
Central Government Supply Estimates

2003–04

for the year ending 31 March 2004

Main Supply Estimates

*Presented by Command of Her Majesty
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TREASURY CHAMBERS
6 May 2003
RUTH KELLY

Section 1.

Introduction

1. Supply Estimates are the means by which Government seeks authority from Parliament for its own spending each year. The Main Estimates start this process and are presented to Parliament around the start of the financial year to which they relate. Detailed departmental Estimates are presented to Parliament by the Treasury and a Supplementary Budgetary Information publication is being presented alongside the Main Estimates giving detailed read-across between Estimates and departmental reports.

2. The format of resource-based Supply Estimates is described in detail in **Section 2**. The relationship between Supply Estimates and the administrative control arrangements are described in **Section 3**. **Section 4** describes the way in which Parliament considers the Supply Estimates. **Section 5** summarises the important voted elements of the Estimate and **Section 6** consists of the individual departmental Estimates themselves.

2003-2004 Main Supply Estimates

3. The total resource expenditure for which authority is sought in the 2003–04 Main Estimates is £359.1 billion. This spending is consistent with the Government's plans for public expenditure as a whole set out in Public Expenditure: Statistical Analyses 2003–04 (Cm 5901). Further information is contained elsewhere in the Departmental Reports. The introductory note to each Estimate contains cross-reference to the location of material in the reports.

4. The total forecast outturn for Supply expenditure in 2002–03 is about £333.7 billion. Resources sought through Supply for 2003–04 are about £25.4 billion higher than the forecast outturn for 2002–03.

Table 1 Summary of Supply provision sought, 2003–04 and comparison with previous years

	£ billion		
	2001-02 Outturn	2002-03 Forecast outturn	2003-04 Provision
Gross resources	329.7	363.3	398.2
<i>Less</i> Operating appropriations in aid	–26.2	–29.5	–39.1
Net resource requirement	303.5	333.7	359.1
Capital	16.6	16.4	15.9
<i>Less</i> Non-operating appropriations in aid	–6.1	–4.1	–2.5
Accruals to cash adjustments	–43.8	–50.8	–68.8
Net cash requirement	270.2	295.2	303.9

5. Table 2 in Section 4 shows the net resources for each Request for Resources (RfR) and the net cash requirements sought for each Estimate in 2003–04, the total provision and forecast outturn for 2002–03 and the outturn for 2001–02.

6. The 2003–04 Main Estimates are presented in four volumes. This volume covers the main central government departments. Three separate booklets are being presented to Parliament by the House of Commons (HC 655), the National Audit Office (HC 656) and the Electoral Commission (HC 657).

Section 2.

Format of Resource-based Supply Estimates

1. This section explains the format of Main Estimates. The format of Supplementary Estimates will be described in their introductory pages when they are published during the course of the year.

2. A total of 55 Main Estimates are presented for 2003–04. There is a single resource-based Estimate for each department (including those for the House of Commons, the National Audit Office and the Electoral Commission) and separate Estimates are produced for public service pension schemes having their own resource accounts.

Structure 3. Each detailed departmental Estimate is accompanied by explanatory notes containing basic information intended to put the Estimate into context, including a general description of the expenditure involved; an explanation of the Accounting Officer responsibilities for the Estimate; and an indication of any important features or related Estimates, such as those for public service pension schemes.

4. The core elements which consist of the sums and services to be voted in each resource-based Main Supply Estimate are produced in a standard format.

Part I 5. **Part I** of resource Estimates contains the following key facts:

- (i) the net provision sought (ie the amount of expenditure in resource terms and the net cash requirement for the coming financial year);
- (ii) a formal description of the services to be financed from the Estimate, known as its Ambit. The Ambit clearly indicates the scope of the expenditure to be financed from each Request for Resource (RfR) contained within the Estimate, including where appropriate associated non-cash items.
- (iii) the department which will account for the Estimate; and
- (iv) any amounts, resources and cash, which have already been allocated to it in the Vote on Account.

6. The net resources required, appropriations in aid totals (operating and non-operating), net cash requirement and the Ambit will be reproduced in the Appropriation Act and together provide the statutory authority for the expenditure. No expenditure may be financed from the Estimate which is in excess of the net totals shown or which is not covered by the Ambit. Ambits are to be kept under review to ensure that they properly describe the purposes for which expenditure may be incurred.

7. The Ambit in Part I of the Estimate must be clearly descriptive of the functions to be carried out by the department as should the descriptions attaching to individual sections within an RfR in Part II subhead detail. However the title of each RfR must be objective-based in order to provide a link with Schedule 5 of the resource account whose purpose is to inform users of the accounts as to how resources have been divided between the department's objectives.

- Parts II and III** 8. The following two parts of the resource-based Estimate provide a further breakdown of the expenditure for which approval is being sought and detail of income.
9. The **Part II** subhead detail table is in a tabular or matrix format.

There are some changes this year to the format of the Part II subhead detail table following the move to full Resource Accounting and Budgeting under SR2002:

- (i) Most non-cash items previously in Annually Managed Expenditure (AME) have moved into Departmental Expenditure Limits (DEL) and are no longer shown separately in the Part II subhead detail table. Non-cash items continue to be shown in the accruals to cash reconciliation table that derives the net cash requirement, which follows on from the Part II subhead detail table;
- (ii) Capital grants to Local Authorities and capital grants funded from allocations from the Capital Modernisation Fund are now included on the resource side of the Estimate but are shown under separate functional categories within DEL (or AME). These items were previously shown under ‘Other Spending outside DEL’ on the resource side of the Estimate. All other capital grants are now treated as resource spending under the appropriate budget heading in Estimates, accounts and budgets.
- (iii) To reflect the change in (ii) above, ‘Other spending outside DEL’ is now described as ‘Non-budget’.

10. Each Resource Estimate is split into one or more requests for resources (RfRs), each relating to one of the main aims or functions of the department. Each RfR shows a breakdown of expenditure in accordance with the following control framework classifications which in turn are classified according to spending sectors as appropriate:

Spending in Departmental Expenditure Limits

Central Government spending

Support for Local Authorities

Spending in Annually Managed Expenditure

Central Government spending

Support for Local Authorities

Non-Budget

11. Beneath these levels, each RfR may contain one or more functional lines (sections) as necessary.

12. The individual resource items within the RfR sections are the “subheads” against which the Treasury will require the expenditure to be accounted for. Departments may not redistribute sums shown for resources between sections, or into administration costs within sections, without the agreement of the Treasury which, as long as the total gross and net amounts voted by Parliament are not exceeded, may sanction the use of savings in one section or subhead to meet excess resource expenditure in another, a process known as “virement”. This discretion will not be used in cases where the proposed reallocation is thought to be of such importance or so great a departure from the original Estimate that it should be brought specifically before Parliament by means of a Revised or token Supplementary Estimate.

13. Resource expenditure may not be vired between RfRs. Such transfers always require a Revised or Supplementary Estimate.

14. The different types of expenditure within the Estimate are shown in the vertical breakdown of the table. Columns 1 to 6 fall within the Resource Budget and show all voted current expenditure scored on an accruals basis. Columns 1 and 2 show direct expenditure by the department and its agencies and other bodies within the resource accounting boundary. Column 3 shows grants and transfers to bodies outside the department's accounting boundary, including grants to persons. All of these three columns include amounts in respect of the current consumption of assets but do not include the amounts associated with the acquisition of capital items.

15. Appropriations in aid (AinA) within the Resource Budget are shown in column 5. The total of the AinA amounts identified against each RfR line are subject to Parliamentary control. Appropriations in aid are deducted from the total of gross resource expenditure shown in column 4 to give a net total amount (Column 6). The identified net totals against each RfR are also subject to Parliamentary control.

16. Columns 7 and 8 show the non-Resource Budget elements of the Estimate and are also scored on an accruals basis. Column 7 shows forecast capital acquisitions and Column 8 shows forecast appropriations in aid, which relate to non-operating cost items such as income from the disposal of fixed assets. The total amount of non-operating AinA for the department will be subject to Parliamentary control.

17. Unlike resource expenditure, gross capital provision may be vired between RfRs with the agreement of the Treasury.

18. The final two columns of the Estimate show net total resource figures for the two prior years. These figures are for comparative purposes and are adjusted as far as possible to be consistent with the Estimate format for the coming year.

19. A detailed explanation of the reconciliation between the net resource total and the net cash requirement is shown in the second section of Part II. Capital expenditure is outside the Resource Budget, but the cash required to finance capital expenditure has to be provided. This therefore forms part of the cash requirement, which means that capital expenditure is added to the net resource total. Other non-cash items, which were included in the Resource Budget, are then removed, and the cash effects of various adjustments relating to working capital changes (stock, debtors and creditors) and changes in provisions are shown. An adjustment may also be required to identify any excess cash to be surrendered as CFERs, where a department would otherwise have a negative cash requirement.

20. The net effect of these changes results in the identification of the department's Net Cash Requirement, which is the amount of cash required from the Consolidated Fund in the year in question for the department to carry out its business as specified in the Ambit and is also subject to Parliamentary control.

21. **Part III** of the Estimate shows the extra receipts payable to the Consolidated Fund. This seeks to notify Parliament of the department's forecast of surplus income not appropriated in aid and extra cash receipts to be paid directly to the Consolidated Fund and not retained by the department. Amounts are consequently shown both for forecast income and forecast cash receipts. Prior year data analysed by income and cash receipts are also shown.

**Other statements
and notes**

22. Resource Estimates are accompanied by a **Forecast Operating Cost Statement** reflecting the format of the outturn Operating Cost Statement to be included in the departmental resource accounts. There are also two reconciliation tables; one showing the reconciliation of the Resource Estimate, to the Accounts to Budgets; and another showing the reconciliation of the Capital Estimate and the Budget. These tables will also include expenditure by, and income received in, the department, which is not voted

by Parliament. The Estimates are accompanied by notes providing additional information to Parliament about the specific nature of the department's plans, details of grants in aid, changes in accounting policies etc.

23. The Estimates and supporting statements and notes provide an explanation of the expenditure that the Government proposes to finance from funds made available by Parliament. As before, further information can be provided to Select Committees through their consideration of Estimates or to the whole House through debates.

Contingent liabilities

24. The Notes to each Estimate include details, where appropriate, of any contingent liabilities in force, which, if they matured, would involve the voting of additional expenditure through the Estimate.

Appropriations in Aid

25. A Treasury Minute under the Government Resources and Accounts Act 2000 has today been laid before Parliament directing that certain income specified in the Estimates may be applied as appropriations in aid of resources authorised by Parliament to be used for the service of the year ending 31 March 2004. The source of all types of income to be appropriated in aid is explained in an analysis in the form of a Note to each Estimate which provides a breakdown of forecast Appropriations in Aid (AinA) for 2003–04 and comparison with the two prior years. Each table distinguishes where appropriate between operating AinA and non-operating AinA (the latter mainly the proceeds from asset sales).

26. Each Note to the Estimate includes comprehensive AinA footnotes ordered so that resource AinA items are listed first followed by non-operating AinA items. Failure to include a relevant item in the footnote would mean that the income in question could not be applied as AinA.

Symbols

27. For convenience the symbols used throughout departmental Estimates are reproduced below.

Public Expenditure:

With effect from the 2003–04 Main Estimates the solid star symbol which was used to identify in the Part II subhead detail of each individual Estimate those sections that contained discretionary spending in DEL is no longer required. This is because the discretionary/non-discretionary distinction has now been removed.

- Φ Income receipts which are classified as negative resource in DEL or negative DEL in respect of income from capital receipts including assets sales and which are, exceptionally, surrendered to the Consolidated Fund as extra receipts rather than taken on to the Estimate as appropriations in aid
- △ Income receipts which are classified as negative in Resource Budget: AME or negative AME in respect of income from capital receipts including asset sales and which are, exceptionally, surrendered direct to the Consolidated Fund as extra receipts rather than taken on to the Estimate as appropriations in aid
- Extra receipts which are classified as 'Non budget' and are surrendered direct to the Consolidated Fund as extra receipts

Statutory authority for expenditure:

- Items where provision is sought under the sole authority of Part I of the Estimate and of the confirming Appropriation Act

Accounting and audit arrangements for grants in aid and certain subscriptions, etc, to international organisations:

- ♥ The accounts of this body are audited by the Comptroller and Auditor General and presented to Parliament
- ◆ The accounts of this body are audited by auditors appointed by the Secretary of State (or Ministers) and presented to Parliament. The books and accounts are also open to inspection by the Comptroller and Auditor General
- ♠ The accounts of this body are audited by auditors appointed by the Secretary of State (or Ministers) and presented to Parliament

Publication date 28. The Government aims to present the Main Estimates shortly after the Budget, which normally takes place during March or early April each year.

Supplementary Budgetary Information 29. Alongside Main Estimates, the Treasury publishes a Supplementary Budgetary Information publication. This publication contains tables giving the important read-across between Estimates and departmental reports for each departmental Estimate and is a result of the decision to simplify the departmental report tables from 2002.

Section 3.

Parliamentary Procedure

1. Parliament's consideration of the Supply Estimates is part of its Supply procedure, by which it approves the Government's requests for resources and cash. The process consists of a number of stages:

- (i) the Government requests certain provision;
- (ii) to support each request, information is provided about what resources and total cash will be required and who will be responsible for accounting for the provision;
- (iii) Parliament considers these requests, investigates some more fully and may choose to debate one or more of them;
- (iv) if Parliament votes in favour of the requests it passes an Act to provide the resources and make cash available from the Consolidated Fund;
- (v) to enhance its control, Parliament gives legislative force to the Ambits of the Estimates which specify the purposes for which the provision may be spent; and
- (vi) after expenditure, both resources and cash, has been incurred it is audited and accounted for to check that the amounts and purposes approved by Parliament have not been exceeded.

2. This process extends over a period of more than two years, starting before the financial year in which expenditure is to be incurred and ending over twelve months after that year has ended. At any one time Parliament may be considering expenditure that relates to more than one financial year.

Supply Procedure

3. Under long-established constitutional practice it is for the Crown (the Government) to demand money, the House of Commons to grant it and the House of Lords to assent to the grant.

4. Parliament gives statutory authority for both the use of resources and for funds to be drawn from the Consolidated Fund (the Government's general bank account at the Bank of England) to meet most expenditure by government departments and certain related bodies by Acts of Parliament known as Consolidated Fund Acts and by an annual Appropriation Act. Parliamentary procedure leading to the passing of these Acts is known as "Supply procedure". Specific provision is made available under the Acts only for a specified financial year (although an individual Act may authorise Supply for separate Estimates from different financial years).

Vote on Account

5. Because Parliament does not normally approve the Main Estimates until around the end of July or early August the process begins with the Votes on Account to provide provision for the early months of the financial year. These are normally presented to Parliament in the previous November along with the Winter Supplementary Estimates. In general they will seek for the coming financial year 45 per cent of the amounts, resources and cash, authorised to date in the current year.

- Main Estimates** 6. Around the turn of the new financial year the Treasury presents to Parliament the Main Estimates with supporting statements and notes. Part I of each Estimate forms the basis of a Supply Resolution, which is normally voted on by the House of Commons before the end of July. A Consolidated Fund (Appropriation) Bill is then brought in and passed before Parliament rises for the Summer Recess.
- Appropriation Act** 7. The resulting Appropriation Act authorises departments to use resources and spend cash up to the amounts requested in the Main Supply Estimates as amended by any Revised Estimates or added to by summer Supplementary Estimates. The Act not only gives Parliamentary authority for total resources requested to be used and cash to be issued from the Consolidated Fund but also limits the way in which the resources can be used by prescribing how the overall sum is to be appropriated to particular RfRs in order to finance specified services. It also appropriates to individual Estimates the amounts provided under Consolidated Fund Acts passed since the previous Appropriation Act.
- Revised Estimates** 8. Revised Estimates affecting some expenditure may be presented to replace the original Estimate before the Supply Resolution is voted on. They either reduce the provision sought in the original Estimate or vary the way in which it is to be allocated.
- Supplementary Estimates** 9. The Government may decide to ask Parliament for additional resources and/or cash during the year. Supplementary Supply Estimates, where necessary, are usually presented in June (summer), November (winter) and February (spring). Following any Estimates Day debates and the vote on the necessary Supply Resolution, formal statutory authority for extra funds is provided by the Appropriation Act in the case of summer Supplementaries and by Consolidated Fund Acts in the case of winter and spring Supplementaries. The winter Consolidated Fund Act also covers the Vote on Account. Exceptionally, as necessary, Supplementaries may be presented at other times.
- Contingencies Fund** 10. There is also a cash-based Contingencies Fund, which may be used to finance urgent cash expenditure in anticipation of Parliamentary approval of Estimates. Total advances outstanding at any one time must not exceed 2 per cent of the previous year's total cash Supply provision. Drawings on the Fund are repaid when Parliament has voted the additional cash (together with any associated resource consumption).
- Accounts and audit** 11. Supply Estimates are based upon both consumption of resources and cash and Parliamentary control applies to both.
12. Provision is made within resources for commitments entered into but which may not mature for payment within the financial year. The net cash requirement provides for all payments, which are due within the financial year relating to continuing services whether or not they relate to consumption of resources within the year and takes account of the cash receipts associated with AinA income.
13. After the end of the financial year each department and public service pension scheme prepares a resource account comprising a set of schedules and statements the most significant of which for Parliamentary control of Estimates is Schedule 1 which compares outturn with estimate for both resource expenditure and the net cash requirement.
14. Each resource account is audited and a certificate and report on the account is produced by the Comptroller and Auditor General. The account and the Comptroller and Auditor General's certificate and report are then laid before the House of Commons in the winter following the end of the financial year to which they relate.
15. The accounting and audit arrangements for some expenditure including grants in aid and certain subscriptions to international organisations are different from those for most expenditure. These exceptions are indicated by a common set of symbols in all departmental Estimates where they apply (see Section 2).

16. Under the National Audit Act 1983 the Comptroller and Auditor General also carries out value for money studies of department's expenditure. The Public Accounts Committee's examination of departments in these studies substantially enhances the accountability provided through the resource accounts.

Excess Votes 17. If expenditure on any RfR or the net cash requirement for an Estimate exceeds the provision voted, and it is too late to seek a Supplementary Estimate, the excess will appear in Schedule 1 of the Department's resource account and will be reported to the Public Accounts Committee by the Comptroller and Auditor General. Subject to that report, the necessary provision is sought in an Excess Vote. The Treasury presents a Statement of Excesses to Parliament, usually in February of the following financial year at the same time as spring Supplementary Estimates. Funds, either resources, cash or both are then voted in March (ie over 11 months after the end of the financial year to which they relate). They are then appropriated in the following year's Appropriation Act in July.

Parliamentary debate 18. Parliament's consideration of individual Estimates is primarily a task for Select Committees concerned with the activities and expenditure of particular departments. A Committee may decide to examine individual Main or Supplementary Estimates, ask the department for more information about some aspects and examine Ministers and officials about particular areas of expenditure. A Committee's conclusions often take the form of a Report, which is printed by the House.

19. The House of Commons has the opportunity to debate and vote on individual Estimates on three Estimates Days in each Parliamentary Session. When this happens the debate is generally informed by a Report from the relevant Select Committee. The time available in Estimates Days is allocated on the advice of the Liaison Committee whose membership includes the chairmen of the Departmental Select Committees. In addition the Government may make some extra time available for debates on special Supplementary Estimates.

20. Proceedings on Consolidated Fund Bills are formal, ie not open to debate.

Parliamentary Timetable 21. Under Standing Orders of the House of Commons, seven clear days must elapse between the presentation of a Supplementary Estimate and the vote on the related Supply Resolution. The Government aims to leave at least 14 days between presentation and the vote, and to give Select Committees advance proof copies of Supplementary Estimates ahead of presentation, although this may not always be possible. In practice, some 2-4 weeks are usually available for Select Committees to examine Supplementaries on the three main occasions when they are presented. This period is necessarily shorter if there are any late or Revised Supplementaries.

22. Parliament's consideration of Estimates is therefore generally concentrated in three periods:

- (i) April-July for Main Estimates and June-July for summer Supplementaries and Revised Estimates, including any Estimates Day debates, followed by the Appropriation Act;
- (ii) November-December for Winter Supplementaries, the Vote on Account and any associated debates, followed by a Consolidated Fund Act;
- (iii) February-March for spring Supplementaries and any associated debates, also followed by a Consolidated Fund Act.

**Consolidated Fund
standing services**

23. Parliament has passed statutes that authorise certain expenditure to be charged to the Consolidated Fund and not be subject to the annual Supply procedure. These “Consolidated Fund standing services” include payments to the National Loans Fund to service the National Debt, most payments to the European Communities, Her Majesty’s Civil List and the salaries and pensions of certain people who are constitutionally independent of the Executive. These include the Speaker of the House of Commons, the Comptroller and Auditor General, United Kingdom members of the European Parliament and the judiciary.

24. Where appropriate Consolidated Fund standing services are included within departmental resource accounts and budgets and are subject to the public expenditure controls described in **Section 3**.

Section 4.

Summary of Supply Estimates

1. Table 2 summarises the 2003–04 Main Supply Estimates presented to Parliament. It shows the net resources for each RfR and the net cash requirements sought for each Estimate in 2003–04, the total provision and forecast outturn based upon resource accounts for 2003–03 and the outturn on an equivalent basis for 2001–02.

RfR Service	2001-02		2002-03 (1)		Forecast outturn		2003-04	
	Outturn Net resources (2)	Net cash requirement	Total provision Net resources (2)	Net cash requirement	Net resources (2)	Net cash requirement	Total provision Net resources (2)	Net cash requirement
Department for Education and Skills	18,281,273	19,524,115	22,975,593	24,441,051	22,331,723	23,489,952	23,405,547	25,461,415
1 To help build a competitive economy and inclusive society by: creating opportunities for everyone to develop their learning; releasing potential in people to make the most of themselves; and achieving excellence in standards of education and levels of skills	18,111,252		22,378,415		21,994,992		22,675,653	
2 Promoting the physical, intellectual and social development of babies and young children through Sure Start, Early Years Provision and Childcare	132,664		447,784		207,911		529,894	
3 Tackling child poverty and social exclusion by helping vulnerable children and young people, and their families, to break the cycle of deprivation and disadvantage through the Children's Fund	37,357		149,394		128,820		200,000	
Teacher's Pension Scheme	6,629,978	1,617,631	6,680,000	1,760,001	6,680,000	1,760,001	11,645,547	597,204
1 Teachers' pensions	6,629,978		6,680,000		6,680,000		11,645,547	
Office of Her Majesty's Chief Inspector of Schools in England	155,175	154,735	199,011	196,882	199,011	196,882	207,000	206,970
1 Improving the quality and standards of education and childcare through independent inspection regulation & advice	155,175		199,011		199,011		207,000	
Department of Health	45,754,549	43,862,876	51,043,403	50,204,345	51,043,403	50,054,345	49,799,111	50,185,974
1 Securing health care for those who need it	43,753,253		47,820,191		47,820,191		46,285,962	
2 Securing social care and child protection for those who need it and, at national level, protecting, promoting and improving the nation's health	2,001,296		3,223,212		3,223,212		3,513,149	
National Health Service Pension Scheme	13,939,645	86,761	7,503,028	41,750	7,503,028	41,750	23,195,649	25,000
1 National Health Service Pension Scheme	13,939,645		7,503,028		7,503,028		23,195,649	
Food Standards Agency	106,800	106,657	137,299	134,625	137,299	134,625	119,528	119,409
1 Protecting and promoting public health in relation to food	106,800		137,299		137,299		119,528	
Department for Transport	7,527,639	6,228,364	10,159,142	7,858,031	9,079,135	7,777,318	10,914,418	9,348,573
1 Promoting modern, integrated and safe transport and providing customer-focussed regulation	7,527,639		10,159,142		9,079,135		10,914,418	
Office of the Deputy Prime Minister	45,225,004	45,348,296	47,436,036	47,641,085	46,689,058	46,825,520	51,863,002	52,063,295
1 Improving the quality of life by creating thriving, inclusive and sustainable communities in all regions	7,854,304		9,562,702		8,997,939		10,410,245	
2 Providing for effective devolved decision making within a national framework	37,370,700		37,873,334		37,691,119		41,452,757	

Table 2 Supply Estimates by department and request for resources (Continued)									
£'000s									
RfR Service	2001-02 Outturn		2002-03 (1) Total provision		Forecast outturn		2003-04 Total provision		
	Net resources (2)	Net cash requirement	Net resources (2)	Net cash requirement	Net resources (2)	Net cash requirement	Net resources (2)	Net cash requirement	
Office of the Rail Regulator	1	1	1	2,366	1	2,416	1	1	
1 To create a better railway for passengers and freight, and better value for public funding authorities, through independent, fair and effective regulations	1		1		1		1		
Home Office	10,336,089	10,314,825	13,033,168	13,079,277	13,033,168	13,079,277	11,832,470	11,988,724	
1 Building a safe, just and tolerant society	8,219,720		10,757,647		10,757,647		9,501,016		
2 Protecting the public by holding prisoners in decent conditions and reducing re-offending after release	2,116,369		2,275,521		2,275,521		2,331,454		
Assets Recovery Agency	—	—	—	—	—	—	10,999	10,774	
1 Helping to reduce crime by recovering the proceeds of crime by criminal proceedings and by taxation	—		—		—		10,999		
Charity Commission	22,958	22,867	25,669	26,795	25,328	26,078	27,279	27,759	
1 Giving the public confidence in the integrity of charity	22,958		25,669		25,328		27,279		
Lord Chancellor's Department	2,789,340	2,695,390	3,091,104	2,993,572	3,091,104	2,993,572	2,847,306	2,735,121	
1 To promote the development of a modern, fair, cost effective and efficient system of justice for all	2,789,340		3,091,104		3,091,104		2,847,306		
Lord Chancellor's Department: Judicial Pensions Scheme	62,744	1	66,621	1	66,621	1	62,830	1	
1 Judicial pensions scheme	62,744		66,621		66,621		62,830		
Northern Ireland Court Service	77,717	78,486	97,764	96,545	97,764	96,545	94,540	89,365	
1 Supporting the effective and efficient administration of justice in Northern Ireland	77,717		97,764		97,764		94,540		
The National Archives: Public Record Office and Historical Manuscripts Commission	29,880	23,898	37,916	32,577	34,916	30,077	35,743	29,384	
1 Promoting the study of the past in order to inform the present and the future by selecting, preserving and making publicly available public records of historical value and by encouraging high standards of care and public access for archives of historical value outside the public records	29,880		37,916		34,916		35,743		
The Crown Prosecution Service	404,363	388,661	467,279	466,032	438,799	443,556	428,294	433,344	
1 Increasing public confidence in the criminal justice system through fair, firm and effective prosecutions	404,363		467,279		438,799		428,294		
Serious Fraud Office	23,059	22,178	28,771	29,350	28,771	29,350	23,410	24,400	
1 Reducing fraud and the cost of fraud and delivering justice and the rule of law	23,059		28,771		28,771		23,410		
HM Procurator General and Treasury Solicitor	10,127	8,762	13,339	15,053	13,344	13,003	13,093	13,877	
1 Providing comprehensive & competitive legal services to government departments and publicly funded bodies	10,127		13,339		13,344		13,093		
Ministry of Defence	33,593,528	26,170,678	44,538,537	28,311,504	44,522,537	28,275,504	34,015,491	27,541,964	
1 Provision of defence capability	31,825,977		42,195,983		42,195,983		32,820,786		
2 Conflict prevention	530,016		1,155,834		1,139,834		36,700		
3 War Pensions and Allowances, etc	1,237,535		1,186,720		1,186,720		1,158,005		
Armed Forces Retired Pay, Pensions etc	3,209,122	1,404,936	3,277,232	1,378,956	3,277,232	1,378,956	7,112,490	1,422,241	
1 Armed Forces retired pay, pensions etc	3,209,122		3,277,232		3,277,232		7,112,490		
Foreign and Commonwealth Office	1,436,887	1,347,317	1,624,404	1,474,614	1,624,404	1,474,614	1,616,126	1,495,326	
1 Promoting internationally the interests of the UK and contributing to a strong world community	1,251,374		1,358,922		1,358,922		1,394,391		
2 Conflict prevention	185,513		265,482		265,482		221,735		
Department for International Development	2,502,022	2,519,754	2,787,564	2,599,377	2,787,564	2,599,377	2,765,106	2,709,603	
1 Eliminating poverty in poorer countries	2,480,056		2,741,055		2,741,055		2,726,746		
2 Conflict prevention	21,966		46,509		46,509		38,360		
Department for International Development: Overseas Superannuation	59,473	121,678	56,331	118,334	56,331	118,334	60,293	114,767	
1 Overseas superannuation	59,473		56,331		56,331		60,293		

Table 2 Supply Estimates by department and request for resources (Continued)									
£'000s									
RfR Service	2001-02 Outturn		2002-03 (1)		Forecast outturn		2003-04		
	Net resources (2)	Net cash requirement	Net resources (2)	Net cash requirement	Net resources (2)	Net cash requirement	Net resources (2)	Net cash requirement	
Department of Trade and Industry	6,137,957	4,067,439	7,224,823	5,291,479	7,074,823	5,089,479	4,669,303	6,111,014	
1 Increasing UK competitiveness	4,418,202		5,199,665		5,049,665		2,386,140		
2 Increasing Scientific Excellence in the UK and maximising its contribution to society	1,719,755		2,025,158		2,025,158		2,283,163		
British Trade International	76,146	76,140	95,916	97,596	92,246	94,786	95,078	96,244	
1 Enhanced competitiveness of companies in the UK through overseas sales and investment: and a continuing high level of quality, foreign direct investment	76,146		95,916		92,246		95,078		
Department of Trade and Industry: United Kingdom Atomic Energy Authority superannuation schemes	360,290	127,266	369,524	136,500	369,524	136,500	235,973	124,561	
1 Effective management of United Kingdom Atomic Energy Authority superannuation schemes	360,290		369,524		369,524		235,973		
Export Credits Guarantee Department	311,724	760,254	392,993	541,163	508,996	541,163	223,390	233,477	
1 To provide export finance assistance through interest support to benefit the UK economy by facilitating exports	311,724		392,991		508,994		223,389		
2 To provide export credit guarantees and investment insurance to benefit the UK economy by facilitating exports	—		2		2		1		
Office of Fair Trading	43,557	33,516	50,792	50,845	41,556	41,609	54,375	55,077	
1 Advancing and safeguarding the economic interests of UK consumers	43,557		50,792		41,556		54,375		
Office of Telecommunications	821	93	760	545	760	545	680	143	
1 Providing the best possible deal for telecommunications customers through effective competition	821		760		760		680		
Office of Gas and Electricity Markets	352	352	221	676	221	676	681	2,908	
1 Protecting consumers by regulating monopolies and promoting competition in the electricity and gas industry	2		1		1		1		
2 Expenditure in connection with the Climate Change Levy	350		220		220		680		
Postal Services Commission	377	763	1	21	—	1	1	51	
1 Ensuring the provision of a universal postal service at a uniform tariff, protecting consumers and promoting competition	377		1		—		1		
Department for Environment, Food and Rural Affairs	2,567,294	4,438,289	2,534,803	3,135,055	2,534,803	3,135,055	2,380,089	2,460,533	
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. Funding aspects of the Common Agricultural Policy and England Rural Development Plan Guarantee Section as economically, efficiently and effectively as possible	2,567,294		2,534,803		2,534,803		2,380,089		
Forestry Commission	582,310	566,293	88,141	63,398	88,030	63,318	81,236	61,333	
1 Protecting and expanding Britain's woodlands and increasing their value to society and the environment	582,310		88,141		88,030		81,236		
Office of Water Services	1	35	1,101	1,645	1,101	1,735	1	37	
1 Regulation of the Water Industry	1		1,101		1,101		1		
Department for Culture, Media and Sport	3,222,885	3,399,982	3,573,126	3,435,547	3,504,245	3,361,666	3,678,410	3,681,683	
1 Improving the quality of life through cultural and sporting activities	1,051,503		1,291,264		1,222,383		1,279,311		
2 Broadening access to a rich and varied cultural and sporting life through home broadcasting	2,171,382		2,281,862		2,281,862		2,399,099		
Department for Work and Pensions	46,316,136	46,548,020	49,275,527	49,249,540	48,796,307	48,742,545	50,011,834	49,819,522	
1 Ensuring the best start for children and ending child poverty in 20 years	268,062		252,663		255,676		200,007		
2 Promoting work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need	26,718,617		28,156,022		27,764,339		28,144,579		

Table 2 Supply Estimates by department and request for resources (Continued)									
£'000s									
RfR Service	2001-02 Outturn		2002-03 (1) Total provision		Forecast outturn		2003-04 Total provision		
	Net resources (2)	Net cash requirement	Net resources (2)	Net cash requirement	Net resources (2)	Net cash requirement	Net resources (2)	Net cash requirement	
Department for Work and Pensions (continued)									
3 Combating poverty and promoting security and independence in retirement for today's and tomorrow's pensioners	7,127,195		7,024,189		7,104,479		8,080,450		
4 Improving the rights and opportunities for disabled people in a fair and inclusive society	10,811,334		11,692,704		11,651,716		12,300,284		
5 Modernising welfare delivery so as to improve the accessibility, accuracy and value for money of services to customers, including employers	253,741		914,488		880,334		370,742		
6 Corporate contracts, support services and administration of the European Social Fund for England	1,137,187		1,235,461		1,139,763		915,772		
Scotland Office	14,996,425	14,996,148	18,179,445	18,179,079	18,178,676	18,178,298	18,528,277	18,527,902	
1 Overseeing the effective operation of the devolution settlement in Scotland and representing the interests of Scotland within the UK Government	14,996,425		18,179,445		18,178,676		18,528,277		
Wales Office	8,002,758	8,002,698	8,672,914	8,673,587	9,019,717	9,020,390	9,306,640	9,307,313	
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	8,002,758		8,672,914		9,019,717		9,306,640		
Northern Ireland Office	8,983,866	9,051,197	9,690,020	9,678,368	9,690,020	9,670,305	9,749,007	9,758,599	
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	984,868		1,229,020		1,229,020		1,117,007		
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	7,998,998		8,461,000		8,461,000		8,632,000		
HM Treasury	262,781	325,598	380,848	204,747	380,848	204,747	275,419	167,198	
1 Raising the rate of sustainable growth and achieving rising prosperity and a better quality of life with economic and employment opportunities for all	180,451		296,215		296,215		200,837		
2 Cost effective management of the supply of coins and actions to protect the integrity of coinage	36,995		35,714		35,714		35,714		
3 Obtaining the best value for money from Government's commercial relationships on a sustainable basis	45,335		48,919		48,919		38,868		
HM Customs and Excise	1,058,632	1,072,743	1,155,664	1,165,161	1,118,244	1,116,961	1,130,057	1,147,872	
1 Administering the indirect tax and customs control systems fairly and efficiently, and enabling individuals and businesses to understand and comply with their obligations	1,058,632		1,155,664		1,118,244		1,103,252		
2 The effective and efficient prosecution of cases in accordance with the Code for Crown Prosecutors	—		—		—		26,805		
Inland Revenue	11,152,934	11,184,056	11,713,799	11,679,526	11,713,799	11,679,526	12,148,175	12,151,203	
1 Enabling businesses and individuals to understand and comply with their obligations in respect of their dealings with the Inland Revenue	2,104,375		2,489,589		2,489,589		2,535,205		
2 Growing a contribution to the good management of property where the public interest is involved	1		1		1		1		
3 Providing payments in lieu of tax relief to certain bodies	227,535		201,000		201,000		171,000		
4 Making payments of rates to Local Authorities on behalf of certain bodies	26,318		28,500		28,500		31,210		
5 Providing payments of Child Benefits	8,794,705		8,994,709		8,994,709		9,410,759		
National Savings and Investments	173,552	163,910	170,467	170,608	170,467	170,608	171,568	170,200	
1 Reducing the costs to the taxpayer of government borrowing now and in the future	173,552		170,467		170,467		171,568		

RfR Service	2001-02		2002-03 (1)		Forecast outturn		2003-04	
	Outturn Net resources (2)	Net cash requirement	Total provision Net resources (2)	Net cash requirement	Net resources (2)	Net cash requirement	Total provision Net resources (2)	Net cash requirement
Office for National Statistics	204,304	198,336	134,609	148,358	134,609	148,358	132,318	133,045
1 Providing statistical and registration services	204,304		134,609		134,609		132,318	
Government Actuary's Department	592	636	854	705	854	705	983	2,026
1 Providing an actuarial consultancy service	592		854		854		983	
Crown Estate Office	2,075	2,067	32,361	32,353	32,361	32,353	1,990	1,982
1 To maintain and enhance the value of the Crown Estate and the return obtained from it	2,075		1,911		1,911		1,990	
<i>The actuarial liability from transferring the Crown Estate Commissioners Superannuation Scheme (CECSS) to the Principal Civil Service Pension Scheme (PCSPS)</i>	—		30,450		30,450		—	
Cabinet Office	219,070	269,823	235,522	263,634	235,522	251,634	264,982	287,813
1 Supporting the Prime Minister's Office closely in ensuring the delivery of Government objectives	219,070		235,522		235,522		264,982	
Security and Intelligence Agencies	937,849	859,932	1,033,348	1,059,363	1,037,934	1,056,588	1,104,120	1,058,509
1 Protecting and promoting the national security and economic well being of the UK	909,003		1,000,867		1,005,973		1,068,126	
2 Security Service and Secret Intelligence Service superannuation	28,846		32,481		31,961		35,994	
Cabinet Office: Civil superannuation	5,300,823	1,605,728	5,782,082	1,232,098	5,782,082	1,232,098	12,292,445	1,395,139
1 Civil superannuation	5,300,823		5,782,082		5,782,082		12,292,445	
Central Office of Information	795	790	716	711	716	711	716	711
1 Achieving maximum communication effectiveness with best value for money	795		716		716		716	
Privy Council Office	3,216	3,163	3,070	3,068	3,070	3,068	3,461	3,488
1 Ensuring the orderly conduct of Privy Council Office business	3,216		3,070		3,070		3,461	
Office of the Parliamentary Commissioner and Health Service Commissioner for England	12,573	11,737	15,746	14,878	12,867	12,000	16,294	16,285
1 To undertake the work of the Parliamentary Commissioner for Administration and Health Service Commissioner for England	12,573		15,746		12,867		16,294	
House of Lords	66,021	56,243	76,678	61,208	74,865	57,408	81,160	68,536
1 Peers' expenses and administration, etc	66,021		76,678		74,865		81,160	
House of Commons: Members	120,069	117,638	136,085	135,812	131,653	131,459	140,743	139,438
1 Members' salaries etc	114,806		130,730		126,298		135,354	
2 Grants to other bodies	5,263		5,355		5,355		5,389	
House of Commons: Administration	144,608	135,056	191,807	141,175	173,718	137,685	180,244	140,829
1 House of Commons: Administration	143,549		190,627		172,538		179,064	
2 Grants to other bodies	1,059		1,180		1,180		1,180	
National Audit Office	48,520	47,274	51,629	50,000	51,629	50,000	56,790	55,950
1 Providing independent assurance to Parliament and other organisations on the management of public resources	48,520		51,629		51,629		56,790	
Electoral Commission	8,835	8,154	20,950	21,640	20,950	21,640	25,708	26,079
1 Electoral Commission	8,835		20,950		20,950		25,708	
Registry of Friendly Societies	2,110	2,110	—	—	—	—	—	—
1 Registry of Friendly Societies	2,110		—		—		—	
Total	303,499,631	270,182,346	336,565,554	297,822,212	333,737,754	295,226,673	359,137,427	303,851,191

(1) Figures for 2001-02 and 2002-03 are the best available estimates of the outturn and provision in those years adjusted for transfer, classification and machinery of government changes to reflect the 2003-04 Estimate structure.

(2) Total resources net of operating appropriations in aid.

Department for Education and Skills

Introduction

1. This Estimate provides for expenditure by the Department for Education and Skills, the Sure Start Unit and the Children and Young People's Unit in pursuit of the functions reflected in the section headings. It also provides for administrative expenditure by those bodies used in implementing and evaluating policy and on central services.
2. Notes to the Estimate break down the totals in each section by function. More details about the expenditure supporting the Department's objectives are set out in Sections C to J respectively of the Departmental report (Cm 5902).
3. The Sure Start Unit is a cross-departmental programme to support the development of young children and their families through Sure Start programmes, Childcare and Early Years initiatives. It has its own Public Service Agreement and the Ministers responsible for this Public Service Agreement are the Parliamentary Under Secretary of State for Public Health and the Secretary of State for Education and Skills, as the responsible Cabinet Minister.
4. The Children and Young People's Unit is a cross-departmental unit responsible for developing and communicating the Government's overarching policies for children and young people, particularly those facing poverty and disadvantage. It administers the Children's Fund. It reports to the Minister for Young People. The Secretary of State for Education and Skills is accountable for the Unit to Parliament.
5. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: To help build a competitive economy and inclusive society by: creating opportunities for everyone to develop their learning; releasing potential in people to make the most of themselves; and achieving excellence in standards of education and levels of skills	22,675,653,000
Request for Resources 2: Promoting the physical, intellectual and social development of babies and young children through Sure Start, Early Years Provision and Childcare†	529,894,000
Request for Resources 3: Tackling child poverty and social exclusion by helping vulnerable children and young people, and their families, to break the cycle of deprivation and disadvantage through the Children's Fund	200,000,000
Total net resource requirement	23,405,547,000
Net cash requirement	25,461,415,000

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

RfR 1: To help build a competitive economy and inclusive society by: creating opportunities for everyone to develop their learning; releasing potential in people to make the most of themselves; and achieving excellence in standards of education and levels of skills

loans to voluntary aided schools; provision relating to former grant-maintained schools; the Assisted Places Scheme; music and ballet schools; support for the Academy of Gifted and Talented Youth; City Technology Colleges; the school curriculum and its assessment; education action zones; modernising the teaching profession and other educational services and initiatives; initiatives to write-off student loans to teachers in England and Wales; class size reductions; school and local education authority intervention; specialist schools; excellence in cities and other specific grants to local authorities including those through the Standards Fund; grants in aid to the National College of School Leadership, the Teacher Training Agency, the British Educational Communications and Technology Agency, and the Qualifications and Curriculum Authority; support for the Centre for Information Learning Technology; capital grants to schools including those through the Standards Fund; the youth service; careers guidance and services including through the Connexions Service including working capital grants and loans for capital purchases; higher, further and other education provision and initiatives, including the Higher Education Innovation Fund, the Science and Research Investment Fund and Higher Education Business Fellows; payments for education in prisons and other custodial institutions; student grants; the payment of access funds and education maintenance allowances; the provision of training and assessment programmes for young people and adults; initiatives to improve education, training and qualifications arrangements and access to these; the promotion of enterprise; teacher training initiatives; payments to the Department for Work and Pensions to support the UK subscription to the International Labour Organisation and other international educational programmes; Millennium Volunteers; payments to the Home Office to support the Criminal Records Bureau and the payment of certain fees; loans and grants to the University for Industry; investments and loans to support PFI; payments related to the Sector Skills Councils; payments to the Arts Council for Arts and Drama initiatives; payments to the Department of Trade and Industry in connection with the Regional Development Agencies and the London Development Agency; loans and residual costs of the winding up of the Training and Enterprise Councils (TECs); the distribution of residual TEC assets, returned to the Secretary of State under the terms of the TEC Licence, to local voluntary, community and business support organisations; the resource consequences of loans to students, reimbursement of fees for qualifying European Community students and post graduate awards; mandatory student awards and their administration; student loans and the cost of sales of the student loans debt; grants in aid to the Higher Education Funding Council for England, the Learning and Skills Council, the Adult Learning Inspectorate, Investors in People UK, the Student Loans Company and Sector Skills Development Agency; grant in aid, grants and working capital loans to the General Teaching Council; the Department's own administration and research and payments for the administration of teachers' pensions; information and publicity services; initiatives and programmes supported by the European Union, the Capital Modernisation Fund and with other Government Department's under the Invest to Save Budget; compensation payments to teachers and staff of certain institutions and teachers' medical fees; and associated non-cash items.

Part I (continued)**RfR 2: Promoting the physical, intellectual and social development of babies and young children through Sure Start, Early Years Provision and Childcare**

promoting the physical, intellectual and social development of babies and young children; childcare initiatives including quality assurance arrangements, childrens centres; the education of under-fives; supporting families and communities; evaluating the programme; the administration of the Sure Start Unit; and associated non-cash items.

RfR 3: Tackling child poverty and social exclusion by helping vulnerable children and young people, and their families, to break the cycle of deprivation and disadvantage through the Children's Fund

funding preventative services, primarily for 5- to 13-year-olds, through local partnerships in line with the objectives of the Children's Fund; funding voluntary groups countering social exclusion and poverty amongst children and young people in line with the objectives of the Children's Fund; supporting voluntary groups and other organisations to promote and facilitate consultation, participation and representation of children and young people including the UK youth Parliament; monitoring and evaluating the Children's Fund; administering the Children and Young People's Unit; and associated non-cash items.

The **Department for Education and Skills** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	22,675,653,000	10,628,643,000	12,047,010,000
RfR 2	529,894,000	219,758,000	310,136,000
RfR 3	200,000,000	73,500,000	126,500,000
Total net resource requirement	23,405,547,000	10,921,901,000	12,483,646,000
Net cash requirement	25,461,415,000	11,532,628,000	13,928,787,000

† In the Vote on Account RfR 2 was described as 'Promoting the physical, intellectual and social development of babies and children and supporting their families through Childcare, Early Years and Sure Start programme'.

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		
RfR 1: To help build a competitive economy and inclusive society by: creating opportunities for everyone to develop their learning; releasing potential in people to make the most of themselves; and achieving excellence in standards of education and level of skills									
208,351	180,778	22,296,581	22,685,710	10,057	22,675,653	2,576,224	482,575	22,378,415	18,111,252
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Support for Schools and Teachers not paid through Local Education Authorities									
-	10,894	834,649	845,543	-	845,543	-	-	666,877	404,212
<i>Childcare</i>									
-	-	-	-	-	-	-	-	228,900	111,346
B CMF capital supporting all Functions									
-	-	78,726	78,726	-	78,726	-	-	195,313	100,693
C Support for Young People and International Services									
-	8,913	613,842	622,755	150	622,605	-	-	635,441	436,402
<i>EMAs not through LEAs</i>									
-	-	-	-	-	-	-	-	5,395	1,813
D Higher education									
-	49,698	145,187	194,885	80	194,805	-	-	156,889	125,370
E Further Education, Adult Learning and Skills and Lifelong Learning									
-	73,671	454,797	528,468	1,800	526,668	-	-	470,113	358,753
F Support for Students in Higher Education									
-	-	1,612,053	1,612,053	-	1,612,053	-	-	1,394,504	1,211,355
G Activities to Support all Functions									
208,351	37,247	13,113	258,711	8,027	250,684	9,974	575	245,251	255,182
H Compensation to Former College of Education staff									
-	355	11,570	11,925	-	11,925	-	-	10,951	11,489
<i>Support for Local Authorities</i>									

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	Current Grants for Local Education Authorities to Support Schools and Teachers									
-	-	2,948,581	2,948,581	-	2,948,581	-	-	3,005,127	2,666,260	
	<i>Childcare provision through Local Authorities</i>									
-	-	-	-	-	-	-	-	312,650	221,873	
J	Capital Grants for Local Education Authorities to Support Schools									
-	-	2,090,237	2,090,237	-	2,090,237	-	-	1,558,280	1,215,373	
K	Higher Education fees and Awards through Local Education Authorities									
-	-	75,500	75,500	-	75,500	-	-	72,699	138,813	
	<i>EMAs through LEAs (in DEL)</i>									
-	-	-	-	-	-	-	-	186,305	107,268	
L	CMF thru Standards Fund									
-	-	-	-	-	-	-	-	113,000	126,065	
	<i>Learning partnership Fund</i>									
-	-	-	-	-	-	-	-	6,300	6,070	
Spending in Annually Managed Expenditure (AME)										
<i>Central Government spending</i>										
M	EMAs not through LEAs									
-	-	12,300	12,300	-	12,300	-	-	-	-	
<i>Support for Local Authorities</i>										
N	EMAs through LEAs									
-	-	208,200	208,200	-	208,200	-	-	-	-	
Non-budget										
O	Grant in Aid to NDPBs supporting Schools									
-	-	582,603	582,603	-	582,603	-	-	453,998	452,984	

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	
P	Grant in Aid to NDPBs to support Young People									
-	-	60,210	60,210	-	60,210	-	-	69,926	71,174	
Q	Loans to Students and Grant in Aid to NDPBs supporting Higher Education									
-	-	4,520,189	4,520,189	-	4,520,189	2,566,250	482,000	4,993,497	4,707,844	
R	Grant in Aid to NDPBs supporting Further Education, Adult Education and Skills and Lifelong Learning									
-	-	8,034,824	8,034,824	-	8,034,824	-	-	7,596,999	5,380,913	
RfR 2: Promoting the physical, intellectual and social development of babies and young children through Sure Start, Early Years provision and Childcare										
	7,999	6,212	515,683	529,894	-	529,894	1,025	-	447,784	132,664
Spending in Departmental Expenditure Limits (DEL)										
<i>Central Government spending</i>										
A	Sure Start Administration Costs and Current Grants									
	7,999	6,212	228,683	242,894	-	242,894	1,025	-	447,784	132,664
<i>Support for Local Authorities</i>										
B	LA Current Grants									
-	-	260,400	260,400	-	260,400	-	-	-	-	
C	LA Capital Grants									
-	-	26,600	26,600	-	26,600	-	-	-	-	
RfR 3: Tackling child poverty and social exclusion by helping vulnerable children and young people, and their families, to break the cycle of deprivation and disadvantage through the Children's Fund										
	4,400	-	195,600	200,000	-	200,000	-	-	149,394	37,357
Spending in Departmental Expenditure Limits (DEL)										
<i>Central Government spending</i>										
A	Children's Fund									
	4,400	-	195,600	200,000	-	200,000	-	-	149,394	37,357

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
Total for Estimate:									
220,750	186,990	23,007,864	23,415,604	10,057	23,405,547	2,577,249	482,575	22,975,593	18,281,273

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	23,405,547	22,975,593	18,281,273
Voted capital items			
Capital	2,577,249	2,391,636	2,285,012
Less Non-operating A-in-A	482,575	328,231	212,266
Total net voted capital	2,094,674	2,063,405	2,072,746
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-2,106	-2,881	-138,549
Depreciation	-8,619	-9,089	-8,121
New provisions and adjustments to previous provisions	765,981	-3,551	-7,512
Profit/loss on sale of assets	-	-	-2,340
Prior period adjustments	-	-	-
Other non-cash items	-799,562	-587,926	-524,059
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	5,500	5,500	17,602
Increase (-) / Decrease (+) in creditors	-	-	-166,997
Use of provisions	-	-	72
Total accruals to cash adjustments	-38,806	-597,947	-829,904
Excess cash to be CFERd	-	-	-
Net Cash Requirement	25,461,415	24,441,051	19,524,115

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	-	-	-	-	41,207	<i>41,207</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	-	-	-	-	-	-
Total	-	-	-	-	41,207	<i>41,207</i>

Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net Administration Costs				
RfR 1	200,744	209,833	222,438	
RfR 2	7,999	5,741	3,677	
RfR 3	4,400	3,924	2,337	
Total Net Administration costs	213,143	219,498	228,452	
Net Programme Costs				
RfR 1	22,474,909	22,168,582	17,847,607	
RfR 2	521,895	442,043	128,987	
RfR 3	195,600	145,470	35,020	
Total Net Programme costs	23,192,404	22,756,095	18,011,614	
Total Net Operating Cost	23,405,547	22,975,593	18,240,066	
<i>of which:</i>				
Net Resource Outturn	23,405,547	22,975,593	18,281,273	
CFERs	-	-	-41,207	
Non-voted expenditure	-	-	-	
Resource Budget Outturn	22,114,372	20,991,328	16,926,671	

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	23,405,547	22,975,593	18,281,273
<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	-	-	-41,207
Other adjustments	-	-	-
Net Operating Cost (Accounts)	23,405,547	22,975,593	18,240,066
<i>Adjustments to remove:</i>			
capital grants to local authorities	-2,116,837	-1,671,280	-1,341,438
capital grants financed from the Capital Modernisation Fund	-68,800	-175,613	-100,693
European Union income and related adjustments	-	-	-
voted expenditure outside the budget	767,026	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
resource consumption of non departmental public bodies	87,670	-167,372	128,760
unallocated resource provision	39,766	30,000	-
Other adjustments	-	-	-24
Resource Budget Outturn (Budget)	22,114,372	20,991,328	16,926,671
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	21,797,751	20,901,428	16,825,879
Annually Managed Expenditure (AME)	316,621	89,900	100,792

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	2,094,674	2,063,405	2,072,746
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-2,340
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	64,659	37,159	10,286
capital grants to local authorities	2,116,837	1,671,280	1,341,438
capital grants financed by the Capital Modernisation Fund	68,800	175,613	100,693
local authority credit approvals	1,035,000	806,200	565,200
capital spending by levy funded bodies	-	-	-
unallocated capital provision	-	-	-
Other adjustments	-2,084,250	-2,053,727	-2,041,195
Capital Budget Outturn (Budget)	3,295,720	2,699,930	2,046,828
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	3,294,520	2,698,730	2,046,297
Annually Managed Expenditure (AME)	1,200	1,200	531

Notes to the Main Estimate (*continued*)

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Head of the Department for Education and Skills, Mr David Normington as Principal Accounting Officer for the Department with overall responsibility for preparing the Department's Estimate.

In addition, the Treasury has appointed additional accounting officers to be accountable for part of the Department's accounts relating to specified requests for resources and the associated assets, liabilities and cash flows. These appointments do not detract from the Head of Department's overall responsibility as Accounting Officer for the Department's Estimate and overall net cash requirement.

The allocation of Accounting Officer responsibilities in the Department for Education and Skills is as follows:

Request for Resources 1:	Mr David Normington, Principal Accounting Officer and Permanent Head of the Department
Request for Resources 2:	Ms Naomi Eisenstadt, Additional Accounting Officer: Director of Sure Start Unit
Request for Resources 3:	Ms Althea Efunshile, Additional Accounting Officer: Director of the Children and Young People's Unit

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 Department for Education and Skills Principal and Additional Accounting Officers, together with their respective responsibilities is set out 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	Operating	operating	Operating	operating	
	A in A	A in A	A in A	A in A	A in A	A in A
Educational qualifications	150	—	150	—	2,723	—
ERASMUS	80	—	76	—	58	—
Promoting UK Education and support overseas	—	—	904	—	837	—
Other International Receipts	—	—	—	—	—	—
The International Maths Olympiad	—	—	—	—	—	—
Support for Key Skills	—	—	—	—	—	—
Home Start receipt from the Home Office	—	—	—	—	—	—
FAS residual property receipts	—	—	285	—	284	—
Grant-maintained schools loan receipts	—	—	—	932	—	82
Voluntary aided school capital	—	—	210	—	—	291
Voluntary aided school interest receipts	—	—	—	—	—	291
Voluntary aided school loan repayments	—	—	—	1,106	—	116
Career Development Loans	1,800	—	2,300	—	2,153	—
Individual Learning Accounts	—	—	—	—	82,542	—
HEROBIC	—	—	—	—	6,831	—
Publicity and evaluation	420	—	420	—	321	—
General Administration receipts	5,697	—	7,442	—	4,283	—
Rent from minor occupiers	1,910	—	1,910	—	2,265	—
Profit on Disposal of assets	—	—	—	—	—	—
Admin receipts – land	—	319	—	1,619	—	—
Admin receipts – other	—	256	—	256	—	3
Repayment of principal on student loans	—	482,000	—	325,000	—	214,405
TEC rent & property receipts	—	—	—	—	332	—
Receipt for Dance and Drama students	—	—	65	—	107	—
Higher Education Business Fellows (from DTI)	—	—	—	—	—	—
Small Business Service receipts for Investors in People	—	—	—	—	—	—
Higher Education Innovation Fund (from DTI)	—	—	—	—	—	—
Sale of Connexions priced publications	—	—	650	—	2,334	—
Sponsorship Funding	—	—	—	—	716	—
Receipts covering the return of assets from Training and Enterprise Councils as part of their winding-up process	—	—	20,000	—	95,000	—
Receipt from the DTI for the Science and Research Investment Fund	—	—	—	—	6,063	—
Childcare Initiatives	—	—	2,631	—	6,884	—
European Education Programmes	—	—	—	—	—	—
Improving the Training Market receipts	—	—	450	—	412	—
NVYO/NYA receipts	—	—	275	—	—	—
Miscellaneous programme receipts	—	—	1	—	70	—
Total RfR 1	10,057*	482,575**	37,769	328,913	214,506	214,897

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid *(continued)*

*Amount that may be applied as appropriations in aid in addition to the net total, arising from European Fast Stream receipts; repayment of career development loans; repayments of working capital loans; receipts in respect of Career Development Loans default recoveries by banks; sale of National Record of Achievement products; receipts in connection with Childcare Link; Training and Enterprise Councils (TECs) contributions towards the cost of Individual Learning Accounts; receipts covering the return of assets from TECs as part of their winding-up process; recovery of salaries, etc. for seconded staff; receipts from careers service conferences; receipts relating to Skills Training Agency, Qualifications and Curriculum Authority properties and surplus Funding Agency for Schools and TEC properties; receipts from the sale of surplus properties; receipts from outside organisations (including the EC) in respect of advertising and publicity activities and materials; sale of research publications; repayments of grants overpaid to voluntary aided and special schools in previous years, including repayment of proceeds of sale; receipts from the European Social Fund to cover departmental programmes supported by the EC; general administration receipts, including those in connection with services provided to Sure Start; profits on the sale of surplus equipment and other assets; repayment of fees and awards overpaid to Higher Education students; receipts from the Department of Trade and Industry in connection with the Higher Education Reach Out to Business and the Community Fund, the Higher Education Innovation Fund, Higher Education Business Fellows, Sector Challenge and the Science and Research Investment Fund; from the Home Office as a contribution to the Home Start programme; sales of Connexions priced publications; Sponsorship Funding; rent income from three domestic properties on the estate of the European School at Culham, Oxfordshire; contributions from the National Assembly for Wales towards Key Skills; contributions from the National Assembly for Wales and the Scottish Executive for dance and drama students; contributions from the Scottish Executive, the National Assembly for Wales, and the Northern Ireland Executive towards Millennium Volunteers and miscellaneous European Education programmes; contributions from the National Assembly for Wales and the Northern Ireland Executive for the International Mathematics Olympiad; annual maintenance fee from the Northern Ireland Executive for the National Professional Qualification for Headship; contributions from other government departments and other sources towards the costs of promoting UK education and training overseas; and of research and miscellaneous services and projects.

**Amount that may be applied as non-operating appropriations in aid, arising from the repayment of principal on student loans; repayment of loans to former grant-maintained schools and discretionary loans paid under Schedule 3 of the School Standards and Framework Act 1998 and from the sale of surplus land, buildings and equipment.

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
DfES recovery of costs on goods and services	—	—	—	—	41,207	41,207
Repayment of interest on student loans	—	—	—	—	—	—
Total	—	—	—	—	41,207	41,207

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			
DfES Headquarters (RfR 1)	208,472	7,607	200,865
Sure Start (RfR 2)	7,999	—	7,999
Children and young People's Unit (RfR 3)	4,400	—	4,400
Total gross administration costs limits	220,750	7,607	213,143
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL)			£'000
	Voted*	Non-voted	Total
Resource DEL	7,801,584	13,996,167	21,797,751
Capital DEL	2,196,061	1,098,459	3,294,520
Less depreciation	-8,619	-33,897	-42,516
Total DEL	9,989,026	15,060,729	25,049,755

- * 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 £23,405,547,000 is 1.9 per cent higher than the final net provision for 2002-03 of £22,975,593,000 and 4.8 percent higher than the forecast outturn for 2002-03 of £22,331,723,000

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
	492,632	366,682	429,403

Contingent liabilities

£'000

Non-Statutory

The Department will meet the accrued Civil Service redundancy entitlement to date of resignation of secondees who resigned from the Department to take up Training and Enterprise (TEC) employment on or after 1 January 1993 in TECs in England and Wales if:

- their TEC makes them redundant due to direct government action during their first five years of employment;
- a court or tribunal ever ruled that TEC and civil service employment were continuous for redundancy calculation purposes.

The Department has and will continue to give indemnities to Training and Enterprise Councils (TECs), Chamber of Commerce Training and Enterprise Councils (CCTEs), their representative TEC bodies and those concerned with the wind up, transfer or continuation of TEC delivered activity, where this will facilitate the conclusion of the working and contractual relationship between TECs, CCTEs and Government, thereby ensuring the continuation of essential discretionary activity and the return of residual reserves owing to the Secretary of State at the earliest opportunity. The indemnities will include:

- Liabilities that arise from audit work carried out in respect of the delivery of activities funded through the European Union initiatives or through the Single Regeneration Budget and other schemes sponsored by Government Departments other than DfES and DTI; 3,500
- Liabilities that arise from the transfer of TEC/CCTE functions to successors, including from staff who have transferred or been made redundant, who as a result of the transfer seek redress through the Employment Tribunal; and 6,900
- Liabilities arising from properties leased by TECs/CCTEs that they have been unable to dispose of by the time they wind up. The Department may take over these leases and dispose of them on behalf of TECS/CCTEs. 1,800

Notes to the Main Estimate *(continued)*

Contingent liabilities *(continued)*

In order to ensure the Croydon Local Learning and Skills Council (LLSC) commences operations in April 2001 and because no suitable Training and Enterprise Council (TEC) or Chamber of Commerce Training and Enterprise (CCTE) property exists in the Croydon LLSC area an indemnity to give a landlord a guarantee that, in the event of the Learning and Skills Council (LSC) ceasing to exist the Secretary of State will take over the lease. This is because, to the landlord, the LSC is an unknown body with no financial history.	6,880
In order to ensure the Learning and Skills Council (LSC) commences operations in April 2001 and because no suitable Training and Enterprise Council (TEC) or Chamber of Commerce Training and Enterprise (CCTE) property exists in the Brighton, Manchester or Coventry area an indemnity to give landlords a guarantee that, in the event of the LSC ceasing to exist the Secretary of State will take over the lease. This is because, to the landlord, the LSC is an unknown body with no financial history.	76,000
In order to ensure the Adult Learning Inspectorate (ALI) commences operations in April 2001 and because no suitable Departmental property exists in the Coventry area an indemnity to give landlords a guarantee that, in the event of the ALI ceasing to exist the Secretary of State will take over the lease. This is because, to the landlord, the ALI is an unknown body with no financial history.	5,600
An indemnity to cover the cost of re-assessing trainees who are disadvantaged by flaws in the awarding of National Vocational Qualifications by the Road Transport Industry Training Board.	390
Arrangements to allow the appointment of a receiver to manage the affairs of Nottingham Enterprise Ltd (formerly North Nottingham TEC).	2,000
Contract with CfBT for the provision of services relating to the government's drive to raise standards through the primary and Key Stage 3 Strategies.	560

Notes to the Main Estimate *(continued)*

Grants in Aid

Details of Grants in Aid made by the Department to Non-Departmental Public Bodies (NDPBs) and Public Corporations:

Non-Departmental Public Body	£ million
Adult Learning Inspectorate (ALI) ♥	24.2
British Educational Communications and Technology Agency (BECTA) ♦	4.8
Higher Education Funding Council for England (HEFCE) ♥	5,256.5
Investors in People UK (IiP UK) ♦	5.2
Learning and Skills Council ♥	7,962.7
National College for School Leadership ♦	76.6
Qualifications and Curriculum Authority ♥	60.2
Student Loans Company ♦	30.8
Sector Skills Development Agency ♦	42.8
Teacher Training Agency ♥	499.6
 Public Corporation	 £ million
General Teaching Council ♥	4.1

International subscriptions

The Estimate includes provision to reimburse the Department for Work and Pensions for payments made by the Joint International Unit for International Education Programmes and the annual subscription of the International Labour Organisation.

Notes to the Main Estimate *(continued)*

RfR 1 Sections by function

Estimate Section	Function/Programme	Resource £ million	Capital £ million
A	Assisted Places Scheme	29.5	
	Music and Ballet Scheme	14.3	
	City Technology Colleges	1.6	
	Modernising the Teaching profession (other than through the Teacher's Training Agency)	39.0	
	City Academy	215.3	
	Equipping Young People	47.1	
	Other Miscellaneous Programmes	498.8	
	Subtotal		845.5
B	Capital Modernisation Funding	78.7	
C	Connexions	478.1	
	National Youth Associations/National Voluntary Youth Organisations/Transforming Youth Work Development Fund	35.2	
	ILO Subscriptions	9.0	
	International Services	19.0	
	Qualifications (other than through the QCA)	37.0	
	Neighbourhood Support Fund	10.0	
	Millennium Volunteers	20.0	
	Dance and Drama	14.3	
Subtotal		622.6	
D	Student Support (other than through the Student Loans Company)	6.7	
	Higher Education Initiatives (other than through HEFCE)	56.2	
	Access Funds	115.6	
	British Academy	13.3	
	EUI Subscriptions	3.0	
Subtotal		194.8	

Notes to the Main Estimate *(continued)*

RfR 1 Sections by function *(continued)*

Estimate Section	Function/Programme	Resource £ million	Capital £ million
E	Further Education initiatives (other than through the Learning and Skills Council)	52.2	—
	FE Student Loans	—	—
	Education in prisons and other custodial institutions	97.9	—
	Adult Basic Skills and Adult Learning	167.6	—
	Payments to support Regional Development Agencies	—	—
	Individual Learning Accounts	—	—
	Career Development for Adults	35.8	—
	Inward Investment	1.1	—
	Improving the Training Market	118.8	—
	Community Champions	1.0	—
	University for Industry	44.0	—
	Union Learning Fund	8.0	—
	Learning Partnership Fund (not through Local Authorities)	0.2	—
	Subtotal	526.7	
F	Tuition Fees and dependants Allowances paid through the Student Loans Company	585.0	—
	Student Loans	1,026.5	—
	Other Miscellaneous programmes	0.6	—
	Subtotal	1,612.1	
G	Departmental Administration	219.9	10.0
	Publicity and Research	29.5	—
	Other Miscellaneous programmes	1.3	—
	Subtotal	250.7	9.4
H	Compensation to former College of Education staff	11.6	—
	School Council Pensions	0.4	—
I	Current Grants to Local Education Authorities to support Schools and Teachers:		
	Standards Fund	1,317.3	—
	Special Grants	756.3	—
	Teachers Green Paper Initiatives	859.0	—
	Specialist Schools	16.0	—
	Subtotal	2,948.6	

Notes to the Main Estimate *(continued)*

RfR 1 Sections by function *(continued)*

Estimate Section	Function/Programme	Resource £ million	Capital £ million
J	Capital Grants to Local Education Authorities to support Schools and Teachers:		
	Standards Fund	1,732.8	
	VA and former Grant Maintained Schools	355.1	
	City Academy	11.3	
	Subtotal	2,090.2	
K	Higher Education Fees and Awards (through Local Education Authorities)	75.5	
L	Capital Modernisation Fund through Local Education Authorities	—	
M	Education Maintenance Allowances (not through Local Education Authorities)	12.3	
N	Education Maintenance Allowances (through Local Education Authorities)	208.2	
O	Grant in Aid to NDPBs supporting Schools:		
	British Educational Communications and Technology Agency (BECTA)	4.8	
	Teacher Training Agency	499.6	
	National College for School Leadership	76.6	
	General Teaching Council	1.6	
	Subtotal	582.6	
P	Grant in Aid to NDPBs to support Young People: Qualifications and Curriculum Authority	60.2	
Q	Loans to Students and Grant in Aid to NDPBs supporting Higher Education:		
	Higher Education Funding Council for England	5,256.5	
	Student Loans Company	30.8	
	Student Loans payments		2,566.3
	Student Loan Debt Sale Subsidy Provision Adjustment	-767.0	
	Subtotal	4,520.2	2,566.3
R	Grant in Aid to NDPBs supporting Further Education, Adult Education and Skills and Lifelong Learning:		
	Learning and Skills Council	7,962.7	
	Adult Learning Inspectorate	24.2	
	IiP UK Ltd	5.2	
	Sector Skills Development Agency	42.8	
	Subtotal	8,034.8	
	TOTAL	22,675.7	2,576.2

Teachers' Pension Scheme

Introduction

1. This Estimate provides for the payments of pensions and lump sum benefits to persons covered by the Teachers' Pension Scheme (TPS). The rules of the scheme are contained in the Teachers' Pensions Regulations 1997. The scheme applies mainly to teachers employed in schools in England and Wales and their dependants. Provision is made for the refund of contributions to early leavers, and for the payment of and receipt of transfer payments in respect of teachers moving out of and into employment covered by the scheme. The Estimate also includes the increases payable in accordance with the Annual Review Orders made under section 59 of the Social Security Pensions Act 1975 and section 109 of the Pensions Schemes Act 1993.

2. The TPS is notionally funded. Part of its income consists of actual receipts, e.g. contributions from employers and employees, transfer payments from other superannuation schemes, etc. These are appropriated in aid of this Estimate to meet expenditure on benefits, although in practice there need be no correlation between receipts and expenditure.

3. Benefits and contributions are carried to a statutory account and valued quinquennially by the Government Actuary. The deficiency revealed as at 31 March 1996 was £3,960 million and this falls to be met by the employers over a period of 40 years.

4. 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

5. In 2001-02 and 2002-03, 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 for the Net Cash Requirement.

6. From 2003-04 the Estimate provision for resource expenditure is instead of 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

7. 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

8. 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.
9. 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.
10. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: Teachers' pensions	11,645,547,000
Total net resource requirement	11,645,547,000
Net cash requirement	597,204,000

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

RfR 1: Teachers' pensions

Superannuation allowances and gratuities, and other related expenditure, in respect of teachers, and the widows, widowers, children and dependants of deceased teachers, and for premature retirement compensation payments made to members of the Teachers' Pensions Scheme and on behalf of their employers.

The **Department for Education and Skills** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	11,645,547,000	5,051,000,000	6,594,547,000
Total net resource requirement	11,645,547,000	5,051,000,000	6,594,547,000
Net cash requirement	597,204,000	330,000,000	267,204,000

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
RfR 1: Teachers' pensions									
-	15,360,000	-	15,360,000	3,714,453	11,645,547	-	-	6,680,000	6,629,978
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
A Pension and associated payments									
-	9,360,000	-	9,360,000	3,714,453	5,645,547	-	-	6,680,000	6,629,978
Non-budget									
B Pension and associated payments									
-	6,000,000	-	6,000,000	-	6,000,000	-	-	-	-
Total for Estimate:									
-	15,360,000	-	15,360,000	3,714,453	11,645,547	-	-	6,680,000	6,629,978

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	11,645,547	6,680,000	6,629,978
Voted capital items			
Capital	-	-	-
Less Non-operating A-in-A	-	-	-
Total net voted capital	-	-	-
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-	-	-
Depreciation	-	-	-
New provisions and adjustments to previous provisions	-9,360,000	-9,180,000	-8,880,000
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-6,000,000	-	-
Other non-cash items	-	-	-
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	1,481
Increase (-) / Decrease (+) in creditors	-	-	-83,851
Use of provisions	4,311,657	4,260,001	3,950,023
Total accruals to cash adjustments	-11,048,343	-4,919,999	-5,012,347
Excess cash to be CFERd	-	-	-
Net Cash Requirement	597,204	1,760,001	1,617,631

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	-	-	40,000	-	74,341	<i>69,131</i>
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	172	<i>168</i>
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	-	-	40,000	-	74,513	<i>69,299</i>

Forecast Combined Revenue Account

	2003-04		2002-03		2001-02	
	provision		provision		outturn	
Net Programme Costs						
RfR 1						
Income						
Contributions	3,610,210	—	2,399,530	—	2,091,926	—
Receivable Transfers In	68,972	—	67,000	—	139,462	—
Other Income	35,271	—	33,870	—	92,975	—
	—	3,714,453	—	2,540,000	—	2,324,363
Pension Costs	—	9,360,000	—	9,180,000	—	8,880,000
Total Net Operating Cost	—	5,645,547	—	6,640,000	—	6,555,637
<i>of which:</i>						
Net resource outturn	—	11,645,547	—	6,680,000	—	6,629,978
<i>Less:</i>						
Prior period adjustments	—	6,000,000	—	—	—	—
CFERs	—	—	—	-40,000	—	-74,341
Resource Budget Outturn	—	5,645,547	—	6,640,000	—	6,555,637

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Resource Outturn (Estimates)	11,645,547	6,680,000	6,629,978
<i>Adjustments to remove:</i>			
provision voted for earlier years	-6,000,000	—	—
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	—	—	—
Consolidated Fund Extra Receipts in the OCS	—	-40,000	-74,341
Other adjustments	—	—	—
Net Operating Cost (Accounts)	5,645,547	6,640,000	6,555,637
<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	—	—	—
Resource Budget Outturn (Budget)	5,645,547	6,640,000	6,555,637
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	—	—	—
Annually Managed Expenditure (AME)	5,645,547	6,640,000	6,555,637

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Voted Capital Outturn (Estimates)	—	—	—
<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	—	—	—
Capital Budget Outturn (Budget)	—	—	—
<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 for Education and Skills, Mr David Normington, as Accounting Officer for the Teachers' Pension Scheme (England and Wales), with responsibility for preparing the Estimate in respect of the Scheme.

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 Scheme's assets, are set out in the Accounting Officers' Memorandum, issued by the Treasury and published in *Government Accounting*.

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
RfR 1: Teachers' pensions						
Employees and Employers contributions towards payment of pensions and lump sum benefits to persons covered by the scheme.	3,714,453	—	2,500,000	—	2,250,022	—
Total RfR 1	3,714,453*	—	2,500,000	—	2,250,022	—

* Amount that may be applied as appropriations in aid in addition to the net total, arising from receipts from employees and employers superannuation contributions; transfer values received; deductions from returns of superannuation contributions towards payment in lieu of graduated national insurance contributions equivalent premiums; recovery of contributions equivalent premiums from the state pension scheme; amounts received from employers of teachers' scheme members in reimbursement of the costs of premature retirement compensation payments on their behalf by Capita.

Notes to the Main Estimate *(continued)*

Analysis of Consolidated Fund extra receipts

	2003-04 provision		2002-03 provision		2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Over recovery of appropriations in aid	—	—	40,000	—	74,341	69,131
Miscellaneous receipts	—	—	—	—	172	168
Excess cash receipts to be surrendered to the Consolidated Fund	—	—	—	—	—	—
Total	—	—	40,000	—	74,513	69,299

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

The provision sought for 2003-04 of £11,645,547,000 is 74.3 per cent higher than the final net provision and estimated outturn for 2002-03 of £6,680,000,000

Cash which may be retained to offset expenditure

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

	2003-04 provision	2002-03 provision	£'000 2001-02 outturn
	3,714,453	2,500,000	2,250,022

Contingent Liabilities

As at 31 March 2003, the following liabilities fell to be met from the Estimate:

	Amount £'000
Teachers' pension scheme. A very remote contingent liability to make payments to pensions relating to Additional Voluntary Contributions. This would be in the unlikely event of default to the private insurance company.	Unquantifiable

Office of Her Majesty's Chief Inspector of Schools in England

Introduction

1. The Office of Her Majesty's Chief Inspector of Schools in England (Ofsted) was established on 1 September 1992 under the Education (Schools) Act 1992 (now the School Inspections Act 1996). Her Majesty's Chief Inspector (HMCI) has a general responsibility to keep the Secretary of State for Education and Skills informed about the quality, standards and financial efficiency of schools and nursery providers in England and the development of pupils within those schools. HMCI is also responsible for the inspection of Local Education Authorities (LEAs), further education for students up to age 19 and the regulation of childcare and early education, and the inspection of independent schools. HMCI, specifically, gives advice based on inspection, of teacher training and education (initial and in-service) to the Secretary of State and the Teacher Training Agency. In addition, HMCI's remit also includes giving advice, inspecting and reporting on matters relating to education in general and on issues or institutions as requested by the Secretary of State; running the system of inspection of schools and of other educational institutions, funded nursery providers and LEAs in England; and other functions required by the Secretary of State. Other responsibilities are specified in the School Inspections Act 1996, the Further and Higher Education Act 1992, the Education Acts 1994 and 1997, the School Standards and Framework Act 1998, the Teaching and Higher Education Act 1998, the care Standards Act 2000, the Learning and Skills Act 2000 and the Education Act 2002.

2. The Estimate covers one Request for Resource (RfR1): To help improve the quality and standards of education and childcare through independent inspection regulation and advice. The RfR1 consists of the Departmental Expenditure Limits (DEL) which includes the costs of inspections carried out by Her Majesty's Inspectors (HMI), Childcare Inspectors (CCI) and by contractors, the regulation of childcare, the provision of advice to the Department for Education and other departments, the publication of reports and advice on best practice, provision of publicity materials, commissioned research relevant to Ofsted's responsibilities and running invitation conferences. The RfR also contains other associated non-cash items.

3. Expenditure contained in the estimate is explained in the Ofsted Departmental Report 2003 (Cm 5902)

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

Part I

	£
Request for Resources 1: Improving the quality and standards of education and childcare through independent inspection regulation and advice	207,000,000
Total net resource requirement	207,000,000
Net cash requirement	206,970,000

Amounts required in the year ending 31 March 2004 for expenditure by the Office of Her Majesty's Chief Inspector of Schools in England on:

RfR1: Improving the quality and standards of education and childcare through independent inspection regulation and advice

the inspection of schools, other educational institutions, early education providers, local education authorities, teacher training (institutions and in-service training) and regulation of childcare for young children as well as the inspection of education for 16 to 19 year olds and associated non-cash items.

The **Office of Her Majesty's Chief Inspector of Schools in England** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	207,000,000	89,555,000	117,445,000
Total net resource requirement	207,000,000	89,555,000	117,445,000
Net cash requirement	206,970,000	88,597,000	118,373,000

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
RfR 1: Improving the quality and standards of education and childcare through independent inspection regulation & advice									
30,095	181,485	-	211,580	4,580	207,000	2,900	-	199,011	155,175
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration & Inspection									
30,095	181,485	-	211,580	4,580	207,000	2,900	-	199,011	155,175
Total for Estimate:									
30,095	181,485	-	211,580	4,580	207,000	2,900	-	199,011	155,175

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	207,000	199,011	155,175
Voted capital items			
Capital	2,900	2,200	8,503
Less Non-operating A-in-A	-	-	-
Total net voted capital	<u>2,900</u>	<u>2,200</u>	<u>8,503</u>
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-228	-829	-669
Depreciation	-2,672	-3,182	-2,352
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-30	-30	-25
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	489	38
Increase (-) / Decrease (+) in creditors	-	-777	-5,935
Use of provisions	-	-	-
Total accruals to cash adjustments	<u>-2,930</u>	<u>-4,329</u>	<u>-8,943</u>
Excess cash to be CFERd	-	-	-
Net Cash Requirement	<u>206,970</u>	<u>196,882</u>	<u>154,735</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	1	<i>1</i>	-	<i>1</i>	204	<i>1</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	-	-	-	-	-	-
Total	<u>1</u>	<u><i>1</i></u>	<u>-</u>	<u><i>1</i></u>	<u>204</u>	<u><i>1</i></u>

Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net administration costs:				
RfR 1	30,000	30,000		23,386
Net programme costs:				
RfR 1	176,999	169,011	131,585	
Total net programme costs	<u>176,999</u>	<u>169,011</u>	<u>131,585</u>	131,585
Total Net Operating Cost	206,999	199,011		154,971
<i>of which:</i>				
Net Resource Outturn	207,000	199,011		155,175
CFERs	-1	-		-204
Non-voted expenditure	-	-		-
Resource Budget Outturn	207,000	199,011		155,175

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	207,000	199,011	155,175
<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	-1	-	-204
Other adjustments	-	-	-
Net Operating Cost (Accounts)	206,999	199,011	154,971
<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	1	-	204
resource consumption of non departmental public bodies	-	-	-
unallocated resource provision	-	-	-
Other adjustments	-	-	-
Resource Budget Outturn (Budget)	207,000	199,011	155,175
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	207,000	199,011	155,175
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	2,900	2,200	8,503
<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	-	-	-
Capital Budget Outturn (Budget)	2,900	2,200	8,503
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	2,900	2,200	8,503
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

The Permanent Head of the Office of Her Majesty's Chief Inspector of Schools in England (Mr David Bell) 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. 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.

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
Training income						
Income from sales/services	16	—	16	—	57	
Registration fees	4,469	—	4,139	—	24	
Receipts from secondees salary costs						
Official cars – private use	60	—	60	—	67	
Property charges – minor occupier	—	—	—	—	13	
Receipts from personal telephone costs	5	—	5	—	2	
Income from sale of assets	30	—	30	—	34	
Total RfR 1	4,580*	—**	4,250	—	197	
Total A in A	4,580*	—**	4,250	—	197	

*Amount that may be applied as appropriations in aid in addition to the net total, arising from recoveries of the cost of staff seconded out to other bodies; cost of services provided to other departments, non-departmental public and other bodies; sales and use of official cars and assets, property charges made to minor occupiers, registration fees (including fees from childcare providers); and charges for training of inspectors other than Ofsted staff; and recovery of personal telephone costs; and the sale of training material.

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
Income from sales and services	—	1	—	—	—	—
Vat refs – Programme						
Registration and other fees	—	—	—	—	204	—
Rec – secondees salary costs						
Rec – personal telephone costs						
Property charges – minor occupier	—	—	—	—	—	—
Official cars – private occupier						
Income from sales of assets						
Miscellaneous – CFER	1	1	—	1	—	1
Total	1	1	—	1	204	1

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			
Net administration costs limits	30,095	-95	30,000

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	207,000	—	207,000
Capital DEL	2,900	—	2,900
Less depreciation	-2,672	—	-2,672
Total DEL	207,228	—	207,228

- * 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 £207,000,000 is 3.9 per cent higher than the final net provision and forecast outturn for 2002-03 of £199,011,000.

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.

	2003-2004 provision	2002-2003 provision	2001-2002 outturn
	4,580	4,250	197

Department of Health†

Introduction

RfR 1:

1. About 92 per cent of central government expenditure on Health and Personal Social Services (HPSS) in England is in RfR 1: the balance of voted expenditure including the Department's costs of administering expenditure is borne on RfR 2. Corresponding expenditure in Scotland is shown in Scotland's Supply Estimates 2003-04; in Wales will be shown as part of the budget for the National Assembly for Wales and in Northern Ireland is published in separate Estimates.

2. Section A covers expenditure on the hospital, community health, personal medical and dental, discretionary family health and related services and services provided to or on behalf of the Scottish Executive, the National Assembly for Wales and Northern Ireland. It is mainly made up of current and capital expenditure of Strategic Health Authorities and primary care trusts from unified budgets which cover hospital and community health services, prescribing costs and discretionary general medical services. Strategic Health Authorities and primary care trusts commission the health services needed for their populations from the unified budgets. Section A also covers central expenditure on certain national bodies (e.g. special health authorities including the Prescription Pricing Authority, and the Dental Practice Board), services (e.g. purchase of vaccines) and of service specific levies for education and training and research and development.

3. Sections B to F cover expenditure on the non discretionary family health services provided under Part II of the NHS Act 1977. These comprise the remuneration of general medical practitioners (other than reimbursement of certain expenses which are covered by Section A), together with expenditure on general dental services, general ophthalmic services and most fees and allowances for dispensing and other pharmaceutical services. Expenditure on drugs prescribed by family health service practitioners now forms part of Strategic Health Authority unified allocations in Section A.

4. Section G covers health authority grants to local authorities.

5. Sections H and I cover the part of Strategic Health Authority expenditure which relates to NHS Trusts depreciation for capital expenditure, grant in aid funding of NDPBs, provision for issues of new Public Dividend Capital (PDC) and repayments of PDC and an appropriate element of National Health Service contributions paid by employers and employees.

RfR 2:

6. Sections A to D: the gross administration costs of the central Department, expenditure of the NHS Pensions Agency on administering the NHS Pensions scheme, expenditure on the NHS Purchasing and Supply Authority and associated capital expenditure on the acquisition of buildings, furniture, computer and telecommunications equipment and the acquisition or creation of other tangible and intangible fixed assets, repayment of interest on loans.

7. Section E: Medicines and Healthcare Products Regulatory Agency, loans, repayment of loans, subsidies and interest on loans.

8. Sections F: covers central health and miscellaneous services (CHMS) including work on regulatory and protection services and health promotion; and certain other services such as grants to voluntary organisations, research and development, communication services and payments to international organisations.

9. Section G: covers European Economic Area medical costs and welfare food.

Introduction (*continued*)

10. Section H: covers other personal social services related payments (other than grants to local authorities and grant funding for certain NDPBs) for training organisations and certain voluntary organisations, expenditure by the Care Standards Tribunal, expenditure on social work training development projects and payments for joint Social Services Inspectorate and Audit Commission reviews of social services departments.

11. Sections I to AB: certain grants to local authorities including social services workforce development and training, provision of secure accommodation, services for people with HIV infection and AIDS, services for people with a mental illness, support for carers, for the improvement of children's services, the placing of charges on homes, young people's substance misuse planning, rewarding performance, the prevention of teenage pregnancy, improving information management, expanding the capacity and range of community based social care and to enable authorities to meet the care cost of clients previously supported by the Department of Work and Pensions. Advances to local authorities for personal social services specific and special grants are charged to the account at the time of issue and as final grant expenditure is not known until local authorities' accounts are audited after the end of the financial year, any necessary adjustments may be made in subsequent advances.

12. Sections AC to AD covers the payment of loans to Trading Funds, and income from Trading Funds for the repayment of loans and the payment of dividends on public dividend capital. Payment of Grant in Aid funding of NDPB's; National Biological Standards Board, National Radiological Protection Board, Human Fertilisation and Embryology Authority, Public Health Laboratory Service, General Social Care Council, National Care Standards Commission and special health authorities, the Health Protection Agency and the Health Development Agency. Payments under the Animal (Scientific Procedures) Act 1986.

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

†In the Vote on Account this Estimate is described as "The Department of Health."

Part I

	£
Request for Resources 1: Securing health care for those who need it.	46,285,962,000
Request for Resources 2: Securing social care and child protection for those who need it and, at national level, protecting, promoting and improving the nation's health	3,513,149,000
Total net resource requirement	49,799,111,000
Net cash requirement	50,185,974,000

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

RfR 1: Securing health care for those who need it

strategic health authorities and primary care trusts under their unified budgets, family health services (including general medical, general ophthalmic, general dental and pharmaceutical services); public dividend capital advances to trusts, education, training, research and development; centrally managed expenditure on behalf of the NHS; forming, investing in or providing loans or guarantees to companies that will provide facilities or services to the NHS, services provided to or on behalf of the Scottish Executive, National Assembly for Wales and Northern Ireland, and associated non-cash items.

RfR 2: Securing social care and child protection for those who need it and, at national level, protecting, promoting and improving the nation's health

administration, including certain expenditure on behalf of the Department for Work and Pensions and the National Health Service in England; departmental agencies, centrally funded health and social services (including non-departmental public bodies and special health authorities some of which are administered on a United Kingdom basis); including other local government services, prison health care, medical, scientific and technical services, services for disabled persons, grants to voluntary organisations and other bodies, research and development, information services and health promotion activities; provision of personal social services (including grants to local authorities); medical treatment given to people from the United Kingdom in other countries of the European Economic Area; welfare food; Home Office inspection of laboratories; grants in aid; payments and subscriptions to international organisations; education and training for all health care professionals (excluding doctors); the Employment Opportunities Fund programme; payments made under Sector Challenge arrangements with the Department of Trade and Industry; services provided to or on behalf of the Scottish Executive, National Assembly for Wales and Northern Ireland; Medicines and Healthcare Products Regulatory Agency, and associated non-cash items.

Part I (continued)

The **Department of Health** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	46,285,962,000	20,799,315,000	25,486,647,000
RfR 2	3,513,149,000	1,306,805,000	2,206,344,000
Total net resource requirement	49,799,111,000	22,106,120,000	27,692,991,000
Net cash requirement	50,185,974,000	24,538,536,000	25,647,438,000

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		
RfR 1: Securing health care for those who need it									
-	61,436,088	911,114	62,347,202	16,061,240	46,285,962	2,926,249	1,225,000	47,820,191	43,753,253
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Strategic Health Authority unified budgets and central allocations									
-	56,026,958	421,761	56,448,719	442,000	56,006,719	1,308,249	125,000	49,951,316	45,663,492
B FHS- General Medical Services									
-	1,440,702	-	1,440,702	-	1,440,702	-	-	1,946,197	2,276,299
C FHS - Pharmaceutical Services									
-	931,400	-	931,400	-	931,400	-	-	916,450	883,855
D FHS -Prescription Charges income									
-	3,300	-	3,300	449,100	-445,800	-	-	-430,225	-411,723
E FHS - General Dental services									
-	1,450,878	-	1,450,878	408,878	1,042,000	-	-	1,213,204	1,164,537
F FHS - General Ophthalmic Services									
-	328,850	-	328,850	50	328,800	-	-	309,537	302,145
<i>Support for Local Authorities</i>									
G Strategic Health Authority Grants to Local Authorities									
-	-	448,788	448,788	-	448,788	-	-	448,788	448,788
Non-budget									
H Grant in aid funding to Non-Departmental Public Bodies, NHS Trust loans and repayment of public dividend capital									
-	1,254,000	40,565	1,294,565	1,428,478	-133,913	1,618,000	1,100,000	-138,153	-129,519

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	NHS Contributions									
	-	-	-	-	13,332,734	-13,332,734	-	-	-6,396,923	-6,444,621
	RfR 2: Securing social care and child protection fro those who need it and at national level, protecting, promoting and improving the nations health									
	318,514	678,894	2,567,059	3,564,467	51,318	3,513,149	21,659	45	3,223,212	2,001,296
	Spending in Departmental Expenditure Limits (DEL)									
	<i>Central Government spending</i>									
A	Central department									
	318,514	11,232	-	329,746	16,842	312,904	17,085	11	299,558	275,969
B	NHS Pensions Agency									
	-	16,480	-	16,480	20	16,460	268	-	20,823	18,299
C	NHS Purchasing and Supplies Authority									
	-	19,751	-	19,751	145	19,606	100	-	19,878	17,943
D	NHS Estates Agency: dividend on public dividend capital and repayment of loans									
	-	-	-	-	23	-23	-	64	-23	-23
E	Medical and Healthcare Products Regulatory Agency loans, repayment of loans and interest on loans									
	-	15,400	-	15,400	654	14,746	3,656	-30	7,088	6,575
F	Other services including medical, scientific and technical services, grants to voluntary bodies, research and development and information services									
	-	369,585	45,613	415,198	634	414,564	-	-	227,641	231,778
G	Welfare Food and European Economic Area medical costs									
	-	116,896	280,000	396,896	33,000	363,896	-	-	371,009	306,494
H	Other Personal Social Services									
	-	129,523	6,724	136,247	-	136,247	550	-	67,682	57,205
	<i>Payment to Home Office for funding of the Criminal records Bureau</i>									
	-	-	-	-	-	-	-	-	6,000	-

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>Medicines Control Agency subsidy</i>						-	-	3,329	-
<i>Support for Local Authorities</i>									
I	Training support Programme	-	-	56,500	56,500	-	-	57,500	47,483
J	AIDS Support grant	-	-	16,500	16,500	-	-	16,500	16,213
K	Services for people with a mental illness	-	-	133,500	133,500	-	-	153,443	147,844
L	Provision for Secure Accommodation	-	-	14	14	-	-	14	28
M	Children's services grant	-	-	557,000	557,000	-	-	450,843	291,280
N	Carers' grant	-	-	100,000	100,000	-	-	85,000	70,000
O	Performance fund	-	-	100,000	100,000	-	-	48,000	-
P	Deferred Payments Grant	-	-	40,000	40,000	-	-	21,000	14,900
Q	Care direct	-	-	3,000	3,000	-	-	5,848	1,976
R	Young Persons substance misuse planning grant	-	-	4,500	4,500	-	-	4,500	4,587
S	Teenage pregnancy local implementation fund	-	-	24,000	24,000	-	-	16,000	-

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
T	Preserved rights grant								
-	-	508,523	508,523	-	508,523	-	-	614,000	-
U	Residential allowance grant								
-	-	178,110	178,110	-	178,110	-	-	93,000	-
V	Provision for Secure Accommodation (Capital)								
-	-	6,228	6,228	-	6,228	-	-	6,228	1,002
W	Children's services grant (Capital)								
-	-	9,500	9,500	-	9,500	-	-	10,000	-
X	Improving Information management (Capital)								
-	-	25,000	25,000	-	25,000	-	-	25,000	2,979
Y	National Training Strategy								
-	-	24,884	24,884	-	24,884	-	-	-	-
Z	Access and Systems Capacity Grant								
-	-	170,000	170,000	-	170,000	-	-	-	-
	<i>Alcohol and drug misuse planning grant</i>								
-	-	-	-	-	-	-	-	-	7,478
	<i>Building care capacity</i>								
-	-	-	-	-	-	-	-	190,000	90,535
	<i>Grants Funded from the Invest to save budget</i>								
-	-	-	-	-	-	-	-	2,291	1,384
	<i>Promoting independence Grant</i>								
-	-	-	-	-	-	-	-	165,232	297,880
AA	Human resource development strategy								
-	-	9,525	9,525	-	9,525	-	-	-	-

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
AB	Children and Adolescent mental health grant								
-	-	51,000	51,000	-	51,000	-	-	-	-
Non-budget									
AC	Grant in Aid funding of Non-Departmental Public Bodies and special health authorities								
-	-	216,938	216,938	-	216,938	-	-	235,801	91,460
AD	Other								
-	27	-	27	-	27	-	-	27	27
Total for Estimate:									
318,514	62,114,982	3,478,173	65,911,669	16,112,558	49,799,111	2,947,908	1,225,045	51,043,403	45,754,549

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	49,799,111	51,043,403	45,754,549
Voted capital items			
Capital	2,947,908	2,911,068	2,064,387
Less Non-operating A-in-A	1,225,045	1,928,977	1,915,839
Total net voted capital	1,722,863	982,091	148,548
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	70,537	101,747	136,066
Depreciation	-353,467	-297,673	-275,681
New provisions and adjustments to previous provisions	-1,761,887	-2,164,234	-3,048,848
Profit/loss on sale of assets	-20	-10	30
Prior period adjustments	-	-	-
Other non-cash items	-792	-792	642,239
Increase (+) / Decrease (-) in stock	19	19	19
Increase (+) / Decrease (-) in debtors	339,783	138,113	142,583
Increase (-) / Decrease (+) in creditors	-276,198	-114,704	-274,698
Use of provisions	646,025	516,385	638,069
Total accruals to cash adjustments	-1,336,000	-1,821,149	-2,040,221
Excess cash to be CFERd	-	-	-
Net Cash Requirement	50,185,974	50,204,345	43,862,876

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	85	<i>85</i>	89	<i>89</i>	113	<i>113</i>
Non-operating income not classified as AinA	-	<i>-</i>	-	<i>-</i>	-	<i>-</i>
Other amounts collectable on behalf of the Consolidated Fund	-	<i>-</i>	-	<i>-</i>	-	<i>-</i>
Excess cash receipts to be surrendered to the Consolidated Fund	-	<i>-</i>	-	<i>-</i>	-	<i>-</i>
Total	85	<i>85</i>	89	<i>89</i>	113	<i>113</i>

Forecast Operating Cost Statement

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Administration Costs			
RfR 1	-	-	-
RfR 2	<u>306,577</u>	<u>284,878</u>	<u>269,821</u>
Total Net Administration costs	306,577	284,878	269,821
Net Programme Costs			
RfR 1	46,285,962	47,820,191	43,753,253
RfR 2	<u>3,206,487</u>	<u>2,938,245</u>	<u>1,731,362</u>
Total Net Programme costs	49,492,449	50,758,436	45,484,615
Total Net Operating Cost	49,799,026	51,043,314	45,754,436
<i>of which:</i>			
Net Resource Outturn	49,799,111	51,043,403	45,754,549
CFERs	-85	-89	-113
Non-voted expenditure	-	-	-
Resource Budget Outturn	62,884,080	57,223,998	51,954,752

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	49,799,111	51,043,403	45,754,549
<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	-85	-89	-113
Other adjustments	-	-	-
Net Operating Cost (Accounts)	49,799,026	51,043,314	45,754,436
<i>Adjustments to remove:</i>			
capital grants to local authorities	-40,728	-41,910	-4,076
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	-	-	-
voted expenditure outside the budget	13,507,185	6,587,509	6,653,358
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	85	89	113
resource consumption of non departmental public bodies	-95,815	12,404	-32,524
unallocated resource provision	253,596	-	-
Other adjustments	-539,269	-377,408	-416,555
Resource Budget Outturn (Budget)	62,884,080	57,223,998	51,954,752
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	62,888,960	57,223,998	51,954,752
Annually Managed Expenditure (AME)	-4,880	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	1,722,863	982,091	148,548
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-20	-10	30
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	29,294	40,827	28,871
capital grants to local authorities	40,728	41,910	4,076
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	59,522	56,080	55,516
capital spending by levy funded bodies	-	-	-
unallocated capital provision	53,909	-	-
Other adjustments	1,092,357	1,080,216	1,530,900
Capital Budget Outturn (Budget)	2,998,653	2,201,114	1,767,941
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	2,998,653	2,201,114	1,767,941
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

The Permanent Head/NHS Chief Executive of the Department of Health, Sir Nigel Crisp, has been appointed by Treasury as Accounting Officer for 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 the Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officer's Memorandum issued by the Treasury and published in *Government Accounting*.

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	A in A	operating
	A in A	A in A	A in A	A in A	A in A	A in A
Administration receipts for: seconded officers; welfare to work/ New Deal programmes; staff telephone calls; costs of legal proceedings; staff lease cars scheme; European Fast Stream programme; recoveries from other departments and the NHS, local authorities, NHS Estates and Medicines and Healthcare Products Regulatory Agency for goods and services, staff accommodation, reimbursement of meeting expenses and selling services into wider markets, library income and open government.	16,842	—	23,300	—	19,142	—
NHS Pensions Agency: assessing pensions on divorce and from contractors	20	—	914	—	1,632	—
NHS Purchasing and Supplies Authority: receipts for seconded officers, staff telephone calls, reimbursement of meeting expenses and staff lease car scheme.	145	—	145	—	98	—
Licence fees, royalties and sales of publications, evaluation reports, contributions by members of the public, insurance claims, sale of cars, sector challenge receipts from Department of Trade and Industry, mobile phone research contributions.	634	—	4,829	—	2,048	—
Income from Human Fertilisation and Embryology Authority, National Biological Standards Board, Public Health Laboratory Service, Health Development Authority, Health Protection Agency, National Care Standards Commission, General Social Care Council	—	—	168,225	—	131,353	—
Substance misuse planning grant contribution	—	—	13	—	—	—
European Economic Area countries for NHS treatment of their residents	31,000	—	28,000	—	29,053	—
Income from sale of subsidised dried milk, vitamin drops and tablets	2,000	—	18,500	—	2,000	—
Dividends on public dividend capital by the NHS Estates Agency repayment of loans. Interest on loans by NHS Estates Agency and the Medicines and Healthcare Products Regulatory Agency.	677	34	200	64	180	393
Sales of land, buildings and equipment	—	11	20	5,709	—	—
Total RfR 2	51,318*	45**	244,133	5,773	185,506	393

* Amount that may be applied or appropriations in aid in addition to the net total arising from: administration receipts from seconded officers; cost of legal proceedings; Employment Opportunities Fund programme; staff telephone calls; staff lease car scheme; European Fast Stream programme; recoveries from other government departments; receipts from the NHS, local authorities, NHS Estates and Medicines and Healthcare Products Regulatory Agency for goods and services; staff accommodation; reimbursement of meetings expenses and selling services into wider markets, library income and open government; income by the NHS Pensions Agency for assessing pensions on divorce and from contractors; receipts from commercial tenants in DH buildings; NHS Purchasing and Supplies Authority: receipts for seconded officers, staff telephone calls, reimbursement of meeting expenses and staff lease care scheme; licence fees and royalties; sales of publications on equipment for the disabled; sale of community homes, equipment, cars, buildings, furniture and surplus items; sale of publications; contributions by members of the public; insurance claims. Receipts by the Human Fertilisation and Embryology Authority, National Biological Standards Board, Public Health Laboratory Service, Health Development Agency, Health Protection Agency, General Social Care Council and National Care Standards Commission; from other

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid *(continued)*

European Economic Area countries for NHS treatment of their residents; sale of subsidised dried milk, vitamin drops and tablets; receipts made under Sector Challenge arrangements with the Department of Trade and Industry, from the European Community and contributions from the mobile phone industry. Charitable contributions for developing pilot projects with voluntary organisations, contributions to local authority grant schemes. Refunds from communication campaigns contracts and contributions towards the cost of communication campaigns. Income from publications. Contribution towards young people's substance misuse planning grant. Income from penalty charges. Interest repayment on Trading Fund loans. Income from the Scottish Executive, the National Assembly for Wales, Northern Ireland, Channel Islands and Isle of Man for services provided for devolved or reserved work.

**Amounts that may be applied as non operating appropriations in aid arising from Capital income from the Sale of land, buildings, surplus vehicles and equipment, principal repayment on Trading Fund loans, repayment of Public Dividend Capital advances to the NHS Estates Agency.

Total A-in A	16,112,558	1,225,045	9,204,589	1,928,987	8,947,008	1,915,809
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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
NHS Estates Agency - interest on loans ●	4	4	8	8	12	12
Medicines Control Agency - interest on loans ●	81	81	81	81	101	101
Total	85	85	89	89	113	113

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 cost limit	324,614	-11,937	312,677
Net Administration cost limit	—	—	—

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	63,008,065	-119,105	62,888,960
Capital DEL	1,245,571	1,753,082	2,998,653
Less depreciation	-353,467	-41,798	-395,265
Total DEL	63,900,169	1,592,179	65,492,348

- * 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 2003-2004 of 49,799,111,000 is 2.4 per cent lower than the final net provision and forecast outturn for 2002-03 of 51,043,403,000.

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
	17,337,603	11,133,576	10,862,817

Notes to the Main Estimate *(continued)*

Expenditure resting on the sole authority of the Appropriation Act

		£'000
RfR 2A: United Kingdom Xenotransplantation Interim Regularity authority	■	112
RfR 2F: Payments to local authorities for public health services at airports	■	2,348
RfR 2F: Grants to voluntary organisations to expand opportunities for unemployed people to participate in voluntary work	■	6,900
RfR 2H: Child Migrants Support fund	■	300
RfR 2H: Payments in respect of lay and user involvement in social services inspections	■	200
RfR 2F: Grant to the Learning Disability Support Fund	■	2,000
RfR 2H: Grant to Voluntary Organisations for administration of the Multiple Sclerosis drug risk-sharing scheme	■	100

Contingent Liabilities

RfR 1:

Statutory contingent liabilities exists to meet:

- i. an indemnity to water undertakers in respect of costs, damages and expenses not otherwise covered by insurance arising from claims or proceedings on the grounds of alleged harm to health arising solely from fluoridation; and
- ii. Overdraft guarantees for NHS trusts.

Non-statutory contingent liabilities exist to meet:

- i. a letter which the Department sent to the Association of British Health Care Industries on 9 June 1992 may be construed as a letter of comfort in respect of contracts entered into by NHS trusts and hence result in a non-statutory liability. The letter was withdrawn on 17 August 1993, but a residual contingent liability may remain in respect of contracts entered into between the issue of the letter and its withdrawal;
- ii. the Department has undertaken to meet the legal and other costs of medical and nursing staff engaged on clinical trials approved by the National Blood Authority (NBA) of new blood products manufactured by the Bio-Products Laboratory, a part of the NBA, and the costs of any claims for damages from patients arising from clinical trials of the new products;
- iii. an indemnity to water undertakers in respect of costs, damages and expenses not otherwise covered by insurance arising from claims or proceedings on the grounds of alleged harm to health arising solely from supplying water which has been fluoridated by another water undertaker and which therefore is not covered by the statutory guarantee;
- iv. an indemnity to higher education providers to cover a proportion of any redundancy costs, which may arise in respect of pre-registration nurse education which has now moved to the higher education sector should a contract of education not be renewed;
- v. in the event of a nuclear emergency it would be necessary to distribute stable iodine tablets to the general public to prevent take up of radioactive iodine. The Department has undertaken to indemnify those other than qualified medical personnel distributing the tablets against any action resulting from adverse reactions; and

Notes to the Main Estimate *(continued)*

Contingent Liabilities *(continued)*

vi. the Department has given an undertaking to pay legal or other costs of any damage claims arising from infections contracted by foreign nationals through contaminated blood products. These claims, should they arise would result from a contract between the Bio Products Laboratory, BPL, (part of the National Blood Authority) and the Canadian company Haemacure for the manufacture of a plasma based fibrin sealant product. The product would be sold exclusively in the USA.

RfR 2:

Statutory contingent liabilities exists to meet:

i. the Department has issued an exemption certificate to the National Radiological Protection Board in respect of any liability to its employees of the kind mentioned in Section (1) of the Employer's Liability (Compulsory Insurance) Act 1969; and

ii. the Department has issued an exemption certificate to the National Biological Standards Board in respect of any liability to its employees of the kind mentioned in section (1) of the Employers' Liability (Compulsory Insurance) Act 1969.

Non-statutory contingent liabilities exist to meet:

i. the Department has undertaken to meet the cost of compensation payments arising from claims for injury arising from trials of a whooping cough vaccine developed by the Microbiological Research Authority;

ii. the Department has undertaken to meet the cost of compensation payments arising from claims for injury arising from the immunisation of voluntary donors with specialised immunoglobulin subsequently harvested and used in the treatment of new-born babies;

iii. the Government has paid £42 million to a trust from which payments to haemophiliacs infected with HIV virus following treatment by the NHS with infected blood products. The Department has agreed to pay the NHS trust any sums required to make payments if the funds already provided prove insufficient;

iv. to cover the costs of the Family Fund meeting its duties, under legislation, to its staff in the event of it being wound up by Government;

v. the Department was found to be negligent in failing to stop treating patients with Human Growth Hormone by 1 July 1977 – at a time when possible consequences should have been apparent. Compensation will need to be paid to patients treated after this date who subsequently die from CJD;

vi. an indemnity for members of the independent inquiry into quality and practice within the NHS arising from the action of Rodney Ledward. The Department has given an undertaking to grant an indemnity in relation to any legal action against the chairman and members of the inquiry team;

vii. an indemnity for members of the independent inquiry into issues arising from the retention of organs at the Royal Liverpool Children's Hospital (Alder Hey). The Department has given an undertaking to grant an indemnity in relation to any legal action against the chairman and members of the inquiry team;

viii. an indemnity for members of the independent inquiry into the management of the care of children receiving complex heart surgical services at the Bristol Royal Infirmary. The Department has given an undertaking to grant an indemnity in relation to any legal action against the chairman and members of the inquiry team;

ix. an indemnity for members of the independent inquiry into issues arising from the disposal of organs at the Kings Mill Centre for Health Care Services NHS Trust. The Department has given an undertaking to grant an indemnity in relation to any legal action against the chairman and members of the inquiry team;

Notes to the Main Estimate *(continued)*

Contingent Liabilities *(continued)*

- x. an indemnity for members of the independent inquiry into the backlog of histopathology samples at the Royal National Orthopaedic Hospital NHS Trust. The Department has given an undertaking to grant an indemnity in relation to any legal action against the chairman and members of the inquiry team;
- xi. indemnity for members of the independent inquiry into matters raised by Mr Al-Fallouji;
- xii. indemnity against possible legal action against members of the team reviewing renal services at Portsmouth Hospital Trust;
- xiii. indemnity against civil action against members in the course of the review into the handling of retained organs at Birmingham Children's Hospital;
- xiv. indemnity for members of the review team examining Paediatric Neurology Services at Leicester;
- xv. to cover the possible medical costs of UK citizens injured in the 11 September incidents who do not have medical insurance;
- xvi. inquiry into issues arising from the management of homes for adults with severe learning difficulties – Newcastle-upon-Tyne;
- xvii. indemnity for members of the independent review into issues arising from paediatric services at Medway Maritime Hospital; and
- xviii. indemnity against civil proceedings against members of the inquiry team that may arise as a result of the inquiry into handling of complaints against Drs Ayling, Kerr, Haslam and Mr Neale.

Grants in aid

Section RfR 2 H includes grant-in-aid provision to the Family Fund Trust (£34.4m). Section RfR 1 H and RfR2 AC includes grant-in-aid provision to Non-Departmental Public bodies (£257.503m).♥

International subscriptions

The UK subscription to the World Health Organisation (£14m) is included in line RfR 2 F.

Expenditure in the form of adjustable advances

Sections I to AB contain certain grants to local authorities including social services training, provision of secure accommodation, services for people with HIV infection and AIDS, services for people with a mental illness, services for alcohol and drug misusers, support for carers, initiatives to promote the independence of people living in the community, for the improvement of children's services, projects funded from the Invest to Save budget, the placing of charges on homes and improving information management. Advances to local authorities for personal social services specific and special grants are charged to the Estimate at the time of issue and as final grant expenditure is not known until local authorities' accounts are audited after the end of the financial year, any necessary adjustments may be made in subsequent advances.

National Health Service Pension Scheme

Introduction

1. This Estimate covers the payment of pensions and other benefits to persons covered by the National Health Service (NHS) Pension Scheme. The rules of the scheme are set out in the National Health Service Pension Scheme Regulations 1995 (as amended).
2. Membership of the scheme is open to most employees in the NHS and for doctors and dentists in general practice, and the benefits include payments to widows, widowers, and dependants of participants who die in service or retirement. Provision is also made for refunds of contributions to early leavers, and for the payment and receipt of transfer payments in respect of persons moving out of and into employments covered by the scheme.
3. The Estimate includes the increase payable in accordance with the Annual Review Orders made under section 59 of the Social Security Pension Act 1975. The scheme is notionally funded for the basic benefits and pensions increase. Part of the scheme's income consists of receipts from contributions (both employer and employee), capitalised payments for early retirements and transfers from other pension schemes. These are appropriated in aid of the Estimate to offset the expenditure of benefits.
4. 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

5. In 2001-02 and 2002-03, 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 for the Net Cash Requirement.
6. From 2003-04 the Estimate provision for resource expenditure is instead of the cost of benefits accruing in the year. The most significant of these are 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

7. 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.

Consequences of the change

8. 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.
9. For 2003-04 there is a significant additional difference. An adjustment is needed in 2003-04 in respect of expenditure for 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.
10. The NHS Pensions Agency is responsible for administering the scheme. The related running costs are borne on the Department of Health Estimate.
11. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: National Health Service Pension Scheme	23,195,649,000
Total net resource requirement	23,195,649,000
Net cash requirement	25,000,000

Amounts required in the year ending 31 March 2004 for expenditure by National Health Service (NHS) Pensions Agency on:

RfR 1: National Health Service Pension Scheme

Pensions, allowances, gratuities, transfers to alternative pension arrangements, refunds of contributions, compensation for early retirement, to or in respect of persons engaged in health services or in other approved employment

The **National Health Service (NHS) Pensions Agency** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	23,195,649,000	6,662,100,000	16,533,549,000
Total net resource requirement	23,195,649,000	6,662,100,000	16,533,549,000
Net cash requirement	25,000,000	20,588,000	4,412,000

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
RfR 1: National Health Service Pension Scheme									
-	28,380,189	-	28,380,189	5,184,540	23,195,649	-	-	7,503,028	13,939,645
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
A Pensions									
-	11,372,189	-	11,372,189	5,184,540	6,187,649	-	-	7,503,028	13,939,645
Non-budget									
B Pensions									
-	17,008,000	-	17,008,000	-	17,008,000	-	-	-	-
Total for Estimate:									
-	28,380,189	-	28,380,189	5,184,540	23,195,649	-	-	7,503,028	13,939,645

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	23,195,649	7,503,028	13,939,645
Voted capital items			
Capital	-	-	-
Less Non-operating A-in-A	-	-	-
Total net voted capital	-	-	-
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-	-	-
Depreciation	-	-	-
New provisions and adjustments to previous provisions	-11,372,189	-10,728,480	-17,008,000
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-17,008,000	-	-
Other non-cash items	-	-	-
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	232,416
Increase (-) / Decrease (+) in creditors	1,737,672	-19,720	-172,270
Use of provisions	3,471,868	3,286,922	3,094,970
Total accruals to cash adjustments	-23,170,649	-7,461,278	-13,852,884
Excess cash to be CFERd	-	-	-
Net Cash Requirement	25,000	41,750	86,761

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	-	-	-	-	171,062	<i>171,062</i>
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	300	<i>300</i>	250	<i>250</i>	527	<i>527</i>
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	300	<i>300</i>	250	<i>250</i>	171,589	<i>171,589</i>

Forecast Combined Revenue Account

£'000

	2003-04 provision	2002-03 provision	2001-02 outturn
Programme Costs			
Vote Expenditure			
Income			
Contributions receivable	4,955,840	2,931,206	2,876,530
Transfers In	120,000	180,687	195,883
Other Income	108,700	113,559	167,004
Total	5,184,540	3,225,452	3,239,417
Expenditure			
Increase in Liability	5,520,480	5,208,000	11,800,000
Interest on Scheme Liability	5,851,709	5,520,480	5,208,000
Total	11,372,189	10,728,480	17,008,000
Net Programme Costs	6,187,649	7,503,028	13,768,583
TOTAL NET OUTGOINGS FOR THE YEAR	6,187,649	7,503,028	13,768,583
<i>of which</i>			
NET RESOURCE OUTTURN	23,195,649	7,503,028	13,939,645
<i>less</i>			
prior period adjustments	17,008,000	—	—
CFERS	—	—	-171,062
RESOURCE BUDGET OUTTURN	6,187,649	7,503,028	13,768,583

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Resource Outturn (Estimates)	23,195,649	7,503,028	13,939,645
<i>Adjustments to remove:</i>			
provision voted for earlier years	-17,008,000	—	—
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	—	—	—
Consolidated Fund Extra Receipts in the OCS	—	—	-171,062
Other adjustments	—	—	—
Net Operating Cost (Accounts)	6,187,649	7,503,028	13,768,583
<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	—	—	—
Resource Budget Outturn (Budget)	6,187,649	7,503,028	13,768,583
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	—	—	—
Annually Managed Expenditure (AME)	6,187,649	7,503,028	13,768,583

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Voted Capital Outturn (Estimates)	—	—	—
<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	—	—	—
Capital Budget Outturn (Budget)	—	—	—
<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 Chief Executive of the NHS Pensions Agency P. A. Corless as Accounting Officer with responsibility for preparing the Agency's Accounts and the NHS Pension Scheme Estimate and for transmitting them to the Comptroller and Auditor General.

In preparing the accounts, the Accounting Officer is required to comply with the Resource Accounting Manual prepared by the Treasury, and in particular to:

- Observe the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards, as set out in the Resource Accounting Manual, have been followed, and disclose and explain any material departures in the accounts;
- Prepare the accounts on a going concern basis, unless it is inappropriate to presume that either of the Schemes will continue in operation.

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 Pension Scheme'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.

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
RfR 1: NHS Pensions						
Income from contributions and transfers in from other schemes	5,184,540	—	3,225,452	—	3,068,355	—
Total RfR 1	5,184,540*	—	3,225,452	—	3,068,355	—
Total A in A	5,184,540*	—	3,225,452	—	3,068,355	—

* Amount that may be applied as appropriations in aid in addition to the net total, arising from superannuation contributions; transfer values; deductions from superannuation contributions and lump sum payments in lieu of graduated contributions; contributions equivalent premiums.

Notes to the Main Estimate *(continued)*

Analysis of Consolidated Fund extra receipts

	2003-04 provision		2002-03 provision		£'000 2001-02 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Excess Appropriations in Aid	–	–	–	–	171,062	171,062
Other Income	300	300	250	250	527	527
Total	300	300	250	250	171,589	171,589

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

The total net resource sought for 2003-04 of £23,195,649,000 is 209 per cent higher than the final net provision and forecast outturn for 2002-03 of £7,503,028,000.

Cash which may be retained to offset expenditure

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	£'000 2001-02 outturn
	5,184,540	3,225,452	3,068,355

Food Standards Agency

Introduction

1. This Estimate provides for expenditure by the Food Standards Agency (FSA). The purpose of the FSA is to protect public health from risks which may arise in connection with the consumption of food, and to otherwise protect the interests of consumers in relation to food.
2. The Food Standards Agency was established as a non-Ministerial department on 1 April 2000. The FSA has an executive agency, the Meat Hygiene Service, responsible for safeguarding public health and animal welfare at licensed fresh meat premises.
3. The FSA is a UK wide body, and is partially funded by contributions from the devolved administrations to cover the costs of work undertaken in Scotland, Wales and Northern Ireland. As the contributions from the devolved administrations cannot be Appropriated in Aid of the Estimate (section 39 of the Food Standards Act refers), they have been netted off from the relevant subheads in Part II, Section A of the Estimate.
4. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: Protecting and promoting public health in relation to food	119,528,000
Total net resource requirement	119,528,000
Net cash requirement	119,409,000

Amounts required in the year ending 31 March 2004 for expenditure by the Food Standards Agency on:

RfR 1: Protecting and promoting public health in relation to food

administration, inspections, surveillance, managing research and development, education, publicity and publications, funding for non-cash items; funding of the Meat Hygiene Service.

The **Food Standards Agency** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	119,528,000	54,157,000	65,371,000
Total net resource requirement	119,528,000	54,157,000	65,371,000
Net cash requirement	119,409,000	52,954,000	66,455,000

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
RfR 1: Protecting and promoting public health in relation to food									
39,859	134,939	-	174,798	55,270	119,528	2,647	-	137,299	106,800
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Food Standards Agency HQ Operations									
39,859	58,322	-	98,181	3,234	94,947	322	-	112,299	88,665
B Meat Hygiene Service									
-	76,617	-	76,617	52,036	24,581	2,325	-	25,000	18,135
Total for Estimate:									
39,859	134,939	-	174,798	55,270	119,528	2,647	-	137,299	106,800

Part II: Resource to cash reconciliation

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net Total Resources	119,528	137,299		106,800
Voted capital items				
Capital	2,647	637	1,517	
Less Non-operating A-in-A	-	-	-	
Total net voted capital	2,647	637		1,517
Accruals to cash adjustment				
Adjustments to remove non-cash items:				
Cost of Capital charges	-762	-1,307	-150	
Depreciation	-2,004	-2,004	-1,510	
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	-	-	-	
Total accruals to cash adjustments	-2,766	-3,311		-1,660
Excess cash to be CFERd	-	-		-
Net Cash Requirement	119,409	134,625		106,657

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
Net administration costs:				
RfR 1	36,625	35,751	31,255	
Net programme costs:				
RfR 1	82,903	101,548	75,545	
Total net programme costs	82,903	101,548	75,545	
Total Net Operating Cost	119,528	137,299	106,800	
<i>of which:</i>				
Net Resource Outturn	119,528	137,299	106,800	
CFERs	-	-	-	
Non-voted expenditure	-	-	-	
Resource Budget Outturn	119,528	137,299	106,800	

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	119,528	137,299	106,800
<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	-	-	-
Net Operating Cost (Accounts)	119,528	137,299	106,800
<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	-	-	-
Resource Budget Outturn (Budget)	119,528	137,299	106,800
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	119,528	137,299	106,800
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	2,647	637	1,517
<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	-	-	-
Capital Budget Outturn (Budget)	2,647	637	1,517
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	2,647	637	1,517
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Chief Executive of the Food Standards Agency, Dr John Bell as interim Accounting Officer with responsibility for preparing the Agencies accounts and for submitting them to the Comptroller and Auditor General.

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
RfR 1: Protecting and promoting public health in relation to food.						
Fees for inspections	55,270	—	55,270	—	62,489	—
Total*	55,270*	—**	55,270	—	62,489	—

*Amounts that may be applied as appropriations in aid in addition to the net total, arising from fees for slaughterhouse hygiene inspections, radioactive waste disposal inspections, milk and dairies inspections, government funded controls and miscellaneous receipts.

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	48,447	-11,822	36,625
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL)	£'000		
	Voted*	Non-voted	Total
Resource DEL	119,528	—	119,528
Capital DEL	2,647	—	2,647
Less depreciation	-2,004	—	-2,004
Total DEL	120,171	—	120,171

- * 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 £119,528,000 is 12.9% lower than the final net provision and forecast outturn for 2002-03 of £137,299,000

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
	55,270	55,270	62,489

Department for Transport

Introduction

The Estimate for 2003-04 consists of one request for resources:

RfR 1: Promoting modern, integrated and safe transport and providing customer-focused regulation

1. Details of programmes covered by the request for resources can be found in Appendix A of the Department for Transport Departmental Annual Report 2003 (DAR) Cm 5907 and further information is also provided in Tables 3.1, 3.2, 3.3 and 3.4 of the Supplementary Budgetary Information booklet (Cm 5797).
2. The Department's main objective is for 'Reliable, safe and secure transport for everyone which respects the environment'.
3. Chapter 2 of the DAR covers the administrative costs of the Department (section W). Further information is provided in Table 5, at Annex A of the DAR.
4. Chapter 3 of the DAR covers expenditure on the strategic road network, (sections E, J and AF) which includes the role of the Highways Agency.
5. Advances to agent authorities in respect of maintenance and improvement of the trunk roads network in England will be made as required and charged to the Request for Resources at the time of issue, with adjustments being made on subsequent advances. The authorities will be required to submit statements of expenditure incurred. Local authority accounts will be inspected on behalf of the Secretary of State for Transport by auditors appointed by the Audit Commission.
6. Chapter 4 of the DAR covers expenditure on railways, (sections K, AG and AH) including the Strategic Rail Authority and Network Rail. Funding is transferred to the Scottish Executive to make payments in respect of the ScotRail franchise and to fund track access grant (TAG).
7. Chapter 5 of the DAR covers expenditure on local transport (sections O, Y, AA, AB, AC and AD) which includes local roads, buses, light rail, London Underground and other non rail transport in London, together with Cycling and Walking.
8. Chapter 6 of the DAR covers expenditure on aviation and shipping programmes (sections A, C and Z) which includes programme cost of shipping inquiries and costs of the IMO building, a contribution to the ESA Galileo project and civil and international aviation expenditure, including air traffic control.
9. Chapter 7 of the DAR covers expenditure on Safety and Security (sections B, D, F, P, Q, R, U, V and AE) which includes road safety, security and safety issues for air, maritime and rail travel and work carried out by the Driver, Vehicle and Operator Group, such as vehicle safety checks and crime prevention.
10. Chapter 8 of the DAR covers expenditure on Sustainable Transport (sections M, N and S) which includes programmes contributing to improved air quality, noise reduction and the efficient distribution of freight.
11. Detailed analysis of appropriations-in-aid and Consolidated Fund Extra Receipts can be found in Tables that accompany this Estimate.
12. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: Promoting modern, integrated and safe transport and providing customer-focussed regulation	10,914,418,000
Total net resource requirement	10,914,418,000
Net cash requirement	9,348,573,000

Amounts required in the year ending 31 March 2004 for expenditure by the Department for Transport on:

RfR 1: Promoting modern, integrated and safe transport and providing customer-focussed regulation

ports and shipping services; the National Ports Council Pension and Compensation Schemes; water freight grants; the Maritime and Coastguard Agency; civil and international aviation services including costs relating to the World Health Organisation study into airline travel and Deep Vein Thrombosis and type approval testing of electronic screening devices (ESD) for use in enforcing aviation provisions of the Railways and Transport Safety Bill; support for and loans to National Air Traffic Services; the Highways Agency; payments to private consortia for design, build, finance and operate schemes; transport grants to local authorities, including the Greater London Authority and Merseyrail; payments to local authorities for the maintenance of de-trunked roads and promotion, publicity and publications in support of the Highways Agency operations; the operation of the Dartford River crossing; compensation to private tolled undertakings for the imposition of VAT on tolls; Bus Service Operator grant; Multi Modal Studies; support for the haulage industry; support to nationalised transport industries; Powershift and CleanUp programmes; Transport Direct; royal travel; transport security; the Commission for Integrated Transport; trans-European network funds; costs relating to the PHARE programme; support for other minor transport services; Golden Jubilee medals for transport emergency services personnel; driver and vehicle licensing and registration and the collection of revenue; compensation and pension costs relating to pre-DVLC local authority driver and vehicle licensing staff; the development and operation of systems associated with registration and licensing; the provision by DVLA of anonymised data and other services; grants and loans and other expenditure relating to the Vehicle and Operator Services Agency (trading fund); Driving Standards Agency (trading fund); Vehicle Certification Agency; Vehicle Certification Agency enforcement; speed and red light camera enforcement; grants to Railtrack, British Rail and London Underground; payments and loans under section 63 of the Railways Act 1993 to Railtrack plc (in administration); PPP Arbiter; grants to the Strategic Rail Authority; the Channel Tunnel Rail Link; National Freight Company travel concessions; railway industry and National Freight Company pensions funds; research, development, statistics, censuses and surveys, safety and mobility, publicity, promotion and advice and publications, monitoring, consultancies; selling into wider markets, including export opportunities; subscriptions and contributions to international organisations; compensation; the administration and operation of the department; payments to the Office of the Deputy Prime Minister in respect of certain central services; the purchase, acquisition, hire, lease and rent of land, buildings, plant, equipment, machinery, vehicles and capital assets; special payments; and associated non-cash items.

The **Department for Transport** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	10,914,418,000	5,911,178,000	5,003,240,000
Total net resource requirement	10,914,418,000	5,911,178,000	5,003,240,000
Net cash requirement	9,348,573,000	4,179,432,000	5,169,141,000

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
RfR 1: Promoting modern, integrated and safe transport and providing customer focused regulation									
501,720	5,333,892	5,451,698	11,287,310	372,892	10,914,418	726,258	10,774	10,159,142	7,527,639
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Ports and shipping services									
-	11,948	895	12,843	1,402	11,441	2,680	-	8,116	7,141
B Maritime and Coastguard Agency									
10,220	100,507	80	110,807	5,742	105,065	6,250	-	101,028	93,915
C Aviation services									
-	15,402	35,250	50,652	36,000	14,652	207	-	16,160	89,143
D Transport security and royal travel									
-	4,157	6,500	10,657	-	10,657	-	-	8,529	8,847
E Highways Agency									
85,647	1,403,398	5,800	1,494,845	34,220	1,460,625	648,519	8,900	1,428,530	1,008,733
F Publicity and advice									
-	18,597	705	19,302	-	19,302	-	-	18,876	18,037
G Research									
-	31,832	-	31,832	-	31,832	3,907	-	34,584	25,493
H Statistics, censuses and surveys									
-	6,579	-	6,579	-	6,579	619	-	7,463	6,411
I Consultancies and other services for roads and local transport									
-	8,247	3,578	11,825	126	11,699	70	-	4,756	4,987
J Multi-modal studies									
-	7,032	-	7,032	-	7,032	-	-	10,766	10,623

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	Railways								
-	64,131	383,495	447,626	-	447,626	-	-	495,628	367,700
L	Commission for Integrated Transport								
-	1,500	-	1,500	-	1,500	-	-	1,500	1,905
M	Road Haulage Modernisation Fund								
-	10,000	-	10,000	-	10,000	-	-	3,243	5,420
N	Water freight grants								
-	-	12,608	12,608	-	12,608	-	-	5,762	13,354
O	Bus Service Operators Grant								
-	335,000	-	335,000	-	335,000	-	-	319,519	304,267
P	Driver and Vehicle Licensing Agency								
279,861	6,091	-	285,952	141,486	144,466	6,971	-	177,955	141,494
Q	Vehicle Certification Agency enforcement								
-	1,324	-	1,324	-	1,324	-	-	1,324	1,021
R	Vehicle Certification Agency								
5,154	2	-	5,156	5,195	-39	232	-	-39	-59
S	PowerShift and CleanUp								
-	26,000	-	26,000	-	26,000	-	-	17,453	17,450
T	Dartford River Crossing								
-	-	-	-	66,000	-66,000	-	-	-71,226	1
U	Driving Standards Agency trading fund								
-	-	2	2	1	1	-	146	2,801	99
V	Vehicle and Operator Service Agency trading fund								
-	7,581	3	7,584	2	7,582	-	1,728	3,091	127
	<i>Vehicle and traffic enforcement</i>								
-	-	-	-	-	-	-	-	9,927	5,426

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	
W	Central Administration									
	120,838	5,898	-	126,736	1,852	124,884	56,803	-	130,677	97,248
X	Trans European network payments for transport projects (net)									
	-	-	3	3	-	3	-	-	3	-
Y	London Underground									
	-	1,029,000	-	1,029,000	-	1,029,000	-	-	766,000	483,000
	<i>Railtrack plc (in administration)</i>									
	-	-	-	-	-	-	-	-	-15,000	12,528
Z	EC contribution to World Health Organisation (WHO) study into airline travel and Deep Vein Thrombosis (DVT)									
	-	-	468	468	467	1	-	-	-	-
	Support for Local Authorities									
AA	GLA transport grant (resource)									
	-	-	355,095	355,095	-	355,095	-	-	296,190	212,588
AB	GLA Transport Grant (capital)									
	-	-	977,745	977,745	-	977,745	-	-	732,500	507,467
AC	Other transport grants (resource)									
	-	-	170,228	170,228	-	170,228	-	-	101,800	63,501
AD	Other transport grants (capital)									
	-	-	149,311	149,311	-	149,311	-	-	203,402	66,754
AE	Speed and red-light camera enforcement									
	-	-	80,400	80,400	80,399	1	-	-	1	2
	Spending in Annually Managed Expenditure (AME)									
	Central Government spending									
AF	Highways Agency									
	-	2,239,666	-	2,239,666	-	2,239,666	-	-	2,094,476	2,098,028

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>Aviation Services</i>									
-	-	-	-	-	-	-	-	-	7,008
<i>Ports and shipping services</i>									
-	-	-	-	-	-	-	-	-	2,100
AG Railways									
-	-	56,563	56,563	-	56,563	-	-	1,042,479	-
Non-budget									
AH Strategic Rail Authority									
-	-	3,212,969	3,212,969	-	3,212,969	-	-	2,199,868	1,634,680
<i>Goods VehicleVED Relief</i>									
-	-	-	-	-	-	-	-	1,000	211,200
Total for Estimate:									
501,720	5,333,892	5,451,698	11,287,310	372,892	10,914,418	726,258	10,774	10,159,142	7,527,639

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	10,914,418	10,159,142	7,527,639
Voted capital items			
Capital	726,258	810,445	3,127,395
Less Non-operating A-in-A	10,774	14,836	2,462,926
Total net voted capital	715,484	795,609	664,469
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-2,247,765	-2,125,460	-2,104,397
Depreciation	-298,153	-318,843	-39,693
New provisions and adjustments to previous provisions	-199,298	-1,073,368	15,459
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-48	-46	-138
Increase (+) / Decrease (-) in stock	-	-	-167
Increase (+) / Decrease (-) in debtors	-177,141	37,259	-212,133
Increase (-) / Decrease (+) in creditors	330,993	331,125	329,749
Use of provisions	310,083	52,613	47,576
Total accruals to cash adjustments	-2,281,329	-3,096,720	-1,963,744
Excess cash to be CFERd	-	-	-
Net Cash Requirement	9,348,573	7,858,031	6,228,364

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	80,518	<i>80,518</i>	102,051	<i>23,029</i>	191,392	<i>191,392</i>
Non-operating income not classified as AinA	1,991	<i>1,991</i>	2,034	<i>2,034</i>	690,099	<i>690,099</i>
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	<i>52,734</i>	20	<i>20</i>
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	82,509	<i>82,509</i>	104,085	<i>77,797</i>	881,511	<i>881,511</i>

Forecast Operating Cost Statement

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net administration costs:			
RfR 1	352,859	376,613	265,330
Net programme costs:			
RfR 1	10,481,041	9,680,478	7,070,917
Total net programme costs	10,481,041	9,680,478	7,070,917
Total Net Operating Cost	10,833,900	10,057,091	7,336,247
<i>of which:</i>			
Net Resource Outturn	10,914,418	10,159,142	7,527,639
CFERs	-80,518	-102,051	-191,392
Non-voted expenditure	-	-	-
Resource Budget Outturn	9,638,823	9,333,647	6,551,565

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	10,914,418	10,159,142	7,527,639
<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	-80,518	-102,051	-191,392
Other adjustments	-	-	-
Net Operating Cost (Accounts)	10,833,900	10,057,091	7,336,247
<i>Adjustments to remove:</i>			
capital grants to local authorities	-1,127,056	-935,902	-574,221
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	54,198	22,375	25,604
voted expenditure outside the budget	467	-1,000	-211,200
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	78,229	86,553	108,171
resource consumption of non departmental public bodies	19,000	104,270	-133,036
unallocated resource provision	5,585	190	-
Other adjustments	-225,500	70	-
Resource Budget Outturn (Budget)	9,638,823	9,333,647	6,551,565
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	7,342,594	6,199,101	4,444,429
Annually Managed Expenditure (AME)	2,296,229	3,134,546	2,107,136

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	715,484	795,609	664,469
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-1,991	-2,034	-2,179
capital spending by non-departmental public bodies	-19,000	3,600	5,714
capital grants to local authorities	1,127,056	935,902	574,221
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	1,470,989	1,338,553	1,183,133
capital spending by levy funded bodies	-	-	-
unallocated capital provision	5,960	793	-
Other adjustments	-7	-7	-7
Capital Budget Outturn (Budget)	3,298,491	3,072,416	2,425,351
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	3,298,491	3,072,416	2,425,351
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

The Permanent Head of the Department for Transport, Ms Rachel Lomax is Principal Accounting Officer with overall responsibility for preparing the Department's Estimate.

The allocation of Accounting Officer responsibilities in the Department for Transport is as follows:

Request for Resources 1:	Ms Rachel Lomax, Principal Accounting Officer and Permanent Head of Department
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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
RfR 1: Promoting modern, integrated and safe transport and providing customer-focussed regulation						
Ports and Shipping Services – Section A <i>(Receipts in respect of the IMO building, Mersey Conservancy, shipping services and the hire of Civil Defence equipment)</i>	1,402	—	1,259	—	1,315	—
Maritime and Coastguard Agency – Section B <i>(Fees and receipts from the survey of ships, port state control inspections, examinations and the certification of seafarers)</i>	5,742	—	7,642	—	7,538	–490
Aviation services – Section C <i>Receipts from Eurocontrol DOH contribution to the World Health Organisation (WHO) study into airline travel and DVT</i>	36,000	—	35,200	—	18,416	—
Highways Agency – Section E <i>Of Which:</i>	34,220	8,900	32,204	13,295	28,885	13,982
<i>Highways Agency Programme</i>	33,020	—	29,081	—	28,074	—
<i>Highways Agency Administration</i>	1,200	—	3,123	—	811	—
<i>Book value of sale of existing buildings</i>	—	—	—	—	—	—
<i>Book value of sale of other tangible capital</i>	—	8,900	—	13,295	—	13,982
Statistics, censuses and surveys – Section H <i>(Sale of statistical services)</i>	—	—	40	—	—	—
Consultancies and other services for roads and local transport – Section I <i>(Booking fees for driving assessments and disposal of MAVIS vehicles, and recoveries from local authorities in respect of public inquiries into highway orders)</i>	126	—	126	—	44	—
Driver and Vehicle Licensing Agency – Section P <i>Of Which:</i>	141,486	—	189,448	—	149,402	—
<i>Drivers</i>	51,600	—	67,300	—	53,000	—
<i>Vehicles</i>	61,400	—	84,500	—	63,572	—
<i>Sale of Marks</i>	4,600	—	6,600	—	6,850	—
<i>CT and assignment and related costs</i>	7,900	—	15,000	—	10,000	—
<i>Wheelclamping and out of court settlements</i>	12,000	—	12,000	—	12,000	—
<i>Award of court costs</i>	3,000	—	3,000	—	3,000	—
<i>Accommodation</i>	—	—	—	—	170	—
<i>Other</i>	986	—	1,048	—	810	—
Vehicle Certification Agency enforcement – Section Q	—	—	16,550	—	14,718	—
Vehicle Certification Agency – Section R <i>(Receipts from the private sector for vehicles and component testing and from the Department for enforcement and related work)</i>	5,195	—	5,195	—	6,706	—
Dartford River Crossing: Section T <i>(Receipts from the Dartford River Crossing Ltd)</i>	66,000	—	71,226	—	6,000	—

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	operating
	A in A	A in A	A in A	A in A	A in A	A in A
Driving Standards Agency trading fund – Section U <i>(Repayment of deemed and voted loans)</i>	1	146	1	146	—	146
Vehicle and Operator Services Agency trading fund – Section V <i>(Repayment of deemed and voted loans)</i>	2	1,728	2	1,395	—	60
(Railtrack plc Administration)	—	—	60,000	—	—	2,449,228
Central Administration – Section W	1,852	—	21,007	—	18,004	—
EC contribution to the (WHO) study into airline travel and Deep Vein Thrombosis (DVT) – Section Z	467	—	74	—	—	—
Speed and red-light camera enforcement – Section AE	80,399	—	80,400	—	15,579	—
Strategic Rail Authority – Section AH	—	—	40,400	—	14,514	—
Total RfR 1	372,892*	10,774**	560,774	14,836	281,121	2,462,926

*Amount that may be applied as appropriations in aid in addition to the net total, arising from:

RfR 1: research, statistical and administrative services, fee paying enquiries, dissemination and sales of information, royalties, the loan and hire of equipment, seminars, conferences and publications (in print and non-print media); sponsorship, including contributions from co-sponsors towards the cost of research and surveys; other government departments, agencies and non-departmental public bodies; receipts from the European Union including receipts relating to the PHARE programme; donations; legal claims, including extra-contractual claims for defective work, awards of court costs and out of court settlements; receipts for the use of accommodation; rental income and receipts from property and land; the disposal of land, buildings, plant, equipment, machinery, vehicles and capital assets; recoveries of seconded staff salaries; fees for driving assessments; driver licence and vehicle fees; fees from duplicate licences; operator licence enforcement receipts; speed and red light camera fixed penalty receipts; fees for the sale, transfer, retention and extension of cherished registration marks; fines from wheel clamping; administration receipts arising from the operation of driver and vehicle licensing; charges for vehicle and component testing; recoveries from local authorities in respect of public inquiries into highway orders; the sale of land on completion or abandonment of highway schemes; receipts from Dartford River Crossing Ltd; receipts from claims for damage to motorways and trunk roads; contributions from developers to transport schemes; recoveries of costs of civil aviation services; the sale of civil aviation items; repayments of loans or other payments made to National Air Traffic Services; receipts relating to the World Health Organisation study into airline travel and Deep Vein Thrombosis; repayments of loans or other payments made under section 63 of the Railways Act 1993 to Railtrack plc (in administration); receipts from the Strategic Rail Authority; the Channel Tunnel Rail Link; fees and receipts from the survey of ships, Port State Control inspections, examinations and the certification of seafarers; recoveries in respect of the International Maritime Organisation building; the Mersey Conservancy; shipping services; ports and associated pension and compensation schemes; EC and DOH contribution towards the World Health Organisation study into airline travel; Eurocontrol; subsidy provided under the New Deal – Welfare to Work; repayments of deemed and voted loans made to the Vehicle and Operator Services Agency and the Driving Standards Agency; payments from the Office of the Deputy Prime Minister in respect of certain central services; payments from the Department for Work and Pensions in respect of transitional administration costs; and receipts relating to the administration and operation of the department.

**Amounts that may be applied as non-operating appropriations in aid arising from the disposal of land, buildings, plant, equipment, machinery, vehicles and capital assets; the loan or hire of equipment; the sale of motorway service area freeholds; repayments of loans or other payments made to National Air Traffic Services; repayments of loans or other payments made under section 63 of the Railways Act 1993 to Railtrack plc (in administration); the Channel Tunnel Rail Link.

Total A in A	372,892	10,774	560,774	14,836	281,121	2,462,926
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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
Humber Bridge Board●	15,000	15,000	16,600	—	10,905	—
Tyne Tunnel●	1,752	1,752	1,465	—	1,739	—
Second Mersey Tunnel●	2,663	2,663	2,663	—	1,331	—
Grants, services and Consultancies and other services for roads and local transport●	—	—	—	—	20	—
Speed and red light camera enforcement●	—	—	—	—	4,390	—
Bus service operators grants●	500	500	450	—	384	—
Highways Agency●	—	—	4,600	—	9,916	—
Maritime and Coastguard Agency (<i>Fees from registration of ships</i>)	686	686	686	—	686	—
Driver and Vehicle Licensing Agency	56,316	56,316	69,516	—	132,683	—
<i>Of Which:</i>						
<i>Sale of Marks</i>	29,400	29,400	36,400	—	54,887	—
<i>Cherished Transfers and Assignments</i>	25,674	25,674	25,674	—	30,803	—
<i>Interest from Post Office</i>	1,220	1,220	1,220	—	1,701	—
<i>Excess Appropriations-in-Aid</i>	—	—	6,200	—	45,143	—
<i>Other</i>	22	22	22	—	149	—
Driving Standards Agency (Trading Fund)	962	962	390	—	1,093	—
Vehicle and Operator Services Agency (Trading Fund)	2,991	2,991	3,024	—	3,025	—
National Air Traffic Services	—	—	495	—	687,920	—
Railtrack PLC : administration	—	—	—	—	22,942	—
Ports and Shipping Services	—	—	2,409	—	1,077	—
Other Transport services	—	—	—	—	—	—
Central administration	39	39	39	—	1,895	—
Channel tunnel receipts	1,600	1,600	1,540	—	1,500	—
Miscellaneous	—	—	208	77,797	5	881,511
Total	82,509	82,509	104,085	77,797	881,511	881,511

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	500,089	-143,666	356,423
Vehicle Certification Agency	5,154	-5,195	-41
Net administration costs limits	5,154	-5,195	-41

Departmental Expenditure Limits (DEL)			£'000
	Voted*	Non-voted	Total
Resource DEL	4,332,829	3,009,765	7,342,594
Capital DEL	1,842,540	1,455,951	3,298,491
Less depreciation	-298,153	—	-298,153
Total DEL	5,877,216	4,465,716	10,342,932

- * 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

RfR 1: The total net resource sought for 2003-04 of £10,914,418,000 is 7.4% higher than the final provision for 2002-03 of £10,159,142,000 and 20.2% higher than the forecast outturn for 2002-03 of £9,079,135,000.

Notes to the Main Estimate *(continued)*

Cash which may be retained to offset expenditure

£'000

Cash, which may be retained to offset expenditure in the year due to its relationship with income that has been or will be appropriated in aid, is:

	2003-04 provision	2002-03 provision	2001-02 outturn
	383,666	575,610	2,744,047

Expenditure resting on the sole authority of the Appropriation Act

RfR1 contains provision sought under the sole authority of Part I of the Estimate and of the confirming Appropriation Act:

Section AC: Expenditure of £100,000 for grants in respect of centres of excellence. ■

Section C: Expenditure of £30,000 for type approval testing of electronic screening devices (ESD) for use in enforcing aviation provisions of the Railways and Transport Safety Bill. ■

Contingent liabilities

There were several outstanding contingent liabilities outstanding at 31 March 2003, where any costs arising would be met from this request for resources are as follows:

Statute	Nature of liability Statutory liabilities charged to request for resources	£m
Merchant Shipping Act 1988, Section 26	Industrial injuries to trainees under the Merchant Navy Training Scheme and the Development of Certified Seafarers (DOCS) scheme.	0.3
Channel Tunnel Act 1987, Sections 25, 26 and 29	Potential liabilities in the event of termination of Eurotunnel's concession	Unquantifiable
Marine and Aviation Insurance Act 1952, Section 1	Government war risk reinsurance for British shipowners insuring their vessels with the British Mutual War Risks Association (Clubs). Under the current agreement with Clubs, the Government provides 95% reinsurance for Queen's Enemy Risks (QER). A contingent liability arises from the continuous QER cover for the hull and machinery value of British flag vessels entered with the Clubs	Unquantifiable
Railways Act 1993, Schedule 11, paragraph 11	Guarantee to the Trustee of the Railways Pension Scheme (RPS) in respect of any deficit arising in the 1994 Pensioners Section of the RPS. The 1994 Pensioners Section comprises members of the former Pensioners (A) and (B) sections of the Railways pension scheme and pensioners/deferred pensioners transferred in from BR Section of the RPS on 30 December 2000.	Unquantifiable
Statute	Nature of liability Statutory liabilities charged to request for resources	£m

Notes to the Main Estimate *(continued)*

Contingent liabilities *(continued)*

Land Compensation Act 1973, Part I	Highways Agency: Compensation claims from home owners for lost value for a property, as a result of physical change such as noise and light, associated with new or improved roads. Claims become inevitable once the construction phase is started and the Agency accounts for the constructive obligation as a provision. A legal obligation crystallises one year after the road has opened for traffic when home owners are entitled to lodge claims than are normally settled in less than a year. Such obligations are treated as contingent liabilities until the start of construction work.	36.0
	Highways Agency: A contingent liability arises from a number of property cases, which are in dispute or have been referred to the Lands Tribunal for resolution. The Agency has provided in its accounts a best estimate of the outcome of these cases. The maximum liability is greater than the estimate by £113 million	Up to 113
Civil Aviation Act 1982, section 14	Guarantee of Civil Aviation Authority temporary borrowing.	13.0
London Regional Transport Act 1984, Section 20(i)	Guarantee of London Transport's temporary borrowing.	10.0
Railways Act 1993, Schedule 11, para 11	July 1993 Memorandum of Understanding between Government, BR and pension trustees about a Government solvency guarantee for the BR Section of the Railways Pensions Scheme in the event that section becomes unstable (still extant for residual BR section after transfer of non-activities to the 1994 Pensioners Section, as above).	Unquantifiable
Railways Act 1993, section 63	Indemnity to protect Administrators and staff against certain liabilities and Administrators' fees.	Unquantifiable
Railways Act 1993, section 29(5)	Liabilities within franchise agreements for 25 Train Operating Companies. (i) VAT on Passenger Fares (ii) Track Access review (iii) Station Charging Review (iv) Competition Review (v) Load Factors (vi) Mandatory Modifications	Unquantifiable
Statute	Nature of liability Statutory liabilities charged to request for resources	£m

Notes to the Main Estimate *(continued)*

Contingent liabilities *(continued)*

Railways Act 1993, section 29(5)	Liabilities in direct agreements with:	Unquantifiable
	(a) Rolling Stock Companies (ROSCOS):	
	(i) Premature termination of a rolling stock lease	
	(ii) Premature termination of franchising agreement (existing stock)	
	(iii) Option to call a new contract when reletting franchises (new stock)	
	(iv) Change to terms of option and the further option (new stock)	
	(b) SPARESCO: Endure pool of spare parts remains available	
	(c) RAILPART: Requirement to enter spares part supply contract	
	(d) RACAL-BR TELECOMMUNICATIONS: Covers notice period if franchise terminated	
	(e) ABB CUSTOMER SUPPORT: Covers entering into new contract.	
	Non-statutory liabilities charged to Request for Resources	
	General Lighthouse Authorities' pension funds	210.6
	Reinstatement of International Maritime Organisation (IMO) building, abatement of rent if IMO building destroyed; and rehousing of IMO during rebuilding	111.5
	Channel Tunnel Rail Link – Government guaranteed bonds	3,750.0
	Channel Tunnel Rail Link – track access payments	Up to 360.0
	North Atlantic Treaty Organisation (NATO) agreement relating to the indemnification of civil aircraft in respect of their use on NATO tasks in times of crises and war	Unquantifiable
	Guarantee in respect of obligations of Eurostar (UK) Ltd at Ashford international passenger station	133.0 (over period of next 19 years)
	BR as a going concern – assurance given to Board that adequate Government funds will be made available to meet any financial obligations arising from the BR Board's present or future liabilities, or liabilities arising from past transactions, events and circumstances	28.0
	BR as a going concern – assurance given to the Strategic Rail Authority that adequate Government funds will be made available to meet any financial obligations from BR liabilities transferred to the SRA.	1,600.0
	Contingent liabilities arising from signing of new replacement and extended passenger rail franchise agreements.	Unquantifiable
	Contingent liabilities arising from the signing of a new franchise agreement for Chiltern Railways between the SRA and M40 Trains Ltd.	Unquantifiable
	The Air Travel Trust, which is administered by the Civil Aviation Authority as Trustees, provides protection for air-package holiday makers in the event of a collapse of tour operators whose statutory bonds are insufficient to meet claims. A Government guarantee has been given to the Fund so that the Trustees may borrow from the Banks, if the need arises.	21.0
	Underwriting of LUL obligations under PPP contracts	Unquantifiable
	Indemnity against state aid challenge to PPP by the Mayor of London	1,900.0
Other Liabilities to note	The Department's decisions and actions are subject to judicial review and other appeals in the courts. Currently there are around 300 cases where proceedings in the courts have commenced. Not all of these cases will come to court and, where they do come to court, the outcome is not clear.	Unquantifiable

Notes to the Main Estimate *(continued)*

Grants in aid £m

Strategic Rail Authority♥	3,212.9
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International subscriptions £m

International Civil Aviation Organization	1.9
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Gifts

The gifts delegations associated with this Estimate are as follows:-

Gifts by the Driver and Vehicle Licensing Agency to visiting dignitaries (primarily from European Union member states), not exceeding a total of £500 in any one year;

Gifts by the Driver and Vehicle Licensing Agency of obsolete equipment/furniture to charities, not exceeding a total of £1,000 in any one year;

A total donation of £1,000 by the Driver and Vehicle Licensing Agency to charity through the local office of the year scheme.

A total donation of £500 a year by the Driver and Vehicle Licensing Agency to the West Wales Association of Communication Centres.

Prizes by the Driver and Vehicle Licensing Agency as incentives to obtain feedback on the use of a booklet using games, a quiz and some road safety messages as publicity material, totalling up to £300.

Prizes by the Driver and Vehicle Licensing Agency associated with publicity, totalling up to £1,000 in any one year.

Gifts presented by Ministers on official delegations; and

Prizes totalling up to £100 for designing a departmental Christmas Card.

Office of the Deputy Prime Minister

Introduction

1. The Estimate for 2003-4 consists of two Requests for Resources:

RfR 1 – Improving the quality of life by creating thriving, inclusive and sustainable communities in all regions.

RfR 2 – Providing for effective devolved decision making within a national framework.

2. Details of programmes covered by both Requests for Resources and the Office's aim and the three objectives can be found in Chapter 1 of the Office of the Deputy Prime Minister Annual Report 2003 (DAR) (Cm 5906).

3. Detailed analysis of Appropriations-in-Aid (AinA's) and Consolidated Fund Extra Receipts (CFER's) can be found in the Notes that accompany this Estimate.

4. Chapter 3 of the DAR will cover expenditure on regeneration and neighbourhood renewal, local regeneration programmes and urban policy. Chapter 4 will cover expenditure on local government and regional assemblies. Chapter 5 will cover expenditure on social housing, planning, homelessness, housing revenue account subsidy, fire services and building regulations.

Further information will be provided in tables throughout the DAR.

Non-departmental public bodies (NDPBs)

5. Both Requests for Resources include provisions for payments of grant-in-aid to NDPBs. Most NDPBs are partially funded by receipts. Further information will be provided in Annex B of the DAR.

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

Part I

	£
Request for Resources 1: Improving the quality of life by creating thriving, inclusive and sustainable communities in all regions.†	10,410,245,000
Request for Resources 2 – Providing for effective devolved decision making within a national framework.††	41,452,757,000
Total net resource requirement	51,863,002,000
Net cash requirement	52,063,295,000

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

RfR 1 – Improving the quality of life by creating thriving, inclusive and sustainable communities in all regions.

housing revenue account subsidy; homelessness and rough sleepers; payments to the Housing Corporation; renewal of private sector housing; home selling; rent and leasehold services; national approved letting scheme; social housing mobility; council tenant participation; payments to housing action trusts; Estate Action; the starter homes initiative; the Supporting People programme; choice-based local authority lettings; The Rent Service Agency; payments to the Commission for Architecture and the Built Environment; disabled facilities grant; Housing Improvement Agencies; charges by Valuation Offices in respect of Right to Buy; refurbishment and acquisition of gypsy sites; deprived neighbourhoods, including the New Deal for Communities programmes; payments to the Urban Regeneration Agency; payments to the Department of Trade and Industry for Regional Development Agencies and the London Development Agency; Groundwork; initiatives to accelerate the growth areas, including payments to development corporations and other local delivery agencies; grants and payments for creating and improving parks and public spaces; payments that derive from European Structural Funds Regulations; exchange rate losses and other losses relating to European Regional Development Fund (ERDF) projects; coalfields regeneration; planning, including minerals programmes; planning-aid; the Planning Inspectorate; fire services, including measures to deal with the aftermath of terrorism; payments and loans to the Fire Service College (trading fund); fire service superannuation; payments to Ordnance Survey (trading fund); regional chambers; payments for the Mersey Basin Campaign; minor grants and payments in support of housing, regeneration, urban design, building regulation, research, development, surveys, monitoring, statistics, advice and consultancies; initiatives to tackle areas of low demand housing; publicity, promotion and publications; communications; Special Grants Programme support to voluntary bodies; subscriptions and contributions to international organisations; the Deputy Prime Minister's chairmanship of Ministerial Committees; co-ordination of cross-cutting issues including social exclusion; the residual functions of Property Services Agency (PSA); residual payments concerning the privatisation of the Building Research Establishment; loans to the Queen Elizabeth II Conference Centre executive agency (trading fund); the Neighbourhood Renewal Unit; the Teenage Pregnancy Unit; the administration and operation of the Office; providing for the administration of the Government Offices; the purchase, acquisition, hire, lease and rent of land, buildings, plant, equipment, machinery, vehicles and capital assets; research; special payments; and associated non-cash items.

Part I (continued)**RfR 2 – Providing for effective devolved decision making within a national framework.**

payments to the Valuation Office Agency for rating and valuation services; the expenses of valuation tribunals; payments to the Audit Commission for work in connection with best value inspection; revenue support grant and redistributed non-domestic rates to receiving authorities in England; repayments of excess contributions made by local authorities in respect of non-domestic rates in 2002-03 and previous years; preparation for the Greater London Authority and related bodies; Greater London Authority (GLA) general grant; intervention action and capacity building in local authorities; local Public Sector Agreement (PSA) performance fund payments; special grants paid under section 88B of the Local Government Finance Act 1988 [and section 31 of the Local Government Act 2003, see footnote]; Best Value grants to Parish Councils; grants to beacon councils; emergency financial assistance to local authorities; payments to bodies specified by the Secretary of State under section 78 of the Local Government Finance Act 1988, as amended, and to the Commission for Local Administration in England; mapping and other costs associated with local government reviews and revisions to administrative and electoral boundaries following Parish and Electoral Commission reviews; grant-in-aid to the Standards Board for England; payments in respect of the work of the Parliamentary Boundary commissions; electoral functions in the United Kingdom; payments in respect of the capital element of contracts let under the private finance initiative; research, development, surveys, monitoring, statistics, advice and consultancies; publicity, promotion and publications; special payments; subscriptions to the Commonwealth Local Government forum and associated non-cash items.

Office of the Deputy Prime Minister will account for this estimate

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	10,410,245,000	4,216,890,000	6,193,355,000
RfR 2	41,452,757,000	17,010,314,000	24,442,443,000
Total net resource requirement	51,863,002,000	21,227,204,000	30,635,798,000
Net cash requirement	52,063,295,000	21,423,143,000	30,640,152,000

† In the Vote on Account RfR 1 was described as ‘Offering the opportunity of a decent home, promoting sustainable economic development through integrated regional and local action, supporting the fire service and providing for the administration of the Office of the Deputy Prime Minister’.

†† In the Vote on Account RfR 2 was described as ‘Promoting a system of elected government responding to the needs of local communities’.

†† £1.8m of the total is for Best Value Parish Councils and is subject to the passage of the Local Government Bill which has been laid before Parliament.

†† £40m of the total is for Capacity Building and is subject to the passage of the Local Government Bill which has been laid before Parliament.

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
RfR 1: Improving the quality of life by creating thriving, inclusive and sustainable communities in all regions									
375,175	1,015,507	9,037,978	10,428,660	18,415	10,410,245	61,889	207	9,562,702	7,854,304
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	Housing								
2,625	58,100	149,577	210,302	491	209,811	-	21	173,045	160,332
B	The Rent Service executive agency								
36,202	1	-	36,203	-	36,203	2,900	-	42,055	39,362
C	Building Regulations								
-	6,179	-	6,179	-	6,179	-	-	5,413	6,248
D	Payments to DTI for Regional Development Agencies								
-	-	1,242,161	1,242,161	-	1,242,161	-	-	1,073,642	855,479
E	Regeneration and Regional Policy								
-	1,010	43,600	44,610	-	44,610	-	-	50,309	38,564
F	Neighbourhood Renewal								
-	39,823	159,731	199,554	-	199,554	-	-	328,500	23,973
G	Payments to Ordnance Survey								
-	18,700	-	18,700	-	18,700	-	-	18,881	23,755
H	Planning								
-	15,177	-	15,177	80	15,097	-	-	8,481	5,508
I	The Planning Inspectorate Executive Agency								
36,329	1	-	36,330	7,405	28,925	744	-	37,510	33,801
J	European Structural Funds - Net								
-	-	-	-	-	-	-	-	1	-221,321

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	European Regional Development Fund Projects not funded by EC receipts									
	-	445	2	447	-	447	110	-	5,002	189
L	Fire Services									
	7	24,652	200	24,859	497	24,362	38,107	-	154,927	9,341
M	Fire Service College									
	-	-	-	-	1,287	-1,287	1	22	551	300
N	Central Administration									
	193,850	1,420	-	195,270	5,431	189,839	19,414	-	167,939	141,650
O	PSA Services									
	7,000	-	-	7,000	-	7,000	-	-	7,000	9,700
P	Queen Elizabeth II Conference Centre Executive Agency									
	712	-	-	712	-	712	-	-	941	119
Q	Queen Elizabeth II Conference Centre Executive Agency Trading Fund short term loans									
	-	-	2	2	1,419	-1,417	-	164	2	-
R	Government Office administration									
	98,450	-	-	98,450	-	98,450	613	-	110,510	104,156
<i>Support for Local Authorities</i>										
S	Housing Specified Grants									
	-	-	530	530	-	530	-	-	200	372
T	Other Housing									
	-	-	307,493	307,493	-	307,493	-	-	145,100	50,651
U	Housing specified grants (capital grants to local authorities)									
	-	-	88,870	88,870	-	88,870	-	-	97,702	88,865
V	Other housing (capital grants to local authorities)									
	-	-	165,000	165,000	-	165,000	-	-	249,461	64,496

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
W	Regeneration and Regional Policy								
-	-	106,880	106,880	-	106,880	-	-	106,880	102,069
X	Regeneration and Regional Policy (capital grants to local authorities)								
-	-	81,973	81,973	1,500	80,473	-	-	142,564	148,412
Y	Neighbourhood Renewal								
-	-	164,446	164,446	-	164,446	-	-	96,445	54,705
Z	Neighbourhood Renewal (capital grants to local authorities)								
-	-	-	-	-	-	-	-	-	25,839
AA	Planning								
-	-	50,000	50,000	-	50,000	-	-	-	-
AB	European Structural Funds - Net								
-	-	-	-	-	-	-	-	-4,999	-24,760
AC	European Structural Funds -Net (capital grants to local authorities)								
-	-	-	-	-	-	-	-	1	118,991
AD	European Regional Development Fund Projects not funded by EC receipts (resource)								
-	-	1	1	-	1	-	-	1	2,263
AE	European Regional Development Fund Projects not funded by EC receipts (capital)								
-	-	1	1	-	1	-	-	1	29,680
	<i>Other Local Services</i>								
-	-	-	-	-	-	-	-	-	-
AF	Fire services								
-	-	5,020	5,020	-	5,020	-	-	-18,135	-
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
AG	Housing Revenue Account Subsidy -Housing								
-	850,000	-	850,000	-	850,000	-	-	938,733	983,000

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>BRE Privatisation</i>									
-	-	-	-	-	-	-	-	-	-
<i>Privatisation of PSA</i>									
-	-	-	-	-	-	-	-	-	-
<i>Privatisation of PSA</i>									
-	-	-	-	-	-	-	-	-	-
AH Fire Superannuation									
-	-	555	555	305	250	-	-	250	188
Support for Local Authorities									
AI Housing Revenue Account Subsidy Rent Rebate element									
-	-	3,213,000	3,213,000	-	3,213,000	-	-	3,204,499	3,355,000
AJ Other Housing									
-	-	1,173,000	1,173,000	-	1,173,000	-	-	622,600	-
Non-budget									
AK Housing Corporation									
-	-	1,960,936	1,960,936	-	1,960,936	-	-	1,656,691	1,498,378
AL Regeneration and Regional Policy									
-	-	125,000	125,000	-	125,000	-	-	140,000	125,000
AM Fire Services									
-	-1	-	-1	-	-1	-	-	-1	-1
AN European Regional Development Fund Projects not funded by EC receipts									
-	-	-	-	-	-	-	-	-	-
<i>Planning redevelopment grant</i>									
-	-	-	-	-	-	-	-	-	-

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>Privatisation of PSA</i>									
-	-	-	-	-	-	-	-	-	-
RfR 2: Providing for effective devolved decision making within a national framework									
-	228,494	41,228,304	41,456,798	4,041	41,452,757	746	40	37,873,334	37,370,700
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Valuation services									
-	155,521	-	155,521	245	155,276	746	40	139,000	137,490
B Best value inspection subsidies to Public Corporations & best value intervention costs									
-	62,720	-	62,720	-	62,720	-	-	26,278	24,262
C Local Government Research and Publicity, MAPPING costs and Electoral law									
-	5,503	-	5,503	465	5,038	-	-	6,444	4,276
D Local Governance									
-	4,750	-	4,750	-	4,750	-	-	6,492	11,880
<i>Support for Local Authorities</i>									
E Revenue support grants									
-	-	24,607,469	24,607,469	3,331	24,604,138	-	-	20,144,245	21,252,385
F Non-domestic Rates Payments									
-	-	15,600,000	15,600,000	-	15,600,000	-	-	16,626,000	15,137,000
G London Governance									
-	-	35,168	35,168	-	35,168	-	-	27,950	23,400
H Other Grants and Payments (resource grants)									
-	-	442,112	442,112	-	442,112	-	-	352,297	238,828

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	Other Grants and Payments (capital grants)								
-	-	315,555	315,555	-	315,555	-	-	284,528	40,423
Spending in Annually Managed Expenditure (AME)									
<i>Support for Local Authorities</i>									
J	Non-domestic Rates Outturn Adjustments								
-	-	220,000	220,000	-	220,000	-	-	250,000	498,101
Non-budget									
K	Non-departmental public bodies								
-	-	8,000	8,000	-	8,000	-	-	10,100	2,655
Total for Estimate:									
375,175	1,244,001	50,266,282	51,885,458	22,456	51,863,002	62,635	247	47,436,036	45,225,004

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	51,863,002	47,436,036	45,225,004
Voted capital items			
Capital	62,635	85,491	17,719
Less Non-operating A-in-A	247	76	-71
Total net voted capital	<u>62,388</u>	<u>85,415</u>	<u>17,790</u>
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-2,754	-3,370	-3,532
Depreciation	-15,762	-17,818	-13,134
New provisions and adjustments to previous provisions	-11,344	-11,475	-11,745
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase (+) / Decrease (-) in stock	-	-	-167
Increase (+) / Decrease (-) in debtors	-177,140	-192,741	-209,581
Increase (-) / Decrease (+) in creditors	330,992	331,125	329,748
Use of provisions	13,913	13,913	13,913
Total accruals to cash adjustments	<u>137,905</u>	<u>119,634</u>	<u>105,502</u>
Excess cash to be CFERd	-	-	-
Net Cash Requirement	52,063,295	47,641,085	45,348,296

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	225	-	2,028	<i>2,149</i>	123,532	<i>99</i>
Non-operating income not classified as AinA	-	-	82	<i>300,000</i>	82	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	<u>225</u>	<u>-</u>	<u>2,110</u>	<u><i>302,149</i></u>	<u>123,614</u>	<u><i>99</i></u>

Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net Administration Costs				
RfR 1	362,633	367,145	330,465	
RfR 2	-	-	-	
Total Net Administration costs	362,633	367,145	330,465	
Net Programme Costs				
RfR 1	10,047,411	9,193,553	7,400,329	
RfR 2	41,452,733	37,873,310	37,370,678	
Total Net Programme costs	51,500,144	47,066,863	44,771,007	
Total Net Operating Cost	51,862,777	47,434,008	45,101,472	
<i>of which:</i>				
Net Resource Outturn	51,863,002	47,436,036	45,225,004	
CFERs	-225	-2,028	-123,532	
Non-voted expenditure	-	-	-	
Resource Budget Outturn	50,649,853	46,109,317	44,492,151	

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	51,863,002	47,436,036	45,225,004
<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	-225	-2,028	-123,532
Other adjustments	-	-	-
Net Operating Cost (Accounts)	51,862,777	47,434,008	45,101,472
<i>Adjustments to remove:</i>			
capital grants to local authorities	-1,397,557	-1,507,895	-516,706
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	229,018	210,115	293,318
voted expenditure outside the budget	1	1	1
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	120,000
resource consumption of non departmental public bodies	-125,885	-148,123	-611,634
unallocated resource provision	5,306	4,408	-
Other adjustments	76,193	116,803	105,700
Resource Budget Outturn (Budget)	50,649,853	46,109,317	44,492,151
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	45,809,603	41,715,835	39,655,862
Annually Managed Expenditure (AME)	4,840,250	4,393,482	4,836,289

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	62,388	85,415	17,790
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-82	-82
capital spending by non-departmental public bodies	766	10,159	10,164
capital grants to local authorities	1,397,557	1,507,895	516,706
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	1,433,567	1,167,070	837,026
capital spending by levy funded bodies	-	-	-
unallocated capital provision	-1,030	-	-
Other adjustments	1	114,101	508,723
Capital Budget Outturn (Budget)	2,893,249	2,884,558	1,890,327
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	2,177,249	2,051,958	1,840,327
Annually Managed Expenditure (AME)	716,000	832,600	50,000

Notes to the Main Estimate (*continued*)

Explanation of Accounting Officer responsibilities

Mavis McDonald is Principal Accounting Officer with overall responsibility for preparing the Office's Estimate. In addition, the Treasury has appointed an Additional Accounting Officer for the Request for Resources 2 and the White Paper Account relating to the Pooling of Non-Domestic Rates and Redistribution to Local Authorities in England, to be responsible for that part of the Department's accounts relating to the specified Request for Resources and the associated assets, liabilities and cash flows. This appointment does not detract from the Permanent Secretary's overall responsibility as Accounting Officer for the Office's Estimate and overall cash requirement.

The allocation of Accounting Officer responsibilities in the Office of the Deputy Prime Minister is as follows:

Requests for Resources 1 and 2: Mavis McDonald, Principal Accounting Officer and Permanent Head of the Office

Request for Resources 2: Mr Philip Wood, Additional Accounting Officer and Director General of the Local and Regional Government Group of the Office.

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 Office'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
RfR 1 – Improving the quality of life by creating thriving, inclusive and sustainable communities in all regions.						
Housing – section A	491	21	207	21	202	21
Of which:						
Rent Assessment Panels: charges for services etc	189	—	205	—	200	—
Housing corporation board: pension contribution	2	—	2	—	2	—
Housing corporation: receipt of loan interest	—	21	—	21	—	21
Receipts for housing mobility services	300	—	—	—	—	—
Building Regulations – section C						
Publicity Receipts	—	—	—	6	—	148
Regeneration and Regional Policy – section E	—	—	700	—	—	14,000
Of which:						
Receipts generated by the Urban Summit	—	—	700	—	—	—
Derelict Land Grant Receipts	—	—	—	—	—	14,000
Planning – section H						
Planning research: receipts from cosponsors	80	—	80	—	80	—
Planning Inspectorate Executive Agency – section I	7,405	—	6,611	—	5,780	—
Fire Service – section L	497	—	28,600	—	62	—
Of which:						
Receipts from inspections by HM Fire Service Inspectorate from sponsorship of the NCFSC from the sale of fire service vehicles and from contributions to research	100	—	100	—	62	—
Receipts associated with the fire dispute from the Scottish and Northern Ireland administrations	—	—	28,500	—	—	—
Interest payment on loans	397	—	—	—	—	—
Fire Service College – section M	1,287	22	15	—	—	—
Of which:						
Repayment of deemed and voted loans	—	22	15	—	—	—
Dividend	1,287	—	—	—	—	—
Central administration – section N	5,431	—	12,059	—	7,970	—
Queen Elizabeth II Conference Centre Executive Agency – section Q	1,419	164	—	—	—	—
Of which:						
Dividend	1,394	—	—	—	—	—
Loan Repayment	—	164	—	—	—	—
Interest Payment on Loan	25	—	—	—	—	—
Regeneration and Regional Policy (capital grants to local authorities) – section X						
Clawback of SRB grants	1,500	—	1,500	—	1,913	—
Fire Services – section AF						
Receipts associated with the fire dispute from fire authorities in England and Wales	—	—	23,300	—	—	—
Fire Superannuation – section AH						
Contributions by employees towards fire-fighters' pensions, and fire services transfer values received from Local Authorities	305	—	305	—	—	—
Regeneration and Regional Policy – section AL	—	—	—	9,000	—	—
Of which:						
Derelict Land grant receipts	—	—	—	9,000	—	—
Total RfR 1	18,415*	207**	73,377	9,027	16,007	14,169

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid *(continued)*

*Amount that may be applied as appropriations in aid in addition to the net total arising from:

RfR 1: research and administrative services, fee paying enquiries, dissemination and sales of information, royalties, the loan, hire and storage of equipment, seminars, patent rights, conferences and publications (in print and non-print media); sponsorship, including contributions from co-sponsors towards the cost of research and surveys; other government departments, agencies and non-departmental public bodies and overseas government; receipts from the European Union; adjustments to commuted loan charges or residual loan charge grants; donations; receipts from the Housing Corporation; charges for services provided by leasehold valuation tribunals and other receipts by Rent Assessment Panels; recovered renovation or disabled facilities grants; recovered derelict land and other regeneration grants; charges made by the Planning Inspectorate executive agency in England and Wales; receipts from inspections by HM Fire Service Inspectorate; dividend payment from the Queen Elizabeth II Conference Centre; interest payments on voted loans made to the Queen Elizabeth II Conference Centre; contributions by employees towards fire-fighters' pensions; fire service superannuation transfer values received from local authorities; interest payments on deemed and voted loans made to the Fire Service College; dividend payment from the Fire Service College; receipts from the Urban Summit; the disposal of land, buildings, water stores, plant, equipment, machinery, vehicles and capital assets; recoveries of seconded staff salaries; receipts for the use of accommodation; rental income and receipts from property and land; legal claims, including extra-contractual claims for defective work, awards of court costs and out of court settlements; residual items from the sale of the Building Research Establishment; receipts associated with the Emergency Fire Services; former SRB programme receipts; and the sale of Property Services Agency businesses;

**Amounts that may be applied as non-operating appropriations in aid arising from the disposal of land, buildings, plant, equipment, machinery, vehicles and capital assets; the loan, hire or storage of equipment; repayments by employees of valuation tribunals of loans advanced to purchase cars; rental income and receipts from accommodation leased from or shared with valuation tribunal offices; repayment of deemed and voted loans made to the Queen Elizabeth II Conference Centre and the Fire Service College; receipts from the Housing Corporation and the sale of PSA businesses.

RfR 2 – Providing for effective devolved decision making within a national framework.

Valuation services – section A	245	40	9,995	40	329	31
Local government research and publicity; and Local Government Commission mapping costs and electoral law – section C	465	—	360	—	93	—
Revenue support grants – Section E (Fine income from the Lord Chancellor's Dept)	3,331	—	2,284	—	—	—
Total RfR 2	4,041*	40**	12,639	40	422	31

*Amount that may be applied as appropriation in aid in addition to the net total arising from:

RfR 2: sponsorship, including contributions from co-sponsors towards the cost of research and publicity; the Home Office; repayments by employees of valuation tribunals of loans advanced to purchase cars; rental income and receipts from accommodation leased from or shared with valuation tribunal offices; and fines passed on by the Lord Chancellor's Department.

**Amount that may be applied as non-operating appropriations in aid arising from the disposal of land, buildings, plant, equipment, machinery, vehicles and capital assets; the loan, hire or storage of equipment; repayments by employees of valuation tribunals of loans advanced to purchase cars; rental income and receipts from accommodation leased from or shared with valuation tribunal offices; and the sale of PSA businesses.

Total A in A	22,456	247	86,016	9,067	16,429	14,200
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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
Large Scale Voluntary Transfer levy	—	—	—	—	120,000	—
Derelict Land Grant	—	—	—	—	1,450	—
Fire Service (repayment of interest on long term loans)	—	—	397	—	397	—
Planning Inspectorate Executive Agency (fees received from appeals against enforcement notices)	190	—	190	—	190	—
Rent Officer Services Agency						
Valuation Services	24	—	24	—	22	—
Central administration	11	—	11	—	535	—
QEII Conference Centre Agency (Trading Fund)	—	—	1,488	—	1,020	—
Commission for New Towns	—	—	—	300,000	—	—
Miscellaneous				2,149	—	99
Total	225	—	2,110	302,149	123,614	99

Details of 2003-04 Administration Costs Limits

£'000

	Gross provision	Income	Total administration costs limit
Gross administration costs limits	379,652	-12,542	367,110
Net administration costs limits	—	—	—

Details of 2003-04 Departmental Expenditure Limits

£'000

	Voted*	Non-voted	Total
Resource DEL	43,760,277	2,049,326	45,809,603
Capital DEL	843,946	1,333,303	2,177,249
Less depreciation	-15,762	-4,300	-20,062
Total DEL	44,588,461	3,378,329	47,966,790

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

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 £51,863,002,000 is 9.3% higher than the final net provision for 2002-03 of £47,436,036,000 and 11.1% higher than the forecast outturn for 2002-03 of £46,689,058,000.

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
	22,703	95,083	30,629

Expenditure resting on the sole authority of the Appropriation Act

Expenditure of £50,000 on RfR1, Section A, for the Tenants' Deposit Scheme on RfR 1. ■
 Expenditure of £2,500,000 on RfR 1, Section A, for the Home Buying and Selling Initiative. ■
 Expenditure in respect of fire related matters: grants to Chief Fire Service Youth Training Association £54,000 and grant to Chief and Assistant Chief Fire Officer's Association £150,000 (RfR 1 Section M) ■

Contingent liabilities

RfR 1 – Improving the quality of life by creating thriving, inclusive and sustainable communities in all regions.

There were several contingent liabilities outstanding at 31 March 2003, where any costs arising would be met from this request for resources are as follows:

Statute	Nature of liability	£m
	Statutory liabilities charged to request for resources	
Housing Association Act 1985, Section 84	Indemnity of building society mortgages for shared ownership schemes	1.6
Section 8(1) of the Housing Act 1974 as amended by section 4 of miscellaneous Financial Provisions Act 1983	Guarantee of Housing Corporation temporary borrowing	5.0

Notes to the Main Estimate *(continued)*

Contingent liabilities *(continued)*

New Towns Act 1981	Guarantee of temporary borrowing by the Commission for the New Towns	2.0
Claims from staff affected by asbestos who worked for the Property Services Agency or its predecessors.		Up to 0.6
The Department's decisions and actions are subject to judicial review and other appeals in the courts. Currently there are around 300 cases where proceedings in the courts have commenced. Not all of these cases will come to court and, where they do come to court, the outcome is not clear.		Unquantifiable

Grants in Aid

RfR 1 – Improving the quality of life by creating thriving, inclusive and sustainable communities in all regions.

	£m
Urban Regeneration Agency	125
Housing Action Trusts	72
Housing Corporation	1,961

RfR 2 – Providing for effective devolved decision making within a national framework.

Standards Board for England	8.0
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Gifts

ODPM will make purchases for the upgrade of fire service radio systems and pass ownership by way of gift to fire authorities; and

Gifts may be presented by Ministers on official delegations.

Office of the Rail Regulator

Introduction

1. This Estimate provides for expenditure by the Office of the Rail Regulator (ORR) on administrative, associated capital and other related costs. Further details of the expenditure covered by the Request for Resources can be found in Chapter 4 of the Department for Transport's Departmental Report 2003 (Cm 5907).
2. The ORR is responsible for the regulation of access to the railways and promotion of competition in the provision of rail services. It is also responsible for promoting efficiency and economy of those providing railway services and protecting the interests of railway service users.
3. This Estimate is subject to gross administration cost control, and covers expenditure on salaries of staff and associated general administrative expenditure.
4. ORR's expenditure is offset by income from licence fees collected from the Rail Network Provider and the Train Operating Companies. The provision sought for 2003-04 net resource requirement of £1,000 reflects the appropriation in aid of licence fee receipts to be levied by ORR.
5. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: To create a better railway for passengers and freight, and better value for public funding authorities, through independent, fair and effective regulation†	1,000
Total net resource requirement	1,000
Net cash requirement	1,000

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

RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities, through independent, fair and effective regulation†

administration, capital expenditure and associated non-cash items

The **Office of the Rail Regulator** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete/surrender
	£	£	£
RfR 1	1,000	—	1,000
Total net resource requirement	1,000	—	1,000
Net cash requirement	1,000	969,000	-968,000

† In the Vote on Account, RfR1 is described as ‘To create a better railway for passengers and freight, and better value for public funding authorities, through independent, fair, and effective regulations’.

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
RfR 1: To create a better railway for passengers and freight , and better value for public funding authorities, through independent, fair and effective regulations									
14,798	-	-	14,798	14,797	1	500	-	1	1
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Administration, associated capital and other expenditure									
14,798	-	-	14,798	14,797	1	500	-	1	1
Total for Estimate:									
14,798	-	-	14,798	14,797	1	500	-	1	1

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	1	1	1
Voted capital items			
Capital	500	190	438
Less Non-operating A-in-A	-	-	2
Total net voted capital	500	190	436
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-50	-72	-32
Depreciation	-600	-560	-532
New provisions and adjustments to previous provisions	-25	-53	-60
Profit/loss on sale of assets	-	-	-3
Prior period adjustments	-	-	-
Other non-cash items	-35	-33	-28
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	685
Increase (-) / Decrease (+) in creditors	-	2,887	-3,059
Use of provisions	6	6	6
Total accruals to cash adjustments	-704	2,175	-3,023
Excess cash to be CFERd	204	-	2,587
Net Cash Requirement	1	2,366	1

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	-	-	-	-	10	<i>10</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	-	<i>204</i>	-	-	-	<i>2,587</i>
Total	-	<i>204</i>	-	-	10	<i>2,597</i>

Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net administration costs:				
RfR 1	1	1		-9
Net programme costs:				
RfR 1	-	-	-	
Total net programme costs	-	-	-	-
Total Net Operating Cost	1	1		-9
<i>of which:</i>				
Net Resource Outturn	1	1		1
CFERs	-	-		-10
Non-voted expenditure	-	-		-
Resource Budget Outturn	1	1		-9

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	1	1	1
<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	-	-	-10
Other adjustments	-	-	-
Net Operating Cost (Accounts)	1	1	-9
<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	-	-	-
Resource Budget Outturn (Budget)	1	1	-9
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1	1	-9
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	500	190	436
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-3
<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	-	-	-
Capital Budget Outturn (Budget)	500	190	433
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	500	190	433
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate (*continued*)

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Rail Regulator, Mr Tom Winsor, as Accounting Officer of the Office of the Rail Regulator 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
RfR 1: To create a better railway for passengers and freight customers, and better value for public funding authorities, through independent, fair and effective regulation						
Licence Fees	14,797	—	13,128	—	10,313	—
Sale of capital assets	—	—	—	—	—	5
Total RfR 1	14,797*	—**	13,128	—	10,313	5
Total A in A	14,797*	—**	13,128	—	10,313	5

*Amount that may be applied as operating appropriations in aid, in addition to the net total arising from receipts for 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
Library services and sale of publications	—	—	—	—	10	10
Excess cash receipts to be surrendered to the Consolidated Fund	—	204	—	—	—	2,587
Total	—	204	—	—	10	2,597

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	14,798	14,797	1
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL)	£'000		
	Voted*	Non-voted	Total
Resource DEL	1	—	1
Capital DEL	500	—	500
Less depreciation	-600	—	-600
Total DEL	-99	—	-99

- * 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 £1,000 is similar to the final resource provision and forecast outturn for the year 2002-03.

Home Office

Introduction

1. Section A to L, M to P and S to AK of Request for Resources 1 provide for Home Office direct expenditure as explained in the Home Office 2003 Departmental Report Cm 5908 in relation to police in section 3 (Aim 1), organised and international crime, in section 3 (Aim 2), criminal Justice in section 3 (Aim 3 and 4), Drugs including YJB in section 3 (Aim 5) control of immigration and nationality including the issue of passports in section 3 (Aim 6), central services in section 3 and research and statistics in section 3 (Aim 7).
2. Section A to D of Request for Resources 2 provide for Prison Service Agency direct expenditure on prison operators section 3 (Aim 4).
3. Section R provides for expenditure as explained in the Home Office 2003 Departmental Report on superannuation transactions for police officers temporarily employed on central support and training duties.
4. Expenditure for the criminal justice system is contained within the Home Office Estimate (as well as those Estimates for the Lord Chancellor's Department and Crown Prosecution Service).
5. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: Building a safe, just and tolerant society	9,501,016,000
Request for Resources 2: Protecting the public by holding prisoners in decent conditions and reducing re-offending after release	2,331,454,000
Total net resource requirement	11,832,470,000
Net cash requirement	11,988,724,000

Amounts required in the year ending 31 March 2004 for expenditure by Home Office

RfR 1: Building a safe, just and tolerant society

Police; the Forensic Science Service; registration of forensic practitioners; criminal policy and programmes including offender programmes and the National Probation Service, the prevention and treatment of drug abuse; crime reduction and prevention; provision of services relating to the Crime and Disorder Act and the Private Security Industry Act; criminal justice planning system and other services related to crime; support to the voluntary sector; family policy issues; research; criminal injuries compensation; organised and international crime; control of immigration and nationality (including the provision of services relating to the Immigration and Asylum Act 2002); support for asylum seekers; refunds of fines to carriers of inadequately documented passengers; assisted return programmes including interception projects; issue of passports; work permits; community and constitutional services including the Queen's Golden Jubilee Event and the Experience Corps; firearms compensation and related matters; claims by local authorities for the Kosovan evacuees special grant; placements in secure accommodation under Sections 90 or 91 of the Powers of Criminal Courts (Sentencing) Act 2000; administration and associated non-cash items

RfR 2: Protecting the public by holding prisoners in decent conditions and reducing re-offending after release:

Prisons (including central administration and other costs arising from the detention of prisoners); immigration removal centres; Prison Service colleges; the Parole Board: the storage and maintenance of equipment; transport management; grants to 'Prisoners Abroad': Welfare to Work schemes; funding for joint initiatives within the criminal justice system; and associated non-cash items

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

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	9,501,016,000	3,608,307,000	5,892,709,000
RfR 2	2,331,454,000	1,047,859,000	1,283,595,000
Total net resource requirement	11,832,470,000	4,656,166,000	7,176,304,000
Net cash requirement	11,988,724,000	4,602,372,000	7,386,352,000

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		
RfR 1: Building a safe, just and tolerant society									
1,367,321	1,857,276	6,699,244	9,923,841	422,825	9,501,016	266,691	15,515	10,757,647	8,219,720
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Police									
60,807	713,797	48,601	823,205	11,919	811,286	95,090	515	484,861	517,337
B Crime reduction									
22,796	-	121,000	143,796	-	143,796	34,000	-	257,026	181,900
C Organised and international crime									
39,502	31,542	59,000	130,044	81,694	48,350	39,500	-	51,681	56,002
D Drugs									
14,000	22,600	20,639	57,239	512	56,727	1,000	-	81,003	1,825
E Criminal justice									
40,180	92,690	41,839	174,709	38,266	136,443	24,177	-	155,581	89,647
F Criminal Records Bureau									
67,788	575	-	68,363	63,788	4,575	-	-	33,070	31,100
G Probation HQ									
11,264	48,000	3,500	62,764	-	62,764	-	-	84,795	602,423
H Community policy									
15,896	6,006	87,964	109,866	1,044	108,822	64	-	63,201	50,626
I Immigration and nationality									
809,669	927,074	67,995	1,804,738	95,600	1,709,138	65,635	-	1,827,577	1,626,207
J Passport Service									
120,000	563	-	120,563	126,000	-5,437	6,225	-	-6,355	-3,886

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	Research and statistics									
	9,710	9,420	35	19,165	132	19,033	116	-	32,031	29,946
L	Central services									
	155,709	3,809	-	159,518	2,851	156,667	884	-	165,348	182,774
	<i>Firearms compensation</i>									
	-	-	-	-	-	-	-	-	-	277
	<i>Emergency planning</i>									
	-	-	-	-	-	-	-	-	-	46
	<i>Support for Local Authorities</i>									
M	Police grants									
	-	-	4,492,702	4,492,702	-	4,492,702	-	-	4,198,594	4,061,823
N	Police current grant outside AEF									
	-	-	102,821	102,821	-	102,821	-	-	128,019	101,672
O	Police loan charges									
	-	-	12,553	12,553	-	12,553	-	-	12,553	23,629
P	Probation loan charges									
	-	-	2,893	2,893	-	2,893	-	-	2,893	2,744
	<i>Kosovan evacuees special grants</i>									
	-	-	-	-	-	-	-	-	-	-
	Spending in Annually Managed Expenditure (AME)									
	<i>Central Government spending</i>									
Q	Police									
	-	-	-	-	-	-	-	-	-	-

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
R	Police superannuation								
-	-	1,850	1,850	1,019	831	-	-	1,690,831	-5
Non-budget									
S	Fine refunds to carriers								
-	1,200	-	1,200	-	1,200	-	-	1,200	1,200
T	Police information technology organisation								
-	-	39,567	39,567	-	39,567	-	-	26,054	68,019
U	Police Complaint Authority								
-	-	3,570	3,570	-	3,570	-	-	5,370	4,681
V	Central Police Training and Development Agency								
-	-	85,048	85,048	-	85,048	-	-	58,927	-
W	National Criminal Intelligence Service								
-	-	76,028	76,028	-	76,028	-	-	72,174	-
X	National Crime Squad								
-	-	145,932	145,932	-	145,932	-	-	140,638	-
Y	Criminal injuries compensation - admin								
-	-	29,410	29,410	-	29,410	-	-	29,820	29,820
Z	Criminal injuries compensation								
-	-	160,264	160,264	-	160,264	-	-	208,264	233,264
AA	Criminal cases review commission								
-	-	7,499	7,499	-	7,499	-	-	7,669	6,525
AB	Youth Justice Board								
-	-	385,312	385,312	-	385,312	-	-	323,592	290,808
AC	Youth Justice Board (Drugs)								
-	-	9,500	9,500	-	9,500	-	-	9,481	5,481

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
AD National Probation Service (local area boards)									
-	-	663,419	663,419	-	663,419	-	15,000	586,919	-
AE Office of the Immigration Services Commissioner									
-	-	4,005	4,005	-	4,005	-	-	3,500	2,382
AF Community Development Foundation									
-	-	965	965	-	965	-	-	965	937
AG Commission for Racial Equality									
-	-	20,082	20,082	-	20,082	-	-	20,424	20,516
AH Office for the Data Protection Registrar									
-	-	1	1	-	1	-	-	1	-
AI Security Industry Authority									
-	-	5,250	5,250	-	5,250	-	-	-	-
AJ Forensic Science									
-	-	-	-	-	-	-	-	-	-
AK Community Policy									
-	-	-	-	-	-	-	-	-60	-
RfR 2: Protecting the public by holding prisoners in decent conditions and reducing re-offending after release									
2,438,264	201,187	48,646	2,688,097	356,643	2,331,454	297,871	3,075	2,275,521	2,116,369
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Prison Operations (Public Sector)									
1,960,374	198,374	41,600	2,200,348	338,513	1,861,835	296,962	3,000	1,826,742	1,646,629
B Prison Operations (Contracted Out)									
319,474	-	-	319,474	-	319,474	-	-	294,663	249,278

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
C Prison Service Headquarters and Central Services									
158,416	2,813	3,479	164,708	18,130	146,578	909	75	150,372	217,394
Non-budget									
D Parole board grant and Non-Budget PFI Prison charges									
-	-	3,567	3,567	-	3,567	-	-	3,744	3,068
Total for Estimate:									
3,805,585	2,058,463	6,747,890	12,611,938	779,468	11,832,470	564,562	18,590	13,033,168	10,336,089

Part II: Resource to cash reconciliation

	£'000		
	2003-04 Provision	2002-03 Provision	2001-02 Outturn
Net Total Resources	11,832,470	13,033,168	10,336,089
Voted capital items			
Capital	564,562	494,551	393,869
Less Non-operating A-in-A	18,590	23,668	23,647
Total net voted capital	545,972	470,883	370,222
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-194,071	-177,343	-166,458
Depreciation	-182,725	-176,967	-180,517
New provisions and adjustments to previous provisions	-13,493	-128,848	-21,313
Profit/loss on sale of assets	-	-	-4,774
Prior period adjustments	-	-	-
Other non-cash items	-	-260	-116
Increase (+) / Decrease (-) in stock	-1,962	-6,862	-5,248
Increase (+) / Decrease (-) in debtors	3,144	72	-1,605
Increase (-) / Decrease (+) in creditors	-14,711	-14,711	-23,021
Use of provisions	14,100	80,145	11,566
Total accruals to cash adjustments	-389,718	-424,774	-391,486
Excess cash to be CFERd	-	-	-
Net Cash Requirement	11,988,724	13,079,277	10,314,825

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	13,517	<i>9,823</i>	13,517	<i>9,824</i>	15,736	<i>4,087</i>
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	43,000	<i>44,535</i>	27,687	<i>27,687</i>	14,616	<i>34,958</i>
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	56,517	<i>54,358</i>	41,204	<i>37,511</i>	30,352	<i>39,045</i>

Forecast Operating Cost Statement

	2003-04 Provision	2002-03 Provision	2001-02 Outturn	£'000
Net Administration Costs				
RfR 1	1,172,854	1,150,676	1,017,235	
RfR 2	<u>2,112,463</u>	<u>2,054,321</u>	<u>1,902,422</u>	
Total Net Administration costs	3,285,317	3,204,997	2,919,657	
Net Programme Costs				
RfR 1	8,314,645	9,593,454	7,186,749	
RfR 2	<u>218,991</u>	<u>221,200</u>	<u>213,947</u>	
Total Net Programme costs	8,533,636	9,814,654	7,400,696	
Total Net Operating Cost	11,818,953	13,019,651	10,320,353	
<i>of which:</i>				
Net Resource Outturn	11,832,470	13,033,168	10,336,089	
CFERs	-13,517	-13,517	-15,736	
Non-voted expenditure	-	-	-	
Resource Budget Outturn	11,673,858	12,944,967	10,261,042	

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	11,832,470	13,033,168	10,336,089
<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	-13,517	-13,517	-15,736
Other adjustments	-	-	-
Net Operating Cost (Accounts)	11,818,953	13,019,651	10,320,353
<i>Adjustments to remove:</i>			
capital grants to local authorities	-195,000	-193,114	-66,714
capital grants financed from the Capital Modernisation Fund	-13,600	-57,223	-22,821
European Union income and related adjustments	5,825	4,083	5,242
voted expenditure outside the budget	-664,619	-588,059	-1,200
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	12,079	12,079	14,298
resource consumption of non departmental public bodies	-82,763	158,111	6,920
unallocated resource provision	172,500	1,584	-
Other adjustments	620,483	587,855	4,964
Resource Budget Outturn (Budget)	11,673,858	12,944,967	10,261,042
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	11,673,302	11,254,411	10,261,566
Annually Managed Expenditure (AME)	556	1,690,556	-524

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2003-04	2002-03	2001-02
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	545,972	470,883	370,222
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-4,774
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	149,275	83,698	53,861
capital grants to local authorities	195,000	193,114	66,714
capital grants financed by the Capital Modernisation Fund	13,600	57,223	22,821
local authority credit approvals	73,316	92,316	66,316
capital spending by levy funded bodies	-	-	-
unallocated capital provision	117,837	1,762	-
Other adjustments	-	-	-
Capital Budget Outturn (Budget)	1,095,000	898,996	575,160
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	1,095,000	898,996	575,160
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Head of the Home Office, John Gieve, as Principal Accounting Officer for the department with overall responsibility for preparing the department's Estimate.

The Treasury has also appointed an Additional Accounting Officer to be accountable for that part of the Department's accounts relating to a specified request for resources and the associated assets, liabilities and cash flows. This appointment does not detract from the Head of Department's overall responsibility as Accounting Officer for the department's Estimate and overall net cash requirement.

The allocation of Accounting Officer responsibilities in the Home Office is as follows:

Request for Resources 1: John Gieve, Principal Accounting Officer and Permanent Secretary of the Home Office

Request for Resources 2: Martin Narey, Additional Accounting Officer and Commissioner for Correctional Services

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
RfR 1: Building a safe, just and tolerant society						
Income from fees and charges	299,397	—	197,991	—	152,880	—
Income from licences	—	—	1,094	—	1,094	—
Contributions from Scotland & Northern Ireland Office	27,700	—	28,549	—	28,549	—
EU Receipts	60	—	284	—	224	—
Superannuation transfer values	1,019	—	1,019	—	1,019	—
Income from sale of land and buildings	—	15,205	—	3,558	—	2,118
Income from other sales	—	—	10,085	—	21,290	—
Receipts from Other Government Departments	13,436	—	19,855	—	18,409	—
Public Dividend Capital	—	310	—	—	—	—
Rent receipts	213	—	—	—	—	—
Income from recovered assets	81,000	—	—	—	—	—
Total RfR 1	422,825*	15,515**	258,877	3,558	223,465	2,118

*Amount that may be applied as appropriations in aid in addition to the net total, arising from: sale and hire of vehicles, plant, machinery, land and buildings, receipts for rent, accommodation charges, sale of equipment and scrap, receipts for police service training courses, receipts from Recovered Assets Incentive Scheme, contributions from Scottish Office Home and Health Department and Northern Ireland Office towards the costs of certain services, receipts from Security Services, receipts from police training repayment services, police examinations board, Police National Computer Organisation repayment services, loan of specialised equipment, repayment of support for Police Dependents' Trust, National Identification Bureau-subject access fees, HM Inspectorate of Constabulary inspection. Superintendents' Association contribution to police negotiating machinery, research repayment services and sub-bureaux contributions to Interpol subscription.

Repayment by the Forensic Science Service of principal on the deemed and long-term loans, recoveries of VAT, recovery of salaries of staff on loan or seconded to outside bodies, receipts for repayment services, payments for information and publications, receipts from the Treasury Solicitor's Department, receipts from European Union, contributions toward the grants made (at 13%) from the Scottish Office Home Department to Criminal Injuries Compensation Authority and Criminal Injuries Compensation Appeals Panel, fees for licence for production, supply, possession, import and export of controlled drugs, contributions by employees toward fire-fighters' pensions, police services superannuation transfer values received from local authorities, fees for documents of identity: receipts under the Data Protection Acts 1984 and 1998 and Freedom of Information Act 2000. Payments from the Department for Education and Skills to the Youth Justice Board for young offenders in custody.

Charges for provision of additional (or special) immigration services, private telephone calls, vending machines, receipts in connection with the Channel Tunnel, receipts from carrying companies for any expenses incurred in respect of certain persons detained or liable to be detained under Immigration Act 1971 and Immigration and Nationality Act 1999, fees under the British Nationality Acts 1948 and 1981, fees for Certificates of Entitlement for Right of Abode, fees for passports in respect of services to individual applicants, fees for work permits and after entry charges under the Asylum and Immigration Act 2002, receipts from telex, telephone, postal and bank charge recoveries, recoveries related to passport search fees, fees payable and contributions from other Government departments to the Criminal Records Bureau under part V of the Police Act 1997, receipts under the Misuse of Drugs Act 1971, fees payable to the Commissioner for the Registration of Immigration Advisers, tax rebates, European Fast Stream receipts from the Cabinet Office, subsidies under the Welfare to Work programme, receipts of confiscated assets. Contributions towards grant programmes. Payments from the Cabinet Office and the Dept for Education and Skills for Machinery of Government Changes.

** Amount that may be applied as non-operating appropriations in aid arising from the recovery of income from the sale of land, buildings, plant, equipment, vehicles and other capital assets.

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid *(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
RfR 2: Protecting the public by holding prisoners in decent conditions and reducing re-offending after release						
Income from sales of land, buildings and other assets	—	3,075	—	9,575	—	18,477
Income from other sales	15,614	—	12,577	—	11,598	—
Recovery of costs and other income	341,029	—	210,603	10,535	192,364	3,461
Total RfR 2	356,643*	3,075**	223,180	20,110	203,962	21,938
<p>*Amount that may be applied as appropriations in aid in addition to the net total, arising from: rent and other accommodation receipts, income from private telephone calls, rental charges for television sets, share of gross profits from prison shops and from services purchased by staff etc, income from overseas governments, from the activities of prison industries and farms, from the supply of inmate labour and from the supply of other goods and services, agricultural subsidies, assistance from European Social Fund, recoveries of salaries of staff on loan or seconded to outside bodies, Welfare to Work subsidies, income from training services, from advertisements in Prison Service News, from the supply of information or publications, from the sale of waste, from profit on the sale of capital assets, from the hire of land, buildings, plant, equipment, vehicles, from compensation and insurance, payments from the Youth Justice Board, payments from the Department for Education and Skills, contributions towards criminal justice system initiatives, rebates and commission from service contracts and payments from the Department of Health and Health Authorities and payments from the National Assembly for Wales.</p> <p>**Amount that may be applied as non-operating appropriations in aid arising from the recovery of income from the sale of land, buildings, plant, equipment, vehicles and other capital assets payment from the Youth Justice Board, payment from the Department for Education and Skills.</p>						
Total A in A	779,468	18,590	482,057	23,668	427,427	24,056

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
Passport fee receipts	43,000	44,534	27,687	27,687	14,616	34,958
Carriers liability receipts	8,256	9,824	8,256	9,824	12,000	4,087
Licence fee receipts	2,569	—	2,569	—	1,040	—
Interest on loan	2,692	—	2,692	—	2,696	—
Total	56,517	54,358	41,204	37,511	30,352	39,045

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	3,745,585	394,268	3,351,317
UK Passport Agency	120,000	-126,000	-6,000
Total Net administration costs limits	120,000	-126,000	-6,000

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	9,982,695,000	1,690,607,000	11,673,302,000
Capital DEL	769,572,000	325,428,000	1,095,000,000
Less depreciation	-182,725,000	-39,093,000	-221,818,000
Total DEL	10,569,542,000	1,976,942,000	12,546,484,000

- * 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*

Notes to the Main Estimate *(continued)*

Expenditure resting on the sole authority of the Appropriation Act

The following subheads contain provision sought under the sole authority of Part I of the Estimate and of the confirming Appropriation Act:

Subhead	Service	£'000
A3	Grant to the Independent Custody Visiting Association	250
A3	Grant to the association for Bereavement Counselling of Road Accident Victims ■	28
A3	Grant to the Council for the Registration of Forensic Practitioners ■	300
A3	Police Superintendants Association ■	380
A3	Police Federation ■	135
A3	National Black Police Association (NBPA) ■	80
A3	Association of Chief Police Officers (ACPO) ■	470
A3	British Association of Women Police (BAWP) ■	35
A3	Police Negotiating Board (PNB) – Independent Secretariat ■	52
A3	Police Negotiating Board – Official Side Secretariat ■	242
A3	Police Negotiating Board – Staff side ■	126
A3	Grants to Security Industry Council ■	35
A3	Occupational Health Grants ■	4,000
C3	Funding for financial investigators to increase receipts from the proceeds of crime ■	30,000
E3	Grants to the National Office of Victim Support ■	2,800
E3	Eaves Housing for Women ■	216
E3	Brake ■	50
E3	Institute of Psychiatry Home Office Teaching Unit ■	350
E3	Fawcett Society ■	35
E3	Support After Murder & Manslaughter ■	140
E3	Rape Crisis Federation ■	448
E3	National Association for Care & Resettlement of Offenders (NACRO) ■	221
E3	Centre for Criminology Justice Economics & Psychology ■	250
E3	Revolving Doors ■	44
H3	Experience Corps ■	7,200
H3	Grants to certain national organisations working in the voluntary sector to promote voluntary activity or community development and to support innovatory projects etc ■	27,909
H3	National Council for Voluntary Organisations ■	831
H3	Grants to Women's Royal Voluntary Services ■	4,223
H3	Grants to the National Family and Parenting Institute ■	668
H3	Family Grants programme ■	5,167
H3	Philip Lawrence Awards Scheme ■	100
H3&13	Grants to voluntary organisations and other bodies for the reception and settlement of refugees, and to assist organisations or projects working to reduce racial disadvantage, racism etc. ■	10,100
K2	Development costs of projects in the areas of crime reduction and the Criminal Justice System ■	8,505
K3	Challenge Fund and International Centre for Prevention of Crime Grants ■	35
N3	Special grants for policing costs ■	102,821

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 £11,832,470,000, is 9.2 per cent lower than the final net provision and forecast outturn for 2002-03 of £13,033,168,000

Cash which may be retained to offset expenditure

£'000

Cash which may be retained 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
	797,783	498,551	492,764

Grants in Aid above £1 million

RfR 1	£000
Criminal Injuries Compensation	189,674
Criminal Cases Review Commission	7,499
Youth Justice Board	394,812
Police Complaints Authority	3,570
Police Information Technology Organisation	31,367
National Crime Squad	131,050
National Criminal Intelligence Service	59,200
Probation Service grant to local area boards	663,419
Central police training and development agency (CENTREX)	85,048
Grant to Women's Royal Voluntary Services	3,598
Victim support	30,000
National Association for Care and Resettlement of Offenders (NACRO)	1,331
The Langley House Trust	1,260
Office of The Immigration Services Commissioner	4,005
Immigration Advisory Service and Refugee Legal Council	18,475
RfR 2	
Parole Board	3,567

