
Department for Communities and Local Government

Introduction

1. This Supplementary Estimate is required for the following purposes:

		Amount (£)	
		<u>Increases</u>	<u>Reductions</u>
<u>Changes in resources</u>			
RfR 1: Improving the quality of life by creating thriving, inclusive and sustainable communities in all regions			
<u>Section</u>	<u>Reason for change</u>		
<u>Changes related to movements in budgets</u>			
<u>Take up of DEL End-Year Flexibility</u>			
<i>Administration costs (near-cash)</i>			
	To increase provision for:		
F	Central administration	6,005,000	
<i>Administration costs (non-cash)</i>			
	To increase provision for:		
G	Government Office Administration	2,749,000	
<i>Other resource DEL (near-cash)</i>			
	To increase provision for:		
F	Central administration (outside the Administration Budget)	9,100,000	
<u>Take up of Departmental Unallocated Provision</u>			
<i>Other resource (non-cash)</i>			
	To increase provision for:		
B	National Register of Social Housing	300,000	
D	Better Services	380,000	
<u>Machinery of Government changes</u>			
<i>Administration costs (near-cash)</i>			
	To decrease provision for:		
F	Central Administration arising from transfer to the Department of Business, Enterprise and Regulatory Reform for Northern Way		-42,000
F	Central Administration arising from transfer to the Government Equalities Office for equalities functions		-335,000
<i>Other resource (near-cash)</i>			
	To decrease provision for:		
F	Central Administration (outside Administration Budget) arising from transfer to Department for Business, Enterprise and Regulatory Reform		-810,000
<i>Capital grants (capital DEL)</i>			
	To decrease provision for:		
Q	Northern Way, which transfers to the Department for Business, Enterprise and Regulatory Reform		-25,000,000

Transfers from resource spending (capital grants) to capital spending (not capital grants)

Capital grants (capital DEL)

To decrease provision for:

D	Control Rooms	-2,000,000
M	Gypsy site grant	-5,000,000
O	New Deal for Communities	-11,000,000

Changes in Annually Managed Expenditure (AME)

Other resource (near- cash)

To increase provision for:

T	Housing Revenue Account Subsidy	11,000,000
V	Fire superannuation	12,500,000

Other changes

Resource transfers to another Request for Resources

Other resource (near- cash)

To adjust provision for:

A	E Planning transfer to RfR 2 for e-local government	-200,000
D	Fire Services transfer to RfR 2 for Best value inspectorate	-190,000

Resource transfers within the Request for Resources

Administration costs (near-cash)

To increase provision for:

F	Central Administration	992,000
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Other resource (near-cash)

To adjust provision for:

A	E-Planning	1,150,000
A	Planning and Publicity	-678,000
C	Community Policy	-6,000,000
C	New Deal for Communities	-59,000
C	New Ventures Fund	-933,000
D	Control Rooms	-16,151,000
D	Firelink	-7,000,000
D	New Dimension Search and Rescue	-7,200,000
D	New Dimension Mass Decontamination	-5,000,000
D	Housing Employment Mobility Service	-600,000
M	Choice Based Lettings	600,000
M	Planning Delivery Grant	-472,000
O	Community Policy	6,000,000
P	Control Rooms	18,151,000
P	New Dimension Search and Rescue	12,200,000
P	New Dimension Mass Decontamination	5,000,000

Capital grants (capital DEL)

To adjust provision for:

M	Choice Based Lettings	1,000,000
N	Procurement Efficiencies and Social Housing	-1,000,000

Transfers to/from non-voted spending

Administration costs (non-cash)

To decrease provision for:

F	Central Administration	-992,000
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	<i>Other resource (near-cash)</i>	
	To adjust provision for:	
A	Thames Gateway (Direct Funding)	-1,670,000
A	Planning and Publicity	-171,000
F	Central Administration (outside the Administration Budget)	-750,000
G	Government Office Administration (outside the Administration Budget)	-1,398,000
M	Housing Market Renewal	-2,000,000
	To create new section for:	
AB	ERDF New programmes (income from EU)	-18,255,000

	<i>Other resource (non-cash)</i>	
	To adjust provision for:	
F	Central Administration (outside the Administration Budget)	750,000
G	Government Office Administration (outside the Administration Budget)	1,398,000

	<i>Capital grants (capital DEL)</i>	
	To decrease provision for:	
A	Thames Gateway (Direct Funding)	-2,770,000
M	Thames Gateway (Direct Funding)	-1,230,000
N	Capital Pooled Housing Receipts	-711,000
	To create new section for:	
AB	ERDF New programmes (income from EU)	-19,003,000

	<u>Changes in non-budget spending</u>	
	To adjust provision for:	
W	English Partnerships	-58,000,000
W	Housing Corporation	1,587,000
W	Thames Gateway London Urban Development Corporation	1,100,000
W	Thames Gateway Thurrock Urban Development Corporation	4,450,000
Y	Overhanging Debt	734,000,000
	To create new section for:	
AA	ERDF New programmes (payments to RDAs)	37,259,000

	<u>Changes in operating appropriations-in-aid (fully offset by changes in spending)</u>	
	To increase provision for expenditure and appropriations in aid:	
D	Control Rooms (income)	-1,900,000
D	Control Rooms (expenditure)	1,900,000
D	Firelink (income)	-3,100,000
D	Firelink (expenditure)	3,100,000
F	Central administration (income)	-300,000
F	Central administration (expenditure)	300,000
G	Government Office administration (income)	-3,657,000
G	Government Office administration (expenditure)	3,657,000
N	Capital Pooled Housing Receipts (income)	-7,947,000
O	Homelessness (expenditure)	747,000
O	Disabled facilities grant (expenditure)	7,200,000
W	English Partnerships (grant in aid income)	-3,000,000
W	English Partnerships (grant in aid expenditure)	3,000,000
AB	ERDF New Programmes (income)	-1,751,000
AC	ERDF New Programmes (expenditure)(new section)	1,751,000
	To decrease provision for expenditure and corresponding appropriations in aid:	
F	Payments for Mapping and Data Services (income)	553,000
F	Payments for Mapping and Data Services (expenditure)	-553,000

	<u>Total</u>	889,879,000	-218,828,000
Total change in resources for RfR1			671,051,000

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

Changes in resources

<u>Section</u>	<u>Reason for change</u>	<u>Increases</u>	<u>Reductions</u>
<u>Other changes</u>			
<u>Resource transfers to/from another Request for Resources</u>			
To increase provision for:			
<i>Other resource (near- cash)</i>			
B	Transfer from Fire Services RfR 1	190,000	
G	Transfer from E Planning RfR1	200,000	
<u>Resource transfers within the Request for Resources</u>			
<i>Other resource (near-cash)</i>			
To adjust provision for:			
B	Best Value Inspectorate		-1,700,000
G	Cost Collection Grant	1,700,000	
<u>Changes in operating appropriations-in-aid (fully offset by changes in spending)</u>			
To adjust provision for:			
H	Local Authority Business Growth Incentives Scheme (expenditure)	3,700,000	
H	Local Authority Business Growth Incentives Scheme (income)		-3,700,000
		<u>Total</u>	<u>-5,400,000</u>
Total change in resources for RfR2			390,000
Total change in resources for Estimate			671,441,000

Changes in Capital

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

<u>Section</u>	<u>Reason for change</u>	<u>Increases</u>	<u>Reductions</u>
<u>Changes related to movements in budgets</u>			
<u>Transfers to/from non-voted spending</u>			
To decrease provision for:			
A	Planning Inspectorate transfer to non-voted Housing Corporation		-250,000
<u>Transfers from other resource (capital grants) to capital (not capital grants)</u>			
To increase provision for:			
<i>Capital</i>			
To increase provision for:			
D	Control Rooms	18,000,000	
		<u>Total</u>	<u>-</u>
Total change in capital for RfR1		17,750,000	17,750,000

Total change in capital for Estimate

17,750,000

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £686,874,000.

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

Department for Communities and Local Government

Part I

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RfR 1: Improving the quality of life by creating thriving, inclusive and sustainable communities in all regions † 671,051,000

RfR 2: Providing for effective devolved decision making within a national framework 390,000

Total additional net resource requirement 671,441,000

Additional net cash requirement † 686,874,000

SUPPLEMENTARY amounts required in the year ending 31 March 2008 for expenditure by the Department for Communities and Local Government 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; payment to the Housing Corporation; payments to the Audit Commission for registered social landlord inspections; disabled facilities grant ; best value in housing; home buying and selling; procurement efficiency and social housing; payments to local authorities in respect of Local Area Agreements; rent and leasehold services; national approved letting scheme; social housing mobility including choice-based local authority lettings; grants and payments for the licensing and safety rating of landlords; council tenant participation; housing transfers; regional housing boards advice; payments to Housing Action Trusts; the Supporting People programme; capital grants to local authorities for housing; Local Authority Social Housing Grant transitional compensation; payments to the Commission for Architecture and the Built Environment; payments to the Academy for Sustainable Communities; 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 for Business, Enterprise and Regulatory Reform 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; support for infrastructure and associated works related to the Olympic Games; grants and payments for creating and improving parks and public spaces; co-ordinating strategy for dealing with abandoned vehicles; payments that derive from European Structural Funds Regulations; exchange rate losses and other losses relating to the European Regional Development Fund (ERDF) projects; Combined Universities of Cornwall; coalfields regeneration; planning; the Planning Inspectorate; fire and rescue services, including the grants paid to Chief Fire Officers' Association and measures to deal with the aftermath of terrorism; purchase of fire radio systems; payments and loans to the Fire Service College (trading fund); payments for provision of services to improve the efficiency and effectiveness of the fire service; Emergency Fire Service Closure costs; fire service pensions; fire service dispute(s); payments to Firebuy; work on improving race,gender and faith equalities; payments to the Community Development Foundation; Community Cohesion; mapping data and services; Ordnance Survey trading fund; regional assemblies; payments for the Mersey Basin Campaign ; special grants paid under Section 31 of the Local Government Act 2003; minor grants and payments in support of housing, planning, regeneration, liveability, 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 residual functions of Property Services Agency(PSA); payments and loans in connection with the Queen Elizabeth II Conference Centre trading fund; the administration and operation of the department including the Government Offices;the purchase,acquisition, hire, lease and rent of land, buildings, plant, equipment, machinery, vehicles and capital assets; research; housing statistics,special payments; and associated non-cash items

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

payments to the Valuation Office Agency for rating and valuation services; payments to the Audit Commission for Best Value inspections; revenue support grant and redistributed non-domestic rates to receiving authorities in England; repayment of excess contributions made by local authorities in respect of non-domestic rates in 2006-07 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 Service 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; 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, 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 and to the Valuation Tribunal Service; 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

The **Department for Communities and Local Government** will account for this Estimate.

† The responsibilities for equalities functions and support for the Commission for Equality and Human Rights, the Commission for Racial Equality and the Equal Opportunities Commission were transferred to the Government Equalities Office on 26 July 2007. Within the overall changes sought in this Estimate the specific changes relating to this Machinery of Government transfer are: (a) for RfR1 the net resource requirement is reduced by £335,000; and (b) the net cash requirement is reduced by £335,000.

† The responsibility for the Northern Way Growth Fund was transferred to the Department for Business, Enterprise and Regulatory Reform on 26 October 2007. Within the overall changes sought in this Estimate the specific changes relating to this Machinery of Government transfer are: (a) for RfR1 the net resource requirement is reduced by £25,852,000; and (b) the net cash requirement is reduced by £25,852,000.

Part II: Changes proposed

Resources	£'000				
	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: Improving the quality of life by creating thriving, inclusive and sustainable communities in all regions					
Spending in Departmental Expenditure Limits (DEL)					
<i>Central Government spending</i>					
RfR 1 - A Housing Supply and Demand	171,866	-4,339	-	-4,339	167,527
RfR 1- B Decent Places to Live	104,706	300	-	300	105,006
RfR 1- C Tackling Disadvantage	123,133	-6,992	-	-6,992	116,141
RfR 1- D Better Services	149,683	-32,761	5,000	-37,761	111,922
RfR 1- F Central Administration	207,187	13,665	-253	13,918	221,105
RfR 1- G Government Office Administration	119,791	6,406	3,657	2,749	122,540
<i>Support for Local Authorities</i>					
RfR 1-M Housing Supply and Demand	1,146,836	-7,102	-	-7,102	1,139,734
RfR 1- N Decent Places to Live	-105,603	-1,000	8,658	-9,658	-115,261
RfR 1- O Tackling Disadvantage	2,200,906	2,947	-	2,947	2,203,853
RfR 1- P Better Services	36,537	35,351	-	35,351	71,888
RfR 1- Q Development of English Regions	31,000	-25,000	-	-25,000	6,000
Spending in Annually Managed Expenditure(AME)					
<i>Central Government spending</i>					
RfR 1- T Decent Places to Live	679,063	11,000	-	11,000	690,063
<i>Support for Local Authorities</i>					
RfR 1- V Better Services	163,354	12,500	-	12,500	175,854
Non-Budget					
RfR 1- W Housing Supply and Demand	2,586,779	-47,863	3,000	-50,863	2,535,916
RfR 1- Y Decent Places to Live	616,000	734,000	-	734,000	1,350,000
RfR1-AA ERDF New Programmes	-	37,259	-	37,259	37,259
Spending in Departmental Expenditure Limits (DEL)					
<i>Central Government spending</i>					
RfR1-AB ERDF New Programmes	-	-	39,009	-39,009	-39,009
<i>Support for Local Authorities</i>					
RfR1- AC ERDF New Programmes	-	1,751	-	1,751	1,751
Total RfR 1		730,122	59,071	671,051	

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

Spending in Departmental Expenditure Limits (DEL)

Central Government spending

RfR 2 - B	Best Value inspection subsidies to Public Corporations & best value intervention costs	24,420	-1,510.	-	-1,510	22,910
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Support for Local Authorities

RfR 2 - G	Other Grants and Payments	333,559	1,900	-	1,900	335,459
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Spending in Annually Managed Expenditure(AME)

Support for Local Authorities

RfR 2 - H	Non-domestic Rates Outturn Adjustments and LABGIS	955,599	3,700	3,700	-	955,599
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Total RfR 2		4,090	3,700	390		
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Total Changes to RfRs		734,212	62,771	671,441		
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	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	64,412	17,750	82,162
Non-Operating A in A	104	-	104
Net cash requirement	34,742,678	686,874	35,429,552

Part II: Revised subhead detail including additional provision

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
RfR 1: Improving the quality of life by creating thriving, inclusive and sustainable communities in all regions								
	352,657	1,049,155	11,213,134	12,614,946	1,341,587	11,273,359	82,162	104
Spending in Departmental Expenditure Limits (DEL)								
Central Government spending								
A	Housing Supply and Demand							
	-	128,862	48,576	177,438	9,911	167,527	2,594	-
B	Decent Places to Live							
	-	9,136	95,870	105,006	-	105,006	-	-
C	Tackling Disadvantage							
	-	48,789	68,742	117,531	1,390	116,141	25	-
D	Better Services							
	-	112,444	5,775	118,219	6,297	111,922	55,337	22
E	Development of English Regions							
	-	520	1,600,850	1,601,370	-	1,601,370	-	-
F	Central Administration							
	204,417	52,887	-	257,304	36,199	221,105	21,064	-
G	Government Office Administration							
	148,240	2,818	-	151,058	28,518	122,540	2,860	-
H	European Structural Funds - net							
	-	-	1	1	-	1	-	-
I	European Structural Funds - Communities and Local Government							
	-	3,702	6,401	10,103	-	10,103	282	-
J	Ordnance Survey							
	-	-	1,320	1,320	3,600	-2,280	-	-
K	Queen Elizabeth II Conference Centre Executive Agency							
	-	-	117	117	1,615	-1,498	-	82
L	Local Area Agreements							
	-	-	-	-	1,090,548	-1,090,548	-	-
Support for Local Authorities								
M	Housing Supply and Demand							
	-	-	1,139,734	1,139,734	-	1,139,734	-	-
N	Decent Places to Live							
	-	-	4,739	4,739	120,000	-115,261	-	-
O	Tackling Disadvantage							
	-	-	2,203,853	2,203,853	-	2,203,853	-	-
P	Better Services							
	-	-	71,888	71,888	-	71,888	-	-
Q	Development of English Regions							
	-	-	7,500	7,500	1,500	6,000	-	-

Part II: Revised subhead detail including additional provision

		Resources					Capital		£'000
	1	2	3	4	5	6	7	8	
	Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
R	European Structural Funds - net	-	1	1	-	1	-	-	
S	Local Area Agreements	-	1,850,285	1,850,285	-	1,850,285	-	-	
Spending in Annually Managed Expenditure(AME)									
<i>Central Government spending</i>									
T	Decent Places to Live	690,063	-	690,063	-	690,063	-	-	
U	Better Services	-66	116	50	-	50	-	-	
<i>Support for Local Authorities</i>									
V	Better Services	-	175,854	175,854	-	175,854	-	-	
	<i>Housing Supply and Demand</i>	-	-	-	-	-	-	-	
Non-Budget									
W	Housing Supply and Demand	-	2,538,916	2,538,916	3,000	2,535,916	-	-	
X	Better Services	-	2,040	2,040	-	2,040	-	-	
Y	Decent Places to Live	-	1,350,000	1,350,000	-	1,350,000	-	-	
Z	Tackling Disadvantage	-	1,546	1,546	-	1,546	-	-	
AA	ERDF New Programmes	-	37,259	37,259	-	37,259	-	-	
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
AB	ERDF New Programmes	-	-	-	39,009	-39,009	-	-	
<i>Support for Local Authorities</i>									
AC	ERDF New Programmes	-	1,751	1,751	-	1,751	-	-	
RfR 2: Providing for effective devolved decision making within a national framework									
	-	201,379	23,650,944	23,852,323	38,165	23,814,158	-	-	
Spending in Departmental Expenditure Limits									
<i>Central Government spending</i>									
A	Valuation Services	174,450	-	174,450	-	174,450	-	-	
B	Best Value inspection subsidies to Public Corporations & best value intervention costs	22,910	-	22,910	-	22,910	-	-	
C	Local Government Research and Publicity, MAPPING Costs and Electoral Law	4,019	-	4,019	465	3,554	-	-	

Part II: Revised subhead detail including additional provision

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
<i>Local Governance</i>								
-	-	-	-	-	-	-	-	-
<i>Support for Local Authorities</i>								
D	Revenue Support Grants							
-	-	3,762,931	3,762,931	-	3,762,931	-	-	-
E	Non- domestic Rates Payments							
-	-	18,500,000	18,500,000	-	18,500,000	-	-	-
F	London Governance							
-	-	38,348	38,348	-	38,348	-	-	-
G	Other Grants and Payments							
-	-	369,459	369,459	34,000	335,459	-	-	-
Spending in Annually Managed Expenditure(AME)								
<i>Support for Local Authorities</i>								
H	Non-domestic Rates Outturn Adjustments and LABGIS							
-	-	959,299	959,299	3,700	955,599	-	-	-
Non-Budget								
I	Non-departmental public bodies							
-	-	20,907	20,907	-	20,907	-	-	-
Total for Estimate:								
352,657	1,250,534	34,864,078	36,467,269	1,379,752	35,087,517	82,162	104	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net Resource Requirement	34,416,076	671,441	35,087,517
Voted capital items			
Capital	64,412	17,750	82,162
<i>Less: Non-operating A in A</i>	<u>104</u>	<u>-</u>	<u>104</u>
Total net voted capital	64,308	17,750	82,058
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-12,020	-668	-12,688
Depreciation	-28,547	-947	-29,494
New provisions and adjustments to previous provisions	-8,138	-2,830	-10,968
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-20	-20
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	300,000	-	300,000
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	<u>10,999</u>	<u>2,148</u>	<u>13,147</u>
Total accruals to cash adjustments	262,294	-2,317	259,977
Excess cash to be CFERd	-	-	-
Net Cash Requirement	34,742,678	686,874	35,429,552

Part III: Extra receipts payable to the Consolidated Fund

In addition to Appropriations in aid, the following income and receipts relate to the department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	<u>Present provision</u>		<u>New provision</u>	
	<u>Income</u>	<u>Receipts</u>	<u>Income</u>	<u>Receipts</u>
Operating income not classified as A in A	1,352,218	<i>1,352,218</i>	1,308,218	1,308,218
Non-operating income not classified as A in A	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-
Excess receipts to be surrendered to the Consolidated Fund	-	-	-	-
Total	<u>1,352,218</u>	<u><i>1,352,218</i></u>	<u>1,308,218</u>	<u><i>1,308,218</i></u>

Forecast Operating Cost Statement

	£'000
	2007-08 provision
Net Administration Costs	
RfR1	304,384
RfR2	
Total Net Administration Costs	304,384
Net Programme Costs	
RfR1	10,968,975
RfR2	23,814,158
Non-voted	-1,307,311
Total Net Programme costs	33,475,822
Total Net Operating Cost	33,780,206
<i>of which:</i>	
Net Resource Requirement	35,087,517
Non-voted expenditure	907
Consolidated Fund Extra Receipts	-1,308,218
Resource Budget	28,404,476

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2007-08 Provision
Net Resource Requirement (Estimates)	35,087,517
<i>Adjustments to remove:</i>	
provision voted for earlier years	
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	907
Consolidated Fund extra receipts in the OCS	-1,308,218
Other adjustments	-
Net Operating Costs (Accounts)	33,780,206
<i>Adjustments to remove:</i>	
Gains/losses from sale of capital assets	
Capital grants	-1,607,849
European Union income related to capital grants	-
voted expenditure outside the budget	-7,000
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	691,000
resource consumption of non departmental public bodies	-3,236,871
unallocated resource provision	13,274
Other adjustments	-1,228,284
Resource Budget (Budget)	28,404,476
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	27,151,762
Annually Managed Expenditure (AME)	1,252,714

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2007-08 Provision
Net Voted Capital (Estimates)	82,058
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	
capital spending by non departmental public bodies	3,285,270
capital grants	1,607,849
European Union income related to capital grants	-
supported capital expenditure (revenue)	1,298,809
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	-75,370
Capital Budget (Budget)	6,198,616
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	6,198,616
Annually Managed Expenditure (AME)	-

Notes to the 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 appointments for the Requests for Resources within this Estimate.

Request for Resources 1	Peter Housden, Permanent Head of the Department for Communities and Local Government
Request for Resources 2	Christopher Wormald, Additional Accounting Officer and Director General of the Local Government and Regeneration Group of the Department

Peter Housden as the Principal Accounting Officer of the Department for Communities and Local Government 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 Department for Communities and Local Government.

The responsibilities of an Accounting Officer are set out in chapter 3 of Managing Public Money. 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 the Managing Public Money 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 Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

£'000

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

Administration	48,273
<i>of which:</i>	
Sale of goods and services	48,273
Programme	1,293,314
<i>of which:</i>	
Sale of goods and services	32,255
Other grant income (including repayments of grants/subsidies)	1,471,727
Interest and Dividends	5,612
CFERS	-1,308,218
Other Income (including receipts)	1,091,938

Total RfR1	1,341,587 †
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† Amount that may be applied as operating appropriations in aid in addition to the net total arising from : 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 including contributions towards Local Area Agreements, agencies and non-departmental public bodies and overseas government; receipts from the European Union; adjustments to commuted loan charges or residual loan charge grants; pooled housing capital receipts from local authorities; housing revenue receipts from local authorities; 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 Crown Property Inspection Group; dividend payments from Ordnance Survey; dividend payments from the Queen Elizabeth Conference Centre and interest payments on voted loans; receipts from other government departments for research in support of fire and rescue services; receipts from medical appeals to cover BUPA expenditure; receipts from regional fire and rescue control centres building developers; interest payments on deemed and voted loans made to the Fire Service College; dividend payment from the Fire Service College; receipts from Firelink contractor; 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.

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

Programme	38,165
<i>of which:</i>	
Sale of goods and services	465
Other grant income (including repayments of grants/subsidies)	36,200
Other Income (including receipts)	1,500

Total RfR2	38,165 †
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† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: 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 Ministry of Justice.

Total Operating A in A	1,379,752
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Analysis of non - operating appropriations in aid (A in A)**RfR 1: Improving the quality of life by creating thriving, inclusive and sustainable communities in all regions**

Programme	104
<i>of which:</i>	
Sale of assets	-
Loans, etc, repayments	104

Total RfR1	104 †
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† Amount that may be applied as non-operating appropriations in aid arising from: the disposal of land, buildings, equipment, machinery, vehicles and capital assets; the loan, hire or storage of equipment; 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.

Total Non-Operating A in A	104
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Notes to the Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000	
	2007-08 provision	
	Income	Receipts
Central Administration Φ	11	11
Capital Pooled Housing Receipts \bullet	671,000	671,000
Planning Inspectorate Φ	190	190
Housing Revenue Account Subsidy Δ	617,017	617,017
Large Scale Voluntary Transfer \bullet	20,000	20,000
Total	1,308,218	1,308,218

Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	-5,843	22,408	26,829,494	322,268	27,151,762
<i>of which:</i>					
Administration budget †	8,377	-	304,384	-	304,384
Near-cash in RDEL	-10,308	24,124	26,776,374	243,772	27,020,146
Capital DEL ††	-48,862	23,964	2,570,847	3,627,769	6,198,616
Less Depreciation †††	-947	380	-29,494	-11,643	-41,137
Total DEL	-55,652	46,752	29,370,847	3,938,394	33,309,241

† The total of '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.

Cash which may be retained to offset expenditure

	£'000
Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been or will be appropriated in aid	1,379,856

Notes to the Estimate (*continued*)**Expenditure resting on the sole authority of the Appropriation Act**

RfR/Section	Body	£ '000
RfR1, Section C Contribution to the costs of the replica slave ship " The Amistad "		130
RfR1, Section A Trial Provision of Energy Performance Certificates		12

Notes to the Estimate (*continued*)

Grants in Aid

RfR/Section	Body	£ '000
RfR1- W	Housing Corporation ♥	2,148,224
RfR1- W	Leasehold Enfranchisement Advisory Service♥	1,150
RfR1- W	English Partnerships (Urban Regeneration Agency)♥	253,000
RfR1- W	Other Growth Areas: English Partnerships (Urban Regeneration Agency)♥	2,449
RfR1- W	Other Growth Areas: West Northamptonshire Urban Development Corporation♥	17,000
RfR1- W	Thames Gateway: East of England Development Agency♥	1,699
RfR1- W	Thames Gateway: South East of England Development Agency♥	6,800
RfR1- W	Thames Gateway: Housing Corporation♥	2,100
RfR1- W	Thames Gateway: English Partnerships (Urban Regeneration Agency)♥	10,704
RfR1- W	Thames Gateway: London Thames Gateway Urban Development Corporation♥	55,190
RfR1- W	Thames Gateway: Thurrock Urban Development Corporation♥	33,600
RfR1- X	Firebuy ♥	2,040
RfR1- Z	Community Development Foundation♥	1,546
RfR2- I	Valuation Tribunal Service ♥	10,743
RfR2- I	Standards Board for England ♥	10,164

Notes to the Estimate (*continued*)

Contingent Liabilities

RfR/Section	Nature of Liability	£ '000
Statutory		
	Fire Service Act 1947 s17 and the Fire Service (Discipline Regulations) 1985. Liability to litigation by Fire Authorities resulting from delays in processing appeals to the Secretary of State.	200
	The Housing Defects Act 1984 (now part XVI of the Housing Act 1985). Payments to Local Authorities.	750 -1,000
	Housing Association Act 1987, s84. Indemnity of building society mortgages for shared ownership schemes.	175
	Indemnity given for the Land Stabilisation Project to proceed in Northwich under Section 1 of the Derelict Land Act 1982	30,000
Non-Statutory		
	Possible administrative irregularities in respect of the European Regional Development Fund programme, where approximately 50% of the total irregularities value would not be recovered due to insolvency occurring.	4,907
	Possible fine for irregularities with EC funds in respect of the European Regional Development Fund	40,000
	Three Local Authorities (Corby, Slough and Tewkesbury) have launched legal action against the Department for underpayment of the Local Authority Business Growth Incentive Scheme grant. There is a chance that the court will rule in favour of the Local Authorities	84,000
	Possible obligations from Employment Tribunal decision including asbestos claims against the Department.	Unquantifiable
	Possible liabilities of bodies sponsored by Department for Communities and Local Government which the Department may have to fund.	Unquantifiable
	Potential payments under the Housing Revenue Account Subsidy (HRAS) scheme relating to outstanding claims.	Unquantifiable
	Liability to pay grant in future years relating to annual gap-funding agreements for negative values transfers of council housing stocks	289,308
	Ex-gratia payments which may possibly be made to appellants or other appeal parties who have incurred abortive costs following an error made by the Planning Inspectorate.	75
	Possible ex-gratia payments	Unquantifiable
	Possible obligations from Employment Tribunal decisions.	Unquantifiable
	Other Employment Tribunal decisions.	186
	Charging of VAT on building rental	182

Litigation costs which may possibly be incurred following unsuccessful attempts to resist a High Court challenge into an Inspector's decision.	350
Indemnity given to the Nationwide Building Society as lender for claims relating to the treatment or removal of asbestos in connection with housing stock transfers	Unquantifiable
Indemnity given to the Fire and Rescue Services in respect of possible incidents as a result of mass decontamination.	Unquantifiable

