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# Department for Work and Pensions

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## Introduction

1. This Estimate covers expenditure on non contributory benefits, Jobcentre Plus, the Health and Safety Executive, the Rent Service and the Vaccine Damage scheme. It also provides for the cost of administration of benefit schemes in Great Britain, including the cost of other Departments which act as agents of DWP in administering various aspects of social security including payments made to the Post Office and National Girobank for the encashment of order books and girocheques. Gross expenditure includes the costs incurred by the DWP in administering the benefits payable from the National Insurance Fund (Contributory). They are reimbursed from the Fund and these receipts are shown as appropriations in aid.

2. The Estimate also provides for Housing Benefit subsidies, Council Tax Benefit subsidies and payments to the National Insurance Fund which comprise of compensation in respect of statutory sick pay and statutory maternity pay. Also payments to the Social Fund which include budgeting and crisis loans, community care grants, maternity and funeral expenses, heating costs in exceptionally cold weather and winter fuel payments. The Estimate also makes provision for the sums payable to the BBC in respect of the over 75's Free TV licence scheme. In addition working capital loans to training and enterprise councils which are interest free rather than charged at a commercial rate of interest.

3. Details of expenditure contained in this Estimate and of expenditure incurred by the Social Fund are included in the Departmental Report 2004 (Cm 6221).

4. Symbols are explained in the Introduction to this booklet.

## Part I

	£
<b>Request for Resources 1: Ensuring the best start for all children and ending child poverty in 20 years</b>	<b>252,235,000</b>
<b>Request for Resources 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need†</b>	<b>33,941,104,000</b>
<b>Request for Resources 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners††</b>	<b>9,536,667,000</b>
<b>Request for Resources 4: Improve the rights and opportunities for disabled people in a fair and inclusive society †††</b>	<b>13,277,140,000</b>
<b>Request for Resources 5: Modernise welfare delivery so as to improve the accessibility, accuracy and value for money of services to customers, including employers††††</b>	<b>414,487,000</b>
<b>Request for Resources 6: Corporate contracts, support services and administration of the European Social Fund for England</b>	<b>1,030,949,000</b>
<b>Total net resource requirement</b>	<b>58,452,582,000</b>
<b>Net cash requirement</b>	<b>58,484,615,000</b>

Amounts required in the year ending 31 March 2005 for expenditure by the Department for Work and Pensions on:

### **RfR 1: Ensuring the best start for all children and ending child poverty in 20 years.**

The administration costs of the child support system; and associated non cash items.

### **RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need.**

The administration costs and benefit payments of Severe Disablement Allowance; pensions gratuities and sundry allowances for disablement and specified deaths arising from industrial causes; Income Support for the under 60's; Jobseeker's Allowance (contribution-based); Jobseeker's Allowance (income based); earnings top up pilot; job grant; back to work bonus; compensation payments to the National Insurance Fund in respect of Statutory Sick Pay and Statutory Maternity Pay; Family Credit; the provision of training and assessment programmes for adults; the promotion of enterprise and the encouragement of self employment; help for unemployed people and disability rights. Measures to help people, particularly those on welfare and at a disadvantage in the labour market, into work; the administration of, and where appropriate the payment of allowances to people participating in, the Welfare to Work programme, the Job Transition Service and other employment programmes, pilot programmes and new measures to help people into work; temporary subsidies to employers; grants to voluntary bodies and local authorities towards the provision of supported employment; a Grant in Aid and the provision of a temporary loan facility to Remploy Ltd; assistance and advice on employment service and labour market issues to international organisations; research; publicity and associated non-cash items. Subsidies to housing, billing, levying and local authorities towards the costs incurred in administering the Housing Benefit and/or Council Tax Benefit schemes; rent rebate, rent allowance; Council Tax Benefit; payments to local authorities in respect of anti-fraud and similar administrative measures; discretionary housing payments; sums payable for incentive payments in respect of Housing Benefit under occupation schemes; sums payable to third party providers of services to local authorities; compensation for sufferers, or their dependants, of certain dust related diseases; the Rent Service Agency; the Health and Safety Commission (HSC); grants paid by HSC to small businesses; the administration costs of the Children's Client Group and associated non-cash items.

**Part I (continued)****RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners.**

The administration costs and benefit payments of non contributory retirement pensions; Christmas Bonus payments to pensioners; Income Support for the elderly; Pension Credit; payments made to the BBC in respect of the over 75's free TV licence scheme; Grant in aid for the administration costs of Better Government for Older People; sums payable to fund payments and loans made by the Social Fund; Grant in Aid to OPRA and associated non-cash items.

**RfR 4: Improve the rights and opportunities for disabled people in a fair and inclusive society.**

The administration costs and benefit payments of Attendance Allowance; Disability Living Allowance; Disability Working Allowance; Carer's Allowance; Vaccine Damage; Grants in Aid to the Disability Rights Commission, Motability, Independent Living Fund and associated non-cash items.

**RfR 5: Modernise welfare delivery so as to improve the accessibility, accuracy, and value for money of services to customers, including employers.**

Costs of modernising Departmental systems and services and associated non cash items.

**RfR 6: Corporate contracts, support services and administration of the European Social Fund for England.**

Corporate administration; the costs associated with the Appeals Service; payments for education, training and employment projects assisted by the European Union and refunds to the European Union, the UK subscription to the International Labour Organisation, other international educational programmes and associated non cash items.

The **Department for Work and Pensions** will account for this Estimate.

**Part I (continued)**

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
<b>RfR 1</b>	252,235,000	90,003,000	162,232,000
<b>RfR 2</b>	33,941,104,000	12,665,061,000	21,276,043,000
<b>RfR 3</b>	9,536,667,000	3,636,203,000	5,900,464,000
<b>RfR 4</b>	13,277,140,000	5,535,128,000	7,742,012,000
<b>RfR 5</b>	414,487,000	166,834,000	247,653,000
<b>RfR 6</b>	1,030,949,000	412,097,000	618,852,000
<b>Total net resource requirement</b>	58,452,582,000	22,505,326,000	35,947,256,000
<b>Net cash requirement</b>	58,484,615,000	22,418,785,000	36,065,830,000

† In the Vote on Account RfR 2 was described as ‘Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need.’

†† In the Vote on Account RfR 3 was described as ‘Combating poverty and promoting security and independence in retirement for today’s and tomorrow’s pensioners.’

††† In the Vote on Account RfR 4 was described as ‘Improving the rights and opportunities for disabled people in a fair and inclusive society.’

†††† In the Vote on Account RfR 5 was described as ‘Modernising welfare delivery so as to improve the accessibility, accuracy and value for money of services to customers, including employers.’

## Part II: Subhead detail

£'000

2004-05						2003-04 Provision	2002-03 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin 1	Other Current 2	Grants 3	Gross Total 4	A in A 5	Net Total 6	Capital 7	Non- operating A in A 8		
<b>RfR 1: Ensuring the best start for all children and ending child poverty in 20 years</b>									
252,362	-	-	252,362	127	252,235	1,602	65	292,058	293,577
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Administration									
252,362	-	-	252,362	127	252,235	1,602	65	292,058	293,577
<b>RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need</b>									
2,757,379	865,476	31,296,548	34,919,403	978,299	33,941,104	132,125	8,136	34,066,673	32,078,294
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Administration									
1,866,565	75,922	2,164	1,944,651	175,153	1,769,498	54,775	1,716	1,601,576	1,629,452
B Employment Programmes									
608,509	722,559	270,252	1,601,320	7,047	1,594,273	-	-	1,499,282	1,184,430
C Health and Safety Executive									
216,483	59,094	-	275,577	54,343	221,234	66,502	278	220,627	204,680
D Health and Safety Laboratory									
26,806	5,351	-	32,157	32,157	-	4,598	1,141	-	-2,273
E Capital Grants									
-	2,549	5,927	8,476	-	8,476	5,000	5,001	8,476	7,610
F The Rent Service Executive agency									
39,016	1	-	39,017	-	39,017	1,250	-	40,591	41,022
<i>Support for Local Authorities</i>									

**Part II: Subhead detail (continued)**

£'000

2004-05						2003-04 Provision	2002-03 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
G	Employment Programmes								
-	-	37,047	37,047	-	37,047	-	-	37,047	27,658
H	Challenge fund & similar admin measures - L A								
-	-	64,750	64,750	3,250	61,500	-	-	115,500	75,568
I	Housing and council tax benefit admin grants								
-	-	376,881	376,881	-	376,881	-	-	398,000	196,882
J	Third Party providers								
-	-	1,375	1,375	-	1,375	-	-	1,375	-
K	Capital grants to Local Authorities								
-	-	2,895	2,895	-	2,895	-	-	2,895	1,880
	<i>Funding for One Pilot Scheme</i>								
-	-	-	-	-	-	-	-	-	464
<b>Spending in Annually Managed Expenditure (AME)</b>									
<i>Central Government spending</i>									
L	Severe Disablement Allowance								
-	-	890,959	890,959	-	890,959	-	-	940,494	958,957
M	Industrial injury benefits								
-	-	764,215	764,215	-	764,215	-	-	797,684	782,476
N	Income support (under 60 years of age)								
-	-	9,313,938	9,313,938	171,719	9,142,219	-	-	10,143,208	9,741,160
O	Jobseekers allowance (income based)								
-	-	1,829,386	1,829,386	-	1,829,386	-	-	2,113,060	2,105,949
P	Jobseekers allowance (contribution based)								
-	-	534,590	534,590	534,590	-	-	-	-	-
Q	Job Grant								
-	-	16,000	16,000	-	16,000	-	-	5,999	5,658

**Part II: Subhead detail (continued)**

£'000

2004-05						2003-04 Provision	2002-03 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
R	Employment Allowances								
-	-	86,046	86,046	-	86,046	-	-	128,999	174,421
S	Housing and Council tax benefit capital charge								
-	-	3,345	3,345	-	3,345	-	-	3,439	-12,116
T	Non-continuing benefits debt activity								
-	-	35	35	-	35	-	-	-373	8
<b>Support for Local Authorities</b>									
U	Housing benefit and council tax benefit subsidies								
-	-	11,215,904	11,215,904	40	11,215,864	-	-	9,929,286	9,258,793
V	Rent rebates								
-	-	4,649,839	4,649,839	-	4,649,839	-	-	4,746,768	4,921,552
W	Discretionary housing payments								
-	-	20,000	20,000	-	20,000	-	-	20,000	19,095
<i>HB under-occupation pilot</i>									
-	-	-	-	-	-	-	-	40	115
<b>Non-budget</b>									
X	Statutory benefits (SSP and SMP)								
-	-	1,211,000	1,211,000	-	1,211,000	-	-	1,312,700	754,853
<b>RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners</b>									
482,765	8,000	9,191,611	9,682,376	145,709	9,536,667	-	-	8,175,348	7,243,787
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									

**Part II: Subhead detail (continued)**

£'000

2004-05						2003-04 Provision	2002-03 Outturn			
Resources						Capital		Net Total Resources	Net Total Resources	
Admin 1	Other Current 2	Grants 3	Gross Total 4	A in A 5	Net Total 6	Capital 7	Non- operating A in A 8			
A	Administration									
	482,765	8,000	-	490,765	145,709	345,056	-	-	317,751	276,382
<b>Spending in Annually Managed Expenditure (AME)</b>										
<i>Central Government spending</i>										
B	Pension benefits									
	-	-	484,495	484,495	-	484,495	-	-	46,698	50,888
C	Income Support for the Elderly and Pension Credit									
	-	-	5,980,441	5,980,441	-	5,980,441	-	-	5,103,857	4,515,228
D	TV licences for the over 75s									
	-	-	421,530	421,530	-	421,530	-	-	406,014	385,343
<b>Non-budget</b>										
E	Payments to the Social Fund									
	-	-	2,286,786	2,286,786	-	2,286,786	-	-	2,282,671	2,000,200
F	OPRA (grant in aid)									
	-	-	17,795	17,795	-	17,795	-	-	17,807	15,746
G	Better Government for Older People (Grant in Aid)**									
	-	-	564	564	-	564	-	-	550	-
<b>RfR 4: Improve the rights and opportunities for disabled people in a fair and inclusive society</b>										
	143,388	-	13,138,158	13,281,546	4,406	13,277,140	-	-	12,577,564	11,490,416
<b>Spending in Departmental Expenditure Limits (DEL)</b>										
<i>Central Government spending</i>										
A	Administration									
	143,388	-	-	143,388	1,307	142,081	-	-	178,224	488

**Part II: Subhead detail (continued)**

£'000

2004-05						2003-04 Provision	2002-03 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin 1	Other Current 2	Grants 3	Gross Total 4	A in A 5	Net Total 6	Capital 7	Non- operating A in A 8		
B	Motability administration								
-	-	2,527	2,527	148	2,379	-	-	2,379	2,379
<b>Spending in Annually Managed Expenditure (AME)</b>									
<i>Central Government spending</i>									
C	Attendance allowance								
-	-	3,618,849	3,618,849	-	3,618,849	-	-	3,491,131	3,251,220
D	Disability living allowance								
-	-	8,153,242	8,153,242	-	8,153,242	-	-	7,615,743	7,051,783
E	Invalid Care Allowance								
-	-	1,125,797	1,125,797	-	1,125,797	-	-	1,077,165	995,350
F	Vaccine Damage payments								
-	-	500	500	-	500	-	-	2,500	-
G	Grants to independent bodies								
-	-	221,939	221,939	2,951	218,988	-	-	195,726	175,505
<b>Non-budget</b>									
H	Disability Rights Commission (Grant in Aid)								
-	-	15,304	15,304	-	15,304	-	-	14,696	13,691
<b>RfR 5: Modernise welfare delivery so as to improve the accessibility, accuracy and value for money of services to customers, including employers</b>									
483,885	-	-	483,885	69,398	414,487	84,200	-	768,985	814,976
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									

**Part II: Subhead detail (continued)**

£'000

2004-05						2003-04 Provision	2002-03 Outturn			
Resources						Capital		Net Total Resources	Net Total Resources	
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A			
1	2	3	4	5	6	7	8	9	10	
A	Administration									
	483,885	-	-	483,885	69,398	414,487	84,200	-	768,985	814,976
	<b>RfR 6: Corporate contracts, support services and administration of the European Social Fund for England</b>									
	1,535,213	68,924	490,844	2,094,981	1,064,032	1,030,949	3,864	2,851	1,051,868	1,229,788
	<b>Spending in Departmental Expenditure Limits (DEL)</b>									
	<i>Central Government spending</i>									
A	Administration									
	1,535,213	68,924	30,721	1,634,858	603,913	1,030,945	3,864	2,851	1,051,864	1,229,788
B	European Social Fund									
	-	-	75,415	75,415	75,415	-	-	-	1	-
C	European Social Fund payments in advance of receipts									
	-	-	312,193	312,193	-	312,193	-	-	393,800	272,763
	<i>Support for Local Authorities</i>									
D	European Social Fund									
	-	-	8,650	8,650	8,650	-	-	-	1	-
E	European Social Fund payments in advance of receipts									
	-	-	63,865	63,865	-	63,865	-	-	80,563	58,778
	<b>Non-budget</b>									
F	European Social Fund									
	-	-	-	-	376,054	-376,054	-	-	-474,361	-331,541
	<b>Total for Estimate:</b>									
	5,654,992	942,400	54,117,161	60,714,553	2,261,971	58,452,582	221,791	11,052	56,932,496	53,150,838

## Part II: Resource to cash reconciliation

	2004-05 Provision	2003-04 Provision	2002-03 Outturn	£'000
<b>Net Total Resources</b>	<b>58,452,582</b>	<b>56,932,496</b>	<b>53,150,838</b>	
<b>Voted capital items</b>				
Capital	221,791	327,851	270,419	
Less Non-operating A-in-A	11,052	157,098	-11,562	
<b>Total net voted capital</b>	<b>210,739</b>	<b>170,753</b>	<b>281,981</b>	
<b>Accruals to cash adjustment</b>				
Adjustments to remove non-cash items:				
Cost of Capital charges	-18,800	-17,945	-11,752	
Depreciation	-120,606	-119,060	348,030	
New provisions and adjustments to previous provisions	-28,596	-28,740	-93,072	
Profit/loss on sale of assets	2,548	2,002	-10,157	
Prior period adjustments	-	-	-	
Other non-cash items	-22,415	-22,415	-64,050	
Increase (+) / Decrease (-) in stock	-200	-200	-4	
Increase (+) / Decrease (-) in debtors	9,859	533,621	-48,837	
Increase (-) / Decrease (+) in creditors	-31,117	1,073,182	-	
Use of provisions	30,621	27,535	6,889	
<b>Total accruals to cash adjustments</b>	<b>-178,706</b>	<b>1,447,980</b>	<b>127,047</b>	
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Cash Requirement</b>	<b>58,484,615</b>	<b>58,551,229</b>	<b>53,559,866</b>	

### Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	£'000					
	2004-05		2003-04		2002-03	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	3,000	<i>3,000</i>	3,000	<i>3,000</i>	6,876	<i>6,876</i>
Non-operating income not classified as AinA	-	<i>-</i>	-	<i>-</i>	-	<i>-</i>
Other amounts collectable on behalf of the Consolidated Fund	10,532	<i>10,532</i>	15,532	<i>15,532</i>	15,510	<i>15,510</i>
Excess cash receipts to be surrendered to the Consolidated Fund	-	<i>-</i>	-	<i>-</i>	-	<i>-</i>
<b>Total</b>	<b>13,532</b>	<b><i>13,532</i></b>	<b>18,532</b>	<b><i>18,532</i></b>	<b>22,386</b>	<b><i>22,386</i></b>

## Forecast Operating Cost Statement

	2004-05 Provision	2003-04 Provision	2002-03 Outturn	£'000
<b>Net Administration Costs</b>				
RfR 1	252,235	292,058	293,577	
RfR 2	2,674,415	2,550,159	2,345,012	
RfR 3	481,340	508,313	419,105	
RfR 4	142,081	178,224	488	
RfR 5	482,263	1,043,457	897,587	
RfR 6	<u>1,494,563</u>	<u>1,806,155</u>	<u>1,721,075</u>	
<b>Total Net Administration costs</b>	<b>5,526,897</b>	<b>6,378,366</b>	<b>5,676,844</b>	
<b>Net Programme Costs</b>				
RfR 1	-	-	-	
RfR 2	31,428,640	31,667,189	29,892,035	
RfR 3	9,133,429	7,730,764	6,893,267	
RfR 4	13,135,059	12,399,340	11,489,928	
RfR 5	-	-	-	
RfR 6	67,655	41,897	24,469	
Non voted expenditure	<u>57,211,694</u>	<u>55,235,965</u>	<u>52,914,505</u>	
<b>Total Net Programme costs</b>	<b>110,976,477</b>	<b>107,075,155</b>	<b>101,214,204</b>	
<b>Total Net Operating Cost</b>	<b>116,503,374</b>	<b>113,453,521</b>	<b>106,891,048</b>	
<i>of which:</i>				
<b>Net Resource Outturn</b>	<b>58,452,582</b>	<b>56,932,496</b>	<b>53,150,838</b>	
CFERs	-3,000	-3,000	-6,876	
Non-voted expenditure	60,340,578	58,806,696	55,747,286	
<b>Resource Budget Outturn</b>	<b>117,395,889</b>	<b>114,064,506</b>	<b>107,245,348</b>	

## Notes to the Main Estimate

### Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2004-05	2003-04	2002-03
	Provision	Provision	Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>58,452,582</b>	<b>56,932,496</b>	<b>53,150,838</b>
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	60,340,578	58,806,696	55,747,286
Consolidated Fund Extra Receipts in the OCS	-3,000	-3,000	-6,876
Other adjustments	-2,286,786	-2,282,671	-2,000,200
<b>Net Operating Cost (Accounts)</b>	<b>116,503,374</b>	<b>113,453,521</b>	<b>106,891,048</b>
<i>Adjustments to remove:</i>			
capital grants to local authorities	-3,095	-3,095	-4,983
capital grants financed from the Capital Modernisation Fund	-	-	-1,158
European Union income and related adjustments	487,031	607,336	360,252
voted expenditure outside the budget	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-22	-22	4,138
resource consumption of non departmental public bodies	3,833	4,304	-13,002
unallocated resource provision	380,910	2,088	1,978
Other adjustments	23,858	374	7,075
<b>Resource Budget Outturn (Budget)</b>	<b>117,395,889</b>	<b>114,064,506</b>	<b>107,245,348</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	8,103,970	8,597,033	7,270,776
Annually Managed Expenditure (AME)	109,291,919	105,467,473	99,974,572

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2004-05	2003-04	2002-03
	Provision	Provision	Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	<b>210,739</b>	<b>170,753</b>	<b>281,981</b>
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	2,548	2,002	-10,157
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	-	-	-
capital grants to local authorities	2,895	2,895	1,880
capital grants financed by the Capital Modernisation Fund	-	-	1,158
local authority credit approvals	1,202	1,202	-
capital spending by levy funded bodies	-	-	-
unallocated capital provision	22,800	-	-
Other adjustments	94,819	90,455	76,741
<b>Capital Budget Outturn (Budget)</b>	<b>335,003</b>	<b>267,307</b>	<b>351,603</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	240,184	176,852	274,862
Annually Managed Expenditure (AME)	94,819	90,455	76,741

## Notes to the Main Estimate *(continued)*

### Explanation of Accounting Officer responsibilities

HM Treasury has appointed the Permanent Head of the Department for Work and Pensions, Sir Richard Mottram, as Principal Accounting Officer for the Department with overall responsibility for preparing the Department's Estimate.

The responsibilities of an Accounting Officer, including the responsibility for the propriety and regularity of public finances for which as an Accounting Officer he is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officer's Memorandum, issued by HM Treasury and published in *Government Accounting*.

Notes to the Main Estimate *(continued)*

## Analysis of appropriations in aid (A in A)

£'000

	2004-05 provision		2003-04 provision		2002-03 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
<b>RfR 1: Ensuring the best start for all children and ending child poverty in 20 years.</b>						
Services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public	—	—	—	—	15	—
Receipts from the repayment of maintenance by non-resident parents, where the parent with care is in receipt of income support, reduced by the child maintenance premium paid directly to the parent with care	115	—	100	—	85	—
Receipts from applicants for services provided by Child Support Agency	7	—	7	—	8	—
Receipts from staff for private telephone calls	5	—	5	—	3	—
Receipts from sale of non capital items	—	—	—	—	—	—
Profit on asset disposal	—	65	—	65	—	2,309
Family credit	—	—	—	—	1	—
<b>Total RfR 1</b>	<b>127*</b>	<b>65**</b>	<b>112</b>	<b>65</b>	<b>112</b>	<b>2,309</b>

\*Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from staff for private telephone calls; receipts from the sales of non capital items; receipts from applicants for services provided by Child Support Agency and receipts from the repayment of maintenance by non-resident parents, where the parent with care is in receipt of income support, reduced by the child maintenance premium paid directly to the parent with care.

\*\*Amount that may be applied as non-operating appropriations in aid arising from receipts from sales of obsolete machinery, equipment, official vehicles, furniture and buildings.

**RfR 2: Promote work as the best form of welfare for people  
of working age, whilst protecting the position of those in  
greatest need.**

Receipts from the National Insurance Fund for the estimated cost of administering National Insurance Benefits	164,951	—	153,484	—	164,951	—
Receipts for services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public	1,547	—	3,800	—	2,154	—
Receipts from other Departments/Organisations in respect of outward secondments	6,000	—	8,044	—	10,026	—
Receipts from match funded projects	8	—	35	—	—	—
Receipts from EU twinning funded projects	—	—	322	—	—	—
Recovery of excess programmes	—	—	37	—	1,147	—
Recovery of the costs of administering allowance payments for work based learning for adults in Scotland and Wales	1,050	—	1,050	—	1,637	—
Contribution from Scotland and Wales towards Employment Zones	3,602	—	1,538	—	898	—
Receipts from Local Authorities and partner organisations for services provided to them by Departmental Action Teams	561	—	564	—	67	—
Receipts for expenses from the EU	—	—	—	—	214	—
Repayment of temporary loans to Remploy	—	5,001	—	5,001	—	—
Challenge funding and similar measures	3,250	—	3,000	—	530	—
Industrial injury benefits	—	—	—	—	—	—
Receipts from the sale of non-capital items	—	—	—	—	—	—
Receipts from staff for private telephone calls	15	—	43	—	—	—

## Notes to the Main Estimate (continued)

## Analysis of appropriations in aid (A in A) (continued)

	£'000					
	2004-05 provision		2003-04 provision		2002-03 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
Disability Benefits	—	—	—	—	—	—
Income support (under 60 years of age)	171,719	—	179,805	—	149,099	—
Jobseeker's allowance (income based)	—	—	—	—	131	—
Jobseeker's allowance (contribution based)	534,590	—	545,304	—	517,391	—
Receipts from Working Links dividend	1,800	—	1,800	—	1,389	—
Receipts from Working Links management fee	118	—	118	—	—	—
Housing benefit and council tax benefit subsidies	40	—	40	—	514	—
Statutory benefits (SSP and SMP)	—	—	—	—	—	—
Profit on asset disposals	—	1,716	—	1,716	—	3,693
Health and Safety Executive	54,343	278	57,836	363	52,112	513
Health and Safety Laboratory	32,157	1,141	25,325	398	26,257	79
Recovery from the EC of the costs of work on European Employment Services (EURES) and work undertaken on labour market issues in eastern Europe	—	—	191	—	—	—
Receipts from outside bodies in respect of partnership working in New Deal for Community areas	—	—	—	—	—	—
Receipts from sponsors of supported placements in the JSA	—	—	—	—	—	—
Recovery from Home Office of the costs of administering the Refugee Resettlement programme	2,548	—	1,523	—	—	—
<b>Total RfR 2</b>	<b>978,299*</b>	<b>8,136**</b>	<b>983,859</b>	<b>7,478</b>	<b>928,517</b>	<b>4,285</b>

\*Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated cost of administering National Insurance benefits; services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from staff for private telephone calls; receipts from other departments/organisations in respect of outward secondments; receipts from the sale of non capital items; receipts from EU twinning funded projects; receipts from match funded projects; the recovery of the cost of administering allowance payments for work based learning for adults in Scotland and Wales; contribution from Scotland and Wales towards Employment Zones; receipts from Local Authorities for services provided to them by Department Action Teams, including Neighbourhood Renewal Funds, rent and similar receipts; receipts from outside bodies in respect of partnership working in New Deal for Community areas; recovery from Home Office of the costs of administering the Refugee Resettlement programme; recovery from the EC of the costs of work on European Employment Services (EURES) and work undertaken on labour market issues in eastern Europe; receipts from the EU for travel expenses, and subsistence allowances incurred by staff on European Union business; receipts from sponsors of supported placements in the ES; receipts in respect of vending machines; receipts from Working Links, Working Links management fee and dividend; receipts from selling services under the Wider Markets Initiative; receipts from partner organisations in respect of action teams; the recovery of excess payments made on Jobcentre Plus employment measures; recoveries from authorities not achieving baseline targets set in respect of anti fraud measures; recoveries from authorities not achieving targets set in respect of extended payments; receipts from damages payable to recipients of Statutory Sick Pay; receipts via Compensation Recovery Unit in respect of benefits paid in lieu; payments on return to work after a trade dispute made to people who would normally be excluded from Income Support because they are in full time work; payments by liable relatives; amounts collected through a court order or on a voluntary basis from relatives of Income Support claimants; receipts from the Child Support Agency of payments of maintenance from absent parents for parents with care who are in receipt of Income Support; repayment of Jobseeker's Allowance (contribution based) from the National Insurance Fund; receipts in respect of the Health and Safety Commission including fees and charges levied by the Health and Safety Commission (HSC), receipts for research, administrative services, testing, fee paying enquiries, dissemination of information, royalties, the loan and hire of equipment, seminars, patent rights, conferences and publications (in print and non-print media) provided by the HSC; payments from other government departments, agencies, non-departmental public bodies and overseas governments to the HSC; sales of land and buildings, water, stores, plant, equipment, machinery and vehicles of the HSC; recoveries of seconded staff salaries of the HSC; receipts for the use of HSC accommodation, rental income, receipts from HSC property and land, sponsorship, including contributions from co-sponsors towards the costs of research and surveys carried out by HSC; recoveries by the HSC from the European Union in respect of travelling expenses and subsistence allowances incurred by HSC staff on European Union business; contributions and recoveries from the European Union of costs of HSC research and projects, legal claims of the HSC, including awards of court costs and out of court settlements; refunds of advance of salaries of HSC staff, and repayment of loans made by the HSC.

\*\*Amount that may be applied as non-operating appropriations in aid arising from receipts from sales of obsolete machinery, equipment, official vehicles, furniture and buildings.

Notes to the Main Estimate *(continued)*Analysis of appropriations in aid (A in A) *(continued)*

£'000

	2004-05 provision		2003-04 provision		2002-03 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
<b>RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners.</b>						
Receipts from the National Insurance Fund for the cost of administering National Insurance Benefits	144,284	—	198,562	—	144,284	—
Services carried out by the Department for Work and Pensions on behalf of public and private sector bodies and members of the public	1,415	—	1,215	—	1,093	—
Income Support 60 plus/Pension credit	—	—	—	—	—	—
Receipts from staff for private phone calls	10	—	10	—	—	—
<b>Total RfR 3</b>	<b>145,709*</b>	<b>—</b>	<b>199,787</b>	<b>—</b>	<b>145,377</b>	<b>—</b>

\*Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated cost of administering NI benefits, services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from staff for private telephone calls and receipts via Compensation Recovery Unit in respect of benefits paid in lieu.

**RfR 4: Improve the rights and opportunities for disabled  
people in a fair and inclusive society.**

Receipts from the European Union for the European Year of disabled people 2003	—	—	550	—	—	—
Attendance allowance	—	—	—	—	—	—
Disability living allowance	—	—	—	—	—	—
Motability administration	148	—	143	—	121	—
Motability Grant	2,951	—	2,951	—	685	—
Services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public	1,305	—	1,392	—	3,010	—
Receipts from staff for private telephone calls	2	—	2	—	—	—
<b>Total RfR 4</b>	<b>4,406*</b>	<b>—</b>	<b>5,038</b>	<b>—</b>	<b>3,816</b>	<b>—</b>

\*Amount that may be applied as appropriations in aid in addition to the net total arising from services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from the European Union for the European year for disabled people 2003; receipts from staff for private telephone calls; receipts via Compensation Recovery Unit in respect of benefits paid in lieu, recoveries of payments from the Department of Social Development (Northern Ireland) towards Motability's car adaption and administration costs and receipts from Tenth Anniversary Trust towards Motability's car adaption costs.

## Notes to the Main Estimate *(continued)*

### Analysis of appropriations in aid (A in A) *(continued)*

	£'000					
	2004-05 provision		2003-04 provision		2002-03 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
<b>RfR 5: Modernise welfare delivery so as to improve the accessibility, accuracy, and value for money of services to customers, including employers.</b>						
Receipts from the National Insurance Fund for the estimated cost of administering National Insurance Benefits	67,776	—	274,472	—	67,776	—
Services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public	1,622	—	3,722	—	60	—
<b>Total RfR 5</b>	<b>69,398*</b>	<b>—</b>	<b>278,194</b>	<b>—</b>	<b>67,836</b>	<b>—</b>

\*Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated cost of administering NI benefits and services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public.

## Notes to the Main Estimate (continued)

## Analysis of appropriations in aid (A in A) (continued)

£'000

	2004-05 provision		2003-04 provision		2002-03 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
<b>RfR 6: Corporate contracts, support services and administration of the European Social Fund for England</b>						
Receipts from the National Insurance Fund for the estimated cost of administering National Insurance Benefits	531,269	—	796,375	—	531,269	—
Services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public	18,832	—	12,572	—	9,657	—
Receipts in respect of the European fast stream	8,650	—	39	—	—	—
Receipts from mortgage lenders	2,200	—	2,354	—	2,204	—
Receipts from staff towards the cost of private use of official vehicles	1,080	—	1,914	—	978	—
Receipts from sub-let accommodation	16,626	—	22,001	—	25,865	—
Receipts from staff for private telephone calls	12	—	12	—	—	—
Recovery of law costs from defendants	1,900	—	2,000	—	1,538	—
Receipts from other departments/organisations in respect of outward secondments	1,488	—	1,385	—	1,538	—
Receipts from EU twinning funded projects	—	—	865	—	102	—
Payments from Department for Education and Skills for International Programmes	30,506	—	30,772	—	30,161	—
Receipts in respect of the European Social Fund	451,469	—	474,361	—	331,541	—
Payments from Department for Education and Skills	—	—	—	—	—	—
Receipts from sales of obsolete machinery, equipment, official vehicles, furniture and buildings	—	2,630	—	149,334	—	3,004
Joint International Unit administration receipts	—	—	—	—	—	—
Profit on asset disposal	—	221	—	221	—	—
Receipts from third parties for uninsured losses	—	—	—	—	112	—
Early Departures pre-funding interest	—	—	—	—	574	—
Expenses from the European Union	—	—	95	—	—	—
<b>Total RfR 6</b>	<b>1,064,032*</b>	<b>2,851**</b>	<b>1,344,745</b>	<b>149,555</b>	<b>935,539</b>	<b>3,004</b>
<b>Total A in A</b>	<b>2,261,971</b>	<b>11,052</b>	<b>2,811,735</b>	<b>157,098</b>	<b>2,081,197</b>	<b>9,601</b>

\*Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated cost of administering NI benefits; services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from third parties for uninsured losses; receipts from staff for private telephone calls; recovery of law costs from defendants; receipts from sub-let accommodation; receipts from the sale of non capital items; receipts from the Department for Education and Skills in respect of Modern Apprenticeships; receipts from other departments/organisations in respect of outward secondments, receipts from staff towards the cost of private use of official vehicles; receipts in respect of the European Fast Stream; receipts from the EC to meet payments to Local Authorities and non exchequer bodies for education and training and employment projects training assisted by the European Social Fund; receipts from EU Twinning funded projects; Joint International Unit administration receipts; receipts from IT services to other government departments, payments from Department for Education and Skills for International Programmes; Early Departures pre-funding interest.

\*\*Amount that may be applied as non-operating appropriations in aid arising from receipts from sales of obsolete machinery, equipment, official vehicles, furniture and buildings.

## Notes to the Main Estimate *(continued)*

### Analysis of Consolidated Fund extra receipts

	£'000					
	2004-05 provision		2003-04 provision		2002-03 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Levy on Pensions Industry collected by Occupational Pensions Regulatory Authority ●	10,510	10,510	10,510	10,510	10,510	10,510
Headquarters Accommodation Services ●	—	—	5,000	5,000	5,000	5,000
Challenge Funding Recoveries	—	—	—	—	553	553
Miscellaneous receipts	3,000	3,000	3,000	3,000	1,199	1,199
Recoveries in respect of previous Independent Living Fund scheme	2	2	2	2	—	—
Recoveries in respect of previous Rent Allowance scheme	20	20	20	20	—	—
European Social Fund	—	—	—	—	678	678
Programme Expenditure	—	—	—	—	986	986
Health and Safety Executive ●	—	—	—	—	4	4
Corporate ●	—	—	—	—	3,456	3,456
<b>Total</b>	<b>13,532</b>	<b>13,532</b>	<b>18,532</b>	<b>18,532</b>	<b>22,386</b>	<b>22,386</b>

## Notes to the Main Estimate *(continued)*

### Administration costs limits and Departmental Expenditure Limits

#### Administration costs limits £'000

	Gross provision	Income	Total administration costs limit
Department for Work and Pensions	5,788,113	–50,265	5,737,848
Health and Safety Executive	216,483	–51,024	165,459
<b>Total Gross administration costs limits</b>	<b>6,004,596</b>	<b>–101,289</b>	<b>5,903,307</b>
Health and Safety Laboratory	26,806	–26,806	—
<b>Net administration costs limits</b>	<b>26,806</b>	<b>–26,806</b>	<b>—</b>

#### Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	6,783,299	1,320,671	8,103,970
Capital DEL	216,182	24,002	240,184
Less depreciation	–120,606	–714	–121,320
<b>Total DEL</b>	<b>6,878,875</b>	<b>1,343,959</b>	<b>8,222,834</b>

- \* i. Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review
- ii. Excludes EU receipts included in Estimates, but excluded in Budgets

### Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2004-05 of £58,452,582,000 is 2.7% higher than the final net provision for 2003-04 of £56,932,496,000 and 4.3% higher than the forecast outturn for that year of £56,039,954,000.

## Notes to the Main Estimate *(continued)*

### Cash which may be retained to offset expenditure

£'000

Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) which has been or will be appropriated in aid for

	2004-05 provision	2003-04 provision	2002-03 outturn
	2,273,023	2,968,833	2,292,179

### Expenditure resting on the sole authority of the Appropriation Act

RfR 3: Payments in respect of Better Government for Older People 564

### Contingent liabilities

£'000

As at 31 March 2004, the following liabilities fell to be met from the Department's Estimate

#### Statutory

#### Non-Statutory

From April 1995 some debt has been deferred and will not be recoverable from clients provided certain conditions are met. This could result in the Child Support Agency taking over such debt from non-resident parents. In 2002-03, £1.81 million (2001-02, £2.61 million) was paid by the Agency to parents with care under this arrangement. The maximum potential liability at 31 March 2003 is £36.9 million (31 March 2002, £36.1 million), subject to all cases meeting the criteria. As it is not practicable to estimate the amount that may be paid out, no provision has been made in the accounts. 36,900

Due to a structural problem the Agency may have a future liability to fund the reconstruction of one of its buildings. All legal implications relating to this liability have been resolved, however, it is uncertain at this time whether the construction is to be funded through the Private Finance Initiative or from Agency resources with a capital cost of approximately £14.5 million. 14,500

In a judicial review brought by a parent with care under the Human Rights Act 1998, it was judged that human rights had not been breached but that she can apply for damages under the Human Rights Act where the Secretary of State has failed, unreasonably, to enforce the collection of maintenance due. The Agency has lodged an appeal against the decision. As the outcome of this case cannot be predicated any consequential obligation cannot be measured with sufficient reliability to enable a value to be recognised in the accounts. Unquantifiable

## Notes to the Main Estimate *(continued)*

### Contingent liabilities *(continued)*

During the course of its normal business, Jobcentre Plus frequently enters into large, sometimes long-term, contracts with a wide range of private sector suppliers. The changing nature of Jobcentre Plus business, and its obligation to respond to prevailing government priorities, can mean that it is occasionally in the Agency's interests to try to vary, re-negotiate or, in exceptional cases, cancel certain contracts. Where Jobcentre Plus takes such action, it always does so on legal advice and so as to avoid breach of contract. However, disputes occasionally arise which could result in Jobcentre Plus making compensatory payments in response to legal proceedings, or as part of an out of court settlement. Jobcentre Plus considers that disclosure of such cases in detail, particularly whilst negotiations are still in progress, could seriously prejudice the Agency's position if legal proceedings subsequently develop. Unquantifiable

There were no such contractual disputes outstanding at 31 March 2003 where a settlement had been reached and the value of a compensatory payment had been agreed. For cases still under negotiation, the total value of outstanding claims made against Jobcentre Plus by suppliers at the balance sheet date was less than £10 million, but it is not yet known whether Jobcentre Plus will need to make any compensatory payments.

Ministers of the former Department for Education and Employment gave their agreement that the former Training and Enterprise Councils could be offered indemnities in respect of certain liabilities that arose or continued after the contractual relationship with Government ended on 25 March 2001. The purpose of these indemnities was to give the former Training and Enterprise Council Directors, or a liquidator, sufficient assurances to conclude that relationship and either return residual reserves owing to the Secretary of State, or distribute these with the Secretary of State's agreement at the earliest opportunity. Responsibility for these contingent liabilities transferred to Jobcentre Plus on 1 April 2002 from the Employment Service. 12,000

Consequently, Jobcentre Plus has agreed to offer indemnities of up to £12 million in respect of existing contracts with the former Training and Enterprise Councils that were novated as a result of the former Training and Enterprise Council's wind up, or in respect of repayments claimed following audit of past contract activity.

Jobcentre Plus is currently involved in an Employment Tribunal case. The original ruling of the Tribunal went against the Agency. On appeal the Employment Appeal Tribunal ruled that the original Tribunal misdirected itself on points of law. They have set aside the original decision and have asked for the case to be reheard by a new Tribunal. Due to uncertainty regarding the outcome of the appeal hearing and also the size of the financial remedy for any additional claims it is not possible to provide a reliable estimate of the financial effect. Unquantifiable

HSE is currently defending three equal pay cases from employees on two separate issues. Each case is at a different stage in what could be a long legal process. If the cases were to be lost, the financial consequences would depend on the nature of the judgement in relation to the employees who brought the cases, and the degree to which the judgements would apply to other members of staff, including the extent to which any awards made are backdated. Unquantifiable

## Notes to the Main Estimate *(continued)*

### Contingent liabilities *(continued)*

Important changes to the Vaccine Damage Payments Scheme have been introduced. The level of disablement that is defined as severe has been reduced from 80% to 60% and the period of time during which a claim can be made has been extended. Unquantifiable

These changes mean that some people who have been disallowed in the past may be able to make another claim under these new rules. These further claims must be received before 16 June 2005. It is not currently possible to estimate the value of these claims and so no provision has been made in these accounts.

In October 2001, a claim from Thames Trains Ltd following the Ladbroke Grove railway disaster was filed against HSE and Her Majesty's Railway Inspectorate for an amount in excess of £5 million. The basis of the claim is that HSE was negligent in connection with the railway infrastructure at the location of the crash. This claim will be vigorously defended and whilst the outcome of these matters cannot readily be determined or foreseen, it is considered that it is likely that the claim will be defended successfully. Unquantifiable

As at 31 March 2003 The Pension Service had 470 outstanding State Earnings-Related Pension Scheme compensation claims. Due to the complex nature of these claims, and the variable amount of the payments, it is not possible to provide an accurate estimate of the number and value of successful claims. Unquantifiable

The Department has a potential liability in respect of ineligible claims for ESF programmes that operated during 1994-99. The Department estimates that it is highly likely that we will be unable to claim from the European Commission £12.26 million already paid to contractors and a provision for this has been created in the accounts. The Department is negotiating a final settlement with the European Commission and there is the potential that a further liability could arise, however this figure cannot be estimated with any certainty at this point in time. Unquantifiable

A case is to be brought before the House of Lords whereby a pensioner is challenging the situation that UK pensioners who live abroad have their pension frozen at the amount they received when they went to live abroad. The outcome of the case cannot be predicted nor can an estimate be made of the likely financial impact. Unquantifiable

The London Borough of Lambeth, between April 1991 and March 1997, had problems in administering the payments of Housing Benefit and Council Tax Benefit and as a consequence subsidies of £31.5 million were overpaid. Following negotiations, agreement was reached for the overpaid subsidy to be repaid over a 10 year period commencing April 1996. Following the introduction of new policy regarding the recovery of overpaid subsidy Lambeth requested that the recovery of the outstanding £6.7m overpaid subsidy cease forthwith and that the Secretary of State repays £20 million of monies already recovered. Although the Secretary of State is to refuse the request there is a strong possibility that Lambeth will seek to overturn the decision by judicial review. A successful challenge by Lambeth would enable untold numbers of local authorities to similarly request that their recovery decision be reviewed. It is not possible to quantify the amount of additional subsidy, which potentially could be paid out. Unquantifiable

## Notes to the Main Estimate *(continued)*

### Grants in Aid

RfR 3 and RfR 4 include grant in aid provision for the Occupational Pensions Regulatory Authority ♥ £17,795,000, Independent Living Fund ♥ £210,864,000, Motability ♥ £11,075,000, Disability Rights Commission ♥ £15,304,000 and Better Government for Older People £564,000.