



Memorandum on the Supplementary Estimate 2017-18

Contents

Introduction	2
Key points	2
Our ambit	2
Key responsibilities	2
Main priorities	2
Main Estimate 2017-18 provision by budgetary limits	3
Supplementary Information	4
Budgetary limits	4
Machinery of Government transfers	5
Budget Cover Transfers	5
Accounting Officer declaration	5



Introduction

The Department for Exiting the European Union (DExEU) was established by the Prime Minister on 14 July 2016 to oversee the United Kingdom's (UK) exit from the European Union (EU).

This memorandum provides an overview and analysis of the 2017-18 provision sought by DExEU, and has been prepared in accordance with HM Treasury's 'Supply Estimates: a guidance manual'.

Key points

Our ambit

DExEU supports the Prime Minister to deliver the Government's objective of exiting the EU, including the negotiation of the UK's future relationship with the EU, associated capital expenditure, other related expenditure and non-cash items.

Key responsibilities

DExEU's responsibilities are outlined in our single departmental plan. We:

- Lead the United Kingdom's negotiations to leave the EU and establish a deep and special partnership with the EU.
- Work with the Devolved Administrations, Parliament, EU Member States and Institutions and a wide range of other interested parties throughout the negotiations.
- Lead and coordinate cross-government work to seize the opportunities and ensure a smooth process of exit, including the required domestic legislation, on the best possible terms.
- Continue our work across Whitehall and in Brussels to coordinate European business, exercise our rights and meet our obligations as a member of the EU until we exit.

Main priorities

DExEU's priorities are:

- ensuring the government is able to take initial decisions on our withdrawal on the basis of the best possible advice
- strengthening capability across government in preparation for the work ahead
- reaching out to stakeholders in order to understand and capture their views



Main Estimate 2017-18 provision by budgetary limits

2017-18	£m
Resource Departmental Expenditure Limit (RDEL) - Administration	101.0
<i>Of which ring-fenced Depreciation</i>	0
Capital Departmental Expenditure Limit (CDEL)	0.1
Resource Annually Managed Expenditure (RAME)	0.5
Control total	101.6

RDEL

DExEU's 2017-18 RDEL budget will cover ongoing costs for staff and staff-related expenditure, travel and subsistence, estates and ICT provision, costs of shared services, consultancy and legal activity in relation to the Department's purpose of exiting the EU.

There will be income arising from the recovery of costs from other Government departments, including the recovery of interpreters' fees, and other related activities.

CDEL

DExEU's capital will cover the costs associated with assets to enable the effective running of the department such as those associated with IT and accommodation.

AME

The 2017-18 AME budget will cover provisions for legal activity, dilapidations and onerous contracts, revaluation and impairment of assets, and associated non-cash items in AME.



Supplementary Information

Budgetary limits

The following table details DExEU's budgetary limits from the 2013-14 to 2019-20 financial years, all of which is voted budget (Supplementary Estimate for 2017-18):

Year	RDEL Admin, £m	CDEL, £m	RAME, £m
2019-20	95.2	0.1	0.5
2018-19	100.0	0.1	0.5
2017-18	76.8	0.8	3
2016-17	48.9	1.5	0.5
2015-16	6.5	-	-
2014-15	6.4	-	-
2013-14	6.5	-	-

2017-18 Main to Supplementary Estimate Transition £m	Main Estimate	Supplementary Estimate	Change	Description
RDEL	101	76.4	-24.6	-£20,000k to HMT -£965k to CO -£458k to TNA -£380k to FCO -£2,500k RDEL to AME -£650k RDEL to CDEL +£360k Dep ringfence
CDEL	0.1	0.8	+0.7	Headcount increase for IT
AME	0.5	3	+2.5	AME increase for dilapidation and litigation
Depreciation	-	0.4	+0.4	HMT mandatory cost type for ringfence
Total	101.6	80.6	-21	



Machinery of Government transfers

During the 17/18 Financial Year a Machinery of Government (MOG) change involving the transfer of responsibilities in relation to the role of Europe Adviser to the Prime Minister and Secretariat functions from DExEU to the Cabinet Office (CO). The impact of these changes total £3.4m over 4 years, dating back to 2016-17. As required for MOG reporting by HM Treasury, a retrospective expenditure transfer for 2016-17, whilst 2018-19 and 2019-20 budgets are moved to CO to reflect changes to the structure of government and the allocation of government functions between departments and ministers.

Year	MOG transfers to CO
	£m
2019-20	0.97
2018-19	0.97
2017-18	0.96
2016-17	0.5
TOTAL	3.4

Budget Cover Transfers

The Department has provided Budget Cover Transfers (BCTs) to The National Archives (TNA) and Foreign and Commonwealth Office (FCO). The National Archives will receive £458k to cover work on preparing to publish new UK legislation that incorporates laws previously covered by EU legislation. The FCO will receive funding for a number of UK Representative to Brussels (UKREP) roles that will help support the Brexit negotiations and also for key stakeholder events that will take place in Diplomatic posts across Europe.

Accounting Officer declaration

DExEU's Accounting Officer, Philip Rycroft, has formally approved the material contained within this memorandum.