
Central Government Supply Estimates 2004–05

Supplementary Budgetary Information

April 2004





HM TREASURY

Central Government
Supply Estimates 2004–05
Supplementary Budgetary Information
for the year ending 31 March 2005

*Presented to Parliament
by the Chief Secretary to the Treasury
by Command of Her Majesty*

April 2004

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Section 1.

Introduction

Further information on the main spending aggregates

1. This Supplementary Budgetary Information (SBI) document, presented alongside the Main Supply Estimates for 2004–05 (HC 466, 467, 468, 469), includes tables that provide further technical control-related information on the core spending plans tables presented in departmental reports, and tables reconciling those departmental report tables to the Main Estimates. These reconciliation tables cover all the main central government departments. The detailed Supplementary Budgetary Information tables for the House of Commons (Administration) and the Electoral Commission are included within the separate Main Estimate booklets for these bodies.

2. The 2004 departmental reports will be presented by departments to Parliament by the end of April. A list of the 2004 departmental reports together with their Command number is attached at **Annex A**. These departmental reports include common core tables which present departments' spending plans tables in a clear and informative way. These spending plans show how departments plan to spend the money that the government allocated to services and departments in the 2002 spending review and any agreed changes since then. These tables present spending plans and comparable recent outturn data on the basis of definitions of departments' budgets used in the 2002 spending review, which implemented full resource budgeting.

3. This publication contains tables that provide further breakdowns of the core spending plans tables from departmental reports. These show how those spending plans are broken down in terms of the main spending control aggregates: Departmental Expenditure Limits (DEL) and departmental Annually Managed Expenditure (AME), which make up departments' resource and capital budgets. The relationship between these control aggregates and the 2004–05 Supply Estimates and Total Managed Expenditure (TME) is described in **Section 2**.

Reconciliation between Estimates and departmental reports

4. This SBI publication also contains tables which provide complete read-across between the common core spending tables in departmental reports and the detailed rows of the Main Estimates containing the elements of departments' DEL and AME for which Parliament is asked to authorise spending in the 2004–05 Supply Estimates. Data for the main spending plans tables in the departmental reports, this SBI publication and the Main Estimates¹ are produced from the same information held on the Treasury's public spending database. This SBI publication demonstrates the consistency, and provides the read-across, between all these tables.

5. Finally, this SBI publication also provides details of departments' outturn spending on the definitions of resource and capital budgets used in the 2000 Spending Review. The 2000 Spending Review implemented stage 1 of resource budgeting, as a further step towards full resource accounting and budgeting.

6. **Section 3** contains up to a maximum of six supplementary budgetary tables for each department, although a number of departments (see paragraph 12 below) will not require the more detailed analyses given in Tables 3.3 and 3.4. The supplementary budgetary tables provide a reconciliation between the provision sought in the 2004–05 Main Estimates and that shown in the departmental report for each department.

¹ The statistical analyses published in the document "Public Expenditure Statistical Analyses 2004 (Cm 6201)" are also produced from the same data source and are also entirely consistent with these publications.

7. The six (where applicable) tables show for each department:

Table 3.1 Resource budgets split by DEL/AME, 1998–99 to 2005–06

Table 3.2 Capital budgets split by DEL/AME, 1998–99 to 2005–06

Table 3.3 Resource budget DEL and AME (voted and non voted spending), 1998–99 to 2005–06

Table 3.4 Capital budget DEL and AME (voted and non voted spending), 1998–99 to 2005–06

Table 3.5 Resource budget DEL and AME outturn on 2000 Spending Review definitions, 1998–99 to 2003–04

Table 3.6 Capital budget DEL and AME outturn on 2000 Spending Review definitions 1998–99 to 2003–04

8. The first four tables are designed to give further breakdowns of the common core departmental report tables 2 and 3. **Table 3.1** and **Table 3.2** start with the formats and breakdowns of the departmental report tables 2 and 3 and show these broken down by spending in DEL and spending in AME.

9. **Table 3.3** breaks down the structure of Table 3.1 even further by splitting each of the resource budget DEL and AME into voted and non voted spending. Within the voted DEL and AME sections, this table gives the read across between each row of departmental report table 2 and the detail of the Estimate, in terms of the Request for Resources and function. Similarly, **Table 3.4** breaks down further the structure of **Table 3.2** giving read across between the departmental report and the Estimate for the capital budget.

10. **Table 3.5** and **Table 3.6** show the outturn figures for the resource budget and the capital budget respectively, for DEL and AME measured on the definitions of resource and capital budgets used in the 2000 Spending Review.

11. The figures shown for 2003–04 in SBI tables 3.1 to 3.4 are estimated outturn, which are consistent with figures shown in spending tables 1 to 3 of departmental reports, but may be slightly different from figures for 2003–04 shown in the 2004–05 Main Estimates, since those are final provision. Both sets of figures are shown for each department in Table 2 of HC 466.

12. Some departments will not have departmental report tables 2 and 3 because their spending does not require any detailed breakdown, and so their spending is summarised only in departmental report table 1. In these cases, all the breakdowns (DEL/AME and voted/non voted) have been included in Tables 3.1 and 3.2, so that these departments have no need for Tables 3.3 and 3.4. Similarly, these departments spending under the definitions of the 2000 Spending Review are summarised only in Table 3.5, and they have no need of a further Table 3.6.

In-year controls – DEL

7. Departments are expected to manage their resource and capital budgets within the DEL. A failure to live within announced plans would be treated as a breach requiring an investigation into its cause, an examination of the financial procedures of the department concerned and, where appropriate, a reduction in the corresponding DEL in the year following the breach.

8. Any decision to change a DEL is announced as soon as possible after it is taken, usually in a written statement to Parliament. Such an announcement is not the means of seeking Parliament's approval for an increase in Supply provision, which can only be given through a Supplementary Estimate.

9. Table 2.2 shows (to the nearest £000) the control limits for all expenditure within total DEL for 2004–05 on a budgeting basis split between capital and resource budgets and between voted and non-voted elements. The total DEL figures for each department exclude depreciation and impairments, which form part of resource DEL. The reason for this is that since capital DEL already includes capital spending, to include the depreciation of those assets would be misleading (as it would include capital twice). This means that the 'Total DEL' in this column does not sum to the totals for resource and capital DEL as given in other columns.

Table 2.2 Departmental Expenditure Limits, 2004–05

£'000

Department/Group	Departmental Expenditure Limit (1)			of which: Resource budget			of which: Capital budget (2)		
	Voted	Non Voted	Total	Voted	Non Voted	Total	Voted	Non Voted	Total
Department for Education and Skills (3)	10,938,480	16,709,073	27,647,553	8,625,915	15,267,809	23,893,724	2,324,336	1,476,961	3,801,297
Department of Health (4)	68,326,051	2,798,438	71,124,489	68,689,295	–33,656	68,655,639	149,186	2,876,571	3,025,757
Department for Transport	5,725,729	5,026,056	10,751,785	3,998,261	3,452,836	7,451,097	2,057,380	1,594,626	3,652,006
Office of the Deputy Prime Minister (main)	3,673,801	3,352,986	7,026,787	2,774,429	1,937,904	4,712,333	910,333	1,419,282	2,329,615
Office of the Deputy Prime Minister (local govt)	43,572,447	111,649	43,684,096	43,225,963	103,149	43,359,112	316,484	8,500	324,984
Office of the Rail Regulator	–99	–	–99	1	–	1	500	–	500
Home Office	10,987,281	1,920,228	12,907,509	10,457,554	1,679,487	12,137,041	716,780	285,785	1,002,565
Assets Recovery Agency	15,372	–	15,372	15,495	–	15,495	–	–	–
Charity Commission	29,294	–	29,294	28,535	–	28,535	1,399	–	1,399
Department for Constitutional Affairs (5)	1,172,114	2,084,205	3,256,319	1,161,542	2,074,878	3,236,420	91,181	11,000	102,181
Attorney General's Departments (6)	509,157	7,000	516,157	500,547	7,000	507,547	14,733	–	14,733
Ministry of Defence	29,475,521	392,654	29,868,175	31,028,999	561,434	31,590,433	6,325,780	1,220	6,327,000
Foreign and Commonwealth Office	1,285,828	197,675	1,483,503	1,329,490	215,675	1,545,165	62,556	8,800	71,356
Department for International Development	3,144,190	614,500	3,758,690	3,150,690	614,500	3,765,190	18,000	–	18,000
Department of Trade and Industry (7)	756,780	4,092,541	4,849,321	910,678	3,898,283	4,808,961	–133,057	290,417	157,360
UK Trade & Investment	97,348	–	97,348	97,287	–	97,287	248	–	248
Export Credits Guarantee Department	671	–	671	673	–	673	545	–	545
Office of Fair Trading	54,733	–	54,733	55,884	–	55,884	1,398	–	1,398
Office of Gas and Electricity Markets	401	–	401	701	–	701	950	–	950
Postal Services Commission	–249	–	–249	1	–	1	150	–	150
Department for Environment, Food and Rural Affairs	2,354,090	783,653	3,137,743	2,251,631	751,334	3,002,965	204,192	129,436	333,628
Forestry Commission	76,438	1,953	78,391	76,718	2,653	79,371	790	–700	90
Office of Water Services	–215	–	–215	1	–	1	130	–	130
Department for Culture, Media and Sport	221,305	1,222,725	1,444,030	188,515	1,266,366	1,454,881	37,657	44,105	81,762
Department for Work and Pensions	6,878,875	1,343,959	8,222,834	6,783,299	1,320,671	8,103,970	216,182	24,002	240,184
Scottish Executive	–	21,399,957	21,399,957	–	19,615,874	19,615,874	–	1,960,097	1,960,097
National Assembly for Wales	–	11,095,812	11,095,812	–	10,387,020	10,387,020	–	917,784	917,784
Northern Ireland Office	306,426	850,557	1,156,983	307,825	841,648	1,149,473	20,552	36,376	56,928
Northern Ireland Departments	–	7,068,296	7,068,296	–	6,761,063	6,761,063	–	373,963	373,963
HM Treasury	198,628	27,977	226,605	197,597	27,977	225,574	9,075	–	9,075
HM Customs and Excise	1,271,092	16,000	1,287,092	1,240,066	15,000	1,255,066	75,806	1,000	76,806
Inland Revenue	2,656,189	397,618	3,053,807	2,577,512	397,618	2,975,130	230,330	–	230,330
National Savings and Investments	169,166	500	169,666	171,526	500	172,026	500	–	500
Office for National Statistics	128,489	36,100	164,589	132,756	21,000	153,756	9,570	15,100	24,670
Government Actuary's Department	893	–	893	1,071	–	1,071	238	–	238
Cabinet Office (8)	250,733	–	250,733	269,880	–	269,880	31,000	–	31,000
Security and Intelligence Agencies	1,133,334	21,450	1,154,784	1,096,300	15,450	1,111,750	178,001	6,000	184,001
Privy Council Office	4,195	–	4,195	4,158	–	4,158	69	–	69
Office of the Parliamentary Commissioner for Administration and Health Service Commissioner for England	19,292	150	19,442	18,130	150	18,280	2,000	–	2,000
House of Lords	95,359	–	95,359	91,924	–	91,924	9,935	–	9,935
House of Commons: Members	143,370	–	143,370	144,520	–	144,520	350	–	350
House of Commons: Administration	178,209	–	178,209	184,659	–	184,659	11,050	–	11,050
National Audit Office	60,152	167	60,319	60,197	167	60,364	1,455	–	1,455
Electoral Commission	38,388	–	38,388	38,356	–	38,356	666	–	666
Total	195,949,258	81,573,879	277,523,137	191,918,581	71,203,790	263,122,371	13,898,430	11,480,325	25,378,755

(1) Total DEL figures exclude depreciation and impairments which form part of resource DEL.

(2) Capital Budget DEL includes items treated as capital in Budgets but as resource in Estimates (within "Non Budget").

(3) Includes Sure Start and the Office of Her Majesty's Inspector of Schools in England.

(4) Includes Food Standards Agency.

(5) Includes Department for Constitutional Affairs, Northern Ireland Court Service, The National Archives: Public Record Office and Historical Manuscripts Commission, Land Registry, Scotland Office and Wales Office.

(6) Includes Crown Prosecution Service, Serious Fraud Office and Treasury Solicitors Department.

(7) Includes United Kingdom Atomic Energy Authority superannuation schemes.

(8) Includes the Central Office of Information.

**In-year controls –
administration costs**

10. Administration costs controls set separate control limits within DEL, covering the cost of most current expenditure on central government administration other than the costs of some direct frontline service activities, and support activities that are directly associated with these. Current expenditure on assessing and paying benefits, assessing and collecting taxes, running prisons and helping people return to work amounts to about 60 per cent of the total. The primary aim of administration costs control is to promote economical and efficient administration in central government. This is largely achieved by containing gross administrative costs.

11. Administration costs expenditure is controlled during the year through accruals based administration costs limits, which are notified to Parliament in the Supply Estimates. These limits cover administration costs expenditure and income within DEL. Administration costs limits also include non-cash expenditure incurred carrying out activities that fall within administration costs. All in-year changes to administration costs limits require the specific approval of Treasury and will be notified to Parliament. Exceeding the agreed administration costs limits would constitute a breach regardless of the position of the overall DEL and would be subject to investigation, report and possible penalty similar to the process described in paragraph 7 above.

12. Administration costs in DEL are normally controlled gross, although for areas where expenditure and income vary in line with demand and which have suitably robust monitoring and management systems, net administration costs control may be agreed as set out in *The Financing and Accountability of Next Steps Agencies (Cm 914)*. **Table 2.3** sets out administration costs limits for 2004–05 for those departments and agencies, which have gross controls. **Table 2.4** sets out the administration costs limits for 2004–05 for those bodies subject to net administration costs controls.

13. Where administration costs are controlled gross, departments are, with Treasury approval and subject to normal Government Accounting rules, allowed to offset negative DEL income relating to administration costs against their administration costs limits. This includes income from NDPBs and other UK public sector bodies outside the administration costs regime. This income is shown in the “Income” column of Table 2.4.

14. An eight-year span of outturn data and provision for administration costs by department is provided in *Public Expenditure Statistical Analyses 2004 (Cm 6201)*, which also includes outturns and projections for departmental staffing levels.

Table 2.3 Administration costs limits (gross controlled bodies), 2004–05

£'000

	Gross provision	Allowable income	Administration costs limit
Department for Education and Skills	245,823	-8,336	237,487
Office of HM Chief Inspector of Schools in England	30,095	-95	30,000
Department of Health	262,738	-11,962	250,776
Food Standards Agency	73,023	-22,688	50,335
Department for Transport	232,085	-3,758	228,327
Office of the Deputy Prime Minister	352,638	-24,722	327,916
Office of the Rail Regulator	14,798	-14,797	1
Home Office	3,941,780	-445,101	3,496,679
Asset Recovery Agency	3,900	—	3,900
Charity Commission	28,555	-20	28,535
Department for Constitutional Affairs	848,217	-8,738	839,479
Northern Ireland Court Service	21,005	-10,942	10,063
The National Archives: Public Record Office and Historical Manuscripts Commission	38,336	-1,605	36,731
The Crown Prosecution Service	355,177	-1,650	353,527
Serious Fraud Office	21,240	—	21,240
Foreign and Commonwealth Office	951,613	-163,272	788,341
Department for International Development	226,600	-4,600	222,000
Department of Trade and Industry	440,856	-12,009	428,847
Office of Fair Trading	53,632	-298	53,334
Office of Gas and Electricity Markets	38,001	-37,410	591
Postal Services Commission	10,160	-10,159	1
Department for Environment, Food and Rural Affairs	355,578	-16,084	339,494
Office of Water Services	14,035	-14,400	-365
Department for Culture, Media and Sport	48,072	-2,160	45,912
Department for Work and Pensions	5,788,113	-50,265	5,737,848
Health and Safety Executive	216,483	-51,024	165,459
Northern Ireland Office	179,042	-3,298	175,744
HM Treasury	157,003	-10,112	146,891
HM Customs and Excise	1,192,945	-8,930	1,184,015
Inland Revenue	3,046,219	-56,748	2,989,471
National Savings and Investments	176,781	-4,755	172,026
Office for National Statistics	168,087	-14,410	153,677
Cabinet Office	247,304	-28,174	219,130
Security and Intelligence Agencies	598,810	-14,080	584,730
Privy Council Office	4,198	-40	4,158
Total administration costs limits (gross controlled bodies)	20,382,942	-1,056,642	19,326,300

Table 2.4 Administration costs limits (net controlled bodies), 2004–05			£'000
	Gross provision	Income	Net administration costs limit
Department for Transport			
Vehicle Certification Agency	7,930	-7,971	-41
Home Office			
UK Passport Agency	120,000	-126,000	-6,000
HM Procurator General and Treasury Solicitor	46,105	-36,113	9,992
Department of Trade and Industry			
National Weights and Measures Laboratory	3,170	-2,948	222
Suppliers of Departmental Services	2,500	-2,500	—
Insolvency Service	1,900	-1,900	—
Department for Environment, Food and Rural Affairs			
Pesticides Safety Directorate	7,415	-5,432	1,983
Central Science Laboratory	44,862	-43,200	1,662
Veterinary Laboratories Agency	91,334	-91,334	—
Veterinary Medicines Directorate	9,639	-9,639	—
Centre for Environment, Fisheries and Aquaculture Science (CEFAS)	36,926	-36,926	—
Department for Work and Pensions			
Health and Safety Laboratory	26,806	-26,806	—
Northern Ireland Office			
Forensic Science (NI)	5,595	-5,041	554
Inland Revenue			
Valuation Office	152,927	-152,923	4
Office for National Statistics	22,421	-22,451	-30
Government Actuary	9,898	-8,827	1,071
Cabinet Office			
Centre for Management and Policy Studies	27,157	-24,180	2,977
Government Car and Dispatch Agency	16,001	-16,001	—
Security and Intelligence Agencies	27,686	-28,919	-1,233
Total administration costs limits (net controlled bodies)	660,272	-649,111	11,161