EXPLANATORY MEMORANDUM TO

THE GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000 (ESTIMATES AND ACCOUNTS) ORDER 2026

2026 No. 216

1. Introduction

1.1 This Explanatory Memorandum has been prepared by HM Treasury and is laid before Parliament by Command of His Majesty.

2. Declaration

2.1 James Murray, the Chief Secretary to the Treasury at HM Treasury confirms that this Explanatory Memorandum meets the required standard.

2.2 Charlotte Goodrich, Deputy Director for Government Financial Reporting, at HM Treasury confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Orietta Barbari at HM Treasury can be contacted by email at the following address with any queries regarding the instrument: orietta.barbari@hmtreasury.gov.uk. Alternatively, telephone: 07866 060 104.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This instrument designates bodies for inclusion in departmental Estimates and accounts for the financial year that ends on 31 March 2027 ("the financial year 2026-27"). 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 better aligns the main elements of the spending control framework.

Where does the legislation extend to, and apply?

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

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

5. Policy Context

What is being done and why?

5.1 In July 2007, the Government announced in The Governance of Britain Green Paper a "Clear Line of Sight" (Alignment) Project to simplify its financial reporting to Parliament by better aligning budgets, Estimates and accounts. HM Treasury submitted detailed proposals for better alignment to Parliament in a memorandum in March 2009 (Cm 7567). The Liaison Committee of the House of Commons responded to the Government's proposals in its report Financial Scrutiny: Parliamentary Control over Government's Budgets (HC 804), published on 3 July 2009. The report accepted, on behalf of the relevant select committees of the House of Commons, all of the

Government's proposals for a better aligned public spending framework as set out in Cm 7567. The House of Commons formally approved the Clear Line of Sight reforms through a vote in the House on 5th July 2010 (Hansard Volume 513, Columns 85-108).

5.2 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 budgeting controls.

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

5.4 This instrument designates the bodies that fall within this agreed boundary and for each department lists the bodies whose expenditure is to be consolidated into the department's Estimates and accounts for the financial year 2026-27.

What was the previous policy, how is this different?

5.5 The instrument does not amend or consolidate any other piece of legislation. A new instrument will be prepared each year to designate departmental boundaries. Amending orders will be brought forward within each year as necessary to keep the lists up-to-date and accurate. Usually, one order and one amending order is made each financial year under section 4A of the Government Resources and Accounts Act 2000 ("the GRAA").

5.6 The Annex provides further information on changes to bodies in the Order compared with the Government Resources and Accounts Act 2000 (Estimates and Accounts) (Amendment) Order 2025 (SI 2025/1336).

6. Legislative and Legal Context

How has the law changed?

6.1 This instrument is made in exercise of the powers conferred by section 4A of the GRAA.

6.2 For the financial year 2026-27, this instrument designates bodies in relation to named government departments for the purpose of those departments' Supply Estimates and resource accounts. As a result, in accordance with section 4A(1) and (2) and section 5(1)(a)(ii) of the GRAA, each of those named departments will be required to include information about its designated bodies in its Estimates and resource accounts for 2026-27.

6.3 As explained in paragraphs 5.2 to 5.4 above, this gives effect to an aspect of the Clear Line of Sight reforms. This approach has been followed since 1 April 2011 (2011-12) when the Clear Line of Sight reforms were first introduced.

Why was this approach taken to change the law?

6.4 The approach of designating bodies in relation to government departments is the only approach possible under section 4A of the GRAA.

7. Consultation

Summary of consultation outcome and methodology

7.1 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 GRAA. Government departments were also consulted and given the opportunity to comment on those designations applicable to them.

8. Applicable Guidance

8.1 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.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because no, or no significant impact on the private, voluntary or public sector is foreseen.

Impact on businesses, charities and voluntary bodies

9.2 There is no, or no significant, impact on business, charities or voluntary bodies because this instrument does not have an impact on those bodies unless they are in the public sector (as to which see para. 9.4 below).

9.3 The legislation does not impact small or micro businesses.

9.4 The impact on the public sector is minimal. Government departments will need to consolidate in their Estimates and resource accounts, the expenditure of the bodies designated by this Order. However, public sector bodies should not need to collect any additional information to consolidate designated bodies into Estimates and accounts. These designated 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. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 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.

10.2 In addition, the National Audit Office will monitor and review that departmental resource accounts are prepared in accordance with this Order when auditing those accounts under section 6 of the GRAA.

10.3 The instrument does not include a statutory review clause.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 None.

12. European Convention on Human Rights

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

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").

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) (Amendment) Order 2025 (SI 2025/1336).

Bodies Added

AHDB Services Limited
Ethics and Integrity Commission
Euston Delivery Company Limited
Information Commission
National Housing Bank Limited
Ploughshare Innovations Ltd

Bodies Removed

Advisory Committee on Business Appointments
AWM (Subsidiary) Ltd
BBC Digital Programme Services Limited
BBC Global News Holdings Limited
BBC Investments Ltd
Committee on Standards in Public Life
Departmental Nuclear Company Limited
DSHS Ltd
Institute for Apprenticeships and Technical Education
National Citizen Service Trust
NorwePP (NWDA Subsidiary) Limited
Office for Place Limited
ONE NorthEast General Partner Limited
Phone-paid Services Authority Limited
Skipton Fund Ltd
Transport Focus Scotland Limited

Machinery of Government (MOG) changes

This Order reflects the MOG announcements of 20 November 2025 (HCWS 1079[1]) and 16 September 2025 (HCWS 930[2]) which transfer the following bodies from the Department for Education to the Department for Work and Pensions in 2026-27:

Construction Industry Training Board (established under the Industrial Training Act 1964)

[1] https://questions-statements.parliament.uk/written-statements/detail/2025-11-20/hcws1079
[2] https://questions-statements.parliament.uk/written-statements/detail/2025-09-16/hcws930