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HM Treasury

## Public Expenditure System

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Secretariat: 020 7270 5525

### PUBLICATION OF MAIN SUPPLY ESTIMATES AND SUPPLEMENTARY BUDGETARY INFORMATION 2007-08

#### Summary

The purpose of this PES paper is to provide guidance to departments on the content, format, process and provisional timing for publication of the 2007-08 Main Supply Estimates and associated Supplementary Budgetary Information (SBI) tables.

#### Action

2. Departments should:

- Note their responsibility for returning COINS data on time and meeting the timetable as provisionally set out in [Annex A](#) (see also paragraphs 26-28) with both accurate and complete data;
- Check the format and content of their 2007-08 Main Supply Estimate and SBI tables generated from the Combined Online Information System (COINS), paying careful attention to the Main Estimate and SBI tags;
- Departments should **report to HMT by 9 February** the condition of their Estimate and what action they are taking to correct errors. Any errors or omissions in the data or tagging must be corrected as soon as possible. The Main Estimate tables should be consistent with material in the Public Spending Guidance section of the Treasury's GSI website and as set out in [Annex B](#) to this guidance; and
- Use the Main Estimate reports generated from COINS and add additional information as necessary to produce a complete 'camera-ready' Main Estimate for 2007-08 ready for publication and presentation by the Treasury in accordance with the agreed timetable once the date of the Budget is known.

3. Departments should have already discussed and agreed with their Treasury spending team the content of Part I (ambit) and the structure of Part II of the Estimate(s) and agreed any significant changes from 2006-07 with their relevant departmental Select Committee.

#### SECTION 1: MAIN ESTIMATES PRODUCTION

4. The bulk of the data for the Main Estimates for 2007-08 will be generated from COINS as last year.

5. Departments can generate their own Main Estimate as a report from COINS (using the CIM module). This will enable checks to be made to both data and format (preferably before data is submitted for approval). Any errors in the data included in the reports must be thoroughly investigated and corrected as soon as possible. From late January/early February a complete set of Main Estimate tables will be run overnight by the Treasury and made available on the COINS website each morning.

6. The Main Estimate reports from COINS generate an Excel spreadsheet, which is constructed as separate worksheets for each part of the Main Estimate. There will be some worksheets that departments are unlikely to require and that they will generally wish to delete (e.g. the Accounting Policy Changes Note where there are no such changes to report). However, the reports generated

from COINS do not produce a complete Main Estimate (as not all of the information is held on COINS). Some parts of the Estimate will need to be entered manually into the spreadsheets by departments each time prior to sending to the Treasury for checking. The content of an Estimate - and the source of its production - is set out below.

7. Departments will have to manually insert into the spreadsheet the missing information in the appropriate worksheet as follows:

<b>SECTION</b>
Introduction - departments to provide brief text (normally quite short and on one side of A4) highlighting the main issues.
<i>NOTES TO THE ESTIMATE</i>
Analysis of Consolidated Fund Extra Receipts (CFERs) - COINS will generate the totals but departments will need to provide the analysis and make it sum to the total held on COINS.
Departments will need to provide suitable text for other notes to the Estimate as appropriate, eg. Expenditure resting on the sole authority of the Appropriation Act Contingent Liabilities Grants in aid International subscriptions, etc.

8. At a number of stages during the production process departments will be asked to send to Treasury a draft of their complete Main Estimate using the latest data generated from COINS (see timetable at [Annex A](#)). Each time, departments will need to insert the non-database generated data into the spreadsheet before sending a copy of the complete Main Estimate to the Treasury (Spending Team and GEP Estimates branch) for checking.

9. The COINS database will populate the remaining worksheets in the Main Estimate report as follows:

<b>SECTION</b>
Part I - key numbers, ambit and balance to complete
Part II - Subhead detail
Part II - Resource to cash reconciliation
Part III - Extra receipts payable to the Consolidated Fund (CFERs)
Forecast Operating Cost Statement (or Forecast Combined Revenue Account for Pension Scheme Estimates).
<i>NOTES TO THE ESTIMATE</i>
Reconciliation of resource expenditure between Estimates, Accounts, and Budgets
Reconciliation of capital expenditure between Estimates and Budgets
Explanation of Accounting Officer responsibilities
Analysis of operating and non-operating appropriations in aid
Analysis of Consolidated Fund Extra Receipts (CFERs) - COINS will generate the totals but <b>departments</b> will need to complete the analysis.
Departmental Expenditure Limits (DEL), including administration budgets and near-cash elements of Resource DEL
Comparisons of provision sought with final provision and forecast outturn for the previous year
Cash which may be retained to offset expenditure - COINS will generate a total based upon the amount of appropriations-in-aid (operating and non-operating) being sought. <b>Departments</b> will need to amend this to take account of relevant changes in debtors or creditors. The table provides lines for these adjustments and will automatically generate the correct total.

10. It will be seen from this combination of manually inserted text and COINS-generated tables that there will be no opportunity to amend any of the key figures once the final deadline for submitting adjustments to COINS has passed. Departments must ensure that COINS data -both numbers and

text, where appropriate - is 100% correct in order to produce accurate Main Estimate tables for publication.

11. Once the Main Estimates spreadsheets have been finalised by departments and Treasury Spending Teams are satisfied, in terms of both content and format, GEP Estimates branch will produce a pdf version of the Main Estimate for final checking. Departments will be asked to sign off the pdf and to return it to Treasury marked 'for Press'. Presentation of the 2007-08 Main Estimates is provisionally planned for 20 April, but the timing will depend on the date of the Spring Budget. [Annex A](#) sets out a provisional timetable, which is based on a Spring Budget in March 2007 and will be revised once the actual date is known.

## SECTION 2: GENERAL AND SPECIFIC GUIDANCE

12. General guidance on Estimates is contained in [Annex B](#) to this paper (please read this carefully as there are some changes to note for 2007-08) and further guidance can also be found on the Public Spending Guidance website on the Treasury GSI website ([Estimates guidance](#)).

13. The attention of departments is particularly drawn to:

- the change in the budgetary treatment of profits or losses on asset sales. From 2007-08 they will score against the **capital budget**. See MS FD(06)16 of 3 November 2006 for further details. The treatment of profit /loss in Estimates will not change (see [Annex B](#) for further detail); and
- the different cash scoring of CFERs (see [annex B](#) for details). Departments will need to enter into COINS the cash paid to CF split between cash expected in the current year 2007-08 and that cash collected that relates to previous years.

14. Departments will wish to note the contents of the following recent PES papers which may impact upon their Estimate:

- Vote on Account 2007-08 ([PES\(2006\)13](#) of 28 September 2006); and
- Preparation of figures for 2007-08 ([PES\(2006\)14](#) of 10 November 2006).

## SECTION 3: ACCURACY, CONSISTENCY AND TIMELINESS

15. The Treasury has responsibility for publishing Main and Supplementary Estimates, which are presented to Parliament by the Financial Secretary. Supply Estimates are the means by which departments seek parliamentary authority for the majority of their spending plans. Without such authority the spending would either be irregular or illegal. It is therefore vitally important that Supply Estimates are both accurate and complete.

### Reallocation of Vote on Account provision after authorisation in the Consolidated Fund Act

16. It is important that totals of both resources and cash, set out in the Vote on Account (VOA), are either formally surrendered or reallocated as part of the balance to complete table in Part I of the Main Estimate.

17. All provision that has been authorised for issue from the Consolidated Fund must be appropriated. Transfers of VOA provision between RfRs must balance, as must any transfers of resources or net cash requirements between departmental Estimates.

18. In addition, any removal of a service from Estimates provision (e.g. the establishment of a Trading Fund) since the presentation and voting of the Vote on Account will require reallocation of the Vote on Account provision. Any such changes **must** be appropriately footnoted. Departments should speak to their GEP Estimates contact for guidance on the appropriate footnotes.

19. As it will not be possible to effect any change once the 2007-08 Main Estimates have passed the final pdf stage, it is important to notify your Spending team and GEP Estimates contact (see section 5

for contact details) and other interested parties (which may include other departments) at the earliest opportunity.

### Accuracy, consistency and approval

20. Departments are primarily responsible for the accuracy and consistency of the figures contained in their Estimate(s) and printed in the published booklet. Key figures include:

- the **net resource requirement**;
- the **net cash requirement**; and
- **total appropriations in aid** (both operating and non-operating)

These figures are particularly important because they - along with the **ambit** and **appropriations in aid descriptions** are taken into legislation (the summer Appropriation Act) that gives formal authority for departmental spending. They must therefore be checked extremely carefully. Any errors should be reported immediately to the appropriate Treasury Spending team.

21. Estimates require Treasury approval before they can be presented to Parliament. The 2007-08 Main Estimates should be fully consistent with 2007 Departmental reports, Public Expenditure Statistical Analyses (PESA) 2007-08 and the 2007 Financial Statement and Budget Report (FSBR). **Estimates therefore must be consistent with agreed budgetary limits** (see *Government Accounting 11.2.1*).

22. A department's first approach to any additional spending must be to look for offsetting savings elsewhere. Any claim on the Departmental Expenditure Limit (**DEL**) **Reserve** requires the **specific approval of the Chief Secretary** to the Treasury. Provision for spending in DEL for 2007-08 and core tables would normally be kept within the agreed departmental spending limits.

23. In the same vein, provision for spending in Annually Managed Expenditure (AME) should be in line with spring Budget forecast and as published in the FSBR. Departments should consult Conrad Smewing in GEP (020 7270 4820) if there are any difficulties with the production of consistent AME numbers.

24. The DEL split between capital and resource spending should also reflect agreed budgets. Capital expenditure and capital receipts may not be used for current expenditure, except where this involves moving provision from capital DEL to capital grants in resource DEL. Departments should discuss such moves with their Spending Team.

25. Where departments propose to switch from resources into capital they also need to seek **explicit approval** from their Treasury spending team.

### Timeliness

26. Supply Estimates must be presented to Parliament in accordance with the agreed timetable. A provisional timetable is set at [Annex A](#). A more detailed timetable can be found on the Treasury's GSI site (see the [Integrated Financial Information and Monitoring Timetable](#)). This timetable will change as the exercise progresses and decisions about date of the spring Budget are taken, but departments are urged to **regularly check the integrated timetable** on the Treasury GSI website.

27. Failure to follow the integrated timetable may jeopardise the passage of the related legislation that gives authority for spending. All parties must strive to ensure that deadlines are met. If any difficulties occur which threaten the timetable departments should liaise with their Treasury Spending team and GEP Estimates branch as soon as possible.

## SECTION 4: SUPPLEMENTARY BUDGETARY INFORMATION

28. The Supplementary Budgetary Information (SBI) tables provide a read-across between the Main Estimates and the spending plans in departmental reports. As for Main Estimates, departments are

able to run copies of their latest SBI tables from the CIM module of the COINS database. From late January/early February a complete set of SBI tables will be run overnight by the Treasury and made available on the COINS website each morning, alongside the Main Estimate reports.

29. Departments are fully responsible for checking the SBI tables produced from the COINS database and ensuring that these are accurate with all the data mapped correctly in COINS using the appropriate SBI and activity tags.

30. In 2006-07, the SBI booklet was presented, as a Command Paper by the Financial Secretary to the Treasury, alongside the 2006-07 Main Estimates. The 2006-07 SBI booklet contained a maximum of four tables for each department. However, departments should be aware that, following a consultation exercise carried out in 2005, the Treasury has been reviewing the format and content of the SBI booklet. We have now finalised our proposals for the SBI booklet for 2007-08 onwards and these have been put to Parliament. Once we have a response from Parliament, we will communicate our final proposals to departments setting out the impact on the 2007-08 publication and any action required.

## SECTION 5: CONTACTS

31. Any specific Main Estimate query should be addressed **in the first instance to your usual Treasury spending team contact**. General issues may be addressed to the following, but copy in your usual spending team contact as well:

Estimates policy, format and procedure	<a href="#">David Dipple</a> GEP Estimates 0207 270 5534 <a href="#">Gary Hansman</a> GEP Estimates 020 7270 5533 (Cab Off, MoD, FCO, COI, NSG, Chancellors' depts, DWP, DfT, Pension Estimates) <a href="#">Debbie McNicholas</a> GEP Estimates 020 7270 4483 or <a href="#">Michael Mulvaney</a> GEP Estimates 020 7270 5532(HO, Legal and Parliamentary departments) <a href="#">David Ash</a> GEP Estimates 020 7270 5528(DfES, DCMS, DCLG, DPMO, DTI group, DFID, DEFRA, NIO and DH)
Estimates Part II, Part III and other database produced tables, including departmental report and SBI tables	<a href="#">Gary Ferrier</a> CSM 020 7270 6321 <a href="#">Rowan Moys</a> CSM 020 7270 5532
Ambits, vote accounting of receipts, notes to the Estimate	<a href="#">Marius Gallaher</a> TOA 020 7270 5363 <a href="#">Jim Duncan</a> TOA 020 7270 4833
In year DEL control and Reserve claims	<a href="#">Conrad Smewing</a> GEP 020 7270 5969
Capital	<a href="#">Sam Caughey</a> GEP 020 7270 4464
Administration Budgets	<a href="#">Richard Knox</a> GEP 020 7270 5439
ERDF and mapping COINS database cells to DCLG's Main Estimate	Corinne Smith DCLG 020 7944 6807; or Helen Skilton DCLG 020 7944 6554

## Previous PES papers

32. Electronic versions of [PES papers](#) issued since November 1999 may be found on the Treasury's GSI website.

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Estimates branch  
General Expenditure Policy (GEP)

