

Department for Communities and Local Government †

Introduction

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

Amount £

Changes in resources

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

Increases:

Take up of End Year Flexibility

Near-cash

To increase provision for: Development of English Regions (Section E) (£810,000); Central Administration (Section F) (£19,177,000) ; European Structural Funds - DCLG (Section I) (£682,000); Queen Elizabeth II Conference Centre Executive Agency (Section K) (£117,000); Decent Places to Live - Support for Local Authorities (Section M) (£745,000) ; Tackling Disadvantage - Support for Local Authorities (Section N) (£200,000); Development of English Regions - Support for Local Authorities (Section P) (£551,000). 22,282,000

Capital grant

To increase provision for: Decent Places to Live (Section B) (£2,255,000); Development of English Regions (Section E) (18,500,000); Housing Supply and Demand - Support for Local Authorities (Section L) (£1,618,000); Tackling Disadvantage - Support for Local Authorities (Section N) (£6,132,000). 28,505,000

Non-cash

To increase provision for: Decent Places to Live (Section B) (£300,000) 300,000

Take up of Departmental Unallocated Provision

Near-cash

To increase provision for Development of English Regions (Section P) (£5,000,000) 5,000,000

DEL Reserve Claim

To increase near-cash provision for Housing Supply and Demand - Support for Local Authorities (Section L) (£33,500,000) for Housing Market Renewal Fund. 33,500,000

Take up of Invest to Save Budget

To increase near-cash provision for Better Services - Support for Local Authorities (Section O) (£330,000) for Fire Respect Project. 330,000

Machinery of Government Changes

Near-cash

To increase provision for Tackling Disadvantage (Section C) (£31,399,000) by transfers from the Home Office (£23,628,000) and the Department of Trade and Industry (£7,771,000); Central Administration (Section F) (£10,282,000) by transfers from the Home Office (£6,954,000), the Department of Trade and Industry (£3,036,000) and the Cabinet Office (£292,000). 41,681,000

Non-Cash

To increase provision for Tackling Disadvantage (Section C) (£333,000) by transfers from the Home Office (£84,000) and the Department of Trade and Industry (£249,000); Central Administration (Section F) (£193,000) by a transfer from the Home Office. 526,000

Grant in Aid

To increase grant in aid provision for Tackling Disadvantage - Non Budget (Section X) (€27,980,000) by transfers from the Home Office(€20,624,000) and the Department of Trade and Industry (€7,356,000) . 27,980,000

Interdepartmental Transfers*Near-cash*

To increase provision for: Central Administration (Section F) (€640,000) by a transfer from the Cabinet Office (€520,000) and the Department of Culture, Media and Sport (€120,000); Government Office Administration (Section G) (€11,374,000) by transfers from the Department for the Environment, Food and Rural Affairs (€7,051,000), the Department for Education and Skills (€3,000,000), the Department of Trade and Industry (€1,257,000) and the Department of Culture, Media and Sport (€66,000). 12,014,000

Capital Grant

To increase provision for: Development of English Regions (Section E) (€40,000,000) by transfer from the Department of Trade and Industry ; 40,000,000

Transfers to voted spend*Near-cash*

To increase provision for: Housing Supply and Demand (Section A) (€2,800,000). 2,800,000

Capital Grants

To increase provision for: Decent Places to Live (Section B) (€4,290,000); Tackling Disadvantage (Section C) (€1,320,000); Housing Supply and Demand - Support for Local Authorities (Section L) (€398,191,000); Tackling Disadvantage - Support for Local Authorities (Section N) (€9,050,000). 412,851,000

Non-Cash

To increase provision for European Structural Funds - DCLG (Section I) (€5,000,000). 5,000,000

Transfer from RfR2*Near Cash*

To increase provision for Better Services (Section D) (€600,000) by a transfer from RfR2 Section H. 600,000

Grant in Aid

To increase grant in aid provision for Housing Supply and Demand - Non Budget (Section U) (€439,149,000) and Better Services - Non Budget (Section V) (€240,000). 439,389,000

Decreases:Interdepartmental transfer

To decrease provision for Government Office Administration (Section G) (€993,000) by a transfer to HM Treasury. -993,000

Machinery of Government Changes*Near-cash*

To decrease provision for Central Administration (Section F) (€2,055,000) by transfers to the Deputy Prime Minister's Office (€1,140,000) and the Cabinet Office (€915,000). -2,055,000

Non-cash

To decrease provision for Central Administration (Section F) (€31,000) by transfers to the Deputy Prime Minister's Office (€20,000) and the Cabinet Office (€11,000) -31,000

Transfers to non voted spend*Near Cash*

To decrease provision for: Housing Supply and Demand (Section A) (£13,305,000); Decent Places to Live (Section B) (£4,290,000); Tackling Disadvantage (Section C) (£6,051,000); Better Services (Section D) (£240,000); Tackling Disadvantage - Support for Local Authorities (Section N) (£5,000,000) -28,886,000

Capital Grants

To decrease provision for: Housing Supply and Demand (Section A) (£2,008,000); Housing Supply and Demand - Support for Local Authorities (Section L) (£103,225,000) -105,233,000

Reduction in deficit

To decrease provision for Decent Places to Live - AME (Section R) (£47,702,000) -47,702,000

Transfer to Capital

To decrease provision for Housing Supply and Demand (Section A) (£1,150,000). -1,150,000

Transfer to RfR2*Near Cash*

To decrease provision for Better Services (Section D) (£1,500,000) by a transfer to RfR2 Section B. -1,500,000

Neutral Changes:Spending offset by A-in-A*Near Cash*

To increase provision fully offset by Appropriation in Aid for: Housing Supply and Demand (Section A) (£123,000); Tackling Disadvantage (Section C and Section N) (£30,000,000); Central Administration (Section F) (£8,666,000); Government Office Administration (Section F) (£7,389,000) and Local Area Agreements (Section Y and Section Z) (£413,067,000). -

Total change in resources for RfR1 885,208,000

RfR 2: Providing for effective devolved decision making within a national framework**Increases:**Take up of End Year Flexibility*Near-cash*

To increase the provision for Local Government Research and Publicity, Mapping costs and Electoral Law (Section C) (£519,000); Revenue support grants (Section E) (£35,000,000) and Other Grants and Payments (resource grants) (Section H) (£8,000,000) 43,519,000

Capital Grants

Other Grants and Payments (resource grants) (Section H) (£16,634,000) 16,634,000

Transfer from RfR1

To increase near cash provision for best value inspection subsidies to Public Corporations & best value intervention (Section B) (£1,500,000) by a transfer from RfR1 Better Services (Section D). 1,500,000

Take up of Invest to Save Budget

To increase near cash provision for Other Grants and Payments (resource grants) (Section H) (£1,602,000). 1,602,000

Changes in AME

To increase provision for Non-Domestic Rates Outturn Adjustments and LABGIS (Section I) (£408,000,000) and Non-departmental Public Bodies (Section J) (£161,000).	408,161,000
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Decreases:Transfer to RfR1

To decrease near cash provision for Other Grants and Payments (resource grants) (Section H) (£600,000) by a transfer to RfR1 Better Services (Section B).	-600,000
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Transfers to non voted spend*Near Cash*

To decrease provision for Valuation services (Section A) (£2,371,000); Local Governance (Section D) (£219,000) and Other Grants and Payments (resource grants) (Section H) (£1,934,000).	-4,524,000
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Total change in resources for RfR2	466,292,000
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Total change in resources for Estimate	1,351,500,000
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Changes in capital**RfR1**Increase in Capital

Increase in capital for Housing Supply and Demand (Section A) (£1,150,000; Better Services (Section D) (£1,230,000); Central Administration (Section F) (£3,000,000); European Structural Fund (Section I) £280,000) and Tackling Disadvantage (Section C) (£25,000).	5,685,000
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Total change in capital for Estimate	5,685,000
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2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £1,357,195,000.

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

† In the Main Estimate this Estimate was entitled Office of the Deputy Prime Minister

Part I

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RfR 1: Improving the quality of life by creating thriving, inclusive and sustainable communities in all regions	†	885,208,000
RfR 2: Providing for effective devolved decision making within a national framework		466,292,000
Total additional net resource requirement		1,351,500,000
Additional net cash requirement	†	1,357,195,000

SUPPLEMENTARY amounts required in the year ending 31 March 2007 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; payments to the Housing Corporation; payments to the Audit Commission for registered social landlord inspections; disabled facilities grant; best value in housing; home 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 licencing and safety rating of landlords; to 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; 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; 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; co-ordinating strategy for dealing with abandoned vehicles; payments that derive from European Structural Funds Regulations; exchange rate losses and other losses relating to European Regional Development Fund (ERDF) projects; Combined Universities of Cornwall; coalfields regeneration; planning; the Planning Inspectorate; fire and rescue services, including 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); Emergency Fire service closure costs; fire service pensions; fire service dispute(s); payments to Firebuy; mapping data and services; Ordnance Survey trading fund; regional assemblies, payments for the Mersey Basin Campaign; work on improving race, gender and faith equalities; payments to the Equality Opportunity Commission and the Commission for Racial Equality; costs associated with the setting up of the Commission for Equality and Human Rights; special grants paid under Section 88B of the Local Government Finance Act 1988; 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; 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; payments and loans in connection with the Queen Elizabeth II Conference Centre trading fund; the Neighbourhood Renewal Unit; the Teenage Pregnancy Unit; the administration and operation of the Department; 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; housing statistics, 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; payments to the Audit Commission for Best Value inspections; 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 2005-06 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, as amended, and to the Commission for Local Administration 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 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.

† 1) The responsibility for improving race and faith equalities and community cohesion (RfR1: Sections C and X) was transferred from the Home Office on 5 May 2006. Within the overall changes sought in this Estimate, the specific changes relating to this machinery of government transfer are:

- a) the net resource requirement is increased by £51,483,000;
- b) the capital requirement is increased by £25,000.
- c) the net cash requirement is increased by £51,315,000

† 2) The responsibility for gender equality (RfR1: Sections C and X) was transferred from the Department for Trade and Industry on 5 May 2006. Within the overall changes sought in this Estimate, the specific changes relating to this machinery of government transfer are:

- a) the net resource requirement is increased by £18,412,000;
- b) the net cash requirement is increased by £18,412,000

† 3) The responsibility for the work of the Deputy Prime Minister (from RfR1: Section F) has been transferred to the Deputy Prime Minister's Office on 5 May 2006. Within the overall changes sought in this Estimate, the specific changes relating to this machinery of government transfer are:

- a) the net resource requirement is reduced by £1,160,000 ;
- b) the net cash requirement is reduced by £1,140,000.

† 4) The responsibility for work on Social Exclusion (from RfR1: Section F) has been transferred to the Cabinet Office on 5 May 2006. Within the overall changes sought in this Estimate, the specific changes relating to this machinery of government transfer are:

- a) the net resource requirement is reduced by £926,000 ;
- b) the net cash requirement is reduced by £915,000.

† 5) The responsibility for the work of the Equalities Review Team (RfR1: Section F) was transferred from the Cabinet Office on 1 September 2006. Within the overall changes sought in this Estimate, the specific changes relating to this machinery of government transfer are:

- a) the net resource requirement is increased by £292,000
- b) the net cash requirement is increased by £292,000

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)						
RfR 1 - A	Housing Supply and Demand	155,212	-8,169	123	-8,292	146,920
RfR 1 - B	Decent Places To Live	41,564	2,630	-	2,630	44,194
RfR 1 - C	Tackling Disadvantage	74,169	48,818	30,000	18,818	92,987
RfR 1 - D	Better Services	107,444	-1,140	-	-1,140	106,304
RfR 1 - E	Development of English Regions	1,270,082	59,584	-	59,584	1,329,666
RfR 1 - F	Central Administration	197,823	25,830	8,696	17,134	214,957
RfR 1 - G	Government Office Administration	101,570	28,842	7,389	21,453	123,023
RfR 1 - I	European Structural Funds -Communities and Local Government	2,002	5,972	-	5,972	7,974
RfR 1 - K	Queen Elizabeth II Conference Centre Executive Agency	-1,409	117	-	117	-1,292
RfR 1 - L	Housing Supply and Demand	641,199	320,404	-	320,404	961,603
RfR 1 - M	Decent Places to Live	-132,170	745	-	745	-131,425
RfR 1 - N	Tackling Disadvantage	2,348,507	-88,164	-	-88,164	2,260,343
RfR 1 - O	Better Services	43,806	330	-	330	44,136
RfR 1 - P	Development of English Regions	285,221	5,721	-	5,721	290,942
Spending in Annually Managed Expenditure						
RfR 1 - R	Decent Places to Live	743,521	-47,702	-	-47,702	695,819
Non-Budget						
RfR 1 - U	Housing Supply and Demand	2,040,825	439,149	-	439,149	2,479,974
RfR 1 - V	Better Services	1,800	240	-	240	2,040
RfR 1 - X	Tackling Disadvantage	-	27,980	-	27,980	27,980
Spending in Departmental Expenditure Limits (DEL)						
RfR 1 - Y	Local Area Agreements	-	-	413,067	-413,067	-413,067
RfR 1 - Z	Local Area Agreements	-	523,296	-	523,296	523,296
Total RfR 1			1,344,483	459,275	885,208	

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 2: Providing for effective devolved decision making within a national framework					
Spending in Departmental Expenditure Limits (DEL)					
RfR 2 - A Valuation services	169,821	-2,371	-	-2,371	167,450
RfR 2 - B Best value inspection subsidies to Public Corporations & best value intervention costs	22,720	4,771	-	4,771	27,491
RfR 2 - C Local Government Research and Publicity, MAPPING costs and Electoral law	3,439	828	-	828	4,267
RfR 2 - D Local Governance	625	-614	-	-614	11
RfR 2 - E Revenue support grants	3,877,866	35,000	-	35,000	3,912,866
RfR 2 - H Other Grants and Payments (resource grants)	1,019,033	20,517	-	20,517	1,039,550
Spending in Annually Managed Expenditure (AME)					
RfR 2 - I Non-domestic Rates Outturn Adjustments and LABGIS	720,000	408,000	-	408,000	1,128,000
Non-Budget					
RfR 2 - J Non-departmental public bodies	21,543	161	-	161	21,704
Total RfR 2		466,292	-	466,292	
Total Changes to RfRs		1,810,775	459,275	1,351,500	

	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	44,178	5,685	49,863
Non-Operating A in A	107	-	107
Net cash requirement	32,068,455	1,357,195	33,425,650

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								
355,691	1,029,012	8,851,706	10,236,409	666,003	9,570,406	49,863	107	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Housing Supply and Demand								
2,625	95,147	58,762	156,534	9,614	146,920	5,794	-	
B Decent Places To Live								
-	6,289	37,905	44,194	-	44,194	-	-	
C Tackling Disadvantage								
-	75,855	47,132	122,987	30,000	92,987	25	-	
D Better Services								
1	106,230	5,815	112,046	5,742	106,304	16,840	25	
E Development of English Regions								
-	520	1,329,146	1,329,666	-	1,329,666	-	-	
F Central Administration								
212,653	41,246	-	253,899	38,942	214,957	21,706	-	
G Government Office Administration								
140,412	-	-	140,412	17,389	123,023	5,218	-	
H European Structural Funds - net								
-	-	1	1	-	1	-	-	
I European Structural Funds -Communities and Local Government								
-	7,972	2	7,974	-	7,974	280	-	
J Ordnance Survey								
-	-	1,320	1,320	1,340	-20	-	-	
K Queen Elizabeth II Conference Centre Executive Agency								
-	-	117	117	1,409	-1,292	-	82	
<i>Support for Local Authorities</i>								
L Housing Supply and Demand								
-	-	961,603	961,603	-	961,603	-	-	
M Decent Places to Live								
-	-	13,575	13,575	145,000	-131,425	-	-	
N Tackling Disadvantage								
-	-	2,260,343	2,260,343	-	2,260,343	-	-	
O Better Services								
-	-	44,136	44,136	-	44,136	-	-	
P Development of English Regions								
-	-	292,442	292,442	1,500	290,942	-	-	
Q European Structural Funds - net								
-	-	1	1	-	1	-	-	

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	
Spending in Annually Managed Expenditure (AME)								
<i>Central Government spending</i>								
R	Decent Places to Live	-	695,819	-	695,819	-	-	
S	Better Services	-	-66	116	50	-	-	
<i>Support for Local Authorities</i>								
T	Better Services	-	-	148,000	148,000	-	-	
<i>Housing Supply and Demand</i>								
		-	-	-	-	-	-	
Non-Budget								
U	Housing Supply and Demand	-	-	2,481,974	2,481,974	2,000	2,479,974	
V	Better Services	-	-	2,040	2,040	-	2,040	
W	Decent Places To Live	-	-	616,000	616,000	-	616,000	
X	Tackling Disadvantage	-	-	27,980	27,980	-	27,980	
<i>European Structural Funds - Communities and Local Government</i>								
		-	-	-	-	-	-	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
Y	Local Area Agreements	-	-	-	-	413,067	-413,067	
<i>Support for Local Authorities</i>								
Z	Local Area Agreements	-	-	523,296	523,296	-	523,296	
RfR 2: Providing for effective devolved decision making within a national framework								
		-	199,684	23,639,988	23,839,672	465	23,839,207	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A	Valuation services	-	167,450	-	167,450	-	167,450	
B	Best value inspection subsidies to Public Corporations & best value intervention	-	27,491	-	27,491	-	27,491	
C	Local Government Research and Publicity, MAPPING costs and Electoral law	-	4,732	-	4,732	465	4,267	
D	Local Governance	-	11	-	11	-	11	

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	
Support for Local Authorities								
E	Revenue support grants							
-	-	3,912,866	3,912,866	-	3,912,866	-	-	
F	Non-domestic Rates Payments							
-	-	17,500,000	17,500,000	-	17,500,000	-	-	
G	London Governance							
-	-	37,868	37,868	-	37,868	-	-	
H	Other Grants and Payments (resource grants)							
-	-	1,039,550	1,039,550	-	1,039,550	-	-	
	<i>Other Grants and Payments (capital grants)</i>							
-	-	-	-	-	-	-	-	
Spending in Annually Managed Expenditure (AME)								
Support for Local Authorities								
I	Non-domestic Rates Outturn Adjustments and LABGIS							
-	-	1,128,000	1,128,000	-	1,128,000	-	-	
Non-Budget								
J	Non-departmental public bodies							
-	-	21,704	21,704	-	21,704	-	-	
Total for Estimate:								
355,691	1,228,696	32,491,694	34,076,081	666,468	33,409,613	49,863	107	

Part II: Resource to cash reconciliation

	Present	Increase (+)/ Decrease (-)	£'000 Revised
Net Resource Requirement	32,058,113	1,351,500	33,409,613
Voted capital items			
Capital	44,178	5,685	49,863
<i>Less: Non-operating A in A</i>	<i>107</i>	<i>-</i>	<i>107</i>
Total net voted capital	44,071	5,685	49,756
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-7,166	-	-7,166
Depreciation	-32,370	10	-32,360
New provisions and adjustments to previous provisions	-8,223	-	-8,223
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	14,030	-	14,030
Total accruals to cash adjustments	-33,729	10	-33,719
Excess cash to be CFERd	-	-	-
Net Cash Requirement	32,068,455	1,357,195	33,425,650

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):

	£'000			
	Present provision		New provision	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	2,193,338	<i>2,191,549</i>	2,268,302	<i>2,266,513</i>
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	2,193,338	<i>2,191,549</i>	2,268,302	<i>2,266,513</i>

Forecast Operating Cost Statement

	£'000
	2006-07 provision
Net Administration Costs	
RfR1	318,647
RfR2	-
Total Net Administration Costs	318,647
Net Programme Costs	
RfR1	6,983,457
RfR2	23,839,207
Total Net Programme costs	30,822,664
Total Net Operating Cost	31,141,311
<i>of which:</i>	
Net Resource Requirement	33,409,613
Non-voted expenditure	-
Consolidated Fund Extra Receipts	-2,268,302
Resource Budget	27,567,919

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2006-07 Provision
Net Resource Requirement (Estimates)	33,409,613
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	-
Consolidated Fund extra receipts in the OCS	-2,268,302
Other adjustments	-
Net Operating Costs (Accounts)	31,141,311
<i>Adjustments to remove:</i>	
capital grants	-1,912,984
European Union income related to capital grants	-
voted expenditure outside the budget	-12,185
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	1,648,000
resource consumption of non departmental public bodies	-2,778,670
unallocated resource provision	14,841
Other adjustments	-532,394
Resource Budget (Budget)	27,567,919
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	26,185,186
Annually Managed Expenditure (AME)	1,382,733

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2006-07 Provision
Net Voted Capital (Estimates)	49,756
<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	2,763,743
capital grants	1,912,984
European Union income related to capital grants	-
supported capital expenditure (revenue)	1,253,055
capital spending by levy funded bodies	-
unallocated capital provision	57,094
Other adjustments	-
Capital Budget (Budget)	6,036,632
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	6,036,632
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	Neil Kinghan, Additional Accounting Officer and Director General of the Fire and Resilience 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 AO 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 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 requirements the relationship between the Principal Accounting Officer and Additional Accounting Officer 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
	2006-07 Provision
RfR 1: Improving the quality of life by creating thriving, inclusive and sustainable communities in all regions	
Administration	37,044
<i>of which:</i>	
Sale of goods and services	37,044
Programme	628,959
<i>of which:</i>	
Sale of goods and services	32,095
EU Income	-
Other grant income (including repayment of grants/subsidies)	2,860,523
Interest and dividends	4,643
CFERs	-2,268,302
Other income (including receipts)	-
Total RfR1	666,003 †

† 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 HM Fire Service Inspectorate; dividend payment from Ordnance Survey; dividend payment from the Queen Elizabeth II 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 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 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	465
<i>of which:</i>	
Sale of goods and services	465
Regulatory licences, fines, penalties and taxes	-
Total RfR2	465 †

† Amount that may be applied as operating appropriation 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 Department for Constitutional Affairs.

Total Operating A in A	666,468
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Analysis of non - operating appropriations in aid (A in A)

Programme	107
<i>of which:</i>	
Sale of assets	-
Loan, etc, repayments	107

Total RfR1	107
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† 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; 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	107
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Notes to the Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

		2006-07 provision		£'000
		Income	Receipts	
Planning Inspectorate Executive Agency (fees received from appeals against enforcement notices)		190	190	190
Central administration	Φ	11	11	11
Pooled capital receipts from local authorities	●	1,678,000	1,676,211	1,676,211
Housing Revenue Account Subsidy	△	590,101	590,101	590,101
Total		2,268,302	2,266,513	2,266,513

Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	127,065	54,561	25,930,295	254,891	26,185,186
<i>of which:</i>					
Administration budget*	31,863	-	318,647	-	318,647
Near-cash in RDEL	121,679	78,382	25,877,200	255,772	26,132,972
Capital**	402,292	-337,166	2,409,507	3,627,125	6,036,632
Less Depreciation†	10	-1,129	-32,360	-3,329	-35,689
Total	529,367	-283,734	28,307,442	3,878,687	32,186,129

* 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	666,575

Notes to the Estimate (*continued*)

Grants in Aid

RfR/Section	Body	£ million
RfR 1		
B	Commission for Architecture in the Built Environment	6.400
E	Regional Development Agencies	1,300.492
U	Housing Corporation	2,068.551
U	Urban Regeneration Agency	301.000
U	Other Growth Areas - Urban Regeneration Agency	4.000
U	Other Growth Areas - West Northamptonshire Urban Development Corporation	12.253
U	Thames Gateway - East England Development Agency	2.500
U	Thames Gateway - South East England Development Agency	1.200
U	Thames Gateway - Urban Regeneration Agency	2.800
U	Thames Gateway - London Urban Development Corporation	42.400
U	Thames Gateway - Thurrock Urban Development Corporation	32.125
V	Firebuy	1.800
X	Commission for Racial Equality	19.100
X	Equal Opportunities Commission	7.356
X	Community Development Foundation	1.524
RfR 2		
J	Standards Board for England	11.661
J	Valuation Tribunal Service	10.043