

PROPOSED REVISIONS TO CHAPTER 25.2 OF GOVERNMENT ACCOUNTING

25.2 Gifts made by departments

25.2.1 Departments should seek parliamentary approval for gifts worth more than £250,000, either through Estimates or through the Minute procedure.

Reporting Process

25.2.2 Where departments wish to make a gift worth more than £250,000 and have time to notify Parliament in their Estimate (Main or Supplementary depending on timing), they should note their Estimate, giving details of the gift and its cost.

Departments are reminded of the requirements of para GA [2.4.7](#) – ie to seek Treasury as appropriate, for gifts even though a gift may be below the reporting threshold.

25.2.3 Where departments wish to make a gift over £250,000, but have not been able to include it in their Estimates, they should notify Parliament through the Minute procedure. This applies even where parliamentary authority will be sought in a subsequent Estimate for funds to replace an existing asset to be given.

25.2.4 Before laying a departmental Minute, departments should obtain Treasury approval. The Minute must then be laid before the House of Commons at least fourteen parliamentary sitting days before the department proposes to make the gift. The wording of the opening and closing paragraphs of the Minute are in a standard form which has been agreed by the [Public Accounts Committee](#) and should not therefore be changed (Box 25.2).¹ The rest of the Minute should set out briefly the nature of the gift, its value, the circumstances in which it is being given, and the recipient. Where the gift is to be replaced, the Minute should contain information about the cost and nature of the replacement, when it is expected to be acquired, and the Estimate and [subhead](#) to which the expenditure will be charged; in the case of non-voted expenditure, the Minute should quote the account to which the replacement cost will be charged.

In cases of special urgency it is permissible, exceptionally, for all or part of the fourteen days notice period to fall during an adjournment or recess, or for a shorter notice period to be given. In such cases, Treasury approval should be sought and the reasons for the urgency should be explained in the Minute.

¹ Where the House is given less than fourteen parliamentary sitting days to signify objections, the final paragraph should be amended, in consultation with the Treasury.

Box 25.2 Standard wording for departmental gift Minute

Opening paragraph:

It is the normal practice when a government department proposes to make a gift of a value exceeding £250,000, for the department concerned to present to the House of Commons a Minute giving particulars of the gift and explaining the circumstances; and to refrain from making the gift until fourteen days (exclusive of Saturdays and Sundays) after the issue of the Minute, except in cases of special urgency.

Closing paragraph:

The Treasury has approved the proposal in principle. If, during the period of fourteen days (exclusive of Saturdays and Sundays) beginning on the date on which this Minute was laid before the House of Commons, a Member signifies an objection by giving notice of a Parliamentary Question or of a Motion relating to the minute, or by otherwise raising the matter in the House, final approval of the gift will be withheld pending an examination of the objection.

25.2.5 A Member of Parliament may object to the gift by letter, through a Parliamentary Question or through an Early Day Motion.² The gift should not normally be made until any objections have been answered. In the case of an Early Day Motion, the MP should be given an opportunity to make a direct personal representation to the Minister. The Treasury should be notified of the outcome of any representations made by MPs.

Transfers of assets between government departments

25.2.6 Transfers of assets between government departments should generally be at full current market value, and are not therefore regarded as gifts. Where assets are transferred as the result of a transfer of functions, no charge is made nor is the Minute procedure used. Gifts between government departments should be exceptional.

Transfer of land and buildings at less than the best price reasonably obtainable (including concessionary sales)

25.2.7 Transfers of land and buildings or assignment of leases to bodies other than government departments at less than the best price reasonably obtainable should be treated as gifts (24.4.2–3).

Noting resource accounts

25.2.8 Departmental resource accounts should include a note on gifts made by departments if the total value of gifts for the financial year exceeds £250,000 (Annex 12.1). Gifts with a value of more than £250,000 should be noted individually, with a reference to the appropriate departmental Minute. There are rare occasions where, exceptionally, gifts are made between government departments: in such cases, the receiving department should note its accounts, not the donor.

² Where there is an objection, departments may wish to advise their Ministers to take the initiative by making contact with the MP concerned. This may be particularly appropriate if it is proposed to make the gift urgently or promptly on expiry of the waiting period.