
Supply Estimate 2006-07

House of Commons: Administration

Main Supply Estimate

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2006-07

for the year ending 31 March 2007

Supply Estimate

House of Commons: Administration

*Presented by the Speaker on behalf of
the House of Commons Commission.*

Pursuant to Section 3 of the House of Commons (Administration) Act 1978

Ordered by the House of Commons to be printed

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Section 1. Introduction

1. Supply Estimates are the means by which the House makes provision for its spending each year. The Main Estimates start this process and are presented to Parliament around the start of the financial year to which they relate.
2. The relationship between Supply Estimates and the administrative control arrangements, and the way in which Parliament considers the Supply Estimates are described in the Government Supply Estimates 2006-07 (HC1035). The arrangements for the House's own Administration Estimate broadly follow the same pattern.

2006-07 Main Supply Estimates

3. The total resource expenditure for which authority is sought in the 2006-07 Main Estimate for the House of Commons: Administration is £227.8 million.

4. The total forecast outturn for expenditure on a resource basis in 2005-06 is about £329 million. The net resource requirement sought through Supply for 2006-07 is about £101 million lower than the forecast net resource outturn for 2005-06 mainly because of a technical accounting adjustment in the previous year to reflect the need to recognise future pension liabilities arising on the House of Commons Staff Pension Scheme, offset in part by a reduction in expenditure because of the 2005 General Election.

Supplementary Budget Information

5. Table 1 shows the House of Commons: Administration resource budget split into voted and non-voted spending, 2001-02 to 2008-09, and Table 2 shows the capital budget split into voted and non-voted spending, 2001-02 to 2008-09.

Abbreviations and Symbols

6. The following abbreviations have been used in the tables:
OCS: Operating Cost Statement;
RfR: Request for Resources;
CFER: Consolidated Fund Extra Receipt.
AinA Appropriation in Aid

Section 2. Summary of Resource-based Supply arrangements

1. Parliament is asked to approve the consumption of resources as well as the spending of cash, under the authority of the House of Commons (Administration) Act 1978 as amended by the Government and Resources and Accounts Act 2000 and the Appropriation Act 2004.

Structure 2. The Estimate at Section 5 is accompanied by explanatory notes containing basic information intended to put it into context, including a general description of the expenditure involved, an explanation of the Accounting Officer's responsibilities for the Estimate, and an indication of any important features.

3. The core elements of the Estimate, which consist of the sums and services to be voted in the resource-based Main Supply Estimate, are produced in three parts.

Part I 4. **Part I** of the Main Supply Estimate contains the following:

- (i) the net provision sought in resource and cash;
- (ii) a formal description of the services to be financed from the Estimate (known as its Ambit);
- (iii) who will account for the Estimate; and
- (iv) any amounts, resources and cash, which have already been allocated in the Vote on Account.

5. The net resource requirement, net cash requirement and the Ambit will be reproduced in the Appropriation Act. Together they provide the statutory authority for the expenditure.

Parts II and III 6. The first section of **Part II** of the Estimate provides a breakdown of the expenditure for which approval is sought.

7. The different types of expenditure within the Estimate are shown in the vertical breakdown of the table. Columns 1 to 4 are within the resource budget and show all voted current expenditure scored on an accruals basis. Columns 1 and 2 show direct expenditure by the House. Column 3 shows grants payable. All of these three columns include amounts in respect of the current consumption of assets, but do not include the amounts associated with the acquisition of capital items.

8. This Estimate operates on a net control basis, within the authority set out in the House of Commons (Administration) Act 1978, with the income generated being offset against the expenditure incurred. The House of Commons Commission can direct that any excess income should be retained and applied for the service of a particular year.

9. Column 5 shows the non-resource budget elements of the Estimate. Again, it is scored on an accruals basis and operates on a net control basis. Columns 6 and 7 provide comparative figures for the previous two years.

10. The second section of Part II gives a detailed reconciliation between the net resource total and the net cash requirement.

11. **Part III** of the Estimate shows any Consolidated Fund Extra Receipts (CFERs) payable to the Consolidated Fund on an income and receipts basis.

Other statements and notes 12. Resource Estimates are accompanied by a **Forecast Operating Cost Statement**, a **Reconciliation Table** reflecting the format of the outturn Operating Cost Statement, reconciliation of net operating costs to net resource outturn and budgets, and a **reconciliation of the Capital Estimate and Budget** which is included in the House's resource accounts.

13. The Estimate and supporting statements provide an explanation of the expenditure that the House of Commons proposes to finance from funds made available by Parliament.

Contingent liabilities 14. The Notes to the Estimate include details, where appropriate, of any contingent liabilities in force, which, if they matured, would necessitate the voting of additional expenditure through the Estimate.

Section 3. Supply Estimates and the control of public expenditure

- The main spending aggregates** 1. The Central Government Supply Estimates 2006-07 (HC1035) provide details of the resource-based system for the control of public expenditure. The House of Commons: Administration Estimate follows the same broad principles.

Section 4. Parliamentary Procedure

1. Parliament's consideration of the Supply Estimates is part of its Supply procedure, by which it approves all requests for funds.
2. The process consists of a number of stages and full details are provided in the Central Government Supply Estimates 2006-07 (HC1035). The House of Commons: Administration Estimate follows the same broad principles.

Section 5. House of Commons Supply Estimate

Introduction

1. This Estimate covers:
 - general administration including staff costs, general expenses, stationery, printing, broadcasting, IT, catering, accommodation services and associated non-cash costs.
 - some travel costs of Members of Parliament in connection with select committees and delegations to international parliamentary assemblies; and
 - grants-in-aid to both the History of Parliament Trust and the Association of Former Members of Parliament.

The main costs of Members' salaries, allowances and other related expenditure are borne on the House of Commons: Members Estimate.

2. Abbreviations are explained in the introduction to this booklet.

Part 1

	£
RfR1: House of Commons Administrative Expenditure	226,498,000
RfR2: Grants to other bodies	1,302,000
Total resource requirement	227,800,000
Cash requirement	177,900,000

Amounts required in the year ending 31 March 2007 for expenditure by the House of Commons: Administration on:

RfR1: House of Commons Administrative Expenditure:

General administration: including staff costs, general expenses, stationery, printing, broadcasting, IT, catering and accommodation services; and associated non-cash items.

RfR2: Grants to other bodies:

Grant-in-aid to both the History of Parliament Trust and the Association of Former Members of Parliament.

The Clerk of the House of Commons will account for this Estimate.

	Total £	Allocated in Vote on Account (HC467) £	Balance to complete £
RfR1	226,498,000	91,934,000	134,564,000
RfR2	1,302,000	541,000	761,000
Total resource requirement	227,800,000	92,475,000	135,325,000
Cash requirement	177,900,000	72,540,000	105,360,000

Part II: Subhead detail

Resources					Capital	2005-06 Provision	£000s 2004-05 Outturn
2006-07							
1	2	3	4	5	6	7	
Admin	Other current	Grants	Net total resources	Net total capital	Net total resources	Net total resources	
RfR1: House of Commons Administrative Expenditure							
226,498	–	–	226,498	17,240	327,798	188,681	
RfR2: Grants to other bodies							
–	–	1,302	1,302	–	1,202	1,200	
Total	226,498	–	1,302	227,800	17,240	329,000	189,881

Part II: Resource to cash reconciliation

	2006-07 Provision	2005-06 Provision	£'000 2004-05 Outturn
Total Resources	227,800	329,000	189,881
Voted capital items			
Capital	17,240	12,200	10,801
Total voted capital	17,240	12,200	10,801
Non-operating cost AinA	–	–	–28
Accruals to cash adjustment			
Capital charges	–32,900	–32,400	–32,896
Depreciation	–16,630	–15,300	–13,902
Loss/gain on revaluation	–1,000	–	–3,345
Loss/gain on disposal	–	–	19
Other non-cash items	–110	–130	–130
Increase(+)/decrease(–) in stock	–	–	47
Increase(+)/decrease(–) in debtors	–	–	–1,476
Increase(–)/decrease(+) in creditors	–	1,100	–1,430
Provisions:			
Use of provision	6,800	6,825	5,281
Increase in provision	–23,300	–140,095	–9,161
Total accruals to cash adjustments	–67,140	–180,000	–56,993
Cash Requirement	177,900	161,200	143,661

Part III: Extra receipts payable to the Consolidated Fund

No CFER income or receipts are expected in 2006-07.

Forecast Operating Cost Statement

For the year ended 31 March 2007

	2006-07	2005-06	£'000
	provision	provision	2004-05
			outturn
Administration Costs			
RfR1	226,498	327,798	188,681
RfR2	—	—	—
Total Administration costs	226,498	327,798	188,681
Programme Costs			
RfR1	—	—	—
RfR2	1,302	1,202	1,200
Total Programme costs	1,302	1,202	1,200
Total Operating Cost	227,800	329,000	189,881
Resource Outturn	227,800	329,000	189,881
Resource Budget Outturn	227,800	329,000	189,881

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

There are no reconciliation adjustments for 2006-07.

Explanation of Accounting Officer's responsibilities

The Clerk of the House of Commons, Mr R B Sands, has been appointed as Accounting Officer for the House of Commons: Administration Estimate, with overall responsibility for preparing Estimates for the House of Commons.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the House's assets, are broadly in line with those set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

Analysis of Appropriations in Aid

The House of Commons: Administration Estimate operates under a net cost control regime within the overall authority set out in the House of Commons (Administration) Act 1978.

Change to accounting policies

The future pension liability attached to the House of Commons Staff Pension Scheme was fully recognised for the first time in 2005-06. This gave rise to a significant one-off resource cost in 2005-06. The increased pension costs in later years reflects a reduction in the discount rate which has given rise to an increase in contribution rate from 17.4% to 22.6% and other adjustments to the interest rate on the pension provision.

Contingent liabilities and assets

The House of Commons has works of art on loan from various collections; these are indemnified to the value of £5,226,000 (at 31 March 2005).

Grants-in-Aid

There is a grant-in-aid to the History of Parliament Trust (RfR2) totalling £1,300,000. The accounts for this body are audited by the Comptroller and Auditor General and presented to Parliament. In addition, the Commission have agreed a modest grant-in-aid of £1,500 to the Association of Former Members of Parliament.

ANNEX A: SUPPLEMENTARY BUDGETARY INFORMATION

Table 1: House of Commons Administration resource budget: voted and non-voted

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
	outturn	outturn	outturn	outturn	provision	Estimate	planned	planned
Resource budget:								
RfR1: Administration	164,367	178,826	177,117	188,681	327,798	226,498	223,598	222,498
RfR2: Grants to other bodies	1,059	1,180	1,100	1,200	1,202	1,302	1,302	1,302
Total voted resource budget	165,426	180,006	178,217	189,881	329,000	227,800	224,900	223,800
Non-voted resource budget	—	—	—	—	—	—	—	—
Total resource budget	165,426	180,006	178,217	189,881	329,000	227,800	224,900	223,800

Table 2: House of Commons Administration capital budget: voted and non-voted

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
	outturn	outturn	outturn	outturn	provision	Estimate	planned	planned
Capital budget:								
RfR1: Administration	11,908	8,100	10,309	10,801	12,200	17,240	13,360	13,200
RfR2: Grants to other bodies	—	—	—	—	—	—	—	—
Total voted capital budget	11,908	8,100	10,309	10,801	12,200	17,240	13,360	13,200
Non-voted capital budget	—	—	—	—	—	—	—	—
Total capital budget	11,908	8,100	10,309	10,801	12,200	17,240	13,360	13,200

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