans to many SMEs (small and medium enterprises) at an overall value of £27.9 billion in the first half of 2024 (BoE and British Business Bank, 2024).

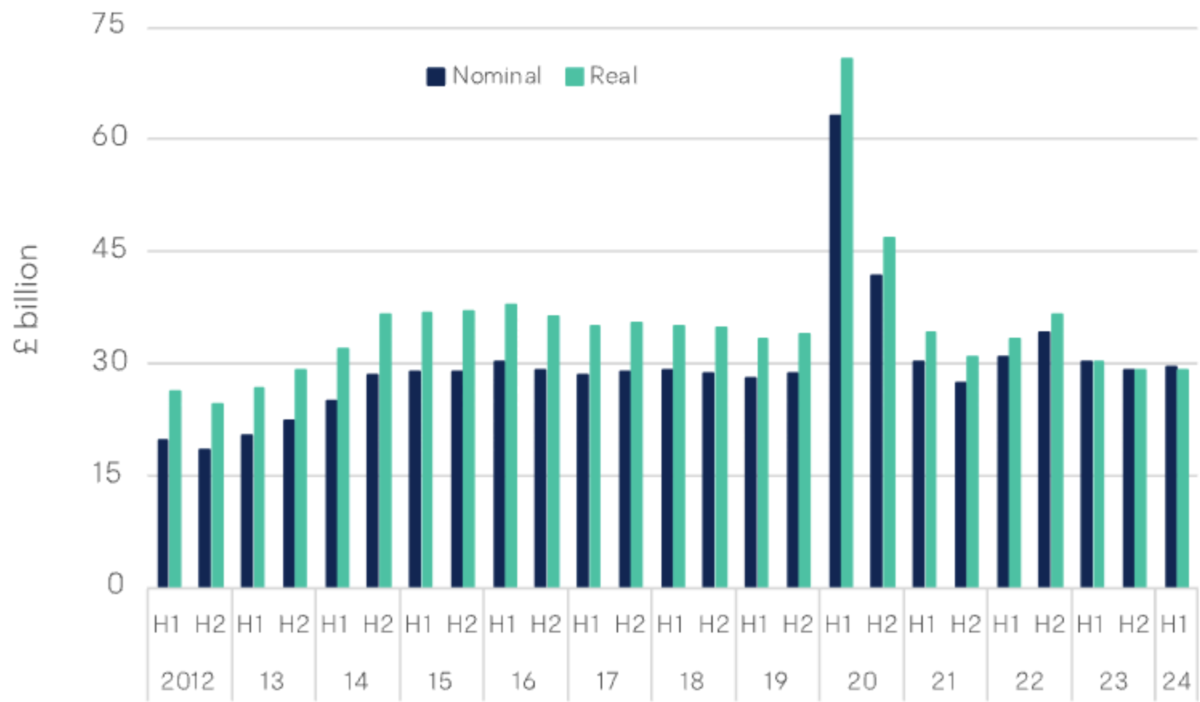

Fig 5. Amount of loans provided to SMEs by BoE

On top of providing, small-scale loans that proved successful, the UK government issued a step-by-step guide advising young entrepreneurs on the 'Help to Grow' website (gov.uk, 2023).

Subsequently, we propose our scheme to boost business investment. Our policy is to be concerned with providing small-scale loans to start-ups in high growth sectors.

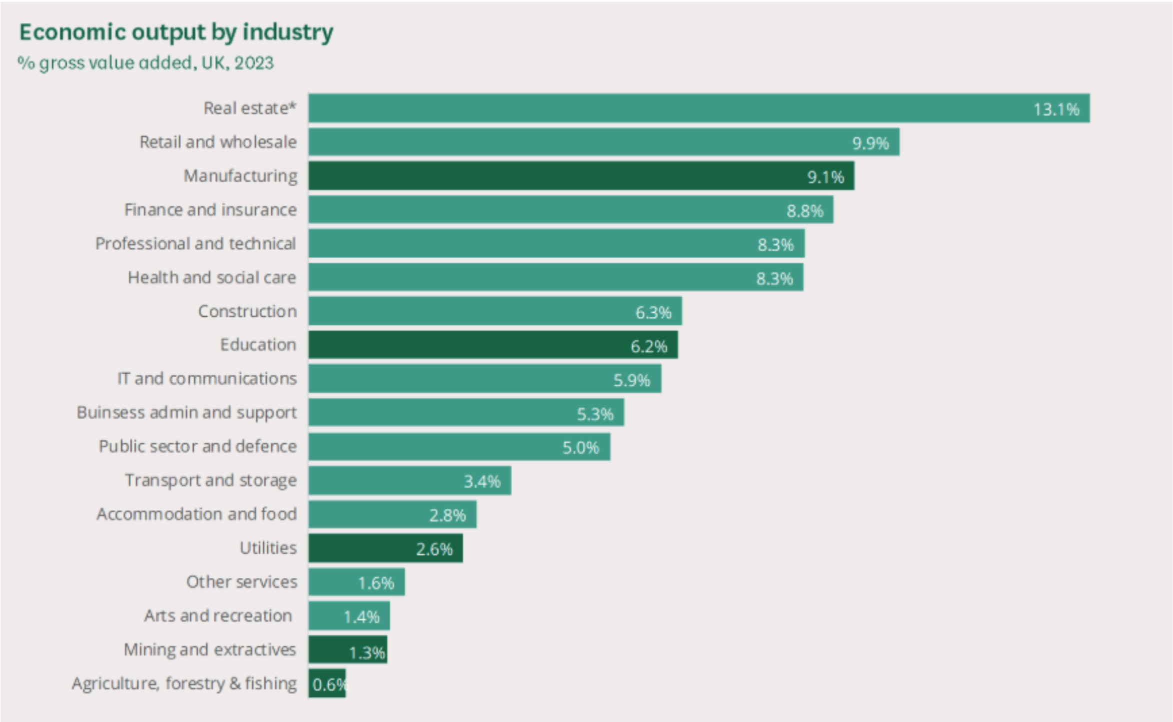

Fig. 6 Economic Output by Industry (% Gross Value Added , 2023)

To ensure ample provision of micro-finance loans, we propose the first part of the scheme to issue specialised start-up loans specific to industries that are growing the fastest in the UK. In 2023, the industries with the highest economic output were real estate, retail, manufacturing, and financial services (House of Commons, 2024).

Eligible firms need to:

- Have a gross asset of £250,000 or less
- Have been in operation for at least 2 years

· Be concerned with an industry that accounts for 4% of economic output or higher

· Have a cap of £175,000 in total loans under the scheme

This ensures that any business involved is in a relevant industry, receives enough relative to its size, and only receives loans that they can repay. Businesses will receive a loan that is 50% of the value in revenue of their last quarter.

Weak productivity growth is perhaps the most important economic issue the UK is currently facing. It is the primary driver behind the static GDP per capita figures over the last four years. Labour productivity has seen a minute 3.4% increase in output per hour worked in the last five years (2018–2023), which is less than half the rate of the previous five years (www.ons.gov.uk, 2024). In the G7, the UK ranked 4th for GDP (output) per hour worked in 2023 (Harari, 2023).

Productivity growth will have significant benefits in reducing inflation in the long run, improving standard of living in the UK and increasing international competitiveness. Productivity increases improve standard of living by increasing output using current resources, which means cost of production per unit of output for firms decrease and firms have greater financial ability to increase wages, and therefore standard of living. They also directly contribute to short run economic growth by increasing SRAS, alleviating inflationary pressures. In addition, raised wages for workers and greater output/lower cost of existing output means enhanced consumption and investment spending in the economy which may cause further short run economic growth.

Our scheme will be focused on increasing labour productivity by increasing the number of skilled workers in the UK for critical sectors. More than 33% of businesses have been unable to grow due to labour shortages (Datum RPO, 2024) and 62% of UK organisations surveyed said they faced skill shortages in 2024 (Business Barometer, 2024). These measures clearly show the UK is in dire need of additional skilled labour.

We will focus on the sectors which have the most demand for skilled workers. The primary way we will manage this is by changing the tuition loan scheme for domestic university applicants who use the government's tuition loan scheme. The current system gives domestic students £9,250 per year to be repaid for eligible courses for the tuition of the course: the repayment is based on a percentage of the income of the borrower after a threshold, £24,990/year (GOV DS, 2014). The cost of loans to the government per year is £20 billion (around 22% of the total education spending of the government), and is also projected to rise to £24 billion by 2027-28 (Ogden, 2024). We believe this system is flawed as it is projected that more than 60% of this money will not be repaid, so many of the loans will be written off (Office for Budget Responsibility, 2018). Based on the nature of the repayment scheme mentioned above, this means that most graduates who have used this scheme either do not have enough income to reach the repayment threshold or are not high enough above the threshold that the % of their income over many years is not enough to repay their loan with interest. Both of these subpar outcomes indicate that these graduates go into lower paying employment than what is expected or reach higher paying employment too late in their careers.

Our solution is to adjust the tuition loans scheme degree. The courses we want to focus on should prepare students for employment in the sectors of the highest value in the UK economy (which generally have higher wages). We plan to focus on these following sectors which have been curated by a mixture of growth potential, importance, average wage and highest value:

1. Healthcare
2. Education
3. Manufacturing
4. Financial Services
5. Construction
6. Information Technology

Most of these sectors are in the private sector, excluding education and healthcare. These public sector industries are chosen as they add additional benefits with an increase in skilled workers. With more qualified teachers at university and secondary school level, there will be a multiplier effect where due to the increased number and quality of teachers, the average quality of education is likely to be boosted. This will mean an increase in the qualifications of the young adult and school-age population leading to a secondary increase in skilled labour for the UK and therefore a secondary increase in productivity. For healthcare there is likely to be a similar effect, a rise in the number and quality of doctors, nurses and hospital staff is likely to lead to greater efficiency and higher quality healthcare. This means that the labour force is more likely to be healthy which will cause a rise in efficiency. This is due to the fact workers do not waste time waiting for treatment and said treatment is more effective which means workers will stay fit for a longer duration enabling them to reduce the amount of work missed due to health issues. The NHS is already facing a shortage of junior doctors with 2 doctors being assigned to approximately 436 patients (https://onecall24.co.uk/, n.d.) and this scheme may help to alleviate some of this pressure as a secondary benefit.

We have chosen Construction and Manufacturing, as these secondary sectors are essential in our view to reduce the reliance on service industries in the UK. Currently, the service industry makes up 80% of the UK economy while Manufacturing and Construction make up 15.3% together and are the 2 largest non-service sectors (Panjwani, 2023). The current Labour Government aims to build 1.5 million homes by 2029 (Race, 2024) which is around 300,000 homes per year which requires at estimation 900,000 new construction workers across various sectors according to the BBC (Race, 2024). This is also before considering the fact that the actual necessary supply of new housing required in the UK is around 340,000 per year which means even more construction workers are required to satisfy the housing backlog (Barton et al., 2023). The increase in skilled construction workers due to our scheme would therefore mean greater housing demands met which leads to increases in the numbers of houses sold. There will also be a productivity increase due to labour mobility increasing as households can afford housing in previously inaccessible areas due to a greater supply of housing. Peripherally, there will be greater Stamp duty revenue for the government as more houses are sold. The increase in skilled manufacturing workers would reduce the production costs for high value items such as vehicles and jet engines and reduce pressure on the service sector which holds up the brunt of the UK economy. Employers in the industry say 36% of vacancies are hard to fill as workers lack the appropriate skills (Thornhill, 2023) which our scheme can help reduce.

Finally, the two service sectors we have chosen (Financial Services and Information Technology) make up 14.7% of the UK economy together (Panjwani, 2023). These sectors are crucial due to their high growth potential and average wages which are 2nd and 4th in the UK ranked by sector respectively (Statista, n.d.). Financial Services have a dominant position in the startup ecosystem with 1/3 of UK unicorns (startups worth more than $1 billion and privately owned) being in financial technology (Tenity.com, 2024). The Information Technology (IT) sector also has an extremely high ceiling in terms of growth: the AI subsection of the IT sector is widely seen as the future of all technology. PwC predict the AI contribution to the global economy to be $15.7 trillion by 2030 with $6.1 trillion coming from increased productivity (PwC, 2017). By investing in educating specialists, we can increase the productivity and efficiency of FinTech and AI companies, leading to faster and more refined technological advancements. This would enhance the UK's competitive advantage in research and development. We can then benefit from the demand for this technology in the future. Newer technologies may also have a secondary productivity increase for firms in the UK due to efficiency increases.

Delving into the specifics of our scheme, we plan to fund tuition for these courses fully with no loan repayment required. This will be given to all undergraduates and students in vocational schools for the selected fields with no selection process, unless the number of applicants reaches above 1.5 million/annum at which point a selection process would be implemented. This is because after the 1.5 million students, the cost of the scheme would be greater than the current cost of the student loans scheme (Bolton, 2023) which is not feasible. Currently, only 41% of undergraduates or 615,000 graduates per year are in STEM degrees (Cambridge Industrial Innovation Policy, 2024), which we have used as an approximation for the courses that serve our sectors best. Using this estimate, it is clear there is space for many more students. There will be no repayment for the undergraduates as this would essentially serve as an additional tax on income after a certain threshold. The multiplier of tax is less than the multiplier for consumption (Reed, 2021) therefore the economy would receive greater benefit from the undergraduates having a greater disposable income as this would increase real GDP to a greater extent. We will fund this scheme by removing the tuition loans scheme for all other courses not directly related to these sectors. Applicants to these courses can receive private funding or use other credit facilities to attend these courses. This will remove the lowest earning undergraduates, with undergraduates in non-STEM degrees earning £14,000 less per year on average (Glassdoor, 2025) and allow for more vocational and non-degree requiring work.

Calculating using the increase in income from non-STEM to STEM degrees and the number of STEM students projected to graduate per year, this will lead to an additional injection of £1.377 billion in consumption spending into the UK economy. This was calculated using the MPC value of 0.16 based on the 0.11 value calculated during the pandemic. (Crossley et al., 2021). We have boosted it by 5 points as we are no longer in an economic crisis. The multiplier value is therefore 1.19, meaning a final change in national income will be an estimated £1.64 billion. These figures may be underestimations as we do not have access to accurate projections on how many students would graduate from our new scheme per year, and we have estimated our MPC value from a known value. However, consumption will only increase every year as graduates are promoted to higher paying positions and more students graduate, showing the compound benefits of this scheme.

Below is our budget proposal, with non-departmental spending, government revenue and departmental spending outlined:

Total Non-Departmental Expenditure, 2024-25 (£ Millions)

Public Sector Component	Total Expenditure
Investment	72,011
State Pensions	150,704
Universal Credit	80,325
Other Welfare	74,528
Debt Interest	126,211
Other Spending	212,697
TOTAL	716,476

Total Government Revenue, 2024-45 (£ Millions)

Revenue Source	Total Revenue
Income Tax	329,106
VAT	212,011
Corporation Tax	96,442
Council Tax	44,489
Business Rates	26,268
Fuel Duty	24,828
Other Taxes	128,684
Other Receipts	125,278
National Insurance Contributions	199,246
TOTAL	1,186,352

Total Departmental Expenditure Limits, 2024-25 (£ Millions)

Departmental Group	Total DEL
Health and Social Care	188,469
Education	88,162
Home Office	20,311
Justice	11,894
Law Officers' Department	875
Defence	53,901
Single Intelligence Account	4,183
Foreign, Commonwealth and Development Office	11,113
MHCLG - Local Government	9,580
MHCLG - Housing and Communities	9,611
Culture, Media and Sport	2,068
Science, Innovation and Technology	12,655
Transport	30,038
Energy Security and Net Zero	6,425
Environment, Food and Rural Affairs	6,671
Business and Trade	2,612
Work and Pensions	9,031
HM Revenue and Customs	6,694
HM Treasury	357
Cabinet Office	1,340
Scotland	43,413
Wales	19,516
Northern Ireland	16,912
Small and Independent Bodies	2,669
TOTAL	558,500

Total Government Expenditure = £1,274,976 millions

Total Government Revenue = £1,186,352 millions

Budget Deficit = £88,624 millions

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