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# **Supply Estimate 2017-18**

**For the year ending 31 March 2018**

## **House of Commons: Administration Supplementary Estimate**

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# **Supply Estimate**

**2017-18**

**for the year ending 31 March 2018**

## **Supplementary Estimate House of Commons: Administration**

*Presented to the House of Commons  
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 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 1119).
4. The House is seeking a Supplementary Estimate to address financial matters arising from:
  - The transfer of the Members IT equipment budget from the Members Estimate;
  - Changes to key planning assumptions affecting the Restoration and Renewal and Northern Estates Programmes; and
  - The taking possession of Richmond House.
5. The 2017/18 Administration Estimate included transfers of some budgets from the Members Estimate in order to improve financial monitoring. One of these budgets was for Members IT Equipment. The related net asset value (£2.1m) held in the Members accounts have been transferred to the Administration accounts and this non-cash reduction in the net Administration budget mirrors a non-cash increase in the Members budget to account for the transfer.
6. Changes to planning assumptions on the Restoration and Renewal and Northern Estate Programmes have resulted in a lower capital requirement. For Restoration and Renewal this is £9.8m and for Northern Estates this is £46.3m. The combined impact is a cash reduction to Capital of £56.1m.
7. The House took possession of Richmond House on 12 January 2018. The accounting treatment is under discussion and may lead to a recognition of the asset on the balance sheet in advance of the expected transfer of ownership. Whilst the transfer is expected to be non-cash this has not been confirmed. Should the asset be recognised in 2017/18 and ultimately involve a cash payment, a capital provision will need to be made. This provision will require a non-cash increase in the capital Estimate of £104.7m.
8. The movements are summarised in the table below:

	<b>Resource £'000</b>	<b>Capital £'000</b>
Members Estimate IT assets transfer	-2,067	
Restoration & Renewal		-9,800
Northern Estates		-46,300
Richmond House transfer		104,700
<b>Total net budget</b>	<b>-2,067</b>	<b>48,600</b>
<b>Total net cash requirement</b>	<b>-</b>	<b>-56,100</b>

## Section 2. House of Commons: Administration Supplementary Estimate

### Part 1

	£s		
	Voted	Non-Voted	Total
<b>Departmental Expenditure Limit equivalent</b>			
Resource	-2,067,000	-	-2,067,000
Capital	48,600,000	-	48,600,000
<b>Total net Budget</b>	<b>46,533,000</b>	-	<b>46,533,000</b>
<b>Total net cash requirement</b>	<b>-56,100,000</b>	-	<b>-56,100,000</b>

Supplementary amounts required in the year ending 31 March 2018 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, sale of goods and services, fees received and receipts in connection with parliamentary activities is used to meet the cost of the goods and services provided.

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

**Part II: Changes proposed**

						<b>£'000s</b>		
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			
<b>Departmental Expenditure Limit equivalent</b>								
<b>Voted expenditure</b>								
257,900	-	-2,067	-	255,833	-	154,100	48,600	202,700
<b>Non-voted expenditure</b>								
100	-	-	-	100	-	-	-	-
<b>Total spending in DEL equivalent</b>								
<b>258,000</b>	<b>-</b>	<b>-2,067</b>	<b>-</b>	<b>255,933</b>	<b>-</b>	<b>154,100</b>	<b>48,600</b>	<b>202,700</b>

	£'000s		
	Present Plans	Changes	Revised Plans
<b>Net cash requirement</b>	<b>384,400</b>	<b>-56,100</b>	<b>328,300</b>



**Part II: Revised subhead detail including additional provisions**

£'000s

Revised Plans								
Resources						Capital		
Administration		Net	Programme			Gross	Income	Net
Gross	Income		Gross	Income	Net			
1	2	3	4	5	6	7	8	9
<b>Departmental Expenditure Limit equivalent</b>								
<b>Voted expenditure</b>								
273,933	-18,100	255,833	-	-	-	202,700	-	202,700
<b>Non-voted expenditure</b>								
100	-	100	-	-	-	-	-	-
<b>Total spending in DEL equivalent</b>								
<b>274,033</b>	<b>-18,100</b>	<b>255,933</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>202,700</b>	<b>-</b>	<b>202,700</b>

**Part II: Resource to cash reconciliation**

	<b>Present Plans</b>	<b>Changes</b>	<b>£'000s Revised Plans</b>
<b>Departmental Expenditure Limit equivalent:</b>			
<b>Net Resource Requirement</b>	<b>258,000</b>	<b>-2,067</b>	<b>255,933</b>
<b>Net Capital Requirement</b>	<b>154,100</b>	<b>48,600</b>	<b>202,700</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Depreciation	-27,200	-	-27,200
Loss/gain on revaluation	-	-	-
Provisions (new and adjusted)	-	-	-
Other non-cash items	-400	-102,633	-103,033
Adjustments to reflect movements in working balances			
Increase(+)/Decrease(-) in stock	-	-	-
Increase(+)/Decrease(-) in debtors	-	-	-
Increase(-)/Decrease(+) in creditors	-	-	-
Provisions:			
Use of provisions	-	-	-
<b>Removal of non-voted budget item</b>	<b>-100</b>	<b>-</b>	<b>-100</b>
<b>Net Cash Requirement</b>	<b>384,400</b>	<b>-56,100</b>	<b>328,300</b>

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

	£'000s
	<b>Revised Plans</b>
Gross Administration Costs	274,033
Less: Income	-18,100
<b>Net Administration Costs</b>	<b>255,933</b>
Gross Programme Costs	-
Less: Non-budget income	-
<b>Net Programme Costs</b>	<b>-</b>
<b>Total Net Operating Costs</b>	<b>255,933</b>
<i>of which:</i>	
Resource DEL equivalent	255,833
Non Voted	100
<b>Total Resource (Budget)</b>	<b>255,933</b>
<i>of which:</i>	
Resource Departmental Expenditure Limit equivalent	255,933
<b>Total Resource (Estimate)</b>	<b>255,933</b>

**Part III: Note B – Analysis of Income**

	£'000s
	2017-18 Plan
<b>Voted Departmental Expenditure Limit equivalent</b>	-18,100
Administration: catering receipts, rental income, sales of goods and services, fees received and receipts in connection with parliamentary activities.	
<b>Total Voted Resource Income</b>	<b>-18,100</b>

**Part III: Note C**

**Analysis of Consolidated Fund Extra Receipts (CFER)**

There are no planned CFERs for 2017-18.

### **Part III: Note D**

#### **Explanation of Accounting Officer responsibilities**

In accordance with Section 3(2), 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.

