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# Postal Services Commission

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## Introduction

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

**RfR 1: Ensuring the provision of a universal postal service at a uniform tariff, protecting consumers and promoting competition**

**Increases:**

An increase in capital of £500,000 for costs of refurbishment of accommodation for additional staff (offset by a contribution from the Royal Mail Group); a consequential increase in depreciation of £100,000; a decrease in debtors of £98,000 and a decrease in creditors of £2,028,000

2. As a result of these changes there is an increase in the net cash requirement of £2,040,000.
3. Symbols are explained in the Introduction to this booklet.

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**Part I**

	£
<b>RfR 1: Ensuring the provision of a universal postal service at a uniform tariff, protecting consumers and promoting competition</b>	-
Total additional net resource requirement	-
<b>Additional net cash requirement</b>	<b>2,040,000</b>

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SUPPLEMENTARY amounts required in the year ending 31 March 2006 for expenditure by the Postal Services Commission on:

**RfR 1: Ensuring the provision of a universal postal service at a uniform tariff, protecting consumers and promoting competition**

Administrative, operational costs and associated non-cash items

The Postal Services Commission will account for this Estimate.

## Part II: Changes proposed

			£000
	Present Provision	Change in Provision	New Provision
<b>Capital and Cash</b>			
Total Capital Expenditure	150	500	650
Non-Operating A in A	-	-	-
<b>Net cash requirement</b>	<b>1</b>	<b>2,040</b>	<b>2,041</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 provision of a universal postal service at a uniform tariff, protecting consumers and promoting competition</b>								
10,160	-	-	10,160	10,159	1	650	-	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A Ensuring the provision of a universal postal service at a uniform tariff, protecting consumers and promoting competition								
10,160	-	-	10,160	10,159	1	650	-	
<b>Total for Estimate:</b>								
10,160	-	-	10,160	10,159	1	650	-	

## 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>1</b>	<b>-</b>	<b>1</b>
<b>Voted capital items</b>			
Capital expenditure	150	500	650
<i>Less: non-operating A in A</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Total net voted capital</b>	<b>150</b>	<b>500</b>	<b>650</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-40	-	-40
Depreciation	-400	-100	-500
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-	-98	-98
Increase(-)/decrease (+) in creditors	-	2,028	2,028
Use of provisions	-	-	-
<b>Total accruals to cash adjustments</b>	<b>-440</b>	<b>1,830</b>	<b>1,390</b>
<b>Excess cash to be CFERd</b>	<b>290</b>	<b>-290</b>	<b>-</b>
<b>Net cash requirement</b>	<b>1</b>	<b>2,040</b>	<b>2,041</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	-	-	500	<i>500</i>
Non-operating income not classified as A in A	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-
Excess receipts to be surrendered to the Consolidated Fund	-	<i>290</i>	-	-
<b>Total</b>	<b>-</b>	<b><i>290</i></b>	<b>500</b>	<b><i>500</i></b>

## Forecast Operating Cost Statement

		£'000
		2005-06 provision
<b>Net Administration Costs</b>		
RfR 1	<u>1</u>	
<b>Total Net Administration Costs</b>		<b>1</b>
<b>Net Programme Costs</b>		
RfR 1	<u>-</u>	
<b>Total Net Programme costs</b>		<b>-</b>
<b>Total Net Operating Cost</b>		<b>1</b>
<i>of which:</i>		
<b>Net Resource Outturn</b>		<b>1</b>
CFERs		-
Non-voted expenditure		-
<b>Resource Budget Outturn</b>		<b>-499</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>1</b>
<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 (CFERS) in the OCS	-
Other adjustments	-
<b>Net Operating Costs (Accounts)</b>	<b>1</b>
<i>Adjustments to remove:</i>	
capital grants to local authorities	-
capital grants financed from the Capital Modernisation Fund	-
European Union income and related adjustments	-
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	-
To reflect forecast resource underspend	-500
<b>Resource Budget Outturn (Budget)</b>	<b>-499</b>
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	-499
Annually Managed Expenditure (AME)	-

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2005-06 Provision
<b>Net Voted Capital Outturn (Estimates)</b>	<b>650</b>
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
capital spending by non departmental public bodies	-
capital grants to local authorities	-
capital grants financed by the Capital Modernisation Fund	-
local authority credit approvals	-
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	-
<b>Capital Budget Outturn (Budget)</b>	<b>650</b>
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	650
Annually Managed Expenditure (AME)	-

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## 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**                      Sarah Chambers, Chief Executive of the Commission

Sarah Chambers, as the Principal Accounting Officer (PAO) of the Postal Services Commission has personal responsibility for the proper presentation of the Postal Service Commission'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, in addition to the responsibilities for the assigned RfR, remains in general overall charge of the Postal Services Commission.

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 Postal Services Commission's 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 provision of a universal postal service at a uniform tariff, protecting consumers and promoting competition</b>		
Income from postal operators	10,159	-
<b>Total RfR 1</b>	<b>10,159 *</b>	<b>-</b>

\*Amount that may be applied as appropriations in aid in addition to the net total arising from income from postal operators

## Notes to the Estimate (*continued*)

### Departmental Expenditure Limits and Administration Budgets

As announced to the House of Commons, the Postal Services Commission Departmental Expenditure Limit will change as follows:

	Change	New DEL		£'000
		Voted	Non-voted	Total
Resource	-500	-499	-	-499
<i>of which :Administration Budget</i>	-	1	-	1
Capital	500	650	-	650
Depreciation*	-	-500	-	-500
Total	-	-349	-	-349

*\*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	10,159