
Office of Rail Regulation

Introduction

1. This Estimate provides for expenditure by the Office of Rail Regulation (ORR) on administrative, associated capital and other related costs. Further details of the expenditure covered by the request for resources can be found in the Department of Transport's departmental report (Cm 6817).
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. The Railways Act 2005 also gave ORR powers over responsibility for Rail Safety.
3. 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 2005-06 of a net resource requirement of £ 2,000 reflects the appropriation in aid of licence fee receipts to be levied by ORR.
4. 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 though independent, fair and effective regulation	2,000
Total net resource requirement	2,000
Net cash requirement	1,000

Amounts required in the year ending 31 March 2007 for expenditure by the Office of Rail Regulation on:

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

Administration, capital expenditure and associated non-cash items

The **Office of Rail Regulation** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
RfR 1	2,000	-	2,000
Total net resource requirement	2,000	-	2,000
Net cash requirement	1,000	-	1,000

Part II: Subhead detail

										£'000	
2006-07 Provision							2005-06 Provision	2004-05 Outturn			
Resources						Capital Non- operating A		Net Total	Net Total		
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	in A	Resources	Resources		
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 regulation											
32,689	-	15	32,704	32,702	2	500	-	2,501	1		
Spending in Departmental Expenditure Limits (DEL)											
<i>Central Government spending</i>											
A Administration, associated capital and other expenditure											
13,817	-	7	13,824	13,823	1	500	-	1	1		
B Rail Safety Regulation											
18,872	-	8	18,880	18,879	1	-	-	2,500	-		
Total for Estimate:											
32,689	-	15	32,704	32,702	2	500	-	2,501	1		

Part II: Resource to cash reconciliation

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Resource Requirement	2	2,501	1
Voted capital items			
Capital	500	4,800	226
Less Non-operating A-in-A	-	-	-1,609
Total net voted capital	500	4,800	1,835
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-119	-550	33
Depreciation	-961	-600	-457
New provisions and adjustments to previous provisions	-25	-25	-638
Profit/loss on sale of assets	-	-	-95
Prior period adjustments	-	-	-
Other non-cash items	-35	-35	-30
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-1,076
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	6	6	14
Total accruals to cash adjustments	-1,134	-1,204	-2,249
Excess cash to be CFERd	633	204	1,928
Net Cash Requirement	1	6,301	1,515

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					
	2006-07		2005-06		2004-05	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	-	-	-	-	-	-
Non-operating income not classified as A in A	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	<i>633</i>	-	<i>204</i>	-	<i>1,928</i>
Total	-	<i>633</i>	-	<i>204</i>	-	<i>1,928</i>

Forecast Operating Cost Statement

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Administration Costs			
RfR 1	2	2,501	1
Total Net Administration costs	2	2,501	1
Total Net Operating Cost	2	2,501	1
<i>of which:</i>			
Net Resource Requirement	2	2,501	1
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-	-
Resource Budget	2	2,501	1

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Resource Requirement (Estimates)	2	2,501	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	-	-	-
Other adjustments	-	-	-
Net Operating Cost (Accounts)	2	2,501	1
<i>Adjustments to remove:</i>			
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
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 (Budget)	2	2,501	1
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	2	2,501	1
Annually Managed Expenditure (AME)	-	-	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Voted Capital (Estimates)	500	4,800	1,835
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	-95
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Capital spending by non-departmental public bodies	-	-	-
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	-	-
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	-	-	-
Other adjustments	-	-	-
Capital Budget (Budget)	500	4,800	1,740
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	500	4,800	1,740
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate (*continued*)

Explanation of Accounting Officer responsibilities

In accordance with the Government Resources and Accounts Act 2000 the Treasury has made the following Accounting Officer appointment for the Request for Resources within this Estimate.

Request for Resources 1: Bill Emery, Permanent Head of Department

Bill Emery as the Principal Accounting Officer of the Office of Rail Regulation has personal responsibility for the proper presentation of the department's resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The PAO as the permanent head, remains in general overall charge of the Office of Rail Regulation.

The responsibilities of an Accounting Officer are set out in Annex 4.1 of Government Accounting. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the organisation's policies, aims and objectives and should regularly review the effectiveness of that system.

In accordance with Government Accounting requirement the relationship between the Principal Accounting Officer and the Additional Accounting Officer(s) and with their Ministers, together with their respective responsibilities, is set out in writing.

Notes to the Main Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities though independent, fair and effective regulation			
Administration	32,702	16,500	13,009
<i>of which:</i>			
Regulatory licences, fines, penalties and taxes	32,702	16,500	13,009
Total RfR 1	32,702†	16,500	13,009
† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: recoveries in respect of of the administration of Office of Rail Regulation including charges for courses, officers loaned to other organisations; income from publications and Library service; travel costs recovered from the European Community (EC); income from recovery actions in connection with the successful outcome of Judicial review; and receipts of licence fees.			
Total Operating A in A	32,702	16,500	13,009

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000					
	2006-07		2005-06		2004-05	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Excess cash receipts to be surrendered Φ	-	633	-	204	-	1,928
Total	-	633	-	204	-	1,928

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	2	-	2
<i>of which:*</i>			
Administration budget	2	-	2
Near-cash in RDEL	-1,138	6	-1,132
Capital DEL**	500	-	500
Less Depreciation†	-961	-	-961
Total DEL	-459	-	-459

* The total of the 'Administration Budget' and 'Near-cash in Resource DEL' figures may well be greater than total resource DEL, due to the definitions overlapping.

** Capital DEL includes items treated as resource in Estimates and accounts but which are treated as Capital DEL in budgets.

† Depreciation, which forms part of resource DEL, is excluded from total DEL since capital DEL includes capital spending and to include depreciation of those assets would lead to double counting.

Comparison of provision sought with final provision for the previous year

The total net resource sought for 2006-07 of £2,000 is 99.9 per cent lower than the final net provision for 2005-06 of £2,501,000.

Cash which may be retained to offset expenditure

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been, or will be, appropriated in aid.	32,702	16,500	11,400

