
Supply Estimates 1986-87

Statement of Excesses

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1986–87

for the year ending 31 March 1987

Statement of Excesses

Presented by Command of Her Majesty

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Introduction

1. This Statement of Excesses sets out the amounts of money which the Government requests Parliament to grant in excess Votes.
2. Excess Votes are presented if expenditure from any Vote has exceeded the provision in main, or Revised, and Supplementary Estimates approved by Parliament, and if there had been no opportunity to seek a further Supplementary Estimate before the end of the relevant financial year. They may be for Votes which are subject to a cash limit (in which case they may involve a breach of the limit) or for Votes which are not so subject.
3. Before any excess Votes are sought, the Appropriation Account for each Vote is prepared by the relevant department. The Accounts are examined and certified by the Comptroller and Auditor General and laid before the House of Commons. A report is made in respect of each Vote where the amount authorised by Parliament has been exceeded.
4. Parliament votes both gross provision and the amount of receipts which a department may appropriate in aid of expenditure. An excess Vote must therefore be sought even though there are surplus receipts available to be applied as appropriations in aid of the excess expenditure. In that case the excess Vote is for a token sum of £1,000 only.
5. A Statement of Excesses is normally presented to Parliament in February, 10 months after the end of the financial year to which it relates. Under House of Commons standing orders excess Votes may be put down for the consideration of the House provided that the Committee of Public Accounts have reported that they see no objection to the sum necessary being provided by excess Vote. Issues from the Consolidated Fund in respect of excess Votes are given legislative authority in the spring Consolidated Fund Act in March.
6. Part I shows the net total amount of excess Votes, Part II provides a statement of excesses for each Vote concerned, and Part III provides an explanation of the reasons for each excess.

1986-87

STATEMENT OF EXCESSES

Part I

£48,461,353·69

STATEMENT of the sums required to be voted in order to make good excesses on certain grants for the year ended 31 March 1987

Part II Summary of 1986-87 Statement of Excesses by Vote

Vote	Title	£	Amount to be voted £
I—Ministry of Defence			
3	Defence: armed forces retired pay, pensions, etc		
	Excess expenditure	1,606,911·47	
	Add: Deficiency in receipts (Subhead Z)	6,798·36	1,613,709·83
4	Defence accommodation services, etc		
	Excess expenditure	10,394,864·43	
	Add: Deficiency in receipts (Subhead Z)	22,113,841·38	32,508,705·81
6	Sale of government shares in Royal Ordnance plc		
	Deficiency in receipts (Subhead Z)	1,298,000·00	
	Less: Net savings available on other expenditure subheads	350,126·82	947,873·18
VII—Department of Employment			
3	Administration		
	Excess expenditure	1,899,584·02	
	Less: Surplus receipts available to be applied as appropriations in aid	603,162·96	1,296,421·06
X—Department of the Environment—Other Environmental Services			
8	Rate rebate grants to local revenues, England		
	Excess expenditure		339,533·00
XIV—DHSS—Health and Personal Social Services			
1	Hospital and community health and other services, England		
	Excess expenditure	2,750,750·52	
	Less: Surplus receipts available to be applied as appropriations in aid	2,749,750·52	1,000·00
XV—DHSS—Social Security			
3	Family benefits		
	Excess expenditure		7,917,515·79
5	Administration and miscellaneous services		
	Excess expenditure	4,355,156·17	
	Less: Surplus receipts available to be applied as appropriations in aid	888,647·79	3,466,508·38
XVII—Wales			
1	Agricultural support, Wales		
	Deficiency in receipts (Subhead Z)	818,676·70	
	Less: Net savings available on other expenditure subheads	691,468·75	127,207·95
XIX—Departments of the Chancellor of the Exchequer			
2	Economic and financial administration (Customs and Excise)		
	Deficiency in receipts (Subhead Z)	798,771·16	
	Less: Net savings available on other expenditure subheads	555,892·47	242,878·69
			48,461,353·69

Treasury Chambers
February 1988

Norman Lamont

Part III Explanations

**Defence: armed forces
retired pay, pensions, etc
(Class I, Vote 3)**

Expenditure borne on this Vote was not subject to a cash limit. Excess expenditure over the gross Estimate amounted to £1,606,911.47. Excesses totalling £4,639,000 arose on two subheads and were partly offset by savings of £3,032,000 on the remaining two subheads. The largest excess was £3,019,000 on subhead A2, Retired pay, pensions and other payments (including commutation) to Army personnel or their dependants and was mainly due to late bookings not originally expected to be brought to account in 1986-87. Receipts of classes authorised to be used as appropriations in aid fell short by £6,798.36 of the Estimate of £1,156,000. The authority of Parliament is sought to provide for the excess expenditure over the net Estimate, amounting to £1,613,709.83, by an excess Vote.

**Defence accommodation
services, etc
(Class I, Vote 4)**

This Vote forms part of the defence block cash limit covering Class I Votes 1, 2, 4 and 5 which in total was not exceeded. Excess expenditure over the gross Estimate, as increased by the Supplementary Estimate presented in February 1987 (HC 160 of 1986-87), amounted to £10,394,864.43. Excesses totalling £28,930,000 arose on two subheads and were partly offset by savings of £18,535,000 on the remaining five subheads. The largest excess was £28,306,000 on subhead A3, Maintenance and administration costs (current expenditure) and was mainly due to more bills having been paid at the end of the financial year than expected. Receipts of classes authorised to be used as appropriations in aid fell short by £22,113,841.38 of the Estimate, as increased by the Supplementary Estimate, of £270,476,000. The authority of Parliament is sought to provide for the excess expenditure over the net Estimate, amounting to £32,508,705.81 by an excess Vote.

**Sale of government shares
in Royal Ordnance plc
(Class I, Vote 6)**

Expenditure borne on this Vote was not subject to a cash limit. Although expenditure fell short of the gross Estimate, as increased by the Supplementary Estimate presented in February 1987 (HC 160 of 1986-87), by £350,126.82, receipts of classes authorised to be used as appropriations in aid also fell short of the Estimate, as increased by the Supplementary Estimate, by £1,298,000. The deficiency was due to the Government's decision not to proceed with the planned flotation of the company on the Stock Exchange in mid-1986. The authority of Parliament is sought to provide for the net excess of expenditure over the net Estimate, amounting to £947,873.18, by an excess Vote.

**Administration
(Class VII, Vote 3)**

This Vote was subject to a cash limit which was overspent. Excess expenditure over the gross Estimate, as increased by the Supplementary Estimates presented in June 1986 (HC 439 of 1985-86), November 1986 and February 1987 (HC 8 and 160 of 1986-87), amounted to £1,899,584.02. Excesses totalling £1,952,000 arose on two subheads and were partly offset by savings of £52,000 on two of the three remaining subheads. The largest excess was £1,941,000 on subhead A1, Running Costs, etc and was mainly due to the quicker submission and payment of outside suppliers' bills at the end of the year than had been anticipated resulting in insufficient provision being made for expenditure on projects in the pipeline which in the event were brought to account during the year. There were, however, surplus receipts of classes authorised to be used as appropriations in aid amounting to £603,162.96. Parliamentary authority is sought to apply these surplus receipts towards meeting the excess, leaving a sum of £1,296,421.06 to be provided by an excess Vote.

**Rate rebate grants to
local revenues, England
(Class X, Vote 8)**

Expenditure borne on this Vote was not subject to a cash limit. Excess expenditure over the Estimate, as increased by the Supplementary Estimates presented in November 1986 and February 1987 (HC 8 and 160 of 1986-87), amounted to £339,533.00. There was an excess of £666,000 on subhead A1, Rate rebates for disabled persons, which was partly offset by a saving of £326,000 on the remaining subhead. The excess arose because take-up of grant was greater than expected due to an increase in the number of qualifying institutions and adjustments to final claims from prior years, which accounted for a sudden and late upsurge in claims at the end of the financial year. There are no appropriations in aid of this Vote. The authority of Parliament is sought to provide for the excess by an excess Vote.

**Hospital and community
health and other services,
England
(Class XIV, Vote 1)**

This Vote was subject to a cash limit which was overspent. Excess expenditure over the gross Estimate, as increased by the Supplementary Estimates presented in June 1986 (HC 439 of 1985-86), November 1986 and February 1987 (HC 8 and 160 of 1986-87), amounted to £2,750,750.52. There was an excess of £25,020,000 on subhead A1, Current advances to and payments on behalf of health authorities, partly offset by savings of £22,269,000 on six of the eight remaining subheads. The cash limits of individual health authorities are set on a net basis and therefore any additional receipts can be used to increase the gross spending. The excess was due to revenue and capital receipts being higher than forecast when preparing the Spring Supplementary Estimates in December 1986. By the time the health authorities informed the Department of Health and Social

Security that income was likely to exceed significantly the amounts previously notified, it was too late to seek Parliamentary approval for an adjustment of appropriations in aid and any necessary increase in the expenditure provision to cover the consequential additional spending by health authorities. There were, however, surplus receipts of classes authorised to be used as appropriations in aid amounting to £13,077,424·03. Parliamentary authority is sought to apply £2,749,750·52 of these surplus receipts towards meeting the excess, leaving a token sum of £1,000 to be provided by an excess Vote.

**Family benefits
(Class XV, Vote 3)**

Expenditure borne on this Vote was not subject to a cash limit. Excess expenditure over the Estimate, as increased by the Supplementary Estimate presented in November 1986 (HC 8 of 1986-87), amounted to £7,917,515·79. Excesses totalling £12,389,000 arose on three subheads and were partly offset by savings of £4,471,000 on the remaining subhead. The largest excess was £8,965,000 on subhead A1, Child benefit. At the last opportunity for seeking supplementary provision the Department of Health and Social Security's forecasting system indicated savings on Family income supplement and on Maternity grant sufficient to meet the likely excess on Child benefit. The savings on Maternity grant were realised but expenditure on Family income supplement was higher than the estimate due to more beneficiaries than previously estimated and higher average weekly costs. There are no appropriations in aid of this Vote. The authority of Parliament is sought to provide for the excess by an excess Vote.

**Administration and
miscellaneous services
(Class XV, Vote 5)**

This Vote was subject to a cash limit which was overspent. Excess expenditure over the gross Estimate, as increased by the Supplementary Estimates presented in June 1986 (HC 439 of 1985-86), November 1986 and February 1987 (HC 8 and 160 of 1986-87), amounted to £4,355,156·17. Excesses totalling £9,389,000 arose on three subheads and were partly offset by savings of £5,034,000 on the six remaining subheads. The largest excess was £7,543,000 on subhead A3, Capital expenditure on computers, etc and was due mainly to the extent of the spending on the Department of Health and Social Security's computerisation programme in the last few weeks of the financial year. There were, however, surplus receipts of classes authorised to be used as appropriations in aid amounting to £888,647·79. Parliamentary authority is sought to apply these surplus receipts towards meeting the excess, leaving a sum of £3,466,508·38 to be provided by an excess Vote.

**Agricultural support,
Wales
(Class XVII, Vote 1)**

Expenditure borne on this Vote was not subject to a cash limit. Although expenditure fell short of the gross Estimate, as increased by the Supplementary Estimates presented in November 1986 and February 1987 (HC 8 and 160 of 1986-87), by £691,468·75, receipts of classes authorised to be used as appropriations in aid also fell short by £818,676·70 of the Estimate, as increased by the Supplementary Estimates, of £9,053,000. The deficiency was due to an over-estimate of the contribution due from the European Commission towards expenditure incurred on schemes implementing EC legislation. The authority of Parliament is sought to provide for the net excess of expenditure over the net Estimate, amounting to £127,207·95, by an excess Vote.

**Economic and financial
administration (Customs
and Excise)
(Class XIX, Vote 2)**

This Vote was subject to a cash limit which was overspent. Although expenditure fell short of the gross Estimate, as increased by the Supplementary Estimate presented in February 1987 (HC 160 of 1986-87), by £555,892·47, receipts of classes authorised to be used as appropriations in aid also fell short by £798,771·16 of the Estimate of £9,594,000. The deficiency was due primarily to difficulties experienced in estimating accurately the amount of VAT due to be reclaimed on services contracted out, owing to the significant changes made from 1 April 1986 in the number of those services. The authority of Parliament is sought to provide for the net excess of the expenditure over the net Estimate, amounting to £242,878·69, by an excess Vote.

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