
HM Treasury

Introduction

1. This Estimate covers the administration costs and other related costs of the core Treasury, the Debt Management Office (DMO) and the Office of Government Commerce (OGC).
2. Request for Resources (RfR) 1 includes the core Treasury and DMO, costs of group shared services, grants in aid to four Parliamentary bodies and the Statistics Commission, payments in connection with the setting up of the Statistics Board (which is subject to the passage of the Statistics and Registration Service Bill 2007) and cost of capital charges on the Treasury's investment in the Bank of England.
3. RfR 2 covers payments to the Royal Mint for the manufacture, storage and distribution of UK coins, which are supplied to banks on behalf of the Treasury, and cost of capital charges on the Treasury's investment in the Royal Mint.
4. RfR 3 covers the expenditure of the OGC, including management and disposal of surplus civil estate, and associated non-cash items.
5. Further information can be found in HM Treasury's Departmental Report.
6. Symbols are explained in the Introduction to this booklet.

HM Treasury

Part I

	£
Request for Resources 1: Raising the rate of sustainable growth and achieving rising prosperity and a better quality of life, with economic and employment opportunities for all †	230,517,000
Request for Resources 2: Cost-effective management of the supply of coins and actions to protect the integrity of coinage	52,000,000
Request for Resources 3: Obtaining the best value for money from Government's commercial relationships on a sustainable basis	27,137,000
Total net resource requirement	309,654,000
Net cash requirement †	228,964,000

Amounts required in the year ending 31 March 2008 for expenditure by the HM Treasury on:

RfR 1: Raising the rate of sustainable growth and achieving rising prosperity and a better quality of life, with economic and employment opportunities for all

Economic, financial and related administration, including group shared services; grants in aid to four Parliamentary bodies, expenses in connection with honours and dignities; a grant in aid to the Statistics Commission and spending in connection with the establishment of the Statistics Board; expenditure of the Debt Management Office; payments under an indemnity guarantee in respect of Paymaster; expenditure on administration of Treasury related bodies; compensation payments arising from gilt administration; cost of capital charges on the Treasury's investment in the Bank of England; and associated non-cash items.

RfR 2: Cost-effective management of the supply of coins and actions to protect the integrity of coinage

Manufacture, storage and distribution of coinage for use in the United Kingdom, actions to protect the integrity of coinage, and associated non-cash items.

RfR 3: Obtaining the best value for money from Government's commercial relationships on a sustainable basis

Administration and other related costs of the Office of Government Commerce and OGC buying solutions, management and disposal of surplus civil estate, costs and income from investment and loans to OGC buying solutions and associated non-cash items.

HM Treasury will account for this Estimate.

† The grant under subhead D2 is subject to the passage of the Statistics and Registration Service Bill 2007 which has been laid before Parliament. The provision sought will not be used for the service or for any other purpose until the enabling legislation has been enacted.

	Net total	Allocated in Vote on Account	Balance to complete
RfR 1	230,517,000	110,023,000	120,494,000
RfR 2	52,000,000	17,437,000	34,563,000
RfR 3	27,137,000	18,315,000	8,822,000
Total net resource requirement	309,654,000	145,775,000	163,879,000
Net cash requirement	228,964,000	103,068,000	125,896,000

Part II: Subhead detail

£'000

2007-08 Provision						2006-07 Provision	2005-06 Outturn		
Resources						Capital Capital	Non- operating A in A	Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total				
1	2	3	4	5	6	7	8	9	10
RfR 1: Raising the rate of sustainable growth and achieving rising prosperity and a better quality of life, with economic and employment opportunities for all									
142,785	94,112	4,655	241,552	11,035	230,517	7,125	-	239,570	219,307
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	Core Treasury and group shared services								
129,600	4,408	-	134,008	6,400	127,608	5,125	-	129,081	122,004
B	Debt Management Office								
13,185	2,200	-	15,385	4,635	10,750	2,000	-	9,903	9,518
C	Parliament								
-	-	3,305	3,305	-	3,305	-	-	3,050	3,095
D	Statistics Commission and Statistics Board								
-	306	1,350	1,656	-	1,656	-	-	1,350	1,342
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
E	Investment in Bank of England								
-	87,198	-	87,198	-	87,198	-	-	96,200	83,066
<i>Paymaster indemnity</i>									
-	-	-	-	-	-	-	-	-	-1
<i>HMS Sussex artefacts</i>									
-	-	-	-	-	-	-	-	1,000	-
<i>Core Treasury and group shared services</i>									
-	-	-	-	-	-	-	-	-1,014	283
RfR 2: Cost-effective management of the supply of coins and actions to protect the integrity of coinage									
-	52,000	-	52,000	-	52,000	-	-	50,249	33,835
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	UK coinage: manufacturing costs								
-	19,000	-	19,000	-	19,000	-	-	28,201	17,627

Part II: Subhead detail

£'000

2007-08 Provision						2006-07 Provision	2005-06 Outturn		
Resources						Capital	Non- operating	Net Total	Net Total
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A	Resources	Resources
1	2	3	4	5	6	7	8	9	10
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
B	UK coinage: investment in the Royal Mint								
-	2,000	-	2,000	-	2,000	-	-	7,048	1,204
C	UK coinage: metal costs								
-	31,000	-	31,000	-	31,000	-	-	15,000	15,004
RfR 3: Obtaining the best value for money from Government's commercial relationships on a sustainable basis									
35,451	1,486	-	36,937	9,800	27,137	75	-	34,124	40,271
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	Office of Government Commerce								
35,451	1,486	-	36,937	9,800	27,137	75	-	34,124	40,271
Total for Estimate:									
178,236	147,598	4,655	330,489	20,835	309,654	7,200	-	323,943	293,413

Part II: Resource to cash reconciliation

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Net Resource Requirement	309,654	323,943	293,413
Voted capital items			
Capital	7,200	7,200	6,273
Less Non-operating A-in-A	-	-	1,380
Total net voted capital	7,200	7,200	4,893
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-88,897	-104,407	-83,344
Depreciation	-9,539	-6,434	-1,083
New provisions and adjustments to previous provisions	-572	-2,226	-1,654
Profit/loss on sale of assets	-	-	-725
Prior period adjustments	-	-	-
Other non-cash items	-60	-40	-134
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	11,178	11,004	-3,000
Total accruals to cash adjustments	-87,890	-102,103	-89,940
Excess cash to be CFERd	-	-	-
Net Cash Requirement	228,964	229,040	208,366

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	£'000					
	2007-08		2006-07		2005-06	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	63,048	<i>63,048</i>	70,548	<i>70,548</i>	82,074	<i>72,884</i>
Non-operating income not classified as A in A	-	-	-	-	14,011	<i>14,011</i>
Other amounts collectable on behalf of the Consolidated Fund	1,341	<i>1,341</i>	1,341	<i>1,341</i>	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	64,389	<i>64,389</i>	71,889	<i>71,889</i>	96,085	<i>86,895</i>

Forecast Operating Cost Statement

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Net Administration Costs			
RfR 1	133,550	129,989	119,521
RfR 2	-	-	-
RfR 3	26,851	33,354	32,159
Total Net Administration costs	160,401	163,343	151,680
Net Programme Costs			
RfR 1	33,919	39,033	19,275
RfR 2	52,000	50,249	33,206
RfR 3	286	770	8,971
Non-voted	24,479	23,804	20,107
Total Net Programme costs	110,684	113,856	81,559
Total Net Operating Cost	271,085	277,199	233,239
<i>of which:</i>			
Net Resource Requirement	309,654	323,943	293,413
Non-voted expenditure	24,479	23,804	21,900
Consolidated Fund Extra Receipts	-63,048	-70,548	-82,074
Resource Budget	307,957	301,658	262,874

Notes to the Main Estimate (*continued*)

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Net Resource Requirement (Estimates)	309,654	323,943	293,413
<i>Adjustments to remove:</i>			
Provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
Non-voted expenditure in the OCS	24,479	23,804	21,900
Consolidated Fund Extra Receipts in the OCS	-63,048	-70,548	-82,074
Other adjustments	-	-	-
Net Operating Cost (Accounts)	271,085	277,199	233,239
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	-725
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-	-	-
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	20,959	23,459	29,833
Resource consumption of non departmental public bodies	-	-	-
Unallocated resource provision	15,913	1,000	-
Other adjustments	-	-	527
<i>of which:</i>			
Resource Budget (Budget)	307,957	301,658	262,874
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	225,759	226,674	208,378
Annually Managed Expenditure (AME)	82,198	74,984	54,496

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Net Voted Capital (Estimates)	7,200	7,200	4,893
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-14,011
Capital spending by non-departmental public bodies	-	-	-
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	-	-
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	-	-	-
Other adjustments	-	-	-
<i>of which:</i>			
Capital Budget (Budget)	7,200	7,200	-9,118
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	7,200	7,200	-9,118
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate (*continued*)

Explanation of Accounting Officer responsibilities

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

Request for Resources 1:	Nicholas Macpherson, Permanent Head of Department
Request for Resources 2:	Nicholas MacPherson, Permanent Head of Department
Request for Resources 3:	Peter Fanning, acting Chief Executive of the Office of Government Commerce

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

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

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

Notes to the Main Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
RfR 1: Raising the rate of sustainable growth and achieving rising prosperity and a better quality of life, with economic and employment opportunities for all			
Administration	9,235	8,823	7,712
<i>of which:</i>			
Sale of goods and services	9,235	8,823	9,698
CFERs	-	-	-1,986
Programme	1,800	1,800	10,116
<i>of which:</i>			
Sale of goods and services	1,800	1,800	10,116
Interest and dividends	63,048	70,548	78,525
CFERs	-63,048	-70,548	-78,525
Total RfR 1	11,035†	10,623	17,828
<i>† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: recoveries in respect of administration of the Treasury, including charges for courses, services provided by the Economics in Government team and other officers loaned to other organisations, including the salary of the UK Executive Director of the International Monetary Fund/International Bank for Reconstruction and Development who is a Treasury employee; charges for services provided by the Government Social Research Unit; income from recovery actions in connection with Barlow Clowes; charges for services to government departments provided under the Financial Management Change Agenda; income from fees charges to Foreign Investment Exchange/Clearing Houses; recoveries in respect of Honours and Dignities; income in respect of insurance sponsorship and supervision responsibilities; income due to the Debt Management Office for gilt issuance costs, provision of the Gilt Purchase and Sale Service, data provision, management and administration of certain public and private funds and provision of a lending service to local authorities; administration of Pool Re and other related bodies; European Fast Stream income from the Cabinet Office; amounts arising from the sale of shares and debt.</i>			
RfR 2: Cost-effective management of the supply of coins and actions to protect the integrity of coinage			
Programme	-	1,500	-
<i>of which:</i>			
Sale of goods and services	-	1,500	629
CFERs	-	-	-629
Total RfR 2	-	1,500	-
RfR 3: Obtaining the best value for money from Government's commercial relationships on a sustainable basis			
Administration	8,600	14,265	14,235
<i>of which:</i>			
Sale of goods and services	8,600	14,265	14,235
Programme	1,200	1,819	-
<i>of which:</i>			
Sale of goods and services	-	222	183
Interest and dividends	1,200	1,597	751
CFERs	-	-	-934
Total RfR 3	9,800†	16,084	14,235
<i>† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: income from consultancy and other customer services, hirings of vacant property, charges for users of Whitehall District Heating and Standby Systems, sales of surplus energy and the OGC buying solutions dividend.</i>			
Total Operating A in A	20,835	28,207	32,063

Analysis of non-operating appropriations in aid (A in A)

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
RfR 3: Obtaining the best value for money from Government's commercial relationships on a sustainable basis			
Administration	-	-	-
<i>of which:</i>			
Sale of assets	-	-	-
Programme	-	-	1,380
<i>of which:</i>			
Sale of assets	-	-	13,012
Loan, etc, repayments	-	-	2,379
CFERs	-	-	-14,011
Total RfR 3	-	-	1,380
Total Non-Operating A in A	-	-	1,380

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000					
	2007-08		2006-07		2005-06	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Fixed investments (operating income) Δ	63,048	63,048	70,548	70,548	83,095	74,926
Current Assets (non-operating income) Φ	-	-	-	-	14,011	14,011
Civil list Φ	1,341	1,341	1,341	1,341	-	-
Total	64,389	64,389	71,889	71,889	96,085	86,895

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	189,456	36,303	225,759
<i>of which: †</i>			
Administration budget	160,401	7,422	167,823
Near-cash in RDEL	179,586	47,481	227,067
Capital DEL ††	7,200	-	7,200
Less Depreciation †††	-9,539	-	-9,539
Total DEL	187,117	36,303	223,420

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

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

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

Comparison of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2007-08 of £309,654,000 is 4.4 per cent lower than the final net provision for 2006-07 of £323,943,000 and 1.0 per cent higher than the forecast outturn for 2006-07 of £306,697,000.

Cash which may be retained to offset expenditure

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been, or will be, appropriated in aid.	20,835	28,207	33,443

Notes to the Main Estimate (*continued*)

Grants in aid

RfR/Section	Body	£'000
RfR 1 C	The Commonwealth Parliamentary Association ♦	1,808
RfR 1 C	The British-American Parliamentary Group ♦	101
RfR 1 C	The Inter-Parliamentary Union ♦	1,192
RfR 1 C	The British-Irish Parliamentary Union ♦	204
RfR 1 D	The Statistics Commission ♦	1,350

Notes to the Main Estimate (*continued*)**Contingent liabilities**

Nature of Liability	£'000
The Treasury is being sued for alleged failure to regulate the Lloyd's insurance market in proper accordance with EC law	Unquantifiable
