EXPLANATORY MEMORANDUM TO

THE GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000 (ESTIMATES AND ACCOUNTS) (AMENDMENT) ORDER 2023

2023 No. 1360

1. Introduction

1.1 This explanatory memorandum has been prepared by HM Treasury and is laid before Parliament by Command of His 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 2023 (SI 2023/352) ("the principal Order") for inclusion in departmental Estimates and accounts for the financial year that ends on 31st March 2024 ("the 2023-24 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.

4. Extent and Territorial Application

4.1 The extent of this instrument (that is, the jurisdiction which the instrument forms part of the law of) is the United Kingdom.

4.2 The territorial application of this instrument (that is, where the instrument produces a practical effect) is the United Kingdom.

5. European Convention on Human Rights

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

6. Legislative Context

6.1 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.

6.2 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.

6.3 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.

6.4 The principal Order was made in accordance with this undertaking. This instrument amends the bodies designated by that Order by inserting a new Schedule into the principal Order.

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 23rd March 2023 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 2023-24 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, to correct names or for machinery of government purposes.

7.7 The Annex provides further information on changes to bodies in this instrument compared with the principal Order.

8. European Union Withdrawal and Future Relationship

8.1 This instrument does not relate to withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act.

9. Consolidation

9.1 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.

10. Consultation outcome

10.1 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, changes for machinery of government purposes, and changes of name and minor corrections.

11. Guidance

11.1 HM Treasury will continue to provide guidance and training to other government departments on the Clear Line of Sight requirements regarding the consolidation of designated bodies into departmental Estimates and accounts.

12. Impact

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

12.2 The impact on the public sector is minimal. 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.

12.3 A full Impact Assessment has not been prepared for this instrument because it will have no effect on the costs of business or the voluntary sector.

13. Regulating small business

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

14. Monitoring & review

14.1 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.

14.2 The instrument does not include a statutory review clause.

15. Contact

15.1 Orietta Barbari at HM Treasury Telephone: 07866 060 104 or email: orietta.barbari@hmtreasury.gov.uk can be contacted with any queries regarding the instrument.

15.2 Charlotte Goodrich, Deputy Director, Government Financial Reporting, at HM Treasury can confirm that this Explanatory Memorandum meets the required standard.

15.3 Laura Trott, Chief Secretary to the Treasury, can confirm that this Explanatory Memorandum meets the required standard.

ANNEX

This Annex provides a summary of changes to bodies in the instrument compared with the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2023 (SI 2023/352) (as originally enacted).

Bodies Added

BBC Taobh Na H-Aibhne Limited
British Nuclear Fuels Limited
Bulb Energy Ltd
Creative Industries New Entrant Scheme Limited
Health Services Safety Investigations Body
Independent Commission for Reconciliation and Information Recovery
Office for Place Limited
Pool Re Services Limited
Pool Re Solutions Limited
UK Shared Business Services Limited
UK Industrial Fusion Solutions Ltd

Bodies Removed

Building Regulations Advisory Committee
Capital for Enterprise Fund Managers Limited
Capital for Enterprise (GP) Limited
Charitable trusts the trustees of which are appointed for NHS Foundation Trusts in pursuance of an order under section 51 of the National Health Service Act 2006

Bodies Renamed

UK Sports Institute Limited was previously named The English Institute of Sport Limited

Bodies Transferred

The following bodies transferred from the Department for Energy Security and Net Zero to the Foreign, Commonwealth and Development Office on 5 October 2023:

UK Climate Investments Apollo Limited
UK Climate Investments Dazzle Limited
UK Climate Investments Etna Limited
UK Climate Investments H1 Limited
UK Climate Investments Indigo Limited
UK Climate Investments Kijani Limited

UK Climate Investments Lakeside Limited
UK Climate Investments LLP
UK Climate Investments VC Limited

The following body transferred from the Department for Business and Trade to the Department for Levelling Up, Housing and Communities on 1 June 2023:

Rule Committee (as mentioned in section 127(2) of the Land Registration Act 2002)