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# Department of Trade and Industry United Kingdom Atomic Energy Authority superannuation Schemes

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## Introduction

1. This Request for Resources covers the payments of pensions etc to retired members or their dependants, transfer values for members transferring to other schemes and repayments of contributions under the UKAEA's superannuation schemes. The Schemes, which are the Principal Non-Industrial Superannuation Scheme (PNISS), the Combined Pension Scheme of UKAEA and the Protected Persons Superannuation Scheme (PPSS) cover employees of the UKAEA, National Radiological Protection Board and British Nuclear Fuels plc together with some employees of Nycomed Amersham and some employees of the Engineering and Physical Sciences Research Council, the Particle Physics and Astronomy Research Council and the Council for the Central Laboratory of the Research Councils who were formerly employed by the Science and Engineering Research Council and former UKAEA employees who transferred to the Ministry of Defence (Atomic Weapons Establishment (AWE)).

2. As a consequence of adopting Financial Reporting Standard ("FRS") 17 'Retirement Benefits', the Resource Accounts of pension schemes administered by central government will, from 2003-04, include on their balance sheets the liability to meet future pension costs. They will also account for the accruing cost of providing pensions rather than just the benefits payable and contributions receivable. Whilst their format is largely unaltered, the way in which resource expenditure is measured is fundamentally changed. Such changes are reflected in this Estimate.

## Request for Resources

3. In 2001-02 and 2002-03, the Request for Resources provided for the amounts to be paid and payable in respect of retirement benefits, net of contributions. In consequence, there was generally little difference between the Estimates provision for Resources and the Net Cash Requirement.

4. From 2003-04 the Estimate provision for resource expenditure is instead the cost of benefits accruing in the year. The most significant of these are the build-up of benefit entitlements from employees service during the year and the interest cost arising because future benefit payments are one year closer to settlement. Income from contributions continues to be appropriated in aid of expenditure.

## Net Cash Requirement

5. The elements of the Net Cash Requirement are unaltered but are accounted for differently. Most significantly, the payment of pensions and lump sums that were previously the cash consequences of resource expenditure, are now the use of the balance sheet provision for pensions.

## Introduction (*continued*)

### Consequences of the change

There may now be a significant difference between the resource costs and cash requirements of retirement benefits. There is no necessary relationship between the benefits accruing in any particular year and the benefits paid in that year.

6. For 2003-04 there is a significant additional difference. An adjustment is needed in 2003/04 in respect of the two previous years for which Parliament voted resources on the ‘old’ basis. The adjustment seeks Parliamentary authority for the additional resource expenditure in those years that is recognised by virtue of the change in accounting.

7. Further details of the expenditure and income contained in this RfR can be found in “Trade and Industry, the Government’s Expenditure Plans 2003-04 to 2005-06 Cm 5916”.

8. The income consists of actual receipts and notional interest which is credited each year at rates agreed with the Government actuary. Income from contributions under the scheme is appropriated in aid.

9. The provision sought for 2003-04 is 36 per cent lower than the final net provision and forecast outturn for 2002-03 of £369.5 million. A breakdown of the forecast outturn for 2002-03 by individual function is given in the Expenditure Plans.

10. Assumptions for 2003-04 compared to current estimates for 2002-03 are:

	2003-04			2002-03		
	Number	Average Pension		Number	Average Pension	
		Annual	Weekly		Annual	Weekly
Pensioners	17,507	7,561	145.4	17,507	7,384	142
Dependants	6,899	3,154	60.65	6,899	3,081	59.25

11. Associated administrative costs are borne by the UKAEA who recover the appropriate proportion from the other participating employers.

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

**Part I**

	£
<b>Request for Resources 1: Effective management of United Kingdom Atomic Energy Authority superannuation schemes</b>	<b>235,973,000</b>
<b>Total net resource requirement</b>	<b>235,973,000</b>
<b>Net cash requirement</b>	<b>124,561,000</b>

Amounts required in the year ending 31 March 2004 for expenditure by the Department of Trade and Industry on:

**RfR 1: Effective management of United Kingdom Atomic Energy Authority superannuation schemes**

Payment of pensions etc to members of the United Kingdom Atomic Energy Authority superannuation schemes and the related expenditure and associated non-cash items.

The **Department of Trade and Industry** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
<b>RfR 1</b>	235,973,000	70,777,000	165,196,000
<b>Total net resource requirement</b>	235,973,000	70,777,000	165,196,000
<b>Net cash requirement</b>	124,561,000	61,425,000	63,136,000

## Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 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
<b>RfR 1: Effective management of United Kingdom Atomic Energy Authority superannuation schemes</b>									
-	265,012	1	265,013	29,040	235,973	-	-	369,524	360,290
<b>Spending in Annually Managed Expenditure (AME)</b>									
<i>Central Government spending</i>									
A Payments of pension transfer values and repayments of contributions									
-	263,000	1	263,001	29,040	233,961	-	-	369,524	360,290
<b>Non-budget</b>									
B PPA Liability									
-	2,012	-	2,012	-	2,012	-	-	-	-
<b>Total for Estimate:</b>									
-	265,012	1	265,013	29,040	235,973	-	-	369,524	360,290

**Part II: Resource to cash reconciliation**

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
<b>Net Total Resources</b>	235,973	369,524	360,290
<b>Voted capital items</b>			
Capital	-	-	-
Less Non-operating A-in-A	-	-	-
<b>Total net voted capital</b>	-	-	-
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-	-	-
Depreciation	-	-	-
New provisions and adjustments to previous provisions	-263,000	-233,000	-233,000
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-2,012	-	-
Other non-cash items	-24	-24	-24
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	153,624	-	-
<b>Total accruals to cash adjustments</b>	-111,412	-233,024	-233,024
<b>Excess cash to be CFERd</b>	-	-	-
<b>Net Cash Requirement</b>	124,561	136,500	127,266

**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					
	2003-04 Provision		2002-03 Provision		2001-02 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	-	-	-	-	-
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	15,145	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	15,145	-

## Forecast Combined Revenue Account

£'000

	Provision 2003-04	Provision 2002-03	Outturn 2001-02
<b>Resource costs relating to payments of pensions, transfer values and repayments of contributions</b>	<b>263,001</b>	<b>386,624</b>	<b>377,390</b>
(1) Increase in value of liability due to interest on scheme liabilities	181,000	150,000	150,000
(2) Current Service Cost (increase in present value of scheme liabilities expected to arise from employee service in the current period)	73,000	71,000	69,000
(3) Increase in value of liability arising from current service cost, past service cost, group and individual transfers and added years	9,000	12,000	14,000
(4) Pensions benefits expenditure not charged to provision	1	153,600	144,390
(5) Notional Audit Fee	—	24	—
<i>less</i>	<b>29,040</b>	<b>17,100</b>	<b>17,100</b>
(1) UKAEA employees' contributions	21,000	15,600	11,993
(2) UKAEA employers' contributions	40	500	38
(3) UKAEA transfer values received	8,000	1,000	5,069
Total net programme costs	233,961	369,524	360,290
<b>Net Operating Cost</b>	<b>233,961</b>	<b>369,524</b>	<b>360,290</b>
<i>of which:</i>			
<b>Net Resource Outturn</b>	<b>235,973</b>	<b>369,524</b>	<b>360,290</b>
<i>less</i>			
Prior period adjustments	-2,012	—	—
<i>plus</i>			
CFERs	—	—	-15,145
Non-voted	—	—	—
<b>Resource Budget Outturn</b>	<b>233,961</b>	<b>369,524</b>	<b>345,145</b>

## Notes to the Main Estimate

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

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
<b>Net Resource Outturn (Estimates)</b>	235,973	369,524	360,290
<i>Adjustments to remove:</i>			
provision voted for earlier years	-2,012	—	—
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	—	—	—
Consolidated Fund Extra Receipts in the OCS	—	—	—
Other adjustments	—	—	—
<b>Net Operating Cost (Accounts)</b>	233,961	369,524	360,290
<i>Adjustments to remove:</i>			
capital grants to local authorities	—	—	—
capital grants financed from the Capital Modernisation Fund	—	—	—
European Union income and related adjustments	—	—	—
voted expenditure outside the budget	—	—	—
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	—	—	-15,145
resource consumption of non departmental public bodies	—	—	—
unallocated resource provision	—	—	—
Other adjustments	—	—	—
<b>Resource Budget Outturn (Budget)</b>	233,961	369,524	345,145
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	—	—	—
Annually Managed Expenditure (AME)	233,961	369,524	345,145

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	—	—	—
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	—	—	—
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	—	—	—
capital spending by non-departmental public bodies	—	—	—
capital grants to local authorities	—	—	—
capital grants financed by the Capital Modernisation Fund	—	—	—
local authority credit approvals	—	—	—
capital spending by levy funded bodies	—	—	—
unallocated capital provision	—	—	—
Other adjustments	—	—	—
<b>Capital Budget Outturn (Budget)</b>	—	—	—
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	—	—	—
Annually Managed Expenditure (AME)	—	—	—

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

### Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Head of the Department of Trade and Industry, Sir Robin Young as Principal Accounting Officer with overall responsibility for preparing the Department's Estimate.

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

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

	£'000					
	2003-04 provision		2002-03 provision		2001-02 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: Effective Management of United Kingdom Atomic Energy Authority Superannuation Schemes</b>						
UKAEA employees' contributions	21,000	—	15,600	—	15,600	—
UKAEA employers' contributions	40	—	500	—	500	—
UKAEA transfer values received	8,000	—	1,000	—	1,000	—
<b>Total RfR 1</b>	<b>29,040*</b>	<b>—</b>	<b>17,100</b>	<b>—</b>	<b>17,100</b>	<b>—</b>

\*Amount that may be applied as operating appropriations in aid, in addition to the net total arising from receipts for employees' and employers' contributions and transfer values received.

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

**Analysis of Consolidated Fund extra receipts**

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Excess receipts not authorised to be used as appropriations in aid	—	—	—	—	815,145	15,145
<b>Total</b>	—	—	—	—	<b>15,145</b>	<b>15,145</b>

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**Notes to the Main Estimate (*continued*)****Comparisons of provision sought with final provision and forecast outturn for the previous year**

The total net resource sought for 2003-04 of £235,973,000 is 36.1 per cent higher than the final provision and forecast outturn for 2002-03 of £369,524,000.

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**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 that has been or will be appropriated in aid

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	<b>2003-04 provision</b>	<b>2002-03 provision</b>	<b>2001-02 outturn</b>
	29,040	17,100	17,100



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# Export Credits Guarantee Department

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## Introduction

The Export Credits Guarantee Department (ECGD) has two Requests for Resources (RfRs), one covering export finance assistance and the other covering trading operations and operating costs.

Full details of all ECGD's activities are reported to Parliament in the annual Resource Accounts and published by The Stationery Office Limited as "ECGD: Annual Report and Resource Accounts", Cm 5917

### **RfR 1: To provide export finance assistance through interest support to benefit the UK economy by facilitating exports**

This RfR provides for the resources needed by ECGD for its programme of financial support for exporters. Statutory Authority is given under sections 1 and 3 of the Export and Investment Guarantees Act 1991.

Section A provides for costs arising from interest equalisation agreements with lending banks under the fixed rate export finance scheme (FREF). This section also provides for payment of grants to lenders to meet the difference between fixed consensus rates and concessionary rates of interest offered on commercial loans for long-term projects in developing countries, or for certain long-term defence export contracts. It also incorporates the costs/savings arising from ECGD initiatives aimed at reducing or containing the cost of supporting exports, eg in connection with arrangements for capital market funding of fixed rate export finance loans and for certain interest rate swap arrangements. It also includes the mixed credit matching facility, which reduced the cost of export finance to match foreign competition in certain circumstances.

Section B provides for the funding of a refinancing programme currently undertaken by the Guaranteed Export Finance Corporation (GEFCO), a private sector company which operates on behalf of ECGD. Figures shown represent the funding loan and receipts of principal due under the loans plus interest equalisation between ECGD and GEFCO, which formerly fell within section A.

### **RfR 2: To provide export credit guarantees and investment insurance to benefit the UK economy by facilitating exports**

This RfR provides for resources consumed by ECGD in providing credit insurance and other support activities for exporters including cover against certain risks for new direct overseas investment and tender to contract cover/foreign exchange supplement cover. Statutory authority for these activities is given in sections 1, 2 and 3 of the Export and Investment Guarantees Act 1991. This RfR also provides the resources to be consumed by ECGD in administering the operations described in this RfR and RfR1. Capital Expenditure and the associated depreciation and capital charges (Section A) are classified as expenditure within the Departmental Expenditure Limit (DEL). Administration costs (Section B) are outside both DEL and AME (Annually Managed Expenditure) as they are met from trading income – Premium Income and Moratorium Interest (Sections C, D, E and F). Charges made to exporters for the Department's services largely anticipate the recovery of related costs. Further Trading Expenses of £16.4 million are provided for in Section C.

Section A provides for the new expenditure on fixed assets expected for 2003-04 together with the resources consumed to maintain ECGD's fixed assets including depreciation and capital charges.

## **Introduction (*continued*)**

Section B provides resources for ECGD's administration costs

Section C provides for the resources consumed in the issuance and management of credit insurance guarantees and obligations arising from debt rescheduling agreements and costs relating to other forms of guarantee including cover to banks financing insured exports, indemnities for banks and surety companies issuing bonds against calls by overseas buyers, reinsurance arrangements with other countries' credit insurance organisations for jointly sourced goods and residual commitments under schemes which have been discontinued. Expenses in connection with the provision of these services are also covered and include commission to brokers for negotiating and administering ECGD guarantees, charges by agents for information on company and market risks, legal fees and professional advice on underwriting of guarantees and assessments of risk and liability and costs arising out of action taken to avoid or minimise potential loss or recover payments under guarantees.

Section D provides for claims, related expenses and recoveries under contracts insuring UK companies investing overseas against certain political risks.

Section E provides resources for ECGD to manage its portfolio by operating an Active Portfolio Management Risk Transfer Programme (the "APM Programme"), which is intended to mitigate risks in the ECGD portfolio (or any part of it) through arrangements with the private and/or public sectors, whether in the United Kingdom or overseas.

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

## Part I

	£
<b>Request for Resources 1: To provide export finance assistance through interest support to benefit the UK economy by facilitating exports</b>	<b>223,389,000</b>
<b>Request for Resources 2: To provide export credit guarantees and investment insurance to benefit the UK economy by facilitating exports</b>	<b>1,000</b>
<b>Total net resource requirement</b>	<b>223,390,000</b>
<b>Net cash requirement</b>	<b>233,477,000</b>

Amounts required in the year ending 31 March 2004 for expenditure by the Export Credits Guarantee Department on:

### **RfR 1: To provide export finance assistance through interest support to benefit the UK economy by facilitating exports**

Interest support to banks and other lenders of export finance, grants towards financing of exports to match foreign competition, the funding of the refinancing programme, and on associated non-cash items.

### **RfR 2: To provide export credit guarantees and investment insurance to benefit the UK economy by facilitating exports**

Export credit guarantees given in the national interest or to render economic assistance to overseas countries, overseas investment insurance, tender to contract/forward exchange supplement cover, residual commitments under discontinued facilities, the cost escalation scheme subvention for the active management of the portfolio, costs of reinsurance arrangements with other countries' credit insurance organisations for jointly sourced goods trading and administration expenses, and on associated non-cash items.

The **Export Credits Guarantee Department** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
<b>RfR 1</b>	223,389,000	101,984,000	121,405,000
<b>RfR 2</b>	1,000	—	1,000
<b>Total net resource requirement</b>	223,390,000	101,984,000	121,406,000
<b>Net cash requirement</b>	233,477,000	165,862,000	67,615,000

## Part II: Subhead detail

£'000

2003-04						2002-03	2001-02		
						Provision	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
<b>RfR 1: To provide export finance assistance through interest support to benefit the UK economy by facilitating exports</b>									
-	198,499	139,109	337,608	114,219	223,389	115,000	115,000	392,991	311,724
<b>Spending in Annually Managed Expenditure (AME)</b>									
<i>Central Government spending</i>									
A Fixed Rate Export Finance									
-	169,305	-	169,305	112,719	56,586	-	-	206,403	141,212
<b>Non-budget</b>									
B GEFCO loans and interest equalisation									
-	29,194	139,109	168,303	1,500	166,803	115,000	115,000	186,588	170,512
<b>RfR 2: To provide export credit guarantees and investment insurance to benefit the UK economy by facilitating exports</b>									
-	89,465	-71	89,394	89,393	1	545	-	2	-
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Administration									
-	776	-	776	-	776	545	-	798	671
<b>Non-budget</b>									
B Admin - Running Costs									
-	-	35,464	35,464	-	35,464	-	-	30,190	29,951
C Export Credits									
-	88,689	-50,635	38,054	82,568	-44,514	-	-	-34,986	-22,997

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

£'000

2003-04						2002-03 Provision	2001-02 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	
D	Overseas Investment Insurance									
	-	-	-	-	6,825	-6,825	-	-	-8,000	-7,625
E	APM									
	-	-	15,100	15,100	-	15,100	-	-	12,000	-
<b>Total for Estimate:</b>										
	-	287,964	139,038	427,002	203,612	223,390	115,545	115,000	392,993	311,724

## Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
<b>Net Total Resources</b>	223,390	392,993	311,724
<b>Voted capital items</b>			
Capital	115,545	1,001,160	1,264,410
Less Non-operating A-in-A	115,000	443,000	875,217
<b>Total net voted capital</b>	545	558,160	389,193
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-227,951	-333,333	-281,445
Depreciation	-623	-582	-471
New provisions and adjustments to previous provisions	66,992	-112,500	-60,773
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	47,791	27,400	133,925
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	92,937	30,500	137,401
Increase (-) / Decrease (+) in creditors	30,396	-5,000	130,700
Use of provisions	-	-	-
<b>Total accruals to cash adjustments</b>	9,542	-393,515	59,337
<b>Excess cash to be CFERd</b>	-	-16,475	-
<b>Net Cash Requirement</b>	233,477	541,163	760,254

## 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					
	2003-04 Provision		2002-03 Provision		2001-02 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	202,266	<i>202,266</i>	16,475	-	262,473	<i>510,367</i>
Non-operating income not classified as AinA	390,000	<i>390,000</i>	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	188,064	<i>188,064</i>	-	-	181,364	<i>146,118</i>
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	<i>-16,475</i>	-	-
<b>Total</b>	<b>780,330</b>	<b><i>780,330</i></b>	<b>16,475</b>	<b><i>-16,475</i></b>	<b>443,837</b>	<b><i>656,485</i></b>

## Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
<b>Net Administration Costs</b>				
RfR 1	-	-	-	
RfR 2	-	-	-	
<b>Total Net Administration costs</b>	-	-	-	-
<b>Net Programme Costs</b>				
RfR 1	223,389	376,516	49,251	
RfR 2	-202,265	2	-	
<b>Total Net Programme costs</b>	21,124	376,518	49,251	49,251
<b>Total Net Operating Cost</b>	21,124	376,518	49,251	49,251
<i>of which:</i>				
<b>Net Resource Outturn</b>	223,390	392,993	311,724	311,724
CFERs	-202,266	-16,475	-262,473	-262,473
Non-voted expenditure	-	-	-	-
<b>Resource Budget Outturn</b>	-26,538	207,201	141,883	141,883

## Notes to the Main Estimate

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

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>223,390</b>	<b>392,993</b>	<b>311,724</b>
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-202,266	-16,475	-262,473
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>21,124</b>	<b>376,518</b>	<b>49,251</b>
<i>Adjustments to remove:</i>			
capital grants to local authorities	-	-	-
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	-	-	-
voted expenditure outside the budget	-166,028	-185,792	-169,841
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	202,266	16,475	262,473
resource consumption of non departmental public bodies	-	-	-
unallocated resource provision	-	-	-
Other adjustments	-83,900	-	-
<b>Resource Budget Outturn (Budget)</b>	<b>-26,538</b>	<b>207,201</b>	<b>141,883</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	776	798	671
Annually Managed Expenditure (AME)	-27,314	206,403	141,212

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	<b>545</b>	<b>558,160</b>	<b>389,193</b>
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-390,000	-	-
capital spending by non-departmental public bodies	-	-	-
capital grants to local authorities	-	-	-
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	-	-	-
capital spending by levy funded bodies	-	-	-
unallocated capital provision	-	-	-
Other adjustments	-	-306,800	-388,740
<b>Capital Budget Outturn (Budget)</b>	<b>-389,455</b>	<b>251,360</b>	<b>453</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	545	1,160	453
Annually Managed Expenditure (AME)	-390,000	250,200	-

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

### Explanation of Accounting Officer responsibilities

The Chief Executive of the Export Credits Guarantee Department, Mr Vivian Brown, is Principal Accounting Officer with overall responsibility for preparing the Department's Estimate.

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

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

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

	£'000					
	2003-04 provision		2002-03 provision		2001-02 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: To provide export finance assistance through interest support to benefit the UK economy by facilitating exports</b>						
Interest make-up receipts	114,219	—	170,500	—	141,350	—
Repayment of loan principal	—	115,000	—	443,000	—	875,217
<b>Total RfR 1</b>	<b>114,219*</b>	<b>115,000**</b>	<b>170,500</b>	<b>443,000</b>	<b>141,350</b>	<b>875,217</b>
*Amount that may be applied as appropriations in aid in addition to the net total, arising from the recovery of income from interest make-up receipts.						
**Amount that may be applied as non-operating appropriations in aid in addition to the net total arising from repayment of loan principal.						
<b>RfR 2: To provide export credit guarantees and investment insurance to benefit the UK economy by facilitating exports</b>						
Premium and moratorium interest income	89,393	—	322,425	—	202,128	—
<b>Total RfR 2</b>	<b>89,393*</b>	<b>—</b>	<b>322,425</b>	<b>—</b>	<b>202,128</b>	<b>—</b>
*Amount that may be applied as appropriations in aid in addition to the net total, arising from premium and moratorium interest.						
<b>Total A in A</b>	<b>203,612</b>	<b>115,000</b>	<b>492,925</b>	<b>443,000</b>	<b>343,478</b>	<b>875,217</b>

### Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
<b>RfR 1:</b>						
Loan repayments (interest only)	578,064	578,064	—	—	181,364	146,118
<b>RfR 2:</b>						
Premium and moratorium interest (income); premium, recoveries of claims payments, moratorium interest (receipts).	202,266	202,266	16,475	16,475	262,473	510,367
<b>Total</b>	<b>780,330</b>	<b>780,330</b>	<b>16,475</b>	<b>16,475</b>	<b>443,837</b>	<b>656,485</b>

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

### Administration cost limits and Departmental Expenditure Limits

Departmental Expenditure Limits (DEL)	£'000		
	Voted*	Non-voted	Total
Resource DEL	776	—	776
Capital DEL	545	—	545
Less depreciation	-623	—	-623
Total DEL	698	—	698

- \* 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 2003-04 of £223,390,000 is 43.2 per cent lower than the final provision for 2002-03 of £392,993,000.

## 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 that has been or will be appropriated in aid

	2003-04 provision	2002-03 provision	2001-02 outturn
	441,945	961,425	1,486,796

### Contingent Liabilities

#### RfR 1

As at 31 March 2002 contingent liabilities chargeable to the Consolidated Fund in connection with activities provided for in this RfR were under Section 1 (£5,739 million) and Section 3 (£1,788 million) of the Export and Investment Guarantees Act 1991.

#### RfR 2

As at 31 March 2002 contingent liabilities chargeable to the Consolidated Fund in connection with activities provided for in this RfR were under Section 1 (£21,897 million), Section 2 (£1,054 million) and Section 3 (£3,011 million) of the Export and Investment Guarantees Act 1991.

# Office of Fair Trading

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## Introduction

1. The Office of Fair Trading is an independent consumer protection and competition authority. Its goal is to make markets work well for consumers. This is achieved by enforcing competition and consumer protection law, investigating markets and through an active communications strategy.
2. Further details of the expenditure contained in this Estimate can be found in the OFT Departmental Report Cm 5918.
3. Symbols are explained in the Introduction to this booklet.

## Part I

	£
<b>Request for Resources 1: Advancing and safeguarding the economic interests of UK consumers</b>	<b>54,375,000</b>
<b>Total net resource requirement</b>	<b>54,375,000</b>
<b>Net cash requirement</b>	<b>55,077,000</b>

Amounts required in the year ending 31 March 2004 for expenditure by the Office of Fair Trading on:

### **RfR1: Advancing and safeguarding the economic interests of UK consumers**

administrative and operational costs, and associated non-cash items.

The **Office of Fair Trading** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
<b>RfR 1</b>	54,375,000	22,924,000	31,451,000
<b>Total net resource requirement</b>	54,375,000	22,924,000	31,451,000
<b>Net cash requirement</b>	55,077,000	22,846,000	32,231,000

## Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 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
<b>RfR 1: Advancing and safeguarding the economic interests of UK consumers</b>									
52,608	2,073	-	54,681	306	54,375	3,398	-	50,792	43,557
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Administration									
52,608	2,050	-	54,658	306	54,352	3,398	-	50,769	43,546
<b>Non-budget</b>									
B Refunds									
-	23	-	23	-	23	-	-	23	11
<b>Total for Estimate:</b>									
52,608	2,073	-	54,681	306	54,375	3,398	-	50,792	43,557

## Part II: Resource to cash reconciliation

	2003-04		2002-03		2001-02	
	Provision		Provision		Outturn	
	£'000					
<b>Net Total Resources</b>		54,375		50,792		43,557
<b>Voted capital items</b>						
Capital		3,398		2,398		2,195
Less Non-operating A-in-A		-		-		-
<b>Total net voted capital</b>		<u>3,398</u>		<u>2,398</u>		<u>2,195</u>
<b>Accruals to cash adjustment</b>						
Adjustments to remove non-cash items:						
Cost of Capital charges		-337		-319		-163
Depreciation		-2,549		-2,216		-1,491
New provisions and adjustments to previous provisions		-		-		-2,814
Profit/loss on sale of assets		-		-		-
Prior period adjustments		-		-		-
Other non-cash items		-16		-16		-3,247
Increase (+) / Decrease (-) in stock		-		-		-
Increase (+) / Decrease (-) in debtors		31		31		945
Increase (-) / Decrease (+) in creditors		175		175		-5,466
Use of provisions		-		-		-
<b>Total accruals to cash adjustments</b>		<u>-2,696</u>		<u>-2,345</u>		<u>-12,236</u>
<b>Excess cash to be CFERd</b>		-		-		-
<b>Net Cash Requirement</b>		<u>55,077</u>		<u>50,845</u>		<u>33,516</u>

## 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):-

	2003-04		2002-03		2001-02	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
	£'000					
Operating income not classified as AinA	6,225	<i>6,225</i>	6,225	<i>6,225</i>	5,905	<i>6,089</i>
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
<b>Total</b>	<b>6,225</b>	<b><i>6,225</i></b>	<b>6,225</b>	<b><i>6,225</i></b>	<b>5,905</b>	<b><i>6,089</i></b>

## Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
<b>Net administration costs:</b>				
RfR 1	52,313	50,130		39,630
<b>Net programme costs:</b>				
RfR 1	-4,163	-5,563	-1,978	
<b>Total net programme costs</b>	<u>-4,163</u>	<u>-5,563</u>	<u>-1,978</u>	
<b>Total Net Operating Cost</b>	<b>48,150</b>	<b>44,567</b>		<b>37,652</b>
<i>of which:</i>				
<b>Net Resource Outturn</b>	<b>54,375</b>	<b>50,792</b>		<b>43,557</b>
CFERs	-6,225	-6,225		-5,905
Non-voted expenditure	-	-		-
<b>Resource Budget Outturn</b>	<b>54,363</b>	<b>50,780</b>		<b>43,589</b>

## Notes to the Main Estimate

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

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>54,375</b>	<b>50,792</b>	<b>43,557</b>
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-6,225	-6,225	-5,905
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>48,150</b>	<b>44,567</b>	<b>37,652</b>
<i>Adjustments to remove:</i>			
capital grants to local authorities	-	-	-
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	11	11	43
voted expenditure outside the budget	-23	-23	-11
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	6,225	6,225	5,905
resource consumption of non departmental public bodies	-	-	-
unallocated resource provision	-	-	-
Other adjustments	-	-	-
<b>Resource Budget Outturn (Budget)</b>	<b>54,363</b>	<b>50,780</b>	<b>43,589</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	54,363	50,780	43,589
Annually Managed Expenditure (AME)	-	-	-

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	<b>3,398</b>	<b>2,398</b>	<b>2,195</b>
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	-	-	-
capital grants to local authorities	-	-	-
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	-	-	-
capital spending by levy funded bodies	-	-	-
unallocated capital provision	-	-	-
Other adjustments	-	-	-
<b>Capital Budget Outturn (Budget)</b>	<b>3,398</b>	<b>2,398</b>	<b>2,195</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	3,398	2,398	2,195
Annually Managed Expenditure (AME)	-	-	-

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

### **Explanation of Accounting Officer responsibilities**

The Treasury has appointed the Chairman of the OFT, John Vickers, as the Accounting Officer of the Department with responsibility for preparing the Department's Estimate.

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

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

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

	£'000						
	2003-04		2002-03		2001-02		
	provision		provision		outturn		
	Operating	Non-	Operating	Non-	Operating	Non-	
	A in A	operating	A in A	operating	A in A	operating	A in A
		A in A		A in A		A in A	
<b>RfR 1: Advancing and safeguarding the economic interests of UK consumers</b>							
Receipts from European Travel	11	—	11	—	11	—	
Recovered Legal Costs	20	—	20	—	20	—	
Recovered Common Services provided to other departments	75	—	135	—	135	—	
Competition Act Notification fees	200	—	200	—	200	—	
Minor Occupiers Rental Income	—	—	1,112	—	1,112	—	
<b>Total RfR 1</b>	<b>306*</b>	<b>—</b>	<b>1,478</b>	<b>—</b>	<b>1,478</b>	<b>—</b>	

\*Amount that may be applied as appropriations in aid in addition to the net total, arising from the recovery of legal costs, fees for common services provided to other departments and Competition Act fees.

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

### Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Fees for administration of the Consumer Credit Act 1974 and for Mergers under the Fair Trading Act 1973	6,225	6,225	6,225	6,225	6,225	6,225
Miscellaneous receipts						
<b>Total</b>	<b>6,225</b>	<b>6,225</b>	<b>6,225</b>	<b>6,225</b>	<b>6,225</b>	<b>6,225</b>

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

### Administration cost limits and Departmental Expenditure Limits

Administration costs limits £'000

	Gross provision	Income	Total administration costs limit
Gross administration costs limits	52,608	–295	52,313
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	54,363	—	54,363
Capital DEL	3,398	—	3,398
Less depreciation	–2,549	—	–2,549
Total DEL	55,212	—	55,212

- \* 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 provision sought for 2003–04 of £54,375,000 is 7.1% higher than the 2002–03 final net provision of £50,792,000 and 30.8% higher than the forecast outturn for 2002–03 of £41,556,000.

## 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 due to its relationship with income that has been or will be appropriated in aid

	2003-04 provision	2002-03 provision	2001-02 outturn
	306	1,478	1,478



# Office of Telecommunications

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## Introduction

1. The Office of Telecommunications (OfTel) was set up on 1 July 1984 under the Telecommunications Act 1984. The Director General of Telecommunications is responsible for the enforcement of telecommunications operators' licences and for initiating their modification where appropriate; his duties include the promotion of users' interest and of effective competition. OfTel's aim is to promote competition in order to create conditions in which telecommunications can operate most effectively to the benefit of the economy. OfTel is funded by licence fees paid to the Government by UK telecommunication operators, and by sundry small commercial receipts.
2. Further details of the expenditure contained in this Estimate can be found in the Office of Telecommunications annual report 2002.
3. Symbols are explained in the Introduction to this booklet.

## Part I

	£
<b>Request for Resources 1: Providing the best possible deal for telecommunications customers through effective competition</b>	<b>680,000</b>
<b>Total net resource requirement</b>	<b>680,000</b>
<b>Net cash requirement</b>	<b>143,000</b>

Amounts required in the year ending 31 March 2004 for expenditure by the Office of Telecommunications on:

### **RfR 1: Providing the best possible deal for telecommunications customers through effective competition**

administrative and operational costs, support for the ombudsman scheme, co-operation with economic regulators overseas, management of the accreditation scheme for price comparison websites and associated non cash items.

The **Office of Telecommunications** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete/surrender
	£	£	£
<b>RfR 1</b>	680,000	342,000	338,000
<b>Total net resource requirement</b>	680,000	342,000	338,000
<b>Net cash requirement</b>	143,000	245,000	-102,000

## Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 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
<b>RfR 1: Providing the best possible deal for telecommunications customers through effective competition</b>									
18,463	627	-	19,090	18,410	680	494	-	760	821
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Administration									
18,463	627	-	19,090	18,410	680	494	-	760	821
<b>Total for Estimate:</b>									
18,463	627	-	19,090	18,410	680	494	-	760	821

## Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
<b>Net Total Resources</b>	<b>680</b>	<b>760</b>	<b>821</b>
<b>Voted capital items</b>			
Capital	494	766	860
Less Non-operating A-in-A	-	-	-
<b>Total net voted capital</b>	<b>494</b>	<b>766</b>	<b>860</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-78	-126	-133
Depreciation	-919	-821	-693
New provisions and adjustments to previous provisions	-34	-34	-32
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-30	-30	-26
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	55	55	-326
Increase (-) / Decrease (+) in creditors	-32	-32	-384
Use of provisions	7	7	6
<b>Total accruals to cash adjustments</b>	<b>-1,031</b>	<b>-981</b>	<b>-1,588</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Requirement</b>	<b>143</b>	<b>545</b>	<b>93</b>

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

No CFER income or receipts are expected in 2003-04. None were received in 2002-03 or 2001-02.

## Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
<b>Net administration costs:</b>				
RfR 1	53	10		107
<b>Net programme costs:</b>				
RfR 1	627	750	714	
<b>Total net programme costs</b>	627	750	714	714
<b>Total Net Operating Cost</b>	680	760		821
<i>of which:</i>				
<b>Net Resource Outturn</b>	680	760		821
CFERs	-	-		-
Non-voted expenditure	-	-		-
<b>Resource Budget Outturn</b>	1,635	1,611		815

## Notes to the Main Estimate

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

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>680</b>	<b>760</b>	<b>821</b>
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-	-
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>680</b>	<b>760</b>	<b>821</b>
<i>Adjustments to remove:</i>			
capital grants to local authorities	-	-	-
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	-	-	-
voted expenditure outside the budget	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
resource consumption of non departmental public bodies	-	-	-
unallocated resource provision	962	858	-
Other adjustments	-7	-7	-6
<b>Resource Budget Outturn (Budget)</b>	<b>1,635</b>	<b>1,611</b>	<b>815</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,635	1,611	815
Annually Managed Expenditure (AME)	-	-	-

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	<b>494</b>	<b>766</b>	<b>860</b>
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	-	-	-
capital grants to local authorities	-	-	-
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	-	-	-
capital spending by levy funded bodies	-	-	-
unallocated capital provision	25	38	-
Other adjustments	-	-	-
<b>Capital Budget Outturn (Budget)</b>	<b>519</b>	<b>804</b>	<b>860</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	519	804	860
Annually Managed Expenditure (AME)	-	-	-

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

### Explanation of Accounting Officer responsibilities

The Treasury has appointed the Director General of Oftel, David Edmonds, as Accounting Officer with overall responsibility for preparing the Department's Estimate.

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

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

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

	£'000						
	2003-04		2002-03		2001-02		
	provision		provision		outturn		
	Operating	Non-	Operating	Non-	Operating	Non-	
	A in A	operating	A in A	operating	A in A	operating	A in A
	A in A	A in A	A in A	A in A	A in A	A in A	A in A
<b>Providing the best possible deal for telecommunications customers through effective competition</b>							
Income from fees	18,408	—	18,450	—	15,962	—	
Sales of publications and office equipment	2	—	2	—	4	—	
Co-operation with economic regulators overseas	—	—	234	—	257	—	
Competition Act notification fees	—	—	—	—	—	—	
Management of the accreditation scheme for price comparison websites	—	—	5	—	—	—	
<b>Total RfR 1</b>	<b>18,410*</b>	<b>—</b>	<b>18,691</b>	<b>—</b>	<b>16,223</b>	<b>—</b>	

\*Amount that may be applied as appropriations in aid in addition to the net total, arising from licence fees, Competition Act fees, co-operation with economic regulators overseas, management of the accreditation scheme for price comparison websites and the sale of publications, obsolete office equipment and information systems.

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

### Administration costs limits and Departmental Expenditure Limits

Administration costs limits	£'000		
	Gross provision	Income	Total administration costs limit
Gross administration costs limits	19,418	18,410	1,008
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL)	£'000		
	Voted*	Non-voted	Total
Resource DEL	680	955	1,635
Capital DEL	494	25	519
Less depreciation	-919	—	-919
Total DEL	255	980	1,235

- \* 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 2003-04 of £680,000 is 10.5 per cent lower than the final provision for 2002-03 of £760,000 and 10.5 per cent lower than the forecast outturn of that year of £760,000.

## 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 that has been or will be appropriated in aid

	2003-04 provision	2002-03 provision	2001-02 outturn
	18,410	18,691	16,223

### Contingent Liabilities

The Department has entered into a contract whereby consideration is required should the contract be terminated through no fault on the part of the contractor. Following a competitive tendering exercise, a company was appointed to run an opt-out scheme. It is self-financing (ie. no expenditure by Oftel) but the contract allows the contractor to recover from Oftel any loss if the contract is terminated though no fault of the contractor (for example, a change in government policy). The provision does not allow for the loss of profit and the contractor is under a duty to mitigate loss once termination notice is given. An amount of £80,000 has been identified as a potential liability.

In 2001-02 Oftel sought permission and set up an independent industry-funded Telecommunications Ombudsman. The Ombudsman Scheme has sought a commercial loan of up to £3 million to cover the estimated start up costs of the Scheme. Oftel guarantees the loan until the establishment of the Ombudsman Board. An amount of up to £3 million has been identified as a potential liability.

# Office of Gas and Electricity Markets

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## Introduction

1. This Estimate covers the resource expenditure of the Office of Gas and Electricity Markets.

The Office of Gas and Electricity Markets (OFGEM) comprises the Gas and Electricity Markets Authority and was set up in December 2000 under the provisions of the Utilities Act 2000. OFGEM's principal aim is to protect the interests of consumers, wherever appropriate by promoting effective competition.

Further details of the expenditure contained within this Estimate can be found in the Department of Trade and Industry's Departmental Report Cm 5916.

Monies collected on behalf of the Secretary of State, either on behalf of Energywatch or in respect of the Secretary of State's own costs are shown as payments to DTI.

Central expenditure is offset mainly by income from licence fees recovered from the gas and electricity industries.

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

## Part I

	£
<b>Request for Resources 1: Protecting consumers by regulating monopolies and promoting competition in the electricity and gas industry.</b>	<b>1,000</b>
<b>Request for Resources 2: Expenditure in connection with the Climate Change levy</b>	<b>680,000</b>
<b>Total net resource requirement</b>	<b>681,000</b>
<b>Net cash requirement</b>	<b>2,908,000</b>

Amounts required in the year ending 31 March 2004 for expenditure by the Office of Gas and Electricity Markets on:

### **RfR 1: Protecting consumers by regulating monopolies and promoting competition in the electricity and gas industry.**

Administrative and operational costs, payments to DTI and associated non cash items

### **RfR 2: Expenditure in connection with the Climate Change Levy**

The accreditation of renewable energy producers and certification of output under the Finance Act 2000.

The **Office of Gas and Electricity Markets** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
<b>RfR 1</b>	1,000	—	1,000
<b>RfR 2</b>	680,000	99,000	581,000
<b>Total net resource requirement</b>	681,000	99,000	582,000
<b>Net cash requirement</b>	2,908,000	304,000	2,604,000

## Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 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
<b>RfR 1: Protecting consumers by regulating monopolies and promoting competition in the electricity and gas industry</b>									
39,296	11,375	-	50,671	50,670	1	1,000	150	1	2
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Gas and Electricity Markets Authority: Administration									
38,404	175	-	38,579	38,578	1	1,000	150	1	-4,368
B Payments to DTI									
-	11,200	-	11,200	11,200	-	-	-	-	-
C Gas and Electricity Markets Authority									
892	-	-	892	892	-	-	-	-	4,370
<b>RfR 2: Expenditure in connection with the Climate Change levy</b>									
680	-	-	680	-	680	-	-	220	350
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Gas and Electricity Markets Authority; Administration									
680	-	-	680	-	680	-	-	220	350
<b>Total for Estimate:</b>									
39,976	11,375	-	51,351	50,670	681	1,000	150	221	352

## Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
<b>Net Total Resources</b>	681	221	352
<b>Voted capital items</b>			
Capital	1,000	654	884
Less Non-operating A-in-A	150	75	147
<b>Total net voted capital</b>	850	579	737
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	408	386	129
Depreciation	-1,300	-1,412	-1,207
New provisions and adjustments to previous provisions	-	-	-4,370
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-34	-34	-42
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-7,942
Increase (-) / Decrease (+) in creditors	1,500	-	1,343
Use of provisions	803	936	2,954
<b>Total accruals to cash adjustments</b>	1,377	-124	-9,135
<b>Excess cash to be CFERd</b>	-	-	8,398
<b>Net Cash Requirement</b>	2,908	676	352

## 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					
	2003-04 Provision		2002-03 Provision		2001-02 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	-	-	-	-	-
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	8,398
<b>Total</b>	-	-	-	-	-	8,398

## Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
<b>Net Administration Costs</b>				
RfR 1	718	852	850	
RfR 2	<u>680</u>	<u>220</u>	<u>350</u>	
<b>Total Net Administration costs</b>	<b>1,398</b>	<b>1,072</b>	<b>1,200</b>	
<b>Net Programme Costs</b>				
RfR 1	-717	-851	-848	
RfR 2	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Total Net Programme costs</b>	<b>-717</b>	<b>-851</b>	<b>-848</b>	
<b>Total Net Operating Cost</b>	<b>681</b>	<b>221</b>	<b>352</b>	
<i>of which:</i>				
<b>Net Resource Outturn</b>	<b>681</b>	<b>221</b>	<b>352</b>	
CFERs	-	-	-	
Non-voted expenditure	-	-	-	
<b>Resource Budget Outturn</b>	<b>681</b>	<b>221</b>	<b>352</b>	

## Notes to the Main Estimate

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

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>681</b>	<b>221</b>	<b>352</b>
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-	-
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>681</b>	<b>221</b>	<b>352</b>
<i>Adjustments to remove:</i>			
capital grants to local authorities	-	-	-
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	-	-	-
voted expenditure outside the budget	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
resource consumption of non departmental public bodies	-	-	-
unallocated resource provision	-	-	-
Other adjustments	-	-	-
<b>Resource Budget Outturn (Budget)</b>	<b>681</b>	<b>221</b>	<b>352</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	681	221	352
Annually Managed Expenditure (AME)	-	-	-

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	<b>850</b>	<b>579</b>	<b>737</b>
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	-	-	-
capital grants to local authorities	-	-	-
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	-	-	-
capital spending by levy funded bodies	-	-	-
unallocated capital provision	-	-	-
Other adjustments	-	-	-
<b>Capital Budget Outturn (Budget)</b>	<b>850</b>	<b>579</b>	<b>737</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	850	579	737
Annually Managed Expenditure (AME)	-	-	-

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

### Explanation of Accounting Officer responsibilities

The Treasury has appointed the Chief Executive of Ofgem, Callum McCarthy, as Accounting Officer with overall responsibility for preparing the Department's Estimate.

The allocation of Accounting Officer responsibilities in the Office of Gas and Electricity Markets is as follows:

**Request for Resources 1:** Callum McCarthy Accounting Officer and Permanent Head of Department

Then as applicable:

**Request for Resources 2:** Callum McCarthy, Accounting Officer and Permanent Head of Department

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*. Under the terms of the Accounting Officers' Memorandum the relationship between the Treasury's Principal Accounting Officer and Additional Accounting Officer, together with their respective responsibilities is set out in writing.

Notes to the Main Estimate *(continued)*

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

	£'000					
	2003-04 provision		2002-03 provision		2001-02 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>RfR1: Protecting consumers by regulating monopolies and promoting competition in the electricity and gas industry</b>						
Licence fees:						
Electricity and Gas	36,000		34,232		33,014	
Energywatch	11,200		13,100		22,428	
Elexon Recharge					400	
Income from fees and charges levied under the Utilities Act (metering and quality testing)			1,600		1,520	
Recovery of costs of administering the Fossil Fuel Levy	175		175		230	
Receipts in respect of rent charges to customers	3,295		3,194		2,248	
Sale of capital assets		150		75		34
<b>Total RfR 1</b>	<b>50,670*</b>	<b>150**</b>	<b>52,301</b>	<b>75</b>	<b>59,840</b>	<b>34</b>
<b>Total A in A</b>	<b>50,670</b>	<b>150</b>	<b>52,301</b>	<b>75</b>	<b>59,840</b>	<b>34</b>

\*Amount that may be applied as appropriations in aid in addition to the net total, arising from regulation of monopolies and promoting competition, regulation of monopolies and promoting competition. Includes gas and electricity licence fees; recovery of costs for administering the Fossil Fuel Levy; income from fees and charges levied under the Gas Act 1986 and Electricity Act 1989, as amended by the Utilities Act 2000; receipts in respect of letting, disposal, vacation or occupation of property or accommodation and any other cost recovery receipts.

\*\*Amount that may be applied as non-operating appropriations in aid arising from the sale of capital assets.

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

### Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Excess cash received to cover provision for future liabilities	—	—	—	—	—	8,398
Dividends	—	—	—	—	—	—
Miscellaneous	—	—	—	—	—	—
<b>Total</b>	—	—	—	—	—	<b>8,398</b>

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

### Administration cost limits and Departmental Expenditure Limits

#### Administration costs limits £'000

	Gross provision	Income	Total administration costs limit
<b>Gross administration costs limits</b>			
Net administration costs limits	39,976	–38,578	1,398

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

	Voted*	Non-voted	Total
Resource DEL	681	—	681
Capital DEL	850	—	850
Less depreciation	–1,300	—	–1,300
Total DEL	231	—	231

- \* 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 2003-04 of £681,000 is 208.1 per cent higher than the final provision and forecast outturn for 2002-03 of £221,000

## 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 that has been or will be appropriated in aid

	2003-04 provision	2002-03 provision	2001-02 outturn
	50,670	52,301	68,754



# Postal Services Commission

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## Introduction

1. The Postal Services Commission (Postcomm) was established as a non-Ministerial Government on 6 November 2000 under the Postal Services Act 2000.
2. The token net provision sought for 2003-04 reflects the fact that receipts from Licensees are appropriated in aid rather than surrendered directly to the Consolidated Fund.
3. Symbols are explained in the Introduction to this booklet.

## Part I

	£
<b>Request for Resources 1: Ensuring the provision of a universal postal service at a uniform tariff, protecting consumers and promoting competition</b>	<b>1,000</b>
<b>Total net resource requirement</b>	<b>1,000</b>
<b>Net cash requirement</b>	<b>51,000</b>

Amounts required in the year ending 31 March 2004 for expenditure by Postal Services Commission on:

**RfR 1: Ensuring the provision of a universal postal service at a uniform tariff, protecting consumers and promoting competition:**

Administrative, operational costs and associated non cash items.

The Postal Services Commission will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
<b>RfR 1</b>	1,000	—	1,000
<b>Total net resource requirement</b>	1,000	—	1,000
<b>Net cash requirement</b>	51,000	—	51,000

## Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 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
<b>RfR 1: Ensuring the provision of a universal postal service at a uniform tariff, protecting consumers and promoting competition</b>									
6,943	-	-	6,943	6,942	1	540	-	1	377
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A	Ensuring the provision of a universal postal service at a uniform tariff protecting consumers and promoting competition								
6,943	-	-	6,943	6,942	1	540	-	1	377
<b>Total for Estimate:</b>									
6,943	-	-	6,943	6,942	1	540	-	1	377

## Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
<b>Net Total Resources</b>	1	1	377
<b>Voted capital items</b>			
Capital	540	150	752
Less Non-operating A-in-A	-	-	-
<b>Total net voted capital</b>	<u>540</u>	<u>150</u>	<u>752</u>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-35	-27	-29
Depreciation	-455	-344	-337
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	-	-	-
<b>Total accruals to cash adjustments</b>	<u>-490</u>	<u>-371</u>	<u>-366</u>
<b>Excess cash to be CFERd</b>	-	241	-
<b>Net Cash Requirement</b>	51	21	763

## 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					
	2003-04 Provision		2002-03 Provision		2001-02 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	-	-	-	-	-
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	<i>241</i>	-	-
<b>Total</b>	-	-	-	<i>241</i>	-	-

## Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
<b>Net administration costs:</b>				
RfR 1	1	5,480	2,973	
<b>Net programme costs:</b>				
RfR 1	-	-5,479	-2,596	
<b>Total net programme costs</b>	-	-5,479	-2,596	
<b>Total Net Operating Cost</b>	1	1	377	
<i>of which:</i>				
<b>Net Resource Outturn</b>	1	1	377	
CFERs	-	-	-	
Non-voted expenditure	-	-	-	
<b>Resource Budget Outturn</b>	1	1	377	

## Notes to the Main Estimate

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

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>1</b>	<b>1</b>	<b>377</b>
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-	-
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>1</b>	<b>1</b>	<b>377</b>
<i>Adjustments to remove:</i>			
capital grants to local authorities	-	-	-
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	-	-	-
voted expenditure outside the budget	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
resource consumption of non departmental public bodies	-	-	-
unallocated resource provision	-	-	-
Other adjustments	-	-	-
<b>Resource Budget Outturn (Budget)</b>	<b>1</b>	<b>1</b>	<b>377</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1	1	377
Annually Managed Expenditure (AME)	-	-	-

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	<b>540</b>	<b>150</b>	<b>752</b>
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	-	-	-
capital grants to local authorities	-	-	-
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	-	-	-
capital spending by levy funded bodies	-	-	-
unallocated capital provision	-	-	-
Other adjustments	-	-	-
<b>Capital Budget Outturn (Budget)</b>	<b>540</b>	<b>150</b>	<b>752</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	540	150	752
Annually Managed Expenditure (AME)	-	-	-

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

### Explanation of Accounting Officer responsibilities

The Treasury has appointed the Chief Executive of the Commission, Martin Stanley, as Accounting Officer of the Department with responsibility for preparing the Department's Estimate.

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

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

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

	£'000					
	2003-2004 provision		2002-2003 provision		2001-2002 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 provision of a universal postal service at a uniform tariff, protecting consumers and promoting competition</b>						
Income from postal operators	6,942	—	6,000	—	5,300	—
<b>Total RfR 1</b>	<b>6,942*</b>	<b>—</b>	<b>6,000</b>	<b>—</b>	<b>5,300</b>	<b>—</b>

\*Amount that may be applied as appropriation in aid in addition to the net total arising from income from postal operators.

### Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Income from postal operators	—	—	—	241	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>241</b>	<b>—</b>	<b>—</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
<b>Gross administration costs limits</b>	6,943	6,942	1

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	1	—	1
Capital DEL	540	—	540
Less depreciation	-455	—	-455
<b>Total DEL</b>	<b>86</b>	<b>—</b>	<b>86</b>

- \* i Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as Part of Capital DEL, understage 2 of Resource Accounting and Budgeting, as implemented under 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 2003-04 of £1,000 is the same as the final provision for 2002-03 of £1,000 and is the same as the forecast outturn for that year.

## 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 that has been or will be appropriated in aid

	2003-04 provision	2002-03 provision	2001-02 outturn
	6,942	5,850	5,300

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# Department for Environment, Food and Rural Affairs†

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## Introduction

1. The Estimate is based on the Department's six objectives plus two further sections covering central service administration costs and Executive Agencies. The Request for Resources (RfR) shows Departmental Expenditure Limit (DEL), Annually Managed Expenditure (AME) and non-budget groupings and differentiates between central government's own expenditure and central government support to local authorities.
2. The single RfR contains all capital expenditure, the Department's administration costs, costs of executive agencies, grant-in-aid, research and development, payments to agencies, as well as reimbursable costs and offsetting EU receipts in respect of the Common Agricultural Policy and the England Rural Development Plan. Further details of the expenditure contained in this Estimate can be found in the DEFRA Departmental Report CM 5919.
3. Defra has six executive agencies – the Central Science Laboratory (CSL), the Veterinary Laboratories Agency (VLA), the Veterinary Medicines Directorate (VMD), the Centre for Environment, Fisheries and Aquaculture Science (CEFAS), Pesticides Safety Directorate (PSD) and the Rural Payments Agency (RPA). CSL, VLA, VMD and CEFAS operate under net administration costs control. PSD and RPA operate under gross administration costs control.
4. Symbols are explained in the Introduction to this booklet.

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† In the Vote on Account this Estimate is described as "Department for the Environment, Food and Rural Affairs."

## Part I

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<b>Request for Resources 1: Ensuring that consumers benefit from competitively priced food, produced to high standards of safety, environmental care and animal welfare from a sustainable, efficient food chain, and to contribute to the well-being of rural and coastal communities. Funding aspects of the Common Agricultural Policy and England Rural Development Plan Guarantee Section as economically, efficiently and effectively as possible†</b>	<b>2,380,089,000</b>
<b>Total net resource requirement</b>	<b>2,380,089,000</b>
<b>Net cash requirement</b>	<b>2,460,533,000</b>

Amounts required in the year ending 31 March 2004 for expenditure by the Department for Environment, Food and Rural Affairs on:

**RfR 1: Ensuring that consumers benefit from competitively priced food, produced to high standards of safety, environmental care and animal welfare from a sustainable, efficient food chain, and to contribute to the well-being of rural and coastal communities. Funding aspects of the Common Agricultural Policy and England Rural Development Plan Guarantee Section as economically, efficiently and effectively as possible**

environmental protection; support for measures which improve local environmental quality; pollution emergency response services; flood and coastal protection and land drainage; water partnership supply and sewerage services, including national security; support to the environmental protection industry for environmental technology and for measures to promote sustainable development; measures to reduce carbon dioxide emissions and improve energy efficiency, security and environmental practice; botanical services; radon measurement and support of remedial works campaigns; support for agriculture in special areas; food safety and hygiene; support for rural and regional development; assistance to production; marketing and processing in the agriculture, fisheries and food industries; assistance to the residuary Milk Marketing Board; cover for payment arising out of the Factortame group of claims following the House of Lords judgement in October 1999; emergency and strategic food services; plant health; support for the fishing industry; compensation payments to producers; grants and other financial support to voluntary bodies; support for measures to stimulate sustainable consumption of goods and services; countryside management and stewardship; conservation; national parks grants; support of countryside and wildlife initiatives; animal health and welfare; emergency measures, including foot and mouth eradication and compensation schemes; other services including emergency measures in relation to BSE; grant-in-aid to Non-Departmental Public Bodies and Public Corporations; subscriptions and contributions to international organisations; surveys, monitoring, statistics, advice and consultancies; publicity, promotion, awareness and publications; commissioned and departmental research and development; specialist support services, management and development of staff, other departmental administration costs, regional restructuring costs; EU receipts; giving effect in the United Kingdom to the agricultural support provisions of the Common Agricultural Policy and England Rural Development Plan of the European Union including compensation payments to producers and support for agriculture in special areas and associated non-cash costs.

The **Department for Environment, Food and Rural Affairs** will account for this Estimate.

**Part I (continued)**

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
<b>RfR 1</b>	2,380,089,000	993,731,000	1,386,358,000
<b>Total net resource requirement</b>	2,380,089,000	993,731,000	1,386,358,000
<b>Net cash requirement</b>	2,460,533,000	1,003,804,000	1,456,729,000

† In the Vote on Account the Request for Resource is described as:

RfR 1 'Ensuring that consumers benefit from competitively priced food produced to high standards of safety, environmental care and animal welfare from a sustainable efficient food chain, and to contribute to well-being of rural and coastal communities'

RfR 2 'Funding aspects of the Common Agricultural Policy and England Rural Development Plan Guarantee Section as economically, efficiently and effectively as possible'

## Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 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 that consumers benefit from competitively priced food, produced to high standards of safety, environmental care and animal welfare from a sustainable, efficient food chain, and to contribute to the well-being of rural and coastal communities. Funding aspects of the Common Agricultural Policy and England Rural Development Plan Guarantee Section as economically, efficiently and effectively as possible</b>									
575,516	2,977,358	1,317,853	4,870,727	2,490,638	2,380,089	226,077	18,022	2,534,803	2,567,294
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Protecting and improving rural, urban and global environment (EN)									
62,308	195,285	4,752	262,345	2,284	260,061	13,543	-	279,366	245,939
B Promoting sustainable rural areas (SA)									
8,537	68,363	64,907	141,807	6	141,801	4,359	-	123,802	123,680
C Promoting a sustainable, competitive and safe food supply chain (FS)									
27,675	40,507	11,398	79,580	2,480	77,100	673	28	71,446	63,711
D Promoting sustainable, diverse, modern and adaptable farming (AF)									
47,168	57,385	13,031	117,584	6,347	111,237	11,741	-	118,572	85,463
E Promoting management and prudent use of natural resources (NR)									
19,940	327,179	206,201	553,320	208	553,112	1,497	-	509,268	536,174
F Protecting public interest in relation to environmental impacts and health (PI)									
98,599	575,011	963	674,573	4,200	670,373	79,067	-	687,792	699,739
G Departmental Operations									
135,053	88,739	2,125	225,917	8,498	217,419	59,919	17,994	239,276	262,933
H Executive Agencies									
176,236	-5,703	-	170,533	34,533	136,000	55,120	-	114,590	151,189
I Capital grants funded by CMF ( Capital DEL )									
-	-	400	400	-	400	-	-	330	410
<i>Support for Local Authorities</i>									
J Promoting management and prudent use of natural resources (NR)									
-	-	568	568	-	568	-	-	10,439	380

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

£'000

2003-04						2002-03 Provision	2001-02 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	
K	Protecting public interest in relation to environmental impacts and health (PI)									
-	-	27,789	27,789	-	27,789	-	-	21,484	23,203	
L	Capital Grants to LA's									
-	-	-	-	-	-	-	-	500	-	
<b>Spending in Annually Managed Expenditure (AME)</b>										
<i>Central Government spending</i>										
M	Protecting and improving rural, urban and global environment (EN)									
-	31,785	-	31,785	-	31,785	-	-	31,358	33,231	
N	Promoting sustainable rural areas (SA)									
-	5,487	-	5,487	-	5,487	-	-	5,412	9,878	
O	Promoting a sustainable, competitive and safe food supply chain (FS)									
-	1,268,710	-	1,268,710	-	1,268,710	32	-	1,326,317	1,185,385	
P	Promoting sustainable, diverse, modern and adaptable farming (AF)									
-	303,537	-	303,537	-	303,537	126	-	299,461	297,566	
Q	Promoting management and prudent use of natural resources (NR)									
-	1,034	-	1,034	-	1,034	-	-	1,020	1,862	
R	Protecting public interest in relation to environmental impacts and health (PI)									
-	-	-	-	-	-	-	-	2,208	-	
S	Protecting public interest in relation to environmental impacts and health (PI)									
-	-	-	-	-	-	-	-	-	210,200	
<b>Non-budget</b>										
T	Protecting and improving rural, urban and global environment (EN)									
-	-	216,671	216,671	-	216,671	-	-	307,859	171,053	
U	Promoting sustainable rural areas (SA)									
-	-	28,421	28,421	-	28,421	-	-	29,530	21,752	

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

£'000

2003-04						2002-03 Provision	2001-02 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
V	Promoting a sustainable, competitive and safe food supply chain (FS)								
-	9,967	390,634	400,601	608,147	-207,546	-	-	-136,321	-138,498
W	Promoting sustainable, diverse, modern and adaptable farming (AF)								
-	10,072	342,439	352,511	1,823,935	-1,471,424	-	-	-1,458,124	-1,209,438
X	Promoting management and prudent use of natural resources (NR)								
-	-	-	-	-	-	-	-	-	-
Y	Protecting public interest in relation to environmental impacts and health (PI)								
-	-	7,554	7,554	-	7,554	-	-	7,554	-208,518
Z	Executive Agencies								
-	-	-	-	-	-	-	-	-58,336	-
<b>Total for Estimate:</b>									
575,516	2,977,358	1,317,853	4,870,727	2,490,638	2,380,089	226,077	18,022	2,534,803	2,567,294

## Part II: Resource to cash reconciliation

	2003-04		2002-03		2001-02	
	Provision		Provision		Outturn	
	£'000					
<b>Net Total Resources</b>	2,380,089		2,534,803		2,567,294	
<b>Voted capital items</b>						
Capital	226,077		251,258		187,689	
Less Non-operating A-in-A	18,022		22,833		6,068	
<b>Total net voted capital</b>	208,055		228,425		181,621	
<b>Accruals to cash adjustment</b>						
Adjustments to remove non-cash items:						
Cost of Capital charges	-44,664		-40,305		-37,471	
Depreciation	-83,495		-69,257		-78,139	
New provisions and adjustments to previous provisions	-		-300		-213,752	
Profit/loss on sale of assets	-		-		-8,975	
Prior period adjustments	-		-		-	
Other non-cash items	-345		-345		-310	
Increase (+) / Decrease (-) in stock	-62		760		570	
Increase (+) / Decrease (-) in debtors	429		150,354		117,542	
Increase (-) / Decrease (+) in creditors	526		150,520		316	
Use of provisions	-		180,400		1,909,593	
<b>Total accruals to cash adjustments</b>	-127,611		371,827		1,689,374	
<b>Excess cash to be CFERd</b>	-		-		-	
<b>Net Cash Requirement</b>	2,460,533		3,135,055		4,438,289	

## 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):-

	2003-04		2002-03		2001-02	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
	£'000					
Operating income not classified as AinA	372,764	<i>375,924</i>	23,208	<i>26,364</i>	39,864	<i>41,417</i>
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
<b>Total</b>	372,764	<i>375,924</i>	23,208	<i>26,364</i>	39,864	<i>41,417</i>

## Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
<b>Net administration costs:</b>				
RfR 1	532,910	542,197		622,980
<b>Net programme costs:</b>				
RfR 1	1,474,415	1,969,398	1,904,450	
<b>Total net programme costs</b>	<u>1,474,415</u>	<u>1,969,398</u>	<u>1,904,450</u>	<b>1,904,450</b>
<b>Total Net Operating Cost</b>	<b>2,007,325</b>	<b>2,511,595</b>		<b>2,527,430</b>
<i>of which:</i>				
<b>Net Resource Outturn</b>	<b>2,380,089</b>	<b>2,534,803</b>		<b>2,567,294</b>
CFERs	-372,764	-23,208		-39,864
Non-voted expenditure	-	-		-
<b>Resource Budget Outturn</b>	<b>3,904,642</b>	<b>4,432,404</b>		<b>4,421,656</b>

## Notes to the Main Estimate

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

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>2,380,089</b>	<b>2,534,803</b>	<b>2,567,294</b>
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-372,764	-23,208	-39,864
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>2,007,325</b>	<b>2,511,595</b>	<b>2,527,430</b>
<i>Adjustments to remove:</i>			
capital grants to local authorities	-28,457	-21,923	-23,583
capital grants financed from the Capital Modernisation Fund	-400	-330	-410
European Union income and related adjustments	2,449,361	2,415,152	2,162,484
voted expenditure outside the budget	-717,790	-712,921	-534,449
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	22,764	23,208	39,864
resource consumption of non departmental public bodies	161,150	232,913	250,320
unallocated resource provision	10,689	-15,290	-
Other adjustments	-	-	-
<b>Resource Budget Outturn (Budget)</b>	<b>3,904,642</b>	<b>4,432,404</b>	<b>4,421,656</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	2,644,089	2,604,735	2,611,766
Annually Managed Expenditure (AME)	1,260,553	1,827,669	1,809,890

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	<b>208,055</b>	<b>228,425</b>	<b>181,621</b>
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-8,975
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	41,618	41,456	34,649
capital grants to local authorities	28,357	21,923	23,583
capital grants financed by the Capital Modernisation Fund	400	330	410
local authority credit approvals	35,365	24,944	29,528
capital spending by levy funded bodies	-	-	-
unallocated capital provision	-	-	-
Other adjustments	29,912	23,125	24,975
<b>Capital Budget Outturn (Budget)</b>	<b>343,707</b>	<b>340,203</b>	<b>285,791</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	342,311	338,807	284,353
Annually Managed Expenditure (AME)	1,396	1,396	1,438

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

### Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Secretary, Mr Brian Bender, as Principal Accounting Officer with overall responsibility for preparing the Department's Estimate.

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

Notes to the Main Estimate *(continued)*

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

	£'000					
	2003-04 provision		2002-03 provision		2001-02 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 that consumers benefit from competitively priced food, produced to high standards of safety, environmental care and animal welfare from a sustainable, efficient food chain, and to contribute to the well-being of rural and coastal communities. Funding aspects of the Common Agricultural Policy and England Rural Development Plan Guarantee Section as economically, efficiently and effectively as possible.</b>						
EU funding	2,432,082	—	2,457,645	—	2,375,345	—
Fees and charges to external customers	36,022	—	35,462	—	33,358	—
Fees and charges to other departments	12,958	—	12,714	—	11,803	—
Other programme income	9,576	—	35,712	—	25,029	—
Sale of land and buildings	—	18,022	—	22,833	—	6,068
<b>Total RfR 1</b>	<b>2,490,638*</b>	<b>18,022**</b>	<b>2,541,533</b>	<b>22,833</b>	<b>2,445,535</b>	<b>6,068</b>

\*Amount that may be applied as appropriations in aid in addition to the net total, arising from eligible expenditure on farm grants, monitoring of Arable Area Payments Scheme, the UK Register of Organic Food Standards, decommissioning of fishing vessels, EC Leader Programme and Sector Challenge Grants. Receipts resulting from projects under the Wider Markets Initiative. Receipts from sale of carcasses and vaccine relating to Brucellosis and Tuberculosis eradication, Receipts from fees and charges on Local Veterinary Inspectors' work, public enquiries on salmon, whaling and inland fisheries, certification testing, National List and plant breeders' rights, commissioned surveys, studies and advice. Repayments of ATB Landbase redundancy fund and loans, SFIA loan capital and refund of SFIA grants. Rental income from ATB Landbase and from land managed by the Minister. Receipts in respect of the tide gauge network, work carried out by the Veterinary Laboratories Agency and NIAB Redundancy Fund. Recovery of shellfish enquiry expenses. Income from the provision of services to internal and external customers, including the secondment of staff and services to IBEA. Statutory receipts. Receipts from the sale or use of rights and assets. Rents from property. Receipts from the sale of information, including publications. Income from levies, licensing approvals, certification, inspections, registrations, supervision and extensification. Reimbursement of Defra expenditure, including EC receipts. Income from legal claims. Insurance recoveries, Other receipts and credits. Receipts in respect of environment protection and research (ex-DETR). Amount that may be applied as appropriations in aid in addition to the net total, arising from the recovery of income from transfers, bulletins and for receipts for CAP market support and from European Community Institutions.

\*\*Amount that may be applied as appropriations in aid arising from the sale of surplus land and buildings and loan repayments.

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

### Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Sugar and isoglucose production and storage levies	22,588	25,924	23,032	26,082	39,010	37,457
Forfeited securities	126	—	126	232	2,336	2,336
Water Industry Closed Pension Fund	350,000	350,000	—	—	—	—
Administration	50	50	50	50	71	71
<b>Total</b>	<b>372,764</b>	<b>375,924</b>	<b>23,208</b>	<b>26,364</b>	<b>39,864</b>	<b>41,417</b>

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

### Administration cost limits and Departmental Expenditure Limits

Administration costs limits £'000

	Gross provision	Income	Total administration costs limit
<b>Gross administration costs limits</b>	<b>558,600</b>	<b>-25,690</b>	<b>532,910</b>
Central Science Laboratory	32,758	-32,758	—
Centre for Environment, Fisheries and Aquaculture Science (CEFAS)	19,917	-19,917	—
Veterinary Laboratories Agency	49,834	-49,834	—
Veterinary Medicine Directorate	8,468	-8,468	—
<b>Total Net administration costs limits</b>	<b>110,977</b>	<b>-110,977</b>	<b>—</b>

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	2,138,541	505,548	2,644,089
Capital DEL	266,566	75,745	342,311
Less depreciation	-83,495	-97,721	-181,216
<b>Total DEL</b>	<b>2,321,612</b>	<b>483,572</b>	<b>2,805,184</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 2003-04 of £2,380,089,000 is 6.1 per cent lower than the final provision and forecast outturn for 2002-03 of £2,534,803,000

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

The RfR contains provision sought under the sole authority of Part I of the Estimate and the confirming Appropriation Act as follows:

Payments for Committees and Tribunals (Sections A to F) ■	54
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**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 that has been or will be appropriated in aid

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	<b>2003-04 provision</b>	<b>2002-03 provision</b>	<b>2001-02 outturn</b>
	2,516,160	2,555,676	3,376,487

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# Forestry Commission

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## Introduction

1. This Estimate provides net funding for the Forestry Commission's activities in England and those functions which it carries out on a GB-wide basis. From 1 December 2001, the Forestry Commission Pension Scheme was wound up and all its liabilities transferred to the Principal Civil Service Pension Scheme. Therefore although there is no provision for pension payments in the 2003-04 Estimate or 2002-03 provisional outturn, they are still included (for part of year only) in the 2001-02 outturn figures.

2. The objectives of the Forestry Commission are to promote the interests of forestry, the development of afforestation including the establishment and maintenance of adequate reserves of growing trees, the production and supply of timber and other forest products, the provision of opportunities for recreation and the development of the potential of the forests it manages as a habitat for wildlife. Its activities in relation to England cover the promotion of forestry and supporting the planting, management and conservation of forests and woodlands, including the operation of the Commission's estate by its Forest Enterprise agency. The financing of its GB-wide functions covers the salary and other costs of the Commissioners and their policy and support staff, international relations, plant health and forestry research. Further information on the scale and scope of these activities can be found in the 2003 DEFRA Departmental Report, Annex B (Cm 5919).

3. Contributions from the European Union to grant for woodlands in the private sector are received through the UK Co-ordinating Body. In 2003-04 this is expected to be £5,500,000.

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

## Part I

	£
<b>Request for Resources 1: Protecting and expanding Britain's woodlands and increasing their value to society and the environment</b>	<b>81,236,000</b>
<b>Total net resource requirement</b>	<b>81,236,000</b>
<b>Net cash requirement</b>	<b>61,333,000</b>

Amounts required in the year ending 31 March 2004 for expenditure by the **Forestry Commission** on:

### **RfR 1: Protecting and expanding Britain's woodlands and increasing their value to society and the environment:**

representation of British interests in international forestry policy matters; protection of British forests and trees from imported pests and diseases; forestry research; promotion and regulation of forestry activity in England through grants for new planting, replanting after felling and forest improvements, the application of forest management standards and felling controls, managing the public forest estate including planting, roading, harvesting and marketing of timber, restocking and the provision of public access and recreation; administration, recovery of VAT and associated non-cash items.

The **Forestry Commission** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
<b>RfR 1</b>	81,236,000	46,244,000	34,992,000
<b>Total net resource requirement</b>	81,236,000	46,244,000	34,992,000
<b>Net cash requirement</b>	61,333,000	26,907,000	34,426,000

## Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 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
<b>RfR 1: Protecting and expanding Britain's woodlands and increasing their value to society and the environment</b>									
-	82,736	-1,500	81,236	-	81,236	820	-	88,141	582,310
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Forestry									
-	77,236	1,000	78,236	-	78,236	820	-	77,536	79,182
<b>Spending in Annually Managed Expenditure (AME)</b>									
<i>Central Government spending</i>									
B Forestry									
-	5,500	-	5,500	-	5,500	-	-	5,500	504,300
<b>Non-budget</b>									
C Forestry									
-	-	-2,500	-2,500	-	-2,500	-	-	5,105	-1,172
<b>Total for Estimate:</b>									
-	82,736	-1,500	81,236	-	81,236	820	-	88,141	582,310

## Part II: Resource to cash reconciliation

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
<b>Net Total Resources</b>	<b>81,236</b>	<b>88,141</b>	<b>582,310</b>	
<b>Voted capital items</b>				
Capital	820	850	943	
Less Non-operating A-in-A	-	-	-	
<b>Total net voted capital</b>	<b>820</b>	<b>850</b>	<b>943</b>	
<b>Accruals to cash adjustment</b>				
Adjustments to remove non-cash items:				
Cost of Capital charges	-20,586	-25,521	-17,441	
Depreciation	-1,070	-1,070	-910	
New provisions and adjustments to previous provisions	-	-	-	
Profit/loss on sale of assets	-	-	-	
Prior period adjustments	-	-	-	
Other non-cash items	-	-	-45	
Increase (+) / Decrease (-) in stock	324	389	516	
Increase (+) / Decrease (-) in debtors	1,162	1,162	2,706	
Increase (-) / Decrease (+) in creditors	-553	-553	-1,786	
Use of provisions	-	-	-	
<b>Total accruals to cash adjustments</b>	<b>-20,723</b>	<b>-25,593</b>	<b>-16,960</b>	
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Cash Requirement</b>	<b>61,333</b>	<b>63,398</b>	<b>566,293</b>	

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

No CFER income or receipts are expected in 2003-04. None were received in 2002-03 or 2001-02.

## Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
<b>Net administration costs:</b>				
RfR 1	-	-	-	-
<b>Net programme costs:</b>				
RfR 1	81,236	88,141	582,310	
<b>Total net programme costs</b>	<b>81,236</b>	<b>88,141</b>	<b>582,310</b>	
<b>Total Net Operating Cost</b>	<b>81,236</b>	<b>88,141</b>	<b>582,310</b>	
<i>of which:</i>				
<b>Net Resource Outturn</b>	<b>81,236</b>	<b>88,141</b>	<b>582,310</b>	
CFERs	-	-	-	
Non-voted expenditure	-	-	-	
<b>Resource Budget Outturn</b>	<b>86,389</b>	<b>85,689</b>	<b>582,918</b>	

## Notes to the Main Estimate

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

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>81,236</b>	<b>88,141</b>	<b>582,310</b>
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-	-
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>81,236</b>	<b>88,141</b>	<b>582,310</b>
<i>Adjustments to remove:</i>			
capital grants to local authorities	-	-	-
capital grants financed from the Capital Modernisation Fund	-3,000	-10,605	-3,128
European Union income and related adjustments	-	-	-
voted expenditure outside the budget	5,500	5,500	4,300
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
resource consumption of non departmental public bodies	-	-	-
unallocated resource provision	-	-	-
Other adjustments	2,653	2,653	-564
<b>Resource Budget Outturn (Budget)</b>	<b>86,389</b>	<b>85,689</b>	<b>582,918</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	80,889	80,189	78,618
Annually Managed Expenditure (AME)	5,500	5,500	504,300

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	<b>820</b>	<b>850</b>	<b>943</b>
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	-	-	-
capital grants to local authorities	-	-	-
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	-	-	-
capital spending by levy funded bodies	-	-	-
unallocated capital provision	-	-	-
Other adjustments	2,300	10,005	4,943
<b>Capital Budget Outturn (Budget)</b>	<b>3,120</b>	<b>10,855</b>	<b>5,886</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	3,120	10,855	5,886
Annually Managed Expenditure (AME)	-	-	-

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

### Explanation of Accounting Officer responsibilities

The Treasury has appointed the Director General of the Forestry Commission, Mr David Bills, as Accounting Officer of the Department with responsibility for preparing the Department's Estimate.

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

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

### Administration costs limits and Departmental Expenditure Limits

Departmental Expenditure Limits (DEL)	£'000		
	Voted*	Non-voted	Total
Resource DEL	78,236	2,653	80,889
Capital DEL	820	2,300	3,120
Less depreciation	-1,070	—	-1,070
Total DEL	77,986	4,953	82,939

- \* 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 2003-04 of £81,236,000 is 7.8% lower than the final net provision for 2002-03 of £88,141,000, and 7.7% lower than the forecast outturn for 2002-03 of £88,030,000.

# Office of Water Services

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## Introduction

1. This Estimate provides for the funding of the Office of Water Services (Ofwat). The Department is headed by the Director General of Water Services who is responsible for ensuring that water and sewerage companies properly carry out their functions and can finance them. Subject to that he must protect customers, promote economy and efficiency and facilitate competition.
2. Ofwat is financed through licence fees received from the water and sewerage companies and is subject to cost controls.
3. The provision of £37,000 sought for 2003-04 is required to cover part of the pension costs of the former Director General of the Office of Water Services that cannot be charged to the water industry. The provision sought reflects the Appropriations in Aid of receipt from fees levied by the utility regulator. Further information on administration costs and staff numbers will be available in Ofwat's annual report.
4. Symbols are explained in the Introduction to this booklet.

## Part I

	£
<b>Request for Resources 1: Regulation of the Water Industry</b>	<b>1,000</b>
<b>Total net resource requirement</b>	<b>1,000</b>
<b>Net cash requirement</b>	<b>37,000</b>

Amounts required in the year ending 31 March 2004 for expenditure by the Office of Water Services on:

### RfR 1: Regulation of the Water Industry:

Administration and operational costs and the provision of customer representation and associated non-cash items.

The **Office of Water Services** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to Complete
	£	£	£
<b>RfR 1</b>	1,000	—	1,000
<b>Total net resource requirement</b>	1,000	—	1,000
<b>Net cash requirement</b>	37,000	16,000	21,000

## Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 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
<b>RfR 1: Regulation of the Water Industry</b>									
11,940	661	-	12,601	12,600	1	300	-	1,101	1
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Office of Water Services									
11,940	661	-	12,601	12,600	1	300	-	1,101	1
<b>Total for Estimate:</b>									
11,940	661	-	12,601	12,600	1	300	-	1,101	1

## Part II: Resource to cash reconciliation

	2003-04		2002-03		2001-02	
	Provision		Provision		Outturn	
	£'000					
<b>Net Total Resources</b>		1		1,101		1
<b>Voted capital items</b>						
Capital		300		1,135		536
Less Non-operating A-in-A		-		-		-
<b>Total net voted capital</b>		<u>300</u>		<u>1,135</u>		<u>536</u>
<b>Accruals to cash adjustment</b>						
Adjustments to remove non-cash items:						
Cost of Capital charges		-40		-9		45
Depreciation		-560		-587		-206
New provisions and adjustments to previous provisions		-34		-63		-23
Profit/loss on sale of assets		-		-		-
Prior period adjustments		-		-		-
Other non-cash items		-27		-27		-27
Increase (+) / Decrease (-) in stock		-		-		-
Increase (+) / Decrease (-) in debtors		-		-		-377
Increase (-) / Decrease (+) in creditors		307		95		-457
Use of provisions		<u>90</u>		<u>90</u>		<u>88</u>
<b>Total accruals to cash adjustments</b>		<b>-264</b>		<b>-501</b>		<b>-957</b>
<b>Excess cash to be CFERd</b>		-		-		<b>455</b>
<b>Net Cash Requirement</b>		<b>37</b>		<b>1,735</b>		<b>35</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):-

	2003-04		2002-03		2001-02	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
	£'000					
Operating income not classified as AinA	-	-	-	-	731	<i>731</i>
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	<i>101</i>
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	<i>455</i>
<b>Total</b>	-	-	-	-	<b>731</b>	<b><i>1,287</i></b>

## Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
<b>Net administration costs:</b>				
RfR 1	-660	415		-210
<b>Net programme costs:</b>				
RfR 1	661	686	-520	
<b>Total net programme costs</b>	<u>661</u>	<u>686</u>		-520
<b>Total Net Operating Cost</b>	1	1,101		-730
<i>of which:</i>				
<b>Net Resource Outturn</b>	1	1,101		1
CFERs	-	-		-731
Non-voted expenditure	-	-		-
<b>Resource Budget Outturn</b>	1	1,101		-730

## Notes to the Main Estimate

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

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>1</b>	<b>1,101</b>	<b>1</b>
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-	-731
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>1</b>	<b>1,101</b>	<b>-730</b>
<i>Adjustments to remove:</i>			
capital grants to local authorities	-	-	-
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	-	-	-
voted expenditure outside the budget	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
resource consumption of non departmental public bodies	-	-	-
unallocated resource provision	-	-	-
Other adjustments	-	-	-
<b>Resource Budget Outturn (Budget)</b>	<b>1</b>	<b>1,101</b>	<b>-730</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1	1,101	-730
Annually Managed Expenditure (AME)	-	-	-

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	<b>300</b>	<b>1,135</b>	<b>536</b>
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	-	-	-
capital grants to local authorities	-	-	-
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	-	-	-
capital spending by levy funded bodies	-	-	-
unallocated capital provision	-	-	-
Other adjustments	-	-	-
<b>Capital Budget Outturn (Budget)</b>	<b>300</b>	<b>1,135</b>	<b>536</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	300	1,135	536
Annually Managed Expenditure (AME)	-	-	-

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

### Explanation of Accounting Officer responsibilities

The Treasury has appointed the Director General Philip Fletcher as Principal Accounting Officer with overall responsibility for preparing the Department's Estimate.

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

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

### Analysis of Appropriations in Aid (A in A)

	£'000					
	2003-04 provision		2002-03 provision		2001-02 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: Regulation of the Water Industry</b>						
Licence Fees	12,600	—	11,950	—	10,832	—
<b>Total RfR 1</b>	<b>12,600*</b>	<b>—</b>	<b>11,950</b>	<b>—</b>	<b>10,832</b>	<b>—</b>

\*Amount that may be applied as appropriations in aid in addition to the net total, arising from receipts of licence fees.

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

### Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Miscellaneous	—	—	—	—	731	1,287
<b>Total</b>	—	—	—	—	731	1,287

### Administration Cost Limits and Departmental Expenditure Limits

Administration costs limits			£'000
	Gross provision	Income	Total administration costs limit
Gross administration costs limits	11,940	-12,600	-660
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL)			£'000
	Voted*	Non-voted	Total
Resource DEL	1	—	1
Capital DEL	300	—	300
Less depreciation	-560	—	-560
Total DEL	-259	—	-259

- \* 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
- iii. The removal of depreciation from the Total DEL figure is to prevent a double-counting of capital consumption (since capital DEL already includes capital spending, so to also include the depreciation of those assets would be misleading and would include capital twice). However, because the department covers resource DEL spending through negative DEL receipts the removal of the depreciation figure results in a negative Total DEL number. For spending control purposes it is the individual resource and capital DEL numbers that apply.

### Comparison of provision sought with final provision and forecast outturn

The token provision sought for 2003-04 reflects the classification of receipts from fees received from the water and sewerage companies which enables OFWAT to appropriate in aid the receipts instead of surrendering them to the Consolidated Fund.

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

### Cash which may be retained to offset expenditure

Cash which may be retained by the department in the year due to its relationship with income that has been or will be appropriated in aid.

			£'000
	2003-04 provision	2002-03 provision	2001-02 outturn
	12,600	11,950	10,832

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# Department for Culture, Media and Sport

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## Introduction

1. This Estimate covers grant-in-aid and grant expenditure by the Department for Culture, Media and Sport on support to museums, galleries and libraries; arts, sport, historic buildings, monuments and sites, tourism, broadcasting and media, gambling, licensing and horseracing; expenditure on the administration of the Department, on research and on the National Lottery Commission (all RfR 1); and payments to the British Broadcasting Corporation (BBC) to finance television and sound broadcasting within the United Kingdom (RfR 2).
2. Details of expenditure, including grants-in-aid, are contained in Chapters 2 and 3 of the Department for Culture, Media and Sport Annual Report 2003 (Cm 5423).
3. The net total resources sought under RfR 1 for 2003–04 are 0.9 per cent lower than the final provision and 4.7 per cent higher than the forecast outturn for 2002–03. The net total resources sought under RfR 2 for 2003–04 are 5.1 per cent higher than the final provision and forecast outturn for 2002–03.
4. Indemnities have been granted by the Secretary of State for Culture, Media and Sport under the National Heritage Act 1980. The maximum total indemnity value in 2003–04 is £3,660 million. A breakdown of these indemnities can be found in Chapter 2 of Cm 5423.
5. Symbols are explained in the Introduction to this booklet.

## Part I

	£
<b>Request for Resources 1: Improving the quality of life through cultural and sporting activities</b>	<b>1,279,311,000</b>
<b>Request for Resources 2: Broadening access to a rich and varied cultural and sporting life through home broadcasting</b>	<b>2,399,099,000</b>
<b>Total net resource requirement</b>	<b>3,678,410,000</b>
<b>Net cash requirement</b>	<b>3,681,683,000</b>

Amounts required in the year ending 31 March 2004 for expenditure by the Department for Culture, Media and Sport on:

### **RfR 1: Improving the quality of life through cultural and sporting activities**

Support for national and other museums and galleries; the Government Indemnity Scheme; the British Library and other library and archive institutions and services; to the Arts and Sports Councils and for other arts and sports bodies and schemes; the Royal Palaces and Parks; historic buildings, ancient monuments and sites, certain public buildings, and national heritage and architecture; listed places of worship scheme; promotion of tourism; support to film bodies and projects; sponsorship of the music industry; the Welsh Fourth Channel Authority and certain broadcasting services and schemes; alcohol, gambling, film and video licensing; related research, surveys and other services; central administration costs; expenses of the National Lottery Commission; commemorative services and Royal funerals; the Queen's Golden Jubilee; transfer of pension values of certain bodies; and associated non-cash items.

### **RfR 2: Broadening access to a rich and varied cultural and sporting life through home broadcasting**

Payments to the British Broadcasting Corporation for home broadcasting; and associated non-cash items.

The **Department for Culture, Media and Sport** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
<b>RfR 1</b>	1,279,311,000	565,587,000	713,724,000
<b>RfR 2</b>	2,399,099,000	1,050,364,000	1,348,735,000
<b>Total net resource requirement</b>	<b>3,678,410,000</b>	<b>1,615,951,000</b>	<b>2,062,459,000</b>
<b>Net cash requirement</b>	<b>3,681,683,000</b>	<b>1,610,281,000</b>	<b>2,071,402,000</b>

## Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 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: Improving the quality of life through cultural and sporting activities</b>									
44,430	123,361	1,123,424	1,291,215	11,904	1,279,311	9,177	-	1,291,264	1,051,503
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Museums, galleries and libraries									
-	150	-	150	5	145	-	-	413	289
B Arts									
-	793	-	793	2	791	200	-	816	494
C Sport									
-	500	2,800	3,300	-	3,300	-	-	10,300	3,022
D Historic buildings, monuments and sites									
-	1,368	1,205	2,573	30	2,543	-	-	2,674	2,060
E Listed places of worship scheme									
-	-	-	-	-	-	-	-	5,000	-
F The Royal Parks									
-	27,116	-	27,116	3,856	23,260	900	-	23,146	20,020
G Tourism									
-	63	-	63	-	63	-	-	63	72
H Broadcasting and media									
-	88,454	393	88,847	987	87,860	-	-	82,860	79,149
I Administration and research									
41,126	2,401	-	43,527	248	43,279	3,077	-	38,111	31,113
J National Lottery Commission									
-	-	-	-	4,941	-4,941	-	-	-4,941	-3,355

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

£'000

2003-04						2002-03 Provision	2001-02 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
K	Culture Online					5,000	-	3,136	915
	-	-	-	-	-				
L	Gambling, licensing and horseracing							-1,296	-1,851
	-	-	-	1,835	-1,835				
M	Queen's Golden Jubilee							3,952	347
	-	1	-	1	-	1	-		
	<i>Commemorative services and Royal funerals</i>								
	-	-	-	-	-	-	-	2,760	71
N	The Royal Parks							3,750	3,750
	-	2,515	-	2,515	-	2,515	-		
O	Administration and research							2,231	2,015
	3,304	-	-	3,304	-	3,304	-		
<b>Non-budget</b>									
P	Museums, galleries and libraries							386,073	361,020
	-	-	404,378	404,378	-	404,378	-		
Q	Arts							295,405	252,455
	-	-	335,455	335,455	-	335,455	-		
R	Sport							101,800	60,876
	-	-	124,500	124,500	-	124,500	-		
S	Historic buildings, monuments and sites							145,152	138,066
	-	-	154,169	154,169	-	154,169	-		
	<i>Historic Royal Palaces</i>								
	-	-	-	-	-	-	-	275	242
T	Listed places of worship scheme							30,000	1,659
	-	-	-	-	-	-	-		

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

£'000

2003-04						2002-03 Provision	2001-02 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
U	Tourism								
-	-	54,081	54,081	-	54,081	-	-	71,700	66,028
V	Broadcasting and media								
-	-	28,781	28,781	-	28,781	-	-	28,581	25,451
W	National Lottery Commission								
-	-	4,942	4,942	-	4,942	-	-	4,942	3,333
X	Spaces for Sport and Art								
-	-	8,000	8,000	-	8,000	-	-	50,460	579
Y	Gambling, licensing and horseracing								
-	-	4,720	4,720	-	4,720	-	-	3,901	3,683
<b>RfR 2: Broadening access to a rich and varied cultural and sporting life through home broadcasting</b>									
-	-	2,399,099	2,399,099	-	2,399,099	-	-	2,281,862	2,171,382
<b>Non-budget</b>									
A	Home broadcasting								
-	-	2,399,099	2,399,099	-	2,399,099	-	-	2,281,862	2,171,382
<b>Total for Estimate:</b>									
44,430	123,361	3,522,523	3,690,314	11,904	3,678,410	9,177	-	3,573,126	3,222,885

## Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
<b>Net Total Resources</b>	3,678,410	3,573,126	3,222,885
<b>Voted capital items</b>			
Capital	9,177	11,535	871
Less Non-operating A-in-A	-	-	-
<b>Total net voted capital</b>	9,177	11,535	871
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-2,268	-1,841	-1,731
Depreciation	-3,555	-4,144	-4,038
New provisions and adjustments to previous provisions	4	4	4
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-85	-85	-85
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-134,417	155,469
Increase (-) / Decrease (+) in creditors	-	-8,631	26,607
Use of provisions	-	-	-
<b>Total accruals to cash adjustments</b>	-5,904	-149,114	176,226
<b>Excess cash to be CFERd</b>	-	-	-
<b>Net Cash Requirement</b>	3,681,683	3,435,547	3,399,982

## 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					
	2003-04 Provision		2002-03 Provision		2001-02 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	2,400,095	-	2,278,881	2,276,555	2,172,387	2,165,522
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
<b>Total</b>	2,400,095	-	2,278,881	2,276,555	2,172,387	2,165,522

## Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
<b>Net Administration Costs</b>				
RfR 1	44,182	39,441	31,779	
RfR 2	-	-	-	
<b>Total Net Administration costs</b>	<b>44,182</b>	<b>39,441</b>	<b>31,779</b>	
<b>Net Programme Costs</b>				
RfR 1	1,234,257	1,250,951	1,018,852	
RfR 2	-124	3,853	-133	
<b>Total Net Programme costs</b>	<b>1,234,133</b>	<b>1,254,804</b>	<b>1,018,719</b>	
<b>Total Net Operating Cost</b>	<b>1,278,315</b>	<b>1,294,245</b>	<b>1,050,498</b>	
<i>of which:</i>				
<b>Net Resource Outturn</b>	<b>3,678,410</b>	<b>3,573,126</b>	<b>3,222,885</b>	
CFERs	-2,400,095	-2,278,881	-2,172,387	
Non-voted expenditure	-	-	-	
<b>Resource Budget Outturn</b>	<b>3,337,866</b>	<b>2,958,591</b>	<b>2,539,455</b>	

## Notes to the Main Estimate

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

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>3,678,410</b>	<b>3,573,126</b>	<b>3,222,885</b>
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-2,400,095	-2,278,881	-2,172,387
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>1,278,315</b>	<b>1,294,245</b>	<b>1,050,498</b>
<i>Adjustments to remove:</i>			
capital grants to local authorities	-	-	-21,373
capital grants financed from the Capital Modernisation Fund	-8,000	-80,460	-2,238
European Union income and related adjustments	6,000	6,000	48,830
voted expenditure outside the budget	-2,399,099	-2,281,862	-2,171,382
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	2,400,095	2,278,881	2,172,387
resource consumption of non departmental public bodies	106,746	109,570	103,283
unallocated resource provision	15,370	-	-
Other adjustments	1,938,439	1,632,217	1,359,450
<b>Resource Budget Outturn (Budget)</b>	<b>3,337,866</b>	<b>2,958,591</b>	<b>2,539,455</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,400,808	1,324,993	1,180,005
Annually Managed Expenditure (AME)	1,937,058	1,633,598	1,359,450

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	<b>9,177</b>	<b>11,535</b>	<b>871</b>
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	45,594	20,432	9,151
capital grants to local authorities	-	-	-
capital grants financed by the Capital Modernisation Fund	8,000	80,460	2,238
local authority credit approvals	25,000	25,000	25,000
capital spending by levy funded bodies	-	-	-
unallocated capital provision	-	349	-
Other adjustments	271,561	307,783	377,170
<b>Capital Budget Outturn (Budget)</b>	<b>359,332</b>	<b>445,559</b>	<b>414,430</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	87,771	137,776	37,260
Annually Managed Expenditure (AME)	271,561	307,783	377,170

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

### Explanation of Accounting Officer responsibilities

The Treasury has appointed Mrs Sue Street as Principal Accounting Officer with overall responsibility for preparing the Department's Estimate.

The allocation of Accounting Officer responsibilities in the Department for Culture, Media and Sport is as follows:

**Request for Resources 1:** Sue Street, Principal Accounting Officer and Permanent Head of Department

**Request for Resources 2:** Sue Street, Principal Accounting Officer and Permanent Head of Department

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*. Under the terms of the Accounting Officers' Memorandum the relationship between the Treasury's Principal Accounting Officer and Additional Accounting Officer, together with their respective responsibilities is set out in writing.

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

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

	£'000						
	2003-04		2002-03		2001-02		
	provision		provision		outturn		
	Operating	Non-	Operating	Non-	Operating	Non-	
	A in A	operating	A in A	operating	A in A	operating	A in A
		A in A		A in A		A in A	
<b>RfR 1: Improving the quality of life through cultural and sporting activities</b>							
Income from Fees & Charges	3,886		5,757		5,069		
Income from licences	1,835		1,596		1,851		
Income from other sales	7		7		3		
Recovery of Costs	6,176		6,099		4,463		
Transfers from other Government Departments	—		—		—		
Income from sales of assets							
<b>Total RfR 1</b>	<b>11,904*</b>	<b>—**</b>	<b>13,459</b>	<b>—</b>	<b>11,386</b>	<b>—</b>	

\*Amount that may be applied as appropriations in aid in addition to the net total, arising from receipts by the Government Art Collection from sale of prints, hire of transparencies, copyright fees, etc; recovery of ceremonial costs; recovery of costs for repairs to listed buildings; fees and charges for licences and receipts from concessionaires and sponsors; proceeds from the sale of properties; Royal Parks Agency fees and charges for licences, rents, gardening services, sports charges, unclaimed lost property, sponsorship and receipts for private use of telephones, and proceeds from the sale of properties; repayment of loans in connection with film development projects, payments by the BBC, ITC and Radio Authority to meet the costs of the Broadcasting Standards Commission, fees for self help TV transmission licences, repayment of Radio Authority loan; EU receipts; receipts from the National Lottery Distribution Fund to meet the cost of its administration by the Department for Culture, Media and Sport and of the expenses of the National Lottery Commission; receipts from the National Lottery operator's licence fees; and recoveries from the issue of licensing certificates for gaming machines and operators of gaming establishments.

\*\*Amount that may be applied as non-operating appropriations in aid arising from sale of land and buildings and transfer payments for other government departments.

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

### Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Licence fee receipts (BBC and FLA)	2,399,232	—	2,278,018	2,275,692	2,171,524	2,164,659
Rental income	863	—	863	863	863	863
<b>Total</b>	2,400,095	—	2,278,881	2,276,555	2,172,387	2,165,522

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

### Administration cost limits and Departmental Expenditure Limits £

Administration costs limits £'000

	Gross provision	Income	Total administration costs limit
Gross administration costs limits	44,430	–248	44,182
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	186,285	1,214,523	1,400,808
Capital DEL	17,177	70,594	87,771
Less depreciation	–3,555	–83,753	–87,308
Total DEL	199,907	1,201,364	1,401,271

- \* 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 2003-04 of £3,678,410,000 is 2.9 per cent higher than the final provision for 2002-03 of £3,573,126,000 and 5.0 per cent higher than the forecast outturn of that year of £3,504,245,000

## 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 that has been or will be appropriated in aid

	2003-04 provision	2002-03 provision	2001-02 outturn
	11,904	13,459	11,386

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

£'000

The following RfR contains provision sought under the sole authority of Part 1 of the Estimate and the confirming Appropriation Act

RfR 1: C3 Chess ■	60
RfR 1: E2 Listed places of worship scheme ■	—
RfR 1: M3 Queen's Golden Jubilee ■	1
RfR 1: P3 Geffrye Museum ■	1,113
RfR 1: P3 Horniman Museum and Gardens ■	3,281
RfR 1: P3 Museum of Science and Industry in Manchester ■	3,199
RfR 1: P3 Resource – Council for Museums, Archives and Libraries ■	13,393
RfR 1: Q3 Arts Council of England ■	335,455
RfR 1: S3 Chatham Historic Dockyard Trust ■	300
RfR 1: S3 Commission for Architecture and the Built Environment ■	3,530
RfR 1: T3 Listed places of worship scheme ■	—
RfR 1: V3 Film Council ■	24,110



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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 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 2003 (Cm 5921).

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

## Part I

	£
<b>Request for Resources 1: Ensuring the best start for all children, ending child poverty in 20 years</b>	<b>200,007,000</b>
<b>Request for Resources 2: Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need</b>	<b>28,144,579,000</b>
<b>Request for Resources 3: Combating poverty and promoting security and independence in retirement for today's and tomorrow's pensioners</b>	<b>8,080,450,000</b>
<b>Request for Resources 4: Improving the rights and opportunities for disabled people in a fair and inclusive society</b>	<b>12,300,284,000</b>
<b>Request for Resources 5: Modernising welfare delivery so as to improve the accessibility, accuracy and value for money of services to customers, including employers</b>	<b>370,742,000</b>
<b>Request for Resources 6: Corporate contracts, support services and administration of the European Social Fund for England</b>	<b>915,772,000</b>
<b>Total net resource requirement</b>	<b>50,011,834,000</b>
<b>Net cash requirement</b>	<b>49,819,522,000</b>

Amounts required in the year ending 31 March 2004 for expenditure by the Department for Work and Pensions on:

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

The administration costs of the child support system; family credit; the benefit costs of vaccine damage and associated non cash items.

### **RfR 2: Promoting 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; 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 elements of the delivery of the Jobseeker's allowance undertaken by Jobcentre Plus; 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; administration of Jobcentre Plus 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; community charge benefit; community charge rebate and rate rebate; payments to local authorities in respect of anti-fraud and similar administrative measures; discretionary housing payments; sums payable for incentive

## **Part I (*continued*)**

payments in respect of Housing Benefit under occupation schemes and sums payable for residual compensation payments to providers of supported accommodation; sums payable to third party providers of services to local authorities; compensation for sufferers, or their dependants, of certain dust related diseases; the Health and Safety Commission (HSC); grants paid by HSC to small businesses and associated non-cash items.

### **RfR 3: Combating poverty and promoting 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; payments made to the BBC in respect of the over 75's free TV licence scheme; payments towards 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: Improving 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; Invalid Care Allowance; Vaccine Damage; Grants in Aid to the Disability Rights Commission, Motability, Independent Living Fund and associated non-cash items.

### **RfR 5: Modernising 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>	200,007,000	119,169,000	80,838,000
<b>RfR 2</b>	28,144,579,000	12,702,170,000	15,442,409,000
<b>RfR 3</b>	8,080,450,000	3,069,734,000	5,010,716,000
<b>RfR 4</b>	12,300,284,000	5,095,512,000	7,204,772,000
<b>RfR 5</b>	370,742,000	68,348,000	302,394,000
<b>RfR 6</b>	915,772,000	394,045,000	521,727,000
<b>Total net resource requirement</b>	50,011,834,000	21,448,978,000	28,562,856,000
<b>Net cash requirement</b>	49,819,522,000	21,379,065,000	28,440,457,000

## Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 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 children, ending child poverty in 20 years</b>									
202,446	-	-	202,446	2,439	200,007	1,602	65	252,663	268,062
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Administration									
202,446	-	-	202,446	2,439	200,007	1,602	65	252,663	268,062
<b>RfR 2: Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need</b>									
2,326,714	737,386	25,942,070	29,006,170	861,591	28,144,579	81,875	7,152	28,156,022	26,718,617
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Administration									
1,815,685	2,980	2,164	1,820,829	87,487	1,733,342	65,775	1,716	1,554,922	1,629,840
B Employment Programmes									
275,509	667,152	270,252	1,212,913	50	1,212,863	-	-	1,447,604	1,295,403
C Health and Safety Executive									
213,850	59,120	-	272,970	54,343	218,627	6,502	37	213,361	213,401
D Health and Safety Laboratory									
21,670	5,585	-	27,255	27,255	-	4,598	398	223	-2,027
E Capital Grants									
-	2,549	5,927	8,476	-	8,476	5,000	5,001	7,827	6,249
<i>Challenge funding and similar administrative measures</i>									
-	-	-	-	-	-	-	-	-	303

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

£'000

2003-04						2002-03 Provision	2001-02 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
<i>Housing benefit administration-new towns</i>									
-	-	-	-	-	-	-	-	-	472
<b>Support for Local Authorities</b>									
F	Employment Programmes								
-	-	37,047	37,047	-	37,047	-	-	37,047	32,404
G	Challenge fund & similar admin measures - L A								
-	-	116,100	116,100	600	115,500	-	-	109,904	64,023
H	Housing and council tax benefit admin grants								
-	-	329,706	329,706	-	329,706	-	-	170,000	165,866
I	Third Party providers								
-	-	1,375	1,375	-	1,375	-	-	1,376	-
J	Capital Grants to Local Authorities								
-	-	2,895	2,895	-	2,895	-	-	5,195	1,381
<i>Funding for ONE Pilot Scheme</i>									
-	-	-	-	-	-	-	-	500	733
<b>Spending in Annually Managed Expenditure (AME)</b>									
<b>Central Government spending</b>									
K	Severe Disablement Allowance								
-	-	902,020	902,020	1,526	900,494	-	-	970,439	1,039,674
L	Industrial injury benefits								
-	-	818,352	818,352	110,668	707,684	-	-	737,736	778,084
M	Income support (under 60 years of age)								
-	-	9,686,599	9,686,599	33,295	9,653,304	-	-	9,899,692	9,567,738
N	Jobseekers allowance (income based)								
-	-	1,933,783	1,933,783	723	1,933,060	-	-	2,213,858	2,137,297

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

£'000

2003-04						2002-03 Provision	2001-02 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
O	Jobseekers allowance (contribution based)								
-	-	545,304	545,304	545,304	-	-	-	-	-
P	Job Grant								
-	-	5,999	5,999	-	5,999	-	-	24,982	12,491
Q	Employment Allowances								
-	-	128,999	128,999	-	128,999	-	-	179,634	82,482
R	Housing and Council tax benefit capital charge								
-	-	3,439	3,439	-	3,439	-	-	6,058	-2,618
S	Non-continuing benefits debt activity								
-	-	-373	-373	-	-373	-	-	-799	-811
	<i>Discretionary housing payments - new towns</i>								
-	-	-	-	-	-	-	-	-	6,862
	<i>Housing benefit subsidies: new towns</i>								
-	-	-	-	-	-	-	-	-	9
	<b>Support for Local Authorities</b>								
T	Housing benefit and council tax benefit subsidies								
-	-	9,329,326	9,329,326	40	9,329,286	-	-	9,071,375	8,204,710
U	Rent rebates								
-	-	781,116	781,116	-	781,116	-	-	730,233	783,919
V	HB under-occupation pilot								
-	-	40	40	-	40	-	-	255	170
W	Discretionary housing payments								
-	-	20,000	20,000	-	20,000	-	-	20,000	8,477

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

£'000

2003-04						2002-03 Provision	2001-02 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
<i>Discretionary rent allowance</i>									
-	-	-	-	-	-	-	-	-	5,000
<b>Non-budget</b>									
X Statutory benefits (SSP and SMP)									
-	-	1,022,000	1,022,000	300	1,021,700	-	-	754,600	687,085
<b>RfR 3: Combating poverty and promoting security and independence in retirement for todays and tomorrows pensioners</b>									
425,564	8,000	7,831,202	8,264,766	184,316	8,080,450	-	-	7,024,189	7,127,195
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Administration									
425,564	8,000	-	433,564	184,316	249,248	-	-	89,786	230,592
<b>Spending in Annually Managed Expenditure (AME)</b>									
<i>Central Government spending</i>									
B Pension benefits									
-	-	46,698	46,698	-	46,698	-	-	45,318	44,816
C Income support for the elderly									
-	-	5,126,982	5,126,982	-	5,126,982	-	-	4,476,563	4,545,412
D TV licences for the over 75s									
-	-	406,014	406,014	-	406,014	-	-	380,025	367,638
<b>Non-budget</b>									
E Payments to the Social Fund									
-	-	2,234,995	2,234,995	-	2,234,995	-	-	2,016,133	1,925,635

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

£'000

2003-04						2002-03 Provision	2001-02 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		
F	OPRA (grant in aid)								
-	-	16,513	16,513	-	16,513	-	-	16,364	13,102
<b>RfR 4: Improving the rights and opportunities for disabled people in a fair and inclusive society</b>									
143,083	-	12,188,718	12,331,801	31,517	12,300,284	-	-	11,692,704	10,811,334
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A	Administration								
143,083	-	-	143,083	-	143,083	-	-	161,135	779
B	Motability administration								
-	-	2,500	2,500	121	2,379	-	-	2,079	2,232
<b>Spending in Annually Managed Expenditure (AME)</b>									
<i>Central Government spending</i>									
C	Attendance allowance								
-	-	3,343,553	3,343,553	2,422	3,341,131	-	-	3,261,959	3,124,460
D	Disability living allowance								
-	-	7,552,217	7,552,217	26,474	7,525,743	-	-	7,068,713	6,579,875
E	Invalid Care Allowance								
-	-	1,077,165	1,077,165	-	1,077,165	-	-	1,002,059	931,886
F	Vaccine Damage payments								
-	-	2,500	2,500	-	2,500	-	-	2,900	628
G	Grants to independent bodies								
-	-	198,226	198,226	2,500	195,726	-	-	178,403	159,374
<b>Non-budget</b>									

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

£'000

2003-04						2002-03 Provision	2001-02 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
H Disability Rights Commission (Grant in Aid)									
-	-	12,557	12,557	-	12,557	-	-	15,456	12,100
<b>RfR 5: Modernising welfare delivery so as to improve the accessibility, accuracy and value for money of services to customers, including employers</b>									
599,317	-	-	599,317	228,575	370,742	1,600	-	914,488	253,741
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Administration									
599,317	-	-	599,317	228,575	370,742	1,600	-	914,488	253,741
<b>RfR 6: Corporate contracts, support services and administration of the European social fund for England</b>									
1,562,036	176,652	125,726	1,864,414	948,642	915,772	53,864	109,555	1,235,461	1,137,187
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Administration									
1,562,036	176,652	25,724	1,764,412	848,644	915,768	53,864	109,555	1,235,457	1,137,183
B European Social Fund									
-	-	1	1	-	1	-	-	1	1
C European Social Fund payments in advance of receipts									
-	-	80,000	80,000	-	80,000	-	-	330,000	90,000
<b>Support for Local Authorities</b>									
D European Social Fund									
-	-	1	1	-	1	-	-	1	1

## Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 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
E	European Social Fund payments in advance of receipts								
-	-	20,000	20,000	-	20,000	-	-	55,122	35,000
<b>Non-budget</b>									
F	European Social Fund								
-	-	-	-	99,998	-99,998	-	-	-385,120	-124,998
<b>Total for Estimate:</b>									
5,259,160	922,038	46,087,716	52,268,914	2,257,080	50,011,834	138,941	116,772	49,275,527	46,316,136

## Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
<b>Net Total Resources</b>	50,011,834	49,275,527	46,316,136
<b>Voted capital items</b>			
Capital	138,941	233,271	146,300
Less Non-operating A-in-A	116,772	9,938	2,825
<b>Total net voted capital</b>	22,169	223,333	143,475
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-17,658	-13,588	5,071
Depreciation	-119,546	-113,089	-63,761
New provisions and adjustments to previous provisions	-26,892	-42,579	-43,285
Profit/loss on sale of assets	2,002	2,002	-6,707
Prior period adjustments	-	-	-
Other non-cash items	-22,415	-22,415	-22,845
Increase (+) / Decrease (-) in stock	-208	-208	-1
Increase (+) / Decrease (-) in debtors	-25,714	-53,353	35,440
Increase (-) / Decrease (+) in creditors	-31,117	-31,117	162,983
Use of provisions	27,067	25,027	21,514
<b>Total accruals to cash adjustments</b>	-214,481	-249,320	88,409
<b>Excess cash to be CFERd</b>	-	-	-
<b>Net Cash Requirement</b>	49,819,522	49,249,540	46,548,020

## 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					
	2003-04 Provision		2002-03 Provision		2001-02 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>	8,000	<i>7,997</i>
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	10,532	<i>10,510</i>	10,532	<i>15,510</i>	19,721	<i>19,722</i>
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
<b>Total</b>	13,532	<i>13,510</i>	13,532	<i>18,510</i>	27,721	<i>27,719</i>

## Forecast Operating Cost Statement

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
<b>Net Administration Costs</b>			
RfR 1	200,007	252,663	268,062
RfR 2	2,254,315	2,219,473	2,235,049
RfR 3	425,564	226,070	297,819
RfR 4	143,083	161,135	779
RfR 5	599,317	982,264	253,741
RfR 6	<u>1,539,635</u>	<u>1,763,346</u>	<u>1,451,526</u>
<b>Total Net Administration costs</b>	<b>5,161,921</b>	<b>5,604,951</b>	<b>4,506,976</b>
<b>Net Programme Costs</b>			
RfR 1	-	-	-
RfR 2	25,887,264	25,933,549	24,475,568
RfR 3	7,572,107	6,712,010	6,791,376
RfR 4	12,157,201	11,531,569	10,810,555
RfR 5	-228,575	-67,776	-
RfR 6	-623,863	-527,885	-314,339
Non voted expenditure	<u>56,526,875</u>	<u>48,864,694</u>	<u>50,734,006</u>
<b>Total Net Programme costs</b>	<b>101,291,009</b>	<b>91,537,881</b>	<b>92,008,196</b>
<b>Total Net Operating Cost</b>	<b>106,452,930</b>	<b>98,051,112</b>	<b>97,004,142</b>
<i>of which:</i>			
<b>Net Resource Outturn</b>	<b>50,011,834</b>	<b>49,275,527</b>	<b>46,316,136</b>
CFERs	-3,000	-3,000	-8,000
Non-voted expenditure	58,679,091	50,794,718	52,621,641
<b>Resource Budget Outturn</b>	<b>107,593,169</b>	<b>98,572,246</b>	<b>97,396,436</b>

## Notes to the Main Estimate

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

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>50,011,834</b>	<b>49,275,527</b>	<b>46,316,136</b>
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	58,679,091	50,794,718	52,621,641
Consolidated Fund Extra Receipts in the OCS	-3,000	-3,000	-8,000
Other adjustments	-2,234,995	-2,016,133	-1,925,635
<b>Net Operating Cost (Accounts)</b>	<b>106,452,930</b>	<b>98,051,112</b>	<b>97,004,142</b>
<i>Adjustments to remove:</i>			
capital grants to local authorities	-3,095	-5,395	-6,292
capital grants financed from the Capital Modernisation Fund	-	-1,900	-900
European Union income and related adjustments	487,031	460,031	388,674
voted expenditure outside the budget	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-22	-22	4,676
resource consumption of non departmental public bodies	4,304	3,938	6,727
unallocated resource provision	621,188	94,088	-
Other adjustments	30,833	-29,606	-591
<b>Resource Budget Outturn (Budget)</b>	<b>107,593,169</b>	<b>98,572,246</b>	<b>97,396,436</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	7,968,895	7,685,896	6,198,820
Annually Managed Expenditure (AME)	99,624,274	90,886,350	91,197,616

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	<b>22,169</b>	<b>223,333</b>	<b>143,475</b>
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	2,002	2,002	-6,707
<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	5,195	1,381
capital grants financed by the Capital Modernisation Fund	-	1,900	900
local authority credit approvals	1,202	1,202	1,402
capital spending by levy funded bodies	-	-	-
unallocated capital provision	400	-	-
Other adjustments	90,455	76,109	74,725
<b>Capital Budget Outturn (Budget)</b>	<b>119,123</b>	<b>309,741</b>	<b>215,176</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	28,668	233,632	140,451
Annually Managed Expenditure (AME)	90,455	76,109	74,725

## 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					
	2003-04		2002-03		2001-02	
	Operating	Non-	Operating	Non-	Operating	Non-
A in A	operating	A in A	operating	A in A	operating	operating
	A in A	A in A	A in A	A in A	A in A	A in A
<b>RfR1 Ensuring the best start for all children, ending child poverty in 20 years.</b>						
Services carried out by DWP on behalf of public and private sector bodies and members of the public	1,225	—	41	—	23	—
Receipts from the repayment of maintenance by absent parents	1,209	—	51	—	63	—
Receipts from applicants for services provided by CSA	3	—	7	—	8	—
Receipts from staff for private telephone calls	1	—	5	—	3	—
Receipts from sale of non capital items	1	—	3	—	1	—
Profit/Loss on asset disposal	—	65	—	—	—	—
Family credit	—	—	—	—	3	—
<b>Total for RfR 1:</b>	<b>2,439*</b>	<b>65**</b>	<b>107</b>	<b>—</b>	<b>101</b>	<b>—</b>

\*Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from staff for the use of outside facilities, 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 from private telephone calls, receipts from the Department for Education and Skills in respect of Modern Apprenticeships, receipts from staff towards the cost of private use of official vehicles, receipts from the sales of non capital items, receipts from applicants for services provided by CSA and receipts from the repayment of maintenance by absent parents.

\*\* 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: Promoting 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 cost of administering National Insurance Benefits	83,451	—	164,951	—	97,774	—
Services carried out by DWP on behalf of public and private sector bodies and members of the public	—	—	4,739	—	1,745	—
Receipts from other departments/organisations in respect of outward secondments	4,036	—	10,298	—	1,477	—
Recovery of excess programmes	50	—	10	—	154	—
Rent from minor occupiers	—	—	—	—	5,059	—
Recovery of the costs of administering allowance payments for work based learning for adults in Scotland and Wales	—	—	1,637	—	1,568	—
Contribution from Scotland and Wales towards Employment Zones	—	—	898	—	—	—
Payments from the Office of the Deputy Prime Minister	—	—	207,386	—	—	—
Receipts from Local Authorities for services provided to them by Departmental Action Teams	—	—	888	—	—	—
Receipts for expenses from the European Union	—	—	265	—	—	—
Repayment of temporary loans to Remploy	—	5,001	—	5,001	—	5,001
Payments from the Department for Education and Skills	—	—	—	—	2,372,706	8,829
Challenge funding and similar administrative measures	600	—	600	—	6,327	—
Industrial injury benefits	110,668	—	82,858	—	41,361	—
Receipts from the sale of non capital items	—	—	8	—	2	—
Receipts from staff for private telephone calls	—	—	—	—	16	—
Disability benefits	1,526	—	1,341	—	–199	—

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

£'000

	2003-04 provision		2002-03 provision		2001-02 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
Income support (under 60 years of age)	33,295	—	204,729	—	138,481	—
Jobseeker's allowance (income based)	723	—	770	—	1,037	—
Jobseeker's allowance (contribution based)	545,304	—	478,067	—	472,039	—
Receipts from Working Links – dividend	—	—	600	—	—	—
Housing benefit and council tax benefit subsidies	40	—	40	—	166	—
Statutory benefits (SSP and SMP)	300	—	400	—	78	—
Profit/loss on asset disposals	—	1,716	—	—	—	—
Health and Safety Executive	54,343	37	50,398	6,402	50,802	4,384
Health and Safety Laboratory	27,255	398	25,977	4,598	24,959	81
<b>Total for RfR 2:</b>	<b>861,591*</b>	<b>7,152**</b>	<b>1,236,860</b>	<b>16,001</b>	<b>3,215,552</b>	<b>18,295</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, receipts from staff for the use of outside facilities, 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, recovery of law costs from defendants, receipts from sub-let accommodation, receipts from the Department for Education and Skills in respect of Modern Apprenticeships, other departments/organisations in respect of outward secondments, receipts from staff towards the cost of private use of official vehicles, recoveries from staff for the administration cost of making attachment of earnings orders, receipts from the sale of non capital items, receipts from sub let accommodation, 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 Departmental Action Teams, rent and similar receipts, the Employment Service (ES) private mileage scheme; recovery from the EC of the costs of work on European Employment Services (EURES), the ES Revenue Generation Scheme, work undertaken on labour market issues in eastern Europe, receipts from sponsors of supported placements in the ES; receipts in respect of vending machines, receipts from Working Links, receipts from selling services under the Wider Markets Initiative, receipts from partner organisations in respect of action teams, recovery of salary costs of ES staff seconded to other organisations, recoveries from the European Social Fund for employment programmes, the recovery of excess payments made on ES 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, 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 CSA 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 fees and charges levied by the Health and Safety Commission (HSC), research and administrative services, testing (including EECS), 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 and 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, repayment of loans made by the HSC, including interest on the loans and payments from the Office of the Deputy Prime Minister.

\*\* 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					
	2003-04		2002-03		2001-02	
	Operating	Non-	Operating	Non-	Operating	Non-
A in A	operating	A in A	operating	A in A	operating	A in A
	A in A	A in A	A in A	A in A	A in A	A in A
<b>RfR 3: Combating poverty and promoting 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	184,316	—	144,284	—	73,879	—
Services carried out by the DWP on behalf of public and private sector bodies and members of the public	—	—	4,185	—	3,548	—
Payment from Department for Education and Skills	—	—	—	—	12,172	—
Income Support 60 plus	—	—	—	—	353	—
<b>Total for RfR 3:</b>	<b>184,316*</b>	<b>—</b>	<b>148,469</b>	<b>—</b>	<b>89,952</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, receipts from staff for the use of outside facilities, 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, recovery of law costs from defendants, receipts from sub-let accommodation, receipts from the Department for Education and Skills in respect of Modern Apprenticeships, other departments /organisations in respect of outward secondments, receipts from staff towards the cost of private use of official vehicles and receipts via Compensation Recovery Unit in respect of benefits paid in lieu.

**RfR 4: Improving 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	2,422	—	1,948	—	1,458	—
Disability living allowance	26,474	—	24,247	—	20,937	—
Motability administration	121	—	121	—	32	—
Motability Grant	2,500	—	2,685	—	139	—
<b>Total for RfR 4:</b>	<b>31,517*</b>	<b>—</b>	<b>29,001</b>	<b>—</b>	<b>22,566</b>	<b>—</b>

\*Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from staff for the use of outside facilities, 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, recovery of law costs from defendants, receipts from sub-let accommodation, receipts from the Department for Education and Skills in respect of Modern Apprenticeships, other departments /organisations in respect of outward secondments, receipts from staff towards the cost of private use of official vehicles, receipts via Compensation Recovery Unit in respect of benefits paid in lieu and recoveries of payments from the Department of Social Development (Northern Ireland) towards Motability's car adaption and administration costs 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					
	2003-04 provision		2002-03 provision		2001-02 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: Modernising 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 cost of administering National Insurance Benefits	228,575	—	67,776	—	—	—
Services carried out by the DWP on behalf of public and private sector bodies and members of the public	—	—	10,500	—	—	—
<b>Total for RfR 5:</b>	<b>228,575*</b>	<b>—</b>	<b>78,276</b>	<b>—</b>	<b>—</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

	2003-04 provision		2002-03 provision		2001-02 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 European Social Fund for England.</b>						
Receipts from the National Insurance Fund for the cost of administering National Insurance Benefits	799,173	—	531,269	—	317,317	—
Services carried out by the DWP on behalf of public and private sector bodies and members of the public	9,669	—	11,438	—	10,387	—
Receipts in respect of the European fast stream	41	—	—	—	—	—
Receipts from mortgage lenders	3,267	—	2,180	—	2,141	—
Receipts from staff towards the cost of private use of official vehicles	964	—	964	—	989	—
Receipts from sub let accommodation	7,189	—	27,898	—	27,137	—
Receipts from staff from private telephone calls	12	—	1	—	1	—
Recovery of law costs from defendants	1,259	—	1,700	—	1,813	—
Receipts from other departments /organisations in respect of outward secondments.	1,561	—	1,100	—	1,376	—
Receipts from EU twinning funded projects	—	—	210	—	—	—
Payments from Department for Education and Skills (International Programmes)	25,509	—	30,874	—	—	—
Receipts in respect of the European Social Fund	99,998	—	385,120	—	124,998	—
Payment from Department for Education and Skills	—	—	—	—	12,746	—
Receipts from sales of obsolete machinery, equipment, official vehicles, furniture and buildings	—	109,334	—	2,500	—	1,273
Joint International Unit administration receipts	—	—	714	—	—	—
Profit/loss on asset disposal	—	221	—	—	—	—
<b>Total for RfR 6:</b>	<b>948,642*</b>	<b>109,555**</b>	<b>993,468</b>	<b>2,500</b>	<b>498,905</b>	<b>1,273</b>

\* Amount that may be applied as appropriation in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated cost of administering NI benefits, receipts from staff for the use of outside facilities, 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, other departments /organisations in respect of outward secondments, receipts from staff towards the cost of private use of official vehicles, receipts from PRIME development gains, receipts in respect of the European Fast Stream, receipts from the EC to meet payment 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 and payments from Department for Education and Skills for International Programmes.

\*\* 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.

<b>TOTAL A in A</b>	<b>2,257,080</b>	<b>116,772</b>	<b>2,486,731</b>	<b>18,501</b>	<b>3,827,076</b>	<b>19,568</b>
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## Notes to the Main Estimate *(continued)*

### Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 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	14,700	14,700
Headquarters Accommodation Services	—	—	—	5,000	5,000	5,000
Challenge Funding Recoveries	—	—	—	—	300	300
Miscellaneous receipts	3,000	3,000	3,000	3,000	3,000	3,000
Recoveries in respect of previous Independent Living Fund scheme	2	—	2	—	1	2
Recoveries in respect of previous Rent Allowance scheme	20	—	20	—	20	20
Employment Service barter deals	—	—	—	—	4,700	4,697
<b>Total</b>	<b>13,532</b>	<b>13,510</b>	<b>13,532</b>	<b>18,510</b>	<b>27,721</b>	<b>27,719</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 Works and Pensions	5,640,328	–24,840	5,615,488
Health and Safety Executive	214,177	–50,729	163,448
<b>Total Gross administration costs limits</b>	<b>5,854,505</b>	<b>–75,569</b>	<b>5,778,936</b>
Health and Safety Laboratory	21,670	–21,670	—
<b>Net administration costs limits</b>	<b>21,670</b>	<b>–21,670</b>	<b>—</b>

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	6,024,977	1,943,918	7,968,895
Capital DEL	27,066	1,602	28,668
Less depreciation	–119,546	–714	–120,260
<b>Total DEL</b>	<b>5,932,497</b>	<b>1,944,806</b>	<b>7,877,303</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 2003/04 of £50,011,834,000 is 10.8% higher than the final net provision for 2002-03 of £49,275,527,000 and 2.5% higher than the forecast outturn for that year of £48,796,307,000.

## 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 which has been or will be appropriated in aid for

	2003-04 provision	2002-03 provision	2001-02 outturn
	2,673,852	2,505,232	3,846,644

### Contingent liabilities

£'000

As at 31 March 2002, the following liabilities fell to be met from the Department's Estimate

#### Statutory

#### Non-Statutory

Department for Education and Employment Ministers gave their agreement that Training and Enterprise Councils and third parties taking over TEC contracts 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 TEC 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. For third parties, indemnities would protect them from claims relating to events prior to the novation of the contract.	12,000
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To this end, the Employment Service has agreed to offer indemnities of less than £12m in respect of Employment Service contracts with TECs, that have been novated as a result of the conclusion of Government business, in respect of repayments claimed following audit of past contract activity.

There is an unquantifiable liability in respect of the legal responsibility that the Secretary of State has as sole guarantor of Remploy Ltd. The liability is secured by an all monies debenture.	unquantifiable
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## Notes to the Main Estimate *(continued)*

### Contingent liabilities *(continued)*

During the course of its normal business, the Employment Service frequently enters into large, sometimes long term, contracts with a wide range of private sector suppliers. The changing nature of Employment Service business, and its obligation to respond to prevailing government priorities can mean that it is occasionally in the Agency's interest to try to vary, re-negotiate or, in exceptional circumstances, cancel certain contracts. Where the Employment Service takes such action, it always does so on legal advice and so as to avoid a breach of contract. However, disputes occasionally arise which could result in the Employment Service making compensatory payments in response to legal proceedings or as part of an out of court settlement. The Employment Service considers that the disclosure of such cases in detail, particularly whilst negotiations are still in progress, could seriously prejudice the position if legal proceedings subsequently develop. There were no such contractual disputes outstanding at 31 March 2002 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 the Employment Service by suppliers at the time of the balance sheet date was less than £10m, but it is not yet known whether the Employment Service will need to make any compensatory payments. 10,000

### Grants in Aid

RfR 2 and RfR 3 include grant in aid provision for the occupational Pensions Regulatory Authority ♥ £16,513,000, Independent Living Fund ♥ £187,602,000, Motability ♥ £10,624,000 and for the Disability Rights Commission ♥ £12,557,000.

# Scotland Office

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## Introduction

1. This Estimate provides for the administration costs of the Scotland Office, the salaries of the Secretary of State for Scotland, her Parliamentary Under-Secretary of State, the Advocate General for Scotland, the costs of the Boundary Commission for Scotland and a grant to the Scottish Consolidated Fund.
2. Under the Scotland Act 1998, the authorisation of expenditure by the Scottish Executive is the responsibility of the Scottish Parliament. Details of this expenditure can be found in the publication *Scotland's Budget Documents 2003-04*.
3. A detailed analysis of the appropriations in aid and extra receipts payable to the Consolidated Fund can be found in the notes to this Estimate.
4. Further information can be found in the Scotland Office Departmental Report (Cm 5927).
5. Symbols are explained in the Introduction to this booklet.

## Part I

	£
<b>Request for Resources 1: Overseeing the effective operation of the devolution settlement in Scotland and representing the interests of Scotland within the UK Government</b>	<b>18,528,277,000</b>
<b>Total net resource requirement</b>	<b>18,528,277,000</b>
<b>Net cash requirement</b>	<b>18,527,902,000</b>

Amounts required in the year ending 31 March 2004 for expenditure by the Scotland Office on:

**RfR 1: Overseeing the effective operation of the devolution settlement in Scotland and representing the interests of Scotland within the UK Government:**

administration; the Boundary Commission for Scotland; payments of a grant to the Scottish Consolidated Fund; and associated non-cash items.

The Scotland Office will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
<b>RfR 1</b>	18,528,277,000	7,453,504,000	11,074,773,000
<b>Total net resource requirement</b>	18,528,277,000	7,453,504,000	11,074,773,000
<b>Net cash requirement</b>	18,527,902,000	7,453,306,000	11,074,596,000

## Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 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
<b>RfR 1: Overseeing the effective operation of the devolution settlement in Scotland and representing the interests of Scotland within the UK Government</b>									
7,942	300	18,521,000	18,529,242	965	18,528,277	100	-	18,179,445	14,996,425
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Scotland Office									
7,942	-	-	7,942	965	6,977	100	-	7,168	6,598
B Boundary Commission for Scotland									
-	300	-	300	-	300	-	-	365	202
<b>Non-budget</b>									
C Grant payable to the Scottish Consolidated Fund									
-	-	18,521,000	18,521,000	-	18,521,000	-	-	18,171,912	14,989,625
<b>Total for Estimate:</b>									
7,942	300	18,521,000	18,529,242	965	18,528,277	100	-	18,179,445	14,996,425

## Part II: Resource to cash reconciliation

	2003-04		2002-03		2001-02	
	Provision		Provision		Outturn	
	£'000					
<b>Net Total Resources</b>	18,528,277		18,179,445		14,996,425	
<b>Voted capital items</b>						
Capital	100		100		62	
Less Non-operating A-in-A	-		-		-	
<b>Total net voted capital</b>	<b>100</b>		<b>100</b>		<b>62</b>	
<b>Accruals to cash adjustment</b>						
Adjustments to remove non-cash items:						
Cost of Capital charges	-106		-104		-76	
Depreciation	-369		-362		-263	
New provisions and adjustments to previous provisions	-		-		-	
Profit/loss on sale of assets	-		-		-	
Prior period adjustments	-		-		-	
Other non-cash items	-		-		-	
Increase (+) / Decrease (-) in stock	-		-		-	
Increase (+) / Decrease (-) in debtors	-		-		-	
Increase (-) / Decrease (+) in creditors	-		-		-	
Use of provisions	-		-		-	
<b>Total accruals to cash adjustments</b>	<b>-475</b>		<b>-466</b>		<b>-339</b>	
<b>Excess cash to be CFERd</b>	<b>-</b>		<b>-</b>		<b>-</b>	
<b>Net Cash Requirement</b>	<b>18,527,902</b>		<b>18,179,079</b>		<b>14,996,148</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):-

	2003-04		2002-03		2001-02	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	-	-	-	293	-
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	87,500	<i>87,500</i>	42,275	<i>42,275</i>	85,204	<i>85,204</i>
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
<b>Total</b>	<b>87,500</b>	<b><i>87,500</i></b>	<b>42,275</b>	<b><i>42,275</i></b>	<b>85,497</b>	<b><i>85,204</i></b>

## Forecast Operating Cost Statement

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
<b>Net administration costs:</b>			
RfR 1	6,977	7,168	6,305
<b>Net programme costs:</b>			
RfR 1	18,521,300	18,172,277	14,989,827
	-	-	-
<b>Total net programme costs</b>	<b>18,521,300</b>	<b>18,172,277</b>	<b>14,989,827</b>
<b>Total Net Operating Cost</b>	<b>18,528,277</b>	<b>18,179,445</b>	<b>14,996,132</b>
<i>of which:</i>			
<b>Net Resource Outturn</b>	<b>18,528,277</b>	<b>18,179,445</b>	<b>14,996,425</b>
CFERs	-	-	-293
Non-voted expenditure	-	-	-
<b>Resource Budget Outturn</b>	<b>7,277</b>	<b>7,533</b>	<b>6,507</b>

## Notes to the Main Estimate

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

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>18,528,277</b>	<b>18,179,445</b>	<b>14,996,425</b>
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-	-293
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>18,528,277</b>	<b>18,179,445</b>	<b>14,996,132</b>
<i>Adjustments to remove:</i>			
capital grants to local authorities	-	-	-
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	-	-	-
voted expenditure outside the budget	-18,521,000	-18,171,912	-14,989,625
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
resource consumption of non departmental public bodies	-	-	-
unallocated resource provision	-	-	-
Other adjustments	-	-	-
<b>Resource Budget Outturn (Budget)</b>	<b>7,277</b>	<b>7,533</b>	<b>6,507</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	7,277	7,533	6,507
Annually Managed Expenditure (AME)	-	-	-

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	<b>100</b>	<b>100</b>	<b>62</b>
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	-	-	-
capital grants to local authorities	-	-	-
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	-	-	-
capital spending by levy funded bodies	-	-	-
unallocated capital provision	-	-	-
Other adjustments	-	-	-
<b>Capital Budget Outturn (Budget)</b>	<b>100</b>	<b>100</b>	<b>62</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	100	100	62
Annually Managed Expenditure (AME)	-	-	-

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

### Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Head of the Scotland Office, Mr David Crawley as Accounting Officer with responsibility for preparing the Department's Estimate.

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

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

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

	£'000					
	2003-04 provision		2002-03 provision		2001-02 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: Overseeing the effective operation of the devolution settlement in Scotland and representing the interests of Scotland within the UK Government</b>						
Rent receipts; payments for legal services	965	—	965	—	690	—
<b>Total RfR 1</b>	<b>965*</b>	<b>—</b>	<b>965</b>	<b>—</b>	<b>690</b>	<b>—</b>

\*Amount that may be applied as operating appropriations in aid to the net total arises from receipts in respect of rent, payments from other departments for legal services and other receipts.

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

### Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Rent receipts; payments for legal services	—	—	—	—	293	—
Other income not classified as Appropriations in Aid <sup>1</sup>	87,500	87,500	42,275	42,275	85,204	85,204
<b>Total</b>	<b>87,500</b>	<b>87,500</b>	<b>42,275</b>	<b>42,275</b>	<b>85,497</b>	<b>85,204</b>

1. Sums received by the Scottish Executive which are to be paid to the Consolidated Fund and remitted by the Secretary of State.

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

### Administration costs limits and Departmental Expenditure Limits

Administration costs limits	£'000		
	Gross provision	Income	Total administration costs limit
Gross administration costs limits	7,942	-965	6,977
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL)	£'000		
	Voted*	Non-voted	Total
Resource DEL	7,277	—	7,277
Capital DEL	100	—	100
Less depreciation	-369	—	-369
Total DEL	7,008	—	7,008

- \* 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 2003-04 of £18,528,277,000 is 1.92 per cent higher than the final provision for 2002-03 of £18,179,445,000 and 1.92 per cent higher than the forecast outturn of that year of £18,178,676,000

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**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 that has been or will be appropriated in aid

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	<b>2003-04 provision</b>	<b>2002-03 provision</b>	<b>2001-02 outturn</b>
	965	965	690

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# Wales Office

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## Introduction

1. This Estimate covers the salaries of the Secretary of State for Wales and his Minister and payments to support expenditure by the National Assembly for Wales.
2. The Departmental Expenditure Limit (DEL) provision sought for 2003-04 is £4,168,000 of which £3,309,000 relates to Administration Costs. The DEL provision sought for 2003-04 is 3% higher than the final net provision for 2002-03 of £4,069,000.
3. Expenditure of £9,303,238,000 in Request for Resources (RfR) 1, Section B, classified as non-budget, is in respect of provision for payment of grant to the National Assembly for Wales. Further details are provided in chapter 4 of the Wales Office Departmental Report (Cm 5928).
4. A detailed analysis of the appropriations in aid and extra receipts payable to the Consolidated Fund can be found in this Estimate.
5. Symbols are explained in the Introduction to this booklet.

## Part I

	£
<b>Request for Resources 1: To support the Secretary of State in discharging his role of representing Wales in the UK Government, representing the UK Government in Wales and ensuring the smooth working of the devolution settlement in Wales.</b>	<b>9,306,640,000</b>
<b>Total net resource requirement</b>	<b>9,306,640,000</b>
<b>Net cash requirement</b>	<b>9,307,313,000</b>

Amounts required in the year ending 31 March 2004 for expenditure by the Wales Office on:

**RfR 1: To support the Secretary of State in discharging his role of representing Wales in the UK Government, representing the UK Government in Wales and ensuring the smooth working of the devolution settlement in Wales:**

administration; Lord Lieutenants' expenditure; the North Wales Child Abuse Inquiry; payments to support expenditure by the National Assembly for Wales and associated non-cash items.

The **Wales Office** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
<b>RfR 1:</b>	9,306,640,000	4,084,346,000	5,222,294,000
<b>Total net resource requirement</b>	9,306,640,000	4,084,346,000	5,222,294,000
<b>Net cash requirement</b>	9,307,313,000	4,084,630,000	5,222,683,000

## Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 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
<b>RfR 1: To support the Secretary of State in discharging his role of representing Wales in the UK Government, representing the UK Government in Wales and ensuring the smooth working of the devolution settlement in Wales</b>									
3,318	93	9,303,238	9,306,649	9	9,306,640	766	-	8,672,914	8,002,758
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Office of the Secretary of State for Wales									
3,318	93	-	3,411	9	3,402	766	-	3,396	2,541
<b>Non-budget</b>									
B Grant payable to the National Assembly for Wales									
-	-	9,303,238	9,303,238	-	9,303,238	-	-	8,669,518	8,000,217
<b>Total for Estimate:</b>									
3,318	93	9,303,238	9,306,649	9	9,306,640	766	-	8,672,914	8,002,758

## Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
<b>Net Total Resources</b>	9,306,640	8,672,914	8,002,758
<b>Voted capital items</b>			
Capital	766	766	18
Less Non-operating A-in-A	-	-	-
<b>Total net voted capital</b>	<u>766</u>	<u>766</u>	<u>18</u>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-58	-58	-58
Depreciation	-35	-35	-20
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	-	-	-
<b>Total accruals to cash adjustments</b>	<u>-93</u>	<u>-93</u>	<u>-78</u>
<b>Excess cash to be CFERd</b>	-	-	-
<b>Net Cash Requirement</b>	<u>9,307,313</u>	<u>8,673,587</u>	<u>8,002,698</u>

## 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					
	2003-04 Provision		2002-03 Provision		2001-02 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	-	-	-	-	-
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	7,000	-	6,300	-	4,858	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
<b>Total</b>	<u>7,000</u>	<u>-</u>	<u>6,300</u>	<u>-</u>	<u>4,858</u>	<u>-</u>

## Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
<b>Net administration costs:</b>				
RfR 1	3,309	3,303		2,463
<b>Net programme costs:</b>				
RfR 1	9,303,331	8,669,611	8,000,295	
<b>Total net programme costs</b>	<b>9,303,331</b>	<b>8,669,611</b>	<b>8,000,295</b>	
<b>Total Net Operating Cost</b>	<b>9,306,640</b>	<b>8,672,914</b>	<b>8,002,758</b>	
<i>of which:</i>				
<b>Net Resource Outturn</b>	<b>9,306,640</b>	<b>8,672,914</b>	<b>8,002,758</b>	
CFERs	-	-	-	
Non-voted expenditure	-	-	-	
<b>Resource Budget Outturn</b>	<b>3,402</b>	<b>3,396</b>	<b>2,541</b>	

## Notes to the Main Estimate

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

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>9,306,640</b>	<b>8,672,914</b>	<b>8,002,758</b>
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-	-
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>9,306,640</b>	<b>8,672,914</b>	<b>8,002,758</b>
<i>Adjustments to remove:</i>			
capital grants to local authorities	-	-	-
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	-	-	-
voted expenditure outside the budget	-9,303,238	-8,669,518	-8,000,217
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
resource consumption of non departmental public bodies	-	-	-
unallocated resource provision	-	-	-
Other adjustments	-	-	-
<b>Resource Budget Outturn (Budget)</b>	<b>3,402</b>	<b>3,396</b>	<b>2,541</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	3,402	3,396	2,541
Annually Managed Expenditure (AME)	-	-	-

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	<b>766</b>	<b>766</b>	<b>18</b>
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	-	-	-
capital grants to local authorities	-	-	-
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	-	-	-
capital spending by levy funded bodies	-	-	-
unallocated capital provision	-	-	-
Other adjustments	-	-	-
<b>Capital Budget Outturn (Budget)</b>	<b>766</b>	<b>766</b>	<b>18</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	766	766	18
Annually Managed Expenditure (AME)	-	-	-

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

### **Explanation of Accounting Officer responsibilities**

HM Treasury has appointed Mrs Alison Jackson as Accounting Officer with overall responsibility for preparing the Department's Estimate.

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

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

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

	£'000					
	2003-04 provision		2002-03 provision		2001-02 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: To support the Secretary of State in discharging his role of representing Wales in the UK Government, representing the UK Government in Wales, and ensuring the smooth working of the devolution settlement in Wales.</b>						
Rent receipts	9	—	9	—	9	—
<b>Total RfR 1</b>	<b>9*</b>	<b>—</b>	<b>9</b>	<b>—</b>	<b>9</b>	<b>—</b>

\*Amount that may be applied as operating appropriations in aid in addition to the net total arising from receipts from rent for use of accommodation in Gwydyr House by the National Assembly for Wales.

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

### Analysis of Consolidated Fund extra receipts

	£'000					
	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Loan charges received from Dyfed Powys in respect of Cleddau Bridge	100	100	100	—	100	—
EU Funding for Tir Gofal	2,400	2,400	2,700	—	1,400	—
ESF receipts relating to pre-2001 training programmes formerly administered by the Department for Education	4,500	4,500	3,500	—	3,358	—
<b>Total</b>	<b>7,000</b>	<b>7,000</b>	<b>6,300</b>	<b>—</b>	<b>4,858</b>	<b>—</b>

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

### Administration cost limits and Departmental Expenditure Limits

Administration costs limits	£'000		
	Gross provision	Income	Total administration costs limit
Gross administration costs limits	3,318	–9	3,309
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL)	£'000		
	Voted*	Non-voted	Total
Resource DEL	3,402	—	3,402
Capital DEL	766	—	766
Less depreciation	–35	—	–35
Total DEL	4,133	—	4,133

- \* 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 2003-04 of £9,306,640,000 is 3 per cent higher than the final provision and forecast outturn for 2002-03 of £9,019,759,000.

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**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 that has been or will be appropriated in aid

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	<b>2003-04 provision</b>	<b>2002-03 provision</b>	<b>2001-02 outturn</b>
	9	9	9

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# Northern Ireland Office

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## Introduction

1. This Estimate provides for the salaries of the Secretary of State for Northern Ireland and his Ministers and for the administration of the Northern Ireland Office in pursuit of its objectives as reflected in its Public Service Agreement (PSA).
2. It provides for the implementation of the Good Friday Agreement; the support and development of the criminal justice system; the enforcement of law (excluding army costs); and the maintenance of a secure and humane prison system.
3. Expenditure of £8,632,000,000 in RfR 2 represents a grant to the Northern Ireland Consolidated Fund and transfers of European Union funds and is classified as ‘Non-Budget’.
4. Further information can be found in the Northern Ireland Office Departmental Report 2003 (Cm 5929).
5. Symbols are explained in the Introduction to this booklet.

## Part I

	£
<b>Request for Resources 1: Playing a full part in implementing the Good Friday Agreement and representing the interests of Northern Ireland in the UK Government; supporting and developing an efficient, effective and responsive Criminal Justice System; upholding and sustaining the rule of law and preventing crime; maintaining a secure and humane prison service and reducing the risks of re-offending.</b>	<b>1,117,007,000</b>
<b>Request for Resources 2: Providing appropriate funding to the Northern Ireland Consolidated Fund for the delivery of transferred public services as defined by the Northern Ireland Act 1998 and Northern Ireland Act 2000†.</b>	<b>8,632,000,000</b>
<b>Total net resource requirement</b>	<b>9,749,007,000</b>
<b>Net cash requirement</b>	<b>9,758,599,000</b>

Amounts required in the year ending 31 March 2004 for expenditure by the Northern Ireland Office on:

**RfR 1: Playing a full part in implementing the Good Friday Agreement and representing the interests of Northern Ireland in the UK Government; supporting and developing an efficient, effective and responsive Criminal Justice System; upholding and sustaining the rule of law and preventing crime; maintaining a secure and humane prison service and reducing the risks of re-offending:**

expenditure on central administration services; VIP visits to Northern Ireland; the Bloody Sunday Inquiry; Reviews and Commissions arising from the Good Friday Agreement; expenditure on Victims of the Troubles; expenditure arising from the Northern Ireland Act 1998 and Northern Ireland Act 2000; forensic services; services related to crime; criminal justice including juvenile justice services; probation and after-care; state pathology; Crown prosecutions and other legal services; compensation schemes; Criminal Injuries Compensation Appeals Panel for Northern Ireland; European Union peace and reconciliation projects; and certain other grants; implementation of the Independent Commission on Police findings; security; the Police Ombudsman; the Independent Assessor of Military Complaints Procedures in Northern Ireland; the Parades Commission; arms decommissioning; policing; prisons including the Prison Service Trust; and associated non-cash items.

**RfR 2: Providing appropriate funding to the Northern Ireland Consolidated Fund for the delivery of transferred public services as defined by the Northern Ireland Act 1998 and Northern Ireland Act 2000:**

grants to the Northern Ireland Consolidated Fund and transfers of EU funds.

The Northern Ireland Office will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
<b>RfR 1</b>	1,117,007,000	530,385,000	586,622,000
<b>RfR 2</b>	8,632,000,000	3,640,050,000	4,991,950,000
<b>Total net resource requirement</b>	<b>9,749,007,000</b>	<b>4,170,435,000</b>	<b>5,578,572,000</b>
<b>Net cash requirement</b>	<b>9,758,599,000</b>	<b>4,170,958,000</b>	<b>5,587,641,000</b>

† In the Vote on Account RfR 2 was described as 'Providing appropriate funding to the Northern Ireland Consolidated Fund for the delivery of transferred public services as defined by the Northern Ireland Act 2000.'

## Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 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: Playing a full part in implementing the Good Friday Agreement and representing the interests of Northern Ireland in the UK Government; supporting and developing an efficient, effective and responsive Criminal Justice System; upholding and sustaining the rule of law and preventing crime; maintaining a secure and humane prison service and reducing the risks of re-offending</b>									
176,226	65,229	884,200	1,125,655	8,648	1,117,007	20,168	384	1,229,020	984,868
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Central Administration									
29,687	5,198	-	34,885	3,376	31,509	5,463	-	37,007	23,375
B Ministers									
3,312	-	-	3,312	-	3,312	-	-	3,563	3,093
C Political Directorate									
3,680	6,495	1,020	11,195	230	10,965	37	-	15,726	11,556
D Bloody Sunday									
-	1,000	-	1,000	-	1,000	-	-	25,313	18,679
E Department of the Director of Public Prosecutions									
14,417	5,968	-	20,385	86	20,299	691	-	16,074	13,239
F Forensic Science Northern Ireland									
6,221	-	-	6,221	4,707	1,514	384	384	563	1,128
G Criminal Justice									
5,337	17,884	16,270	39,491	-	39,491	321	-	51,754	33,668
H Compensation Agency									
3,797	2,461	92,971	99,229	180	99,049	22	-	93,009	33
I Matching Funding for the European Union Peace & Reconciliation Programme									
-	-	-	-	-	-	-	-	-	117
J European Union Peace & Reconciliation Programme									
-	-	-	-	-	-	-	-	-	352

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

£'000

2003-04						2002-03 Provision	2001-02 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	
K	Policing & Security									
	4,803	8,603	7,125	20,531	10	20,521	55	-	29,841	19,853
L	Policing-Non Severance									
	-	2,000	-	2,000	-	2,000	1,000	-	2,000	2,000
M	Northern Ireland Prison Service									
	104,972	8,445	-	113,417	59	113,358	12,195	-	166,722	105,217
N	Youth Justice Agency									
	-	7,175	-	7,175	-	7,175	-	-	-	-
<b>Spending in Annually Managed Expenditure (AME)</b>										
<i>Central Government spending</i>										
O	Police Pensions									
	-	-	50,300	50,300	-	50,300	-	-	41,000	41,832
<b>Non-budget</b>										
P	European Union Peace & Reconciliation Programme									
	-	-	-	-	-	-	-	-	-	-434
Q	Police									
	-	-	716,514	716,514	-	716,514	-	-	746,448	711,160
<b>RfR 2: Providing appropriate funding to the Northern Ireland Consolidated Fund for the delivery of transferred public services as defined by the Northern Ireland Act 1998 and Northern Ireland Act 2000</b>										
	-	-	8,632,000	8,632,000	-	8,632,000	-	-	8,461,000	7,998,998
<b>Non-budget</b>										
A	Grants to the Northern Ireland Consolidated Fund									
	-	-	8,632,005	8,632,005	-	8,632,005	-	-	8,460,999	7,998,998

## Part II: Subhead detail

£'000

2003-04						2002-03 Provision	2001-02 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	
B	European Institutions (Net)									
	-	-	-5	-5	-	-5	-	-	1	-
<b>Total for Estimate:</b>										
	176,226	65,229	9,516,200	9,757,655	8,648	9,749,007	20,168	384	9,690,020	8,983,866

## Part II: Resource to cash reconciliation

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
<b>Net Total Resources</b>	9,749,007	9,690,020	8,983,866	
<b>Voted capital items</b>				
Capital	20,168	36,362	18,414	
Less Non-operating A-in-A	384	724	727	
<b>Total net voted capital</b>	19,784	35,638	17,687	
<b>Accruals to cash adjustment</b>				
Adjustments to remove non-cash items:				
Cost of Capital charges	-9,599	-8,636	-1,737	
Depreciation	-11,253	-35,029	-11,156	
New provisions and adjustments to previous provisions	-1,050	-21,150	-9,002	
Profit/loss on sale of assets	-	-	-	
Prior period adjustments	-	-	-	
Other non-cash items	-1,394	-1,394	1,469	
Increase (+) / Decrease (-) in stock	-13	-13	-5,974	
Increase (+) / Decrease (-) in debtors	-405	-416	-	
Increase (-) / Decrease (+) in creditors	-200	-8	3,963	
Use of provisions	13,722	19,356	72,081	
<b>Total accruals to cash adjustments</b>	-10,192	-47,290	49,644	
<b>Excess cash to be CFERd</b>	-	-	-	
<b>Net Cash Requirement</b>	9,758,599	9,678,368	9,051,197	

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

No CFER income or receipts are expected in 2003-04. None were received in 2002-03 or 2001-02.

## Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
<b>Net Administration Costs</b>				
RfR 1	167,887	231,854	127,446	
RfR 2	-	-	-	
<b>Total Net Administration costs</b>	<b>167,887</b>	<b>231,854</b>	<b>127,446</b>	
<b>Net Programme Costs</b>				
RfR 1	949,120	997,166	857,422	
RfR 2	8,632,000	8,461,000	7,998,998	
<b>Total Net Programme costs</b>	<b>9,581,120</b>	<b>9,458,166</b>	<b>8,856,420</b>	
<b>Total Net Operating Cost</b>	<b>9,749,007</b>	<b>9,690,020</b>	<b>8,983,866</b>	
<i>of which:</i>				
<b>Net Resource Outturn</b>	<b>9,749,007</b>	<b>9,690,020</b>	<b>8,983,866</b>	
CFERs	-	-	-	
Non-voted expenditure	-	-	-	
<b>Resource Budget Outturn</b>	<b>1,121,174</b>	<b>1,306,066</b>	<b>1,017,584</b>	

## Notes to the Main Estimate

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

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>9,749,007</b>	<b>9,690,020</b>	<b>8,983,866</b>
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-	-
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>9,749,007</b>	<b>9,690,020</b>	<b>8,983,866</b>
<i>Adjustments to remove:</i>			
capital grants to local authorities	-	-	-
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	187,129	305,201	145,341
voted expenditure outside the budget	-8,819,129	-8,766,201	-8,143,905
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
resource consumption of non departmental public bodies	-2,088	83,896	37,323
unallocated resource provision	12,505	-	-
Other adjustments	-6,250	-6,850	-5,041
<b>Resource Budget Outturn (Budget)</b>	<b>1,121,174</b>	<b>1,306,066</b>	<b>1,017,584</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,070,874	1,265,066	975,752
Annually Managed Expenditure (AME)	50,300	41,000	41,832

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	<b>19,784</b>	<b>35,638</b>	<b>17,687</b>
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	44,068	26,145	37
capital grants to local authorities	-	-	-
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	-	-	-
capital spending by levy funded bodies	-	-	-
unallocated capital provision	576	-	-
Other adjustments	-	-	-
<b>Capital Budget Outturn (Budget)</b>	<b>64,428</b>	<b>61,783</b>	<b>17,724</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	64,428	61,783	17,724
Annually Managed Expenditure (AME)	-	-	-

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

### Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Under Secretary of the Northern Ireland Office, Sir Joseph Pilling, as Accounting Officer of the Department with responsibility for preparing the Department's Estimate.

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

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

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

	£'000					
	2003-04 provision		2002-03 provision		2001-02 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: Playing a full part in implementing the Good Friday Agreement and representing the interests of Northern Ireland in the UK Government; supporting and developing an efficient, effective and responsive Criminal Justice System; upholding and sustaining the rule of law and preventing crime; maintaining a secure and humane prison service and reducing the risk of re-offending;</b>						
Income from sale of land and buildings	—	384	—	724	—	727
Income from licences	10	—	50	—	10	—
Income from fees and charges	64	—	64	—	64	—
Recovery of costs	8,541	—	9,692	—	8,919	—
Income from other sales	33	—	33	—	33	—
<b>Total RfR 1</b>	<b>8,648*</b>	<b>384**</b>	<b>9,839</b>	<b>724</b>	<b>9,026</b>	<b>727</b>

\*Amount that may be applied as operating appropriations in aid in addition to the net total, arising from recoupment of electoral expenses, shared accommodation costs, receipts for the use of video conference facilities, certain pension contributions, receipts for accruing superannuation liability charges, fees and costs recovered or received for work done for other departments, freedom of information receipts, recovery of compensation paid, recovery of costs associated with supplying forensic science services, costs and fees awarded in favour of the Crown, receipts arising from arms decommissioning, proceeds of prison occupational services, sale of surplus stores and catering equipment, creche fees, and tuck shop receipts.

\*\*Amount that may be applied as non operating appropriations in aid, arising from the sale of residential properties.

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

### Administration costs limits and Departmental Expenditure Limits

Administration costs limits £'000

	Gross provision	Income	Total administration costs limit
<b>Gross administration costs limits</b>	167,007	–3,632	163,375
Forensic Science Agency (FSNI)	5,664	–4,707	957
<b>Total Net administration costs limits</b>	5,664	–4,707	957

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	350,193	720,681	1,070,874
Capital DEL	19,784	44,644	64,428
Less depreciation	–11,253	–27,467	–38,720
<b>Total DEL</b>	<b>358,724</b>	<b>737,858</b>	<b>1,096,582</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 2003-04 of £9,749,007,000 is 0.6 per cent lower than the final provision for 2002-03 of £9,809,192,000 and 0.6 per cent higher than the forecast outturn of that year of £9,690,020,000

## 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 that has been or will be appropriated in aid

	2003-04 provision	2002-03 provision	2001-02 outturn
	9,032	8,636	10,338

### Contingent Liabilities

£'000

Miscarriage of justice compensation (difficult to estimate based on court settlements.)  
Equal opportunities and other employment related claims.

unquantifiable  
unquantifiable