

## MAIN ESTIMATES 2007-08: GENERAL AND SPECIFIC GUIDANCE

### Format and structure

The format and structure of Main Estimates, including all the necessary notes, are set out in the Public Spending Guidance (PSG) website within the section on [Parliamentary approval and accountability](#). Further guidance may be found in chapter 11 of Government Accounting 2000 (<http://www.government-accounting.gov.uk/current/frames.htm>).

### SPECIFIC CHANGES FOR 2007-08

#### Introductions

2. Main Estimate Introductions should normally be brief. However, some departmental Introductions run over onto a second page. Departments are urged to examine *critically* their Introductions to ensure that they are concise and relevant, and that they highlight only the major areas where they incur resource and cash expenditure.

3. It is the **ambit** (see below) that needs to be comprehensive, detailing all expenditure, and not the Introduction. Treasury Spending Teams and GEP will be looking critically at Introductions and departments with overlong Introductions containing unnecessary detail may be asked to cut material.

#### Ambits

4. Ambits are replicated in legislation and departmental expenditure will not have proper parliamentary authority unless it is clearly identified within the ambit.

5. Many ambits have grown in length and have not been fundamentally overhauled for some time. An assessment by GEP Estimates branch of the content of ambits in recent Supplementary Estimates has revealed that a number of ambits appear to be out-of-date and poorly structured. Departments should, in conjunction with their Spending Team, look at their ambit and cut extraneous material. If in doubt contact the Treasury Officer of Accounts (TOA) team.

#### Budgeting policy driven changes: assets sales and losses

6. As trailed in MS FD(06)16 the treatment of asset sales and losses will change its budgeting treatment in 2007-08. Note it is only the budget scoring that is changing: the treatment of profits and losses in Estimates and accounts will not change. In Estimates they will still impact on the resources side of the Part II: Subhead Detail table (as an additional cost (loss) or netted off expenditure (profit)) and will combine with the book-value to determine the

amount that can be treated as a non-operating appropriations-in-aid on the capital side. The resource and capital reconciliation tables have been altered so that the reconciliation now appears in the resource table in order to remove the impact of profits and losses in the reconciliation to the resource budget.

**Recording CFERs on COINS**

7. The recording of cash Consolidated Fund Extra Receipts (CFERs) will change this year. The cash recording has been simplified, but at a different level of detail than last year. The table below sets out what variables to use to achieve the desired effect.

8. The variables used are:

- 31101100 Operating income not classified as A in A – CFERs
- 21091130 Cash relating to CFER income in the current year
- 21091140 Cash relating to CFER income accrued in a previous year
  
- 31101200 Non-operating income not classified as A in A – CFERs
- 21091230 Cash relating to CFER income accrued in the current year
- 21091240 Cash relating to CFER income accrued in a previous year
  
- 98510000 Other amounts collectable on behalf of the CF - Income
- 98520000 Other amounts collectable on behalf of the CF – Receipts
  
- 21091430 Excess cash to be paid to the CF relating to the current year
- 21091440 Excess cash to be paid to the CF relating to previous years

**Part III: Extra Receipts payable to the Consolidated Fund**

	<b>200x-xx</b>	
	<b>Income (i.e. accruals)</b>	<b>Receipts (i.e. cash)</b>
Operating income not classified as A in A	31101100	21091130 21091140
Non-operating income not classified as A in A	31101200	21091230 21091240
Other amounts collectable on behalf of the Consolidated Fund	98510000 *-1	98520000 *-1
Excess receipts to be surrendered to the Consolidated Fund	Not applicable – cash only	21091430 21091440

## **Other budgeting policy driven changes**

9. There are a number of other minor changes to budgeting policy from 2007-08, but these should not impact on the structure or format of the Main Estimates. Such changes should be automatically located correctly in the tables provided the data is correctly recorded on COINS.

## **GENERAL GUIDANCE**

### **Concordat**

10. The Estimates Concordat between departments, Treasury Spending teams and GEP has been recently updated. All parties to the process should know and understand their role. A copy of the latest [Concordat](#) can be found on the PSG website.

### **Checklist**

11. A [Checklist](#) for ensuring that your Estimate conforms to the accepted format and structure can be found on the PSG website. Anyone not able to access the site should contact [Gary Hansman](#) who will arrange for a copy to be e-mailed to you.

### **Dead and dying lines**

12. The attention of departments is specifically drawn to the following treatment of dead and dying lines in the Part II: Subhead detail table of the Main Estimate. A 'dying' section is where there is no provision for the current year, but there is data for the prior and/or outturn years. A 'dead' section has no data for any of the 3 years covered in the Part II: Subhead detail table.

13. A 'dying' section will appear in the table (at the end of the relevant shoulder-heading) but will not be prefixed by a letter as no resources are being sought and should be shown in italics. 'Dead' sections should not appear in the Part II subhead detail table at all.

14. However, dead lines must be maintained on the COINS Main Estimate structure to support the production of the SBI tables. The Main Estimates report will not output lines that have no data in the three Estimate years but these lines will be picked up by the SBI reports.

### **Symbols**

15. The common symbols to be used in 2007-08 can be found at annex 11.1 of Government Accounting.

16. Some departments are not annotating their Note to the Main Estimate showing the 'Analysis of CFERs' with the correct symbols. The Main Estimate report from COINS generates all three of the symbols and departments must delete those symbols that are not applicable. Treasury will again be looking

closely at this part of the proofs this year to ensure that symbols are allocated against every item.

17. If a department is unsure about what symbol to use or the format of the CFER analysis table please contact Gary Hansman on (020) 7270 5533.

### **Receipts, including those from the EU**

18. General guidance on receipts in Estimates can be found in [chapter 20](#) of Government Accounting and in the Parliamentary Control section of the PSG website.

19. Since 1997 all income from the European Regional Development Fund (ERDF) and related expenditure are accounted to Parliament by the Department for Communities and Local Government (DCLG), mostly in token net sections as the departments are acting as agents. This Estimate treatment is achieved by mapping the spending and related income for all the departments concerned into DCLG's Main Estimate. This treatment remains under review, but is expected to continue to apply at least for 2007-08.

20. If a new programme object is created departments should liaise with Corinne Smith in DCLG (020 7944 6807) or Helen Skilton (020 7944 6554). Departments with a policy interest in ERDF spending (in addition to DCLG) are as follows:

- Department for Trade and Industry (DTI);
- Department for Environment, Food and Rural Affairs (DEFRA);
- Department for Transport (DfT);
- Department for Culture, Media and Sport (DCMS); and
- Department for Work and Pensions (DWP).

21. Further information on the treatment of ERDF receipts in Estimates can be found [in the PSG website](#).

### **Treatment of VAT in Estimates**

22. Information on the treatment of [VAT in Estimates](#) can be found in the Parliamentary Control and Accountability section of the PSG website. General guidance on VAT is also contained in chapter 15 of Government Accounting.

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Estimates branch  
General Expenditure Policy (GEP) team