
Ministry of Defence

Introduction

Request for Resources 1: Provision of Defence Capability

1. RfR1 provides for expenditure primarily to meet the costs of the Department's operational, support and logistics services, and providing the equipment capability required by Defence policy. It reflects the way in which the Department manages its expenditure. Each of the nine Top Level Budget (TLB) Holders included in this RfR has been allocated an individual RfR section within Departmental Expenditure Limit (DEL), Annually Managed Expenditure (AME) and Non-Budget consistent with expenditure and income for which the TLB holder is responsible and accountable within the Department. Information on the responsibilities of each TLB holder and the type of expenditure that they incur is contained in the Ministry of Defence Annual Report and Accounts.
2. With effect from 1 April 2008, Commander-in-Chief Strike Command and Personnel and Training Command TLBs were incorporated into Commander-in-Chief Air Command TLB; and Adjutant General and Commander-in-Chief Land Command TLBs were incorporated into Land Command TLB.
3. With effect from 1 April 2008 the Administration Costs regime applies to the Ministry of Defence, and a separate sub-head has been set up to recognise this.
4. Sections A to L include £33,477.717 million in respect of net DEL, broken down as £34,720.501 million for gross DEL and £1,242.784 million for Appropriations in Aid. The sections also show £7,870.045 million in respect of net Capital broken down as £8,085.160 million DEL and £215.115 million in respect of Non Operating Appropriations in Aid. Additionally Sections H to J include £14.726 million in respect of capital loan repayments from the Department's Trading Funds. This is included in Non-Operating Appropriations in Aid, giving a net capital position of £7,872.064 million.
5. Sections M to N include a negative £84.774 million for gross AME.
6. Sections O to U include Non-Budget expenditure of £0.750 million in respect of the VAT paid by the Commonwealth War Graves Commission for UK expenditure, £3.026 million in respect of payments and interest charges for the National Loans Fund, £2.019 million as capital repayments to the National Loans Fund, £9.487 million for the Grant in Aid to Royal Hospital Chelsea, £2.253 million for Grant in Aid for the naval museums, £5.591 million for the Royal Army Museum and £7.189 million for the Royal Air Force Museum and £0.004 million in respect of receipts from the European Union. £0.060 million is for the Royal Irish Benevolent Fund.
7. A Machinery of Government change to transfer responsibility for the Defence Export Services Organisation (DESO) to the Department For Business Enterprise and Regulatory Reform (DBERR) £15.229 million, the Foreign and Commonwealth Office (FCO) £2.153 million and United Kingdom Trade and Industry (UKTI) £2.198 million.

8. Included within this Estimate are net transfers in from other Government Departments amounting to £39.673 million. Transfers out are £2.000 million to the Cabinet Office for the expansion and capability of the Security Services, £0.950 million to the Department For Business Enterprise and Regulatory Reform (DBERR) for the MoD's contribution to DBERR's annual running costs relating to the transfer of nuclear liabilities, £0.152 million to the Department for Culture Media and Sport (DCMS) for the Pattern Room at the Leeds Armoury. Transfers in total £0.275 million for the reversal of a transfer to the Department for Communities and Local Government for the Pan Government agreement, and a transfer from the Security and Intelligence Agencies in respect of funding support services of £42.500 million.

9. Some advances made periodically for the UK share of costs for collaborative projects will be charged to the RfR at the time of issue and the MoD will be provided with periodic statements of actual expenditure incurred.

Request for Resources 2: Operations and Peace-Keeping

10. RfR2 provides for the consumption of such resources in support of activity in the following regions:

- (a) Expenditure in support of government endorsed programmed peace-keeping activity. (Formerly contained in two separate pools (Sub-Saharan Africa and Rest of the World);
- (b) Expenditure for the newly created Stabilisation Aid Fund (SAF).

11. Sections A to B include £89.566 million in respect of Resource DEL. There is currently no Capital DEL or Appropriations in Aid for this RfR. Included in this are: a transfer out of £28.000 million to the Foreign and Commonwealth Office for the Stabilisation Aid Fund; a transfer in of £16.875 million for the Balkans Operations from the Foreign and Commonwealth Office; and £27.691 million from the Department for International Development for programmed Peace-Keeping expenditure.

12. Further requests for resources to fund operations in Iraq, Afghanistan and the Balkans will be made at Supplementary Estimates.

Request for Resources 3: War Pensions and Allowances, etc

13. RfR3 provides for the payment of war disablement and war widows' pensions in accordance with relevant legislation.

14. Sections A to B include £1,015.090 million in respect of AME for RfR3. There is no DEL for this RfR as the costs of administering War Pensions are borne on Provision of Defence Capability, RfR1.

15. Supporting information relating to expenditure contained in this Estimate are based upon the outcome of the Government's 2007 Pre-Budget Report and Comprehensive Spending Review 2007 (Cm 7227).

16. The Ministry of Defence is responsible for administering the funding for this Estimate.

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

Ministry of Defence

Part I

	£
Request for Resources 1: Provision of defence capability	33,421,295,000
Request for Resources 2: Operations and Peace-Keeping †	89,566,000
Request for Resources 3: War Pensions and Allowances, etc	1,015,090,000
Total net resource requirement	34,525,951,000
Net cash requirement	32,536,048,000

Amounts required in the year ending 31 March 2009 for expenditure by the Ministry of Defence on:

RfR 1: Provision of defence capability

Personnel costs of the Armed Forces and their reserves and cadet forces and personnel costs of Defence Ministers and of civilian staff employed by the Ministry of Defence; movements; charter of ships; logistic services for the Armed Forces; repair, maintenance, stores and supply services; associated capital facilities and works; contractors' redundancy cost; plant and machinery; nuclear warhead and fissile material programme; procurement, including development and production of equipment and weapon systems for the Armed Forces; purchases for sale abroad; research etc by contract; sundry procurement services including those on repayment terms;

land and buildings works services; contingent liabilities; services provided by other Government departments; sundry services, subscriptions, grants and other payments including those abroad such as assistance to Foreign and Commonwealth Governments for defence related purposes and UK youth community projects; set-up costs and loans to, and income from, Trading Funds; and other associated non-cash items.

RfR 2: Operations and Peace-Keeping

Conflict prevention, early warning, crisis management, conflict resolution/peacemaking, peacekeeping and peacebuilding activity and on associated strengthening of international and regional systems and capacity; and other associated non-cash items

RfR 3: War Pensions and Allowances, etc

Pensions and other payments/allowances for disablement or death arising out of war or service in the Armed Forces after 2 September 1939, awards to surviving members of British groups held prisoner by the Japanese during the Second World War (Far Eastern Prisoners of War) or their surviving spouse and pensions and other payments in respect of service in the Armed Forces at other times; and other associated non-cash items.

The **Ministry of Defence** will account for this Estimate.

† In Vote on Account 2008-09 RfR2 was entitled "Conflict Prevention and Net Additional Cost of Military Operations".

£

	Net total	Allocated in Vote on Account	Balance to complete
RfR 1	33,421,295,000	14,673,688,000	18,747,607,000
RfR 2	89,566,000	19,936,000	69,630,000
RfR 3	1,015,090,000	462,153,000	552,937,000
Total net resource requirement	34,525,951,000	15,155,777,000	19,370,174,000
Net cash requirement	32,536,048,000	14,254,788,000	18,281,260,000

Part II: Subhead detail

£'000

										2007-08	2006-07
										Provision	Outturn
										2008-09	
										Provision	
Resources						Capital					
Admin	Other	Grants	Gross Total	A in A	Net Total	Capital	Non-operating	Net Total	Net Total		
1	2	3	4	5	6	7	A in A	Resources	Resources	10	
RfR 1: Provision of defence capability											
	2,294,141	32,097,576	272,366	34,664,083	1,242,788	33,421,295	8,087,179	215,115	33,901,860	31,386,645	
Spending in Departmental Expenditure Limits (DEL)											
<i>Central Government spending</i>											
A	Fleet	-	2,201,893	10,462	2,212,355	41,157	2,171,198	25,033	-	1,846,857	1,771,675
B	Commander-in-Chief Land Command	-	6,511,259	59,658	6,570,917	107,762	6,463,155	260,985	-	4,770,935	3,535,208
C	Chief of Joint Operations	-	462,883	-	462,883	25,489	437,394	68,258	-	318,878	332,162
D	Central	-	1,933,392	168,562	2,101,954	335,848	1,766,106	60,247	-	2,273,236	2,149,765
E	Defence Estates	-	2,696,306	-	2,696,306	371,944	2,324,362	221,366	203,000	2,566,405	2,598,827
F	Defence Equipment and Support	-	14,857,332	1,051	14,858,383	192,471	14,665,912	7,310,755	-	17,045,064	-
G	Science Innovation Technology	-	617,223	4,204	621,427	-	621,427	-	-	544,309	524,147
H	Loans and Grants to and Repayments from the Hydrographic Office	-	-	-	-	-	-	9,504	9,961	-	-
I	Loans and Grants to and Repayments from ABRO	-	-	-	-	-	-	-	2,154	-	-
J	Loans and Grants to and Repayments from Met Office	-	-	-	-	-	-	17,337	-	-	-
K	Commander-in-Chief Air Command	-	2,899,036	3,099	2,902,135	168,113	2,734,022	111,675	-	2,248,921	-
L	Ministry of Defence Administration Costs	2,294,141	-	-	2,294,141	-	2,294,141	-	-	2,050,455	2,028,270
<i>General Officer Commanding (Northern Ireland)</i>											
		-	-	-	-	-	-	-	-	-	298,682
<i>Commander-in-Chief Strike Command</i>											
		-	-	-	-	-	-	-	-	-	1,633,171
<i>Defence Logistics Organisation</i>											
		-	-	-	-	-	-	-	-	-	12,495,472

Part II: Subhead detail

£'000

										2007-08	2006-07
										Provision	Outturn
										2008-09	
										Provision	
Resources						Capital					
Admin	Other	Grants	Gross Total	A in A	Net Total	Capital	Non-	Net Total	Net Total		
1	Current	3	4	5	6	7	operating	Resources	Resources		
	2						A in A	9	10		
<i>Adjutant General</i>											
-	-	-	-	-	-	-	-	791,405	1,575,924		
<i>Personnel and Training Command</i>											
-	-	-	-	-	-	-	-	-	622,470		
<i>Defence Procurement Agency</i>											
-	-	-	-	-	-	-	-	-	2,279,038		
Spending in Annually Managed Expenditure (AME)											
Central Government spending											
M	Central										
-	-12	-	-12	-	-12	-	-	3,899	264		
N	Defence Equipment and Support										
-	-84,762	-	-84,762	-	-84,762	-	-	83,696	-		
<i>Defence Logistics Organisation</i>											
-	-	-	-	-	-	-	-	-	67,473		
<i>Chief of Joint Operations</i>											
-	-	-	-	-	-	-	-	3,599	9,200		
<i>Defence Procurement Agency</i>											
-	-	-	-	-	-	-	-	-	-532,482		
<i>Defence Estates AME</i>											
-	-	-	-	-	-	-	-	-659,000	-		
Non-Budget											
O	Commander in Chief Fleet										
-	-	2,253	2,253	-	2,253	-	-	-	-		
P	Central										
-	-	750	750	-	750	-	-	750	-15,090		
Q	Commander-in-Chief Land Command										
-	-	15,138	15,138	-	15,138	-	-	-	-		
R	Defence Equipment and Support										
-	-	-	-	4	-4	-	-	-4	-		
S	Defence Estates										
-	3,026	-	3,026	-	3,026	2,019	-	3,141	3,237		
T	Commander-in-Chief Air Command										
-	-	7,189	7,189	-	7,189	-	-	-	-		
<i>Adjutant General</i>											
-	-	-	-	-	-	-	-	9,314	9,232		

Part II: Subhead detail

£'000

										2007-08	2006-07
										Provision	Outturn
										2008-09	
										Provision	
Resources						Capital					
Admin	Other	Grants	Gross Total	A in A	Net Total	Capital	Non-	operating		Net Total	Net Total
1	2	3	4	5	6	7	8	9	10	Resources	Resources
RfR 2: Operations and Peace-Keeping											
-	89,566	-	89,566	-	89,566	-	-	-	-	2,381,803	1,448,420
Spending in Departmental Expenditure Limits (DEL)											
<i>Central Government spending</i>											
A	Programme Rest of the World										
-	44,566	-	44,566	-	44,566	-	-	-	-	75,303	41,731
B	Stabilisation Aid Fund										
-	45,000	-	45,000	-	45,000	-	-	-	-	-	-
<i>Peace Keeping Rest Of The World</i>											
-	-	-	-	-	-	-	-	-	-	2,306,500	1,406,689
RfR 3: War Pensions and Allowances, etc											
-	-512	1,015,602	1,015,090	-	1,015,090	-	-	-	-	1,030,007	1,038,073
Spending in Annually Managed Expenditure (AME)											
<i>Central Government spending</i>											
A	War Pensions Benefits Programme costs										
-	-512	1,015,102	1,014,590	-	1,014,590	-	-	-	-	1,029,507	1,036,803
B	War Pensions Benefits Programme costs - Far Eastern Prisoners of War										
-	-	500	500	-	500	-	-	-	-	500	1,270
Total for Estimate:											
2,294,141	32,186,630	1,287,968	35,768,739	1,242,788	34,525,951	8,087,179	215,115	-	-	37,313,670	33,873,138

Part II: Resource to cash reconciliation

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Resource Requirement	34,525,951	37,313,670	33,873,138
Voted capital items			
Capital	8,087,179	8,796,586	7,548,631
Less Non-operating A-in-A	215,115	1,381,000	479,908
Total net voted capital	7,872,064	7,415,586	7,068,723
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-3,239,081	-3,512,186	-3,241,899
Depreciation	-7,412,994	-8,271,357	-6,608,925
New provisions and adjustments to previous provisions	-205,592	-559,370	140,314
Profit/loss on sale of assets	-	709,000	123,135
Prior period adjustments	-	-	-
Other non-cash items	-	-	-3,600
Increase (+) / Decrease (-) in stock	462,261	-474,518	-205,662
Increase (+) / Decrease (-) in debtors	347,563	474,947	316,264
Increase (-) / Decrease (+) in creditors	-99,567	552,798	-258,700
Use of provisions	285,443	499,144	413,347
Total accruals to cash adjustments	-9,861,967	-10,581,542	-9,325,726
Excess cash to be CFERd	-	-	-
Net Cash Requirement	32,536,048	34,147,714	31,616,135

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					
	2008-09		2007-08		2006-07	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	-	-	55,000	<i>55,000</i>	56,326	-
Non-operating income not classified as A in A	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	-	-	55,000	<i>55,000</i>	56,326	-

Forecast Operating Cost Statement

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Administration Costs			
RfR 1	2,294,141	2,351,399	2,356,948
RfR 2	-	-	-
RfR 3	-	-	-
Total Net Administration costs	2,294,141	2,351,399	2,356,948
Net Programme Costs			
RfR 1	31,127,154	31,550,461	29,029,697
RfR 2	89,566	2,381,803	1,448,420
RfR 3	1,015,090	1,030,007	1,038,073
Non-voted	-	-55,000	-56,326
Total Net Programme costs	32,231,810	34,907,271	31,459,864
Total Net Operating Cost	34,525,951	37,258,670	33,816,812
<i>of which:</i>			
Net Resource Requirement	34,525,951	37,313,670	33,873,138
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-55,000	-56,326
Resource Budget	34,508,194	38,033,823	34,010,493

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Resource Requirement (Estimates)	34,525,951	37,313,670	33,873,138
<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	-	-55,000	-56,326
Other adjustments	-	-	-
Net Operating Cost (Accounts)	34,525,951	37,258,670	33,816,812
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	709,000	123,135
Capital grants	-	-	-12,843
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-3,772	-3,947	12,603
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	55,000	56,326
Resource consumption of non departmental public bodies	-15,094	15,100	14,460
Unallocated resource provision	-	-	-
Other adjustments	1,109	-	-
Resource Budget (Budget)	34,508,194	38,033,823	34,010,493
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	33,623,321	36,921,356	33,490,872
Annually Managed Expenditure (AME)	884,873	1,112,467	519,621

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Voted Capital (Estimates)	7,872,064	7,415,586	7,068,723
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Capital spending by non-departmental public bodies	851	744	1,040
Capital grants	-	-	12,843
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	-	-
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	-	-	-
Other adjustments	-2,019	-5,020	-
Capital Budget (Budget)	7,870,896	7,411,310	7,082,606
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	7,870,896	8,120,310	7,069,763
Annually Managed Expenditure (AME)	-	-709,000	12,843

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 Resource within this Estimate.

Request for Resources 1:	Sir Bill Jeffrey, Permanent Head of Department
Request for Resources 2:	Sir Bill Jeffrey, Permanent Head of Department
Request for Resources 3:	Sir Bill Jeffrey, Permanent Head of Department

Sir Bill Jeffrey as the Accounting Officer of the Ministry of Defence 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 Ministry of Defence.

The responsibilities of an Accounting Officer are set out in Chapter 3 of Managing Public Money. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the organisation's policies, aims and objectives and should regularly review the effectiveness of that system.

Notes to the Main Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
RfR 1: Provision of defence capability			
Programme	1,242,788	1,485,872	1,495,282
<i>of which:</i>			
Sale of goods and services	1,215,610	1,451,994	1,416,147
EU Income	4	4	-
Interest and dividends	27,174	33,874	79,135
Total RfR 1	1,242,788†	1,485,872	1,495,282
<i>† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: the recovery of income from fees and income from charges.</i>			
RfR 2: Operations and Peace-Keeping			
Programme	-	23,834	15,557
<i>of which:</i>			
Sale of goods and services	-	23,834	15,557
Total RfR 2	-	23,834	15,557
Total Operating A in A	1,242,788	1,509,706	1,510,839

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

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
RfR 1: Provision of defence capability			
Programme	215,115	1,381,000	479,908
<i>of which:</i>			
Sale of assets	203,000	1,330,071	471,428
Loan, etc, repayments	12,115	50,929	8,480
Total RfR 1	215,115†	1,381,000	479,908
<i>† Amount that may be applied as non-operating appropriations in aid, arising from: the recovery of income from the sale of fixed assets, including land and buildings and repayment of loans from the Trading Funds.</i>			
Total Non-Operating A in A	215,115	1,381,000	479,908

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000					
	2008-09		2007-08		2006-07	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Receipts relating to accrual interest on advances held by Agency of a foreign government for contractual purposes and sales of various goods and services •	-	-	55,000	55,000	56,326	-
Total	-	-	55,000	55,000	56,326	-

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	33,567,283	56,038	33,623,321
<i>of which:†</i>			
Administration budget	2,294,141	-	2,294,141
Near-cash in RDEL	22,626,830	286,552	22,913,382
Capital DEL††	7,870,045	851	7,870,896
Less Depreciation†††	-7,408,960	-9,486	-7,418,446
Total DEL	34,028,368	47,403	34,075,771

† 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 2008-09 of £34,525,951,000 is 7.5 per cent lower than the final net provision for 2007-08 of £37,313,670,000 and 8.6 per cent lower than the forecast outturn for 2007-08 of £37,793,448,000.

Cash which may be retained to offset expenditure

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 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.	1,457,903	2,890,706	1,990,747

Notes to the Main Estimate (*continued*)

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:

RfR/Section	Service	£'000
RfR1 Section A:	Royal Navy and Royal Marine Sports Control Board	121
RfR1 Section B:	Army Sports Control Board	425
RfR1 Section K:	RAF Sports Control Board	151
RfR1 Section D:	The Royal British Legion	231
RfR1 Section D:	The Scott Polar Institute	35
RfR3 Section B:	Cost of awards to surviving members of British groups held prisoner by the Japanese during the Second World War (Far Eastern Prisoners of War) or their surviving spouse	500

Notes to the Main Estimate (*continued*)

Grants in aid

RfR/Section	Body	£'000
Section O:	Navy and Maritime museums ♥	2,253
Section Q:	National Army Museum ♥	5,591
Section Q:	Royal Hospital, Chelsea ♥	9,487
Section T:	Royal Air Force Museum ♥	7,189
Section D:	Commonwealth War Graves Commission ♦	35,153
Section D:	Skill force	500
Section D:	Combined Reserve Forces Association	55,522

Notes to the Main Estimate (*continued*)

Contingent liabilities

Nature of Liability	£'000
Contingent liabilities valued in excess of £100,000, included within RfR1 are as follows:	
<u>Statutory Liabilities Charged To Resource Estimates:</u>	nil
<u>Non-Statutory Liabilities Charged To Resource Estimates:</u>	
1. Liability arising from the sale of Married Quarters estate to the Annington Group: to continue to provide utilities - mainly electricity, gas, water and sewerage services on repayment terms to sites that are surrendered in the first 25 to 28 years which depend on adjacent bases for these services; or to contribute to the cost of installing public utility services up to a maximum of £25M across the estate.	£17,538
2. Indemnity in relation to the disposal of Gruinard Island in the event of claims arising from the outbreak of specific strains of anthrax on the island.	Unquantifiable
3. Liabilities arising from insurance risk of exhibits on loan to the Army, Navy and RAF Museums.	£2,535
4. Indemnity to BAe Systems (formerly GEC Marconi and Vickers Shipbuilding & Engineering Limited (VSEL), Barrow) for third party claims.	Up to £140,000 per incident
5. Indemnity to Devonport Royal Dockyards Ltd (DRDL) in respect of nuclear risks under the Nuclear Installations Act, 1965.	Unlimited
6. Indemnity to the Babcock Group in respect of nuclear risks under the Nuclear Installations Act, 1965.	Unquantifiable
7. Residual liability for the remediation of unidentified contamination in parts of the former Rosyth Naval Base which has been sold to Rosyth 2000 PLC.	Up to £1,000
8. Indemnities to Devonport Royal Dockyards Ltd (DRDL) and to the Babcock Group in respect of non-nuclear risks resulting from claims for damage to property or death and personal injury to a third party.	Unquantifiable
9. Contractorisation of Atomic Weapons Establishment (AWE): Indemnity to Hunting - BRAE Ltd/AWE in respect of nuclear risks under the Nuclear Installations Act, 1965.	Up to £140,000 per incident
10. Contractorisation of AWE: Indemnity to AWE Management Ltd and AWE PLC in respect of Non-Nuclear Installations Act, 1965 nuclear risks resulting from claims for damage to property or death and personal injury to a third party.	Unquantifiable

11. Contractorisation of AWE: Indemnity to AWE Management Ltd in respect of non-nuclear risks covering employer's liability, property damage and business interruption, public and product liability.	Unquantifiable
12. Contractorisation of AWE: Indemnity to AWE Management Ltd and AWE PLC in respect of any employee having a claim on a personal insurance policy repudiated because of that employee's involvement with Nuclear Accident Response Team activities.	Unquantifiable
13. Indemnity to Rolls Royce Power Engineering, Derby for risks associated with the handling of fissile materials.	Up to £140,000 per incident
14. Non-insurance of the Rolls Royce Core Factory and associated Neptune Test reactor facility for third party risks.	Unquantifiable
15. Standard shipbuilding indemnity (in lieu of insurance) to GEC Marconi as part of the ASTUTE Class contract against loss damage and liability incurred by the submarine builder.	Unquantifiable
16. Standard indemnity to BAe Systems (formerly GEC Marconi and VSEL) in respect of fissile material intended for use on the VANGUARD and ASTUTE Classes contract.	Unquantifiable
17. Residual commercial contract claims liability arising out of the disbanding of DERA as a MOD trading agency and the formation of QinetiQ on 1 July 2001.	Unquantifiable
18. Residual employee disease liability arising out of the disbanding of DERA as a MOD trading agency and the formation of QinetiQ on 1 July 2001.	Unquantifiable
19. Residual public liability arising out of the disbanding of DERA as a MOD trading agency and the formation of QinetiQ on 1 July 2001.	Unquantifiable
20. Environmental losses incurred by QinetiQ arising from certain defined materials at specific properties before the formation of QinetiQ on 1 July 2001.	Unquantifiable
21. Provision of MOD support services to the Iraqi Ministry of Transport in opening Basra Airport	Unquantifiable
22. Supplementary personal life insurance cover for Service personnel (both Regulars and Reservists).	Unquantifiable
23. Indemnity to Rolls Royce Power Engineering against the possibility of unavoidable loss in the event of the termination of the agreement of the Naval Nuclear Propulsion Programme between MOD and the company.	Unquantifiable
24. Liability to reimburse British Aerospace if the company has to pay Iran for the use of design rights in the supply of Tracked Rapier to MOD.	5,000

25. The Armed Forces Memorial (AFM) MOD has an indemnity to the AFM trust.	3,300
26. Excavation of the wreck of HMS Sussex.	1,185
27. Indemnities to Devonport Royal Dockyard Ltd (DRDL) and to the Babcock Group in respect of loss or contamination of, or damage to property belonging or leased to, or in the custody of, the contractors and situated in the naval bases. (Indemnity includes loss of use, or loss of profit suffered by the contractor).	Unquantifiable
28. Indemnities to Devonport Royal Dockyard Ltd (DRDL) for ship repair insurance for claims in excess of the amount covered by the contractors' own insurance (clause 6 of the Devonport Enabling Agreement).	Unquantifiable
29. Indemnities to the Babcock Group for on-site claims and clean up costs relating to the west tip of Rosyth Dockyard as a result of environmental legislation.	Unquantifiable
30. Liability to compensate to Devonport Royal Dockyard Ltd (DRDL) and to the Babcock Group for significant changes to the Core refit programme at Devonport Dockyard.	Unquantifiable
31. Indemnities to Devonport Royal Dockyard Ltd (DRDL) in respect of certain costs in respect of pre-existing contamination in land at Devonport Dockyard before Vesting Day (13 March 1977).	Unquantifiable
32. Indemnity to Fleet Support Ltd against nuclear risks.	Unquantifiable
33. Indemnity to Fleet Support Ltd in the event that the company does not have the appropriate environmental discharge consents or waste management licence needed after vesting day (28 February 1988).	Unquantifiable
34. Indemnity to Fleet Support Ltd against loss or damage to MOD property arising from war risk, sonic boom, change in the water table and the erosion of the sea bed.	Unquantifiable
35. Indemnity to Fleet Support Ltd in respect of ship repair and property damage insurance claims in excess of the amount covered by the contractor's own insurance.	Unquantifiable
36. Indemnity to Fleet Support Ltd in respect of any contamination in existence before Vesting Day (28 February 1998).	Unquantifiable
37. Indemnity to Fleet Support Ltd in respect of any action, claims or proceedings by a third party for breach of infringement of Intellectual Property Rights.	Unquantifiable
38. Indemnity to Fleet Support Ltd in the event of any explosion or ignition of MOD owned ammunition or explosives resulting in the loss, or damage, or in a claim or proceedings against the company.	Unquantifiable
39. Indemnity to Fleet Support Ltd against any claims by an employee resulting from an act of omission before Vesting Day (28 February 1998).	Unquantifiable
40. Indemnity to Fleet Support Ltd to meet the extra list of unavoidable redundancies at Portsmouth.	Unquantifiable
41. Indemnity to Navy, Army and Air Force Institute against certain losses which they might incur as a result of MOD actions.	Unquantifiable

42. Indemnity to Rolls Royce against costs arising from nuclear contamination or any sort of pollution of their people and claims by third parties as a result of the deployment of the NATO Submarine Rescue Service.	94,000
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Notes to the Main Estimate (*continued*)

Staff Benefits

For the Financial Year 2008-09 TLB holders have delegated authority to make special bonus payments to civil staff, to either an individual or to a team, in recognition of exceptional performance in a one-off task/situation, or for achievement of a significant personal development activity. Awards will not exceed £2,000 per person, and will not exceed 0.4% of the civilian paybill for the TLB in total. TLB holders are also able to authorise non-cash awards, which include such items as retail outlet or theatre ticket vouchers. Individual awards will not exceed £50 and nor will they in total exceed 0.1% of the civilian pay bill for the TLB.

Notes to the Main Estimate (*continued*)**International Subscriptions**

RfR/Section	Body	£'000
Section D:	NATO Military Budgets	53,388
Section D:	NATO infrastructure projects	77,058
Section G:	UK Contribution to the Comprehensive Test Ban Treaty verification scheme	4,204

Notes to the Main Estimate (*continued*)

Gifts

For the Financial Year 2008-09 a sum of £32,000 has been allocated to the offices of Ministers and certain senior staff to present gifts to overseas, or UK-based, non-governmental dignitaries from whom they receive, or to whom they make, visits.