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# **Supply Estimate 2011-12**

## **House of Commons: Administration**

### **Main Supply Estimate**

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# Main Supply Estimate

## 2011-12

for the year ending 31 March 2012

### Supply Estimate

#### House of Commons: Administration

*Presented by the Speaker on behalf of  
the House of Commons Commission.  
Pursuant to Section 3 of the House of Commons (Administration) Act 1978*

*Ordered by the House of Commons to be printed*

*26th April 2011*

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ISBN: 9780102971576

Printed in the UK by The Stationery Office Limited  
on behalf of the Controller of Her Majesty's Stationery Office

ID 2426675 04/11 11149 19585

Printed on paper containing 75% recycled fibre content minimum.

# Contents

		<b>Page</b>
<b>Section 1</b>	<b>Introduction</b>	<b>1</b>
<b>Section 2</b>	<b>Resource-based Supply arrangements</b>	<b>2</b>
<b>Section 3</b>	<b>Supply Estimates and the control of public expenditure</b>	<b>4</b>
<b>Section 4</b>	<b>Parliamentary procedure</b>	<b>5</b>
<b>Section 5</b>	<b>House of Commons: Administration Main Supply Estimate</b>	<b>6</b>

## Section 1. Introduction

1. Supply Estimates are the means by which the House makes provision for its spending each year. The Main Estimates start this process and are presented to Parliament around the start of the financial year to which they relate.

2. The relationship between Supply Estimates and the administrative control arrangements, and the way in which Parliament considers the Supply Estimates are described in the Government Supply Estimates 2011-12 (HC 921). The arrangements for the House's own Administration Estimate broadly follow the same pattern.

### **2011-12 Main Supply Estimates**

3. The total resource expenditure for which authority is sought in the 2011-12 Main Estimate for the House of Commons: Administration is £228 million in Resource and £20 million in Capital.

4. The total forecast outturn for expenditure on a resource basis in 2010-11 is £219 million in Resource and £20 million in Capital. The net resource requirement sought through Supply for 2011-12 is £9 million higher in Resource and no change in Capital requirement compared to the forecast net resource and capital outturn for 2010-11. This reflects a return to normal levels of activity following the 2010 General Election.

## Section 2. Summary of Resource-based Supply arrangements

1. Parliament is asked to approve the consumption of resources as well as the spending of cash, under the authority of the House of Commons (Administration) Act 1978 as amended by the Government and Resources and Accounts Act 2000 and the Supply and Appropriation Act.

**Structure** 2. The Estimate at Section 5 is accompanied by explanatory notes containing basic information intended to put it into context, including a general description of the expenditure involved, an explanation of the Accounting Officer's responsibilities for the Estimate, and an indication of any important features.

3. The core elements of the Estimate, which consist of the sums and services to be voted in the resource-based Main Supply Estimate, are produced in three parts.

**Part I** 4. **Part I** of the Main Supply Estimate contains the following :

- (i) the net provision sought in resource, cash and capital.
- (ii) a formal description of the services to be financed from the Estimate (known as its Ambit);
- (iii) who will account for the Estimate; and
- (iv) any amounts which have already been allocated in the Vote on Account.

5. The net resource and cash expenditure limits and the Ambit will be reproduced in the Supply and Appropriation Act. Together they provide the statutory authority for the expenditure.

**Parts II and III** 6. These sections provide a breakdown of the expenditure for which approval is sought.

7. This Estimate operates on a net control basis, within the authority set out in the House of Commons (Administration) Act 1978, with the income generated being offset against the expenditure incurred. The House of Commons Commission can direct that any excess income should be retained and applied for the service of a particular year.

8. Resource Estimates are accompanied by a Resource to Cash reconciliation and Forecast Operating Cost Statement & Reconciliation table.

9. The Estimate and supporting statements provide an explanation of the expenditure that the House of Commons proposes to finance from funds made available by Parliament.

## **Section 3. Supply Estimates and the control of public expenditure**

- The main spending aggregates**
1. The Central Government Supply Estimates provide details of the resource-based system for the control of public expenditure. The House of Commons: Administration Estimate follows the same broad principles.

## **Section 4. Parliamentary Procedure**

1. Parliament's consideration of the Supply Estimates is part of its Supply procedure, by which it approves all requests for funds.
2. The process consists of a number of stages and full details are provided in the Central Government Supply Estimates. The House of Commons: Administration Estimate follows the same broad principles.



## **Section 5. House of Commons Supply Estimate**

### **Introduction**

This Estimate covers the planned budgetary expenditure of the House of Commons. The main costs of salaries and allowances paid to Members of Parliament are met through the Estimate laid by the Independent Parliamentary Standards Authority. Other costs incurred on behalf of Members are met through the Members Estimate which is included in the Central Government Supply Estimates.

2. The expenditure is broken down between resource and capital, all of which is voted.
3. The net cash requirement is shown as a single total.

**Part I**

£

<b>Net Resource Requirement (DEL equivalent)</b>	<b>228,000,000</b>
<b>Net Capital Requirement (DEL equivalent)</b>	<b>20,000,000</b>
<b>Net Cash Requirement</b>	<b>193,300,000</b>

Amounts required in the year ending 31 March 2012 for expenditure by the House of Commons: Administration on:

Expenditure arising from:

- General administration including staff costs, general expenses, stationery, printing, security, broadcasting, IT, catering, accommodation services and associated non-cash costs;
- Some travel costs of Members of Parliament in connection with select committees and delegations to international parliamentary assemblies;
- Cost incurred on international parliamentary activities; and grants-in-aid to the History of Parliament Trust, certain parliamentary bodies and to the Association of Former Members of Parliament.

Income arising from:

- Catering receipts, rental income, sales of goods and services, fees received and receipts in connection with parliamentary activities.

The cost of Members' salaries, allowances and other related expenditure will be borne between the Independent Parliamentary Standards Authority Estimate and the House of Commons Members Estimate.

The Clerk of the House of Commons will account for this Estimate.

	<b>Total</b> £	<b>Allocated in Vote on</b> <b>Account (HC 596)</b> £	<b>Balance to</b> <b>complete</b> £
<b>Expenditure Limit</b>			
Resource	228,000,000	98,550,000	129,450,000
Capital	20,000,000	9,000,000	11,000,000
<b>Net Cash Requirement</b>	<b>193,300,000</b>	<b>90,000,000</b>	<b>103,300,000</b>

**Part II: Subhead detail**

						<b>£'000</b>	
<b>2011-12</b>	<b>Budget</b>		<b>Capital</b>			2010-11	2009-10
Gross Resource	Income	Net Total	Capital	Income	Net Total	Estimate Net total Resource	Outturn Net total Resource
237,800	-9,800	228,000	20,000	0	20,000	219,000	257,032

**Part II: Resource to cash reconciliation**

				<b>£'000</b>		
		2011-12	2010-11	2009-10		
		Provision	Provision	Outturn		
<b>Net Resource Requirement (DEL equivalent)</b>		<b>228,000</b>	<b>219,000</b>	<b>257,032</b>		
<b>Net Capital Requirement (DEL equivalent)</b>		<u>20,000</u>	<u>20,000</u>	<u>16,319</u>		
<b>Total Voted Capital</b>		<b>20,000</b>	<b>20,000</b>	<b>16,319</b>		
Accruals to cash adjustments						
<i>Adjustments to remove non-cash items:</i>						
Depreciation		-16,500	-18,000	-16,385		
Loss/gain on revaluation		-	-1,000	-40,340		
Provisions (new and adjusted)		-43,500	-29,600	-33,427		
Cost of Capital charge		-	-	-		
Other non-cash items		-100	-100	-145		
<i>Adjustments to reflect movements in working balances:</i>						
Increase (+) / decrease (-) in stock		-	-	1,253		
Increase (+) / decrease (-) in debtors		-	-	-109		
Increase (-) / decrease (+) in creditors		-	-	-2,428		
Use of provisions		5,400	9,700	4,511		
<b>Total Cash to accrual adjustments</b>		<b>-54,700</b>	<b>-39,000</b>	<b>-87,070</b>		
<b>Net Cash Requirement</b>		<b>193,300</b>	<b>200,000</b>	<b>186,281</b>		

**Forecast Operating Cost Statement**

for the year ended 31 March 2012

	<b>£'000</b> <b>2011-12</b> <b>provision</b>	<b>£'000</b> <b>2010-11</b> <b>provision</b>	<b>£'000</b> <b>2009-10</b> <b>outturn</b>
<b>Gross Administration Costs</b>	<b>237,800</b>	<b>227,400</b>	<b>266,777</b>
Less: income	-9,800	-8,400	-9,745
<b>Total Administration costs</b>	<b>228,000</b>	<b>219,000</b>	<b>257,032</b>
<b>Total Operating Cost</b>	<b>228,000</b>	<b>219,000</b>	<b>257,032</b>
<b>Resource (Estimate)</b>	<b>228,000</b>	<b>219,000</b>	<b>257,032</b>
<b>Resource (Budget)</b>	<b>228,000</b>	<b>219,000</b>	<b>257,032</b>

## NOTES TO THE MAIN ESTIMATE

### **Reconciliation of resource expenditure between Estimates, Accounts and Budgets**

There are no reconciliation adjustments for 2011-12.

### **Explanation of Accounting Officer's responsibilities**

The Clerk of the House of Commons, Dr M R Jack, has been appointed as Accounting Officer for the House of Commons: Administration Estimate, with overall responsibility for preparing Estimates for the House of Commons.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the House's assets, are broadly in line with those set out in *Managing Public Money* issued by the Treasury.

### **Analysis of Income**

The House of Commons: Administration Estimate operates under a net cost control regime within the overall authority set out in the House of Commons (Administration) Act 1978.

### **Contingent liabilities and assets**

The House of Commons has works of art on loan from various collections; these are indemnified to the value of £7,137,000 (at 31 March 2010).



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ISBN 978-0-10-297157-6



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