

# Estimates memorandum requirements: guidance for Scotland, Wales and Northern Ireland Offices (revised December 2020)

Each Main and Supplementary Estimate put before Parliament for approval must be accompanied by an Estimates memorandum. The memorandum must be approved by the Accounting Officer of the organisation to which the Estimate relates. The Estimates memorandum should be sent to the relevant Select Committee of the House of Commons no later than the day of publication of the Estimate.

Separate guidance and mock up examples have been produced for four different types of department/body presenting an Estimate:

- Larger departments\* (excluding Scotland, Wales and Northern Ireland Offices)
- Scotland, Wales and Northern Ireland Offices
- Smaller departments
- Pension funds

\* Larger departments, includes HMRC

“Smaller” departments includes any department or body presenting an Estimate, which is not included in the other categories.

The guidance below covers **Scotland, Wales and Northern Ireland Offices** and should be looked at in conjunction with the relevant **mock up examples** which have been produced for these offices’ Main Estimates and Supplementary Estimates.

Estimates memoranda should follow the format set out in the mock up examples, including the paragraph numbers, headings and table numbers given. The guidance below explains what to include under each of the relevant paragraphs and tables referred to in the mock up example.

## 1 Overview

### 1.1 Objectives

Describe the main objectives of the relevant office taken from the latest corporate plan or other appropriate document and which apply for the year in question

## 1.2 Spending controls

Describe the coverage and what is meant by the various spending totals being voted, distinguishing between spending of the sponsoring office and payments to the relevant consolidated fund in support of devolved institutions.

Eg The spending totals which Parliament votes are:

For [relevant] Office itself:

- Resource Departmental Expenditure Limit (“**Resource DEL**”)- day to day running costs of the [relevant] Office
- Capital Departmental Expenditure Limit (“**Capital DEL**”): - investment in infrastructure of the [relevant] office

For the [relevant] Government

- **Non-budget** expenditure-cash payments to the [relevant] Consolidated Fund. This includes cash payments to support spending by the [relevant] Government and Parliament, [including payover of the taxes collected by the UK government on behalf of the devolved institutions, such as XXXX tax].

In addition, Parliament votes a net cash requirement, designed to cover both the cash required to cover [relevant] Office’s own DEL spending, and the cash grant to the [relevant] Consolidated Fund.

## 2. [Relevant] Office

### 2.1 Comparison of spending totals sought

For the relevant office, comparisons should be made for totals:

- For Main Estimates: with 1) last year’s final budget (Supplementary Estimate) and 2) last year’s original budget (Main Estimate)
- For Supplementary Estimates: with 1) the original budget for the current year (Main Estimate) and 2) the final *outturn* for the year before.

The figures shown in the variance columns should show the variance and percentage variance of the new Estimate figure compared to the column heading. So if the new Estimate is for £12m and the comparatives for past years/estimates were £10m and £8m, the columns should show £12m (for the Estimate), and +£2m and +£4m and corresponding %ages for past years/Estimates. In other words the new Estimate seeks £2m and £4m more than in the past.

### 2.2 Key drivers of spending totals since last year

This should be a high-level indication of any key drivers leading to changes to overall spending levels for the relevant office. It should cover major changes such as machinery of government or new responsibilities.

## 2.3 Spending trends

The time series should cover at least the previous three years, the current year, and future years covered by the latest Spending Review.

The explanation should explain the broad trends that this shows, especially large increases and decreases.

## 2.4 Administration and efficiency plans

As with the table at 1.4, comparisons of administration costs should be made

- For Main Estimates: with 1) last year's final budget (Supplementary Estimates) and 2) last year's original budget (Main Estimate)
- For Supplementary Estimates: with 1) the original budget for the current year (Main Estimate) and 2) the final *outturn* for the year before

Where reductions in administration costs have been achieved so far, the Department should explain in broad terms the main ways this has been achieved eg in terms of reductions in the size of the workforce, pay restraint, estate consolidation, re-organisation and administrative changes, charging, IT solutions etc. Where efficiencies have been re-invested this can also be explained.

Where future efficiencies are planned, an indication should be given of the ways in which this is expected to be achieved (the same types of examples apply).

The figures shown in the variance columns should show the variance and percentage variance of the new Estimate figure compared to the column heading. So if the new Estimate is for £12m and the comparatives for past years/estimates were £10m and £8m, the columns should show £12m (for the Estimate), and +£2m and +£4m and corresponding %ages for past years/Estimates. In other words the new Estimate seeks £2m and £4m more than in the past.

# 3 Payments to [relevant] consolidated fund

## 3.1 Comparison of cash to be paid over

For the Consolidated fund, comparisons should be made for totals:

- For Main Estimates: with 1) last year's final budget (Supplementary Estimate) and 2) last year's original budget (Main Estimate)
- For Supplementary Estimates: with 1) the original budget for the current year (Main Estimate) and 2) the final *outturn* for the year before.

## 3.2 Key drivers of changes since last year in levels of cash to be paid over

This should be a high-level indication of any key drivers leading to changes to overall payments to the relevant fund. It should cover major changes such as further devolution of functions or taxes.

### 3.3 Cash grant payable to [relevant] consolidated fund

This table should set out how agreed Total Managed Expenditure reconciles to the cash to be paid to the Consolidated Fund. It should show the separate elements of TME and the line items which are required to reconcile to the payments to CF total.

### 3.4 Barnett Consequentials

This section should state the total Barnett consequential since the last Spending review and add a link to the latest Barnett transparency data.

It should then list in a table individual Barnett consequentials by fiscal event, showing amounts in each case, and the UK department/programme which generates the consequential, the amount and the budgetary aggregate affected (RDEL, CDEL etc), and sub totals.

Ensure that the descriptions of individual Barnett consequentials are self-explanatory and explain any acronyms or special terms.

### 3.5 Control Totals for the [relevant] Government including breakdown by main programme of AME spending

Provide a table giving details of the various spending control totals for the devolved government, including separate lines for ring fences such as financial transactions DEL, and any self-funded AME

### 3.6 Reconciliation of the latest Spending Review settlement for the [relevant] Government and current Control Totals for [this year]

Include a table listing the changes to DEL spending totals since the Spending Review, showing the sub totals for Barnett consequentials for each fiscal event from section 3.4 above, followed by individual line items for other changes, reconciling the original SR total to the current total.

### 3.7 Spending trends

Set out a table of spending trends for the relevant devolved government for the last five years, current year and forward years, by DEL category. This table was previously provided as a composite table with information on the relevant office, now contained in section 2.5.

## Annex A

This should be provided in **Excel** and include a table of funding changes since the last Spending Review.

The table must take the form of the mock- up table and include the following:

Columns for resource DEL (excluding depreciation and impairments and student loans ring fence); depreciation and impairments; student loans ring fence, and Resource DEL total; and capital excluding financial transactions, financial transactions, capital DEL including financial transactions.

**For Supplementary Estimates only**, there should be an additional column indicating which of the individual changes constitute DEL funding changes which are taking place as part of the Supplementary Estimate, and hence affect the cash sought for the Consolidated Fund.

Sub totals are required for

- The spending review outcome for the year of the Estimate
- Barnett consequential by UK department and policy/programme generating the consequential (**separate** sections need to be provided for those items *already* included in the latest budget transparency document and those which have been added since)
- Other funding and block grant adjustments, by item line (again **separate** sections need to be provided for those items *already* included in the latest budget transparency document and those which have been added since)

The totals shown in this annex as included in the latest budget transparency document should be consistent with the totals published in that document. A hyperlink to the latest budget transparency document should be provided. This will enable the user to identify clearly which changes were already included within the latest budget transparency document, to refer back to that document if required, and to see which funding items have been added since. This is a critical distinction to enable understanding of how the baseline has been constructed.

Other tables in sections 3.3, 3.5 and 3.7 of the document should also be duplicated included in the excel document. All tables provided should be consistent with each other.

The excel document forms part of the memorandum, and should be sent to the Committee alongside the remainder of the memorandum. Both will be published by the committee. The excel tables is subject to the same Accounting Officer approval as the rest of the memorandum.

## 4. Accounting Officer Approval

This section provides the official approval of the Estimate Memorandum. Suggested wording below.

*“This memorandum has been prepared according to the requirements and guidance set out by HM Treasury and the House of Commons Scrutiny Unit, available on the Scrutiny Unit website.*

*The information in this Estimates Memorandum has been approved by myself as Departmental Accounting Officer.*

*[signed]*

*[Name}*

*Accounting Officer*

*[Position]*

[Date]"