

# Department for Work and Pensions

## Introduction

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

### **RfR 1: Ensuring the best start for all children and ending child poverty in 20 years**

#### **Increases:**

#### Transfers from non-voted spending

- 1 Administration  
Section A  
£25,000,000  
Drawdown from the Welfare Modernisation Fund for Child Support Reform

#### Other increases

- 1 Administration  
Section A  
£7,683,000  
A transfer from RfR5 due to the delegation of IS/IT budgets for PC support

#### **Neutral Changes:**

#### Changes in spending offset by changes in income

- 1 Administration  
Section A  
£10,000  
An increase in forecast appropriations in aid leading to an equivalent increase in administration expenditure

### **RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need**

#### **Increases:**

#### Take up of End Year Flexibility

- 1 Other Current and Capital  
Sections A and B  
£140,000,000 (near cash)  
Additional Capital spending in Section A of £60,000,000 by Job Centre Plus, (£22,716,000 resource End Year Flexibility being used as capital) and additional spending of £80,000,000 in Section B on Employment Programmes

#### Transfers from non-voted spending

- 1 Administration  
Section A  
£1,500,000  
A drawdown from the Departmental Unallocated Provision for Working Age Client Group
- 2 Administration  
Section A  
£30,000,000

## Introduction (*continued*)

A drawdown from the Welfare Modernisation Fund for additional spending related to the Customer Management System

3 Administration

Section A

£70,000,000

A drawdown from the Employment Development Fund in connection with Jobcentre Plus roll out

Transfers from other Government Departments

1 Grants

Section K

£600,000

A transfer from the Scottish Executive for the costs of administration subsidy to Local Authorities

Other increases

1 Administration

Section A

£750,000

A transfer to Job Centre Plus from RfR5 to meet additional charges in respect of Securitas services

2 Administration

Section A

£51,965,000

A transfer from RfR5 due to the delegation of IS/IT budgets for PC support

3 Administration

Section A

£3,143,000

A transfer from RfR5 due to a movement of staff from Information Analysis Division

4 Administration

Section A

£277,000

A transfer from RfR3 for Extended Working Lives division

5 Grants

Section B

£2,939,000

A successful bid from the Invest to Save Budget

6 Administration

Section A

£35,000

A transfer from RfR5 due to a movement of staff from Group Finance

7 Other Current

Section B

£4,500,000

A transfer from RfR4 due to a realignment of budgets

8 Other Current

Section B

£6,000,000

A transfer from European Regional Development Fund

## Introduction (*continued*)

### Decreases:

- 1 Administration  
Section A  
£45,000  
A transfer to RfR5 HR Secondments Team in respect of Assistant Labour Attache costs
- 2 Administration  
Section A  
£16,000  
A transfer to RfR5 HR Secondments Team due to a staff movement
- 3 Administration  
Section A  
£1,426,000  
A transfer to RfR5 in connection with the Core Care contract
- 4 Administration  
Section A  
£1,004,000  
A transfer to RfR3 for Viewpoint and Corporate Customer Liaison
- 5 Other Current  
Section B  
£200,000  
A transfer to RfR4 due to a reallocation of resources
- 6 Other Current  
Section B  
£119,000  
A transfer to RfR4 Disability Rights Commission grant in aid due to a reallocation of resources
- 7 Grants  
Section K  
£11,000,000  
A transfer of funding to European Regional Development Fund
- 8 Non-budget  
Section AC  
£13,167,000  
An increase in European Social Fund appropriations in aid of £13,167,000 to match increased expenditure of £13,163,000 leading to an overall reduction of £4,000.

### Neutral changes:

#### Changes within the RfR

- 1 Other Current and Grants  
Sections K and B  
£7,700,000  
A transfer from Performance Standards to Working Age due to a realignment of housing benefit budgets
- 2 Other Current  
Sections C and B  
£1,681,000  
A transfer from Health and Safety Executive to Employment programmes due to a realignment of budgets

## Introduction (*continued*)

- 3 Grants  
Sections H and K  
£40,649,000  
A transfer of funding between Housing Benefit and European Social Fund
- 4 Other Current and Grants  
Sections B and H  
£11,486,000  
A transfer of funding between European Social Fund and Employment Programmes
- 5 Non-budget  
Section AC  
£32,700,000  
An increase for a capital charge on EC debtors
- 6 Other Current and Grants  
Section A  
£562,000  
A move of Analogous Industrial Injuries expenditure from Other Current to Grants
- 7 Grants  
Sections R and Z  
£250,000,000  
A transfer from Income Support to Rent Rebates due to revised forecasts of expenditure
- 8 Capital  
Section E  
£5,001,000  
A reduction in non-operating appropriations in aid due to the removal of a temporary loan facility to Remploy
- 9 Other Current  
Sections B and H  
£16,000,000  
A transfer of funding between European Social Fund and Employment Programmes

### Changes in spending offset by changes in income

- 1 Other Current  
Section B  
£345,000  
A decrease in forecast appropriations in aid leading to a decrease in Other Current expenditure in Section B
- 2 Administration  
Section C  
£24,000  
An increase in forecast appropriations in aid leading to an increase in administration expenditure in Section C
- 3 Grants  
Section K  
£5,000  
An increase in forecast appropriations in aid leading to an increase in grants

## Introduction (*continued*)

### 4 Administration, Other Current and Grants

Section A  
£19,583,000

An increase in forecast appropriations in aid leading to an increase in Section A of £20,659,000 administration expenditure, a decrease of £2,193,000 in Other Current, and an increase of £1,117,000 in Grants

### **RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners**

#### **Increases:**

#### Transfers from non-voted spending

### 1 Administration

Section A  
£25,000,000

A drawdown from the Departmental Unallocated Provision to fund pressures within the Pensions Service

### 2 Administration

Section A  
£98,000,000

A drawdown from the Welfare Modernisation Fund for additional expenditure of £69,000,000 administration and £29,000,000 Capital on the Pensions Transformation Project

#### Other increases

### 1 Administration

Section A  
£10,434,000

A transfer from RfR5 due to the delegation of IS/IT budgets for PC support

### 2 Administration

Section A  
£179,000

A transfer from RfR5 to The Pension Service due to the movement of External Supply Group commercial staff

### 3 Administration

Section A  
£1,004,000

A transfer from RfR2 for Viewpoint and Corporate Customer Liaison

### 4 Administration

Section A  
£5,000,000

A drawdown from the Reserve for the costs of processing the age related payments

### 5 Grants

Section A  
£189,000

A successful bid from the Invest to Save Budget

### 6 Administration and Capital

Section A  
£2,285,000

A transfer of £2,265,000 (administration) and £20,000 (Capital) from RfR5 because of a transfer of reporting responsibility for the Pensions Ombudsman and the SSAC

## Introduction (*continued*)

- 7 Non-budget  
Section E  
£88,468,000  
A revised forecast of Social Fund expenditure
- 8 Administration  
Section A  
£1,300,000  
A transfer from RfR5 of the Identity and Access Management project to Pensions

### Decreases:

- 1 Administration  
Section A  
£277,000  
A transfer to RfR2 for Extended Working Lives Division
- 2 Other Current  
Section A  
£21,000,000  
The movement of the Financial Assistance Scheme into non-voted expenditure
- 3 Administration  
Section A  
£570,000  
A transfer to RfR5 for the postage costs of the Pension Credit application pack

### Neutral Changes:

#### Changes in spending offset by changes in income

- 1 Administration  
Section A  
£416,000  
A decrease in forecast appropriations in aid leading to an equivalent decrease in administration expenditure

### **RfR 4: Improve the rights and opportunities for disabled people in a fair and inclusive society**

#### Increases:

##### Other increases

- 1 Administration  
Section A  
£4,535,000  
A transfer from RfR5 due to the delegation of IS/IT budgets for PC support
- 2 Administration  
Section A  
£247,000  
A transfer from RfR5 to Disability and Carer Services due to a movement of staff
- 3 Non-budget  
Section H  
£4,200,000  
An increase in the Disability Rights Commission grant in aid

## Introduction (*continued*)

- 4 Grants  
Section B  
£200,000  
A transfer from RfR2 due to a reallocation of resources
- 5 Grants  
Section H  
£119,000  
A transfer from RfR2 due to a reallocation of resources

### Decreases:

#### Transfer to other Government Department

- 1 Administration  
Section A  
£145,000  
A transfer to the Ministry of Defence for the Veterans Agency postal budget

#### Other decreases

- 1 Administration  
Section A  
£52,000  
A transfer to RfR5 for the non-staff element of the debt management transfer
- 2 Other Current  
Section A  
£4,500,000  
A transfer to RfR2 due to a realignment of budgets

### Neutral changes:

#### Changes in spending offset by changes in income

- 1 Administration, Other Current and Grants  
Sections A and B  
£243,000  
An increase of £243,000 in forecast appropriations in aid leading to an increase in administration costs of £342,000 in Section A and an increase in Other Current of £61,000 in Section A, and a decrease in Grants of £160,000 in Section B

### RfR 5: Corporate contracts and support services

#### Increases:

#### Take up of End Year Flexibility

- 1 Other Current  
Section A  
20,000,000 (non-cash)  
An increase in the Early Release provision

## Introduction (*continued*)

### Transfers from non-voted spending

- 1 Administration  
Section A  
£26,675,000  
A drawdown from the Departmental Unallocated Provision to fund additional expenditure in RfR5
- 2 Capital  
Section A  
£7,000,000  
A drawdown from the Departmental Unallocated Provision to fund additional Capital expenditure
- 3 Administration  
Section A  
£47,000,000  
A drawdown from the Welfare Modernisation Fund for additional expenditure on the Payment Modernisation Project, the Resource Management Project and the Debt Management Project

### Other increases

- 1 Administration  
£25,000,000  
Section A  
A drawdown from the Reserve to meet the cost of additional Post Office Card Account customers
- 2 Administration  
Section A  
£45,000  
A transfer from RfR2 in respect of Assistant Labour Attache costs
- 3 Administration  
Section A  
£16,000  
A transfer from Work, Welfare and Equality Group due to a staff movement
- 4 Administration  
Section A  
£52,000  
A transfer from RfR4 for the non-staff element of the debt management transfer
- 5 Administration  
Section A  
£1,426,000  
A transfer from RfR2 in connection with the Core Care contract
- 6 Administration  
Section A  
£10,000,000  
A drawdown to meet the administration costs of measures to promote Financial Inclusion
- 7 Administration  
Section A  
£570,000  
A transfer from RfR3 for the postage costs of the Pension Credit application pack

## Introduction (*continued*)

### Decreases:

#### Other decreases

- 1 Administration  
Section A  
£750,000  
A transfer from Group Finance to RfR2 Job Centre Plus to meet additional charges in respect of Securitas services
- 2 Administration  
Section A  
£4,535,000  
A transfer from Programme and Systems Delivery to RfR4 due to the delegation of IS/IT budgets for PC support
- 3 Administration  
Section A  
£51,965,000  
A transfer from Programme and Systems Delivery to RfR2 due to the delegation of IS/IT budgets for PC support
- 4 Administration  
Section A  
£10,434,000  
A transfer from Programme and Systems Delivery to RfR3 due to the delegation of IS/IT budgets for PC support
- 5 Administration  
Section A  
£7,683,000  
A transfer from Programme and Systems Delivery to RfR1 due to the delegation of IS/IT budgets for PC support
- 6 Administration  
Section A  
£3,143,000  
A transfer from Information Analysis Division to Work, Welfare and Equality Group due to a movement of staff
- 7 Administration  
Section A  
£247,000  
A transfer from Information Analysis Division to Disability and Carer Services due to a movement of staff
- 8 Administration  
Section A  
£179,000  
A transfer of External Supply Group commercial staff to RfR3
- 9 Administration and Capital  
Section A  
£2,285,000  
A transfer of £2,265,000 (administration) and £20,000 (Capital) to RfR3 because of a transfer of reporting responsibility for the Pensions Ombudsman and the SSAC

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**Introduction (*continued*)**

- 10 Administration  
Section A  
£1,300,000  
A transfer from Identity and Access Management project to Pensions
- 11 Administration  
Section A  
£35,000  
A transfer to RfR2 due to a movement of staff from Group Finance

**Neutral changes:**Changes in spending offset by changes in income

- 1 Capital and administration  
Section A  
£4,061,000  
An increase in forecast non-operating appropriations in aid due to Capital sales leading to an increase in Capital spending of £2,561,000 (book value) and an increase in administration spending of £1,500,000 (profit on disposal)
- 2 Administration and Other Current  
Section A  
£960,000  
A reduction in appropriations in aid leading to a reduction in administration costs of £1,216,000 and an increase in Other Current of £256,000
2. As a result of these changes there is an increase in the net cash requirement of £715,759,000
3. Symbols are explained in the Introduction to this booklet.

## Part I

£

<b>RfR 1: Ensuring the best start for all children and ending child poverty in 20 years</b>	<b>32,683,000</b>
<b>RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need</b>	<b>257,432,000</b>
<b>RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners</b>	<b>180,992,000</b>
<b>RfR 4: Improve the rights and opportunities for disabled people in a fair and inclusive society</b>	<b>4,604,000</b>
<b>RfR 5: Corporate contracts and support services</b>	<b>48,248,000</b>
Total additional net resource requirement	523,959,000
<b>Additional net cash requirement</b>	<b>715,759,000</b>

SUPPLEMENTARY amounts required in the year ending 31 March 2006 for expenditure by the Department for Work and Pensions on:

**RfR 1: Ensuring the best start for all children and ending child poverty in 20 years**

The administration costs of the child support system; and associated non-cash items.

**RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need**

The administration costs and benefit payments of Severe Disablement Allowance; pensions gratuities and sundry allowances for disablement and specified deaths arising from industrial causes; Income Support for the under 60's; Jobseeker's Allowance (contribution-based); Jobseeker's Allowance (income based); Analogous Industrial Injuries Scheme; earnings top up pilot; job grant; back to work bonus; compensation payments to the National Insurance Fund in respect of Statutory Sick and Statutory Maternity Pay; Family Credit; the provision of training and assessment programmes for adults; the promotion of enterprise and the encouragement of self employment; help for unemployed people and disability rights. Measures to help people, particularly those on welfare and at a disadvantage in the labour market, into work; the administration of, and where appropriate the payment of allowances to people participating in, the Welfare to Work programme, the Job Transition Service and other employment programmes, pilot programmes and new measures to help people into work; temporary subsidies to employers; grants to voluntary bodies and local authorities towards the provision of supported employment; awards for achievements in overcoming barriers to employment; a Grant in Aid and the provision of a temporary loan facility to Remploy Ltd; assistance and advice on employment service and labour market issues to international organisations; research; publicity and associated non-cash items. Subsidies to housing, billing, levying and local authorities towards the costs incurred in administering the Housing Benefit and/or Council Tax Benefit schemes; rent rebate, rent allowance; Council Tax Benefit; payments to local authorities in respect of anti-fraud and similar administrative measures; discretionary housing payments; sums payable for incentive payments in respect of Housing Benefit under occupation schemes; sums payable to third party providers of services to local authorities; compensation for sufferers, or their dependants, of certain dust related diseases; the Rent Service Agency; the Health and Safety Commission (HSC); grants to further health and safety in the workplace; the administration costs of the Children's Client Group and the Disabled People Client Group; payments for education; training and employment projects assisted by the European Union and refunds to the European Union, the UK subscription to the International Labour Organisation, other international educational programmes; payments to local authorities in respect of Local Area Agreements; measures to promote financial inclusion and associated non-cash items.

**RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's**

The administration costs and benefit payments of non-contributory retirement pensions; Christmas Bonus payments to pensioners; Age-related payments 2005; One-off 70+ payment to Pensioners; Income Support for the elderly; Pension Credit; payments made to the BBC in respect of over 75's free TV licence scheme; expenditure to assist people make plans for their retirement; research into pensions; Private Pensions Industry regulatory work; Grant in Aid for the administration costs of Better Government for Older People; payments in respect of the Pension Protection

## **Part I (*continued*)**

Fund; expenditure in respect of the Pensions Regulator; the Financial Assistance Scheme; Grant in Aid to the Centre for Policy on Ageing; Grant in Aid to the Pensions Advisory Service; sums payable to fund payments and loans made by the Social Fund; the administration of pilot programmes and new measures to help improve independence and social inclusion of older people; grants to voluntary bodies and local authorities towards provision for the needs of older people and associated non-cash items.

### **RfR 4: Improve the rights and opportunities for disabled people in a fair and inclusive society**

The administration costs and benefit payments of Attendance Allowance; Disability Living Allowance; Disability Working Allowance; Carer's Allowance; Vaccine Damage; Grants in Aid to the Disability Rights Commission, Motability, Independent Living Fund and associated non-cash items.

### **RfR 5: Corporate contracts and support services**

Corporate administration; the costs associated with the Appeals Service; measures to promote financial inclusion and associated non-cash items.

The Department for Work and Pensions will account for this Estimate.

## 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
<b>RfR 1: Ensuring the best start for all children and ending child poverty in 20 years</b>					
<b>Spending in Departmental Expenditure Limits (DEL)</b>					
<i>Central Government spending</i>					
RfR 1 - A Administration	308,947	32,693	10	32,683	341,630
<b>Total RfR 1</b>		<b>32,693</b>	<b>10</b>	<b>32,683</b>	
<b>RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need</b>					
<b>Spending in Departmental Expenditure Limits (DEL)</b>					
<i>Central Government spending</i>					
RfR 2 - A Administration	1,350,152	174,762	19,583	155,179	1,505,331
RfR 2 - B Employment Programmes	861,234	129,642	-345	129,987	991,221
RfR 2 - C Health and Safety Executive	233,000	-1,657	24	-1,681	231,319
RfR 2 - D Health and Safety Laboratory	-	-	-	-	-
RfR 2 - E Capital Grants	8,476	-	-	-	8,476
RfR 2 - F The Rent Service Executive Agency	43,397	-	-	-	43,397
RfR 2 - G European Social Fund	82,936	-	-	-	82,936
RfR 2 - H European Social Fund payments in advance of receipts	336,479	13,163	-	13,163	349,642
<i>Support for Local Authorities</i>					
RfR 2 - I Employment Programmes	37,047	-	-	-	37,047
RfR 2 - J Challenge funding and similar administrative measures - Local Authorities	163,464	-	-	-	163,464
RfR 2 - K Housing benefit and council tax benefit administration grants	518,236	-58,744	5	-58,749	459,487
RfR 2 - L Third Party providers	5,000	-	-	-	5,000
RfR 2 - M Capital grants to Local Authorities	2,895	-	-	-	2,895
RfR 2 - N European Social Fund	10,367	-	-	-	10,367
RfR 2 - O European Social Fund payments in advance of receipts	72,569	-	-	-	72,569
<b>Spending in Annually Managed Expenditure (AME)</b>					
<i>Central Government spending</i>					
RfR 2 - P Severe Disablement Allowance	876,704	-	-	-	876,704
RfR 2 - Q Industrial injury benefits	800,373	-	-	-	800,373

**Part II: Changes proposed (*continued*)**

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 2 - R Income support (under 60 years of age)	9,380,069	-250,000	-	-250,000	9,130,069
RfR 2 - S Jobseeker's allowance (income based)	1,663,512	-	-	-	1,663,512
RfR 2 - T Jobseeker's allowance (contribution based)	-	-	-	-	-
RfR 2 - U Job Grant	35,436	-	-	-	35,436
RfR 2 - V Employment Allowances	92,988	-	-	-	92,988
RfR 2 - W Housing and Council tax benefit capital charge	3,277	-	-	-	3,277
RfR 2 - X Non-continuing benefits debt activity	35	-	-	-	35
<b>Support for Local Authorities</b>					
RfR 2 - Y Housing benefit and council tax benefit subsidies	12,022,789	-	-	-	12,022,789
RfR 2 - Z Rent rebates	4,824,387	250,000	-	250,000	5,074,387
RfR 2 - AA Discretionary housing payments	20,000	-	-	-	20,000
<b>Non-budget</b>					
RfR 2 - AB Statutory benefits (SSP and SMP)	1,316,538	-	-	-	1,316,538
RfR 2 - AC European Social Fund	-502,347	32,700	13,167	19,533	-482,814
<b>Total RfR 2</b>		<b>289,866</b>	<b>32,434</b>	<b>257,432</b>	

**RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners****Spending in Departmental Expenditure Limits (DEL)***Central Government spending*

RfR 3 - A Administration	72,896	92,108	-416	92,524	165,420
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**Spending in Annually Managed Expenditure (AME)***Central Government spending*

RfR 3 - B Pension benefits	1,074,059	-	-	-	1,074,059
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RfR 3 - C Income support for the elderly and Pension Credit	6,593,187	-	-	-	6,593,187
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RfR 3 - D TV licences for the over 75s	451,016	-	-	-	451,016
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**Non-budget**

RfR 3 - E Payments to the Social Fund	2,233,179	88,468	-	88,468	2,321,647
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RfR 3 - F Pensions Grants in Aid	48,303	-	-	-	48,303
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<b>Total RfR 3</b>		<b>180,576</b>	<b>-416</b>	<b>180,992</b>	
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**Part II: Changes proposed (*continued*)**

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
<b>RfR 4: Improve the rights and opportunities for disabled people in a fair and inclusive society</b>					
<b>Spending in Departmental Expenditure Limits (DEL)</b>					
<i>Central Government spending</i>					
RfR 4 - A Administration	190,554	488	403	85	190,639
RfR 4 - B Motability administration	2,900	40	-160	200	3,100
<b>Spending in Annually Managed Expenditure (AME)</b>					
<i>Central Government spending</i>					
RfR 4 - C Attendance Allowance	3,901,178	-	-	-	3,901,178
RfR 4 - D Disability Living Allowance	8,648,508	-	-	-	8,648,508
RfR 4 - E Carer's Allowance	1,193,773	-	-	-	1,193,773
RfR 4 - F Vaccine Damage Payments	500	-	-	-	500
RfR 4 - G Grants to independent bodies	234,483	-	-	-	234,483
<b>Non-budget</b>					
RfR 4 - H Disability Rights Commission (Grant in Aid)	16,919	4,319	-	4,319	21,238
<b>Total RfR 4</b>		<b>4,847</b>	<b>243</b>	<b>4,604</b>	
<b>RfR 5: Corporate contracts and support services</b>					
<b>Spending in Departmental Expenditure Limits (DEL)</b>					
<i>Central Government spending</i>					
RfR 5 - A Administration	2,086,156	47,288	-960	48,248	2,134,404
<b>Total RfR 5</b>		<b>47,288</b>	<b>-960</b>	<b>48,248</b>	
<b>Total Changes to RfRs</b>		<b>555,270</b>	<b>31,311</b>	<b>523,959</b>	

	Present Provision	Change in Provision	New Provision
<b>Capital and Cash</b>			
Total Capital Expenditure	305,435	93,560	398,995
Non-Operating A in A	8,074	-940	7,134
<b>Net cash requirement</b>	<b>61,851,690</b>	<b>715,759</b>	<b>62,567,449</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: Ensuring the best start for all children and ending child poverty in 20 years</b>								
341,824	-	-	341,824	194	341,630	14,000	-	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A Administration								
341,824	-	-	341,824	194	341,630	14,000	-	
<b>RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need</b>								
2,703,999	924,391	33,129,627	36,758,017	2,241,572	34,516,445	276,402	873	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A Administration								
2,402,719	7,883	36,980	2,447,582	942,251	1,505,331	264,302	-	
B Employment Programmes								
2,993	850,289	137,939	991,221	-	991,221	-	-	
C Health and Safety Executive								
227,343	58,319	-	285,662	54,343	231,319	6,502	475	
D Health and Safety Laboratory								
27,547	5,351	-	32,898	32,898	-	4,598	398	
E Capital Grants								
-	2,549	5,927	8,476	-	8,476	-	-	
F The Rent Service Executive Agency								
43,397	-	-	43,397	-	43,397	1,000	-	
G European Social Fund								
-	-	82,936	82,936	-	82,936	-	-	
H European Social Fund payments in advance of receipts								
-	-	349,642	349,642	-	349,642	-	-	
<i>Support for Local Authorities</i>								
I Employment Programmes								
-	-	37,047	37,047	-	37,047	-	-	
J Challenge funding and similar administrative measures - Local Authorities								
-	-	163,464	163,464	-	163,464	-	-	
K Housing benefit and council tax benefit administration grants								
-	-	459,492	459,492	5	459,487	-	-	
L Third Party providers								
-	-	5,000	5,000	-	5,000	-	-	
M Capital grants to Local Authorities								
-	-	2,895	2,895	-	2,895	-	-	
N European Social Fund								
-	-	10,367	10,367	-	10,367	-	-	
O European Social Fund payments in advance of receipts								
-	-	72,569	72,569	-	72,569	-	-	
<b>Spending in Annually Managed Expenditure (AME)</b>								
<i>Central Government spending</i>								
P Severe Disablement Allowance								
-	-	876,704	876,704	-	876,704	-	-	

## 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
Q	Industrial injury benefits	-	800,373	800,373	-	800,373	-	-
R	Income support (under 60 years of age)	-	9,337,265	9,337,265	207,196	9,130,069	-	-
S	Jobseeker's allowance (income based)	-	1,663,512	1,663,512	-	1,663,512	-	-
T	Jobseeker's allowance (contribution based)	-	489,243	489,243	489,243	-	-	-
U	Job Grant	-	35,436	35,436	-	35,436	-	-
V	Employment Allowances	-	92,988	92,988	-	92,988	-	-
W	Housing and Council tax benefit capital charge	-	3,277	3,277	-	3,277	-	-
X	Non-continuing benefits debt activity	-	35	35	-	35	-	-
<b>Support for Local Authorities</b>								
Y	Housing benefit and council tax benefit subsidies	-	12,022,829	12,022,829	40	12,022,789	-	-
Z	Rent rebates	-	5,074,387	5,074,387	-	5,074,387	-	-
AA	Discretionary housing payments	-	20,000	20,000	-	20,000	-	-
<b>Non-budget</b>								
AB	Statutory benefits (SSP and SMP)	-	1,316,620	1,316,620	82	1,316,538	-	-
AC	European Social Fund	-	32,700	32,700	515,514	-482,814	-	-
<b>RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners</b>								
	<b>458,816</b>	<b>3,689</b>	<b>10,488,401</b>	<b>10,950,906</b>	<b>297,274</b>	<b>10,653,632</b>	<b>85,077</b>	<b>-</b>
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<b>Central Government spending</b>								
A	Administration	458,816	3,689	189	462,694	297,274	165,420	85,077
<b>Spending in Annually Managed Expenditure (AME)</b>								
<b>Central Government spending</b>								
B	Pension benefits	-	1,074,059	1,074,059	-	1,074,059	-	-
C	Income support for the elderly and Pension Credit	-	6,593,187	6,593,187	-	6,593,187	-	-
D	TV licences for the over 75s	-	451,016	451,016	-	451,016	-	-
<b>Non-budget</b>								
E	Payments to the Social Fund	-	2,321,647	2,321,647	-	2,321,647	-	-
F	Pensions Grants in Aid	-	48,303	48,303	-	48,303	-	-

**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 4: Improve the rights and opportunities for disabled people in a fair and inclusive society</b>								
191,396	61	14,005,280	14,196,737	3,318	14,193,419	-	-	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A	Administration							
191,396	61	-	191,457	818	190,639	-	-	
B	Motability administration							
-	-	3,100	3,100	-	3,100	-	-	
<b>Spending in Annually Managed Expenditure (AME)</b>								
<i>Central Government spending</i>								
C	Attendance Allowance							
-	-	3,901,178	3,901,178	-	3,901,178	-	-	
D	Disability Living Allowance							
-	-	8,648,508	8,648,508	-	8,648,508	-	-	
E	Carer's Allowance							
-	-	1,193,773	1,193,773	-	1,193,773	-	-	
F	Vaccine Damage Payments							
-	-	500	500	-	500	-	-	
G	Grants to independent bodies							
-	-	236,983	236,983	2,500	234,483	-	-	
<b>Non-budget</b>								
H	Disability Rights Commission (Grant in Aid)							
-	-	21,238	21,238	-	21,238	-	-	
<b>RfR 5: Corporate contracts and support services</b>								
2,038,086	157,431	-	2,195,517	61,113	2,134,404	23,516	6,261	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A	Administration							
2,038,086	157,431	-	2,195,517	61,113	2,134,404	23,516	6,261	
<b>Total for Estimate:</b>								
5,734,121	1,085,572	57,623,308	64,443,001	2,603,471	61,839,530	398,995	7,134	

## Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
<b>Net total Resources</b>	<b>61,315,571</b>	<b>523,959</b>	<b>61,839,530</b>
<b>Voted capital items</b>			
Capital expenditure	305,435	93,560	398,995
<i>Less: non-operating A in A</i>	<u>8,074</u>	<u>-940</u>	<u>7,134</u>
<b>Total net voted capital</b>	<b>297,361</b>	<b>94,500</b>	<b>391,861</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-28,009	-32,700	-60,709
Depreciation	-108,628	-	-108,628
New provisions and adjustments to previous provisions	-87,010	-20,000	-107,010
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-23,269	-	-23,269
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	316,791	-	316,791
Increase(-)/decrease (+) in creditors	168,883	150,000	318,883
Use of provisions	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total accruals to cash adjustments</b>	<b>238,758</b>	<b>97,300</b>	<b>336,058</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash requirement</b>	<b>61,851,690</b>	<b>715,759</b>	<b>62,567,449</b>

## 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	-	-	-	-
Non-operating income not classified as A in A	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	2,222	2,202	7,222	7,222
Excess receipts to be surrendered to the Consolidated Fund	-	-	-	-
<b>Total</b>	<u>2,222</u>	<u>2,202</u>	<u>7,222</u>	<u>7,222</u>

## Forecast Operating Cost Statement

		£'000
		2005-06 provision
<b>Net Administration Costs</b>		
RfR 1	341,630	
RfR 2	2,599,134	
RfR 3	456,885	
RfR 4	190,639	
RfR 5	2,001,675	
<b>Total Net Administration Costs</b>		<b>5,589,963</b>
<b>Net Programme Costs</b>		
RfR 1	-	
RfR 2	32,797,762	
RfR 3	10,376,963	
RfR 4	14,002,780	
RfR 5	156,675	
Non-voted expenditure	<u>59,815,183</u>	
<b>Total Net Programme costs</b>		<b>117,149,363</b>
<b>Total Net Operating Cost</b>		<b>122,739,326</b>
<i>of which:</i>		
<b>Net Resource Outturn</b>		<b>61,839,530</b>
CFERs		-
Non-voted expenditure		63,221,443
<b>Resource Budget Outturn</b>		<b>123,703,311</b>

## Notes to the Estimate

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

	£'000
	2005-06 Provision
<b>Net Resource Outturn (Estimates)</b>	<b>61,839,530</b>
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	63,221,443
Consolidated Fund Extra Receipts (CFERS) in the OCS	-
Other adjustments	-2,321,647
<b>Net Operating Costs (Accounts)</b>	<b>122,739,326</b>
<i>Adjustments to remove:</i>	
capital grants to local authorities	-3,253
capital grants financed from the Capital Modernisation Fund	-
European Union income and related adjustments	535,714
voted expenditure outside the budget	-32,700
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-22
resource consumption of non departmental public bodies	-5,077
unallocated resource provision	468,389
Other adjustments	934
<b>Resource Budget Outturn (Budget)</b>	<b>123,703,311</b>
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	8,530,452
Annually Managed Expenditure (AME)	115,172,859

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2005-06 Provision
<b>Net Voted Capital Outturn (Estimates)</b>	<b>391,861</b>
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	1,500
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
capital spending by non departmental public bodies	9,928
capital grants to local authorities	3,053
capital grants financed by the Capital Modernisation Fund	-
local authority credit approvals	-
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	93,502
<b>Capital Budget Outturn (Budget)</b>	<b>499,844</b>
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	406,342
Annually Managed Expenditure (AME)	93,502

## 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.

<b>Request for Resources 1</b>	Leigh Lewis, Principal Accounting Officer and Permanent Head of Department
<b>Request for Resources 2</b>	Leigh Lewis, Principal Accounting Officer and Permanent Head of Department
<b>Request for Resources 3</b>	Leigh Lewis, Principal Accounting Officer and Permanent Head of Department
<b>Request for Resources 4</b>	Leigh Lewis, Principal Accounting Officer and Permanent Head of Department
<b>Request for Resources 5</b>	Leigh Lewis, Principal Accounting Officer and Permanent Head of Department

Leigh Lewis as the Principal Accounting Officer (PAO) of the Department for Work and Pensions has personal responsibility for the proper presentation of the Department for Work and Pensions' 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, in addition to the responsibilities for the assigned RfRs, remains in general overall charge of the Department for Work and Pensions.

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 the 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 available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the Department for Work and Pensions' policies, aims, and objectives; and should regularly review the effectiveness of that system.

## Notes to the Estimate (*continued*)

### Analysis of appropriations in aid (A in A)

	£'000	
	2005-06 Provision	
	Operating A in A	Non operating A in A
<b>RfR 1: Ensuring the best start for all children and ending child poverty in 20 years</b>		
Services carried out by the Department for Work and Pensions on behalf of public and private sector bodies and members of the public	58	-
Receipts from non-resident parents following an advance payment for maladministered maintenance to a parent with care	132	-
Receipts from applicants for services provided by Child Support Agency	3	-
Receipts from staff for private telephone calls	1	-
<b>Total RfR 1</b>	<b>194 *</b>	<b>-</b>
* Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from staff for private telephone calls; services carried out by the Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from the sale of non-capital items; receipts from applicants for services provided by the Child Support Agency and receipts from the repayment of maintenance by non-resident parents, where the parent with care is in receipt of income support, reduced by the child maintenance premium paid directly to the parent with care.		
<b>RfR 2: Promote work as the best form of welfare for people of working age, whilst protecting the position of those in greatest need</b>		
Receipts from the National Insurance Fund for the estimated cost of administering National Insurance Benefits	880,451	-
Receipts for Services carried out by the Department for Work and Pensions on behalf of public and private sector bodies and members of the public	23,349	-
Receipts from other Departments/Organisations in respect of outward secondments	3,955	-
Receipts from matched funded projects	491	-
Recovery of the costs of administering allowance payments for work based learning for adults in Scotland and Wales	222	-
Contribution from Scotland and Wales toward Employment Zones	-	-
Receipts from Local Authorities and partner organisations for services provided to them by Departmental Action Teams	1,334	-
Receipts for expenses from the EU	681	-
Repayment of temporary loans to Remploy	-	-
Challenge funding and similar measures	5	-
Receipts from staff for private telephone calls	52	-
Receipts from mortgage lenders	446	-
Income support (under 60 years of age)	207,196	-
Jobseeker's allowance (contribution based)	489,243	-
Receipts from Working Links management fee	-	-
Housing benefit and council tax benefit subsidies	40	-
Statutory benefits (SSP and SMP)	82	-
Health and Safety Executive	54,343	475
Health and Safety Laboratory	32,898	398
Receipts from outside bodies in respect of partnership working in New Deal for Community areas	210	-
Receipts from EU twinning funded projects	437	-
Payments from Department for Education and Skills for International Programmes	30,623	-
Receipts in respect of the European Social Fund	515,514	-
LSC ambitions programme	-	-
Presidency receipts from the EU	-	-
Refunds from Local Authorities of Performance Standard Funding	-	-
<b>Total RfR 2</b>	<b>2,241,572 *</b>	<b>873 **</b>

## Notes to the Estimate (*continued*)

### Analysis of appropriations in aid (A in A) (*continued*)

\*Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated cost of administering National Insurance benefits; services carried out by the Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from staff for private telephone calls; receipts from mortgage lenders; receipts from other departments/organisations in respect of outward secondments; receipts from the sale of non-capital items; receipts from EU twinning funded projects; receipts from match funded projects; the recovery of the cost of administering allowance payments for work based learning for adults in Scotland and Wales;

contribution from Scotland and Wales towards Employment Zones; receipts from Local Authorities for services provided to them by Departmental Action Teams, including Neighbourhood Renewal Funds, rent and similar receipts; receipts from outside bodies in respect of partnership working in New Deal for Community areas; recovery from Home Office of the costs of administering the refugee and Asylum Seeker programmes; recovery from the EC of the costs of work on European Employment Services (EURES) and work undertaken on labour market issues in eastern Europe;

receipts from the EU for travel expenses, and subsistence allowances incurred by staff on European Union business; receipts from sponsors of supported placements in the ES; receipts in respect of vending machines; receipts from Working Links, Working Links management fee and dividend; receipts from selling services under the Wider Markets Initiative; receipts from partner organisations in respect of action teams; receipts in respect of LSC ambitions programme; the recovery of excess payments made on Jobcentre Plus employment measures; recoveries from authorities not achieving baseline targets set in respect of anti-fraud measures;

recoveries from authorities not achieving targets set in respect of extended payments; receipts from damages payable to recipients of Statutory Sick Pay; receipts via Compensation Recovery Unit in respect of benefits paid in lieu; payments on return to work after a trade dispute made to people who would normally be excluded from Income Support because they are in full time work; payments by liable relatives; amounts collected through a court order or on a voluntary basis from relatives of income support claimants; receipts from the Child Support Agency of payments of maintenance from absent parents for parents with care who are in receipt of Income Support;

repayment of Jobseeker's Allowance (contribution based) from the National Insurance Fund; receipts in respect of the Health and Safety Commission (HSC) including fees and charges levied by the HSC, receipts for research, administrative services, testing, fee paying enquiries, dissemination of information, royalties, the loan and hire of equipment, seminars, patent rights, conferences and publications (in print and non-print media) provided by the HSC; payments from other government departments, agencies, non-departmental public bodies and overseas governments to the HSC; sales of land and buildings, water, stores, plant, equipment, machinery and vehicles of the

HSC; recoveries of seconded staff salaries of the HSC; receipts for the use of HSC accommodation, rental income, receipts from HSC property and land, sponsorship, including contributions from co-sponsors towards the costs of research and surveys carried out by HSC; recoveries by the HSC from the European Union in respect of travelling expenses and subsistence allowances incurred by HSC staff on European Union business; contributions and recoveries from the European Union of costs of HSC research and projects, legal claims of the HSC, including awards of court costs and out of court settlements; refunds of advance of salaries of HSC staff, and repayment of loans

made by the HSC; receipts in respect of the European Fast Stream; receipts from the EC to meet payments to Local Authorities and non-exchequer bodies for education and training and employment projects training assisted by the European Social Fund; receipts from the EU Twining funded projects; Joint International Unit administration receipts; payments from the Department for Education and Skills; Presidency receipts from the EU; Refunds from Local Authorities of Performance Standard Funding.

\*\*Amount that may be applied as non-operating appropriations in aid arising from receipts from the sales of obsolete machinery, equipment, official vehicles, furniture and buildings.

	£'000	
	2005-06 Provision	
	Operating A in A	Non operating A in A
<b>RfR 3: Combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners</b>		
Receipts from the National Insurance Fund for the costs of administering National Insurance Benefits	256,083	-
Services carried out by the Department for Work and Pensions on behalf of public and private sector bodies and members of the public	1,520	-
Receipts for levy funded bodies	38,171	-
Receipts from other departments/organisations in respect of outward secondments	202	-
Receipts from mortgage lenders	410	-
Receipts from staff for private telephone calls	1	-
Partnership Funding	887	-
<b>Total RfR 3</b>	<b>297,274 *</b>	<b>-</b>

## Notes to the Estimate (*continued*)

### Analysis of appropriations in aid (A in A) (*continued*)

\* Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated costs of administering NI benefits, services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from mortgage lenders; receipts from staff for private telephone calls and receipts via Compensation Recovery Unit in respect of benefits paid in lieu.

	£'000	
	2005-06 Provision	
	Operating A in A	Non operating A in A
<b>RfR 4: Improve the rights and opportunities for disabled people in a fair and inclusive society</b>		
Motability administration	0	-
Motability Grant	2,500	-
Services carried out by the Department for Work and Pensions on behalf of public and private sector bodies and members of the public	757	-
Receipts from staff for private telephone calls	0	-
Receipts from other departments/organisations in respect of outward secondments	61	-
<b>Total RfR 4</b>	<b>3,318 *</b>	<b>-</b>

\*Amount that may be applied as appropriations in aid in addition to the net total arising from services carried out by Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from the European Union for the European year for disabled people 2003; receipts from staff for private telephone calls; receipts via Compensation Recovery Unit in respect of benefits paid in lieu, recoveries of payments from the Department of Social Development (Northern Ireland) towards Motability's car adaptation and administration costs and receipts from Tenth Anniversary Trust towards Motability's car adaptation costs.

	£'000	
	2005-06 Provision	
	Operating A in A	Non operating A in A
<b>RfR 5: Corporate contracts and support services</b>		
Receipts from the National Insurance Fund for the costs of administering National Insurance Benefits	23,946	-
Services carried out by the Department for Work and Pensions on behalf of public and private sector bodies and members of the public	12,347	-
Receipts from mortgage lenders	567	-
Receipts from staff towards the cost of private use of official vehicles	1,179	-
Receipts from sub-let accommodation	20,604	-
Receipts from staff for private telephone calls	16	-
Recovery of law costs from defendants	1,580	-
Receipts from other departments/organisations in respect of outward secondments	756	-
Receipts from the sale of obsolete machinery, equipment, official vehicles, furniture and buildings	-	6,261
Early Departures pre-funding interest	118	-
<b>Total RfR 5</b>	<b>61,113 *</b>	<b>6,261 **</b>

\* Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from the National Insurance Fund for the estimated cost of administering NI benefits; services carried out by the Department for Work and Pensions on behalf of public and private sector bodies and members of the public; receipts from third parties for uninsured losses; receipts from staff for private telephone calls; recovery of law costs from dependants; receipts from sub-let accommodation; receipts from sale of non-capital items; receipts from the Department for Education and Skills in respect of Modern Apprenticeships; receipts from other departments/organisations in respect of the European Fast Stream; receipts from IT services to other government departments; Early Departures pre-funding interest.

\*\* Amount that may be applied as non-operating appropriations in aid arising from receipts from sales of obsolete machinery, equipment, official vehicles, furniture and buildings.

<b>Total A in A</b>	<b>2,603,471</b>	<b>7,134</b>
<i>of which: Administration budgets</i>	<i>144,158</i>	<i>-</i>

## Notes to the Estimate (*continued*)

### Analysis of Consolidated Fund Extra Receipts (CFERs)

		2005-06 provision	
		Income	Receipts
Levy on Pensions Industry collected by the Occupational Pensions Regulatory Authority	●	2,200	2,200
Headquarters Accommodation Services	●	5,000	5,000
Recoveries in respect of previous Independent Living Fund scheme	Δ	2	2
Recoveries in respect of previous Rent Allowance scheme	Δ	20	20
<b>Total</b>		<b>7,222</b>	<b>7,222</b>

### Departmental Expenditure Limits and Administration Budgets

As announced to the House of Commons, the Department for Work and Pensions' Departmental Expenditure Limit will change as follows:

	Change	New DEL		£'000
		Voted	Non-voted	Total
Resource DEL	143,425	6,815,271	1,715,181	8,530,452
<i>of which : Administration Budget</i>	<i>39,855</i>	<i>5,589,963</i>	<i>469,299</i>	<i>6,059,262</i>
Capital DEL	60,158	396,414	9,928	406,342
Less Depreciation *	-	-108,628	-762	-109,390
Total DEL	203,583	7,103,057	1,724,347	8,827,404

\* 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  
2,610,605

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

### Expenditure resting on the sole authority of the Appropriation Act

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

Subhead	Service		£'000
RfR 2	Awards for achievement in overcoming barriers to unemployment	■	300
RfR 3	Payments in respect of Better Government for Older People	■	400
RfR 3	Payment to the Centre for Policy on Ageing	■	70

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**Notes to the Estimate (*continued*)****Grants in Aid over £ 1 million**

		<b>£'000</b>
Independent Living Fund	♥	226,359
Motability	♥	10,624
Disability Rights Commission	♥	21,238
The Pension Regulator	♥	23,670
Pension Protection Fund		19,963
Pensions Advisory Service		2,300
Pensions Ombudsman		1,900
<b>TOTAL</b>		<hr/> 306,054

## Contingent liabilities

As at 31 March 2005, the following liabilities fell to be met from the Department's Estimate:	£'000
<b>Non - Statutory</b>	
From April 1995 some Child Support Agency debt has been deferred and will not be recoverable from clients provided certain conditions are met. This could result in the Child Support Agency taking over such debt from non-resident parents. In 2004-05, £0.5 million (2003-04, £1.21 million) was paid by the Agency to parents with care under this arrangement. The maximum potential liability at 31 March 2005 is £31.0 million (31 March 2004, £33.7 million), subject to all cases meeting the criteria. As it is not practicable to estimate the amount that may be paid out, no provision has been made in the accounts.	33,700
In a judicial review brought by a parent with care under the Human Rights Act 1998, it was judged that the parent with care's human rights had not been breached, but that she can apply for damages under the Human Rights Act, where the Secretary of State has failed, unreasonably, to enforce the collection of maintenance due. The Agency lodged a successful appeal against this decision and the parent with care subsequently lodged an appeal to the House of Lords. The parent with care lost their appeal (decision 14 July 2005), with the House of Lords ruling in favour of the Secretary of State. The parent with care has six months from the date of the decision to lodge an Appeal with the European Court. As the outcome of this case cannot be predicted any consequential obligation cannot be measured with sufficient reliability to enable a value to be recognised in the accounts.	Unquantifiable
Due to a structural problem, the Department has a future liability to fund the reconstruction of one of its buildings. All legal implications relating to this liability have been resolved, and it has been determined that this will be funded through Departmental resources.	Not known
Jobcentre Plus has given formal guarantee in respect of a bank overdraft for Remploy Limited, an Executive Non-Departmental Public Body. The guarantee is up to a maximum of £15 million. As at 31 March 2005, £14.3 million of the overdraft facility had been utilised.	15,000
There is an unquantifiable liability in respect of the legal responsibility that the Secretary of State has as sole guarantor of Remploy Limited. The liability is secured by an all monies	Unquantifiable
Better Government for Older People (BGOP) is an initiative which is funded by several consortium partners with DWP providing the largest proportion of funds by way of Grant-in-Aid. Since BGOP has no legal identity, the usual 'Financial Memorandum' is replaced by a 'Consortium Agreement' that has Treasury approval. But in addition to the funding which DWP provides, we have also agreed to indemnify Help the Aged, the host organisation, against any losses arising from BGOP activity to the sum of £1 million (in any one calendar year). As the 'Consortium Agreement' year runs from October to September, this could amount to £2 million	2,000
The former Department for Education and Employment Ministers gave their agreement that the former Training and Enterprise Councils could be offered indemnities in respect of certain liabilities that arose or continued after the contractual relationship with Government ended on 25 March 2001. The purpose of these indemnities was to give the former Training and Enterprise Council Directors, or a liquidator, sufficient assurances to conclude that relationship and either return residual reserves owing to the Secretary of State, or distribute these with the Secretary of State's agreement at the earliest opportunity. Responsibility for these contingent liabilities transferred to Jobcentre Plus on 1 April 2002 from the Employment Service. Consequently, Jobcentre Plus has agreed to offer indemnities of up to £12 million in respect of existing contracts with the former Training and Enterprise Councils that were novated as a result of the former Training and Enterprise Council's wind up, or in respect of repayments claimed following audit of past contract activity.	12,000

**Contingent liabilities** (*continued*)

Following the ruling of the Employment Appeal Tribunal in the lead dress standard case, the Public and Commercial Services Union has withdrawn its support for further action. Unquantifiable  
Consequently the 7,000 plus compensation claims that were outstanding reduced to less than 4,000 and this figure is expected to reduce further. Due to uncertainty regarding the outcome of the discussions and size of any financial remedy it is not possible to provide a reliable estimate of the financial effect.

HSE is currently defending two equal pay cases. In October 2003, HSE successfully appealed at an Employment Appeal Tribunal against an Employment Tribunal decision handed down in July 2002. That appeal was subject to a cross appeal and in October 2004 the Court of Appeal referred a point of law to the European Court of Justice. Depending upon the outcome of that reference, the case could be decided in HSE's favour or remitted to an Employment Tribunal to be heard again. The legal process could, therefore, continue for a considerable period of time. Unquantifiable  
HSE won another equal pay case in December 2003 as a result of the Employment Appeal Tribunal decision but that case is subject to a cross appeal from the other side, which has been stayed pending the outcome of the first case. If HSE were to lose these cases, the financial consequences would depend on the nature of the final judgement in relation to the two employees who brought the cases and the degree to which the judgements would apply more widely in HSE.

Important changes to the Vaccine Damage Payments Scheme have been introduced. The level of disablement that is defined as severe has been reduced from 80% to 60% and the period of time during which a claim can be made has been extended. Unquantifiable  
These changes mean that some people who have been disallowed in the past may be able to make another claim under these new rules. These further claims had to be received by 16 June 2005. All of the 389 claims received by this deadline were rejected. As they carry appeal rights and there is no time limit for requesting a Vaccine Damage Appeal it can be 10 years or more before they decide to go ahead. It is not currently possible to estimate the value or success of these claims and so no provision has been made in the accounts.

The Department has a potential liability in respect of ineligible claims for ESF programmes that operated during 1994-99. The Department estimates that it is highly likely that we will be unable to claim from the European Commission £13.7 million already paid to contractors and a provision for this has been created in the accounts. The Department is negotiating a final settlement with the European Commission and there is the potential that a further liability could arise, however this figure cannot be estimated with any certainty at this time. Unquantifiable

Deficiency Notices were not sent out for the tax years 1996-97 to 2001-02. Her Majesty's Revenue and Customs (formerly Inland Revenue) has contacted those customers of working age who may be affected by this. The Department is currently in the process of contacting approximately 470,000 pensioner customers affected by the suspension of deficiency notices. Unquantifiable  
Customers who reached State Pension age between 6 April 1999 and 24 October 2004 (inclusive) are being invited to consider paying voluntary contributions to provide them with the opportunity to improve their basic State Pension, or qualify for one for the first time. As yet, the level of take up cannot be estimated with sufficient reliability to enable a value to be determined.

The Department is in commercial negotiations with EDS, the supplier of the Child Support 2 computer system, around the cost of remedial work on the system. At the balance sheet date no confirmed liability has been agreed. Unquantifiable

There are a number of legal claims against The Rent Service, the outcome of which cannot at present be stated with certainty. None of these claims has been settled. A cost of £77,000 has been estimated based on previous experience of similar claims. A cost of £15,000 has also been estimated for two pending Employment Tribunal cases. These costs have not been provided for in the financial statements. 92