
**Central Government
Supply Estimates 2015-16
Statement of Excesses**

**Central Government
Supply Estimates 2014-15
Late Statement of Excesses**

February 2017



Central Government Supply Estimates 2015-16

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for the year ending 31 March 2016

Central Government Supply Estimates 2014-15

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for the year ending 31 March 2015

Presented to the House of Commons by Command of Her Majesty

Ordered by the House of Commons

to be printed on 20 February 2017



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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 (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 the late Excess Votes for 2014-15 and Excess Votes for 2015-16 in this booklet will be given legislative authority in the upcoming Supply and Appropriation (Anticipation and Adjustments) Act.
- Excesses 2015-16 and Late Excesses 2014-15**
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 (**).

Statement of Excesses, 2015-16 and Late Statement of Excesses, 2014-15

8. The Part I sections shows the net total amount of Excess Votes for 2014-15 and 2015-16. Part II provides an explanation of the reasons for each of the excesses. Part III provides the detail for each of the Estimates concerned.

9. The Department for Education is the only central government department with Excess Votes in 2015-16. Parliament has already authorised Excess Votes for 2014-15 (HC 749 of session 2015-16) however, the Department for Education was unable to meet the statutory deadline for presenting its 2014-15 financial statements to Parliament. The House of Commons Committee of Public Accounts were therefore unable to report on the Department for Education 2014-15 excesses in their February 2016 Excess Votes report (HC787 of session 2015-16). As a result, Department for Educations late excesses are included in this publication.

Late Excesses, 2014-15**Part I: Summary of the amount to be voted, 2014-15**

	£
	Amount to be voted
Total Departmental Expenditure Limit	
Resource	0
Capital	31,228,000
Total Annually Managed Expenditure	
Resource	101,366,000
Capital	0
Total Net Budget	
Resource	101,366,000
Capital	31,228,000
Total Non-budget Expenditure	3,072,871,000
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 2015

TREASURY CHAMBERS

JANE ELLISON

February 2017

Part II: Explanations, 2014-15

Department for Education

1. In 2014–15 the Department for Education breached its Resource Annually Managed Expenditure limit by £101,366,000. The breach arose because the Department for Education did not properly anticipate the value of impairment charges on academy land and buildings which are consolidated in to the Department for Education’s group financial statements.
2. In 2014–15 the Department for Education also breached its Capital Departmental Expenditure Limit by £31,228,000. The breach arose due to difficulties the Department for Education encountered when forecasting the number and value of assets transferring from local authority control to the academy sector when schools convert to academy status. These assets consolidate in to the Department for Education’s group financial statements, however the Department for Education did not have sufficient provision in its Capital Departmental Expenditure budget to account for these.
3. In 2014–15 the Department for Education also breached its Non-Budget provision by £3,072,871,000. The Department for Education made a number of prior year adjustments to the comparative results in its 2014–15 group financial statements, however it failed to seek Non-Budget provision for these adjustments in its supply estimates. As a result, the Department for Education has breached the Non-Budget limit by the full value of the prior year adjustments.
4. Parliamentary authority is sought to provide for the excess expenditure by an Excess Vote.

Part III: Late Excesses by Department, 2014-15

Department for Education

	Excess	Amount to be Voted
£		
Departmental Expenditure Limit		
Resources	0	0
Capital		
Excess Expenditure	31,228,000	31,228,000
Annually Managed Expenditure		
Resources		
Excess Expenditure	101,366,000	101,366,000
Capital	0	0
Total Net Budget		
Resources	101,366,000	101,366,000
Capital	31,228,000	31,228,000
Non-budget Expenditure	3,072,871,000	3,072,871,000
Net Cash Requirement	0	0

Excess amounts required in the year ended 31 March 2015 for expenditure by 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'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. Provisions, impairments, tax and pension costs associated with Academy activities and associated non cash items.

Non-Budget Expenditure:

Expenditure arising from:

** Prior period adjustments

Excesses, 2015-16**Part I: Summary of the amount to be voted, 2015-16**

	£
	Amount to be voted
Total Departmental Expenditure Limit	
Resource	0
Capital	115,855,000
Total Annually Managed Expenditure	
Resource	175,116,000
Capital	0
Total Net Budget	
Resource	175,116,000
Capital	115,855,000
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 2016

TREASURY CHAMBERS

JANE ELLISON

February 2017

Part II: Explanations, 2015-16

Department for Education

1. In 2015–16 the Department for Education breached its Resource Annually Managed Expenditure limit by £175,116,000. The breach arose because the Department for Education did not properly anticipate the value of impairment charges on academy land and buildings which are consolidated in to the Department for Education’s group financial statements.
2. In 2015–16 the Department for Education also breached its Capital Departmental Expenditure Limit by £115,855,000. The breach relates to the budgetary impact of the Aggregator Vehicle plc (a public body which consolidates into the Department for Education’s group financial statements) and its financing of school capital projects, which the Department for Education failed to provide for in its budget. The Department for Education did not identify this issue in time for its 2015–16 budget to be adjusted, resulting in the reported excess.
3. Parliamentary authority is sought to provide for the excess expenditure by an Excess Vote.

Part III: Excesses by Department, 2015-16**Department for Education**

£

	Excess	Amount to be Voted
Departmental Expenditure Limit		
Resources	0	0
Capital		
Excess Expenditure	115,855,000	115,855,000
Annually Managed Expenditure		
Resources		
Excess Expenditure	175,116,000	175,116,000
Capital	0	0
Total Net Budget		
Resources	175,116,000	175,116,000
Capital	115,855,000	115,855,000
Non-budget Expenditure	0	0
Net Cash Requirement	0	0

Excess amounts required in the year ended 31 March 2016 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, Sure Start and safeguarding; Young Peoples services, welfare and safeguarding; 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 Arm's Length Bodies (ALBs), the Children's Commissioner, Aggregator plc 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, its ALBs, including academies. The expenditure also includes the cost of administering the Teachers' Pension Scheme (England and Wales).

* The purchase and development of land and buildings in support of the academies and free schools programme; expenditure associated with national and international gender and wider equalities policy, information, support and advice; lease interest payable; Equalities and Human Rights Commission.

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 Aggregator plc and 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 ALBs. General administration receipts, recoveries from services provided to Sure Start, international receipts, Schools Standards Fund receipts and Music Manifesto Champion; the reimbursement of administration costs by the Teachers' Pension Scheme (England and Wales); and recovery of salaries and associated costs for seconded staff.

* Property rental income from departmental properties and from its ALBs, including academies, free schools and the European School at Culham; sales receipts and rental income streams from sites originally purchased for academies and free schools that are not required by the school.

Annually Managed Expenditure:

Expenditure arising from:

Take up and maintenance of Departmental, Executive Agencies and ALB's provisions and associated non-cash items including; impairments, tax and pension costs for the Department, Executive Agencies, and its ALBs including academies.

HM Treasury contacts

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