
Central Government Supply Estimates 2006-07

Statement of Excesses

February 2008



HM TREASURY

Central Government Supply Estimates 2006-07

Statement of Excesses

for the year ending 31 March 2007

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Introduction

1. This Statement of Excesses sets out the amounts of resource and cash that the Government requests Parliament to grant in Excess Votes.
2. Excess Votes are presented if expenditure of resources or cash has exceeded the provision in the Main, Revised and Supplementary Estimates approved by Parliament and authorised in Appropriation Acts.
3. Before any Excess Votes are sought, the resource accounts for each Estimate are 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 by the Comptroller and Auditor General is made on any such accounts where expenditure of resources or cash exceeds the amounts, or falls outside the categories of expenditure, authorised by Parliament.
4. Parliament votes amounts for Requests for Resources (RfRs) that are net of income that a department may appropriate in aid of such expenditure. It separately limits the amounts of such income that may be so appropriated. Together, these amounts represent the gross provision. Parliament also votes a Net Cash Requirement that is net of receipts arising from such income. An Excess Vote must therefore be sought even where sufficient surplus income and, as necessary, associated cash receipts, are available to be appropriated in aid of excess expenditure. In such cases, the Excess Vote is for only a token sum of £1,000.
5. A Statement of Excesses is presented to Parliament towards the end of the financial year following the one to which it relates. Under House of Commons Standing Orders, if the Committee of Public Accounts has reported that it sees no objection to the sums necessary being provided by Excess Vote, the question on the motion to approve them is put without debate. Authorisation of additional resources and issues from the Consolidated Fund in respect of Excess Votes are given legislative authority in the March Appropriation Act.
6. Part I shows the net total amount of Excess Votes. There were two Excess Votes in 2006-07. Part II provides a Statement of Excesses for each Estimate concerned. Part III provides an explanation of the reasons for each excess.

2006-07**STATEMENT OF EXCESSES**

Part I	Total net resource requirement	£	38,611,000
	Total net cash requirement	£	0

STATEMENT of the amounts required to be voted in order to make good excesses for the year ended 31 March 2007

Part II Summary of 2006-07 Statement of Excesses by Department

Request for Resources (RfR)	Title	Resources		Cash	
		Excess	Amount to be voted	Excess	Amount to be voted
		£	£	£	£
1	Teachers' Pension Scheme (England & Wales) Teachers' pensions				
	Excess expenditure	81,859,000		0	
	Less: (i) Surplus income available to be applied as operating appropriations in aid	<u>59,095,000</u>	22,764,000	0	0
2	Ministry of Defence Conflict prevention				
	Excess expenditure	20,894,000		0	
	Less: (i) Surplus income available to be applied as operating appropriations in aid	<u>5,047,000</u>	15,847,000	0	0
	Totals to be voted		38,611,000		0

TREASURY CHAMBERS

JANE KENNEDY

February 2008

Part III Explanations

Teachers' Pension Scheme (England & Wales)

Excess expenditure over the gross Estimate provision for RfR1 (Teachers' pensions) amounted to £81,859,000 of resources.

This resource excess of £81.9 million was caused mainly by the in-year scheme service cost exceeding forecasts. Requests for additional resources were made in the spring Supplementary Estimate round during 2006-07 but this did not cover the additional costs.

There was, however, surplus income of classes authorised to be used as operating appropriations in aid amounting to £59,095,000. Parliamentary authority is sought to apply the total of this surplus appropriations in aid towards meeting these excesses leaving additional resources of £22,764,000 to be provided by an Excess Vote.

Ministry of Defence

Excess expenditure over the gross Estimate provision for RfR 2 (Conflict prevention) amounted to £20,894,000 of resources.

This resource excess of £20.9 million was primarily the result of significantly higher than originally forecast operational activity in Afghanistan and Iraq. The main contributing items were the firing, and consequent resource costs, of a greater number of Hellfire missiles in Afghanistan than originally forecast and the incomplete capture of depreciation costs associated with the operational use of capital spares. Owing to the unpredictable nature of the operations whose resources are attributed to RfR2, it proved difficult to estimate the final costs, despite seeking extra resources in the winter and spring Supplementary Estimate rounds during 2006-07.

There was, however, surplus income of classes authorised to be used as operating appropriations in aid amounting to £5,047,000. Parliamentary authority is sought to apply the total of this surplus appropriations in aid towards meeting these excesses leaving additional resources of £15,847,000 to be provided by an Excess Vote.



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