

 UK

Chancellor announces highest public investment since the GFC

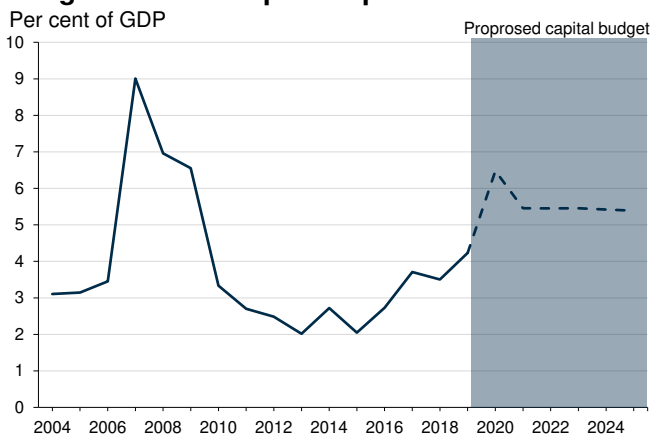
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Richard Blows



- The Chancellor outlined the Spending Review 2020 today, announcing expanded capital budgets for overall public investment up to 2025-26
- Capital expenditure is set to reach 6.5% of nominal GDP in 2020-21, the highest since the Great Financial Crisis, before levelling out at 5.4% through to the end of the forecast period

UK government capital expenditure



- This does not include investment from the newly announced Infrastructure Bank, which is set to take over from the European Investment Bank
- Individual departmental budgets were set for the upcoming financial year only, with the largest capital budget increases for the Department for Business, Energy and Industrial Strategy and the Department for Transport



UK departmental capital budgets				
	2019-20 Outturn, GBP, billions	2020-21 Plan, GBP, billions	2021-22 Plan, GBP, billions	2021-22 Plan, increase relative to 2019-20, per cent
Health and Social Care	7.0	11.1	9.4	13.4
Education	4.9	5.1	5.6	5.6
Transport	14.3	18.3	18.8	12.3
Business Energy and Industrial Strategy	11.2	18.4	16.1	17.4
Defence	10.3	10.5	14.4	16.4
Scotland	4.3	5.5	5.2	8.2
Wales	2.1	2.4	2.4	3.4
Northern Ireland	1.3	1.7	1.7	8.8

Source: HM Treasury / Fathom Consulting

- In recent years, the Treasury has been more relaxed on the use of capital budgets, allowing departments to transfer some capital funds into current expenditure
- NHS England transferred £4.3 billion from their capital budget for use in day-to-day spending between 2014-15 and 2018-19



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