



House of Commons
Committee of Public Accounts

Excess Votes 2022–23

Eighteenth Report of Session 2023–24

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

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The Committee of Public Accounts

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Powers of the Committee of Public Accounts are set out in House of Commons Standing Orders, principally in SO No. 148. These are available on the Internet via www.parliament.uk.

Publication

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Committee staff

The current staff of the Committee are Lucy Bishop (Committee Operations Officer), Ameet Chudasama (Committee Operations Manager), Kay Gammie (Chair Liaison), Sarah Heath (Clerk), Tim Jarrett (Second Clerk), Rose Leach (Committee Operations Officer), Edward Sheridan (Media Officer) and Melissa Walker (Assistant Clerk).

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Summary

The Committee of Public Accounts scrutinises, on behalf of Parliament, the reasons individual departments exceeded their allocated resources, and reports to the House of Commons on whether it has any objection to the amounts needed to rectify the reported excesses.

In 2022–23, the Department of Health and Social Care had a voted Resource Departmental Expenditure Limit of £139,881.4 million but reported outturn of £140,827.8 million, breaching the authorised limit by £946.4 million. This was because the timing of a pay settlement in March 2023 meant that the Department was unable to request additional Resource Departmental Expenditure Limit budget to cover the pay award through the Supplementary Estimate process, which was published in February 2023.

On the basis of our examination of the reasons why this body exceeded its voted provision, we have no objection to Parliament providing the necessary amount by means of an Excess Vote.

Conclusions and Recommendations

1. **The Department of Health and Social Care breached its Voted Resource Departmental Expenditure Limit by £946.4 million.** This was due to the accruing of £2.48 billion for the Agenda for Change pay award offered by the Government in March 2023 and subsequently accepted by the NHS Staff Council. The timing of this award was after the Department's Supplementary Supply Estimate had been prepared. As such, additional voted provision could not be obtained.

Recommendation:

- *Under the terms of the Standing Order of the House of Commons number 55(2)(d), we recommend that Parliament provides the additional resources by means of an Excess Vote, as set out in Figure 1 on Page 5.*

Excess Votes in 2022–23

Introduction

1. This Report is part of the framework of control over government spending. Resource-based Supply requires Departments to estimate and manage the financial resources they need during each financial year on an accruals basis for commitments to provide services, and on a cash basis to meet commitments as they mature. Parliament authorises Departments' proposed cash spending and use of resources.
2. HM Treasury is responsible for monitoring and overseeing Departments' compliance with the limits authorised by Parliament and for controlling adjustments to the approved limits during the financial year. If a Department needs to adjust its budget during the year it has one opportunity to do so via a Supplementary Estimate, which is approved by Parliament towards the end of the financial year.¹
3. Resource-based Estimates reflect accruals and non-cash consumption of resources, such as depreciation. A cash limit is also voted by Parliament together with a non-budget line, through which departments are required to record adjustments to their prior year costs. Parliament expects Departments to stay within the limits they are voted. Any expenditure outside the limits authorised by Parliament potentially undermines parliamentary control over public spending. A breach of any of the budgetary control limits, the cash limit or the non-budget line results in the need for the expenditure to be regularised through the Parliamentary Excess Votes process.
4. Under Standing Order of the House of Commons number 55(2)(d), the Committee of Public Accounts scrutinises the reasons behind any individual bodies exceeding their allocated resources, and reports to the House of Commons on whether it has any objection to making good the reported excesses. Once the Committee has reported, Statements of Excesses will be presented to Parliament, to be voted into the Supply and Appropriation (Anticipation and Adjustments) Act. The passing of this Act authorises the additional grant by Parliament to regularise the excesses incurred by departments.
5. Figure 1 shows the excess incurred in 2022–23. Parliament is being asked to approve additional budget for the excess reported in the table.

Figure 1: Summary of the 2022–23 Excess

Department	Voted Resource Departmental Expenditure Limit	
	Excess	Amount to be voted
	£	£
Department of Health and Social Care	946,445,000	946,445,000

1 Central Government Supply Estimates 2022–23: Main Supply Estimates for the year ending 31 March 2023, June 2022, HC 396; and Central Government Supply Estimates 2022–23: Supplementary Estimates, February 2023, HC 1133

The Department of Health and Social Care²

6. The outturn against Voted Resource Departmental Expenditure Limit was £140,827.8 million but Parliament had authorised a Voted Expenditure limit of £139,881.4 million in 2022–23. This means that the authorised limit was breached by £946.4 million.

7. The Department made a final pay award offer for the Agenda for Change (AfC) workforce to unions on 16 March 2023. This followed pay negotiations between the government and the NHS Staff Council (comprising NHS employers and unions representing the AfC workforce). This offer included a non-pensionable, non-consolidated pay award for 2022–23, and a consolidated pay award for 2023–24. The Department accrued for the 2022–23 element of the pay award in its accounts as the award had been agreed between the government and AfC unions.

8. The timing of the pay offer in March 2023 meant that the Department was unable to request additional Resource Departmental Expenditure Limit (RDEL) budget to cover the pay award through the Supplementary Estimate process, which was published in February 2023. Given the proximity of the Department to its Voted RDEL control total prior to the pay award being agreed, and the value of the pay award (£2.48 billion for 2022–23), the Department has breached its 2022–23 Voted RDEL control total by £0.95 billion.

9. The Department sought, and obtained, a Ministerial Direction to implement the pay award. It sought the Direction because implementation of the pay award was not compliant with Managing Public Money as it would cause an Excess Vote.

Formal minutes

Monday 26 February 2024

Members present

Sir Geoffrey Clifton-Brown, in the Chair

Ben Lake

Anne Marie Morris

Ms Marie Rimmer

Excess Votes 2022–23

Draft Report (*Excess Votes 2022–23*), proposed by the Chair, brought up and read.

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

Paragraphs 1 to 9 read and agreed to.

Summary agreed to.

Conclusions and recommendations agreed to.

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

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

Ordered, That embargoed copies of the Report be made available (Standing Order No. 134).

Adjournment

Adjourned till Monday 4 March at 3.30 p.m.

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.

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