



House of Commons
Procedure Committee

Debates on Estimates days: piloting new arrangements

Third Report of Session 2017–19

*Report and appendices, together with formal
minutes relating to the report*

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Procedure Committee

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Committee staff

The current staff of the Committee are Martyn Atkins (Clerk), Leoni Kurt (Second Clerk), Jim Lawford (Committee Assistant), and Alasdair Rendall (Media Officer).

Contacts

All correspondence should be addressed to the Clerk of the Procedure Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 3351; the Committee's email address is proccom@parliament.uk.

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Summary

The Procedure Committee recommends that the pilot scheme for allocating debates on Estimates days, recommended by the Procedure Committee in the last Parliament, be brought into effect immediately for the remainder of the 2017–19 Session.

Under the pilot, the Backbench Business Committee will make a proposal to the Liaison Committee for allocation of debates on Estimates days, on the basis of bids received from Members. The Liaison Committee will make a recommendation to the House as provided for in Standing Order No. 145, which is expected to be in line with the Backbench Business Committee proposal. The House will be invited to agree formally with the Liaison Committee recommendation.

In return, the Backbench Business Committee is asked to agree to make a determination of business to be taken on a number of backbench days in the Chamber equivalent to the number of allotted Estimates days, in line with proposals from the Liaison Committee. It is envisaged that these debates will be on select committee reports, and may arise on either general or substantive motions.

The first debates to be allocated under the pilot will be on the Supplementary Estimates for 2017–18, and associated requests for supply, which are expected to be laid before the House in the week of 5 February 2018. The Committee recommends that two days should be allocated for these debates. The Government is encouraged to provide for as much time as possible between the presentation of the Estimates and the days the Government plans to allot to the debates, to allow backbench Members the time to examine the estimates and prepare bids to be submitted to the Backbench Business Committee.

The Committee envisages that debates under the pilot will arise on broad subjects enabling discussion of the spending of a particular Department or associated public body. Debate may also arise on Estimates where proposed changes to the expenditure of departments in England give rise to consequential changes in the block grants to the devolved institutions.

1 A new procedure for allocating Estimates Day debates

The 2015 Committee's inquiry and the Government response

1. Our predecessors in the 2015 Parliament initiated a substantial inquiry into the procedures the House uses to examine and authorise Government expenditure, and the effectiveness of the House's control over the supply of taxpayers' money to the Crown. The report of that inquiry, issued as the House voted in favour of an early general election, focused on the formal processes for the House to examine and authorise the Estimates—the Government's requests for the appropriation of funds for the purposes proposed by each Department and certain other public bodies.¹
2. The Government response to that report was sent to the Committee jointly by the Chief Secretary to the Treasury and the Leader of the House on 20 December 2017. The response was reported to the House by the Committee and published on its website on 10 January 2018: it is also reproduced as an Appendix to this Report. We will evaluate the response in greater detail and will follow up the recommendations of our predecessors later in this Session.

Estimates day debates: the 2017 proposals

3. The principal recommendation of our predecessors' report was for a procedure to reinvigorate the House's consideration of Estimates. Our predecessors found that

the present system for allocating debates on Estimates days is not operating as it should. It fails on the one hand to ensure the proper consideration of Estimates on the days set aside by the House for that purpose, while on the other hand failing to provide the Liaison Committee with a means of recommending select committee reports for debate on the floor on their own merits.²

In consequence they recommended piloting a process which would enable debate on Estimates days to arise on the expenditure proposed in a particular Estimate: as the system operates at present, the scope of debate is governed by the content of the select committee report selected for debate which is sometimes only tangentially related to the content of the Estimate under consideration.

4. The proposed pilot would operate as follows:
 - For each Estimates day, the Backbench Business Committee would invite bids from individual Members, or groups of Members, for an Estimate to be debated.
 - On the basis of those bids, the Committee would make a determination of the business to be debated on the specified Estimates day.

1 Procedure Committee, Fifth Report of Session 2016–17, [Authorising Government expenditure: steps to more effective scrutiny](#), HC (2016–17) 190, published 19 April 2017.

2 *Ibid*, para 77.

- The Committee would make a formal recommendation to the Liaison Committee for the Estimates to be debated and the subjects on which debates should arise.
- The Liaison Committee, using its powers under Standing Order No. 145, would agree a formal report to the House on the matters to be debated, on the basis of the recommendation from the Backbench Business Committee.
- The House would endorse the Liaison Committee’s report, thereby scheduling the business for debate.

5. The Backbench Business Committee would in return determine the business to be taken on a corresponding number of backbench days in the House in accordance with a recommendation of the Liaison Committee. Such business would typically comprise debates on select committee reports: debate might arise on a general, unamendable motion (“That this House has considered the report of X Committee and the Government response”), or on a substantive motion in which the Committee could advance an amendable proposition and invite the House to agree to it.³

6. We have received an enthusiastic response to our predecessors’ proposal from both the committees in this Parliament which would be required to operate the pilot.⁴ The Government, in its response to the report, has raised no concerns about the introduction of these new arrangements.⁵

7. We recommend that the pilot scheme proposed by the Procedure Committee in April 2017, whereby the Backbench Business Committee determines the Estimates to be debated on each Estimates day, on the basis of bids from Members or groups of Members, be implemented without delay for the remainder of the 2017–19 Session.

8. The first Estimates presented in this Parliament which fall to be debated will be the Supplementary Estimates for the current financial year and associated requests for authorisation of expenditure, such as the Vote on Account for expenditure in the first months of the next financial year. These are likely to be presented at the beginning of February 2018. Under present arrangements, the Government must seek approval for Supplementary Estimates before 18 March in each calendar year to benefit from the House’s procedures allowing the questions on approval of the majority of those Estimates to be put forthwith at a set hour.⁶

9. Debate on Supplementary Estimates in the March of each financial year has typically taken place over two sitting days. This is a hangover from measures taken to implement the Treasury’s Alignment Project.⁷ One consequence of the Alignment Project was the

3 See, for example, the motion on Prison Safety proposed by the Chair of the Justice Committee, Robert Neill MP, in backbench time on 7 December 2017: HC Deb, 7 December 2017, [12.39 pm](#).

4 Letter from the Chair of the Liaison Committee, Dr Sarah Wollaston MP, dated 10 January 2018, reproduced in Appendix 2.

5 The Government response is reproduced in Appendix 1.

6 Standing Orders Nos. 54 and 55. The categories of motion which fall to be decided before 18 March are the votes on account for the coming financial year, supplementary and new estimates for the current financial year presented to the House at least fourteen calendar days previously, votes on numbers for defence services, and any excess votes, provided that the Public Accounts Committee has signified that it has no objection to the House being invited to approve them.

7 The Alignment Project (sometimes known as the Clear Line of Sight Project) sought to align government spending totals, Parliamentary limits and end year accounts. The project’s recommendations were endorsed by the House in 2010 with resultant changes coming into effect from the 2011–12 financial year. See [Alignment \(Clear Line of Sight\) Project](#), Cm. 7567, March 2009.

abolition of the Winter Supplementary Estimates and the transfer of the Estimates day usually allocated for consideration of these Estimates to the spring.⁸ Our predecessors considered that it was more appropriate to reserve two days for debate on the Main Estimates before the summer adjournment each year, leaving one day for debate on the Supplementary Estimates in the spring

10. While we concur in principle with this recommendation, it is worth observing that there has been no debate on the Main Estimates for the present financial year. They were laid in April 2017—in the last Parliament—and brought forward for approval in July 2017, shortly after State Opening and before the Liaison Committee and departmental select committees had been established.⁹

11. The Government has announced that it intends the present session of Parliament to last for two years—over the best part of two Estimates cycles. Standing Order No. 54 provides only that three days shall be allotted in each session for the consideration of Estimates. In our view, this allocation is inadequate for a session which is intended to last some 22 months and during which the Government will be applying for authorisation for two years' worth of expenditure. In the most recent long Session (2010–12), which also followed a general election, the Main Estimates for 2010/11 were agreed without a debate but debates were arranged on the Winter and Spring Supplementary Estimates for that financial year, as well as on the Main Estimates for 2011/12. In December 2011 the Government brought forward a motion to increase the total allocation of Estimates days in the session from three to five.

12. *We expect the Government, in line with precedent, to bring forward in due course a motion to increase the number of allotted Estimates days in the current Session, to reflect its exceptional length and to remain in line with the annual Estimates cycle. We recommend the following allocation of Estimates days for the current session:*

- *Supplementary Estimates, 2017–18: two days (to be taken by 18 March 2018);*
- *Main Estimates, 2018–19: two days (to be taken by 5 August 2018), and*
- *Supplementary Estimates, 2018–19: one day (to be taken by 18 March 2019).*

⁸ The two days previously reserved for the two sets of Supplementary Estimates (one day in December for Winter Supplementaries and one day in February or March for Spring Supplementaries) were replaced by two days for the annual Supplementary Estimate, both days in February or March).

⁹ The Main Estimates for the 2017–18 financial year were presented on 19 April 2017 and approved without debate on 4 July 2017: Royal Assent to the ensuing Supply and Appropriation (Main Estimates) Act 2017 was signified on 19 July 2017. Departmental select committees were appointed on 11 September 2017, on motions proposed by the Government, and the Liaison Committee for the present Parliament was appointed on 6 November 2017.

2 Implementation of the pilot for the 2017–18 Supplementary Estimates

13. We set out below how we envisage the pilot could operate for the Supplementary Estimates to be considered before 18 March 2018.

Procedural issues

14. The Backbench Business Committee's existing system for applications for debates is well understood by Members and eminently adaptable to the requirements of the pilot. There are some procedural considerations peculiar to Estimates days:

- Estimates are Government business, and the motion to approve each Estimate selected for debate is formally moved by a Minister before debate opens. This has little practical effect on the course of the debate, which would be opened by the lead Member allocated the debate, but it should be noted that, that, unlike on backbench business days, it will not be possible for the lead Member to propose a motion of his or her own.
- The formal motions to approve an Estimate are only amendable within the rules applying to Crown initiative. Any amendment seeking to increase the sum to be voted is therefore unlikely to be in order.
- In practice the subject of the debate will be determined by the proposal to be made by the Backbench Business Committee, which the Liaison Committee will then recommend to the House and the House will be asked to agree to.
- Under the terms of Standing Order No. 54, if a debate on an Estimate finishes before the moment of interruption on an allotted day, the decision of the House on the Estimate is deferred until the moment of interruption on the allotted day: if two days are allotted in respect of a single set of Estimates or Supplementary Estimates then all the questions outstanding are typically put at the moment of interruption on the second of those days.

Scope of debate

15. The scope of debate will be determined by the Chair. In judging whether contributions are within the scope, the Chair will be guided by the subject for debate proposed by the Backbench Business Committee, recommended by the Liaison Committee and agreed to by the House.

16. We consider it undesirable for the scope of debate to be drawn too tightly. The purpose of the pilot is to encourage broader interest and participation in the House's formal processes of financial authorisation, drawing on the expertise across the House in evaluating Government expenditure proposals and their linkage to policy development. But it is also an objective of the reforms proposed that future debates have a more direct relationship to spending than has sometimes been the case in the past. It would therefore

be appropriate for debate to range widely over the subject matter of an Estimate, though it is likely that the sponsors of the debate would have advanced specific issues for consideration when making their bid to the Backbench Business Committee.

17. To enable a wide-ranging debate, the subject of the debate might be given simply as

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]

Where changes in the proposed expenditure of departments in England has given rise to “Barnett consequential” —that is, consequential changes in the block grants to the Scottish Parliament, the Welsh Assembly or the Northern Ireland Assembly—an appropriate subject for debate might be

The spending of [name of Department], and its consequences for grants to the devolved institutions

Timing

18. Our predecessors asked the Government to commit to a minimum period of five weeks between the laying of Main or Supplementary Estimates and the day allotted for the approval of the expenditure by the House. They were particularly concerned that a very brief period between the laying of an estimate and the debate on it would adversely affect the operation of any new system:

Under the current timetable, it is open to question whether it would be genuinely practicable to make the change we recommend for Supplementary Estimates. Even if it were feasible, Members would have limited information on which to base their bids, the Backbench Business Committee would have little time to consider their merits, and announcements on topics chosen would be likely to be done at the very last minute, all of which would reduce the effectiveness of such change.¹⁰

19. In 2012 a new schedule for the approval of Estimates was introduced.¹¹ Under this timetable the Government has typically laid the Supplementary Estimates for the remainder of the current financial year in the second week of February, the week before the February adjournment, and has scheduled two days of debate on the Estimates in the last week of February or the first week of March. Under the provisions of Standing Order No. 55 the Government is obliged only to lay Supplementary Estimates at least fourteen calendar days before the day on which they are to be debated. The latest date on which approval may be sought to benefit from Estimates day procedures is 18 March. On average the Government has sought approval for Supplementary Estimates 19 calendar days, and 7 sitting days, after they have been laid. The latest date on which approval has been sought under the new timetable has been 6 March.

¹⁰ [Authorising Government expenditure](#), HC 190, para 86

¹¹ The dates of presentation of Winter and Spring Supplementary Estimates between 2005/06 and 2010/11, and the dates of presentation of Supplementary Estimates between 2011/12 and 2016/17, are set out in Table 1.

20. The Treasury has explained why a period of five weeks between the laying of Supplementary Estimates and a debate in the House on those Estimates would, in the Government's view, be impractical.

- The present systems of financial planning within Government allow Departments to apply for additional funding from reserves or through the Budget Exchange process.¹² The Treasury argues that budget exchange applications are best determined as late as possible in the financial year to allow decisions to be made on the basis of the best quality of data available: to provide for five weeks for the House to consider Supplementary Estimates would require the process for determining departmental applications to begin in December when the financial information available would be of lower quality.
- A later date for the approval of Votes on Account would, the Treasury argues, place “significant cash pressures” on Departments while they await formal clearance of the Estimates package (which we take to mean the notification of Royal Assent to the relevant Supply and Appropriation (Supplementary Estimates) Bill, which provides the Parliamentary authorisation for the expenditure).

21. Under present arrangements, the content of the Supplementary Estimates laid before the House does not materially affect the recommendation of the Liaison Committee on what should be debated on Estimates days. Of the 18 rounds of Supplementary Estimates since the financial year 2005/06, on nine occasions the Liaison Committee has decided on the Estimates to be debated on the subsequent Estimates days on the day the Estimates have been presented, or on the day after. On only one occasion since the financial year 2009/10 has the Liaison Committee taken more than one day to make its recommendation.¹³ The speed of decision-making is explained in part by the availability of information about the content of the estimate in draft before presentation, and in part because bids for debate on committee reports may be decided on the merits of the argument in the report or other subject proposed for debate, rather than on the features of the supplementary estimate to be presented. The Clerk Assistant explained the process to our predecessors thus:

At present, work on considering possible topics for debate has to be undertaken before the publication of the Supplementary Estimates themselves, although final decisions are not normally made until immediately after publication. As a result, it is extremely unlikely that a proposal from a select committee or a decision of the Liaison Committee will arise directly from scrutiny of the Supplementary Estimates or any in-year departmental budget change reflected in those documents, unless that change was foreshadowed in information previously provided to a select committee. In short, the current timetable vitiates the prospects for linkage between the content of the Supplementary Estimates and the selection of the subjects for debate.¹⁴

12 These arrangements replaced the End-Year Flexibility process introduced by the Treasury in 1998. See [An Overview of Recent Changes in Government Financial Management](#), House of Commons Scrutiny Unit, April 2012.

13 For the Supplementary Estimates for 2014/15. See Table 1.

14 [EST 0014](#), para 22

Table 1: Timing of consideration of Supplementary Estimates, Sessions 2005–06 to 2016–17

Supplementary Estimate	Date laid	Date of Liaison Committee report	Date House agreed to Liaison Committee report	Day(s) of debate	Calendar and sitting days between laying and debate
Winter 05/06	17.11.2005	30.11.2005	01.12.2005	08.12.2005	21 / 13
Spring 05/06	14.02.2006	16.03.2006	16.03.2006	20.03.2006*	34 / 18
Winter 06/07	21.11.2006	28.11.2006	30.11.2006	07.12.2006	16 / 10
Spring 06/07	20.02.2007	02.03.2007	06.03.2007	12.03.2007	20 / 14
Winter 07/08	15.11.2007	27.11.2007	29.11.2007	05.12.2007	20 / 11
Spring 07/08	19.02.2008	26.02.2008	03.03.2008	10.03.2008	20 / 14
Winter 08/09	25.11.2008	03.12.2008	08.12.2008	16.12.2008	20 / 8†
Spring 08/09	12.02.2009	26.02.2009	03.03.2009	09.03.2009	25 / 11
Winter 09/10	24.11.2009	25.11.2009	30.11.2009	10.12.2009	16 / 10
Spring 09/10	23.02.2010	24.02.2010	01.03.2012	10.03.2012	15 / 11
Winter 10/11	23.11.2010	24.11.2010	29.11.2010	08.12.2010	15 / 10
Spring 10/11	14.02.2011	15.02.2011	17.02.2011	02.03.2011	16 / 7
<i>Winter and Spring Supplementary Estimates merged, 14 December 2011</i>					
Supps 11/12	08.02.2012	08.02.2012	21.02.2012	27/28.02.2012	19 / 6
Supps 12/13	13.02.2013	12.02.2013	25.02.2013	05/06.03.2013	20 / 8
Supps 13/14	12.02.2014	12.02.2014	24.02.2014	03/04.03.2014	19 / 7
Supps 14/15	11.02.2015	24.02.2015	25.02.2015	02/03.03.2015	19 / 7
Supps 15/16	10.02.2016	10.02.2016	23.02.2016	01/02.03.2016	20 / 8
Supps 16/17	08.02.2017	20.02.2017	21.02.2017	27/28.02.2017	19 / 7

*—House varied SO No. 55 to allow approval to be given after 18 March

†—Parliament prorogued 26.11.2008: State Opening 03.11.2008

Source: House of Commons Journal and Votes and Proceedings

22. *The proposal to broaden out access to applications for Estimates day debates to all backbenchers provides a challenge to the present assumptions underpinning the provision of information to the House. Under the pilot we propose, the bids for Estimates day debates are expected to be more closely linked to the content of Supplementary Estimates. We therefore recommend that the Treasury give serious consideration, within the constraints of its own timetable, to bringing forward as far as possible the date of publication for Supplementary Estimates for the 2018–19 and 2019–20 financial years, and to providing the maximum period between that date and the date on which the Government seeks approval from the House for those estimates. Where possible, the Treasury should provide to the House an indication of the Departments which will be seeking a supplementary estimate, and the broad outline of the reason for the changes sought, no later than the second week of January.*

23. On the present pattern, it seems likely that the Supplementary Estimates for 2017–18 would be laid in the second week of February 2018, shortly before the February adjournment. On this schedule, the earliest that the Backbench Business Committee might be able to consider bids from Members would be at its meeting on 20 February 2018, for debates which the Government might schedule for the week of 26 February or the week of 5 March. This does not give a great deal of time for bids to be developed based on the features of a published Supplementary Estimate.

24. Published information on the changes to Main Estimates sought by Departments through a Supplementary Estimate for the remainder of the financial year 2017–18 may therefore not be available until shortly before the deadline for bids for Estimates Day debates. There are nevertheless potential sources of additional information for Members seeking to make an informed assessment of their content. *We encourage Members contemplating bids for debates on Estimates in the first round of this pilot to discuss with the House of Commons Scrutiny Unit, and with subject specialists in the Research and Information teams of the House of Commons Library, the prospects for the forthcoming Estimates round and the basis on which bids for debates might be prepared.*¹⁵

Evaluation

25. We will undertake an initial evaluation of the operation of the pilot after the debates on the Main Estimates for 2018–19, with a further evaluation at the end of the 2017–19 Session.

26. Our objective for this pilot is for the House to demonstrate to the public that it is undertaking its constitutional function of controlling supply to the Government, and is examining critically the Government’s requests for expenditure. We will be evaluating the outcome of the process, and the success of Estimates day debates and debates on select committee reports, against this overall objective.

15 Contact details for the Scrutiny Unit are available at <http://www.parliament.uk/mps-lords-and-offices/offices/commons/scrutinyunit/>.

Conclusions and recommendations

A new procedure for allocating Estimates Day debates

1. *We recommend that the pilot scheme proposed by the Procedure Committee in April 2017, whereby the Backbench Business Committee determines the Estimates to be debated on each Estimates day, on the basis of bids from Members or groups of Members, be implemented without delay for the remainder of the 2017–19 Session. (Paragraph 7)*
2. *We expect the Government, in line with precedent, to bring forward in due course a motion to increase the number of allotted Estimates days in the current Session, to reflect its exceptional length and to remain in line with the annual Estimates cycle. We recommend the following allocation of Estimates days for the current session:*
 - *Supplementary Estimates, 2017–18: two days (to be taken by 18 March 2018);*
 - *Main Estimates, 2018–19: two days (to be taken by 5 August 2018), and*
 - *Supplementary Estimates, 2018–19: one day (to be taken by 18 March 2019). (Paragraph 12)*

Implementation of the pilot for the 2017–18 Supplementary Estimates

3. *The proposal to broaden out access to applications for Estimates day debates to all backbenchers provides a challenge to the present assumptions underpinning the provision of information to the House. Under the pilot we propose, the bids for Estimates day debates are expected to be more closely linked to the content of Supplementary Estimates. We therefore recommend that the Treasury give serious consideration, within the constraints of its own timetable, to bringing forward as far as possible the date of publication for Supplementary Estimates for the 2018–19 and 2019–20 financial years, and to providing the maximum period between that date and the date on which the Government seeks approval from the House for those estimates. Where possible, the Treasury should provide to the House an indication of the Departments which will be seeking a supplementary estimate, and the broad outline of the reason for the changes sought, no later than the second week of January. (Paragraph 22)*
4. *We encourage Members contemplating bids for debates on Estimates in the first round of this pilot to discuss with the House of Commons Scrutiny Unit, and with subject specialists in the Research and Information teams of the House of Commons Library, the prospects for the forthcoming Estimates round and the basis on which bids for debates might be prepared. (Paragraph 24)*
5. *We will undertake an initial evaluation of the operation of the pilot after the debates on the Main Estimates for 2018–19, with a further evaluation at the end of the 2017–19 Session. (Paragraph 25)*
6. *Our objective for this pilot is for the House to demonstrate to the public that it is undertaking its constitutional function of controlling supply to the Government, and is examining critically the Government's requests for expenditure. We will be evaluating the outcome of the process, and the success of Estimates day debates and debates on select committee reports, against this overall objective. (Paragraph 26)*

Appendix 1: Government Response to the Fifth Report of the Procedure Committee, Session 2016–17, *Authorising Government expenditure: steps to more effective scrutiny*, HC 190

Introduction

The Government welcomes the Committee's report into the Estimates process and notes the important work that the Committee has undertaken in this area.

The Government fully recognises the importance and constitutional significance of Estimates and the need for effective Parliamentary Scrutiny.

Recommendations

1. *We reiterate the 2009 recommendation of the Liaison Committee—which the Government accepted—that it is essential that the Government allocate a day's debate on the outcome of each Spending Review. One day's debate is the bare minimum to be allocated: an allocation of further days to debate these highly significant spending proposals would be highly desirable.* (Paragraph 20)

[Leader of the HoC response]

The Government welcomes Parliamentary scrutiny of the Spending Review, and will aim, where business allows, to provide adequate time for the House to debate the review. The Government would call on the Procedure Committee to consider timings of how this might work with the new arrangements for the Budget, which now only takes place in Autumn.

2. *Accordingly, we recommend that the Government allows at least five full calendar weeks between publication of Supplementary Estimates and the date allocated for their approval. We consider this to be the likely minimum period necessary for analysis and consideration of proposals, and selection of relevant topics for debate. Without such a change, this House will remain severely constrained in carrying out any effective examination of Supplementary Estimates in advance of their approval.* (Paragraph 49)

[HMT response]

The Government understands the need to ensure enough time for scrutiny of the Supplementary Estimates whilst also giving Members enough time to prepare for debates. We have therefore carefully considered the timing of the Supplementary Estimates process and whether it would be possible to create more time for Parliament to scrutinise them.

A key part of the Supplementary Estimates process are the decisions that HM Treasury make around whether to grant access the Reserve and Budget Exchange mechanisms. The Reserve is a small amount of budget left unallocated, normally for unforeseen circumstances that departments cannot absorb within their current budget allocations.

Reserve claims need the approval of the Chief Secretary to the Treasury and are subject to an assessment of need, realism and affordability. This assessment can most easily be made towards the end of the financial year when departments have a more accurate view of the pressures they face and their ability to manage them. Similarly, the Budget Exchange mechanism allows departments to carry over a limited amount of forecast underspend from one year to the next. This depends on the availability of the more accurate in-year forecasts, produced towards the end of the financial year in question.

In order to allow five sitting weeks between the Supplementary Estimates and the Estimates Day debates the processes relating to Reserve claims and Budget Exchange requests would need to be carried out on an earlier timetable or the Estimates Day debates would need to move to a later date.

There are a number of practical difficulties associated with an earlier timetable. To deliver five full sitting weeks, the process would need to commence in early December. In practice, across government, there would be significantly less data available on expenditure and the fiscal position. This means that the requests from departments and subsequent decisions from HM Treasury ministers would be made on the basis of lower quality information. This would impact on the tautness and quality of the Estimates laid before the House.

The alternative option of moving the Estimates Day debates to a later date also has practical difficulties. The delay would put significant cash pressures on departments whilst they await formal clearance of their Supplementary Estimates. As a result, the Contingencies Fund could be in considerable demand and significant operational risks are likely to be created for departments and HM Treasury.

Therefore, despite a desire to maximise the available time for both Select Committees to consider topics and for Members to prepare for debates, it will not be possible to guarantee at least five sitting weeks between the publication of Supplementary Estimates and the Estimates Day debates.

The Government is committed to publishing the Supplementary Estimates as soon as possible within the constraints mentioned above. HM Treasury officials will remind departments of their responsibilities to share their Estimates with their Select Committees ahead of publication, and will also continue to work closely with the Scrutiny Unit to provide them with relevant information in a timely way. We expect that these steps will assist with the scrutiny process.

3. *We recommend that, with effect from the 2017–18 Session, two days of debate be allocated to the Main Estimates and that the remaining day be allocated to the Supplementary Estimates.* (Paragraph 52)

[Leader of the HoC response]

The Government understands that spending more time debating the Main Estimate, rather than the Supplementary Estimates, may be preferable. The Government accepts

this recommendation and will endeavour to implement two days for debate of the Main Estimates and one day for the Supplementary Estimates, if this is in line with the Liaison Committee's recommendation, for the current Session. It is important that the Liaison Committee lets the Business Managers know, at the earliest opportunity and at least two weeks in advance, whether to have one day's debate on the Supplementary Estimates.

4. We recommend that the Government review the timetable for preparation and presentation of the Main Supply Estimates in order to enable the consideration and authorisation by the House of these Estimates before the start of the financial year to which they relate. We further recommend that the Government consult this committee, the Treasury Committee and the Public Accounts Committee in drawing up proposals to implement this recommendation. (Paragraph 60)

[HMT response]

The Government has reviewed the timetable for preparation and presentation of the Main Estimates. We have determined that in order for them to be considered and authorised before the start of the financial year to which they relate, they would either need to follow a similar timetable to Supplementary Estimates, or be published before the Supplementary Estimates process begins. Both these options would lead to significant issues in terms of the quality of the Estimates produced, resourcing across government and Parliamentary scrutiny.

The Supplementary Estimates process currently begins after the Budget in autumn. The Main Estimates process follows the Supplementary Estimates, to ensure that any changes to departments' budgets which affect the later year can be reflected, as well as to take into account the OBR's March forecast. Production therefore slips into the beginning of the next financial year.

Quality of Information

The earlier publication of Main Estimates would lead to less taut and realistic content. This is due to earlier spending forecasts being used to inform the Estimates, therefore increasing the risks of errors. The Office for Budgetary Responsibility (OBR) forecasts in March currently form the basis of Annually Managed Expenditure (AME) budgetary controls.

Moving to an earlier publication date would mean that this information would not be available in time for Main Estimates. In addition, Estimates would have to include less timely arm's length body classification decisions from the Office for National Statistics, decreasing their relevance and accuracy. Other classification changes, such as Machinery of Government adjustments, would also be less likely to be picked up in a timely fashion.

HM Treasury makes decisions and policy choices that follow from decisions and agreements in relation to the completed Supplementary Estimates exercise. Schemes such as Budget Exchange would be significantly harder to implement if both Main and Supplementary Estimates were produced simultaneously, or if Main Estimates for the following year were produced before Supplementary Estimates in the current year. This is likely to significantly impact HM Treasury's ability to control and plan spending. The

reduction in quality of the Main Estimates would also increase the need for Out-of-Turn Supplementary Estimates, Contingencies Fund advances and Excess Votes which we are keen to avoid.

Resourcing

Producing Main and Supplementary Estimates at the same or at similar times would have significant impacts on resources across government. This includes the impact on finance teams across government departments, central HM Treasury teams, as well as pressures on IT systems that host the Estimates data.

Delivering the Main and Supplementary Estimates is an extremely demanding process and tends to be carried out by the same individual teams within government departments. The Estimates process covers a range of activities that would overlap including the production of the Designation and Amendment Orders, associated legislation, and production of departmental Estimates Memoranda. The central IT system currently used to put together the Estimates is not capable of producing the two sets of Estimates at the same time.

Therefore, producing Main and Supplementary Estimates at the same or similar times would require a significant increase in staffing across government and major investment in IT infrastructure. The Government is committed to putting the public finances on a sustainable path and does not think that the substantial increase in expenditure required represents value for money.

Parliamentary scrutiny

Currently Parliament has significant time to quality assure and scrutinise the Main Estimates. In a usual year, they are laid in April and voted on in July, allowing around three months for Parliamentary scrutiny. The time available for scrutiny would be significantly reduced if the Main Estimates were considered and authorised before the start of the financial year, as Select Committees and Parliament would need to scrutinise both Main and Supplementary Estimates at the same or similar times.

In addition, departments would not be able to reflect any feedback from Select Committees or Parliament on the Supplementary Estimates in the Main Estimates, if they were produced concurrently. Parliament could of course choose to authorise the Main Estimates at an earlier point than July to bring the authorisation closer to the publication and the start of the financial year, though this would lead to less time being available for scrutiny.

The Government has considered the option of producing draft Main Estimates in order to assist with Parliamentary Scrutiny and transparency. However, we feel that the real strength of the existing system is that the vast majority of government expenditure for a given year is included in the Estimates and voted on by Parliament. The figures presented in Estimates then become the departmental budgets for the year. We are not in favour of changing this well-established system and presenting Parliament with figures that are not accurate and robust and will therefore need to be changed in future. This would suggest that an additional round of Estimates would be required to amend the draft figures, which would have significant practical and resource implications as set out previously. Also, The Clear Line of Sight project, approved by the House, reduced the number of Supplementary

Estimates rounds from two or three to one. The Spending Review (SR) is where the overall budgets are agreed and presented to Parliament; it is effectively a draft budget for the future years of the SR.

5. *We recommend that in any revision of the timetable for Estimates the Government build in a period of at least five sitting weeks between the presentation of any Estimates and the date on which authorisation is expected to be sought from the House.* (Paragraph 61)

6. *We reiterate the recommendations made at paragraphs 60 and 61 above concerning a minimum period of five weeks for parliamentary consideration of Supplementary Estimates.* (Paragraph 86)

[HMT response]

The Government is committed to achieving this timetable for Main Estimates. In a usual year, they are laid in April and voted on in July, allowing around three months for Parliamentary scrutiny,

The response to Recommendation 2 sets out the reasons why this timetable is not possible for Supplementary Estimates.

7. *We recommend that the Backbench Business Committee and the Liaison Committee examine informal arrangements whereby the Backbench Business Committee will receive and determine bids for debates on the three Estimates days to be held each session, while the Liaison Committee will recommend select committee business for debate on three of the days controlled by the Backbench Business Committee in that session. We stand ready to assist those Committees in the practical implementation of any such arrangements.* (Paragraph 83)

[Leader of the HoC response]

It is not for the Government to determine the mechanism by which Estimates Days debates are allocated, but there is a process that needs to be followed as set out in Standing Order 145 (3). The Government believes that the Liaison Committee and the Backbench Business Committee should have a further discussion on how this recommendation would work in practice.

8. *We recommend that the Treasury work with the House of Commons Scrutiny Unit and the National Audit Office to prepare proposals for change to the format and content of future Estimates, and explanatory material accompanying Estimates, for consideration by the House. The aim should be to produce proposals for reform which, while meeting necessary legal and audit requirements, present information more clearly, simply and in a form more suitable for lay readers; as far as possible use plain English and avoid jargon; and cross-reference information which can be, or is already, provided elsewhere.* (Paragraph 99)

[HMT response]

The Government agrees to work with the House of Commons Scrutiny Unit and the National Audit Office to prepare proposals for change to the format and content of future Estimates to help ensure members of Parliament can make best use of them.

9. ***We recommend that, starting with the Main Estimates for 2017–18, all tabular data in Estimates booklets be published online in spreadsheet format.*** (Paragraph 100)

[HMT response]

The Government is committed to producing all tabular data in Estimates booklets published online in spreadsheet format. Ahead of this, HM Treasury will continue to provide the Parliamentary Scrutiny Unit with information in a spreadsheet format to assist their work in providing Members with earlier and more complete analysis and infographics.

10. ***In order for Estimates memoranda to be of wider use to Members in understanding Estimates and identifying topics for debate, we recommend that all Estimates memoranda to select committees are in future laid before Parliament and published on the day of publication of the Estimate to which they relate and on the same web page. Select committees would still be able to use the memoranda to question Departments on their plans, and request specific information to be provided within them in future.*** (Paragraph 105)

[HMT response]

The Government agrees to support the Scrutiny Unit in achieving the recommendation. HM Treasury will reiterate to departments that memoranda should be published alongside the relevant Estimate on the departmental website as soon as the departmental select committee has published it, or authorised its publication by the Department.

11. ***To develop this work, and to support the proposals for broader member engagement in the Estimates process that we envisage, we recommend that the Scrutiny Unit collaborate with the Research and Information Team of the House of Commons Library to provide Members with background briefing and analysis of Estimates, and specific briefing for Estimates day debates.*** (Paragraph 106)

[HMT response]

The Government agrees to support the House of Commons Scrutiny Unit in achieving the recommendation.

12. ***We recommend that the Treasury and other Government departments work with the Scrutiny Unit to ensure that memoranda better serve the needs of users in explaining and presenting the content and purpose of each Estimate. We recommend that the Scrutiny Unit, acting on behalf of the House of Commons Service, conduct a review of current Estimates memoranda guidance, its application and adherence to it and communicate and disseminate the results of this review and of existing best practice. Select committees should follow up concerns where their departments fail in future to fully meet requirements.*** (Paragraph 107)

[HMT response]

The Government agrees to support the House of Commons Scrutiny Unit in achieving the recommendation.

13. *We recommend, therefore, that the UK Government should, at the time of publication of each Main or Supplementary Estimate, improve the transparency of these links by publishing:*

- *details of which spending changes set out within which Departmental Estimates*
- *have led to consequent changes to devolved administrations' block grant;*
- *details of the impact each UK Department's spending changes have had on*
- *those block grants in each case;*
- *details of subsequent block grant deductions for devolved taxation revenues; and*
- *details of how the overall calculations have been made.* (Paragraph 119)

[HMT response]

The UK government publishes the block grant funding available to Scottish and Welsh Governments and the Northern Ireland Executive at Spending Reviews and fiscal events. The Barnett Formula and the comparability factors used in the calculation of these figures are published in the Statement for Funding Policy. At Autumn Budget 2017, HM Treasury committed to publishing for the first time a breakdown of changes in the devolved administrations' block grant funding by the end of the year to increase transparency. This breakdown will be published on an annual basis.

14. *We recommend that the Backbench Business Committee, in its allocation of debates on Estimates days, consider reserving at least one debate slot in each session for a debate on an estimate particularly affecting, or affected by, the operation of the Barnett Formula.* (Paragraph 120)

[HMT response]

This recommendation is dependent on the new, informal arrangement between the Liaison Committee and the Backbench being implemented. It is a matter for the House to decide what specific subjects are selected for debate on Estimates Days.

Appendix 2: Letter to the Chair of the Committee from the Chair of the Liaison Committee, Dr Sarah Wollaston MP

Dear Mr Walker

ESTIMATES DAY DEBATES

As you know, the Liaison Committee formally agreed, on 11 December, that it would like to participate in the debate allocation pilot recommended by the Procedure Committee in the last Parliament:

We recommend that the Backbench Business Committee and the Liaison Committee examine informal arrangements whereby the Backbench Business Committee will receive and determine bids for debates on the three Estimates days to be held each session, while the Liaison Committee will recommend select committee business for debate on three of the days controlled by the Backbench Business Committee in that session. We stand ready to assist those Committees in the practical implementation of any such arrangements. (Paragraph 83)

I understand that your Committee team will shortly be making suggestions for how the pilot will operate. I hope that we can get arrangements in place ahead of the debates on the Supplementary Estimates coming up in February/March. I look forward to receiving further details and I am happy to be involved in discussion about the arrangements if that would be helpful. My Clerk is also available to discuss with your team as required.

Yours sincerely,

Dr Sarah Wollaston MP

Chair of the Committee

January 2018

Formal Minutes

Wednesday 17 January 2018

Members present:

Mr Charles Walker, in the Chair

Bob Blackman	Mr Ranil Jayawardena
Dan Carden	David Linden
Sir Christopher Chope	Melanie Onn
Chris Elmore	Alison Thewliss
Helen Goodman	Mr William Wragg

Draft Report (*Debates on Estimates days: piloting new arrangements*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 26 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Third Report of the Committee to the House.

Papers were appended to the Report as Appendix 1 and Appendix 2.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Wednesday 31 January at 2.30 pm.]

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

Session 2017–19

First Report	Scrutiny of delegated legislation under the European Union (Withdrawal) Bill: interim report	HC 386
Second Report	Written Parliamentary questions: progress report for Session 2016–17, monitoring in the 2017 Parliament, and electronic tabling	HC 661