
Central Government Supply Estimates 2020-21

Statement of Excesses

February 2022



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for the year ending 31 March 2021

*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 (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 2020-21 in this booklet will be given legislative authority in the upcoming Supply and Appropriation (Anticipation and Adjustments) Act.
- Excesses 2020-21**
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 2020-21. 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, 2020-21**Part I: Summary of the amount to be voted, 2020-21**

	£
	Amount to be voted
Total Departmental Expenditure Limit	
Resource	0
Capital	0
Total Annually Managed Expenditure	
Resource	2,550,000
Capital	0
Total Net Budget	
Resource	2,550,000
Capital	0
Total Non-budget Expenditure	141,891,000
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 2021

TREASURY CHAMBERS

LUCY FRAZER

February 2022

Part II: Explanations, 2020-21

Department for Environment, Food and Rural Affairs

1. The Department for Environment, Food and Rural Affairs breached its Non-Budget Expenditure Limit by £141.89 million. During the year, the Department revalued liabilities relating to reservoir operating agreements with water companies which had previously not been valued in accordance with current accounting standards. The revised liability, as at 31 March 2021, was calculated to be £409.5million, an increase of £267.9 million in total, of which £262.7 million related to prior periods. Under HM Treasury's budgeting rules, the prior year adjustments would only be corrected from 2001-02, when resource accounting was implemented. This meant that the budgeting impact arising from these prior period corrections was limited to £151.89 million, leading to an excess of £141.89 million against the Non-Budget expenditure limit of £10 million.
2. Parliamentary authority is sought to provide for the excess expenditure by an Excess Vote.

Serious Fraud Office

3. The Serious Fraud Office breached its Resource Annually Managed Expenditure by £2.55 million. In July 2019, the Serious Fraud Office (SFO) entered into a Deferred Prosecution Agreement with Serco Geografix Limited following its investigation into electronic monitoring services Serco had provided to the Ministry of Justice between 2005 and 2013. The SFO separately charged two former Serco Directors in connection with the investigation and the case came to trial in March 2021. On 26 April 2021, the SFO offered no evidence at the trial after a review of the disclosure process. The judge directed the jury to return verdicts of not guilty and directed the SFO to settle the legal costs incurred in respect of the trial. The liability for costs is an adjusting event after the reporting period as the disclosure challenges occurred prior to 31 March 2021. As a result, the SFO estimated the costs it will have to pay and included a provision in its accounts alongside other provisions for legal costs. Due to the timing of the verdict, it was too late in the year for the SFO to obtain Parliamentary approval for this additional spending and, as a result, there was no budget cover for this provision to settle these costs. This meant that the SFO breached its Resource Annually Managed Expenditure total of £1 million by £2.55 million. The PAC took evidence from the SFO on 9 February 2022 and raised concerns over the loss of taxpayer's money arising from its failure in prosecuting this particular case. The SFO set out that it had commissioned an independent review by Mr Brian Altman QC to make recommendations to prevent such issues arising in future cases. The PAC look forward to seeing the review and the additional actions the SFO is taking forward to address the issues identified.
4. Parliamentary authority is sought to provide for the excess expenditure by an Excess Vote.

Part III: Excesses by Department, 2020-21

Department for Environment, Food and Rural Affairs

	Excess	Amount to be Voted
£		
Departmental Expenditure Limit		
Resources	0	0
Capital	0	0
Annually Managed Expenditure		
Resources	0	0
Capital	0	0
Total Net Budget		
Resources	0	0
Capital	0	0
Non-budget Expenditure	141,891,000	141,891,000
Net Cash Requirement	0	0

Excess amounts required in the year ended 31 March 2021 for expenditure by the Department for Environment, Food and Rural Affairs on:

Departmental Expenditure Limit:

Expenditure arising from:

Expenditure by Natural England and the Environment Agency. Represent forestry interests, encourage good forestry practice, sustainable forest management and conduct forest research. International policy, research, standard-setting and monitoring to support sustainable forestry. Land grants, countryside access and rights of way. Policy on commons, national parks and town and village greens. Environmental protection and conservation, maintain air and ozone quality, increase UK's environmental decontamination capabilities, deliver social, environmental and economic programmes; Maintain water quality and a resilient supply, support for management of inland waterways and obligations under the Water Act 2003 and Water Act 2014. Support terrestrial, marine, waterway environments and protection of water bodies. Fair charges for supply of water and provision of sewerage services to customers. Support protection of species, wildlife management, habitat protection and conservation. Support national and global biodiversity, geodiversity and research. Support for rural and regional development. Better waste management. Promotion and support for sustainable development, consumption and production. Supporting development of farming and cost-sharing initiatives, payments, losses and penalties relating to the administration of EU schemes including disallowance. EU compensation payments to producers and support for agriculture. Championing hygienic production, marketing, delivery and processing in the agriculture, fisheries and food industries. Support bee and fish conservation and health, UK's responsibilities under the Convention on International Trade in Endangered Species (CITES) and fishing industry. Support keeping, movement tracing, international trade, health and welfare of animals, animal products and by-products, dairy hygiene and marketing. Support a sustainable, secure and healthy food supply; food labelling and composition policy.

Flood risk management and development implications, land drainage and sewerage. Exotic and endemic animal and plant disease policy portfolio and eradication. Regulatory systems for chemicals, veterinary medicines and pesticides. Radioactive waste management, pollution emergency response services, noise mapping and manage other environmental risks. Consultation on town, urban and country developments. Climate modelling, risk assessment and adaptation.

Work in support of HM Government preparations following our exit from the European Union and during the transition period as well as the response to the COVID19 emergency. Specialist support services; legacy and residual delivery body costs; subsidies to support delivery bodies; staff management and development; other departmental administration and non-cash costs; publicity, promotion; awareness and publications; knowledge-sharing initiatives; research and development; surveys; monitoring; statistics; advice and consultancies; funding through Area-Based Grants; subscriptions and contributions to international organisations; international policy-making; working with the EU; licensing, approvals and certification; inspections; compliance and enforcement in accordance with regulatory requirements. Voted Loans in relation to National Museums.

Income arising from:

Devolved administrations, overseas Governments and European Commission (EC); delivery body funding contributions; provision of employee and financial shared services to other public sector bodies; surveys; receipts from sale of carcasses and vaccines; income from licensing; regulatory income; approvals; investments; interest gained; donations and bequests; commercial activities; certification; publications; public inquiries; information; inspections; registrations; supervision and extensification; administration of grant; waste disposal; capital loan schemes; commissioned surveys; research; studies and provision of advice; rental income and repayments; occupancy charge; administrative training and professional services; pension and redundancy contributions and knowledge-sharing initiatives.

* Recovery of costs incurred for Covid-19 Waste Water Testing.

Annually Managed Expenditure:

Expenditure arising from:

Levy collection; publicity, promotion, awareness and publications; research and development; market and supply chain analysis and support; packaging recovery support; licensing, approvals and certification. Specialist support services; staff management and development; delivery body funding contributions; surveys; monitoring; statistics; advice and consultancies; provision for future liabilities; bad debts; revaluations and impairment losses; legacy and residual delivery body costs. Promotion of affordable insurance in relation to flood risk.

Income arising from:

Levies from the flood reinsurance; meat; dairy; forestry; horticulture; shellfish; fish; cereals; agriculture industries; delivery body funding contributions; packaging recovery support; surveys; EU funding; overseas Governments investments; reinsurance related and commercial income and interest gained.

Non-Budget Expenditure:

Expenditure arising from:

Payments to devolved administrations.

**Prior period adjustment.

Income arising from:

Funding contributions to support delivery bodies.

Serious Fraud Office

£

	Excess	Amount to be Voted
Departmental Expenditure Limit		
Resources	0	0
Capital	0	0
Annually Managed Expenditure		
Resources		
Excess Expenditure	2,550,000	2,550,000
Capital	0	0
Total Net Budget		
Resources	2,550,000	2,550,000
Capital	0	0
Non-budget Expenditure	0	0
Net Cash Requirement	0	0

Excess amounts required in the year ended 31 March 2021 for expenditure by the Serious Fraud Office on:

Departmental Expenditure Limit:

Expenditure arising from:

Administration of The Serious Fraud Office (SFO) including staff costs, capital and operational costs, fees to counsel and outside accountants, witness expenses, use of information technology to analyse and review documents and improve the presentation of evidence, other investigation, prosecution and litigation costs, defendants' costs and damages ordered to be paid by the SFO;

Providing advice and assistance to support the United Kingdom's exit from the EU: payments made as a result of asset recovery schemes and deferred prosecution agreements and associated non-cash costs falling in DEL.

Income arising from:

Recovery of income awarded to the SFO in court; receipts for services provided by the SFO and receipts from any asset recovery schemes or deferred prosecution agreements.

Annually Managed Expenditure:

Expenditure arising from:

Increases to and utilisation of provisions including early departure, staff severance, legal claims and accommodation related costs; and other non-cash costs falling in AME.

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