

Research Briefing

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Revised Government spending plans for 2021/22



HM TREASURY

Summary

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Summary

What are Estimates?

One of Parliament's longest standing functions is the consideration and authorisation of the government's spending plans, requiring the government to obtain parliamentary consent before spending public money. These are presented to Parliament in documents known as "Estimates". A previous Library [briefing paper](#) set out details of the government's initial spending plans (published in May 2021 in Main Estimates 2021-22) for the current financial year.

What are Supplementary Estimates?

As is usual, the government has now published its proposals to amend those plans, in "Supplementary" Estimates, which require the approval of Parliament in order to come into effect.

The 2021-22 Supplementary Estimates were published on 22 February 2022. They show the changes to this financial year's budgets which the government is seeking for each department, divided into separate limits for current, **day-to-day spending (also known as Resource)** – on staff and other running costs, on goods and services and grants; and **capital (investment)** spending – covering purchase and sale of assets, loans and capital grants.

Changes are further divided into spending subject to fixed limits, based broadly on the plans outlined for 2021/22 in the 2021 Spending Review, known as **Departmental Expenditure Limits**; and less predictable and more demand-led spending, known as **Annually Managed Expenditure**.

Changes to the cash block grants proposed to Scotland, Wales and Northern Ireland are also included under a separate heading.

As is usual, all these changes these will be put to Parliament for approval in early March, and if Parliament is content will be given legal effect by a new Supply and Appropriation Act before the end of the financial year, allowing access to additional funds approved.

What has changed since earlier this year?

The Supplementary Estimates contain requests for additional spending that amount to the following totals:

- **Resource DEL** (day-to-day spending) rises from £480.9 billion to £494.3 billion (+2.8%)

- **Capital DEL** (investment spending) rises from £94.0 billion to £98.5 billion (+4.8%)
- **Resource AME** rises from £428.4 billion to £721.2 billion (+68.3%)
- **Capital AME** rises from £29.7 billion to £30.0 billion (+4.2%)

Major drivers of this spending include:

- Covid-19: although additional spending on the pandemic is significantly lower than in last year's Supplementary Estimate this still caused many of the larger changes, including an additional £11.8 billion for the Department of Health and Social Care;
- Withdrawal from Afghanistan: several departments have requested additional funding as a result of the August 2021 withdrawal and evacuation, including £657 million for the Home Office for the 'Afghanistan Relocation and Assistance Programme'; and
- Discount rates changes: a change in the way liabilities of uncertain size and timing are accounted for has contributed to the significant increase in the (hard-to-forecast) AME budget, including £135 billion for the Nuclear Decommissioning Authority nuclear provisions. However, in most cases this does not represent a change in the expected future expenditure, or represent any additional cash spending this year.

Parliament's role in considering Estimates

Before the latest Supplementary Estimates can be approved, Estimates day debates will take place on the floor of the House of Commons. Any backbench member was able to bid for a topic for one of these debates, which should be linked to the spending, or an aspect of spending, contained in the Supplementary Estimate of a department or other body. The Backbench Business Committee considered bids for debates at a meeting on 28 February. A day of debates on the Supplementary Estimates is expected on 9 March.

The Estimates which have been selected for debate on this occasion are:

- The Department for Education, in respect of the National Tutoring Programme and Adult Education
- The Ministry of Defence

Following the debates, the House will be invited to agree motions on those Estimates selected for debate. Members may agree or reject these motions, or suggest amendments reducing expenditure. There is a further 'roll up motion' covering the remaining Estimates, which members may accept or reject. Under the 'Crown prerogative', only Government can propose spending, so amendments to increase spending are not permitted.

Once motions have been authorised, a Supply and Appropriation bill is presented. Unlike most bills there is no committee stage, and as with other financial legislation the House of Lords' role is purely formal. On receiving

Royal Assent, departments will be able to draw upon the agreed funds set out in the Act for the purposes Parliament has authorised, and advances from the Contingencies Fund will be repaid.

1 What are Estimates?

1.1 Introduction

One of Parliament's longest standing functions is the consideration and authorisation of the Government's spending plans, requiring the Government to obtain parliamentary consent before spending public money.

Estimates, sometimes known as Supply Estimates, are the documents presented to Parliament setting out the Government's plans for spending for a given year. The process of obtaining Parliamentary approval to those plans is known as Supply. With a few specific exceptions,¹ the Government is required to obtain authority from Parliament through the supply process before it can spend public money.²

1.2 The Estimates cycle

The approval of public spending through Estimates (the supply process) operates on the basis of 'annuality', whereby money is voted for use in a particular financial year only. The normal steps in this process are:

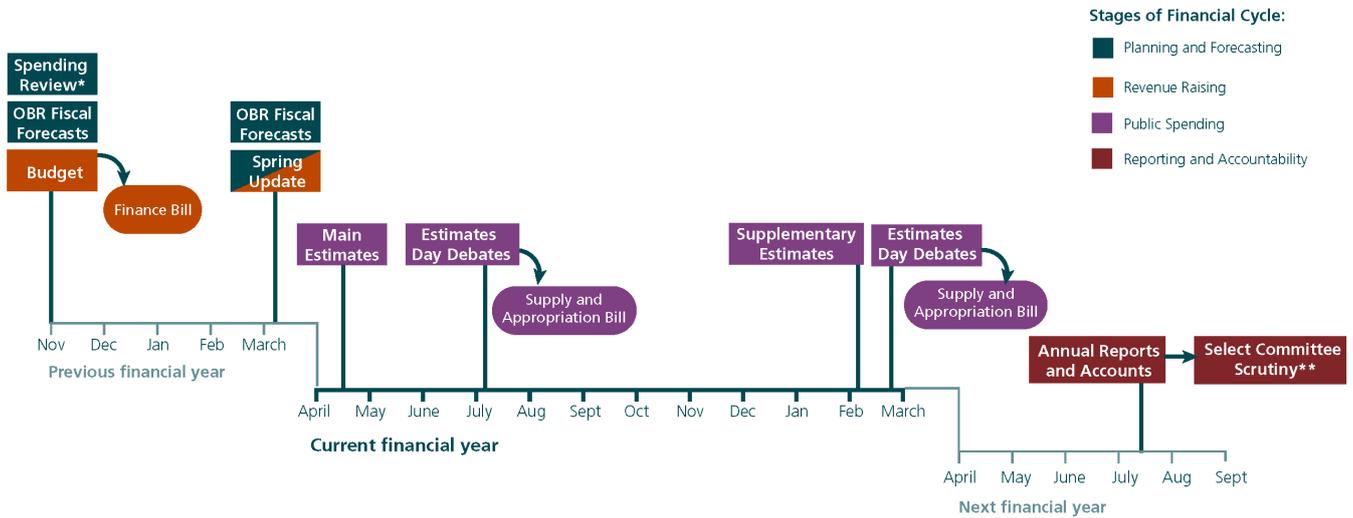
- **Vote on Account:** consideration and approval of an advance of funding for the first four months of the financial year (April to July) for each government department. The Vote on Account is normally published in February and approved by Parliament in March, in time for the start of the new financial year commencing in April.
- **Main Estimates:** consideration and approval of the spending plans for the new financial year for each government department. Main Estimates are normally published in April, but not approved until July. Money already authorised through the Vote on Account is deducted from the amounts required for the year to provide government with funding for the remainder of the financial year.
- **Supplementary Estimates** (where required): consideration and approval of any changes to amounts or purposes of money required by departments. Supplementary Estimates are normally published in

¹ Exceptions are Consolidated Fund Standing Services, covering specific functions such as judges' salaries, returning officers' expenses and payments to the EU.

² References to Parliament refer to the House of Commons only. The House of Lords has no role in the process of approval of public spending.

February and approved in early March to allow for any additional funds to be spent before the end of the financial year.

- **Statement of excesses** (where required): consideration and retrospective approval of any spending beyond the level or coverage previously approved by Parliament. This normally occurs only where inevitable spending is incurred or where mistakes have arisen, and is exceptional.³



Notes:
 * Spending Review happens once every 3-4 years
 ** Select Committee Scrutiny of Departmental Annual Reports and Accounts may continue well into the financial year

1.3 Content of an Estimate

Separate Estimates and Votes on Account are produced for each government department and published together by HM Treasury in a single volume. The key components of each Estimate are spending limits and ambits, which in each case apply to a single department for a single year only.

Spending limits

Within each Estimate, spending is divided into a number of distinct budgetary limits for each department, covering spending of a specific type determined by HM Treasury. (Changes to the categorisation of spending between categories require prior consultation with Parliament.)

³ In such cases a report is prepared by the Comptroller and Auditor General, and the Public Accounts Committee may call for explanation and detail of measures taken to prevent recurrence.

Box 1: Types of spending

Departmental Expenditure Limits (DELs) cover net spending which is subject to limits set in Spending Reviews and which it is assumed government departments can control.

- **Resource DEL** (also referred to as ‘day-to-day spending’) covers costs of running and purchasing goods and services; staff costs; current grants; rent; and maintenance costs. It also includes profit or loss on the sale of assets; depreciation; and some impairments.
- **Capital DEL** (also referred to as ‘investment spending’) covers the purchase, disposal and major improvement of assets; capital grants (i.e. grants to purchase or enhance assets) and loans.

Annually Managed Expenditure covers net spending which is more difficult to control and forecast:

- **Resource AME** covers benefits and state pensions; some impairments; and provisions for liabilities.

Capital AME covers student loans and some financial transactions, mainly relating to the post-2008 financial crisis.

Switches of funding are not normally permitted by the Treasury from capital to resource (although exceptions, such as for health, are sometimes made), or from AME to DEL. Once Parliament has voted the limits, savings on any voted limit (DEL or AME) are not permitted to be used in support of spending under another.

Ambits

The ambit is the description of what the spending within each of the limits will be spent upon. Government departments must ensure that their ambits are accurate and, subsequently, that no spending falls outside their scope. Should it do so, it would constitute an ‘excess vote’, i.e. illegal spending outside the authority authorised by Parliament.

Detail of spending plans

Further detail of spending plans – breaking them down into a number of lines, known as **subheads**, within the totals above – is given within each Main and Supplementary Estimate. These breakdowns represent the Government’s best estimation of planned spending within the totals at the time the Estimates are prepared, but do not constitute limits within the totals. Government departments are totally free to switch resources from one subhead to another, providing they do not exceed the overall spending limits, or incur expenditure beyond the scope of the ambit.

1.4 Estimates memoranda

Government departments are required to produce an explanatory memorandum to explain the content of each Main and Supplementary Estimate. This memorandum should compare spending plans to previous years and explain the reasons for changes proposed. Select committees currently publish memoranda on their webpages and the Scrutiny Unit uses the memoranda to prepare briefings for select committees and other Members.

1.5 Funding for devolved administrations

The devolved Parliaments/assemblies receive cash funding through Estimates approved by the Westminster Parliament. The amount of cash they receive relates to calculations made using the [Barnett formula](#) and other increases to spending limits, and takes account of revised estimates of cash from other sources (e.g. devolved taxes). The Barnett formula is designed to ensure that where funding is announced in Spending Reviews and Budgets, the devolved governments receive equivalent funding per head for services that are devolved. Devolved administrations do not routinely receive equivalent shares of funding where UK departments have been granted additional in-year funds from Treasury's Reserve, but devolved administrations may make a claim on the Reserve should they feel it justified, which is for HM Treasury to consider.

The Westminster Parliament also needs to approve, through Estimates, the amount which the UK government is collecting in tax on behalf of the Scottish government and planning to pay over.

Devolved institutions need both to operate within the cash limits approved by the Westminster Parliament and the spending limits (i.e. Resource and Capital DELs, which also cover non-cash costs) set by HM Treasury. Subject to these, devolved administrations have freedom to spend the resources allocated to them on any devolved functions.

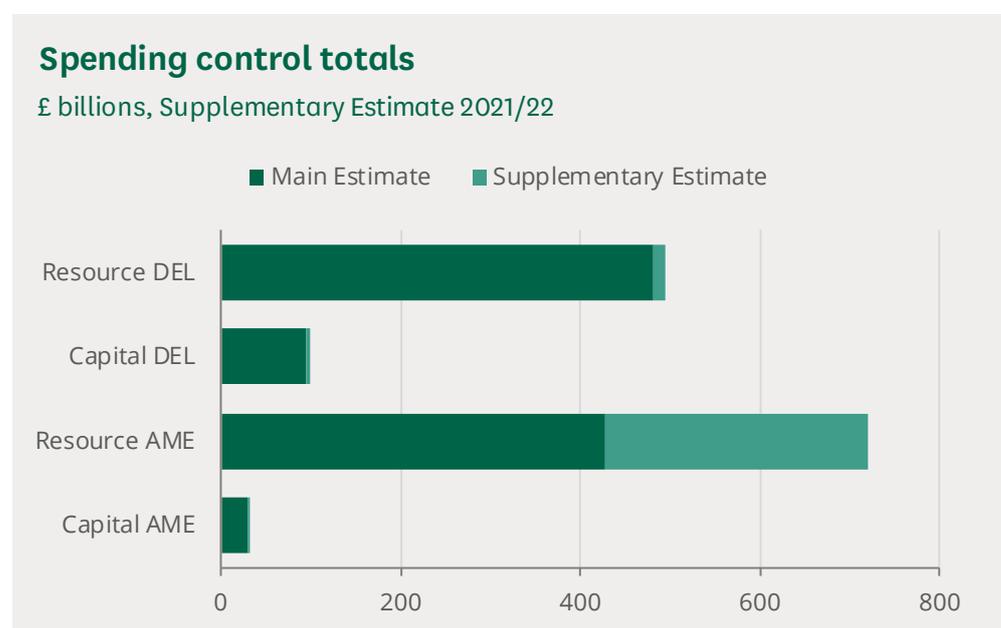
2 The 2021/22 Supplementary Estimates

2.1 Overall increases in Supplementary Estimates

The Supplementary Estimates for 2021/22 were published on 22 February 2022.⁴ The plans they show include relatively significant increases to the public spending plans previously presented to Parliament (and included in Main Estimates) earlier in the year.

Estimates do not contain all public spending. Items such as debt interest and local authorities' self-financed expenditure are excluded. Nonetheless they give a good picture of the trends in public spending. Within the Estimates:⁵

- **Resource DEL** rises from £480.9 billion to £494.3 billion (+2.8%)
- **Capital DEL** rises from £94.0 billion to £98.5 billion (+4.8%)
- **Resource AME** rises from £428.4 billion to £721.2 billion (+68.3%)
- **Capital AME** rises from £29.7 billion to £30.0 billion (+4.2%)



⁴ HMT, Supplementary Estimates 2021-22

⁵ Figures taken from Central Government Main Estimates 2021-22 and Supplementary Estimates 2021-22. DEL figures are for central government and independent bodies (e.g. for National Audit Office) and include net spending of Academies, although these are not voted through Estimates. See Tables 3 and 5 of the Supplementary Estimates 2021-22 for further detail. AME figures are based on Scrutiny Unit analysis of underlying HMT data.

2.2

Drivers of spending across departments

Covid-19

Last year, the 2020-21 Supplementary Estimates included at least an additional £167 billion on items directly related to, or a consequence of, Covid-19 (on top of at least £118 billion included previously in Main Estimates).⁶ This year spending related to the virus has not been as consistently identified, as many of the costs are absorbed into departmental spending and considered ‘business as usual’.

Some of the major increases in spending related to the pandemic that can be identified include:

- £11.8 billion for DHSC, of which:
 - £9.8 billion is for day-to-day spending, including £4.1 billion for the NHS, £1.1 billion for vaccine deployment and £1.1 billion for Test and Trace; and
 - £2 billion is for investment spending, including £0.9 billion for Vaccines Taskforce and £0.6 billion for Test and Trace.
- £3.7 billion in day-to-day spending and £0.5 billion in investment spending for DfT, including around £1.6 billion for Transport for London and £1.6 billion for train operating companies;
- £1.2 billion for Home Office, including:
 - £0.6 billion for loss of income from passports and visas as travel constraints have continued during 2021/22;
 - £0.4 billion for Covid-related Asylum support; and
 - £0.1 billion for police forces to conduct Covid compliance checks.
- £1.1 billion for DLUHC, largely on business rate relief;
- £0.7 billion for Covid-19 business support grants, including the Omicron Hospitality and Leisure Grant and top-up of the Additional Restrictions Grant (BEIS);
- £0.3 billion for the Cultural Recovery Fund (DCMS);
- £0.2 billion for write-offs and interest foregone on the Coronavirus Business Interruption Loan Scheme (BEIS);
- £0.1 billion to help vulnerable countries tackle Omicron (FCDO)

These are partially offset by some spending reductions, such as:

⁶ House of Commons’ Scrutiny Unit analysis of Estimates memoranda

- £0.4 billion reduction in Incapacity Benefits, due to a lower impact of the pandemic than expected (DWP);⁷ and
- £0.2 billion reduction for Covid Overheads within DWP.

Changes to the discount rate

A discount rate is a figure used to convert future cash flows into a single figure in today's terms. It is effectively the opposite of compound interest. For any future stream of payments, an increase in the discount rate will mean the present value of the stream is reduced (in the same way that if the interest rate increases, less savings today are needed to reach a fixed future amount).

The main application of discount rates in the public finances relate to 'general provisions' and public service pensions. Provisions are effectively setting expenditure aside for future costs that are known and unavoidable – although there may be some uncertainty surrounding timings or amount.⁸ Key provisions for government usually include those for nuclear decommissioning and clinical negligence.

The discount rates used across government have been changed since the Main Estimates 2021-22.⁹ This has led to movement in provisions for several departments (the payments required in future may not have changed, just their accounting recognition in the present). Due to this sort of volatility, which is beyond the department's control, provisions are scored in AME. These changes have thus contributed significantly to the 68 per cent increase in Resource AME shown in section 2.1. It should also be noted that whilst provisions are included in departmental spending totals, there is no physical cash transaction – they are deemed 'non-cash'.¹⁰

The most significant changes related to the decrease in discount rates are:

- £135 billion for the Nuclear Decommissioning Authority nuclear provisions;
- £39 billion increase mainly relating to clinical negligence provisions (DHSC); and
- £9.3 billion increase mainly relating to nuclear decommissioning of military assets (MOD);

⁷ This scores in Resource AME

⁸ If this uncertainty becomes sufficiently high the cost will become a "contingent liability" rather than a provision, and will no longer be noted in the departmental accounts, but do not count as spending

⁹ Different rates are used for provisions, pensions, financial instruments and leases. Provisions also use different rates for different time horizons. The long-term rate has reduced from around 2% to just under 1%.

¹⁰ When the expenditure related to the provisions actually occurs, it will score in DEL.

Offsetting these, the revisions also partly contributed to reduction in (non-cash) costs of £8.4 billion following a revaluation of the student loans book (DfE).¹¹

Withdrawal from Afghanistan

August 2021 saw the accelerated withdrawal and evacuation from Afghanistan of British armed forces, nationals, diplomats and civilians employed by the coalition. Additional spending related to these events include:

- £657 million for Afghanistan Relocation and Assistance Programme & Afghanistan Citizens Resettlement Scheme schemes; this includes funding for accommodation, education and caseworker support (HO);
- £141 million for ‘humanitarian response’ – this contributes to the UK’s commitment of £286m humanitarian aid to Afghanistan (FCDO);
- £20 million for FCDO for costs incurred by Consular Directorate in response to the repatriation effort (FCDO);

The Ministry of Defence is also seeking additional funding of £217 million for Peacekeeping and its share of the Conflict Stability and Security Fund. An unidentified portion of this is for Afghanistan withdrawal.

2.3

Day-to-day spending (Resource DEL)

The chart below shows the changes in planned day-to-day spending (Resource DEL) by department. The most significant increases in spending are for DHSC (+5%), DLUHC (+20%) and DfT (+20%). As noted in section 2.2 above, much of this is driven by increased funding for Covid-19.

Other notable changes to day-to-day spending include:

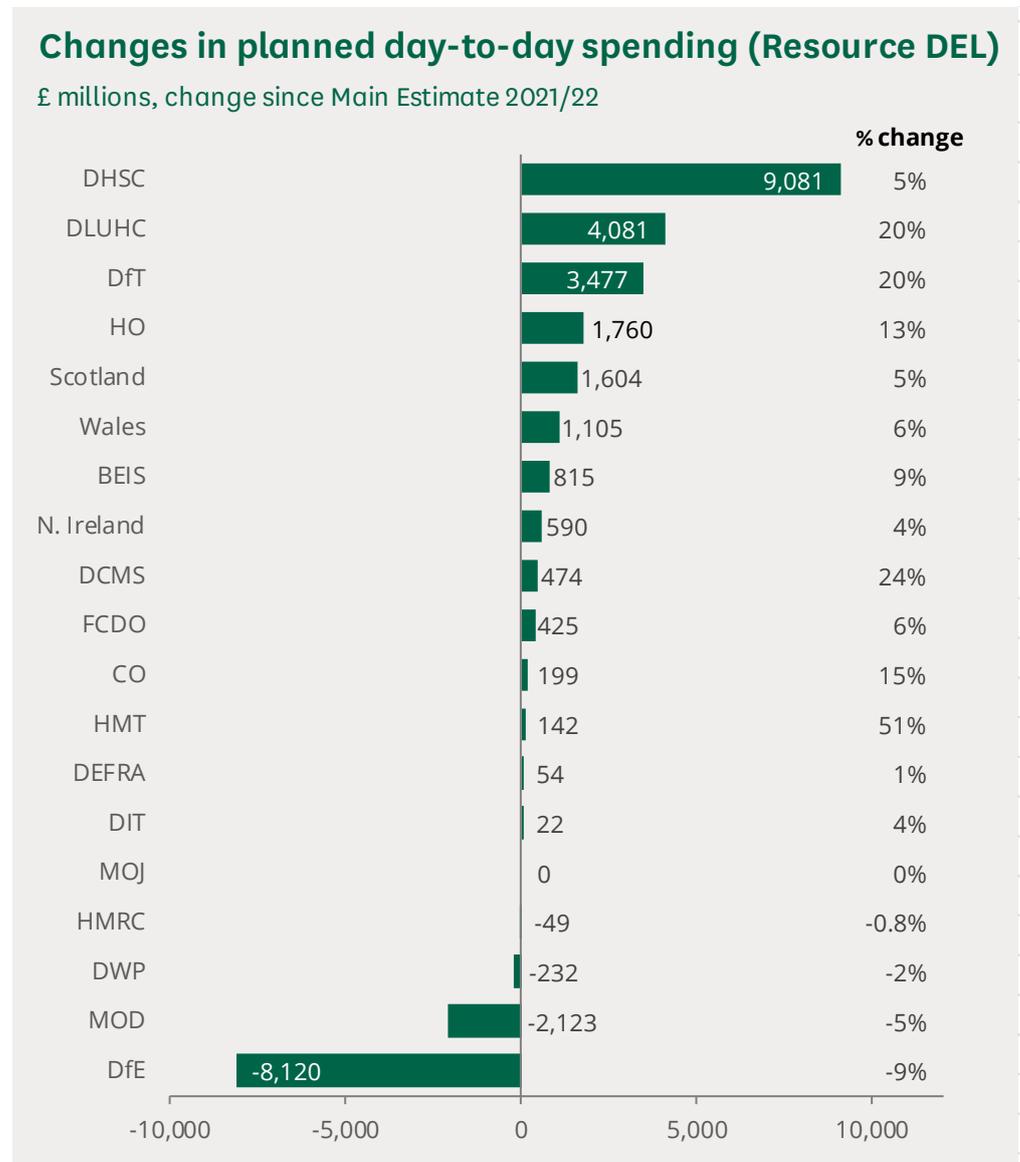
- £3.1 billion increase for council tax rebate measures to counteract cost of living increases (DLUHC); and
- £0.7 billion for the Energy Special Administrative Regime (SAR), funding required to cover the running costs of energy provider Bulb that was taken over by government in November 2021 (BEIS).

These are offset by some spending reductions, including:

- £8.4 billion from the revaluation of the student loan book (DfE);

¹¹ Scores in Resource DEL rather than AME

- £2.3 billion reduction in depreciation and impairment costs following over-allocation in the Main Estimate (MOD); and
- £0.7 billion reduction in spending on Kickstart (DWP).



There are many more smaller changes and movements of funding too numerous to list here. For further details see the Annex in chapter 4.

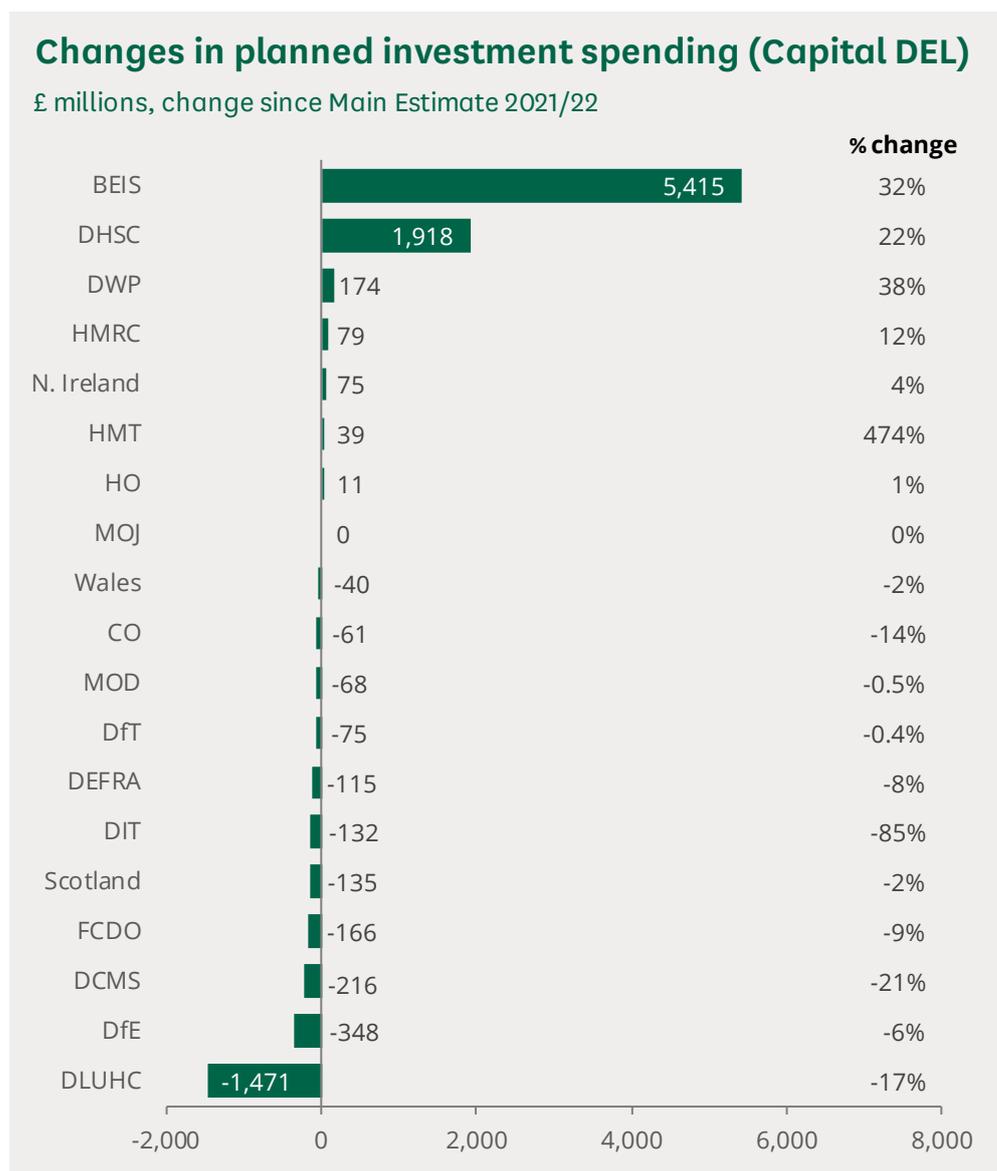
2.4 Investment spending (Capital DEL)

The chart below shows the changes in planned investment spending (Capital DEL) by department. The most significant increases in spending are for BEIS (+32%), DHSC (+22%) and DWP (+38%). As with day-to-day spending, elements of this are due to coronavirus and detailed in section 2.2. Other significant changes include:

- A £5.6 billion deposit to the National Loans fund for nuclear liabilities, funded from the Treasury's Reserve (BEIS);
- £1.2 billion for the Energy SAR for Bulb (BEIS);
- £0.3 billion for greener travel including electric car grants and zero emission buses (DfT); and
- £0.2 billion for the Rapid Estates programme to house new work coaches (DWP)

These are offset by some spending reductions, including:

- £1.8 billion for Horizon Europe transferred to next year, and £0.5 billion unused funding for the Advanced Research and Invention Agency and other programmes returned to HM Treasury (BEIS);
- £1.5 billion reduction due to budget surrender and re-profiling of investment (DLUHC); and
- £0.6 billion reduction for Highways England due to delays in investment programmes, as agreed at the Spending Review (DfT).



There are many more smaller changes and movements of funding too numerous to list here. For further details see the Annex in chapter 4.

2.5

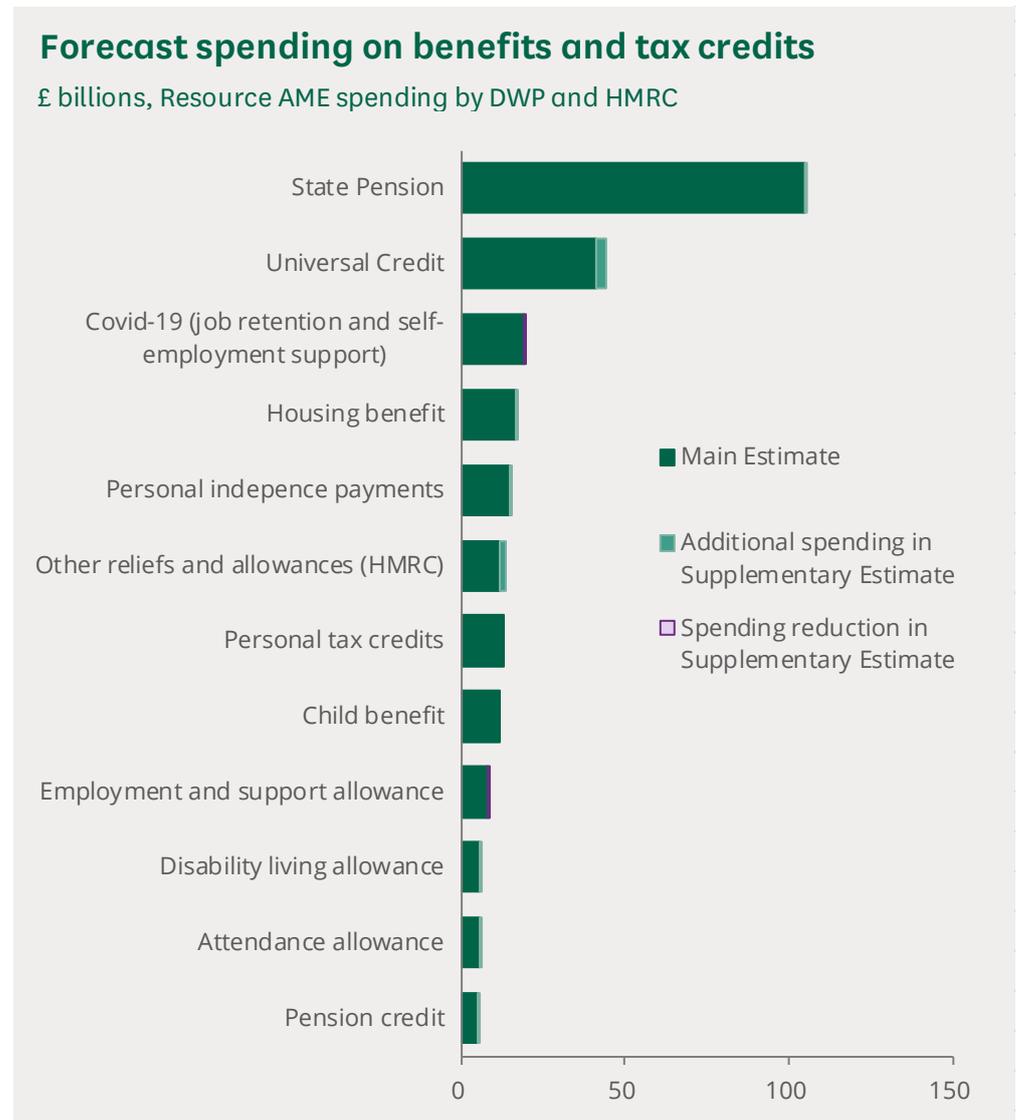
Annually Managed Expenditure

Big increases to Annually Managed Expenditure mainly reflect the changes to the discount rate and the impact of provisions (see section 2.2 above). There was also a significant revaluation of the Bank of England Purchase Facility (an extra £60 billion, although this is prone to fluctuation) (HMT).

Other notable changes include:

- £5 billion payable to the EU under the Withdrawal Agreement (HMT);

- £4.3 billion additional funding for public service pensions schemes, largely driven by updated workforce information and provisions against litigation;
- £4.1 billion additional spending on benefits and pensions (DWP), mainly due to a £3.1 billion (+8%) increase in Universal Credit; and
- £2.1 billion additional spending on tax credits, reliefs and allowances (HMRC - not including spending on Covid-19). See chart below.



There is also a £1.3 billion increase in Capital AME. This is mainly driven by an increase of £2.9 billion for Science and Research (BEIS) and £0.3 billion for high-speed rail (DfT), offset by around £2 billion in income from the sale of shares (HMT).

3 Parliament's role in considering Estimates

3.1 Estimates day debates

Three days are set aside for debates on Estimates each year. The Backbench Business Committee selects the Estimates topics for debate on these days, although the formal allocation is made by the Liaison Committee. These are allocated as follows:

- Two days (usually four debates) for Main Estimates, in July;
- One day (usually two debates) for Supplementary Estimates, in late February or early March.

3.2 Submitting a bid for an Estimates day debate

Any backbench member can submit a bid for an Estimates day debate.

The key requirements are:

- The topic must relate to spending included in one or more of the Estimates presented to, and yet to be approved by, Parliament;
- The title of the debate should be in the form:
 - The spending of [name of Department]; or
 - the spending of [name of Department] on [name of programme/name of arms length body/name of activity]; or
 - [name of Department] spending and its consequences for grants to the devolved institutions.

Bids for new Estimates day debates should give the names of those members who will take part in the debate and be submitted to the Backbench Business Committee using a new variant of the bid form which will be made available on the committee's webpage. The Committee will use the list of names to gauge the likely level of cross-party interest in a debate. The deadline for submission of bids will be published by the Backbench Business Committee.

The title of the debate restricts the scope of the debate. Members need to adhere to the topic of the debate, and may be warned or prevented from speaking by the Speaker if their remarks stray beyond this.

A few specific items of spending (e.g. judges' salaries, debt interest) are not annually voted by Parliament in Estimates. For this reason, bids for debates on spending on these items should not be made.

3.3 Selection of Estimates day debates

Bids for debates are considered by the Backbench Business Committee, whose decision must be endorsed by the Liaison Committee, before being announced in the weekly Business Statement in the usual way. Successful bidders for debates are notified in the usual way by the Backbench Business Committee.

On this occasion there is one Estimates day set aside for these Supplementary Estimates on 9 March 2022, to debate two Estimates. Those which have been selected are:

- The Department for Education, in respect of the National Tutoring Programme and Adult Education
- The Ministry of Defence

3.4 Motions

Estimates selected for debate may be amended downwards or rejected outright by the House in motions following debates. Remaining Estimates which are not the subject of debates are put to the House as a 'roll up motion' – they cannot be amended, although they can theoretically be rejected outright. All Estimates presented – those debated and those not debated – are then put into effect (if approved) through the passage of a Supply and Appropriation Act. Following Royal Assent, departments may draw down the additional funds contained in the Main Estimate.

3.5 Approving, rejecting or amending motions

When Estimates day debates are held, votes may take place on the floor of the House on those Estimates relevant to the Estimates day debates. But it is a long-standing convention that only the government may propose **additional** spending (the Crown Prerogative). While it is possible for an Estimate selected for debate to be rejected or amended downwards (if proposed, a token reduction of £1,000 is conventional), for such a vote to be successful is, in practice, extremely rare.

The remainder of Estimates not selected for debate – the vast majority – are put together in a 'roll up' motion and voted without debate.

The funds are formally authorised first by Supply Resolutions, and subsequently through a Supply and Appropriation Bill. There are two of these Bills each year: one for the Main Estimates, and one for the Supplementary Estimates and Vote on Account.

3.6 Role of Select Committees

Select Committees have a continuing role in financial scrutiny. The Liaison Committee has set out a number of core tasks which are common to Select Committees. There is a specific core task:

“to examine the expenditure plans, outturn and performance of the department and its arms length bodies and the relationship between spending and the delivery of outcomes”

Committees are supported in this role by the House of Commons Scrutiny Unit. The Scrutiny Unit routinely provides analysis and data visualisations of Estimates for committees, which are subsequently available on its webpages. Committees also publish the memoranda on Estimates sent to them by departments.

3.7 Role of House of Lords

The House of Lords involvement in approval of Estimates is purely formal, with no debates or votes taking place.

4

Annex: Summary of content of 2021/22 Estimates

Box 2: Definitions

Resource Department Expenditure Limits (RDEL): day to day spending on services, pay and running costs, including grants to support such spending

Capital Department Expenditure Limits (CDEL): investment spending, including loans and capital grants

Resource Annually Managed Expenditure (RAME): spending on benefits and pensions and other day to day spending which is demand led or difficult to forecast. Long term provisions for liabilities are also included.

Capital Annually Managed Expenditure (CAME): spending on investment or loans which is demand led or difficult to forecast

Non-budget: cash block grant to the devolved institutions, which they decide how to spend. Devolved institutions use this cash, voted by the Westminster Parliament, to support the spending power which HM Treasury allows them through the DELs which it sets (but which are not voted by the Westminster Parliament), and which can be increased as a result of the Barnett formula and other changes.

4.1

Major departments

Cabinet Office

The Cabinet Office proposes an **increase of £198.6 million (+15%)** to its Resource DEL budget, taking it to **£1,498.6 million**. The main causes of this increase are:

- £180.5 million increase for the response to Covid-19, including:
 - £72.5 million for implementing Covid-19 measures at COP26
 - £68.5 million for the Covid-19 Public Information Campaign
 - £36.5 million for the Covid-19 taskforce; and
 - £3.1 million for body storage facilities.

- £92.4 million increase to cover further costs for co-ordinating the Conference of Parties 26 (COP26);
- £52.7 million increase for additional depreciation costs;
- £136.2 million decrease due to budget transfers to the Department for Levelling Up, Housing and Communities (DLUHC) as part of the machinery of government changes, including:
 - £84.4 million due to the transfer of responsibility for Elections; and
 - £38.8 million due to transfer of responsibility for the integrity of the Union.
- £65 million decrease due to outgoing budget transfer to the Scottish Government for the costs of COP26.

The Cabinet Office is also proposing a **decrease of £60.7 million (-14%)** to its Capital DEL, taking it to **£368 million**. The main changes are:

- £42.2 million decrease due to budget transfers to the Department for Transport (DfT) for the Port Infrastructure Fund; and
- £23.7 million decrease in the Government Property Agency budget due to surrender of budget underspends on capital projects.

The Cabinet Office's Resource AME budget is set to **rise by £251 million (+16730%)**. The main changes are:

- £180.4 million increase for property impairments and dilapidations;
- £56.6 million increase in legal provisions; and
- £12 million to cover debts owed to the Department which may not be recovered.

Department for Business, Energy, and Industrial Strategy

The Department for Business, Energy and Industrial Strategy proposes an increase to its **Resource DEL of £814.6 million (+9.3%)**, to £9,568.6 million.

This is primarily made up of additional funding for energy, Covid support spending and nuclear decommissioning. Significant increases include:

- £737.3 million for Covid-19 business support grants (Omicron Hospitality and Leisure Grant and top-up of the Additional Restrictions Grant);
- £664.1 million for the Energy Special Administrative Regime (SAR). The funding is required to cover the running costs of energy provider Bulb, unexpectedly taken over by government following its insolvency in November 2021;
- £252 million for Nuclear Decommissioning Authority due to lower-than-expected revenue income;
- £169.5 million for the Coronavirus Business Interruption Loan Scheme (interest foregone/write offs);
- £56 million for Business and Enterprise; and
- £30 million for the Post Office Network subsidy.

These increases have been partially offset by savings of:

- £665 million decrease arising from the Machinery of Government transfer of Vaccine Taskforce to the Department of Health and Social Care;
- £351.8 million surrender of unused funding for Covid business support grants; and
- £59.7 million surrender of unused funding for the Help to Grow scheme.

BEIS also plans an increase in its **Capital DEL of £5,414.8 million (+32.5%)**, to bring it to £22,080 million. The bulk of the increase is for a £5,610 million deposit to the National Loans fund for nuclear liabilities, funded from the Treasury's Reserve.

Other notable increases include:

- £1,158 million for the Energy SAR (acquisition of Bulb);
- £319 million increase in British Business Bank budgets, reflecting re-profiling and the Bank's high forecast of loans to be made; and
- £149 million increase for UK Space Agency.

These increases have been partially offset by savings of:

- £1,172.8 million budget exchange decrease for Horizon Europe into 2022/23;
- £507.1 million surrender of unused funding including for the Advanced Research and Invention Agency (ARIA), Net Zero and OneWeb;
- £115 million decrease arising from the Machinery of Government transfer of Vaccine Taskforce to the Department of Health and Social Care; and
- £25 million budget exchange decrease for ARIA into 2022/23.

BEIS plans to significantly increase its **Resource AME by £162,981 million** (i.e. £163 billion) or 619%, taking it to £189,303.4 million. The majority of this increase is £134,800 million for the Nuclear Decommissioning Authority Nuclear Provisions (largely due to movements in the discount rate). Other significant increases include:

- £25,001 million increase in movement in Fair Value of Contracts for Difference (including provision for movements in the discount rate);
- £5,409 million increase in provisions for Energy Bills Cost Deferral Mechanism;
- £2,598 million increase in Coal Authority provisions (due to movement in the discount rate);
- £835.8 million increase in provisions for Post Office Limited; and
- £530.9 million increase in provisions for Energy SAR;

These increases have been partially offset by savings of:

- £6,030 million reduction in Horizon Europe and Euratom provisions compared to Main Estimate forecasts;
- £320 million reduction in forecast redundancy payments.

BEIS also plans an increase in its **Capital AME of £3,045 million (+191%)** to bring it to £4,645 million.

- £2,934 million increase for Horizon Europe and Euratom capital payments;
- £51 million for the Medical Research Council Pension Scheme;
- £51 million due to lower than expected capital income at UKRI;
- £30 million for Core BEIS department provisions; and
- £28 million for capital Coronavirus Business Loans.

Department for Culture, Media and Sport

The Department for Culture, Media and Sport proposes an increase to its **Resource DEL of £473.6 million (+23.6%)** to £2,484.9 million.

Major components of the increase include:

- £261.6 million for the Cultural Recovery Fund announced in response to the Covid pandemic;
- £86.4 million for additional support for Museums, Galleries and Libraries Arm's Length Bodies impacted by the Covid pandemic;
- £60.7 million of additional funding for the Film & TV Production Restart Scheme;
- £29.2 million for the Sports Survival Package announced in response to the Covid pandemic;
- £25 million for the National Citizen Service in relation to prepayment for their 2022/23 programme;
- £19.5 million reserve claim for the Listed Places of Worship Grant Scheme;¹²
- £15.5 million budget transfer from the Home Office in relation to the Commonwealth Games, of which £5.5m is to be reprofiled to future years; and
- £12.3 million budget cover transfer from Department for International Trade for the GREAT campaign which is designed to promote Britain abroad.

These increases have been partially offset by savings of:

- £90 million reallocation of funding for Arm's Length Bodies impacted by the Covid pandemic which has been transferred to other DCMS budgets;
- £24.8 million due to a funding reallocation within DCMS budgets relating to the Birmingham Commonwealth Games 2022;
- £18.3 million for OFCOM Online Safety regulator set up costs which are to be funded from the retention of Wireless Telegraphy Act receipts rather than HMT funding;
- £11.3 million reduction in the funding requirement for the Life Chances Fund; and

¹² The scheme aim to mitigate the impact of the VAT change announced by the Government as part of Budget 2012 affecting approved alterations to listed buildings. It provides grants equivalent to 100 per cent of the VAT costs of eligible repair, maintenance and alteration work until the end of this Parliament

- £7.8 million reduction of the UEFA European Championships 2020 funding due to policing and security costs being lower than anticipated.

DCMS plans a decrease in its **Capital DEL of £216.4 million (+21.2%)** to bring it to £802.1 million.

These decreases are primarily made up of:

- £85 million reduction for the Shared Rural Network generated by a reprofile of funding into future years;
- £41.4 million reduction for the UK Gigabit Programme resulting from site access issues due to Covid, supplier build delays due to supply chain issues and for connectivity vouchers which are now expected in 2022/23;
- £39.3 million surrender for budgets relating to the capitalisation of leases under the adoption of IFRS 16 accounting policy which are no longer required in 2021/22;
- £31.5 million net reduction to funding provided for phase one and phase two of the Sports Survival Package;
- £30.8 million reduction attributable to the Local Full Fibre Network programme following descoping and remodelling of projects;
- £27.3 million decrease in budget due to higher than anticipated income receipts from the Olympic Delivery Authority;
- £20.2 million reduction relating to the Diversification Strategy programme, mostly due to £17 million of lease costs under the IFRS 16 accounting standard to be instead funded from a separate departmental IFRS 16 capital allocation;
- £19.2 million surrender from the Youth Investment Fund due to delays and a reduction in the funding requirement for this year's pilot; and
- £11.7 million reduction to the Local Full Fibre Network Programme due to a switch of funding from Capital to Resource.

There have been some off-setting increases in Capital DEL budgets:

- £36.6 million of additional funding for capital grants for the Cultural Recovery Fund Covid support package;
- £20.3 million for usage of cash reserves under the Museums and Galleries Freedoms Scheme;
- £10.1 million reserve claim provided to British Museum, Science Museum Group and the Victoria and Albert Museum to help fund additional Covid related costs for the Blythe House project; and
- £9.2 million increase of funding to Arts Council England and Historic England for IFRS 16 accounting treatment of leases.

DCMS plans to decrease its **Resource AME by £107.5 million (-2.5%)**, taking it to £4,176.4 million.

The decrease is due to a £129 million reduction for BBC as a result of Covid delaying some productions, recruitment freezes in some areas, the sale of Llandaff site in April 2021 and dividend increases as a result of improved commercial financial performance.

This is partially offset by an increase of £21.8 million due to additional adjustments for depreciation, net changes to provisions, revaluations, forecast pension movements.

Department for Education

The Department Education proposes a decrease to its **Resource DEL of £8,120.3 million (-2.8%)**, to £81,080.8 million.

These decreases are primarily made up of a £8,422 million reduction in RDEL from downwards revaluation of the student loan book. The reduction in the budget cover has come about mainly from the changes in the measurement of the fair value of the loans. This is due to the impact of the management charge, which has led to costs being scored through AME instead of DEL, as well as an increase in the fair value of the loan book due to discount rate changes.

There have been some off-setting increases in RDEL budgets:

- £35.7 million increase in DfE funding for corporate response to Covid-19 including elements of the catch up and recovery expenditure; and
- £7.3 million increase in the budget for the shared outcomes fund

DfE also plans a decrease in its **Capital DEL of £348.4 million (-6.2%)**, to bring it to £5,266.5 million. These decreases are primarily made up of:

- £139.4 million reduction in Transformation and Capacity funds in further education;
- £60.2 million budget switch for the Student Loans Company, from capital to resource;
- £33.7 million reduction in capital funding for T-Levels rollout; and
- £14.4 million reduction in budgets for secure accommodation.

DfE plans to increase its **Resource AME by £4,567.9 million (+115.3%)**, taking it to £607.6 million. DfE had been predicting a net income figure for AME at the main Estimate. Following the supplementary Estimate, DfE are now projecting net expenditure for AME.

The increased expenditure almost entirely stems from a £4,569 million reduction in expected income from Student Loan interest repayments and effective interest on Student Loans. The increase in the budget is required to cover the management charge, plus the budget cover and contingency for volatility in the effective interest rate.

DfE also plans a decrease in its **Capital AME of £36.7 million (+0.2%)**, to bring it to £23,581.9 million. This stems from £31.7 million and £5 million decreases to the Higher Education and Further Education capital AME budgets respectively. This reflects higher forecast capital income and other capital movements on the student loan book.

Department for Environment, Food and Rural Affairs

DEFRA proposes an **increase of £54 million (+1.2%) to its Resource DEL**. The main changes are for:

- Around £75 million in additional funding for border controls
 - £55 million additional funding for EU SPS “sanitary and phytosanitary” border controls including physical infrastructure, policy delivery, creating a charging mechanism and new IT support;
 - £13 million additional funding for the Movement Assistance Scheme to support the movement of agri-food products between Great Britain and Northern Ireland; and
 - £8 million extra funding for the Digital Assistance Scheme (DAS) to achieve the Northern Ireland Protocol Command Paper commitment.¹³
- £34 million funding for the Avian Influenza outbreak to cover the costs of culling, clean-up, disposal and compensation;
- £34 million of the Seafood Fund re-profiled through Budget Exchange into the new style grants set out in the Spending Review;
- £16 million funding for depreciation for the Animal and Plant Health Agency relating to incinerators at the Weybridge site; and

This is offset by a £37 million decrease following resource to capital transfers, mainly for the future farming and countryside schemes.

DEFRA also proposes a **decrease of CDEL of £115 million (-7.5%)**. The main changes are:

- £150 million decrease in the Flood and Coastal Risk Management capital investment programme as DEFRA has requested to reprofile the budgets allocated in Spending Review 2020 - supply chain disruptions and the Covid-19 pandemic have both impacted the Environment Agency’s ability to deliver to the original spend profile;
- £68 million capital funding for SPS borders and DAS;
- £42 million decrease in the Science Capability in Animal Health Programme and the Critical Works programme at Weybridge, following a requirement to reprofile the programmes;
- £37 million increase following the transfer from the resource budget; and
- Inter-departmental transfers and small reprofiling of budgets make up the remaining £28 million.

DEFRA proposes an **increase of Resource AME of £1,187 million (+398%)**. The main changes are for provisions relating to:

¹³ The scheme aims to reduce the “cost, time and complexity generated by official certification requirements for companies moving goods between Great Britain and Northern Ireland. This package of support aims to deliver end-to-end digital systems from the point at which initial product information is gathered to support the generation of certificate to the end of the process and the interface with the EU’s system, as used in Northern Ireland.”

- £821 million increase to recognise DEFRA's potential commitment to participate in and contribute towards the EU's 2021-2027 Copernicus Programme of Earth Observation Satellites; and
- a £351 million increase to the Metal Mines and Foot and Mouth Disease Burial Site provisions.

DEFRA proposes an **increase of Capital AME of £144 million (+398%)**, for a provision for a potential contribution towards the EU's 2021-2027 Copernicus Programme of Earth Observation Satellites.

Department of Health and Social Care

The Department of Health and Social Care (DHSC) proposes an **increase of £9,080.5 million (+5%)** to its **Resource DEL** budget, taking it to **£186,895.2 million**. The main causes of this increase are:

- Additional Covid-19 funding of £9,800 million, mainly comprising:
 - £4,100 million for the NHS;
 - £1,100 million for Covid-19 vaccine deployment including Covid certification;
 - £1,000 million for Test and Trace;
 - £542 million for grants funding, including funding given to local authorities;
 - £277 million for Covid-19 therapeutic treatments, such as antivirals;
 - £274 million for PPE; and
 - £274 million for the Managed Quarantine Service
- £1,800 billion for additional National Insurance Contributions.

These are offset by:

- £1,100 million decrease due to reprofiled NHS spending; and
- £216 million reduction in the Public Health grant to Manchester as it received its funding via retention of business rates instead.

DHSC is also proposing an **increase of £1,917.8 million (+22%) to its Capital DEL**, taking it to **£10,447.4 million**. This mainly comprises:

- £2,028 million for Covid-19 measures, including:
 - £858 million for the Covid-19 Vaccines Task Force;
 - £580 million for the NHS response to the pandemic;
 - £567 million increase for Test and Trace, to cover capital assets and inventory;
 - £12 million for Covid-19 vaccine deployment;;
 - £6 million for therapeutic treatments; and
 - £5 million for PPE

DHSC's **Resource AME** budget is set to **increase by £38,998.1 million (+390%)**, taking it to **£49,000 million**. This is due to a change in the discount rates used to measure the value of long-term liabilities, the largest impact being on the clinical negligence scheme provisions. This discount rate change does not reflect an increase in the incidence of harm or an increase the cash required to settle claims.

Department for International Trade

The Department for International Trade (DIT) proposes an **increase of £22.5 million (+4.3%) to its Resource DEL**, from £521.3 million to £543.7 million.

Notable increases include:

- £24.1 million of non-cash depreciation, mainly charges relating to the Dubai World Expo Pavilion; and
- An inward budget transfer of £10.1 million from the Cabinet Office to fund the "Ready to Trade" campaign.

This is partially offset by:

- £9 million switch Resource DEL to Capital DEL; and
- £2 million of outward budget transfers to other government departments

DIT's **Capital DEL** is set to **decrease substantially by £131.7 million (-85.2%)**, from £154.6 million to £22.9 million. This is driven by a decrease of £140.7 million that had been allocated at the Main Estimate for DIT to enter a lease agreement with the Government Property Agency for the use of Old Admiralty Building. This is now not being recognised as a finance lease as it was judged that the risks and rewards of the lease sat with the Government Property Agency (GPA), and is therefore being surrendered to HM Treasury. The Old Admiralty Building will no longer transfer from the GPA's balance sheet to DIT's.

The increase in Capital DEL was partly offset by the following increases:

- £9 million switched from Resource DEL to Capital DEL;
- £3.3 million increased funding for "Strategy and World Events"; and
- £2.9 million increased funding for Digital, Data and Technology.

DIT's **Resource Annually Managed Expenditure** budget, which relates to provisions, is set to **increase by £6.5 million (+216.7%)** compared to the original budget, from £3.5 million to £9.5 million. This change is driven by

- £2.9 million of provisions for dilapidation arising from DIT's occupation of the Old Admiralty Building;
- £2 million provision for decommissioning costs of the Dubai World Expo Pavilion; and
- £1.6 million provision for costs associated with the reform on the Enhanced International Trade Adviser service.

DIT is proposing **£2.5 million of Capital Annually Managed Resource Expenditure**. DIT did not have any budget for CAME in its original budget. This is caused by a provision for final contractor payments for the Dubai World Expo Pavilion.

Department for Levelling Up, Housing and Communities

The Department for Levelling Up, Housing and Communities (DLUHC) proposes an **increase of £97.7 million (+3%)** to its **Housing and Communities Resource DEL**, taking it to **£3,086.9 million**. The main changes are:

- £131.4 million funding for Covid-19 measures, including:
 - £65 million additional funding to support vulnerable renters due to the impact of the pandemic, and to support victims of domestic abuse;
 - £28.1 million in additional Covid-19 funding to protect and vaccinate those sleeping rough;
 - £23.4 million for the Community Vaccine Champions Programme, agreed in response to the Omicron variant;
- £43 million for accounting adjustments due to new accounting standard IFRS 9; and
- £31 million for expected credit losses for the Home Building Fund Long Term Fund.

These increases are offset by:

- £65.6 million of Community Renewal Fund budget moved into next year's budget due to 3-month extension of the programme; and
- £30.1 million transferred to the Department for Health and Social Care (DHSC) to deliver the Rough Sleeping programme.

DLUHC also proposes an **increase in its Local Government Resource DEL of £3,983 million (+23%)**, taking it to **£21,453.6 million**. This is mainly due to:

- £3,100 million additional budget for the Council Tax rebate measures; and
- £960 million in additional funding for Covid-19 measures, comprising:
 - £1,500 million in additional Covid-19 relief for business rates;
 - Offset by surrenders of £274 million under Business Rate reliefs, £191 million under the Tax Income Guarantee and £75 million under the Sales, Fees and Charges scheme.

DLUHC is also proposing a **decrease of £1,470.7 million (-17%) to its Housing and Communities Capital DEL**, taking it to **£7,351.6 million**. The main changes are:

- £783.4 million decrease to the Affordable Housing Supply budget due to reprofiling of payments to reflect the latest delivery pipelines and payments, mainly in relation to the GLA programmes;
- £316 million decrease to the Land, Infrastructure and Regeneration budget due to delays on site and revised spending profiles;
- £246.7 million decrease to Housing Delivery and Market Diversification budget due to mobilisation delays; and
- £210.7 million of the Building Safety budget moved to future years due to slow progress on remedial works.

This is offset by £355.3 million increase to the Home Ownership and Leasehold budget due to strong demand for the Help to Buy programme.

DLUHC's **Resource AME** budget is set to **decrease by £4,396.4 million (-29%)**, taking it to **£10,845.1 million**.

This is primarily due to a £4,109.6 million decrease due to Covid-19, comprising the 2020/21 outturn of £1.5 billion in Covid-19 business rate reliefs, offset by:

- £5.6 billion income in Covid-19 business rate relief receipts, due to 2020/21 payments on account made to local authorities; and
- £460.5 million decrease in Business Rates Retention.

Department for Transport

The Department for Transport (DfT) proposes an **increase of £3,476.9 million (+20%) to its Resource DEL budget**, taking it to **£20,896.7 million**. The main changes are:

- At least £3,654.7 million in additional funding to support travel services during the Covid-19 pandemic, including:
 - £1,606 million for Greater London Authority (GLA) transport grants as part of the Transport for London (TfL) funding package;
 - £1,596 million to support train operating companies;
 - £237.2 million for bus subsidies and concessional fares;
 - £95.7 million for local authority transport to support light rail services;
 - £87 million for the Airports and Ground Operations Support Scheme; and
 - £32.8 million to cover a reduction in income in the Air Travel Trust Fund.
- £92.8 million budget cover for potential write downs of High Speed 2 land and property assets;
- £92.6 million budget cover for downwards valuation of High Speed 2 design works;
- £26 million for the Civil Aviation Authority; and
- £15.2 million for sustainable travel due to increases in spending on clean vehicles and cycling

These are offset by decreases in Resource DEL due to:

- £426.2 million reduction for Network Rail;
- £27.6 million reduction in budget due to income from loan interest receipts under Crossrail;
- £22 million reduction for High Speed Two funding pressures which did not materialise in year

DfT is also proposing a **small net decrease of £74.7 million (-0.4%) to its Capital DEL**, taking it to **£19,420.9 million**. The main changes are:

- £455 million for additional Covid-19 support for train operating companies' capital costs;
- £165.5 million increase in the Sustainable Travel budget, driven by increased demand for Plug-In-Car and Van grants;
- £149.7 million increase for the Bus Subsidies and Concessionary Fares budget due to increased spending on zero emission buses; and
- £107.8 million for the Aviation, Maritime, Security and Safety budget for new external borrowing in the National Accounts.

These are offset by reductions in Capital DEL due to:

- £556 million reduction in Highways England funding agreed at the 2021 Spending Review, reflecting delays in major schemes;
- £175 million of Highways England funding moved into next year's budget; and
- £62.9 million reduction in Crossrail budget due to an expected increase in loan repayments.

DfT's **Resource AME** budget is set to **increase by £1,239 million (+39%)**, taking it to **£4,430.6 million**. The main driver of this is a £1,154.1 increase in funding for Network Rail to fund the anticipated impact inflation movements will have on the interest costs of Network Rail's external debt, and for deferred tax charges.

DfT's **Capital AME** is set to **increase by £265 million (+311%)**, taking it to **£350.2 million**. Of this £262.6 million is for budget cover for slower than expected utilisation of HS2 Land and Property provisions. This is due to the way provisions are recognised in departmental budgets, being switched from AME to DEL on utilisation.

Department for Work and Pensions

Much of DWP's spending, including all spending on benefits and pensions, falls within Resource AME. The increase in budget sought for this **Resource AME** expenditure is **£4,422.8 million**, (+2% above the original budget sought for the year), taking the total to £222,737.3 million.

The main elements of the increase in the Resource AME forecast are:

- £2,719 million increase in Universal Credit forecasted spending, due to an increase in the average awards, including the taper rate changes;

- £1,017 million increase in Disability and Carer benefits forecasted spending, due to a slower migration from DLA to PIP than expected;
- £424 million increase in other benefits due to increased forecasted cost for Cold Weather Payments;
- £271 million increase in State Pension primarily due to the margin being applied. A margin level of 1% is included to reflect benefit uncertainty of State Pension spending at Supplementary Estimate; and
- £254 million increase in Housing Benefit due to increased forecasted cost in year.

The increases in Resource AME have been offset slightly by decreases:

- £419 million decrease in Incapacity benefits forecasted spending, due to a lower impact from Covid-19 than expected; and
- £354 million decrease in Financial Assistance Scheme forecasted spending, due to discount rate changes decreasing the size of the provision.

DWP also plans a decrease in its **Capital AME of £100.4 million (-22%)**, to bring it to £355.7 million. This is driven by a £120 million reduction in Support for Mortgage Interest Loans due to lower than anticipated demand, partially offset by a £20 million increase to Social Fund Net Lending

DWP also plans a decrease to its **Resource DEL budget** (covering the administration of DWP and other day-to-day spending), of **£231.6 million (-2.5%)**, taking it to £9,180 million.

The main decreases are:

- £665 million reduction in expected expenditure for Kickstart;
- £200 million reduction in expected expenditure for Covid Overheads; and
- £43 million reduction in Housing Benefit Admin Subsidy from operational efficiencies;

These decreases have been partially offset by increases:

- £413 million additional funding for the Household Support Fund; and
- £53 million additional funding for Covid Winter/Local Authority Grants to support children, families and the most vulnerable.

DWP's **Capital DEL** is set to **increase by £174.1 million (+37.7%)**, taking it to £635.4 million. This is almost entirely made up of a £176 million increase for the Rapid Estates Expansion Programme, to house new work coaches.

Foreign, Commonwealth and Development Office

The Foreign, Commonwealth and Development Office (FCDO) was created as a result of the merger of the Department for International Development (DFID) and the Foreign and Commonwealth Office (FCO) in September 2020.¹⁴ The merger has been reflected in the Estimates by transferring the FCO Estimate

¹⁴ <https://researchbriefings.files.parliament.uk/documents/CBP-9149/CBP-9149.pdf>

into the DFID Estimate and integrating budget lines. This is the FCDO's first full financial year as a new department, and the FCDO's estimate was restructured for the Main Estimate 2021-22.

Overseas Development Assistance (ODA) funding makes up a significant proportion of the FCDO budget. The amount of ODA expenditure is determined by the overall size of the economy, as measured by Gross National Income (GNI) and Government's target for the percentage of GNI that they aim to spend on ODA each calendar year. On 25 November 2020, the Chancellor of the Exchequer announced a reduction in the overseas aid budget from 0.7% to 0.5% of GNI.

FCDO proposes an **increase of £424.6 million (+6%)** to its **Resource DEL**, increasing planned spending from £7432.2 million to £7,856.8 million. Notable increases include:

- £229 million in crisis reserve claims (further details provided in the crisis reserve section below), consisting of:
 - £141 million in Afghanistan humanitarian assistance to contribute to the UK's commitment of £286 million humanitarian aid to Afghanistan, including £30 million to support neighbouring countries;
 - £68 million new support to help vulnerable countries tackle Omicron. This budget has been brought forward from the FCDO's 2022-23 ODA allocation, and
 - £20 million for costs incurred by Consular Directorate in response to the Afghanistan repatriation effort.
- £159 million switched from Capital DEL to Resource DEL to cover some of the increased cost of EU Attributed Aid;
- £53 million reserve claim to cover differential inflation;
- £42.8 million in reserve claims for International Subscriptions;
- £29.7 million in consular premiums;
- £14 million to cover seismic and maintenance costs, funded from the drawdown of Bangkok asset sales receipts for seismic and maintenance;
- £9 million for BBC World Service; and
- £8.8 million in non-cash depreciation and impairments.

This is slightly offset by reductions including:

- a £30 million non-ODA budget surrender; and
- net budget transfers of £9.3m to other government departments.

Beyond 2021/22, the FCDO has committed to 5% ongoing resource efficiencies of £79.5 million from 2024-25. This will be delivered through arm's-length bodies, removing duplication of functions and driving operational efficiency including through IT and estates.

FCDO's **Capital DEL** is set to **decrease by £166.2 million (-9%)**, from £1,938.1 million to £1,771.9 million. This is largely driven by £159 million switched from

Capital DEL to Resource DEL to cover some of the increased cost of EU Attributed Aid. There is also a reduction of £59 million in relation to a loan previously provided to British Council, reflecting a £52 million repayment and a £7 million reduction in the credit facility required this financial year. This loan was provided to ensure adequate liquidity during the pandemic.

FCDO's **Resource Annually Managed Expenditure budget** is due to **increase by £538.5 million (+297%)**, from £181 million to £719.5 million. Resource AME is used primarily for accounting adjustments and by definition is volatile. Additional non-cash Resource AME cover has been requested to cover accounting adjustments for financial guarantees, provisions and impairments.

FCDO's **Capital Annually Managed Expenditure**, which reflects capital injections into CDC (the UK Government's wholly owned development finance company)¹⁵, is set to **increase by £14.7 million (+2%)**, from £646 to £660.7 million.

HM Revenue and Customs

Most of HM Revenue and Customs' (HMRC) expenditure is classified as Resource AME, as this is where welfare and state pension payments are recognised.

HMRC's **Resource AME** is set to **increase by £1,886.2 million (+3.3%)**, taking it to **£59,069.1 million**.

The main drivers of this are:

- £2,028 million increase in Other Reliefs and Allowances, includes Research and Development Relief for large and small companies, Film Tax Relief and the Guardians Allowance, due to updated forecasts for 2021/22;
- £190 million decrease to reflect actual payments made under the Covid-19 income support schemes.

This is offset by:

- £33.8 million increase for Lifetime ISA costs to reflect the latest demand for the scheme; and
- £21.3 million increase in Tax Free Childcare payments due to adjustments in the forecast and an increase of.

HMRC is proposing a **decrease of £48.9 million (-0.8%) to its Resource DEL**, taking it to **£6,024 million**. The main changes are:

- Decrease of £33 million due to reduced depreciation and surrenders of ring-fenced budgets to HM Treasury; and

¹⁵ CDC will be rebranded as British International Investment (BII) on 4 April 2022.

- Decrease due to underspends returned to HM Treasury (total Resource and Capital DEL surrendered is £137.4 million)

This is somewhat offset by unspecified additional Resource costs to run the Covid-19 schemes, and increase of £6 million for the Working Household Payments Scheme as part of Covid-19 measures.

HMRC are also proposing an **increase of £78.9 million (+12%) to its Capital DEL**, taking it to **£738.1 million**. This comprises further unspecified additional Capital costs to run the Covid-19 schemes, and £29.3 million to purchase and develop an Inland Border Facility in Holyhead.

The total DEL (both Resource and Capital) reserve claim for Covid-19 costs is £80.8 million which mostly relate to staff costs (£58 million).

HM Treasury

HM Treasury (HMT) proposes a **decrease in its Resource DEL of £142 million (+50.8%)**, taking it to **£425.5 million**. The main changes are:

- £34.4 million increase to support the economic response to the Covid-19 pandemic;
- £117.4 million increase to fund payments under the London Capital & Finance compensation scheme; and
- £14.6 million decrease due to surrender of funding, mostly relating to £12.8 million for the Darlington Economic Campus.

HMT is also proposing an **increase of £39.4 million (+474%) to its Capital DEL**, taking it to **£47.6 million**. The main change is a £41.8 million increase for a potential intervention to restructure a financial liability held on the balance sheet of HM Treasury, in order to preserve its value for the Exchequer.

HMT's **Resource AME** budget is set to **increase by £65,937.1 million (+319.5%)**. This is mainly driven by a £60,000 million increase to cover a potential decrease in the fair value of the Bank of England Asset Purchase Facility Fund (BEAPFF). The fair value of the BEAPFF derivative represents the best estimate of the amount due to HMT from the Bank of England on settlement of the scheme. It is arrived at by calculating the difference between the fair value of the assets as at the reporting date, less the associated liabilities.

The Resource AME budget also includes a £5,000 increase in the EU Withdrawal Agreement financial settlement provision – the increase provides budget cover for potential movements in the provision.

Ministry of Defence

The MOD is requesting a **decrease in Resource DEL of £2,122 million (-5%)**. This is driven by:

- £2,300 million reduction in depreciation charges due to an over allocation in the Main Estimate; and
- £196 million additional funding required for Operations and Peacekeeping driven by: ongoing Counter-Daesh operations, operational activities in the Gulf and ‘Operation Pitting’ - the operation to evacuate British nationals and eligible Afghans from Afghanistan following the Taliban offensive in 2021.

The MOD proposes a **reduction in Capital DEL of £68 million (-0.5%)**. This is driven by:

- £488 million reduction following a Budget Exchange into future periods;
- £423 million increase to reflect the draw down on the ‘Dreadnought’ contingency fund; ¹⁶ around £1.3 billion of the £10 billion contingency fund has been made available for drawdown from 2021–2025 from the central reserve should it be required.

The MOD proposes an **increase of Resource AME of £9,290 million (+612%)**, driven by changes in discount rates on provisions primarily relating to nuclear decommissioning.

Ministry of Justice

The MOJ is not requesting changes to their Resource DEL.

There are no overall movements in RDEL, however, internal budgetary changes are a result of a transfer of responsibility for prison facilities management from HM Prison and Probation Service.

The MOJ proposes a **reduction in Capital DEL of £172.1 million (-10%)**. This is driven by:

- Reprofitting £272 million of the ‘Additional Prison Places Programme’ expenditure into next year - this funding spans a number of capital projects creating 20,000 more prison places; and
- £101 million additional funding for to the 2015 ‘HM Courts Tribunal Service Reform Programme’, an on-going programme to modernise the infrastructure for court users, and modernising courts and tribunal services to increase efficiency. The programme is expected to complete in 2023 at a total cost of £2,153 million.

The MOJ proposes an **increase of Resource AME of £256 million (+61%)**.

This is driven by:

- £172 million for provision and impairment adjustments;
- £75 million for current work in progress across Legal Aid and other compensation funds as well as an increase in pension costs in the Children and Family Advisory and Support Service; and

¹⁶ [Replacing the UK's strategic nuclear deterrent: progress of the Dreadnought class \(parliament.uk\)](#)

- £19 million for dilapidation provision in the prison estate – potential expenditure needed to restore the estate at the end of its’ lease.

The MOJ proposes an **increase of Capital AME of £10.3 million (+32%)**. This is driven by changes in the treatment of leases under accounting standard IFRS 16.

Home Office

The Home Office proposes an **increase of £1,759.8 million (+13.3%) to its Resource DEL**. The main changes are:

- £1,185.1 million increase for additional resource required as a result of ongoing Covid requirements. This includes:
 - £597.4 million for a loss of income in relation to passports and visas as travel constraints have continued during 2021/22;
 - £415.2 million for Asylum support; and
 - £102.5 million for police forces to conduct COVID compliance checks.
 - £35 million for health measures at the border.
- £657.4 million for Afghanistan Relocation and Assistance Programme (ARAP) & Afghanistan Citizens Resettlement Scheme schemes, which includes funding for accommodation, education and caseworker support;
- £404 million for Asylum support, driven by an increase in the number of people arriving and the market price for accommodation;
- £79.6 million funding for contractual obligations to Airwave relating to the Emergency Service Mobile Communication Programme (ESMCP);
- £50 million settlement for Cohort 1 for ‘injury to feelings’ claims in relation to the McCloud judgement which concluded that pension changes were age discriminatory; and
- £30.7m for Project Vigilant & Safer Streets initiatives, with a focus on preventing violence against women and girls

Offsetting this is a surcharge of £645.3 million made to the Department of Health and Social Care and the Devolved Administrations. The ‘Immigration Health Surcharge’ ensures that people on temporary visas can access the NHS on the same basis as UK residents.

The Home Office also proposes an **increase in CDEL of £11.3 million (+1.3%)**. The main increases are:

- £62 million for the ESMCP; and
- £10 million of COVID funding for ‘Health measures at the Border’.

These increases are somewhat offset by a switch of £66 million to the Resource DEL budget.

The Home Office proposes an **increase of Resource AME of £438.5 million (+19%)**. This is driven by pension changes:

- £243.3 million provision to account for the future liability relating pension related litigations; and
- £195.2 million to fund an increase in pension contributions as a result of the McCloud judgement relation to age discrimination;

UK Export Finance

UK Export Finance (UKEF – the trading name of the Export Credits Guarantee Department) proposes a no change to its **Resource DEL**, which remains at **£0**. As previously agreed with HM Treasury, UKEF continues to operate on a zero net cost to the taxpayer basis, where it offsets its operational costs (Resource DEL) with income generated from the premium it charges for its products.

The **Capital DEL Budget remains at £1.6 million**, as at the original budget.

UKEF plans a **decrease of £100 million (-13%) to Resource AME**, from £748.4 million to £648.4 million. This reflects the changes in the claims related provisions and underwriting fund movements (insurance reserving), impairment and foreign exchange movements.

UKEF plans to decrease its **Capital AME by £280.0 million (-15%)** to reflect the reduction in the funding requirement for direct lending drawings to March 2022, based on the latest business information available. Capital AME represents lending activity, and the reduction reflects that some Direct Lending deals either did not materialise or have been moved to the next financial year. Any deals that are expected to have a probability of materialising of less than 25% have been excluded from the Estimate.

UKEF's net cash requirement, reflecting the changes above in addition to changes to working capital (i.e. debtors and creditors) is set to decrease by £600 million (-28%), from £2,143.2 to £1543.2 million.

4.2

Devolved Administrations

Northern Ireland

The Northern Ireland Office Supplementary Estimate seeks authorisation for:

- **the cash grant to the Government of Northern Ireland.** The cash grant (shown in the Estimates as 'Non-Budget' expenditure) provides funding for the Northern Ireland Consolidated Fund – the main source of funding for Northern Ireland Government expenditure; and
- **funds for the Northern Ireland Office** (this is a UK ministerial department responsible for the smooth working of the devolution settlement and relations between the UK and NI Governments).

Northern Ireland Government grant

The Supplementary Estimate proposes a decrease of **£490.8 million (-2%)** in the amount sought for payment in the Northern Ireland Consolidated Fund, from **£21,465.9 million** to **£20,975.1 million**.

The cash grant is based on a calculation worked out by taking the spending power (the Departmental Expenditure Limits allowed for the NI Government by the UK Treasury) plus Annually Managed Expenditure (this is expenditure such as welfare payments that is deemed more difficult to control than DEL), less non-cash items such as depreciation, and adjusted for timing differences.

Changes in DEL budgets

The Northern Ireland Government plan to increase total DEL (Resource DEL and Capital DEL) by **£664.8 million** from **£16,673.6 million** to **£17,338.4 million (+4%)**.

- Resource DEL is set to increase by £589.9 million (+4.0%), from £14,806.2 million to £15,396.1 million; and
- Capital DEL is set to increase by £74.9 million (+4.0%), from £1,867.4 million to £1,942.3 million.

The majority of the DEL changes reflect Barnett Consequentials - funding arising from UK spending decisions, corresponding to that provided for UK government departments; and additional funding from the Treasury Reserve. Since the Main Estimate, there have been **£453.9 million** of additional Resource DEL Barnett Consequentials and **£13.3 million** of Capital DEL. These figures include the Barnett Consequentials from the Autumn 2021 Budget.

A breakdown of the Supplementary Estimate changes (excluding autumn 2021 Budget) is shown in the table below:

Northern Ireland's Barnett Consequentials from the 2020/21 Supplementary

£ millions

Programme/Department	Measure	RDEL	CDEL	Total
Business rates	Repayments of English Business Rates Reliefs	-3.9	0	-3.9
Charity Commission	Additional ringfenced Depreciation to cover increase in depreciation due to Capital investment	0.01	0	0.01
Crown Prosecution Service	CPS - Return of additional funding received during Main Estimate	-0.34	0	-0.34
Department for Business, Energy & Industrial Strategy	Net Zero Funding	0	-0.39	-0.39
	Various others	-0.01	-0.21	-0.22
	Covid-19 Funding	12.37	0	12.37
Department for Education	Shared Outcomes Funding	0.55	0	0.55
	Various others	-2.04	-12.38	-14.42
	Covid-19 Funding	10.08	0.33	10.4
Department for Environment, Food and Rural Affairs	Flood Risk Management	0.06	0.06	0.12
	Various others	2.56	0.25	2.81
	Covid-19 Funding	-0.03	0	-0.03
Department for Transport	HS2 Impairment and Write-down	5.96	0	5.96
	National Highways Underspend	0	-12.72	-12.72
	Various others	0	-1.03	-1.04
	Covid-19 Funding	117.91	14.95	132.86
Department for Work and Pensions	Various others	1.99	4.96	6.95
	Covid-19 Funding	-19.19	-0.01	-19.19
Department of Health and Social Care	Manchester Business Rates Retention - Public Health Grant	-7.04	0	-7.04
	Nurses ringfence recruitment underspend	-1.48	0	-1.48
	EU Exit underspend	-0.49	0	-0.49
	STP Upgrades underspend	0	-3.92	-3.92
	Various others	-1.03	-0.62	-1.65
	Covid-19 Funding	11.75	3	14.75
Digital, Culture, Media and Sport	Voted Loans	0.02	0.11	0.13
	Shared Rural Network	-0.03	-1.95	-1.98
	Local Full Fibre Networks	0	-0.71	-0.71
	Various others	0.65	-1.22	-0.57
	Covid-19 Funding	10.22	0.16	10.38
Food Standards Agency	Shared Outcomes Funding	0.01	0.01	0.02
HM Land Registry	Additional depreciation as submitted in HMT depreciation budget commission	0.15	0	0.15
HM Revenue and Customs	Various others	0.02	-0.05	-0.04
	Covid-19 Funding	-0.05	0	-0.06
Home Office	Injury to Feelings claims	1.55	0	1.55
	Reserve Claim for Airwave	2.46	0	2.46
	Various others	-0.21	2.19	1.98
	Covid-19 Funding	3.17	0	3.17

Northern Ireland's Barnett Consequentials (continued)

£ millions

Programme/Department	Measure	RDEL	CDEL	Total
Department for Levelling Up, Housing & Communities:	Grant Surrender	0	-23.32	-23.32
Communities	UK Community Renewal Fund	-1.48	0	-1.48
	Various others	-0.03	-9.4	-9.43
	Covid-19 Funding	0.81	0	0.81
Department for Levelling Up, Housing & Communities: Local Government	Council Tax Rebate	100.07	0	100.07
	Various others	-0.73	0	-0.73
	Covid-19 Funding	182.16	0	182.16
Ministry of Justice	HMCTS Reform Funding	0	3.14	3.14
	Ringfenced funding - Profile change	0	-8.92	-8.92
	Various others	-1.03	0.05	-0.98
Office of Gas and Electricity	Various others	2.39	0.02	2.41
Office of Qualifications and Examinations Regulation	Various others	0	0	0
Serious Fraud Office	SFO - RDEL cover for 2020-21 excess vote	0.08	0	0.08
	SFO - Civil litigation costs	0.11	0	0.11
	SFO - Case costs above 4% threshold	0.34	0	0.34
The Statistics Board	Various others	-0.79	0	-0.79
	Covid-19 Funding	-0.28	0	-0.28

The Northern Ireland Office

Northern Ireland Office itself plans a **£6.1 million (+17.5%)** increase in its Resource DEL and a **£1.7 million (+656%)** increase to its Capital DEL. Resource DEL now stands at **£40.8 million** and Capital DEL at **£2.0 million**.

Scotland

The Scotland Office Supplementary Estimate seeks authorisation for:

- **the cash grant to the Government of Scotland.** The cash grant (shown in the Estimates as 'Non-Budget' expenditure) provides funding for the Scottish Consolidated Fund – a main source of funding for Scottish Government expenditure. The cash grant has been reduced to reflect the fact that taxes such as stamp duty, landfill tax and income tax are now devolved to Scotland (these adjustments are referred to as block grant adjustments);
- **pay-over of Scottish rate of income tax to the Government of Scotland.** Income tax (on non-savings, non-dividend income) is a fully devolved tax for Scotland and is determined by Scottish Government policy. However, HMRC continues to collect it on behalf of Scotland.

(Scotland collects its own stamp duty and landfill tax so these do not show up in the Main Estimate, unlike income tax); and

- **funds for the Scotland Office** (this is a UK ministerial department responsible for relations between the UK and the Scottish Government).

Scottish Government grant and pay-over of income tax

The Supplementary Estimate seeks a cash grant for the Scottish Government of **£32,769.0 million** for 2021/22, an increase of **£1,113.1 million (+3%)** above the amount sought at the Main Estimate, **£31,655.9 million**. The cash grant is based on a calculation worked out by taking the spending power (the Departmental Expenditure Limits allowed for the Scottish Government by the UK Treasury) plus Annually Managed Expenditure (this is expenditure that is deemed more difficult to control than DEL), less non-cash items such as depreciation, and adjusted for timing differences.

Changes in DEL Budget

The Scottish Government total DEL budget sought at the Supplementary Estimate is **£37,005.5 million**, an increase of **£1,469.7 million (+4.1%)** from the initial Budget of **£35,535.8 million**.

Changes to the DEL budget, which affect the cash grant, consist of:

- an increase in Resource DEL of £1,604.3 million (+5.3%) to £31,443.5 million; and
- a decrease in Capital DEL of -£134.6 million (-2.4%) to £5,562 million.

Deductions have been made to the Departmental Expenditure Limit (DEL) budget to take account of the fact that the grant no longer includes Scotland's share of devolved taxes. These deductions are referred to as block grant adjustments and calculated by estimating income from devolved taxes, had the Scottish government retained taxes in line with the rest of the UK.

In the case of income tax, while the tax is devolved, HMRC continues to collect the funds on the Scottish government's behalf. The actual amount of tax revenue expected, forecast by the Scottish Fiscal Commission and based on Scottish Government tax policies.

The DEL changes are driven to a large extent by Barnett Consequentials – funding arising from UK spending decisions, corresponding to that provided for UK government departments; and additional funding from the Treasury Reserve. The Supplementary Estimate included the following Barnett Consequentials for the Scottish Government in 2021-22 since the Main Estimate:

- **£1,388.1 million** Resource DEL; and
- **-£64.1 million** Capital DEL.

A breakdown of the Supplementary Estimate changes (excluding autumn 2021 Budget) is shown in the table below:

Scotland's Barnett Consequentials from the 2021/22 Supplementary Estimates

£ millions

Programme/Department	Measure	RDEL	CDEL	Total
Business rates	Repayments of English Business Rates Reliefs	-11.6	0	-11.6
Charity Commission	Additional ringfenced Depreciation to cover increase in depreciation due to Capital investment	0.03	0	0.03
Crown Prosecution Service	CPS - Return of additional funding received during	-1.09	0	-1.09
Department for Business, Energy & Industrial Strategy	Net Zero Funding	0	-1.1	-1.1
	Various others	-0.03	-0.48	-0.52
	Covid-19 Funding	36.6	-0.01	36.59
Department for Education	Shared Outcomes Funding	1.63	0	1.63
	Various others	-6.06	-36.6	-42.7
	Covid-19 Funding	29.8	0.97	30.77
Department for Environment, Food and Rural Affairs	Flood Risk Management	0.17	0.18	0.36
	Various others	7.57	0.74	8.31
	Covid-19 Funding	-0.08	0	-0.08
Department for Transport	HS2 Impairment and Write-down	17.63	0	17.63
	National Highways Underspend	0	44.21	44.21
	Covid-19 Funding	348.7	0	348.7
Department for Work and Pensions	Various others	-0.06	-0.02	-0.09
	Covid-19 Funding	-0.35	0	-0.35
Department of Health and Social Care	Manchester Business Rates Retention - Public	-20.8	0	-20.8
	Nurses ringfence recruitment underspend	-4.38	0	-4.38
	EU Exit underspend	-1.45	0	-1.45
	Various others	-3.06	-21.1	-24.1
	Covid-19 Funding	34.73	3.42	38.15
Digital, Culture, Media and Sport	Voted Loans	0.04	0	0.04
	Shared Rural Network	-0.08	-1.73	-1.81
	Local Full Fibre Networks	0	-0.78	-0.78
	Various others	1.97	-0.75	1.22
	Covid-19 Funding	30.22	0	30.22
Food Standards Agency	Shared Outcomes Funding	0	-0.02	-0.02
HM Land Registry	Additional depreciation as submitted in HMT depreciation budget commission	0.46	0	0.46
HM Revenue and Customs	Various others	0.03	-0.01	0.02
	Covid-19 Funding	-0.19	-0.01	-0.2
Home Office	Injury to Feelings claims	4.58	0	4.58
	Reserve Claim for Airwave	7.29	0	7.29
	Various others	-0.62	0	-0.62
	Covid-19 Funding	9.38	0	9.38
Department for Levelling Up, Housing & Communities: Communities	Grant Surrender	0	-69	-69
	UK Community Renewal Fund	-4.37	0	-4.37
	Council Tax Rebate	296	0	296
	Various others	-2.25	-27.8	-30.1
	Covid-19 Funding	103.8	0	103.8
Ministry of Justice	HMCTS Reform Funding	0	0.2	0.2
	Various others	-3.05	-17	-20

Scotland's Barnett Consequentials (continued)

£ millions

Programme/Department	Measure	RDEL	CDEL	Total
Office of Qualifications and Examinations Regulation	Various others	0.01	0	0.01
Serious Fraud Office	SFO - RDEL cover for 2020-21 excess vote	0.25	0	0.25
	SFO - Civil litigation costs	0.32	0	0.32
	SFO - Case costs above 4% threshold	1.01	0	1.01
The Statistics Board	Covid-19 Funding	-0.83	0	-0.83

Scotland also receives non-Barnett contributions to its DEL budget; for example at the 2021-22 Supplementary Estimate, Scotland received £46.5 million of Resource DEL funding for Cyber Security. It also received budget transfers from the Cabinet Office of £65 million for COP26, and £142.8 million from the Department of Health and Social Care.

Scotland Office spending

The Scotland Office itself plans a **£0.9 million (+8%)** increase in its Resource DEL and no change to its Capital DEL. Resource DEL is therefore expected to be **£12.1 million** and Capital DEL **£0.05 million**.

Wales

The Wales Office Estimate seeks authorisation for:

- **the cash grant to the Government of Wales.** The cash grant (shown in the Estimates as 'Non-Budget' expenditure) provides funding for the Welsh Consolidated Fund – a main source of funding for Welsh Government expenditure; and
- **funds for the Wales Office** (the UK ministerial department responsible for relations between the UK and Welsh Governments).

Welsh Government grant

The cash grant proposed for the Welsh Government is **£18,799.1 million** at the 2021-22 Supplementary Estimate, **£549.3 million (+3%)** higher than the amount sought at the Main Estimate of **£18,249.8 million**.

The cash grant is based on a calculation worked out by taking the spending power (the Departmental Expenditure Limits allowed for the Wales Government by the UK Treasury) plus Annually Managed Expenditure (this is expenditure that is deemed more difficult to control than DEL), less non-cash items such as depreciation, and adjusted for timing differences.

Deductions have been made to the Departmental Expenditure Limit (DEL) budget to take account of the fact that the grant no longer includes Wales's

share of devolved taxes. These deductions are referred to as block grant adjustments and calculated by estimating income from devolved taxes, had the Welsh government maintained all taxes in line with the rest of the UK.

Changes in DEL budget

The total DEL budget sought by Wales at the Supplementary Estimate is **£21,432.6 million**, an increase of **£517.1 million (+2.5%)** from the initial Budget of **£20,367.2 million**.

Changes to the Departmental Expenditure Limit (DEL) budget, which affect the cash grant, consist of:

- an increase in Resource DEL of £1,105.5 million (+6.2%) to £18,862.6 million; and
- a decrease in Capital DEL of -£40.1 million (-1.5%) to £2,570 million.

The DEL changes mainly reflect Barnett Consequentials – funding arising from UK spending decisions, corresponding to that provided for UK government departments; and additional funding from the Treasury Reserve. The Supplementary Estimate included the following Barnett Consequentials for the Welsh Government in 2020-21:

- Additional **£826.7 million** Resource DEL; and
- Additional **£38.8 million** Capital DEL.

Wales's Barnett Consequentials from the 2021/22 Supplementary Estimates

£ millions

Programme/Department	Measure	RDEL	CDEL	Total
Business rates	Repayments of English Business Rates Reliefs	-7.03	0	-7.03
Department for Business, Energy & Industrial Strategy	Net Zero Funding	0	-0.64	-0.64
	Various others	-0.02	-0.24	-0.26
	Covid-19 Funding	22.4	-0.01	22.39
Department for Education	Shared Outcomes Funding	0.99	0	0.99
	Various others	-3.59	-22.2	-25.8
	Covid-19 Funding	18.14	0.59	18.73
Department for Environment, Food and Rural Affairs	Flood Risk Management	0.11	0.11	0.22
	Various others	4.62	0.46	5.08
	Covid-19 Funding	-0.05	0	-0.05
	National Highways Underspend	0	-8.75	-8.75
	Various others	0	-0.54	-0.54
	Covid-19 Funding	212.3	26.92	239.3
Department for Work and Pensions	Various others	0	0	0
	Covid-19 Funding	2.44	0	2.44
Department of Health and Social Care	Manchester Business Rates Retention - Public	-12.6	0	-12.6
	Nurses ringfence recruitment underspend	-2.66	0	-2.66
	EU Exit underspend	-0.88	0	-0.88
	Various others	-1.85	-8.13	-9.99
	Covid-19 Funding	21.26	5.41	26.66
Digital, Culture, Media and Sport	Voted Loans	0.03	0.21	0.23
	Shared Rural Network	-0.05	-3.38	-3.43
	Local Full Fibre Networks	0	-1.23	-1.23
	Various others	1.21	-2.09	-0.88
	Covid-19 Funding	18.4	0.3	18.7
Food Standards Agency	Shared Outcomes Funding	0.02	0.02	0.04
HM Revenue and Customs	Various others	-0.05	-0.11	-0.16
	Covid-19 Funding	-0.11	0	-0.12
Home Office	Various others	-0.05	0.01	-0.04
Department for Levelling Up, Housing & Communities:	Grant Surrender	0	-41.7	-41.7
Communities	UK Community Renewal Fund	-2.64	0	-2.64
	Council Tax Rebate	180.2	0	180.2
	Various others	-1.36	-16.8	-18.2
	Covid-19 Funding	63.31	0	63.31
Ministry of Justice	Various others	-0.02	-0.21	-0.23
Office of Qualifications and Examinations Regulation	Various others	0.01	0	0.01

Wales Office spending

The Wales Office itself plans a **£1.2 million (+19%)** increase in its Resource DEL and no change to its Capital DEL when compared with the Main Estimate. Planned Resource DEL now stands at **£6.4 million** and Capital DEL at **£0.03 million**.

4.3

Other departments

Charity Commission

The Charity Commission propose an increase to their Resource DEL budget of **£0.3 million** to cover an increase in depreciation due to capital investment.

They propose an increase of **£0.2 million** of Resource AME to cover a provision for potential legal action.

There has been no change in capital budgets.

Competition and Markets Authority

The CMA propose an increase in resource AME of **£35 million**. This is to cover a new provision in year. There have been no other changes to budgets.

Crown Estate Office

There are no changes to the Crown Estate Office's budgets in the Supplementary Estimate.

Crown Prosecution Services (CPS)

The Crown Prosecution Service is seeking a reduction of **£25 million (-3.7%)** to its Resource DEL and no change to its Capital DEL. This is driven by a £12.0 million "budget exchange" (switching spending to a future year), and a £12.0 million "budget surrender" (returning funds to the central reserve).

Food Standards Agency

The Food Standards Agency (FSA) is proposing a decrease of **£2.1 million (-2%)** to its Resource DEL, taking it to £108.3 million. This is due to a switch of £2 million Resource DEL to Capital DEL to allow increased investment in IT infrastructure.

Capital DEL is set to rise by **£2 million (+22%)**, taking it to £11.1 million.

There are no proposed changes to Resource AME.

Government Actuary's Department

The Government Actuary's Department (GAD) proposes a net increase of **£0.25 million (+24,000%)** to its Resource DEL. This is due to additional Covid-19 pressures to GAD's income and expenditure. Usually, GAD can meet all of its costs through its income.

There has been no change requested to the Capital DEL budget.

GAD's Resource AME is also set to rise by **£0.13 million (+260%)** due to an adjustment to a dilapidations provision. Building works have been undertaken at the London Office which has resulted in an increase to the provision.

GAD has no Capital AME budget.

HM Land Registry

HM Land Registry proposes an increase of **£2.8 million (0.7%)** to its Resource DEL. This is due to £5.0m of additional depreciation relating to HMLR's Digital Transformation and Local Land Charges programmes. This increase is offset by a transfer of £2.2m from Resource DEL to Capital DEL relating to the Digital Register Services programme.

Capital DEL has decreased by **£3.8 million (2.9%)**, mainly due to the surrender of £4.2 million of expenditure from Local Land Charges due to a reprofiling of forecast expenditure.

There are no proposed changes to AME budgets.

HM Procurator General and Treasury Solicitor

HM Procurator General and Treasury Solicitor is seeking a **Resource DEL increase of £534,000** relating to a transfer from CPS to HMPGTS to cover the costs of an IT provision within the Attorney General Office, and **£500,000 of Resource AME** for new and revalued provisions for accommodation-related liabilities and other litigation liabilities.

National Archives

The National Archives propose a decrease to Resource DEL of **£3.2 million**. This is due to a budget transfer from Resource DEL to Capital DEL.

They propose to increase capital DEL by **£2.6 million** due to the transfer from RDEL, offset slightly by the deferral of £0.56 million capital spend into 2022/23.

The National Archives propose a very slight increase in Resource AME (£31,000), to cover movements in a provision for an onerous lease.

National Crime Agency

The National Crime Agency (NCA) is a non-ministerial department which has operational independence and is accountable to the Home Secretary. It is seeking an **increase in RDEL of £23.6 million**. This is driven by:

- £18.2 million to fund overseas work;
- £4.5 million from the Home Office to cover the costs of Covid-19 and personal protective equipment;
- £2.9 million funding to increase cyber security capability including for hostile state actors and other ‘special projects’; and
- A decrease of £5.8 million, transferred to Capital DEL for various asset procurements including £2.8m million for Eastern Europe operations.

The NCA also requests an **increase in Capital DEL of £3 million**, which is driven by asset purchases for Eastern Europe operations.

There is a proposed **increase in Resource AME of £25 million** to reflect changes in requirements for provisions, pensions and property revaluations.

National Savings and Investments

National Savings and Investments (NS&I) proposes a decrease of **£21.35 million (-11.5%)** to its Resource DEL. The main changes are:

- £27 million reduction in the budget for NS&I’s Rainbow Programme which is the re-procurement of its outsourced business process services. Spending has been reprofiled into future years.
- £5.65 million increased for the implementation of the Green Savings Bond, which was launched in October 2021.

NS&I’s Capital DEL remains unchanged at £0.66 million.

NS&I’s Resource AME is set to increase by **£2 million (+667%)** due to the recognition of a dilapidation provision under its leased accommodation at Drummond Gate. This lease is being transferred to the Government Property Agency (GPA).

NS&I has no Capital AME budget.

Office of Rail and Road

The Office of Rail and Road (ORR) did not propose any changes to its Main Estimate.

OFGEM

OFGEM propose an increase of **£85.9 million** to their Resource DEL. This budget increase primarily reflects provision for legal costs associated with possible challenges to Ofgem’s work in managing insolvency issues in the GB

energy retail market and adapting the regulatory environment to create a more financially resilient sector.

The net capital DEL proposed is an increase of **£2.2 million**. This change is largely the cost of developing systems to support the delivery of new environmental schemes, such as the Green Gas Support Scheme.

OFGEM have no AME budget.

OFQUAL

The Office of Qualifications and Examinations Regulation propose a net decrease to their Resource DEL of **£0.005m (£5,000)**. This is caused by almost matching increases and decreases to the budget. The main increase is £0.325 million from the DfE for deferment of the 2021 National Reference Tests. The main decrease is a budget exchange of -£0.3 million reflecting legal costs transferring to 2022-23.

There have been no changes to OFQUAL's capital or AME budgets.

OFSTED

OFSTED propose a reduction in Resource DEL by **£0.7 million**. This is mainly due to surrendering RDEL budget from 2021/22 in return for a reciprocal amount in 2022/23 due to failure to deliver the expected volume of early year inspections. There is also a £2.6 million transfer from Resource DEL to Capital DEL, but offset the reduction with a transfer from DfE.

Capital DEL is increasing by **£2.6 million** due to the transfer from the Resource budget. Ofsted is investing in IT and digital related systems to replace older legacy systems.

AME is increasing by **£0.25 million**, this relates to potential new provisions that may be required.

OFWAT

OFWAT is the 'Water Services Regulatory Authority'. **There are no changes required**. A small increase in depreciation which was caused by technology rollout to staff including mobile phones, laptops and video conferencing equipment, is offset in non-ring fenced expenditure.

Parliamentary and Health Service Ombudsman

The Parliamentary and Health Service Ombudsman (PHSO) did not propose any changes to its Main Estimate.

Security and Intelligence Agencies

The Security and Intelligence Agencies (SIA), which covers MI5, Secret Intelligence Service (MI6) and GCHQ, propose a final **Resource DEL of £3,017 million** for 2021/22, an **increase of £14.7 million (+0.5%)** compared to the initial budget of £3,002.3 million.

They also propose a **Capital DEL of £951.4 million, a decrease of £62.6 million (-6.2%)** compared to the initial budget of £1,014 million.

The **Resource AME budget** is set to **increase by £116 million (+297%)**, from £39.1 million to £155.1 million.

SIA has no Capital AME budget.

Due to the sensitive nature of SIA work, detailed information on spending plans is not published, but they are scrutinised by the Intelligence and Security Committee of Parliament.

Statistics Board

The Statistics Board proposes a decrease of **£2.55 million (-0.5%)** to its Resource DEL, taking it to £517.7 million. The main reasons for the change are:

- £29.4 million increase for the Integrated Data Service Programme (IDSP). The full business case was approved in August 2021; and
- £30 million decrease due to a surrender of funding relating to the Census Data Collection Transformation Programme (CDCTP).

The Statistics Board is also proposing an increase of **£17.08 million (+171%)** to its Capital DEL. The main changes are:

- £9 million increase in IDSP funding after full business case approval in August 2021.
- £8 million transfer from Resource DEL to fund work on the Estate to support hybrid working.

The Statistics Board's Resource AME is set to rise by **£7.4 million (+740%)** which is due to an adjustment to the provision for the CDCTP severance scheme. The scheme is to allow staff who have previously worked on CDCTP to exit if there are no alternative ongoing roles.

Supreme Court

The Supreme Court is seeking an **increase in Resource DEL of £0.1 million** driven by funding for in-year pressures relating to loss of admin income due to the pandemic. There are no other changes requested.

UK Atomic Energy Authority Pension Schemes

UKAEAPS proposes an increase to its Resource AME of **£0.9 million (0.5%)**. This is due to a slight increase in current service costs.

They propose a **£17 million (7.4%)** increase to Net Cash Requirement due to higher than anticipated payments in respect of provisions.

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