
Supply Estimate 2007-08
House of Commons: Administration

Main Supply Estimate

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2007-08

for the year ending 31 March 2008

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*

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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 2007-08 (HC438). The arrangements for the House's own Administration Estimate broadly follow the same pattern.

2007-08 Main Supply Estimates

3. The total resource expenditure for which authority is sought in the 2007-08 Main Estimate for the House of Commons: Administration is £233.1 million.

4. The total forecast outturn for expenditure on a resource basis in 2006-07 is about £222 million. The net resource requirement sought through Supply for 2007-08 is about £11 million higher than the forecast net resource outturn for 2006-07.

Supplementary Budget Information

5. Table 1 shows the House of Commons: Administration resource budget split into voted and non-voted spending, 2002-03 to 2009-10, and Table 2 shows the capital budget split into voted and non-voted spending, 2002-03 to 2009-10.

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: Appropriations 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 2007-08 (HC438) 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 2007-08 (HC438). 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 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 I

	£
RfR1: House of Commons Administrative Expenditure	231,742,000
RfR2: Grants to other bodies	1,358,000
Total resource requirement	233,100,000
Cash requirement	173,300,000

Amounts required in the year ending 31 March 2008 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; associated non-cash items; and some travel costs of Members of Parliament in connection with select committees and delegations to international parliamentary assemblies.

RfR2: Grants to other bodies:

Grants-in-aid to 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	Balance to
	£	Account (HC4)	complete
	£	£	£
RfR1	231,742,000	101,924,000	129,818,000
RfR2	1,358,000	586,000	772,000
Total resource requirement	233,100,000	102,510,000	130,590,000
Cash requirement	173,300,000	80,055,000	93,245,000

Part II: Subhead detail

2007-08					2006-07	£'000
Resources			Capital		Provision	2005-06
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						
231,742	-	-	231,742	6,740	226,498	319,357
RfR2: Grants to other bodies						
-	-	1,358	1,358	-	1,302	1,202
Total	231,742	-	1,358	233,100	6,740	320,559

Part II: Resource to cash reconciliation

	2007-08	2006-07	£'000
	Provision	Provision	2005-06
			Outturn
Total Resources	233,100	227,800	320,559
Voted capital items			
Capital	6,740	17,240	10,154
Total voted capital	6,740	17,240	10,154
Non-operating cost AinA	-	-	-7
Accruals to cash adjustments			
Capital charges	-30,400	-32,900	-28,224
Depreciation	-16,540	-16,630	-15,810
Loss/gain on revaluation	-1,000	-1,000	-5,519
Loss/gain on disposal	-	-	-22
Other non-cash items	-100	-110	-110
Increase(+)/decrease(-) in stock	-	-	30
Increase(+)/decrease(-) in debtors	-	-	-1,542
Increase(-)/decrease(+) in creditors	-	-	-25
Provisions:			
Use of provision	5,500	6,800	7,237
Increase in provision	-24,000	-23,300	-137,833
Total accruals to cash adjustments	-66,540	-67,140	-181,818
Cash Requirement	173,300	177,900	148,888

Part III: Extra receipts payable to the Consolidated Fund

No CFER income or receipts are expected in 2007-08.

FORECAST OPERATING COST STATEMENT

for the year ended 31 March 2008

	2007-08	2006-07	£'000
	provision	provision	2005-06
			outturn
Administration Costs			
RfR1	231,742	226,498	319,357
RfR2	-	-	-
Total Administration costs	231,742	226,498	319,357
Programme Costs			
RfR1	-	-	-
RfR2	1,358	1,302	1,202
Total Programme costs	1,358	1,302	1,202
Total Operating Cost	233,100	227,800	320,559
Resource Outturn	233,100	227,800	320,559
Resource Budget Outturn	233,100	227,800	320,559

NOTES TO THE MAIN ESTIMATE

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

There are no reconciliation adjustments for 2007-08.

Explanation of Accounting Officer's responsibilities

The Clerk of the House of Commons, Dr M R Jack, 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

Modified historic cost accounting is no longer used to determine current values of certain non-land and building assets. Instead such assets are now valued at depreciated historic cost. The impact of this policy change on the Estimate is minimal.

The change of policy for determining the current / capital split of costs for major Works projects instigated in 2006-07 has given greater certainty on planning expenditure, although the mix of projects undertaken in any particular year can lead to fluctuations in the level of capital expenditure incurred. The high level of capital provision shown for 2006-07- reflects in part, the construction of the Visitor Reception Building.

Contingent liabilities and assets

The House of Commons has works of art on loan from various collections; these are indemnified to the value of £5,507,000 (at 31 March 2006).

Grants-in-Aid

There is a grant-in-aid to the History of Parliament Trust (RfR2) totalling £1,352,000. 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 £6,000 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**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
	outturn	outturn	outturn	outturn	provision	Estimate	planned	planned
Resource budget:								£'000
RfR1: Administration	178,826	177,117	188,681	319,357	226,498	231,742	232,140	233,036
RfR2: Grants to other bodies	1,180	1,100	1,200	1,202	1,302	1,358	1,460	1,264
Total voted resource budget	180,006	178,217	189,881	320,559	227,800	233,100	233,600	234,300
Non-voted resource budget	-	-	-	-	-	-	-	-
Total resource budget	180,006	178,217	189,881	320,559	227,800	233,100	233,600	234,300

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

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
	outturn	outturn	outturn	outturn	provision	Estimate	planned	planned
Capital budget:								£'000
RfR1: Administration	8,100	10,309	10,801	10,154	17,240	6,740	4,720	4,200
RfR2: Grants to other bodies	-	-	-	-	-	-	-	-
Total voted capital budget	8,100	10,309	10,801	10,154	17,240	6,740	4,720	4,200
Non-voted capital budget	-	-	-	-	-	-	-	-
Total capital budget	8,100	10,309	10,801	10,154	17,240	6,740	4,720	4,200