EXPLANATORY MEMORANDUM TO

THE GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000 (ESTIMATES AND ACCOUNTS) (AMENDMENT) ORDER 2017

2017 No. 1256

1. Introduction

1.1 This explanatory memorandum has been prepared by Her Majesty's Treasury and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 This instrument makes amendments to the bodies designated by the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2017 (SI 2017/310) ("the principal Order") for inclusion in departmental Estimates and accounts for the financial year that ends on 31st March 2018 ("the 2017-18 financial year"). The designated bodies fall within the departmental budgetary control limits set by HM Treasury and so inclusion of these bodies within departmental Estimates and accounts simplifies government's financial reporting to Parliament by better aligning the main elements of the spending control framework.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

Other matters of interest to the House of Commons

3.2 As this instrument is subject to negative resolution procedure and has not been prayed against, consideration as to whether there are other matters of interest to the House of Commons does not arise at this stage.

4. Legislative Context

4.1 This instrument is made in exercise of the powers conferred by section 4A of the Government Resources and Accounts Act 2000. It amends the principal Order.

4.2 This instrument gives effect to part of the Clear Line of Sight reforms by specifying which bodies form part of departmental groups for the purposes of Estimates and resource accounts.

4.3 The House of Commons formally approved the Clear Line of Sight reforms, including the consolidation proposals, through a vote in the House on 5th July 2010 (House of Commons Debates, vol. 513 cc85-108). Through this, an undertaking was given to Parliament that from 1st April 2011 departmental Estimates and accounts would include Non-Departmental Public Bodies and other bodies classified to central government by the Office for National Statistics, whose spending is in budgets.

4.4 The principal Order was made in accordance with this undertaking. This instrument amends the bodies designated by that Order. Because of the number of changes for the 2017-18 financial year, this Order inserts a new Schedule into the principal Order.

5. Extent and Territorial Application

5.1 The extent of this instrument is the United Kingdom.

5.2 The territorial application of this instrument is the United Kingdom.

6. European Convention on Human Rights

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

What is being done and why

7.1 A key component of the Clear Line of Sight reforms is the consolidation into departmental Estimates and accounts of expenditure by all bodies within the departmental group. The designation of these bodies ensures that Parliamentary controls over government spending are closely aligned with budgetary controls.

7.2 The departmental group is defined by reference to the Office for National Statistics classification to central government. Those bodies classified to central government and within the budgetary framework are within the boundary and other entities are excluded.

7.3 The principal Order was made on 8th March 2017 to designate the bodies that fall within this agreed boundary and whose use of resources is to be consolidated into departmental Estimates and accounts for the 2017-18 financial year. This instrument amends the list of bodies designated by that Order to ensure that the list remains up-to-date and accurate.

7.4 A body needs to be designated by an amending order if a department has become responsible for it and it was not previously in departmental budgets. The department's Supplementary Estimate will contain information about that body's use of resources in the current financial year.

7.5 A body is omitted from the list if it is decided that it should not be treated as being in departmental budgets for the current financial year.

7.6 Other amendments are made to reflect changes in the names of designated bodies or to correct names.

Consolidation

7.7 Usually one order and one amending order is made each financial year under section 4A of the Government Resources and Accounts Act 2000. We do not consider that full consolidation is necessary in those circumstances.

8. Consultation outcome

8.1 The Scottish Ministers, the Department of Finance and Personnel for Northern Ireland and the Welsh Ministers were consulted in accordance with section 4A(8) of the Government Resources and Accounts Act 2000. Government departments were also consulted. The consultation has helped to identify bodies that ought to be removed from the list, bodies that ought to be added to it and changes of name and minor corrections.

9. Guidance

9.1 Her Majesty's Treasury will continue to provide guidance and training on the consolidation of designated bodies into departmental Estimates and accounts.

10. Impact

10.1 There is no impact on business, charities or voluntary bodies.

10.2 Public sector bodies should not need to collect any additional information to consolidate designated bodies into their Estimates and accounts. These bodies, including charities in the public sector, already form part of departmental budgetary controls and so departments are already monitoring in-year spending. In addition, the Whole of Government Accounts project requires the collection of similar outturn data from all public bodies. There should therefore be no material impact on the public sector.

10.3 An impact assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation does not apply to activities that are undertaken by small businesses.

12. Monitoring & review

12.1 The consolidation of bodies within the central government boundary supports greater transparency of spending data by providing Members of Parliament with information about departmental spending plans that is easier to understand and to track. This allows the House of Commons to better scrutinise and challenge departmental spending, as well as supporting public bodies in managing and controlling their spending within a more coherent framework, removing inefficiencies and providing better value for money.

13. Contact

13.1 Orietta Barbari, Government Financial Reporting, Public Spending at Her Majesty's Treasury (tel: 020 7270 6304 or email: orietta.barbari@hmtreasury.gsi.gov.uk) can answer any queries regarding the instrument.