
Central Government Supply Estimates 2013-14

Statement of Excesses

February 2015



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Statement of Excesses

for the year ending 31 March 2014

Presented to the House of Commons by Command of Her Majesty

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Introduction

Excesses

1. This Statement of Excesses sets out the amounts that the Government requests Parliament to grant in Excess Votes for central government departments.
2. Excess Votes are presented if expenditure exceeds the amounts, or falls outside the categories of expenditure (the 'ambit') approved by Parliament in the Main, Revised and Supplementary Estimates and authorised in Supply and Appropriation Acts.
3. Before any Excess Votes are sought, the Annual Report and Accounts are prepared by the relevant department or body. 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 exceeds the amounts, or falls outside the categories of expenditure, authorised by Parliament. Where sufficient savings or surplus income are available to be used to offset the excess expenditure, the Excess Votes is for only a token sum of £1,000.
4. A Statement of Excesses is usually presented to Parliament towards the end of the financial year following the one to which it relates.
5. 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 to the House without debate. Authorisation of additional resources and issues from the Consolidated Fund in respect of the Excess Votes for 2013-14 in this booklet will be given legislative authority in the upcoming Supply and Appropriation (Anticipation and Adjustments) Act.

Excesses 2013-14

6. Following the Clear Line of Sight reforms introduced in 2011-12, Parliament votes, as necessary, amounts for the relevant budget boundaries (e.g. Resource Departmental Expenditure Limit, Capital Departmental Expenditure Limit, Resource Annually Managed Expenditure, Capital Annually Managed Expenditure, Non-budget Expenditure) and cash.
7. An 'ambit' sets out the full list of activities upon which income will be generated, or expenditure incurred, within the relevant budgetary control in each Estimate. From 2011-12 (under the CLoS reforms), once an ambit has been approved by Parliament and included in the Supply and Appropriation Act it can only have descriptions of functional activities added at the end of the existing ambit detail. Additions to the ambit made in the Supplementary Estimate are identified by an asterisk (*).

8. 2013-14 follows the CLoS methods as outlined in paragraphs 6 and 7. Part I shows the net total amount of Excess Votes for 2013-14. There were four Excess Votes in 2013-14 for central government departments. Part II provides an explanation of the reasons for each of the excesses. Part III provides the detail for each of the Estimates concerned. Additions to the ambit made in the Supplementary Estimate are identified by an asterisk (*).

Excesses, 2013-14**Part I: Summary of the amount to be voted, 2013-14**

	£
	Amount to be voted
Total Departmental Expenditure Limit	
Resource	0
Capital	153,000
Total Annually Managed Expenditure	
Resource	564,553,000
Capital	0
Total Net Budget	
Resource	564,553,000
Capital	153,000
Total Non-budget Expenditure	0
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 2014

TREASURY CHAMBERS

DAVID GAUKE

February 2015

Part II: Explanations, 2013-14

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|---|---|
| Teachers' Pension Scheme (England & Wales) | <p>1. The Teachers' Pension Scheme (England & Wales) breached its Resource Annually Managed Expenditure limit by £398,070,000 due to an error in its Supplementary Estimate calculation.</p> <p>2. When forecasting the interest charge on the pension liability, the Scheme failed to include a large Government Actuary's Department adjustment to the valuation of the previous year's liability. As a result, the Department for Education, as the Scheme managers, reduced the resource requirement for the Teacher's Pension Scheme at the Supplementary Estimate stage rather than increasing it to avoid the breach.</p> <p>3. Parliamentary authority is sought to provide for the excess expenditure by an Excess Vote.</p> |
| Department for Education | <p>4. The Department for Education breached its Resource Annually Managed Expenditure limit by £166,482,000.</p> <p>5. It underestimated by £104 million the pension costs of the Local Government Pension Scheme, which includes non-teaching staff at academy trusts and some Children and Family Court Advisory and Support Service (CAFCASS) staff. In addition, depreciation and impairment costs incurred by academies were £50 million higher than anticipated and expected releases of provisions of £12 million within the Group did not arise, bringing the total overspend to £166 million.</p> <p>6. Parliamentary authority is sought to provide for the excess expenditure by an Excess Vote.</p> |
| Charity Commission | <p>7. The Charity Commission breached its Capital Departmental Expenditure Limit by £153,000.</p> <p>8. It wrongly classified some costs for replacing its case management system as revenue expenditure, when they should have been classified as capital, and it therefore breached its capital limit when the error was corrected.</p> <p>9. Parliamentary authority is sought to provide for the excess expenditure by an Excess Vote.</p> |
| Wales Office | <p>10. The Wales Office breached its Resource Annually Managed Expenditure (AME) limit by £723. Consequently Parliamentary authority is sought to provide £1,000 excess expenditure by an Excess vote. This is in line with Estimates rounding the nearest £1,000.</p> |

11. All control totals are absolute limits and so, even when exceeded by small amounts, result in an excess vote.

12. Parliamentary authority is sought to provide for the excess expenditure by an Excess Vote.

Teachers' Pension Scheme (England & Wales)

£

	Excess	Amount to be Voted
Departmental Expenditure Limit		
Resources	0	0
Capital	0	0
Annually Managed Expenditure		
Resources		
Excess Expenditure	398,070,000	398,070,000
Capital	0	0
Total Net Budget		
Resources	398,070,000	398,070,000
Capital	0	0
Non-budget Expenditure	0	0
Net Cash Requirement	0	0

Excess amounts required in the year ended 31 March 2014 for expenditure by the Teachers' Pension Scheme (England & Wales) on:

Annually Managed Expenditure:Expenditure arising from:

Superannuation allowances and gratuities, and other related expenditure, in respect of teachers and the widows, widowers, children and dependants of deceased teachers, and for premature retirement and compensation payments made to members of the Teachers' Pension Scheme and on behalf of their employers; and associated non-cash items.

Income arising from:

Receipts from employers and employees superannuation contributions; transfer values received; deductions from returns of contributions towards payment in lieu of graduated national insurance contributions equivalent premiums; recovery of contributions equivalent premiums from the state pension scheme; amounts received from employers of teacher's scheme members in reimbursement of the cost of premature retirement compensation payments on their behalf by Capita.

Department for Education

£

	Excess	Amount to be Voted
Departmental Expenditure Limit		
Resources	0	0
Capital	0	0
Annually Managed Expenditure		
Resources		
Excess Expenditure	166,482,000	166,482,000
Capital	0	0
Total Net Budget		
Resources	166,482,000	166,482,000
Capital	0	0
Non-budget Expenditure	0	0
Net Cash Requirement	0	0

Excess amounts required in the year ended 31 March 2014 for expenditure by the Department for Education on:

Departmental Expenditure Limit:

Expenditure arising from:

Capital, recurrent payments and loans and associated non cash items in support of the Department's objectives for primary, secondary, tertiary and international education; children's services, including Early Years and Sure Start; Young Peoples services and welfare; curriculum; qualifications and the inspection regime; workforce development and reform; and pension costs for voluntary services overseas (VSO) participants. Expenditure covers both the Department itself, its Executive Agencies and Arms Length Bodies (ALBs), the Children and Family Court Advisory and Support Service, the Children's Commissioner and expenditure associated with Academy activities; together with residual costs from ALBs being closed; loans to educational establishments. Expenditure also covers administration costs and associated non cash items, for the Department, its Executive Agencies and ALBs, and for administration of the Teachers' Pension Scheme.

Income arising from:

Contributions towards and receipts from the three National Executives, other Government Departments and other sources (including the EC) in connection with a range of educational, training, youth support, children and family programmes and initiatives in UK and overseas; Early Intervention Foundation receipts. Income associated with Academy activities. Income also derives from sales of products and publications; rent, sales receipts and profits from surplus Departmental or former ALB properties, equipment or other assets (including some repayment of proceeds of sale), rental income from properties at the European School at Culham and repayments of grant overpaid in previous years. Receipts associated with the closure of departmental ALB's. General administration receipts, including from Teachers TV, recoveries from services provided to Sure Start, international receipts, Schools Standards Fund receipts and Music Manifesto Champion. Recovery of salaries and associated costs for seconded staff.

Annually Managed Expenditure:

Expenditure arising from:

Take up and maintenance of Departmental, Executive Agencies and ALB's provisions and associated non cash items. Impairments, tax and pension costs for the Department, it's ALB's and Executive Agencies.

Charity Commission

£

	Excess	Amount to be Voted
Departmental Expenditure Limit		
Resources	0	0
Capital		
Excess Expenditure	153,000	153,000
Annually Managed Expenditure		
Resources	0	0
Capital	0	0
Total Net Budget		
Resources	0	0
Capital	153,000	153,000
Non-budget Expenditure	0	0
Net Cash Requirement	0	0

Excess amounts required in the year ended 31 March 2014 for expenditure by the Charity Commission on:

Departmental Expenditure Limit:

Expenditure arising from:

Revenue and Capital expenditure in relation to the registration and regulation of charities. Expenditure in connection with depreciation and other non-cash items in DEL.

Income arising from:

Providing services, in both the UK and abroad, relating to our knowledge and expertise in the field of registration and regulation of charities. Shared working approaches with other Government Departments.

Annually Managed Expenditure:

Expenditure arising from:

The creation of provisions and other non-cash items in AME.

Wales Office

£

	Excess	Amount to be Voted
Departmental Expenditure Limit		
Resources	0	0
Capital	0	0
Annually Managed Expenditure		
Resources		
Excess Expenditure	1,000	1,000
Capital	0	0
Total Net Budget		
Resources	1,000	1,000
Capital	0	0
Non-budget Expenditure	0	0
Net Cash Requirement	0	0

Excess amounts required in the year ended 31 March 2014 for expenditure by the Wales Office on:

Departmental Expenditure Limit:Expenditure arising from:

Administration costs for the Wales Office; administrations costs for Commission on Devolution; Lord Lieutenant's expenditure; capital and other associated non-cash items.

Income arising from:

Receipts from accommodation.

Annually Managed Expenditure:Expenditure arising from:

Non-cash costs in respect of pension commitments.

Non-budget Expenditure:Expenditure arising from:

Payments of a grant to the Welsh Consolidated Fund.

HM Treasury contacts

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