
Central Government Supply Estimates 2004-05

Statement of Excesses

March 2006

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HM TREASURY

Central Government Supply Estimates 2004-05

Statement of Excesses

for the year ending 31 March 2005

*Presented by Command of Her Majesty
Ordered by the House of Commons to be printed
1 March 2006*

Introduction

1. This Statement of Excesses sets out the amounts of resource and cash that the Government requests Parliament to grant in Excess Votes.
2. Excess Votes are presented if expenditure of resources or cash has exceeded the provision in the Main, Revised and Supplementary Estimates approved by Parliament and authorised in Appropriation Acts.
3. Before any Excess Votes are sought, the resource accounts for each Estimate are prepared by the relevant department. The accounts are examined and certified by the Comptroller and Auditor General and laid before the House of Commons. A report by the Comptroller and Auditor General is made on any such accounts where expenditure of resources or cash exceeds the amounts, or falls outside the categories of expenditure, authorised by Parliament.
4. Parliament votes amounts for Requests for Resources (RfRs) that are net of income that a department may appropriate in aid of such expenditure. It separately limits the amounts of such income that may be so appropriated. Together, these amounts represent the gross provision. Parliament also votes a Net Cash Requirement that is net of receipts arising from such income. An Excess Vote must therefore be sought even where sufficient surplus income and, as necessary, associated cash receipts, are available to be appropriated in aid of excess expenditure. In such cases, the Excess Vote is for only a token sum of £1,000.
5. A Statement of Excesses is presented to Parliament towards the end of the following financial year to which it relates. Under House of Commons Standing Orders, if the Committee of Public Accounts has reported that it sees no objection to the sums necessary being provided by Excess Vote, the question on the motion to approve them is put without debate. Authorisation of additional resources and issues from the Consolidated Fund in respect of Excess Votes are given legislative authority in the March Appropriation Act.
6. Part I shows the net total amount of Excess Votes. Part II provides a Statement of Excesses for each Estimate concerned. Part III provides an explanation of the reasons for each excess. **There was only one Excess Vote in 2004-05.**

2004-05**STATEMENT OF EXCESSES**

Part I	Total net resource requirement	£ 188,157,000.00
	Total net cash requirement	£ -

STATEMENT of the amounts required to be voted in order to make good excesses for the year ended 31 March 2005

Part II Summary of 2004-05 Statement of Excesses by Department

Request for Resources (RfR)	Title	Resources		Cash	
		Excess £	Amount to be voted £	Excess £	Amount to be voted £
2	Department for Work and Pensions Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need				
	Excess expenditure	188,157,000.00	188,157,000.00	-	-
	Totals to be voted		188,157,000.00		-

TREASURY CHAMBERS

JOHN HEALEY

March 2006

Part III Explanations

Department for Work and Pensions

Excess expenditure over the net Estimate provision for RfR2 (Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need) amounted to £188,157,000.00 of resources.

An excess of £41,533,000 occurred because of overspending on housing benefit expenditure, offset by a number of shortfalls in other areas. The main reason was an increase of subsidy costs in respect of benefit paid by local authorities to those people classified as temporarily homeless. In line with government policy, local authorities made increased use of, more expensive, leased accommodation rather than bed and breakfast accommodation. The Department did not anticipate the resulting increase of 60 per cent in this type of expenditure.

In addition, there was a shortfall of income of classes to be appropriated in aid amounting to £146,624,000 caused by a shortfall in Income Support receipts. This was primarily in respect of an over-estimation of recoveries by the Child Support Agency of maintenance payments from non-resident parents where the parent with care receives the gross amount of Income Support. The Department for Work and Pensions estimated the level of recoveries based upon expected improvements in processing times and case compliance following the introduction, in March 2003, of child support reforms. However, the Agency have continued to face many problems and both the processing times and compliance have not yet improved to the level anticipated. The estimates made by the Department in respect of recoveries were therefore too high.

Parliamentary authority is sought to provide for the excess of expenditure by way of an Excess Vote.

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