
Supply Estimate 2016-17

For the year ending 31 March 2017

House of Commons: Administration Supplementary Estimate

Supply Estimate

2016-17

for the year ending 31 March 2017

Supplementary Estimate House of Commons: Administration

*Presented to the House of Commons
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 are presented to Parliament around the start of the financial year to which they relate. In addition, there is an opportunity to present a Supplementary Estimate towards the financial year end.
2. Section 7(3) of the Supply and Appropriation (Main Estimates) Act 2015 establish that a Departmental Expenditure Limit equivalent (DEL equivalent), rather than a Departmental Expenditure Limit (DEL) and Annually Managed Expenditure (AME) limit, has been adopted for all House of Commons Administration expenditure.
3. Further information on the resource based supply arrangements is provided in the Main Estimate (HC 935).
4. The House is seeking a Supplementary Estimate to address financial matters arising from decant accommodation plans for the Northern Estate Programme, specifically;
 - The transfer of the leases on 39 Victoria Street to the Secretary of State for Communities and Local Government (DCLG), and
 - Taking on Richmond House; initially by a Memorandum of Terms of Occupancy (MOTO).
5. The reduction in resource and capital arising from the transfer of the 39 Victoria Street leases will be dealt with by budget exchange with the Department of Health (DH), who will be occupying the building. The resource budget transfer is £1.4m for rent and rates and the capital budget transfer is £13.8m for fitting out. There will also be accelerated depreciation of previously capitalised expenditure on 39 Victoria Street of £0.7m. The House will pay the balance sheet credit for the rent free period on 39 Victoria Street to the DH, this will have no net impact on resource.
6. Design work on Richmond House commenced this year in order to maintain momentum on the Northern Estate Programme prior to confirmation of transfer of the asset. This confirmation was received on 15 November 2016. The House proposes treating expenditure before this date as resource, in line with accounting standards, and adjusting the Estimate by £2.9m accordingly.
8. As 39 Victoria Street and Richmond House will effectively be swapped between Government and the House, the transfer is expected to be cost neutral to the public purse.
7. A provision of £0.1m for Non-Voted Capital DEL (equivalent) represents further utilisation of funds held in the Commission Reserve which sits outside the normal Supply arrangements.
8. The movements are summarised in the table below;

	Resource	Capital
	£'000	£'000
39 Victoria Street - accelerated depreciation	700	
39 Victoria Street - Resource budget transfer to DH	-1,400	
39 Victoria Street - Rent free period paid to DH	10,900	
39 Victoria Street - Rent free period credit from balance sheet	-10,900	
39 Victoria Street - Capital budget transfer to DH		-13,800
Richmond House - Design Work	2,900	
Catering projects - Commission reserve		100
Total	2,200	-13,700

Section 2. House of Commons: Administration Supplementary Estimate

Part 1

	£s		
	Voted	Non-Voted	Total
Departmental Expenditure Limit equivalent			
Resource	2,200,000	-	2,200,000
Capital	-13,800,000	100,000	-13,700,000
Total net Budget	-11,600,000	100,000	-11,500,000
Total net cash requirement	-1,400,000	-	-1,400,000

Supplementary amounts required in the year ending 31 March 2017 for expenditure by the House of Commons: Administration on:

Departmental Expenditure Limit equivalent:

Expenditure arising from:

- General administration including staff costs, accommodation, stationery, printing, security, broadcasting, IT, catering, general expenses and associated non-cash costs; some travel costs of Members of Parliament in connection with select committees and delegations to international parliamentary assemblies; costs incurred on international parliamentary activities, and grants and grants-in-aid to organisations who promote the House of Commons' objectives including the History of Parliament Trust, certain parliamentary bodies and to the Association of Former Members of Parliament.

Income arising from:

- Catering receipts, rental income, sales of goods and services, fees received and receipts in connection with parliamentary activities.

The Clerk of the House of Commons, as Accounting Officer, will account for this Estimate.

Part II: Changes proposed

						£'000s		
Present		Net Resources Change		Revised		Present	Net Capital Change	Revised
Admin	Prog	Admin	Prog	Admin	Prog	7	8	9
1	2	3	4	5	6			
Departmental Expenditure Limit equivalent								
Voted expenditure								
224,600	-	2,200	-	226,800	-	83,300	-13,800	69,500
Non-voted expenditure								
100	-	-	-	100	-	-	100	100
Total spending in DEL equivalent								
224,700	-	2,200	-	226,900	-	83,300	-13,700	69,600

	£'000s		
	Present Plans	Changes	Revised Plans
Net cash requirement	281,500	-1,400	280,100

Part II: Revised subhead detail including additional provisions

£'000s

Revised Plans								
Resources						Capital		
Administration		Net	Programme		Net	Gross	Income	Net
Gross	Income		Gross	Income				
1	2	3	4	5	6	7	8	9
Departmental Expenditure Limit equivalent								
Voted expenditure								
243,700	-16,900	226,800	-	-	-	69,500	-	69,500
Non-voted expenditure								
100	-	100	-	-	-	100	-	100
Total spending in DEL equivalent								
243,800	-16,900	226,900	-	-	-	69,600	-	69,600

Part II: Resource to cash reconciliation

	Present Plans	Changes	£'000s Revised Plans
Departmental Expenditure Limit equivalent:			
Net Resource Requirement	224,700	2,200	226,900
Net Capital Requirement	83,300	-13,700	69,600
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Depreciation	-23,000	-700	-23,700
Loss/gain on revaluation	-	-	-
Provisions (new and adjusted)	-	-	-
Other non-cash items	-3,400	-	-3,400
Adjustments to reflect movements in working balances			
Increase(+)/Decrease(-) in stock	-	-	-
Increase(+)/Decrease(-) in debtors	-	10,900	10,900
Increase(-)/Decrease(+) in creditors	-	-	-
Provisions:			
Use of provisions	-	-	-
Removal of non-voted budget item	-100	-100	-200
Net Cash Requirement	281,500	-1,400	280,100

Part III: Note A – Forecast Operating Cost Statement & Reconciliation Table

	£'000s
	Revised Plans
Gross Administration Costs	243,800
Less: Income	-16,900
Net Administration Costs	226,900
Gross Programme Costs	-
Less: Non-budget income	-
Net Programme Costs	-
Total Net Operating Costs	226,900
<i>of which:</i>	
Resource DEL equivalent	226,800
Non Budget	100
Total Resource (Budget)	226,900
<i>of which:</i>	
Resource Departmental Expenditure Limit equivalent	226,900
Total Resource (Estimate)	226,900

Part III: Note B – Analysis of Income

	£'000s
	2016-17 Plan
Voted Departmental Expenditure Limit equivalent	-16,900
Administration: catering receipts, rental income, sales of goods and services, fees received and receipts in connection with parliamentary activities.	
Total Voted Resource Income	-16,900

Part III: Note C

Analysis of Consolidated Fund Extra Receipts (CFER)

There are no planned CFERs for 2016-17.

Part III: Note D

Explanation of Accounting Officer responsibilities

In accordance with Section 3(2), Chapter 36 of the House of Commons (Administration) Act 1978, the House of Commons Commission has appointed the Clerk of the House of Commons, David Natzler as the Principal Accounting Officer for the House of Commons: Administration Estimate.

The Clerk of the House of Commons, as Principal Accounting Officer, has personal responsibility for the preparation of the House of Commons Administration Resource Accounts, and is also responsible for the use of public money and stewardship of assets. In discharging these responsibilities, particular regard is given to:

- Observing any accounting and disclosure requirements and applying suitable accounting policies on a consistent basis;
- Making judgements and Estimates on a reasonable basis;
- Stating whether applicable accounting standards as set out in the House of Commons Financial Reporting Manual have been followed, and explain any material departures in the accounts; and
- Preparing the accounts on a going concern basis.

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 set out in *Managing Public Money* issued by the Treasury.