

**EXPLANATORY MEMORANDUM TO**  
**THE GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000 (ESTIMATES**  
**AND ACCOUNTS) ORDER 2023**

**2023 No. 352**

**1. Introduction**

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

**2. Purpose of the instrument**

2.1 This instrument designates bodies for inclusion in departmental Estimates and accounts for the financial year that ends on 31 March 2024. The designated bodies fall within the departmental budgetary control limits set by HM Treasury and so inclusion of these bodies within departmental Estimates and accounts better aligns the main elements of the spending control framework.

**3. Matters of special interest to Parliament**

*Matters of special interest to the Joint Committee on Statutory Instruments*

3.1 None.

**4. Extent and Territorial Application**

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

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

**5. European Convention on Human Rights**

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

**6. Legislative Context**

6.1 This instrument is made in exercise of the powers conferred by section 4A of the Government Resources and Accounts Act 2000. This power was first used for the financial year 2011-12.

6.2 This instrument gives effect to part of the Clear Line of Sight reforms by specifying which bodies form part of departmental groups for the purposes of Estimates and resource accounts.

6.3 The House of Commons formally approved the Clear Line of Sight reforms, including the consolidation proposals, through a vote in the House on 5th July 2010 (Hansard Volume 513 No.26, p.85-108). Through this, an undertaking was given to Parliament that from 1 April 2011 departmental Estimates and accounts would include Non-Departmental Public Bodies and other bodies classified to central government by the Office for National Statistics (ONS), whose spending is in budgets.

## **7. Policy background**

### *What is being done and why?*

- 7.1 In July 2007, the Government announced in The Governance of Britain Green Paper a “Clear Line of Sight” (Alignment) Project to simplify its financial reporting to Parliament by better aligning budgets, Estimates and accounts. The Treasury submitted detailed proposals for better alignment to Parliament in a memorandum in March 2009 (Cm 7567). The Liaison Committee of the House of Commons responded to the Government's proposals in its report Financial Scrutiny: Parliamentary Control over Government's Budgets (HC 804), published on 3 July 2009. The report accepted, on behalf of the relevant select committees of the House of Commons, all of the Government's proposals for a better aligned public spending framework as set out in Cm 7567. The proposals were endorsed through a vote in the House on 5 July 2010 (full details set out in paragraph 6.3 above).
- 7.2 A key component of the Clear Line of Sight reforms is the consolidation into departmental Estimates and accounts of expenditure by all bodies within the departmental group. The designation of these bodies ensures that Parliamentary controls over government spending are closely aligned with budgeting controls.
- 7.3 The departmental group is defined by reference to the ONS classification to central government. Those bodies classified to central government and within the budgetary framework are within the boundary and other entities are excluded.
- 7.4 This instrument designates the bodies that fall within this agreed boundary and for each department lists the bodies whose expenditure is to be consolidated into the department's Estimates and accounts for the financial year 2023-24.
- 7.5 The instrument does not amend or consolidate any other piece of legislation. A new instrument will be prepared each year to designate departmental boundaries. Amending orders will be brought forward within each year as necessary to keep the lists up-to-date and accurate.
- 7.6 The Annex provides further information on changes to bodies in the Order compared with the Government Resources and Accounts Act 2000 (Estimates and Accounts) (Amendment) Order 2021 (SI 2022/1319).

## **8. European Union Withdrawal and Future Relationship**

- 8.1 This instrument does not relate to withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act.

## **9. Consolidation**

- 9.1 Usually one order and one amending order is made each financial year under section 4A of the Government Resources and Accounts Act 2000. Full consolidation is not considered necessary in those circumstances.

## **10. Consultation outcome**

- 10.1 The Scottish Ministers, the Department of Finance and Personnel for Northern Ireland and the Welsh Ministers were consulted in accordance with section 4A(8) of the Government Resources and Accounts Act 2000. Government departments were also consulted and given the opportunity to comment on those designations applicable to them.

## **11. Guidance**

- 11.1 HM Treasury will continue to provide guidance and training to other government departments on the Clear Line of Sight requirements regarding the consolidation of designated bodies into departmental Estimates and accounts.

## **12. Impact**

- 12.1 There is no, or no significant, impact on business, charities or voluntary bodies.
- 12.2 The impact on the public sector is minimal. Government departments will need to consolidate in their Estimates and resource accounts, the expenditure of the bodies designated by this Order. However, public sector bodies should not need to collect any additional information to consolidate designated bodies into Estimates and accounts. These designated bodies, including charities in the public sector, already form part of departmental budgetary controls and so departments are already monitoring in-year spending. In addition, the Whole of Government Accounts project requires the collection of similar outturn data from all public bodies. There should therefore be no material impact on the public sector.
- 12.3 A full Impact Assessment has not been prepared for this instrument because it will have no effect on the costs of business or the voluntary sector.

## **13. Regulating small business**

- 13.1 The legislation does not apply to activities that are undertaken by small businesses.

## **14. Monitoring & review**

- 14.1 The consolidation of bodies within the central government boundary supports greater transparency of spending data by providing Members of Parliament with information about departmental spending plans that is easier to understand and to track. This allows the House of Commons to better scrutinise and challenge departmental spending, as well as supporting public bodies in managing and controlling their spending within a more coherent framework, removing inefficiencies and providing better value for money.
- 14.2 The instrument does not include a statutory review clause.

## **15. Contact**

- 15.1 Orietta Barbari at HM Treasury Telephone: 07866 060 104 or email: [orietta.barbari@hmtreasury.gov.uk](mailto:orietta.barbari@hmtreasury.gov.uk) can be contacted with any queries regarding the instrument.
- 15.2 Charlotte Goodrich, Deputy Director, Government Financial Reporting, at the HM Treasury can confirm that this Explanatory Memorandum meets the required standard.
- 15.3 The Chief Secretary to the Treasury, at HM Treasury, can confirm that this Explanatory Memorandum meets the required standard.

## ANNEX

This Annex provides a summary of changes to bodies in the instrument compared with the Government Resources and Accounts Act 2000 (Estimates and Accounts) (Amendment) Order 2022 (SI 2022/1319).

### Bodies Added

Advanced Research and Invention Agency
NNB Generation Company (SZC) Ltd
NNB Holding Company (SZC) Ltd
Oasis Restore Trust

### Bodies Removed

Bristol and Bath Science Park Estate Management Company Limited
Clinical commissioning groups (as established under section 14D of the National Health Service Act 2006)
Directly Operated Railways
Health and Social Care Information Centre
Health Education England
Money Advice Service
Monitor
National Health Service Trust Development Authority
Pensions Advisory Service
UKAR Corporate Services Limited
UK Shared Business Services Limited (see further below)

### Bodies Renamed

Heart of the National Forest Park Developments Limited was previously named, Heart of the National Park Developments Limited
Office of the Adjudicator Broadcast Transmission Services Limited was previously named, Office of the Adjudicator – Broadcast Transmission Services
Office of the Adjudicator Limited was previously named, The Office of the Adjudicator Ltd
Office of the Ombudsman for the Board of the Pension Protection Fund was previously named, Ombudsman for the Board of the Pension Protection Fund

### Machinery of Government (MOG) changes

This Order reflects MOG announcements of 7 February 2023 ([HCWS547](#)) which established the Department for Science, Innovation and Technology, the Department for Energy, Security and Net Zero and the Department for Business and Trade. The Department for Culture, Media and Sport was also previously named the Department for Digital, Culture, Media and Sport. Announcements of 14 March 2023 ([HCWS630](#)) are also reflected. Full details of the MOG can be found on [www.gov.uk](http://www.gov.uk).

The Department for Science, Innovation and Technology in this Order includes bodies from the former Department for Business, Energy, and Industrial Strategy, with the exception of:

- Geospatial Commission which transferred from the Cabinet Office; and
- Information Commissioner, Office of the Adjudicator Broadcast Transmission Services Limited, The Office of the Adjudicator Ltd, Office of Communications, Phone-paid Services Authority Limited, PhonepayPlus Limited which transferred from the Department for Culture, Media and Sport.

The Department for Energy, Security and Net Zero in this Order includes bodies from the former Department for Business, Energy, and Industrial Strategy.

The Department for Business and Trade in this Order includes bodies from the former Department for Business, Energy, and Industrial Strategy, with the exception of the Trade Remedies Authority which transferred from the former Department for International Trade.

UK Shared Business Services Limited (UKSBS) has yet to be designated.

UKSBS provides shared service functions to the Departments impacted by the recent MOG changes. Its designation is linked to a future shared service strategy for supporting these departments which will be agreed as part of the Main Estimates process.

Following the agreement at Main Estimates, UKSBS will be designated in the Amendment Order later in the year.