

Office of Rail Regulation

Introduction

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

		Amount (£)	
		<u>Increases</u>	<u>Reductions</u>
<u>Changes in resources</u>			
RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities through independent, fair and effective regulation.			
<u>Section</u>	<u>Reason for change</u>		
		<u>Total</u>	
		-	-
	Total change in resources for RfR1	-	-
	Total change in resources for Estimate		-

Changes in Capital

<u>Section</u>	<u>Reason for change</u>	<u>Increases</u>	<u>Reductions</u>
<u>Changes related to movements in budgets</u>			
	<u>Take up of End Year Flexibility</u>	250,000	
A	The requirement for EYF is the result of slippage of an IT 'Wide Area Network' project. The project was budgeted for in 2006-07 but some of the work was carried over into the current financial year and last year's capital underspend will be used to meet the costs.		
		<u>Total</u>	
	Total change in capital for Estimate	250,000	-

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £ 250,000.
3. Symbols are explained in the Introduction to this booklet.

Office of Rail Regulation

Part I

	£
RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities through independent, fair and effective regulation.	-
Total additional net resource requirement	-
Additional net cash requirement	250,000

SUPPLEMENTARY 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 through independent, fair and effective regulation.

Administration, capital expenditure and associated non-cash items.

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

Part II: Changes proposed

Resources		Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	£'000
						New Net Provision
RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities through independent, fair and effective regulation.						
Spending in Departmental Expenditure Limits (DEL)						
RfR 1 - A	Administration, associated capital and other expenditure	1	-	-	-	1
RfR1 - B	Rail Safety Regulation	1	-	-	-	1
	Total RfR 1		-	-	-	
	Total Changes to RfRs		-	-	-	

Capital and Cash	Present Provision	Change in Provision	£000
			New Provision
Total Capital Expenditure	500	250	750
Non-Operating A in A	-	-	-
Net cash requirement	4,546	250	4,796

Part II: Revised subhead detail including additional provision

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities through independent, fair and effective regulation.								
32,689	-	15	32,704	32,702	2	750	-	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Administration, associated capital and other expenditure								
13,817	-	7	13,824	13,823	1	750	-	
B Rail Safety Regulation								
18,872	-	8	18,880	18,879	1	-	-	
Total for Estimate:								
32,689	-	15	32,704	32,702	2	750	-	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net Resource Requirement	2	-	2
Voted capital items			
Capital	500	250	750
<i>Less:</i> Non-operating A in A	<u>-</u>	<u>-</u>	<u>-</u>
Total net voted capital	500	250	750
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-119	-	-119
Depreciation	-961	-	-961
New provisions and adjustments to previous provisions	-25	-	-25
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-35	-	-35
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-	-	-
Increase(-)/decrease (+) in creditors	5,178	-	5,178
Use of provisions	<u>6</u>	<u>-</u>	<u>6</u>
Total accruals to cash adjustments	4,044	-	4,044
Excess cash to be CFERd	-	-	-
Net Cash Requirement	4,546	250	4,796

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

£'000

2007-08
provision

Net Administration Costs

RfR1

2**Total Net Administration Costs**

2

Net Programme Costs

RfR1

-**Total Net Programme costs**

-

Total Net Operating Cost

2

*of which:***Net Resource Requirement**

2

Non-voted expenditure

-

Consolidated Fund Extra Receipts

-

Resource Budget2

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2007-08 Provision
Net Resource Requirement (Estimates)	2
<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	-
Net Operating Costs (Accounts)	2
<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	-
Resource Budget (Budget)	2
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	2
Annually Managed Expenditure (AME)	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2007-08 Provision
Net Voted Capital (Estimates)	750
<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	-
Capital Budget (Budget)	750
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	750
Annually Managed Expenditure (AME)	-

Notes to the Estimate (*continued*)

Explanation of Accounting Officer responsibilities

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

Request for Resources 1 Bill Emery, permanent head of department

Bill Emery as the Accounting Officer of the Office for 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 AO as the permanent head, remains in general overall charge of the Office for Rail Regulation.

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 Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

	£'000
	2007-08 Provision
RfR 1: To create a better railway for passengers and freight, and better value for public funding authorities through independent, fair and effective regulation.	
Administration	32,702
<i>of which:</i>	
Sales of goods and services	-
Regulatory licences, fines, penalties and taxes	32,702
Total RfR1	32,702 †
<i>† Amount that may be applied as 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 Union (EU); income from recovery actions in connection with the successful outcome of Judicial review; and receipts of licence fees.</i>	
Total Operating A in A	32,702

Notes to the Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	-	-	2	-	2
<i>of which: †</i>					
Administration budget	-	-	2	-	2
Near-cash in RDEL	-	-	-1,138	6	-1,132
Capital DEL ††	250	-	750	-	750
Less Depreciation †††	-	-	-961	-	-961
Total DEL	250	-	-209	-	-209

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

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

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

Cash which may be retained to offset expenditure

	£'000
Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been or will be appropriated in aid	32,702