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# Central Government Supply Estimates 2016-17

## Statement of Excesses

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February 2018





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# **Central Government Supply Estimates 2016-17**

## **Statement of Excesses**

for the year ending 31 March 2017

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*Presented to the House of Commons by Command of Her Majesty*

*Ordered by the House of Commons  
to be printed on 7 February 2018*



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ISBN 978-1-5286-0205-1  
PU2138

CCS0218904120 02/18

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the APS Group on behalf of the  
Controller of Her Majesty's Stationery Office.

## Introduction

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- 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 (PAC) 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 Excess Votes for 2016-17 in this booklet will be given legislative authority in the upcoming Supply and Appropriation (Anticipation and Adjustments) Act.
- Excesses 2016-17**
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 the net cash requirement.
  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 (\*). Additions to the ambit made in this Excesses publication are identified by a double asterisk (\*\*).
  8. The Part I sections shows the net total amount of Excess Votes for 2016-17. Part II provides an explanation of the reasons for each of the excesses. Part III provides the detail for each of the Estimates concerned.

**Excesses, 2016-17****Part I: Summary of the amount to be voted, 2016-17**

	£
	Amount to be voted
<b>Total Departmental Expenditure Limit</b>	
<b>Resource</b>	<b>0</b>
<b>Capital</b>	<b>55,000</b>
<b>Total Annually Managed Expenditure</b>	
<b>Resource</b>	<b>65,506,000</b>
<b>Capital</b>	<b>0</b>
<b>Total Net Budget</b>	
<b>Resource</b>	<b>65,506,000</b>
<b>Capital</b>	<b>55,000</b>
<b>Total Non-budget Expenditure</b>	<b>0</b>
<b>Total Net Cash Requirement</b>	<b>0</b>

STATEMENT of the amounts required to be voted in order to make good excesses for the year ended 31 March 2017

TREASURY CHAMBERS

MEL STRIDE

February 2018

## Part II: Explanations, 2016-17

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### Competition and Markets Authority

1. The Competition and Markets Authority (CMA) breached its Resource Annually Managed Expenditure limit by £65,506,000. The breach arose because the CMA was unable to anticipate the outcome of a Supreme Court ruling on its leave to appeal the repayment of tobacco pricing penalties collected several years ago. The CMA had rightly sought Resource Departmental Expenditure Limit (RDEL) cover prior to the leave to appeal being granted, to shelter probable repayments of uncertain amounts. The Supreme Court's subsequent ruling to grant the CMA leave to appeal meant that provision was then required under Resource Annually Managed Expenditure (RAME) at 31 March 2017. HM Treasury rules prevent the CMA from obtaining RAME and RDEL cover for the same event, resulting in the CMA breaching its RAME control total by £65.5 million, with a corresponding surplus against its RDEL control total. CMA acted appropriately in notifying Parliament of the potential need for additional resources through the Supplementary Estimate, as confirmed by the Comptroller and Auditor General (C&AG) in his report on the accounts.

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

### House of Commons: Members

3. The House of Commons: Members Account breached its Capital Departmental Expenditure Limit by £55,000. The breach arose because of weaknesses in budgetary control and forecasting. The House of Commons failed to anticipate the cost of ICT equipment for new Members elected in by-elections, and there was a delay in recognising capital expenditure on ICT equipment from the previous year. The House did not identify the need to request cover for these additional costs in time for the Supplementary Estimate. In its accounts, the House outlines briefly some actions to mitigate such an excess reoccurring, and also notes concerns about the overall framework of governance, risk management and control.

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

## Part III: Excesses by Department, 2016-17

### Competition and Markets Authority

	Excess	Amount to be Voted
<b>£</b>		
<b>Departmental Expenditure Limit</b>		
Resources	0	0
Capital	0	0
<b>Annually Managed Expenditure</b>		
Resources		
Excess Expenditure	65,506,000	65,506,000
Capital	0	0
<b>Total Net Budget</b>		
Resources	65,506,000	65,506,000
Capital	0	0
<b>Non-budget Expenditure</b>	0	0
<b>Net Cash Requirement</b>	0	0

Excess amounts required in the year ended 31 March 2017 for expenditure by the Competition and Markets Authority on:

#### **Departmental Expenditure Limit:**

##### Expenditure arising from:

Advancing and safeguarding the economic interests of the UK consumers, businesses and the economy; enforcing competition and consumer law, including payment for information; analysing and monitoring markets; merger control; advocacy; information, education and advice; costs in respect of reactive and proactive litigation; administrative and operational costs; associated depreciation and any other non-cash items falling in DEL.

##### Income arising from:

Recovery of legal costs; contributions from other departments towards the costs of market studies; payments from the Home Office under the asset recovery incentivisation scheme; fine income permitted for offset against litigation spend; payments for information and publications; income from office space rental; fees for common services provided to other organisations; recoveries of salaries of staff on loan or seconded to outside bodies; sale of plant and machinery; recoveries in connection with private telephone calls, postal and bank charges.

#### **Annually Managed Expenditure:**

##### Expenditure arising from:

Provisions and other non-cash costs.

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## House of Commons: Members

£

	Excess	Amount to be Voted
<b>Departmental Expenditure Limit</b>		
Resources	0	0
Capital		
Excess Expenditure	55,000	55,000
<b>Annually Managed Expenditure</b>		
Resources	0	0
Capital	0	0
<b>Total Net Budget</b>		
Resources	0	0
Capital	55,000	55,000
<b>Non-budget Expenditure</b>	0	0
<b>Net Cash Requirement</b>	0	0

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Excess amounts required in the year ended 31 March 2017 for expenditure by the House of Commons: Members

### Departmental Expenditure Limit:

#### Expenditure arising from:

This Estimate covers expenditure arising from the Exchequer contribution to the Parliamentary Contribution Fund (PCPF); payroll costs of Members appointed to specific parliamentary duties, provision of ICT equipment to Members, Members' stationery and postage expenditure, financial assistance to Opposition parties to support them in the discharge of their Parliamentary or representative functions, an Exchequer contribution to the Members' Fund, provision of training for Members and their staff, payment for insurance, grants and grants-in-aid to organisations who promote the House of Commons' objectives, other general costs and non-cash items.

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CCS0218904120  
978-1-5286-0205-1