

# Office of Fair Trading

## Introduction

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

Amount £

### Changes in resources

#### **RfR 1: Advancing and safeguarding the economic interests of UK consumers**

#### **Increases:**

##### Take Up of End Year Flexibility

##### Administration Costs

£1,900,000 of near-cash to Section A for the Beagle Reorganisation (£900,000), the introduction of "PROMOD" (£700,000), and Website Development (£300,000)

1,900,000

**Total change in resources 1,900,000**

### Changes in capital

##### Take Up of End Year Flexibility

##### Capital

£1,300,000 to Section A for introduction of the "PROMOD" IT system (£200,000) and OFT's website development (£1,100,000)

1,300,000

**Total change in capital for Estimate 1,300,000**

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £3,200,000
3. Symbols are explained in the Introduction to this booklet.

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**Part I**

£

<b>RfR 1: Advancing and safeguarding the economic interests of UK consumers</b>	<b>1,900,000</b>
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Total additional net resource requirement	1,900,000
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<b>Additional net cash requirement</b>	<b>3,200,000</b>
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SUPPLEMENTARY amounts required in the year ending 31 March 2007 for expenditure by the Office of Fair Trading on:

**RfR 1: Advancing and safeguarding the economic interests of UK consumers**

Administrative and operational costs and associated non-cash items.

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

## Part II: Changes proposed

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	£'000
					New Net Provision
<b>RfR 1: Advancing and safeguarding the economic interests of UK consumers</b>					
<b>Spending in Departmental Expenditure Limits (DEL)</b>					
RfR 1 - A Administration	75,983	1,900	-	1,900	77,883
<b>Total RfR 1</b>		<b>1,900</b>	<b>-</b>	<b>1,900</b>	
<b>Total Changes to RfRs</b>		<b>1,900</b>	<b>-</b>	<b>1,900</b>	

Capital and Cash	Present Provision	Change in Provision	£000
			New Provision
Total Capital Expenditure	1,398	1,300	2,698
Non-Operating A in A	-	-	-
<b>Net cash requirement</b>	<b>74,491</b>	<b>3,200</b>	<b>77,691</b>

**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
<b>RfR 1: Advancing and safeguarding the economic interests of UK consumers</b>							
75,833	2,050	-	77,883	-	77,883	2,698	-
<b>Spending in Departmental Expenditure Limits (DEL)</b>							
<i>Central Government spending</i>							
A Administration							
75,833	2,050	-	77,883	-	77,883	2,698	-
<b>Total for Estimate:</b>							
75,833	2,050	-	77,883	-	77,883	2,698	-

## Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
<b>Net Resource Requirement</b>	<b>75,983</b>	<b>1,900</b>	<b>77,883</b>
<b>Voted capital items</b>			
Capital	1,398	1,300	2,698
<i>Less:</i> Non-operating A in A	-	-	-
<b>Total net voted capital</b>	<b>1,398</b>	<b>1,300</b>	<b>2,698</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-303	-	-303
Depreciation	-2,549	-	-2,549
New provisions and adjustments to previous provisions	-133	-	-133
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	95	-	95
<b>Total accruals to cash adjustments</b>	<b>-2,890</b>	<b>-</b>	<b>-2,890</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Requirement</b>	<b>74,491</b>	<b>3,200</b>	<b>77,691</b>

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

' As in existing provision'

## Forecast Operating Cost Statement

	£'000
	2006-07 provision
<b>Net Administration Costs</b>	
RfR1	75,833
<b>Total Net Administration Costs</b>	<b>75,833</b>
<b>Net Programme Costs</b>	
RfR1	2,050
<b>Total Net Programme costs</b>	<b>2,050</b>
<b>Total Net Operating Cost</b>	<b>77,883</b>
<i>of which:</i>	
<b>Net Resource Requirement</b>	<b>77,883</b>
Non-voted expenditure	-
Consolidated Fund Extra Receipts	-
<b>Resource Budget</b>	<b>77,883</b>

## Notes to the Estimate

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

	£'000
	2006-07 Provision
<b>Net Resource Requirement (Estimates)</b>	<b>77,883</b>
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	-
Consolidated Fund extra receipts in the OCS	-
<b>Net Operating Costs (Accounts)</b>	<b>77,883</b>
<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	-
<b>Resource Budget (Budget)</b>	<b>77,883</b>
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	77,883
Annually Managed Expenditure (AME)	-

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2006-07 Provision
<b>Net Voted Capital (Estimates)</b>	<b>2,698</b>
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
capital spending by non departmental public bodies	-
capital grants	-
European Union income related to capital grants	-
supported capital expenditure (revenue)	-
capital spending by levy funded bodies	-
unallocated capital provision	-
<b>Capital Budget (Budget)</b>	<b>2,698</b>
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	2,698
Annually Managed Expenditure (AME)	-

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## 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 appointment for the Requests for Resources within this Estimate.

**Request for Resources 1**                      John Fingleton, CEO of OFT

John Fingleton as the Accounting Officer of the Office of Fair Trading 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 AO as the permanent head, remains in general overall charge of the Office of Fair Trading.

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.

## Notes to the Estimate (*continued*)

### Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	1,900	-	77,883	-	77,883
<i>of which:</i>					
<i>Administration budget*</i>	1,900	-	75,833	-	75,833
<i>Near-cash in RDEL</i>	1,900	-	74,993	-	74,993
Capital**	1,300	-	2,698	-	2,698
Less Depreciation†	-	-	-2,549	-	-2,549
Total	3,200	-	78,032	-	78,032

\*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.

