



# HM TREASURY

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**Second Treasury Officer of Accounts**

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Dear Accounting Officer

**DAO(GEN)15/03**

14 November 2003

## **ADVANCES FROM THE CONTINGENCIES FUND – NEW SERVICES REQUIRING SPECIFIC LEGISLATION**

### ***Scope and Purpose of this letter***

This letter emphasises the importance of departments having proper regard to the parliamentary timetable for the completion of necessary legislation and Supply Estimates processes when introducing new services. Use of the Contingencies Fund to finance spending in advance of such authority is highly exceptional and departments should note that they would need to explain why these procedures were not properly anticipated, as well as demonstrating the exceptional public interest involved, before any Contingencies Fund advance could be considered.

### ***Action and Contacts***

2. Accounting Officers are asked to:

- o Note the contents of this letter;
- o Forward to the relevant staff in their departments;
- o Note the following contacts:
  - o Use of the Contingencies Fund: David Dipple in the GEP team; email [david.dipple@hm-treasury.gov.uk](mailto:david.dipple@hm-treasury.gov.uk); phone 020 7270 5534;
  - o New services rules: Steve Morrish in TOA: email [stephen.morrish@hm-treasury.gov.uk](mailto:stephen.morrish@hm-treasury.gov.uk); phone 020 7270 4833.



## **Background**

3. A department may seek advances from the Contingencies Fund (under category 11.6.6(c) of Government Accounting<sup>1</sup>) where it has in place neither the parliamentary approval of the enabling legislation nor the necessary Supply Estimate cover. Such cases involve the greatest degree of anticipation of parliamentary authority. As Accounting Officer for the Contingencies Fund, Nick Macpherson is personally responsible for ensuring that access to the Fund is provided only where the criteria are clearly met. Therefore, when considering departments' applications for access to the Contingencies Fund, the Treasury can only consider such cases where it would clearly be contrary to the public interest to await the normal parliamentary approval. However, in recent months there have been a number of Contingencies Fund requests that would not have been necessary had the department anticipated the impact of the parliamentary timetable for legislation when planning their policy implementation.

4. Departments are asked to note that they have a duty to Parliament to ensure that they make adequate allowance for obtaining the necessary parliamentary approval for spending on new services. Guidance on this is given in Government Accounting (paragraph 2.3). Therefore any Contingencies Fund request would need to demonstrate clearly why such expenditure needed to be funded in advance of the parliamentary authority being given, as well as explaining why the public interest in implementing the new service urgently was so great as to justify anticipating the normal parliamentary approval. This situation should be avoided if at all possible and you may want to consider whether those currently responsible for policy development within your department are adequately aware of these issues.

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<sup>1</sup> Available at [www.government-accounting.gov.uk](http://www.government-accounting.gov.uk)