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# Office of Rail Regulation

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## Introduction

1. This Estimate provides for the expenditure of the Office of Rail Regulation (ORR) on the ambits of : a) administration, associated capital and other related costs (i.e. economic regulation); b) Rail Safety Regulation. Further details of the expenditure covered can be found in the Department for Transport Departmental Report (Cm 7095).
2. ORR, as the combined economic and safety regulator, is responsible for railway health and safety matters and the regulation of access to the railways and promotion of competition in the provision of rail services. It is also responsible for promoting efficiency and economy for those providing railway services and protecting the interests of railway service users. Responsibility for health and safety matters transferred from the Health and Safety Commission/Executive to ORR on 1 April 2006.
3. ORR's expenditure in respect of economic regulation is offset by income from Network Rail Infrastructure Limited in the form of licence fee payments. Expenditure in respect of safety regulation is either recovered from railway services providers by means of a levy based on relevant turnover or from recovery of cost incurred by the Channel Tunnel Safety Authority (CTSA).
4. Symbols are explained in the introduction to this booklet.

# Office of Rail Regulation

## Part I

	£
<b>Request for Resources 1: To create a better railway for passengers and freight, and better value for public funding authorities though independent, fair and effective regulation</b>	<b>2,000</b>
<b>Total net resource requirement</b>	<b>2,000</b>
<b>Net cash requirement</b>	<b>1,000</b>

Amounts required in the year ending 31 March 2008 for expenditure by the Office of Rail Regulation on:

**RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities though independent, fair and effective regulation**

Administration, capital expenditure and associated non-cash items

The **Office of Rail Regulation** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
<b>RfR 1</b>	<b>2,000</b>	-	<b>2,000</b>
<b>Total net resource requirement</b>	<b>2,000</b>	-	<b>2,000</b>
<b>Net cash requirement</b>	<b>1,000</b>	-	<b>1,000</b>

**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
<b>RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities through independent, fair and effective regulation</b>									
32,689	-	15	32,704	32,702	2	500	-	2	8,587
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A	Administration, associated capital and other expenditure								
13,817	-	7	13,824	13,823	1	500	-	1	-12,926
B	Rail Safety Regulation								
18,872	-	8	18,880	18,879	1	-	-	1	21,513
<b>Total for Estimate:</b>									
32,689	-	15	32,704	32,702	2	500	-	2	8,587

## Part II: Resource to cash reconciliation

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
<b>Net Resource Requirement</b>	2	2	8,587
<b>Voted capital items</b>			
Capital	500	500	4,403
Less Non-operating A-in-A	-	-	-
<b>Total net voted capital</b>	<b>500</b>	<b>500</b>	<b>4,403</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-119	-119	90
Depreciation	-961	-961	-1,072
New provisions and adjustments to previous provisions	-25	-25	-146
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-35	-35	-32
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	6	6	-
<b>Total accruals to cash adjustments</b>	<b>-1,134</b>	<b>-1,134</b>	<b>-1,160</b>
<b>Excess cash to be CFERd</b>	<b>633</b>	<b>1,461</b>	-
<b>Net Cash Requirement</b>	<b>1</b>	<b>829</b>	<b>11,830</b>

### 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):

	<b>£'000</b>					
	<b>2007-08</b>		<b>2006-07</b>		<b>2005-06</b>	
	<b>Provision</b>		<b>Provision</b>		<b>Outturn</b>	
	<b>Income</b>	<i>Receipts</i>	<b>Income</b>	<i>Receipts</i>	<b>Income</b>	<i>Receipts</i>
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	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	<i>633</i>	-	<i>1,461</i>	-	-
<b>Total</b>	-	<b>633</b>	-	<b>1,461</b>	-	-

## Forecast Operating Cost Statement

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
<b>Net Administration Costs</b>			
RfR 1	2	2	8,587
<b>Total Net Administration costs</b>	<b>2</b>	<b>2</b>	<b>8,587</b>
<b>Total Net Operating Cost</b>	<b>2</b>	<b>2</b>	<b>8,587</b>
<i>of which:</i>			
Net Resource Requirement	2	2	8,587
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-	-
<b>Resource Budget</b>	<b>2</b>	<b>2</b>	<b>8,600</b>

## 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
<b>Net Resource Requirement (Estimates)</b>	2	2	8,587
<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	-	-	-
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	2	2	8,587
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	-
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-	-	-
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Resource consumption of non departmental public bodies	-	-	-
Unallocated resource provision	-	-	-
Other adjustments	-	-	13
<b>Resource Budget (Budget)</b>	2	2	8,600
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	2	2	8,600
Annually Managed Expenditure (AME)	-	-	-

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
<b>Net Voted Capital (Estimates)</b>	500	500	4,403
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Capital spending by non-departmental public bodies	-	-	-
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	-	-
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	-	-	-
Other adjustments	-	-	-
<b>Capital Budget (Budget)</b>	500	500	4,403
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	500	500	4,403
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 appointment for the Request for Resources within this Estimate.

**Request for Resources 1:** Bill Emery, Permanent Head of Department

Bill Emery as the Principal Accounting Officer of the Office of Rail Regulation 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 Office of Rail Regulation.

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)

	<b>£'000</b>		
	<b>2007-08 Provision</b>	<b>2006-07 Provision</b>	<b>2005-06 Outturn</b>
<b>RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities though independent, fair and effective regulation</b>			
<b>Administration</b>	<b>32,702</b>	<b>32,702</b>	<b>18,789</b>
<i>of which:</i>			
Sale of goods and services	-	-	5,863
Regulatory licences, fines, penalties and taxes	32,702	32,702	12,926
<b>Total RfR 1</b>	<b>32,702†</b>	<b>32,702</b>	<b>18,789</b>
<i>† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: recoveries in respect of the administration of the Office of Rail Regulation, including charges for courses, officers loaned to other organisations; income from publications and Library service; travel costs recovered from the European Community (EC); income from recovery actions in connection with the successful outcome of Judicial review; and receipts of licence fees.</i>			
<b>Total Operating A in A</b>	<b>32,702</b>	<b>32,702</b>	<b>18,789</b>

## Notes to the Main Estimate (*continued*)

### Analysis of Consolidated Fund extra receipts

	<b>£'000</b>					
	<b>2007-08</b>		<b>2006-07</b>		<b>2005-06</b>	
	<b>Provision</b>		<b>Provision</b>		<b>Outturn</b>	
	<b>Income</b>	<b>Receipts</b>	<b>Income</b>	<b>Receipts</b>	<b>Income</b>	<b>Receipts</b>
Excess cash •	-	633	-	1,461	-	-
<b>Total</b>	-	<b>633</b>	-	<b>1,461</b>	-	-

## Notes to the Main Estimate (*continued*)

### Departmental Expenditure Limits and Administration budgets

	<b>£'000</b>		
	<b>Voted</b>	<b>Non-voted</b>	<b>Total</b>
Resource DEL	2	-	2
<i>of which:†</i>			
Administration budget	2	-	2
Near-cash in RDEL	-1,138	6	-1,132
Capital DEL††	500	-	500
Less Depreciation†††	-961	-	-961
Total DEL	-459	-	-459

† 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 and the final net provision of 2006-07 are both £2,000. This compares with a forecast outturn for 2006-07 of -£2,715,000.

### Cash which may be retained to offset expenditure

	<b>£'000</b>		
	<b>2007-08 Provision</b>	<b>2006-07 Provision</b>	<b>2005-06 Outturn</b>
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.	32,702	32,702	18,789

