

**Annex B to PES (2004) 14****FOOTNOTING PART I OF AN ESTIMATE: MACHINERY OF GOVERNMENT CHANGES BETWEEN DEPARTMENTS AND TRANSFERS BETWEEN RfRs WITHIN A DEPARTMENT**

Where a department is reducing the limit on resources previously voted by the House of Commons (either following a machinery of government transfer or by reallocating resources between RfRs) it must provide a footnote against the relevant limits set out in Part I of the Supplementary Estimate. The purpose of this footnote is to provide the information necessary for the ensuing Appropriation Act, which gives legal effect to a reduction and links it to the balancing increase.

The examples given below are by no means intended to cover the full range of situations that might arise, which are many and varied. It may also be the case that a department has a combination of changes that require two or more footnotes. If further guidance is required please contact your spending team or the Estimates Branch within HM Treasury.

**Example 1 (Machinery of government change)**

Department A has two RfRs and has a Supplementary Estimate for the following purposes:

- To transfer (net) resources of £1,250,000 and operating appropriations-in-aid of £500,000 from its RfR1 (section D) to department B as part of a machinery of government transfer of functions (parrot licensing).
- Separately, to seek additional (net) resources of £725,000 and operating appropriations-in-aid of £600,000 for RfR1 and (net) resources of £450,000 and operating appropriations-in-aid of £350,000 for RfR2.
- To seek an increase in the net cash requirement of £900,000, made up of a transfer of £800,000 to department B in relation to the machinery of government change and an increase of £1,700,000 in relation to other changes.
- To transfer non-operating appropriations-in-aid of £120,000 to department B in relation to the machinery of government change.

Department B has one RfR and has a Supplementary Estimate for the following purposes:

To take on (Section G) additional (net) resources of £1,250,000 and operating appropriations-in-aid of £500,000, transferred from department A in relation to a machinery of government transfer of functions (parrot licensing). Separately, to seek additional (net) resources of £2,000,000 and a reduction in operating appropriations-in-aid of £340,000. To seek an increase in the net cash requirement of £1,500,000, made up of an increase of £800,000 in relation to the machinery of government change and an increase of £700,000 in relation to other changes. To seek an increase in non-operating appropriations-in-aid of £120,000 in relation to the machinery of government change.

The Part I table in the Supplementary Estimate for each department would include the following:

<b>Department A</b>	
<b>Part I</b>	
RfR 1: (title) ‡	£ -525,000
RfR 2: (title)	450,000

Total additional net resource requirement	-125,000
Additional net cash requirement ‡	900,000

Supplementary amounts required in the year ending 31 March 200X for expenditure by department A on:

RfR 1: (ambit)

RfR 2: (ambit)

‡ *The parrot licensing (Section D, RfR 1) function [is being/was] transferred to department B on [date]. Within the overall changes sought in this Estimate, the specific changes relating to this machinery of government transfer are: (i) for RfR1, the net resource requirement is reduced by £1,250,000 and operating appropriations-in-aid are reduced by £500,000; (ii) for the Estimate as a whole, the net cash requirement is reduced by £800,000 and non-operating appropriations-in-aid are reduced by £120,000.*

## Department B

### Part I

	£
RfR 1: (title) ‡	3,250,000
Total additional net resource requirement	3,250,000
Additional net cash requirement ‡	1,500,000

Supplementary amounts required in the year ending 31 March 200X for expenditure by department B on:

RfR 1: (ambit)

‡ *The parrot licensing (Section G) function [is being/was] transferred from department A on [date]. Within the overall changes sought in this Estimate, the specific changes relating to this machinery of government transfer are: (i) the net resource requirement is increased by £1,250,000 and operating appropriations-in-aid are increased by £500,000; (ii) the net cash requirement is increased by £800,000 and non-operating appropriations-in-aid are increased by £120,000.*

### Example 2 (Transfer of provision between RfRs within the same department)

Department C has three RfRs and has a Supplementary Estimate for the following purposes:

- To transfer (net) resources of £460,000 from its RfR1 (sections A, F and H) to offset increases in resources in RfR2 and RfR3.
- To seek additional (net) resources of £220,000 and an increase in operating appropriations-in-aid of £20,000 for RfR2.

- To seek additional (net) resources of £875,000 for RfR3.
- To seek an increase in the net cash requirement of £770,000.

In this case, the footnote must make clear where in the Estimate both the reduction in resources is being made and where this reduction is being offset by an increase in another RfR.

It is acknowledged that there will not normally be any direct link between the reduction in resources in one (or more) RfR(s) and the increase in any other RfR. However, despite this the footnote must state where in the Estimate resources are being taken up to offset the reduction.

In the example below the increase can be allocated all to RfR3 or to some combination of RfRs 2 and 3. This is a matter for the department, but the simplest reallocation (e.g. all to RfR3) would normally seem appropriate. The Part I table in the Supplementary Estimate for department C would include the following:

<b>Department C</b>	
<b>Part I</b>	<b>£</b>
RfR 1: (title) ‡	-460,000
RfR 2: (title)	220,000
RfR 3: (title) ‡	875,000
Total additional net resource requirement	635,000
‡	
Additional net cash requirement	770,000

Supplementary amounts required in the year ending 31 March 200X for expenditure by department A on:

RfR 1: (ambit)

RfR 2: (ambit)

RfR 3: (ambit)

‡ *The reduction in the net resource requirement for RfR1 of £460,000 is offset by a reallocation of those resources to RfR3.*